



Foresight

FOR A SMARTER FUTURE

FORESIGHT VCT PLC

OFFER FOR SUBSCRIPTION

Offer for subscription to raise up to
£20 million with an over-allotment facility
to raise a further £10 million

Prospectus with Application Form
26 July 2021

Important Notice

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 intermediary authorised under the Financial Services and Markets Act 2000, as amended (FSMA).

This document constitutes a prospectus issued by Foresight VCT plc (Company) dated 26 July 2021 (Prospectus) in connection with an offer for subscription to raise up to £20 million, with an over-allotment facility to raise up to a further £10 million (Offer) through the issue of up to 48 million ordinary shares of 1p each in the capital of the Company (Offer Shares).

The Prospectus has been prepared in accordance with Regulation (EU 2017/1129) and has been approved by the Financial Conduct Authority (FCA) as the competent authority under Regulation (EU 2017/1129)/Prospectus (Amendment etc.) (EU Exit) Regulations 2019. The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU 2017/1129)/Prospectus (Amendment etc.) (EU Exit) Regulations 2019 and such approval shall not be considered as an endorsement of the quality of the securities or the issuer that are subject to the Prospectus.

This document has further been prepared in compliance with the Prospectus Regulation Rules made under FSMA (**Prospectus Regulation Rules**), English law and the rules of the FCA and the information disclosed may not be the same as that which would be disclosed if the Prospectus had been prepared in accordance with the laws of a jurisdiction outside England. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation Rules.

Summary information on the Company is also contained in its key information document (**Key Information Document**). Investors should make their own assessment as to the suitability of investing in the Offer Shares.

The Company and the directors of the Company (**Directors**) (whose names are set out on page 54) accept responsibility

for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

BDO LLP, which is authorised and regulated in the United Kingdom (**UK**) by the FCA, is acting as sponsor to the Company and no one else and will not be responsible to any other person for providing the protections afforded to customers of BDO LLP (subject to the responsibilities and liabilities imposed by FSMA and the regulatory regime established thereunder) in providing advice or in relation to any matters referred to in this document.

Foresight Group Promoter LLP (**Promoter**), which is an authorised representative registered in the UK with the FCA, is acting as promoter to the Company and no one else and will not be responsible to any other person for providing the protections afforded to customers of the Promoter (subject to the responsibilities and liabilities imposed by FSMA and the regulatory regime established thereunder) in providing advice or in relation to the Offer.

Shakespeare Martineau LLP, which is regulated in the UK by the Solicitors Regulation Authority, is acting as legal adviser to the Company and no one else and will not be responsible to anyone other than the Company for the advice in connection with any matters referred to herein.

None of the Offer Shares have been, nor will be, registered in the United States under the United States Securities Act 1933, as amended, (the **Securities Act**) or under the securities laws of Canada, Australia, Japan or South Africa (**Restricted Territories**) and each a **Restricted Territory**) and they may not be offered or sold directly or indirectly within the United States or any of the Restricted Territories or to, or for the account or benefit of US Persons (as defined in Regulation S made under the Securities Act) or any national, citizen or resident of the United States or any of the Restricted Territories. The Offer is not being made, directly or indirectly, in or into the United States or any of the Restricted Territories or in any other jurisdiction where to do so would

be unlawful. In particular, prospective investors who are resident in the United States or any Restricted Territory should note that this document is being sent for information purposes only. The distribution of this document or an Application Form in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of these restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities law of any such jurisdiction. An Application Form is not being and must not be forwarded to or transmitted in or into the United States or a Restricted Territory.

Application has been made to the FCA for the Offer Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange plc for such Offer 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 Offer Shares will commence within three business days following allotment. The Company's existing issued Shares are traded on the London Stock Exchange's main market for listed securities.

Copies of the Prospectus are available (and any supplementary prospectus published by the Company will be available) free of charge from the national storage mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>) and from the Promoter and Foresight Group LLP, the Company's manager, at The Shard, 32 London Bridge Street, London SE1 9SG (<https://www.foresightgroup.eu>).

The procedure for, and the terms and conditions of, application under the Offer are set out at the end of this document, together with an Application Form. The Offer opens on 26 July 2021 and will close for applications at 12.00 noon on 30 April 2022 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus.

Your attention is drawn to the Risk Factors on pages 9 to 10.

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Summary

1. Introduction, containing warnings

This summary should be read as an introduction to the prospectus issued by Foresight VCT plc (the **Company**) on 26 July 2021 (**Prospectus**) and any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

The securities (**Offer Shares**) being offered pursuant to the offer for subscription by the Company contained in the Prospectus (**Offer**) are ordinary shares of 1p each (ISIN: GB00B68K3716) (**Shares**).

The Company can be contacted by writing to the Company secretary, Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG or by calling, within business hours 0203 667 8181.

The Legal Entity Identity number (**LEI**) for the Company is 213800GNTY699WHACF46.

The Prospectus was approved on 26 July 2021 by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN. Contact information relating to the Financial Conduct Authority can be found at <https://www.fca.or.uk/contact>.

2. Key information on the issuer

2.1. Who is the issuer of securities?

The Company is a public company with limited liability incorporated in England and Wales and domiciled in the United Kingdom.

The Company operates under the Companies Act 2006 (**CA 2006**) and regulations made thereunder.

HMRC has granted approval of the Company as a Venture Capital Trust (**VCT**) under section 259 of the Income Tax Act 2007 (as amended). The business of the Company has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full VCT approval.

The LEI for the Company is 213800GNTY699WHACF46.

The Company does not have any major shareholders and to the best of the knowledge and belief of the directors of the Company (**Directors**), the Company is not directly controlled by any other party and at the date of the Prospectus, there are no arrangements in place that may, at a subsequent date, result in a change of control of the Company.

The board of Directors is comprised of Margaret Littlejohns (Chair), Patricia Dimond, Jocelin Harris and Gordon Humphries (the **Board**).

Foresight Group LLP (**Manager**) has been appointed as the Company's investment manager, administrator and Company secretary.

Deloitte LLP acts as auditor to the Company. Deloitte LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

2.2 What is the key financial information regarding the issuer?

2.2.1 Selected historical financial information

2.2.1.1 Information relevant to closed end funds (as at 31 December 2020 (audited), unless otherwise stated)

Share class	Net assets	No. of Shares	NAV Share	Historical performance
Ordinary	£151.8m	205,954,017	73.7p	79.6p (NAV as at 31 March 2021) (unaudited)
Total	£151.8m	205,954,017	73.7p	

2.2.1.2 Income statement for closed end funds

	Year ended 31 December 2020 (audited) (£'000 unless otherwise stated)
Investment Income	£1,844
Total income before operating expenses	£6,679
Profit on ordinary activities before taxation	£3,380
Performance fee (accrued/paid)	£nil
Investment management fee (accrued/paid)	£2,719
Any other material fees (accrued/paid) to service providers	£350
Earnings per Share	1.7p
Dividends paid per Share (in the period)	3.3p
Total assets	£151,917
NAV per Share	73.7p

2.1.1.3 Balance sheet for closed end funds

	Year ended 31 December 2020 (audited)
Total net assets	£151.8m
NAV per Share	73.7p

2.2.2 Pro forma financial information

There is no pro forma financial information in the Prospectus.

2.2.3 Qualifications to audit reports

There were no qualifications in the audit report for the Company in respect of the year ended 31 December 2020.

2.3 What are the key risks that are specific to the issuer?

- There is no guarantee that the Company will meet its objectives or that suitable investment opportunities will be identified to enable the Company to meet its objectives. The ability to achieve returns for the Company's Shareholders (Shareholders) will be dependent on the investment opportunities sourced by the Manager and the performance of such investments. The past performance of the Company and/or other funds managed or advised by the Manager should not be regarded as an indication of the future performance of the Company.
- Investment in unquoted companies by its nature involves a higher degree of risk than investment in companies listed on the Official List. In particular, small companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals and they may be more susceptible to political, exchange rate, taxation, economic and other regulatory changes and conditions.
- Changes to the VCT legislation since 2015 introduced a number of restrictions and conditions designed to ensure that funds are invested in smaller, younger businesses targeting growth and development and where capital is at risk. These may limit the number of investment opportunities available in the future compared to previously and such companies are likely to have a higher risk profile than (and increased volatility of future returns from) investee companies within the previous portfolio of the Company.
- Whilst it is the intention of the Board that the Company will continue to be managed so as to qualify as a VCT, there can be no guarantee that such status will be maintained. Failure to continue to meet the qualifying requirements could have adverse tax consequences for investors and the Company.
- Any change of governmental, economic, fiscal, monetary or political policy, including government spending reviews, levels of unemployment, stock market volatility, consumer confidence, inflation and changes to the current level of interest rates could materially affect the operation and performance of the Company and/or investee companies and/or the value of, and returns from, the Shares and/or the Company's ability to achieve or maintain VCT status.
- Economic and global political uncertainty, including the continuing impact of Brexit, the COVID-19

Summary

pandemic and potential low levels of economic growth, continues to present significant challenges and is adversely affecting, and may continue to adversely affect, the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company. This may also negatively impact the number or quality of investment opportunities available to the Company.

- It is also possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the future viability of the Company and/or the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company.
- The Company invests in illiquid assets. It may not be possible to dispose of investments to generate funds to cover the Company's expenses (which may have an adverse impact on the solvency of the Company) and/or to pay dividends and/or buyback Shares (which may have an adverse impact on Shareholder returns).

3 Key information on the securities

3.1 What are the main features of the securities?

3.1.1 Description and class of securities

The Offer Shares are ordinary shares of 1p each (ISIN: GB00B68K3716).

The Company's share capital comprises ordinary shares of 1p (GBP) each.

As at the date of this document there are 203,113,554 Shares in issue (all fully paid up). The maximum number of Offer Shares to be issued pursuant to the Offer is 48 million.

3.1.2 Rights attaching to the securities

The Offer Shares will rank equally in all respects with each other and the existing Share capital of the Company from the date of issue.

There are no restrictions on the transferability of the Shares.

3.1.3 Dividend policy

The Board will endeavour to pay annual dividends of at least 5% of the NAV per Share. The aim of the Board and the Manager is for future investment performance to support this level of distribution, whilst also maintaining the NAV per Share on a year on year basis. In the event that significant realised gains arise on sales of investments greatly in excess of their carrying value, the Board will consider payment of special dividends.

3.2 Where will the securities be traded?

Application has been made to the FCA for the Offer Shares to be listed on the premium segment of the Official List and will be made to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities. It is anticipated that dealings in the Offer Shares will commence within three business days following allotment.

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

- The value of Shares, and the income from them, can fluctuate and shareholders may not get back the amount they invested. The NAV of the Shares and the return received by shareholders will be dependent on the performance of the underlying investments. The value of such investments, and interest income and dividends therefrom, may rise or fall.
- Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Shareholders wishing to realise their investment will be required to dispose of their Shares on the stock market and the ability to sell Shares at or close to net asset value will depend on the existence of buyers for the Shares and the market price of the Shares.
- Although the existing Shares have been (and it is anticipated that the Offer Shares will be) admitted to the

premium segment of the Official List and are (or will be) traded on the London Stock Exchange's market for listed securities, the secondary market for VCT shares is generally illiquid. Shareholders may, therefore, find it difficult to realise their investment. An investment in the Company should be considered as long-term.

- The Shares are likely to trade at a discount, which could widen, for a variety of reasons and 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 Share.
- A shareholder who disposes of Shares within five years of issue will be subject to clawback by HMRC of any income tax reliefs originally claimed on subscription. Any realised losses on a disposal of Shares cannot be used to create an allowable loss for capital gains tax purposes.

4 Key information on the offer of securities to the public and/or the admission to trading on a regulated market

4.1 Under which conditions and timetable can I invest in the securities?

4.1.1 Terms and Conditions

The Company is seeking to raise up to £20 million (with over-allotment facility of raise up to a further £10 million) through the issue of up to 48 million Offer Shares pursuant to the Offer. If the Board decides (in consultation with the Manager) to utilise the over-allotment facility (in whole or part) this will be advised through a regulatory information service announcement.

Investors are invited to subscribe for an amount in pounds sterling rather than apply for a particular number of Offer Shares. Applicants must subscribe a minimum in aggregate of £3,000.

The number of Offer Shares to be allotted to a successful applicant is determined by dividing the investment amount by the Offer price derived from the Pricing Formula below:

$$\text{Offer Price} = \text{NAV} \div X$$

where:

NAV = the most recently published NAV per Share on the day of the allotment, adjusted for dividends declared and for which the record date for payment has passed at the time of allotment; and

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

Total Net Fees means, as applicable, the Direct Offer Costs (as defined and explained below) and any initial commission to financial intermediaries (3% of the investment amount, less any amount waived) or up-front adviser charge (up to 4.5% of the investment amount) for the relevant investor, expressed as a percentage of the amount subscribed.

The Pricing Formula for all investors is based on the latest announced net asset value per Share to which are added applicable up-front costs to generate a bespoke Offer price for each individual investor. As a result, the Offer is not expected to have any material dilutive effect on an existing shareholder's net asset value per share.

4.1.2 Expected Timetable

The Offer opens on 26 July 2021 and will close for applications at 12.00 noon on 30 April 2022 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the discretion of the Board). The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus. If the Board decides (in consultation with the Manager) to extend the Offer this will be advised through a regulatory information service announcement.

4.1.3 Details of Admission

Application has been made to the FCA for the Offer Shares to be listed on the premium segment of the Official List and will be made to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities. It is anticipated that dealings in the Offer Shares will commence within three business days following allotment.

4.1.4 Distribution

The Offer Shares will be available to be issued in either registered form (i.e. certificated) or electronic form (i.e. via CREST). Where applicable, share certificates are expected to be dispatched by post within ten business days of allotment.

4.1.5 Dilution

If the full 48 million Offer Shares available are allotted pursuant to the Offer, the interests of the existing Shareholders who hold 203,113,554 Shares would represent 80.9% of the enlarged issued share capital, assuming no participation in the Offer by existing shareholders of the Company.

4.1.6 Expenses of the Offer

4.1.6.1 Offer expenses

The Company will pay Foresight Group Promoter LLP (**Promoter**) the Promoter a fee (**Direct Offer Costs**) equal to (i) 2.5% of the amount subscribed by retail client investors, professional client investors and execution-only investors (these being investors who apply using a financial intermediary) and (ii) 5.5% of the amount subscribed by direct investors (these being investors who apply without using a financial intermediary). The relevant amount of Direct Offer Costs will be borne by the investor through the Pricing Formula.

In respect of each investor, the Promoter's fees will, where relevant, be reduced by any discounts the Promoter may agree to offer any particular investor or group of investors (i.e. the Direct Offer Costs applicable to the investor are reduced which will increase the number of Offer Shares to be issued to that investor). In consideration of such fee, the Promoter (as guaranteed by the Manager) will meet all of the costs of the Offer other than financial intermediary commissions, adviser charges and any payment to an investor in connection with adviser charges (as referred to below).

Initial commission to financial intermediaries will be paid by the Company but borne by the investor through the Pricing Formula. No trail commission will be paid in respect of this Offer.

The Company will facilitate up-front adviser charges (up to 4.5% of the investor's subscription amount) to the extent an investor requests this from a payment to the investor which is taken into account in the Pricing Formula. Ongoing adviser charges must be settled by an investor direct.

The Direct Offer Costs (together with financial intermediary initial commissions and payments to investors from which up-front adviser charges will be facilitated) will, therefore, be the maximum costs incurred by the Company in relation to the Offer, but borne by investors through the Pricing Formula.

The Company may require additional Shareholder authorities in order to utilise the over-allotment facility in full and issue Offer Shares to the maximum of 48 million Offer Shares. The costs related to seeking such shareholder authorities are regarded as general Company expenditure and will be borne by the Company and are not costs relating to the Offer.

4.1.6.2 Expenses charged to the investor

The Direct Offer Costs and, as applicable, any initial commission to financial intermediaries or up-front adviser charge are expected to be the only up-front costs and charges an investor will (directly and indirectly) bear.

4.2 Why is this Prospectus being produced?

4.2.1 Reasons for the Offer

The Company is raising further funds through the Offer in order to maintain and expand the Company's portfolio of investments in UK small and medium-sized enterprises. The Manager continues to see a significant number of high quality investment opportunities.

The additional funds raised will allow the Company to take advantage of these investment opportunities, maintain its dividend policy and support its running costs.

Summary

4.2.2 The use and estimated net amount of proceeds

The net proceeds of the Offer will be pooled with the existing cash resources of the Company and used to make new and follow-on investments in accordance with its investment policy, as well as being used to fund dividends, make market purchases of Shares and meet annual running costs.

Assuming full subscription under the Offer utilising the full amount of the over-allotment facility, and assuming that all successful applicants are Direct Investors (who are not entitled to any discounts), the Direct Offer Costs (there being no other applicable costs in these circumstances) would be £1.650 million and the net proceeds would be £28.350 million.

There is no minimum aggregate subscription level on which the Offer is conditional and the Offer is not underwritten.

4.2.3 Conflicts of interest

The Manager's fees are based on a percentage of net assets and, therefore, there is an inherent conflict in the valuations it proposes in relation to investments. This conflict is managed by the valuation of investments being reviewed and approved by the Board.

Where the Company invests in companies in which other funds managed or advised by the Manager and companies and undertakings within the same group have invested or are investing, conflicts of interest may arise and the Board will exercise its judgement in managing such conflicts. In such circumstances, the Manager and companies and undertakings within the same group 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.

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

Risk Factors

Investors should consider carefully the following risk factors 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 operation. Additional factors which are not presently known to the Directors, or that the Directors currently deem immaterial, may also have an effect on the Company's business, financial condition or results of operations.

The value of the Shares could decline due to any of the risk factors described below and investors could lose part or all of their investment. Investors should consider consulting an independent financial adviser authorised under FSMA.

Risks Relating to the Offer Shares

The value of Shares, and the income from them, can fluctuate and Shareholders may not get back the amount they invested. The past performance of the Company and/or other funds managed or advised by the Manager should not be regarded as an indication of the future performance of the Company. The NAV of the Shares and the return received by Shareholders will be dependent on the performance of the underlying investments. The value of such investments, and interest income and dividends therefrom, may rise or fall. The level and timing of distributions to Shareholders is not guaranteed.

Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Shareholders wishing to realise their investment will be required to dispose of their Shares on the stock market. Accordingly, the ability of Shareholders to sell their Shares at or close to net asset value will depend on the existence of buyers for the Shares and the market price of the Shares.

Although the existing Shares have been (and it is anticipated that the Offer Shares will be) admitted to the premium segment of the Official List and are (or

will be) traded on the London Stock Exchange's market for listed securities, the secondary market for VCT shares is generally illiquid. Shareholders may, therefore, find it difficult to realise their investment. An investment in the Company should be considered as long-term.

The Shares are likely to trade at a discount, which could widen, for a variety of reasons and 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 Share. Some of the reasons that may lead to the shares trading at a discount include the fact that initial subscription tax reliefs are not available for VCT shares bought in the secondary market or, 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. Prospective investors should note that, historically, the Shares have traded at a discount.

Investment Strategy Risks

There is no guarantee that the Company will meet its objectives or that suitable investment opportunities will be identified to enable the Company to meet its objectives. The ability to achieve returns for Shareholders will be dependent on the investment opportunities sourced by the Manager and the performance of such investments.

Investment in unquoted companies (including AIM and Aquis traded companies) by its nature involves a higher degree of risk than investment in companies listed on the Official List. In particular, small companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals. They may be more susceptible to political, exchange rate, taxation, economic and other regulatory changes and conditions. In addition, the market for securities in smaller companies may

be less regulated and is usually less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities. Proper information for determining their value or the risks to which they are exposed may also not be available. Investment returns will, therefore, be uncertain and involve a higher degree of risk than investments in companies listed on the Official List.

Changes to the VCT legislation since 2015 introduced a number of restrictions and conditions designed to ensure that funds are invested in smaller, younger businesses targeting growth and development and where capital is at risk. A summary of the key investment conditions and restrictions are set out in Part VI of this document. These may limit the number of investment opportunities available in the future compared to previously and such companies are likely to have a higher risk profile than (and increased volatility of future returns from) investee companies within the previous portfolio of the Company which were invested in before the major rule changes in 2015. Further changes to VCT legislation, in particular investment restrictions and conditions, may restrict or adversely affect the Company's ability to meet its objectives and/or reduce the level of returns which might otherwise be achievable.

There may be constraints imposed on the realisation of investments in order to maintain the VCT tax status of the Company, which may restrict the Company's ability to obtain maximum value from its investments which may adversely affect the value and/or returns from Shares.

Sustainability risk may have a negative impact on the value of the Company's investments. Sustainability risk is the risk that an environmental, social or governance event or condition could cause a material negative impact on the value of an investee company. Sustainability risk is considered as part of the pre-investment due diligence and is monitored on an ongoing basis during the holding period.

Risk Factors

VCT and Tax Risks

A Shareholder who disposes of Shares within five years of issue will be subject to clawback by HMRC of any income tax reliefs originally claimed on subscription. Any realised losses on a disposal of Shares cannot be used to create an allowable loss for capital gains tax purposes.

Whilst it is the intention of the Board that the Company will continue to be managed so as to qualify as a VCT, there can be no guarantee that such status will be maintained. Failure to continue to meet the qualifying requirements could result in Shareholders losing the tax reliefs available for VCT shares, resulting in adverse tax consequences including, if the holding has not been held for the relevant holding period, a requirement to repay the income tax relief obtained. Furthermore, should the Company lose its VCT status, dividends and gains arising on the disposal of Shares would become subject to tax and the Company would also lose its exemption from corporation tax on its capital gains.

Where the European Commission believes that state aid has been provided prior to 1 January 2021 which is not in accordance with the Risk Finance Guidelines, it may require that the UK Government recovers that state aid. There is currently no mechanism for this, but recovery may be from the investee company, the VCT or the VCT's shareholders and this may have an adverse effect on Shareholder returns. From 1 January 2021, the requirement to recover unlawful state aid will be the remit of the UK Government (in compliance with its ongoing arrangements with the EU).

The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively, which may affect tax reliefs obtained by Shareholders and the VCT status of the Company.

Other Risks

Any change of governmental, economic, fiscal, monetary or political policy,

including government spending reviews, levels of unemployment, stock market volatility, consumer confidence, inflation and changes to the current level of interest rates could materially affect the operation and performance of the Company and/or investee companies and/or the value of, and returns from, the Shares and/or the Company's ability to achieve or maintain VCT status.

Economic and global political uncertainty, including the continuing impact of Brexit, the COVID-19 pandemic and potential low levels of economic growth, continues to present significant challenges and is adversely affecting, and may continue to adversely affect, the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company. This may also negatively impact the number or quality of investment opportunities available to the Company.

It is also possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the future viability of the Company and/or the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company.

The Company invests in illiquid assets. It may not be possible to dispose of investments to generate funds to cover the Company's expenses (which may have an adverse impact on the solvency of the Company) and/or pay dividends and/or buyback Shares (which may have an adverse impact on shareholder returns).

The Articles provide the opportunity for Shareholders to vote on the continuation of the Company at the annual general meeting falling after the fifth anniversary of the last allotment of Shares in the Company and thereafter at five yearly intervals. The allotment of Offer Shares will, therefore, defer (in accordance with the Articles) the opportunity for Shareholders to vote on the continuation of the Company for at least five years and, as a result, both new

and existing Shareholders may have to wait longer, if there are no buyers in the market, to realise their holdings in the Company.

The Company has a board of non-executive directors and no employees and is, therefore, dependent on the provision of investment management and administration services by the Manager. If the Manager ceases to provide such services to the Company or if key personnel cease to be employed by the Manager, there is no assurance that suitable replacements will be found. Such circumstances may have an adverse effect on the performance of the Company and the value of its Shares.

The Company's assets and accounting records could be at risk in the absence of effective internal control regimes at its service providers. Although these systems of internal controls are reviewed by the Company, these review procedures are designed to manage, rather than eliminate, risk and by their nature can only provide reasonable, but not absolute assurance, against material misstatement or loss which may have an adverse effect on the performance of the Company and the value of its Shares.



Expected Timetable, Statistics and Costs

Indicative offer timetable

Offer opens	▶	26 July 2021
Early Bird Discount closes	▶	30 September 2021
First allotment of Offer Shares	▶	October 2021 (thereafter at the discretion of the Board)
Admission of, and dealings in, Offer Shares to commence	▶	3 business days following allotment
Share certificates and tax certificates to be dispatched	▶	10 business days following allotment
Offer closes for Applications for the 2021/2022 tax year	▶	12.00 noon on 4 April 2022
Offer closes for Applications for the 2022/2023 tax year	▶	12.00 noon on 30 April 2022

The Offer will close for Applications earlier than the dates stated if it is fully subscribed or otherwise at the Board's discretion. The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus. The Board further reserves the right to accept applications and allot and arrange for listing of Offer Shares as it sees fit.

Offer statistics

Maximum amount to be raised	▶	£20 million (with an over-allotment facility for up to a further £10 million*)
Maximum number of Offer Shares to be issued	▶	48 million
Investor's minimum investment (in aggregate if an application is for both tax years)	▶	£3,000
NAV per Share as at 31 March 2021 (unaudited)**	▶	79.6p

* If the Board, in consultation with the Manager, decides to utilise the over-allotment facility (in whole or part), this will be advised by way of a RIS Announcement.

** This being the latest published NAV per Share.

Offer costs and commissions*

Retail Client Investors

Direct Offer Costs**	▶	2.5%
Up-front adviser charges**	▶	Variable
Ongoing adviser charges	▶	Variable

Adviser charges must be agreed between an investor and his or her adviser and paid for by the investor. The payment of up-front adviser charges (up to 4.5%) can be facilitated by the Company. Up-front adviser charges in excess of 4.5% and ongoing adviser charges will need to be settled directly by the investor.

Professional Client Investors and Execution-Only Investors***

Direct Offer Costs**	2.5%
Initial commission to financial intermediaries**	3.0%

Direct Investors

Direct Offer Costs**	5.5%
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* Expressed as a percentage of an investor's subscription.

** The Pricing Formula takes into account an investor's up-front costs (i.e. Offer costs and, if applicable, up-front adviser charges or initial commission to financial intermediaries) in determining a bespoke Offer price for each investor.

*** No trail commission to financial intermediaries will be paid in respect of this Offer.

Offer Discounts*

Early Bird Discount

Applicable in respect of valid Applications received before 5.30 pm on 30 September 2021	▶	1.0%
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Existing Foresight VCT Shareholder Loyalty Discount

Available to any investor who currently holds shares in any VCT managed or advised by The Foresight Group (subject to the discretion of the Promoter)**	▶	0.5%
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* Expressed as a percentage of an investor's subscription.

** The Existing Foresight VCT Shareholder Loyalty Discount is available in addition to the Early Bird Discount.

Annual charges and expenses*

Annual Investment Management Fees	▶	2.0% (1% on cash in excess of £20 million)
Annual Administration Fees	▶	£123,677 (subject to annual RPI uplift)
Annual Expenses**	▶	2.1% for year ended 31 December 2020 (capped at 2.4%)
Performance Incentive Fees and Co-Invest Arrangements	▶	see pages 59 and 60

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

** These being the normal annual running costs exclude performance incentive fees, historic trail commission and exceptional items.

Letter from the Chair

Dear Investor

On behalf of the Board, I am delighted to introduce this new offer to invest in the Company.

The Company is seeking to raise an additional £20 million of capital (with an over-allotment facility for up to a further £10 million) through the issue of new Shares in order to maintain and expand the Company's portfolio of investments in UK small and medium-sized enterprises (SMEs).

Background

Impact of the COVID-19 pandemic

Whilst market conditions and the COVID-19 pandemic made 2020 a challenging year, overall the companies within the portfolio have weathered the storm well.

After a sharp drop in portfolio value in the quarter to March 2020 at the peak of uncertainty around COVID-19, the Company's portfolio, in aggregate, saw a recovery, as many of the portfolio companies successfully navigated the new economic landscape, with some performing extremely strongly and some continuing to be adversely impacted by COVID-19.

Throughout this period, the Company's manager, Foresight Group LLP, (Manager) increased their oversight of the portfolio companies by working more closely with all the businesses and guiding their management teams to minimise any adverse impact of the COVID-19 pandemic. It is a great credit to the quality of the management of the portfolio companies that the fallout from the pandemic on these companies has not been more significant.

The Manager had expected that some of the portfolio companies would need additional capital to support them through difficult trading conditions resulting from the various lockdowns. However, the portfolio has remained relatively resilient and it has not been necessary so far for the Company to invest any COVID-19 related follow-on funding in any of the companies in the portfolio.

Many companies took advantage of Government support, such as the furlough scheme and the Coronavirus Business Interruption Loan Scheme, which reduced the need for additional equity injection. As these schemes unwind, and while the economic climate remains difficult, the Manager anticipates significant requirements for follow-on investment in the coming months.

2020 year

As at 31 December 2020 the net assets of the Company were £151.8 million, which is in line with the Board's objective of developing the net assets of the Company to a level in excess of £150 million.

Whilst the NAV per Share decreased from 76.5p to 73.7p, the Total Return performance over the year (NAV movement plus the dividend of 3.3p paid during the year) was 0.5p or 0.7%. The offer for subscription launched in January 2020 also raised £24.2 million net of expenses.

The Company started 2020 with approximately 90% of its assets invested in a range of unquoted growth capital investments. The Board and the Manager believe that these investments will continue to mature and help improve the future rate of growth in NAV.

In light of the pandemic, deployment of funds into new investments has been slower than the targeted £12 million to £18 million each year. Opportunities increased following the first lockdown and the Manager completed three new investments and three growth focused follow-on investments at a cost of £4.6 million and £3.1 million respectively. All of these new investments were completed in December 2020.

Recent performance

The first quarter of 2021 has continued to see the companies in the portfolio doing well.

As at 31 March the net assets of the Company have increased to £163.9 million (an increase of 8.0% since 31 December 2020). Similarly, the NAV per Share has increased to 79.6p (an increase of 5.9p since 31 December 2020). The Total Return performance in respect of the 12 month period to 31 March 2021 was 16.3p or 24.5%. This is before the dividend of 3.7p per Share paid in June 2021. Performance over the last five years is detailed on page 23 of this document.

In addition, the Manager is continuing to see good opportunities as the economy starts to recover and is confident that the investment deployment objective can be achieved in the year ahead. It will be important to be able to continue to support the existing portfolio where

there is growth potential, as well as continue to make new investments and grow the portfolio.

We also believe that there continues to be appetite from investors to invest in the Company.

It is against the above backdrop that the Board has decided to raise further funds.

Strategy

The Board believes that it is in the best interests of Shareholders to continue to pursue a strategy which includes the following four key objectives:

- further development of the net assets of the Company to maintain a level in excess of £150 million;
- payment of an annual dividend of at least 5% of the NAV per Share and at the same time endeavouring to maintain the NAV per Share on a year on year basis;
- implementation of a significant number of new and follow on qualifying investments every year; and
- maintain a programme of regular share buy backs at a discount in the region of 10% to the prevailing NAV per Share.

The Board and the Manager also remain committed to maintaining the normal annual running costs of the Company at a competitive level (these being the normal expenses incurred in its ordinary course of business). The annual expenses for the year ended 31 December 2020 were an amount equal to approximately 2.1% of the net assets at that date.

Central to the Company being able to achieve these objectives is the ability of the Manager to source and complete attractive new qualifying investment opportunities.

Whilst this task has not been made easier by the changes to VCT legislation since 2015, which (amongst other requirements) place greater emphasis on growth or development capital investment into younger companies, the Company is fortunate in that it has pursued a policy of seeking growth capital investments for several years prior to the rule changes and the Manager has an established track record in this area.

The Manager

The Manager has a specialist focus on investment opportunities in growing UK headquartered companies with enterprise values typically between £5 million and £25 million.

Established VCT recognition

In recent years, the Manager's reputation as a VCT manager has been recognised by being awarded 'Best Generalist VCT' at the Investment Week Tax Efficiency Awards 2018/19 and being commended under the 'Best Venture Capital Trust Provider' category at the Investment, Life & Pensions Moneyfacts Awards 2020. This recognition reflects the investments made and the achievements of the Manager's Private Equity Team members and the Manager as a whole.

Regional funds

In addition to its established reputation in the area of growth and development capital investment, the Manager has rolled out a successful regional private equity strategy across the UK and now manages six institutional regional funds from six regional offices in addition to its London HQ. These regional funds pursue similar investment mandates to that of the Company and as a result offer a complementary and valuable additional source of co-investment capital.

The Board and the Manager believe that the Company can benefit both from the superior value which may be found in deals from the regions outside the competitive London and south east region and from the greater flexibility of transaction types open to it through co-investment opportunities.

The Manager has a long history of supporting innovative and entrepreneurial businesses using its extensive network of non-executive directors and entrepreneurs, and the Manager's Private Equity Team is well positioned to introduce senior resources to investee companies to optimise opportunities for commercial success.

Regional network

The Manager's established network of corporate finance advisers and intermediaries provides access to many interesting business opportunities.

Letter from the Chair

The Manager and companies and undertakings within the same group (The Foresight Group) have also established an enviable reputation for its Environmental, Social and Governance (ESG) oriented investment approach, most obviously visible in its renewable energy infrastructure portfolio of projects.

ESG focus

The Foresight Group applies the same ESG approach to all small and medium sized investments including those made for the Company, assessing every investment opportunity against a set of ESG principles that ensure the portfolio abides by the highest standards of corporate social responsibility prior to investment and throughout the investment period.

The Offer

This Offer provides Shareholders and new investors with the opportunity to invest in the Company, gaining immediate access to a diversified portfolio of more than 40 trading companies, many of which are making good progress and generating revenues.

The VCT Scheme was introduced in 1995 to incentivise UK tax payers to invest in early-stage UK companies. Since that time, VCTs have raised over £9 billion. VCTs offer Qualifying Investors (subject to annual investment limits) three attractive tax reliefs:

- up to 30% up-front income tax relief (on the amount subscribed for new shares and subject to the shares being held for a minimum of five years);
- tax-free dividends; and
- tax-free capital gains.

The Offer opens on 26 July 2021 and will close for Applications at 12.00 noon on 4 April 2022 in respect of the 2021/2022 tax year and 12.00 noon on 30 April 2022 in respect of the 2022/2023 tax year (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). Offer Shares will be issued using a Pricing Formula that takes into account the costs incurred by an investor to create a bespoke Offer price.

Applications received by 5.30 pm on 30 September 2021 will receive a discount of 1%. In addition, applications from any investor who currently holds shares in any VCT managed or advised by The Foresight

Group (subject to the discretion of the Promoter) will receive a loyalty discount of 0.5%. Further details of the Early Bird Discount and the Existing Foresight VCT Shareholder Loyalty Discount are set out on page 52 of this document.

The Board and the Manager have for some time considered that, despite market practice, trail commission should not be borne by the Company and its Shareholders and, as a result, have decided that no such commission will be paid in respect of this Offer. For the avoidance of doubt, the Company will continue to bear the costs of trail commission from previous fundraisings.

The additional funds raised will allow the Company to maintain liquidity levels to take advantage of investment opportunities, maintain its dividend policy and support its running costs. The regular outgoings of the Company, made up chiefly of dividend payments, management fees and the cost of buying back shares, amount to approximately £14 million per annum. The Company also seeks to make new investments totalling between £12 million and £18 million per annum.

Despite the reduced investment activity and level of dividends during 2020, the Board anticipates that the current cash resources of the Company, together with funds raised from this Offer, should be substantially deployed by the Manager over the following 18 to 24 months based on the recent increased activity and opportunities.

More details relating to the Company, The Foresight Group and the Offer are set out in the following pages.

We very much hope that existing Shareholders will add to their holdings and look forward to welcoming new investors.

Yours faithfully

Margaret Littlejohns
Chair





Investment Opportunity

The Manager has an established and proven investment process developed over 35 years of activity and continues to experience strong deal flow.

The opportunity

The Manager has a specialist focus on investment opportunities in growing

UK headquartered companies with enterprise values typically between £5 million and £25 million.

Key requirements include strong management teams, attractive market characteristics and a defensible competitive position, with investments made in the most attractive opportunities without sector bias.

The Company aims to invest in businesses with realistic growth prospects that are making manageable losses, but with a clear route to EBITDA profitability, or those that are already profitable at EBITDA level.

Generalist but specific about the type of companies we decide to invest in, preferred characteristics include...



A summary of our investment strategy:

Focus on established growing UK SMEs – not start-ups
Generalist in terms of sectors – strong track record in technology investing
Work closely with companies to build value and exit

Historically the Company has invested across a variety of transaction types including management buyouts, growth capital and equity release transactions. However, following amendments to the VCT legislation in 2015, the Company is focused on growth capital investments.

The Manager has been a growth capital investor for over 35 years. Since 2010, excluding energy efficiency projects, the Manager has made over 78 growth capital investments across its private equity funds.

Investment in the UK

The UK remains an excellent place to start, scale and sell a business, with broad pools of talent and an entrepreneurial culture.

The StartupBlink's Startup Ecosystem Rankings 2020 report identified the UK as the second-best country globally to start up and scale a digital enterprise. This entrepreneurial ecosystem is not

limited to London or the South East, with Manchester and Bristol featuring in the top 100 cities in the world and other overall global rankings including Brighton, Edinburgh, Glasgow, Belfast, Cambridge, Oxford and Leeds.

This mirrors the Manager's experience of the wider UK SME market and is the reason the Manager's Private Equity team source deal flow from across the country through its seven offices.

The COVID-19 pandemic has created an uncertain environment for many small companies and widened the existing investment funding gap. Possible implications may include a reduction in bank appetite to lend to SMEs, increasing the attraction of VCT investment to entrepreneurs.

Whilst each opportunity is assessed in relation to its own individual circumstances, the following themes are collectively driving opportunities for equity investments in SMEs.

Timing within the economic cycle

As we emerge from the COVID-19 crisis, once Government backed short-term measures such as the Coronavirus Job Retention Scheme and the Coronavirus Business Interruption Loan Scheme (CBILS) are withdrawn, it is likely that lenders' appetite for extensive additional SME lending will be subdued as they manage extensive CBILS portfolios in addition to their existing loan books.

Availability of finance will also likely be impacted by the impending Basel III regulations, which are due to be implemented at the beginning of 2023 and are designed to mitigate risk within the banking sector by requiring banks to increase their capital reserves. The Board and the Manager believe that this lack of available investment will strengthen the VCT investment case as entrepreneurs will seek to plug the funding gap for

working capital caused by the COVID-19 pandemic and to repair their companies' balance sheets to aid recovery.

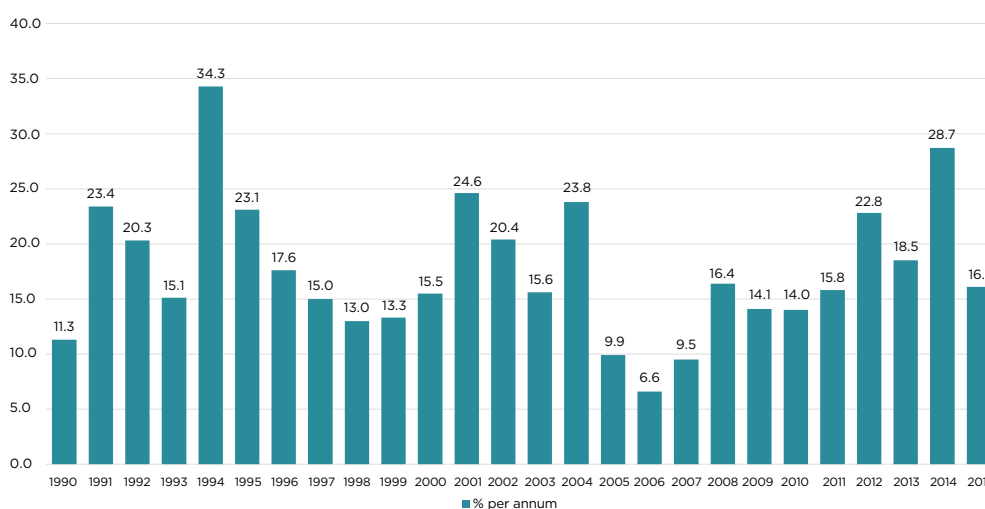
Beyond COVID-19, another factor creating economic uncertainty was Brexit, with the Brexit transition period having ended on 31 December 2020. Official trade data for the start of 2021 shows a sharp decrease in UK-EU imports and exports as businesses began to navigate a new trading landscape. It is imperative that SMEs have the required

support, both financial and advisory, to adapt and recover during this period of volatility.

When investing at the beginning of a new economic cycle, the opportunity is amplified. This is particularly the case following recessions or periods of volatility, whereby initial reductions in valuations at the start of the economic shock will be followed by valuation multiples expanding in the years that follow as the recovery progresses.

An analysis of private equity funds by the BVCA highlighted that the vintages generating the best returns were those following a recessionary period. For example, the average return per annum rose to 16.7% for investments made between 2009 and 2012, following the global financial crisis of 2007 to 2008, compared to the average return per annum of 10.6% for the vintage years from 2005 to 2008 before it. The same trend was seen pre and post the collapse of the technology bubble in 2000, with

Since Inception Returns of Private Equity Funds by Vintage Year to December 2015 (% p.a.)



Source: BVCA Performance Measurement Survey 2019

an average return per annum of 21.1% for the vintages following it from 2001 to 2004, compared to 14.2% for the earlier vintages from 1997 to 2000.

The Manager anticipates this will be the case as the economy recovers from the COVID-19 pandemic and the impacts of Brexit. The Manager expects there to be a number of particularly interesting opportunities for investment potentially with attractive valuations. To date, the Manager is continuing to see encouraging levels of activity from smaller UK companies seeking growth capital, as well as from potential acquirers of portfolio companies.

Tax incentives to grow and sell small businesses

UK tax legislation has developed favourably in recent years to incentivise

entrepreneurs to grow and develop businesses. Both Enterprise Management Incentive share option schemes, which apply only to smaller businesses (which are often suitable for VCT investment), and Business Asset Disposal Relief (formerly Entrepreneurs' Relief) can reduce business owners' capital gains tax liability on a sale of the business and provide management teams with strong incentives to grow and realise value from their businesses.

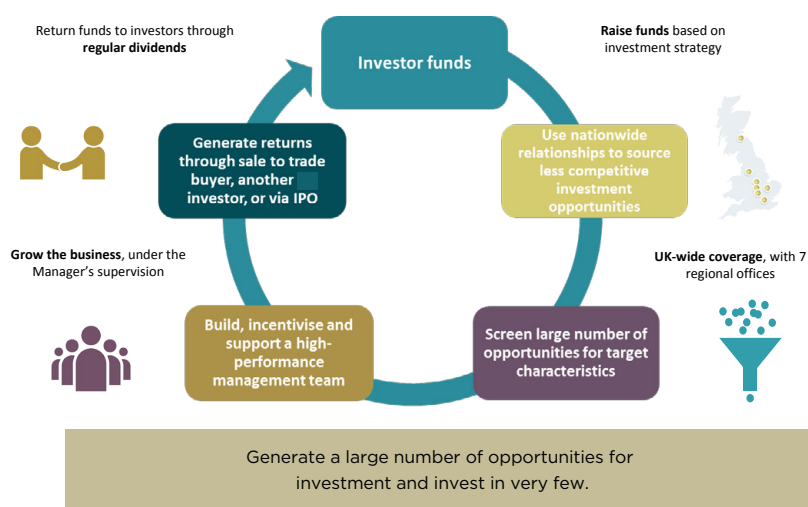
In March 2020, the lifetime limit for Business Asset Disposal Relief was reduced from £10 million to £1 million, and although this is a substantial reduction in the relief available to an entrepreneur, the capital gains tax rate is still, at the date of this document, only 20%. This compares favourably with tax rates otherwise charged on dividends or income for high earners which could be as high as 45%.

Reduced interest from some private equity competitors for smaller companies

While many private equity firms continue to concentrate on mid-market and larger transactions, the Manager has remained focused on generating attractive returns for investors by applying its expertise in finding and supporting smaller growth companies.

In the UK, fundraising is heavily skewed towards buyout funds, representing 86% of all capital raised in 2019 according to the BVCA. With more firms focusing on larger transactions and investments, it results in relatively less competition for assets at the lower mid-market level where the Manager specialises. In 2019, only 7% of all capital raised in the UK was for growth capital investing.

Investment Opportunity



Recent Investments

The Manager applies a very high degree of selectivity.

The Manager took a prudent approach to investing during 2020. For much of the year there were fewer opportunities coming to market, with management teams focused on steering their businesses through economic uncertainty caused by COVID-19.

Despite these challenges, the Manager has continued to search for high quality businesses that have demonstrated resilience during COVID-19 with new investments being made towards the end of 2020.

Since 1 July 2020, the Manager has concluded the following new investments on behalf of the Company:

Investee Company	Sector	Description	Investment by the Company	Aggregate investment across all Foresight Funds
IMMJ Systems Limited	Healthcare	Electronic document management solutions for the healthcare sector	£1.7m	£3.5m
iMist Holdings Limited	Industrials & Manufacturing	Manufacturer and installer of water mist fire protection systems for residential buildings	£1.6m	£4.5m
Titania Group Limited	TMT	Cyber security software	£1.2m	£2.5m
NorthWest eHealth Limited	TMT	Software and services to the clinical trial market for recruitment, feasibility analysis and the running of trials	£1.5m	£3.0m
Additive Manufacturing Technologies Limited	Industrials & Manufacturing	Manufacturer of post-processing machines to automate the manual finished steps for 3D printing	£1.7m	£6.0m
Hexarad Group Limited	Healthcare	Healthcare technology company, providing teleradiology services to NHS Trusts and UK private healthcare customers	£0.8m	£1.7m

All of these businesses have good growth potential, have been relatively resilient during to the COVID-19 pandemic and demonstrate a strong competitive position in their market niche.

Since 1 July 2020, the Company has also made follow-on investments into six companies, totalling £6.1 million. All of the follow-on investments were made to support the growth of the relevant companies. None of the companies within the portfolio have received follow-on funding to date in order to support the company through the economic downturn as a result of the COVID-19 pandemic.

Many companies within the portfolio did take advantage of Government support, such as the furlough scheme and the Coronavirus Business Interruption Loan Scheme, which reduced the need for follow-on investment. As these schemes unwind, and while the economic climate remains difficult, the Manager expects a significant number of requests for follow-on investment in the coming months.

Realisations*

The Manager has achieved a number of full and partial realisations on behalf of the Company. Investments have been sold to domestic and international trade buyers as well as to mid-market private equity or refinanced. Below are some of the examples since 2018.

Mologic Ltd.

In July 2021, Mologic, a health diagnostics company providing both Contract Research services for clients and is developing its own range of proprietary Point of Care diagnostics products, was sold to Global Access Health, a not-for-profit company financed by the Soros Economic Development Fund, the impact investing arm of the Open Society Foundations, and a group of other philanthropic organisations and investors. The return to the Company of £7.5 million and the return multiple of 3.1x includes the current value attributed to deferred consideration.

During the investment period, the Mologic team has worked to strengthen the business, advancing the product portfolio, increasing turnover by 165% and increasing employees by over 40%. The company has also developed a presence in the US through opening an office on the East Coast, and is exploring manufacturing partnerships in West Africa and in South Asia.

INITIAL INVESTMENT:

APRIL 2018

SOLD:

JULY 2021

PRICE:

NOT DISCLOSED

FORESIGHT VCT PLC
RETURN:

£7.5M

MULTIPLE:

3.1X



FFX Group Limited

In January 2021, FFX, an independent supplier of high-quality power tools, fixings and building supplies, was sold to H2 Equity Partners, a leading private equity firm. The return to the Company of £11.3 million and the return multiple of 4.2x includes the current value attributed to deferred consideration.

Following the Foresight VCTs' investment in October 2015, a proactive approach was taken to supporting the senior management team. This included for example introducing George Adams as chairperson who has extensive experience in the sector, including sixteen years at Kingfisher, three of which as Chair of Screwfix.

With support from the Foresight VCTs' investment, the company opened a new 60,000 square foot distribution centre and a head office in Kent. The business updated its brand and launched an extensive range of own brand products. A direct sales team was established in order to expand FFX's customer base to include larger contractors and specialist subcontractors and sell direct to site. Due to the company's successful diversification into eCommerce, FFX traded well throughout the COVID-19 pandemic.

INITIAL INVESTMENT:

OCTOBER 2015

SOLD:

JANUARY 2021

PRICE:

£NOT DISCLOSED

FORESIGHT VCT PLC
RETURN:

£11.2M

MULTIPLE:

4.2X

Investment Opportunity



Idio Limited

In November 2019, Idio, an enterprise software company that analyses data obtained from consumers' online activity, was sold to Episerver, a private-equity backed global software company.

During the investment period, Idio refocused its corporate strategy and was able to broaden its customer base beyond financial services. The investment supported the management team's growth strategy by building out the sales team, improving account management to enhance customer retention rates and further development of its software.

INITIAL INVESTMENT:
OCTOBER 2016

SOLD:
NOVEMBER 2019

PRICE:
£28.6M

FORESIGHT VCT PLC
RETURN:
£1.7M

MULTIPLE:
1.9X



Thermotech Solutions Limited

A successful sale was completed in May 2018 of facilities management provider Thermotech to Servest Group, a global facilities management group headquartered in Bury St Edmunds.

Thermotech, in which the Company invested in August 2013, provides customised air conditioning and fire sprinkler systems for retail, commercial and residential properties, with clients including M&S, John Lewis and Selfridges & Co.

Supported by the investment from the Foresight VCTs, Thermotech was able to expand its high-quality customer base and develop further recurring maintenance revenue streams, as well as complete a strategic acquisition.

INITIAL INVESTMENT:
AUGUST 2013

SOLD:
MAY 2018

PRICE:
£17.4M

FORESIGHT VCT PLC
RETURN:
£2.0M

MULTIPLE:
1.3X



ICA Group Limited

In February 2018, ICA, which provides document management solutions to businesses in London and the South East, was acquired by Automated Systems Ltd, a large independent print solution business.

ICA became part of the Company's portfolio through the merger with Foresight 2 VCT plc in December 2015. Investment by the Foresight VCTs supported management to execute a focused sales strategy, in particular developing high margin contract services revenue.

INITIAL INVESTMENT:
FEBRUARY 2009

SOLD:
FEBRUARY 2018

PRICE:
£3.8M

FORESIGHT VCT PLC
RETURN:
£1.4M

MULTIPLE:
1.5X

* Past performance is not necessarily a guide to future performance. It should also be noted that a number of these examples relate to investments made to support management buy-outs prior to the change in the VCT rules. The return multiple shown includes exit proceeds and income earned during the holding period.

Performance of the Company*

The Company's Total Return performance is shown below.

From 1 January 2015 to 30 December 2020 (performance based on the Company's most recent financial year-end):

Total Return Performance per Share	1 Year to 31 December 2020	3 Years to 31 December 2020	5 Years to 31 December 2020
NAV as at the start of the period	76.5p	80.0p	87.5p
NAV as at the end of the period	73.7p	73.7p	73.7p
Cumulative dividends paid during the period	3.3p	13.3p	29.3p
Total Return as at end of period (NAV plus cumulative dividends paid in period)	77.0p	87.0p	103.0p
Total Return performance over the period	0.7%	8.7%	17.7%

From 1 April 2015 to 31 March 2021 (performance based on the Company's most recently published unaudited NAV per Share reflecting the larger than normal change in NAV over the first quarter of 2021 as the portfolio continued to recover from the impact of the COVID-19 pandemic):

Total Return Performance per Share	1 Year to 31 March 2021	3 Years to 31 March 2021	5 Years to 31 March 2021
NAV as at the start of the period	66.6p	78.6p	88.9p
NAV as at the end of the period	79.6p	79.6p	79.6p
Cumulative dividends paid during the period	3.3p	13.3p	29.3p
Total Return as at end of period (NAV plus cumulative dividends paid in period)	82.9p	92.9p	108.9p
Total Return performance over the period	24.5%	18.2%	22.5%

* Past performance is not necessarily a guide to future performance. It should also be noted that the past performance to a material extent relates to investments made to support management buy-outs prior to the change in the VCT rules.

The Portfolio

Investors will receive immediate exposure to the Company's existing portfolio, which currently comprises a diversified range of holdings in over 40 trading companies (ignoring those investments held at nil value and money market funds). The number of companies within the portfolio has more than doubled since 2016 resulting in increased diversification and spread of risk.

The Manager expects full and partial realisations from the portfolio to continue over the medium term. A new VCT fund, in contrast, could take some years to build up a diversified portfolio before there are any realisations.

Information on the Company's existing portfolio as at the date of this document is detailed below. Information on investments held, valuation and sector exposure have been extracted from the Company's accounting records and

unaudited financial information as at 31 March 2021 (other than the movements which have occurred since that date as detailed on page 34).

The percentage of the Company's net assets which the investment holding represents is based on the unaudited net assets of the Company as at 31 March 2021. Accounting cost includes, where applicable, the value at which Foresight 2 VCT plc's holding was transferred to the Company pursuant to the merger of Foresight 2 VCT plc into the Company, whereas the amount invested reflects Foresight 2 VCT plc's original investment cost. The accounting cost may be higher than the amount invested due to the value of the investment at the time of the merger with Foresight 2 VCT plc.

The information on investee companies' revenues and, as applicable, profit before tax, profit and loss account or

retained earnings in relation to the Largest Investments below has been sourced from the relevant company's latest published financial year end (where such detail is disclosed as some companies only publish very limited financial information). All such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant company, no facts have been omitted which would render such reproduced information inaccurate or misleading.

Largest Investments

The investments below represent the Company's thirteen largest investments (ignoring cash and money market investments), which represent 50.5% of the Company's net assets.

HOSPITAL SERVICES GROUP LIMITED

www.hsl.ie

BELFAST

Hospital Services (HSL) distributes, installs and maintains high quality healthcare equipment and consumables from global partners such as Hologic, Fujifilm and Shimadzu. HSL has strengths in the radiology, ophthalmic, endoscopy and surgical sectors, as well as a building presence in telehealth and broader healthcare IT.

Recent Trading Update

HSL performed exceptionally well throughout 2020 with revenues and profits materially ahead of the prior year. The management team moved quickly to develop a PPE supply chain and provided significant quantities of protective equipment to Irish and Northern Irish health services in response to COVID-19. Importantly, HSL's traditional business divisions have, overall, continue to perform well.



SECTOR: HEALTHCARE



Year of investment	2015
Amount invested (£'000)	3,320
Accounting cost (£'000)	3,320
Valuation (£'000)	10,226
Valuation basis	Discounted earnings multiple
Revenues at first investment (£'000)*	7,073
Current revenues (latest available) (£'000)**	44,965
Profit/(loss) before tax (latest available) (£'000)**	6,113
Net assets/(liabilities) (£'000)**	3,663
% of net assets of the Company	6.3%



* Approximate revenues of the operating company acquired by the new holding company funded by the Company

** Sourced from the latest audited financial year end consolidated group accounts to 30 September 2020 published by Hospital Services Group Limited

DATAPATH GROUP LIMITED

www.datapath.co.uk

DERBYSHIRE

Datapath is a UK manufacturer of multiscreen computer graphics cards and video capture hardware, specialising in video wall and data wall technology.

Recent Trading Update

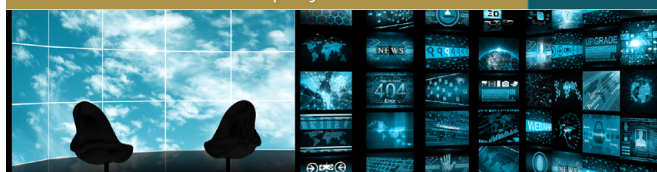
Datapath continues to remain profitable despite the impact of COVID-19. Whilst it is still profitable, trading has dropped slightly. Datapath has invested in new product development and its sales channels over recent years, notably strengthening its worldwide sales team. The team has also invested heavily in product development with this product range entering the market in 2021.



SECTOR: TMT



Year of investment	2007
Amount invested (£'000)	1,000
Accounting cost (£'000)	7,563
Valuation (£'000)	8,011
Valuation basis	Discounted earnings multiple
Revenues at first investment (£'000)*	5,444
Current revenues (latest available) (£'000)**	29,923
Profit/(loss) before tax (latest available) (£'000)**	6,697
Net assets/(liabilities) (£'000)**	23,527
% of net assets of the Company	4.9%



* Approximate revenues of the operating company acquired by the new holding company funded by the Company

** Sourced from the latest audited financial year end consolidated group accounts to 31 March 2020 published by Datapath Group Limited

NANO INTERACTIVE GROUP LIMITED

www.nanointeractive.com

LONDON

Nano Interactive is an advertising technology business specialising in search re-targeting campaigns for its global customer base. The business was founded in 2010 and has offices across Europe.

Recent Trading Update

Nano experienced a slight fall in revenues throughout the financial year ended 31 December 2020 due to cutbacks in marketing spend across its customer base following the COVID-19 pandemic. On a positive note, gross margins have improved, leading to an EBITDA loss in line with the prior year. The business had a strong start to its new financial year and also remains focused on its expansion into the US.



SECTOR: TMT



Year of investment	2017
Amount invested (£'000)	4,434
Accounting cost (£'000)	4,434
Valuation (£'000)	7,512
Valuation basis	Discounted revenue multiple
Revenues at first investment (£'000)	2,377
Current revenues (latest available) (£'000)*	Not disclosed
Profit/(loss) before tax (latest available) (£'000)*	Not disclosed
Net assets/(liabilities) (£'000)*	4,959
% of net assets of the Company	4.6%



* Sourced from the latest unaudited financial year end accounts to 31 December 2019 published by Nano Interactive Group Limited

The Portfolio

SPECAC INTERNATIONAL LIMITED

www.specac.com

KENT

Specac is a leading manufacturer of high specification sample analysis and preparation equipment used in testing and research laboratories worldwide.

Recent Trading Update

Following a weaker start, Specac's trading improved throughout its year to 31 March 2021, mainly driven by higher sales volumes and improved gross margins. However, this was still down versus prior year. Management has revised forecasts in light of COVID-19 and Specac has since overachieved estimates. The order book is currently healthy and the company continues to export a large proportion of its production worldwide.



SECTOR: INDUSTRIALS & MANUFACTURING



Year of investment	2015
Amount invested (£'000)	1,345
Accounting cost (£'000)	1,300
Valuation (£'000)	7,127
Valuation basis	Discounted earnings multiple
Revenues at first investment (£'000)*	5,871
Current revenues (latest available) (£'000)**	12,545
Profit/(loss) before tax (latest available) (£'000)**	971
Net assets/(liabilities) (£'000)**	4,126
% of net assets of the Company	4.3%



* Approximate revenues of the operating company acquired by the new holding company funded by the Company

** Sourced from the latest audited financial year end consolidated group accounts to 31 March 2020 published by Specac International Limited

SPEKTRIX LIMITED

www.spektrix.com

LONDON

Spektrix is an enterprise software company, providing ticketing, CRM, marketing, and fundraising software to companies in the performing arts sector across the UK and US.

Recent Trading Update

With theatres in the UK and US closed for a significant period in light of the COVID-19 pandemic, Spektrix has seen a reduction in revenues linked to ticket sales. However, Spektrix has continued to win new clients, both in the UK and US, with the latter seeing some record periods of new sales performance. In December 2020, the Company provided a follow-on investment of c.£1.4 million as part of a £2 million round, which will enable Spektrix to capitalise on new opportunities following the reopening of the arts sector.



SECTOR: TMT



Year of investment	2018
Amount invested (£'000)	4,876
Accounting cost (£'000)	4,876
Valuation (£'000)	6,949
Valuation basis	Discounted earnings multiple
Revenues at first investment (£'000)	6,791
Current revenues (latest available) (£'000)*	7,201
Profit/(loss) before tax (latest available) (£'000)*	(2,157)
Net assets/(liabilities) (£'000)*	1,179
% of net assets of the Company	4.3%



* Sourced from the latest unaudited financial year end consolidated group accounts to 31 December 2020 published by Spektrix Limited

INNOVATION CONSULTING GROUP LIMITED

www.govgrant.co.uk

HERTFORDSHIRE

Innovation Consulting Group provides support services and advice to UK based SME businesses seeking to gain access to Government tax incentives. The original investment in Business Advisory Services Limited has been exchanged into this new parent company.

Recent Trading Update

Innovation Consulting Group ended its financial year positively, with revenues and EBITDA up significantly versus prior year. Strong trading has continued into its new financial year. Profit growth was driven primarily by larger R&D claims and improved operational efficiencies. A strong senior management team has been recruited which is driving growth and improving margins.



SECTOR: BUSINESS SERVICES



Year of investment	2015
Amount invested (£'000)	1,650
Accounting cost (£'000)	1,650
Valuation (£'000)	6,202
Valuation basis	Discounted earnings multiple
Revenues at first investment (£'000)*	3,503
Current revenues (latest available) (£'000)**	Not disclosed
Profit/(loss) before tax (latest available) (£'000)**	Not disclosed
Net assets/(liabilities) (£'000)**	3,384
% of net assets of the Company	3.8%

* Approximate revenues of Business Advisory Services Limited, the original investee company funded by the Company

** Sourced from the latest unaudited financial year end accounts to 30 September 2020 published by Innovation Consulting Group Limited

MOLOGIC LTD.

www.mologic.co.uk

BEDFORD

Mologic is a health diagnostics company based in Bedford, providing both Contract Research services for clients and developing its own range of proprietary Point of Care diagnostics products. It also conducts various grant funded projects for large philanthropic organisations. The investment in Mologic was part of the Company's portfolio as at 31 March 2021, but has subsequently been sold.

Recent Trading Update

Mologic had a very strong 2020, with significant revenue growth and positive EBITDA reported. Trading was boosted by good progress in the contract service and contract manufacturing divisions as well as by some initial sales of COVID-19 related products, including antibody tests. The business also received multiple grants to support development of various products.



SECTOR: HEALTHCARE



Year of investment	2018
Amount invested (£'000)	2,434
Accounting cost (£'000)	2,434
Valuation (£'000)	6,014
Valuation basis	Discounted offer
Revenues at first investment (£'000)	1,904
Current revenues (latest available) (£'000)*	3,114
Profit/(loss) before tax (latest available) (£'000)*	(1,551)
Net assets/(liabilities) (£'000)*	2,894
% of net assets of the Company	3.7%



* Sourced from the latest audited financial year end consolidated group accounts to 31 December 2019 published by Mologic Ltd.

The Portfolio

OLLIE QUINN LIMITED

www.olliequinn.co.uk

LONDON

Ollie Quinn is a branded retailer of prescription glasses, sunglasses and non-prescription polarised sunglasses based in the UK and Canada.

Recent Trading Update

COVID-19 restrictions in both the UK and Canada have impacted Ollie Quinn's trading. When stores are open, performance is strong with stores consistently achieving improved like-for-like sales. The business is focused on increasing its online presence and negotiating leases for new sites to support growth post-lockdown.

OLLIE
QUINN

SECTOR: CONSUMER &
LEISURE



Year of investment	2017
Amount invested (£'000)	5,694
Accounting cost (£'000)	5,694
Valuation (£'000)	5,702
Valuation basis	Discounted revenue multiple
Revenues at first investment (£'000)*	3,613
Current revenues (latest available) (£'000)**	Not disclosed
Profit/(loss) before tax (latest available) (£'000)**	Not disclosed
Net assets/(liabilities) (£'000)**	3,754
% of net assets of the Company	3.5%



* Approximate revenues of the operating company acquired by the new holding company funded by the Company

** Sourced from the latest unaudited financial year end accounts to 30 June 2020 published by Ollie Quinn Limited

PROTEAN SOFTWARE LIMITED

www.proteansoftware.co.uk

COVENTRY

Protean develops and sells field service management software for organisations involved in the supply, installation, maintenance and hire of equipment.

Recent Trading Update

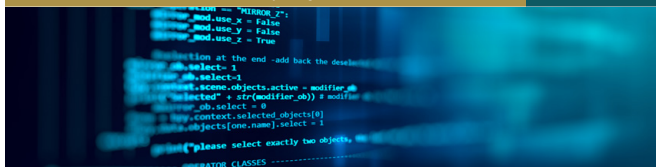
Protean finished its financial year ended 31 March 2021 well with revenue and EBITDA ahead of the revised COVID-19 budget, albeit slightly down on prior year. Overall sales activity is seeing growth following a lull in summer and the pipeline remains strong. In November the business launched its new software, Service Sight Pro, which has been well received to date.

Protean
Software

SECTOR: TMT



Year of investment	2015
Amount invested (£'000)	2,500
Accounting cost (£'000)	2,500
Valuation (£'000)	5,377
Valuation basis	Discounted revenue multiple
Revenues at first investment (£'000)*	2,974
Current revenues (latest available) (£'000)**	Not disclosed
Profit/(loss) before tax (latest available) (£'000)**	Not disclosed
Net assets/(liabilities) (£'000)**	2,324
% of net assets of the Company	3.3%



* Approximate revenues of the operating company acquired by the new holding company funded by the Company

** Sourced from the latest unaudited financial year end accounts to 31 March 2020 published by Protean Software Limited

FRESH RELEVANCE LTD

www.freshrelevance.com

HAMPSHIRE

Fresh Relevance is an email marketing and web personalisation platform providing online retailers with personalised customer experiences and marketing tools across desktop and mobile.

Recent Trading Update

Fresh Relevance finished its financial year ended 30 September 2020 positively, with healthy revenue growth versus prior year and a reduced EBITDA loss. The uplift in trading is attributable to both reseller and direct new customer sales, likely boosted by the eCommerce boom caused by the COVID-19 pandemic.



SECTOR: TMT



Year of investment	2017
Amount invested (£'000)	2,118
Accounting cost (£'000)	2,118
Valuation (£'000)	5,193
Valuation basis	Discounted revenue multiple
Revenues at first investment (£'000)	1,318
Current revenues (latest available) (£'000)*	Not disclosed
Profit/(loss) before tax (latest available) (£'000)*	Not disclosed
Net assets/(liabilities) (£'000)*	372
% of net assets of the Company	3.2%



* Sourced from the latest unaudited financial year end accounts to 30 September 2019 published by Fresh Relevance Ltd

ITAD (2015) LIMITED

www.itad.com

EAST SUSSEX

Specialist consulting firm focused on evaluating the impact of international development funding and aid.

Recent Trading Update

Despite COVID-19's impact, ITAD delivered good levels of revenue and EBITDA in the year ended 31 January 2021, reflective of its resilient business model. Market trends are favourable for the business, with UK and US Governments focusing attention on both climate change and conflict states over the coming years. ITAD is in the process of broadening the team through the addition of a number of key strategic hires.



SECTOR: BUSINESS SERVICES



Year of investment	2015
Amount invested* (£'000)	2,750
Accounting cost (£'000)	2,750
Valuation (£'000)	5,129
Valuation basis	Discounted earnings multiple
Revenues at first investment (£'000)*	8,795
Current revenues (latest available) (£'000)**	17,907
Profit/(loss) before tax (latest available) (£'000)**	(214)
Net assets/(liabilities) (£'000)**	(744)
% of net assets of the Company	3.1%



* Approximate revenues of the operating company acquired by the new holding company funded by the Company

** Sourced from the latest audited financial year end consolidated group accounts to 31 January 2020 published by Itad (2015) Limited

The Portfolio

TFC EUROPE LIMITED

www.tfc.eu.com

EAST SUSSEX

TFC Europe is one of Europe's leading suppliers of fixing and fastening products to customers across a wide range of industries, including aerospace, automotive, oil & gas and mechanical engineering.

Recent Trading Update

TFC finished its financial year ended 31 March 2021 strongly, with revenues and EBITDA materially ahead of revised COVID-19 budgets. The senior management team has navigated the COVID-19 pandemic well and a strong pipeline of customers is in place for the upcoming year. The focus remains on progressing sales and marketing efforts to pre-COVID-19 levels.



SECTOR: INDUSTRIALS & MANUFACTURING



Year of investment	2007
Amount invested (£'000)	939
Accounting cost (£'000)	3,615
Valuation (£'000)	4,640
Valuation basis	Discounted earnings multiple
Revenues at first investment (£'000)*	7,351
Current revenues (latest available) (£'000)**	22,730
Profit/(loss) before tax (latest available) (£'000)**	1,757
Net assets/(liabilities) (£'000)**	7,232
% of net assets of the Company**	2.8%



* Approximate revenues of the operating company acquired by the new holding company funded by the Company

** Sourced from the latest audited financial year end consolidated group accounts to 31 March 2020 by TFC Europe Limited

INDUSTRIAL EFFICIENCY II LIMITED

No current website

LONDON

Previously provided energy efficiency fuel switching services through the installation of gas and electricity delivery equipment.

Recent Trading Update

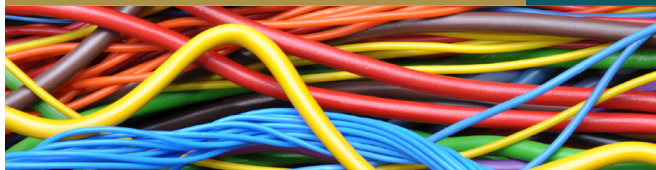
The original contracts are now complete. The company is actively seeking trades with a similar risk/return profile. During the year it entered into a contract with a company providing finance to support the delivery of personal protective equipment generating an attractive return.



SECTOR: OTHER



Year of investment	2014
Amount invested (£'000)	2,603
Accounting cost (£'000)	2,603
Valuation (£'000)	4,373
Valuation basis	Discounted cash flow
Revenues at first investment (£'000)	N/A
Current revenues (latest available) (£'000)*	Not disclosed
Profit/(loss) before tax (latest available) (£'000)*	Not disclosed
Net assets/(liabilities) (£'000)*	33
% of net assets of the Company	2.7%



* Sourced from the latest audited financial year end accounts to 31 March 2020 by Industrial Efficiency II Limited

Other Investments*

Company	Year invested	Description	Sector	Amount invested (£'000)	Accounting cost (£'000)	Value (£'000)	% of net assets of the Company
Sportlabs Technology Limited (t/a ClubSpark)	2019	Sports management platform for local organisations and national governing bodies	TMT	2,756	2,756	4,279	2.6%
Accrosoft Limited	2018	SaaS business with recruitment and education software offerings	TMT	2,417	2,417	3,773	2.3%
Biofortuna Ltd	2012	Molecular diagnostics business that manufactures DNA tests	Healthcare	1,173	1,173	2,831	1.7%
Dhalia Limited	2015	Trading company	Other	100	100	2,710	1.7%
Mowgli Street Food Limited	2017	Fast casual Indian street food chain of restaurants	Consumer & Leisure	1,527	1,527	2,699	1.6%
Aerospace Tooling Holdings Limited	2013	Specialist inspection, maintenance, repair and overhaul (MRO) services for components in high-specification aerospace and turbine engines	Industrials & Manufacturing	150	150	2,573	1.6%
PHL Realisations 2020 Limited (previously Procam Television Holdings Limited)**	2013	Broadcast hire company supplying equipment and crew for location TV production	TMT	1,525	1,665	2,500	1.5%
Roxy Leisure Ltd	2019	A social entertainment bar group	Consumer & Leisure	2,468	2,468	2,453	1.5%
Codeplay Software Limited	2018	Software developer focused on artificial intelligence technology	TMT	690	690	2,316	1.4%
Fourth Wall Creative Ltd	2019	Sports merchandising software and fan engagement services	Consumer & Leisure	2,956	2,956	2,160	1.3%
Aquasium Technology Limited	2001	Manufactures, services and refurbishes electron beam welding (EBW) equipment and vacuum furnaces (VF)	Industrials & Manufacturing	1,930	333	2,154	1.3%
200 Degrees Holdings Limited	2017	Coffee shop and supplier of coffee beans and machines to local cafes, delis, bars and restaurants	Consumer & Leisure	1,478	1,478	2,134	1.3%
Steamforged Holdings Limited	2019	Designer, developer and retailer of table-top board games	Consumer & Leisure	2,365	2,365	2,099	1.3%

The Portfolio

Company	Year invested	Description	Sector	Amount invested (£'000)	Accounting cost (£'000)	Value (£'000)	% of net assets of the Company
Biotherapy Services Limited Ltd	2019	Pharmaceutical biotech company specialising in wound treatment	Healthcare	1,478	1,478	1,813	1.1%
IMMJ Systems Limited	2020	Electronic document management solution for the healthcare sector	Healthcare	1,733	1,733	1,753	1.1%
iMist Limited	2020	Manufacturer and installer of water mist fire protection systems for residential buildings	Industrials & Manufacturing	1,599	1,599	1,710	1.0%
Ten Health & Fitness Limited	2019	Boutique health and fitness provider with added rehabilitation services	Healthcare	2,365	2,365	1,666	1.0%
Fertility Focus Limited	2018	Medical device to predict and detect ovulation	Healthcare	1,302	1,302	1,664	1.0%
Luminet Networks Limited	2018	Provider of fixed wireless access and fibre to businesses	TMT	3,783	3,783	1,580	1.0%
Cinelabs International Ltd	2017	Post-production services to film and TV production houses	TMT	2,216	2,216	1,527	0.9%
Positive Response Communications Limited	2014	A security company that monitors the safety of people and properties 24-hours a day specialising in lone worker situations	Business Services	1,000	1,000	1,505	0.9%
Titania Group Limited	2020	Cyber security software	Business Services	1,238	1,450	1,500	0.9%
Online Poundshop Limited	2017	Online discount retailer of general merchandise	Consumer & Leisure	2,610	2,610	1,061	0.6%
Ixaris Group Holdings Limited	2006	Ixaris is a payments platform enabling efficient global payments, targeted in particular at the travel sector	Consumer & Leisure	823	2,266	876	0.5%
Rovco Ltd	2019	Subsea surveyor of offshore assets and provider of related technology	TMT	936	936	775	0.5%
ABL Investments Limited	2015	Distributor of power modules, monitor arms, cable management systems and CPU holders to office furniture manufacturers	Business Services	2,750	2,750	701	0.4%
Whitchurch PE 1 Limited	2014	Trading company	Other	100	100	290	0.2%

Company	Year invested	Description	Sector	Amount invested (£'000)	Accounting cost (£'000)	Value (£'000)	% of net assets of the Company
Cole Henry PE 2 Limited	2014	Trading company	Other	100	100	217	0.1%
Kingsclere PE 3 Limited	2014	Trading company	Other	100	100	177	0.1%
Sindicatum Carbon Capital Limited	2007	Owens clean power generation facilities in emerging markets	Other	125	246	62	0.0%
Cash	-	-	-	-	-	27,843	17.0%
Net Current Assets	-	-	-	-	-	98	0.1%

* The above does not include investments valued at nil.

** The loan position in PHL Realisations 2020 Limited (previously Procam Television Holdings Limited), which is no longer trading, is guaranteed by True Lens Services Limited a camera lens servicing and lens product business

The Portfolio

Significant Movements following 31 March 2021

The following significant movements have occurred since 31 March 2021:

- An investment of £1.5 million was made in June 2021 in NorthWest eHealth Limited which provides software and services to the clinical trial market for recruitment, feasibility analysis and the running of trials.
- An investment of £1.7 million was made in June 2021 in Additive Manufacturing Technologies

Limited which has developed and commercialised a suite of post-processing machines to automate the manual finishing steps for 3D printing.

- An investment of £0.8 million was made in July 2021 in Hexarad Group Limited which is a healthcare technology company, providing teleradiology services to NHS Trusts and UK private healthcare customers.
- Further investments of £0.7 million each were made in Fresh Relevance Ltd and Biotherapy Services Limited in April 2021 and July 2021 respectively.

- The investment in Mologic Ltd was sold in July 2021 for £6.3 million (ignoring deferred consideration).
- £9.3 million has been deployed on dividends and buybacks

There have been no other material changes to the Largest Investments and Other Investments analysis, which is extracted from the Company's accounting records and unaudited financial information as at 31 March 2021, to the date of this document.

Sector Exposure

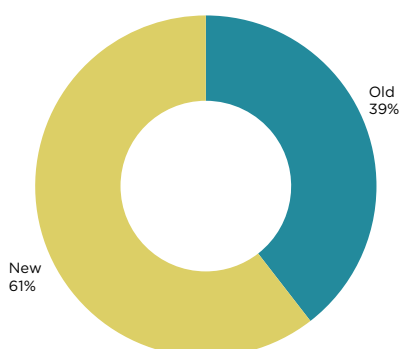
The sector exposure across the venture capital investments as at 31 March 2021 is set out below. Investors should note that the net proceeds of the Offer will be invested in accordance with the Company's investment policy and sector exposure will vary over time.

SECTOR	% OF VENTURE CAPITAL INVESTMENTS BY VALUE
 Technology, Media and Telecommunications	36.6%
 Healthcare	19.1%
 Business Services	14.2%
 Consumer and Leisure	14.1%
 Industrials and Manufacturing	13.4%
 Other	2.6%
Total	100%

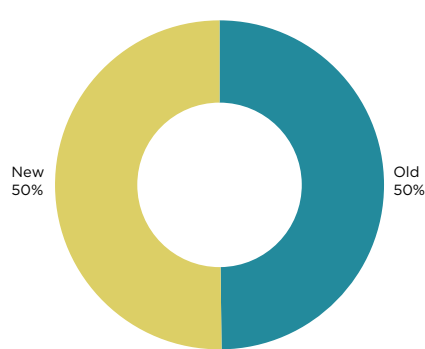
Investment Vintage

The portfolio continues to include a significant portion (both by cost and value) of investments in companies where the initial investment was made prior to November 2015 and, therefore, under less restrictive rules (including supporting management buy-outs). This gives the portfolio a balance between investments in longer established companies and the more recent earlier stage development capital investments.

Rules - % by Cost



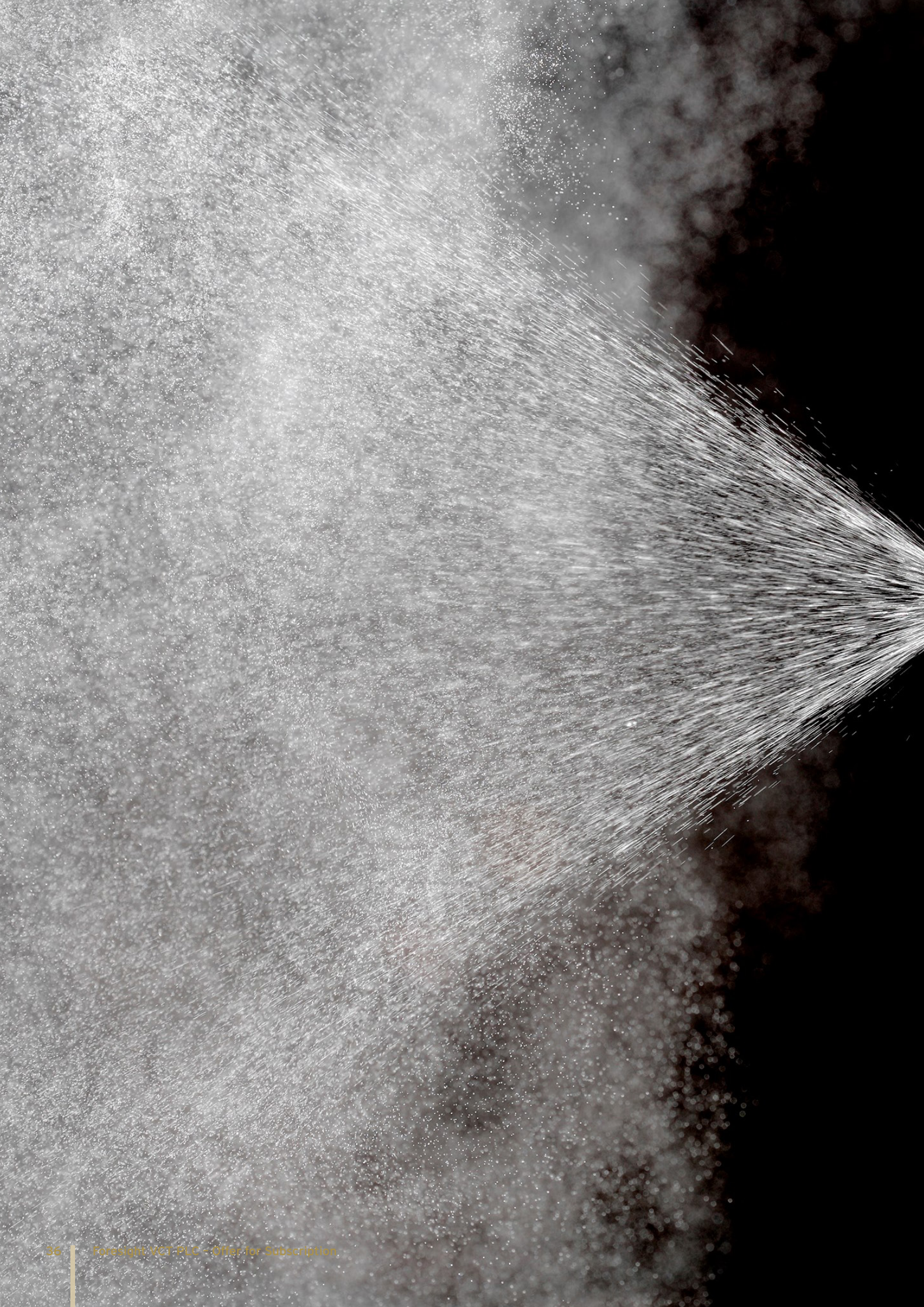
Rules - % by Value



PART 1: INTRODUCTION

Case Studies

The following pages include case studies on current
Foresight VCT plc portfolio companies



Case Studies

IMIST LIMITED		SECTOR: INDUSTRIALS & MANUFACTURING
Investment type		Growth Capital
Initial investment date		December 2020
Aggregate investment by all Foresight VCTs		£3.21M
Aggregate amount returned to all Foresight VCTs		N/A
Aggregate remaining accounting cost of the remaining investment by all Foresight VCTs		£3.21M
Aggregate valuation of remaining investment by all Foresight VCTs		£3.44M

Company Background



iMist was founded in 2015 by Tony Sims and Alex Pollard who together have over 15 years' experience within the fire suppression industry. Their goal was to revolutionise the traditional fire sprinkler, developing a more cost effective and simple solution that could be installed easily in domestic and residential buildings.

The company has developed a new technology using high pressure water mist that brings with it a number of benefits compared to existing products in the market. Notably, the technology is substantially more environmentally friendly, using six litres of water per minute versus 51 for traditional sprinkler systems and thereby causing less damage. iMist addresses a clear gap in the market, as competitors are typically focused on larger industrial and commercial projects. iMist is based in East Yorkshire, Scotland and Kent, as well as in a recently established North Carolina facility to facilitate its US expansion strategy.

Investment

In December 2020, the Foresight VCTs invested £3.21 million of growth capital into iMist, alongside £1.27 million of co-investment from the Foresight Scottish Growth Fund providing equity release. The growth capital funding was provided to support iMist in scaling domestically by increasing the sales and engineering teams and building its commercial partner strategy. The investment will also fund the completion of safety certification testing with testing body UL, a prerequisite for future international expansion of the iMist product range.

As part of the investment Haydn Mursell was appointed as the company's first non-executive chairperson. Haydn held previous senior positions at Kier and Balfour Beatty, providing strong commercial experience in an analogous sector, which will help support iMist's growth plan.

Trading and Strategy

iMist has performed well since investment and in line with growth plans. A number of opportunities have been converted with iMist securing multiple new contracts. The iMist board is keen to ensure an appropriate executive team structure and sales function are in place to support the next stage of growth and a sales manager joined in June to develop the team.

Following the completion of the investment, the iMist board is reviewing the growth plan. Sales growth is predominantly UK focused to take advantage of domestic opportunities following regulatory changes. The business is currently reviewing opportunities to increase in-house component manufacturing capabilities. This is viewed as a positive shift for iMist, as it will increase the product margin and reduce reliance on external suppliers.

Product development continues to be an area of focus for iMist. Third-party safety testing with global safety certification company UL commenced in March 2021, with approval targeted for Q4 2021, following which international expansion will be possible.

iMist has refinanced £750,000 of expensive debt with a materially cheaper CBILS loan, bearing no interest or repayment for 12 months, alongside reducing their debt position by £250,000 from customer receivables.



Case Studies

SPORTLABS TECHNOLOGY LIMITED (T/A CLUBSPARK)		SECTOR: SOFTWARE
Investment type		Growth Capital
Initial investment date		January 2019
Aggregate investment by all Foresight VCTs		£4.62M
Aggregate amount returned to all Foresight VCTs		N/A
Aggregate remaining accounting cost of the remaining investment by all Foresight VCTs		£4.62M
Aggregate valuation of remaining investment by all Foresight VCTs		£7.19M

Company Background



ClubSpark provides sports clubs and centres with a comprehensive software platform to manage all operational activities, including court and equipment booking, membership, CRM, competitions/tournaments, courses, coaching, reporting, compliance, safeguarding and website development, whilst giving National Governing Bodies insight into participation and activity levels.

The company was founded in 2012 by ex-Lawn Tennis Association (LTA) employees David Ward and Nathan Flood. As a consultant and a developer respectively, they recognised an opportunity to design and develop a platform to manage operations for the LTA member clubs to replace historically inefficient manual methods. Now working with over 5,000 tennis coaches and venues across the world, ClubSpark helps sports organisations expand their reach and increase engagement. Revenue streams are a mix of professional services fees, recurring licence fees and transaction fees for purchases made on the platform.

Investment

The Foresight VCTs invested £2.15 million of growth capital in January 2019 to help extend the company's international operations, consolidate its position as the de facto standard within tennis, and explore new avenues for growth with clients in other sports such as the England Cricket Board and England Athletics. In March 2021, a £2.5 million follow-on investment was completed to roll-out the global tennis platform and launch the World Tennis Number, which ClubSpark have developed in partnership with the International Tennis Federation.

The number of user accounts has grown rapidly, more than doubling since the initial investment, which is expected to continue as tennis activities return to normal levels. The follow-on investment will continue supporting the product development and global roll-out of the ClubSpark platform. The growth of clubs has been partly driven by the requirements for clubs to manage their bookings better to comply with social distancing requirements.

To further support growth, the Manager has driven a strengthening of senior management with the appointment of a new chief technology officer and the search for a chief commercial officer.

Trading and Strategy

The company has continued to trade well, with revenues on track to double in two years since investment. Notwithstanding the impact of the COVID-19 pandemic on its key markets of the UK, US and Australia, the company has more than trebled underlying annual recurring revenue since investment. With new 3-year licences signed recently with the LTA, Tennis Australia and USTA as well as the launch of the US competition platforms, this will strengthen their already strong market position for the next few years.

In the first year of investment, the company delivered strong growth of 54% and for the year to 31 March 2021 still saw growth of 21% despite the COVID-19 pandemic.



Case Studies

BIOFORTUNA LTD	SECTOR: Healthcare
Investment type	Growth Capital
Initial investment date	March 2012
Aggregate investment by all Foresight VCTs	£4.69M
Aggregate amount returned to all Foresight VCTs	N/A
Aggregate remaining accounting cost of the remaining investment by all Foresight VCTs	£4.69M
Aggregate valuation of remaining investment by all Foresight VCTs	£11.63M

Company Background



Biofortuna was founded in 2008 and had developed a unique range of molecular diagnostic products using proprietary freeze-drying technology. The company's initial range of products was targeted at the transplantation market, matching the genetic type of organ recipients with donor organs. Biofortuna was partnering with global life sciences companies and biotechnology clients.

Investment

The Foresight's VCTs initially invested £1.25 million as part of a £2.1 million growth capital round in 2012, with the balance from existing investors including Catapult Ventures, Mercia, some private investors and management. The initial funding was to enable the business to expand its manufacturing operations in line with sales growth for new molecular diagnostic products, support applications for regulatory approvals, most notably in the US market, and broaden the product range to address companion diagnostics, antibody screening and disease identification.

Between 2013 and 2017, the business struggled to commercialise effectively its product portfolio and bring new diagnostic products to market. Further investment was required from the Foresight VCTs and existing investors to support management's strategy.

In 2018, the Manager led a pivoting of the business to focus on provision of contract services to other diagnostics businesses, providing outsourced assay development and scale up manufacturing. This service offering leveraged Biofortuna's expertise in the development and manufacture of molecular and immuno assays, allowing customers to take an assay from initial concept to manufacture of a ready-to-market kit.

With the change of strategy, the team was strengthened with the introduction of a new Chief Executive, Dr Nick Ash, and Chief Operating Officer, Dr Nick Leaves. Nick Ash was known to the Manager through another portfolio company in the CRO sector, Epistem, and formerly led the listed company Source BioScience, a £6 million EBITDA laboratory services group.

The Foresight VCTs led two further funding rounds to allow the business to fully transition to a contract manufacturing operation with other co-investors unable to support with additional funding. The final two investment rounds focused on equipment investment and developing the sales & marketing, systems and contract manufacturing capabilities in the laboratory. In total, the Foresight VCTs have invested £4.69 million.

Trading and Strategy

With the significant historical investment in manufacturing capacity and capability Biofortuna was well positioned to support development and manufacture of clients' COVID-19 tests. Biofortuna partnered with two leading diagnostics companies (Primerdesign, QuantumDx) to support the scale up and manufacture of their assays into fully formed test kits. To date, Biofortuna has now manufactured over 30 million test kits which are primarily focused on the UK and EU markets for COVID-19 testing. Due to the high levels of activity, no employees were furloughed and additional staff were recruited in the laboratory and warehouse to allow the company to fulfil orders on time.

Biofortuna's financial performance has materially exceeded normal levels due to this additional work. However, Biofortuna continues to explore new commercial opportunities unrelated to COVID-19. The outlook for Biofortuna appears strong with the renewed focus from customers to bring new assays to market and validates the change in strategy and management by the Manager.



Case Studies

ROXY LEISURE LIMITED	SECTOR: Consumer & Leisure
Investment type	Growth Capital
Initial investment date	December 2019
Aggregate investment by all Foresight VCTs	£4.97M
Aggregate amount returned to all Foresight VCTs	N/A
Aggregate remaining accounting cost of the remaining investment by all Foresight VCTs	£4.97M
Aggregate valuation of remaining investment by all Foresight VCTs	£4.93M

Company Background



Roxy is a games bar group with ten venues in five cities predominantly across the North of England in Leeds, Manchester, Liverpool, Nottingham and Birmingham. The venues offer a range of entertainment facilities including pool tables, ping-pong, bowling, shuffleboard, mini golf, arcade games and karaoke.

The company was founded by two brothers, Matt and Ben Jones, who launched the first Roxy site in 2013 to capitalise on the trend towards in-bar entertainment, with the aim of combining several gaming offerings under one roof. Roxy operates in two formats; large flagship sites that typically include all games offerings and smaller sites with select games. The venues attract a broad demographic mix of 20-45 year olds and are popular amongst high spending corporate customers.

Investment

In December 2019, the Foresight VCTs invested £3.0 million of growth capital into Roxy to fund the opening of new sites and build the senior management team to drive further growth. The Foresight Regional Investment LP invested £4.5 million in May 2020 to acquire equity from legacy shareholders. In December 2020, the Foresight VCTs invested a further £2.0 million to enable the business to maintain its site roll-out plans notwithstanding the temporary COVID-19 restrictions. Roxy is an attractive investment in a well-positioned, high growth entertainment bar group, with a strong brand and site metrics and which is led by sensible and experienced industry professionals.

Since investment, the Manager sought to strengthen the senior management team and introduced Mark McQuater as chairperson. Mark is a former chief executive of Revolution Bar Group, founder chief executive of Barracuda Group, and managing director of JD Wetherspoon. He brings significant industry experience and will be key to realising the company's growth strategy. The Manager has supported the company in the recruitment of an experienced chief operating officer and finance director to strengthen the senior management team.

Trading and Strategy

Roxy has demonstrated an attractive site format with strong metrics for the leisure sector. Revenue is generated from food and drinks sales and game hire that drives good EBITDA margins. Roxy delivered significant revenue and profitability growth, doubling revenues to circa £9m between 2017 and 2019 with further growth being delivered in 2020 prior to the enforced closure of all sites due to COVID-19. Future organic growth will be supported by the maturing site profile and increased footprint with Roxy about to open its third new site since the original investment.

The growth strategy is to focus new sites on larger venues in major cities outside London which offer attractive return metrics, ideally with multiple sites within a city.

Two new sites opened in 2020, with the company's largest site to date opened in Nottingham in June 2021. All venues reopened from 17 May 2021 with positive trading. The new site pipeline is strong with a number of sites in prospect.

About The Foresight Group

The Board believes that the performance of any VCT is dependent on the judgement, experience and skills of its manager.

The Manager

The Company has appointed Foresight Group LLP (**Manager**) to provide investment management and administration services.

The Manager is a leading private equity and infrastructure investment manager with its parent company, Foresight Group Holdings Limited, listed on the London Stock Exchange. The individual partners together have combined investment experience of over 200 years across a wide variety of sectors. The investment teams operate on a collaborative basis with a pro-active and pragmatic investment style.

Established in 1984, the Manager is proud of its track record of over 35 years of investing into and growing small companies. The Manager and companies and undertakings within the same group (together **The Foresight Group**) now have more than £7.2 billion of assets under management and a wide and varied investor base of private and institutional investors.

The Manager strives to generate healthy returns for its investors over the long term alongside the additional benefit to UK tax payers of tax reliefs available through Venture Capital Trusts, the Enterprise Investment Scheme and Business Property Relief.

The Foresight Group's vision is to be a leader in investing in trends ahead of the curve through its dynamic and entrepreneurial values of flexibility, innovation, problem solving and a commitment to attracting and retaining high quality and experienced staff.

Strength of the Team

The Manager's Private Equity Team comprises more than 30 investment professionals with a wide range of experience – from venture capital at Synova, BGF, Inflexion and Advent Venture Partners, to hands-on operational experience at Thomson Financial and Centrica, as well as

corporate finance experience at Rothschild, Mazars and E&Y together with strategic consulting experience at Accenture and Deloitte.

The Manager's Private Equity team and wider executive committee together has over 300 years of investment experience and combines investors' capital and its own hands-on expertise with the intention of creating long-term shareholder value and generating attractive returns for shareholders. The Manager benefits from having a large team of private equity executives with a mix of backgrounds and significant collective experience that can share resources.

The team generally reviews more than 1,700 investment opportunities each year across all funds in the UK at various stages of the growth cycle, reflecting the benefits of a larger team with greater regional presence and a continued significant level of activity in the SME market.

With regards to portfolio management, the Manager takes a particularly active, hands-on approach and as a matter of policy, on its unquoted investments, seeks board representation and the ability to appoint a senior industry expert as chairperson. The Manager 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.

Venture Capital Trusts

The Foresight Group is the seventh largest VCT management house in the UK (by funds under management), with one of the largest VCT investment teams in the industry managing three VCTs.

The Company, formerly named Foresight Technology VCT, was launched in 1997 and since inception has paid out more than £90.9 million in tax-free dividends. The Foresight Group is also manager to Foresight Enterprise VCT plc (formerly Foresight 4 VCT plc) and Foresight Solar & Technology VCT plc.

The Manager has won awards for its VCT expertise, having been named 'Best Generalist VCT' manager in respect of its family of VCTs at the Investment Week Tax Efficiency Awards in 2018/19, 'VCT Investment Manager of the Year' at the 2017 Growth Investor Awards and 'VCT House of the Year' in the 2016 Unquote British Private Equity Awards.

Other funds

The same team within Foresight Group that manages the three VCTs referred to above also manages six regional institutional funds and one Enterprise Investment Scheme fund. The funds cover a range of transaction types, from venture to growth and buyouts, as well as different investment sizes.

Foresight Nottingham Fund

In 2013, the Manager was appointed to manage a regional fund of £39 million on behalf of the British Business Bank, Nottingham City Council Pension Fund and the Nottinghamshire County Council Pension Fund to target investment in dynamic growth companies, with a focus on Nottinghamshire to stimulate enterprise, create jobs and to attract inward investment to the region.

Fully deployed, the Foresight Nottingham Fund has supported 22 local businesses.

Foresight Regional Investment Fund

In 2015, the Manager announced a second regional fund to invest in the North West of England, the £58 million Foresight Regional Investment Fund cornerstoned by the Greater Manchester Pension Fund, with a mandate to invest in entrepreneurial businesses in Cumbria, Cheshire, Lancashire, Manchester, Merseyside, North East Wales and South Yorkshire.

From the Manager's office in Manchester, the Foresight Regional Investment Fund has invested over £51.9 million

in 20 businesses. The fund is now fully deployed and in its realisation phase, with its first two exits returning 6.1x and 5.6x money respectively.

Midlands Engine Investment Fund

In 2018, the Manager was appointed equity fund manager for the East Midlands and South East Midlands regions of the Midlands Engine Investment Fund, a Regional Development Fund supported by the European Investment Bank and the British Business Bank to help businesses in the Midlands region to start up, scale up and become significant local employers.

To date, the Manager has completed over £18.0 million of investments in 22 businesses for this fund.

Foresight Scottish Growth Fund

The £20 million Foresight Scottish Growth Fund closed in April 2019. The Foresight Scottish Growth Fund is part of the Scottish Growth Scheme, a £500 million package of financial support for Scottish businesses backed by the Scottish Government, which aims to help businesses grow.

Under the Scottish Growth Scheme this fund contributes up to £2.0 million of equity to investment rounds of up to £10.0 million in growing Scottish SMEs.

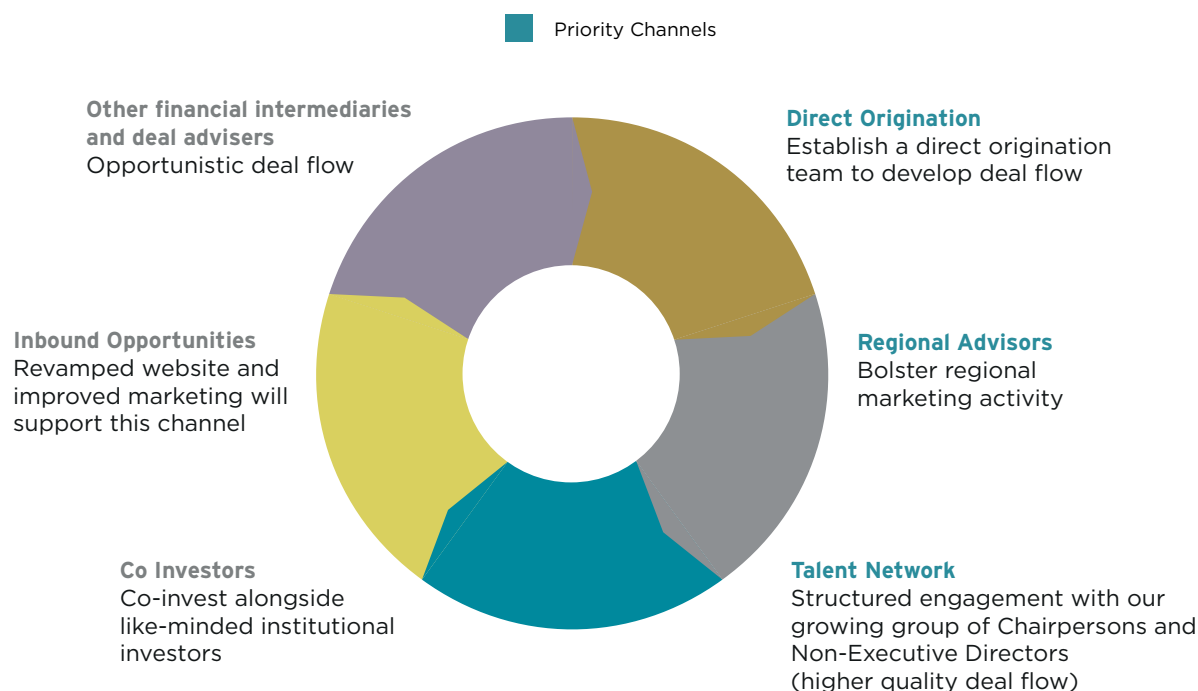
The target investments are similar to those made by MEIF, albeit in a different geography.

The fund is close to fully deployed, a year ahead of schedule, having invested over £13.2 million of investments in 11 businesses, with appropriate capital reserved for follow-ons.

Foresight East of England Fund

In early 2020, the Manager opened an office in Cambridge to support the £100 million Foresight East of England Fund, which breaks new ground as an evergreen pool of patient capital targeted at the small company private equity sector in the east of England with a mandate to invest nationally.

Multiple channels of deal flow with an emphasis on regional activity...



The fund replicates The Foresight Group's regional investment strategy and has invested £15.2 million of investments in three businesses to date.

Foresight Regional Investment III

Most recently, in May 2021 the Manager announced the first close of Foresight Regional Investment III at £65.0 million. The fund is the successor to the North

West focused Foresight Regional Investment Fund and seeks to repeat its success in the region.

Network and deal origination

With offices across the UK, the Manager has a large origination network that covers the whole country, generating deal flow from a broad range of sources.

Regional presence

Through its expanding regional presence, the Manager has built up an extensive network of active corporate finance advisers and other professional SME advisers through investment teams based in its regional offices in Nottingham, Manchester, Leicester, Milton Keynes, Cambridge, Edinburgh and Foresight's head office in London.

About The Foresight Group

That network now numbers more than 1,300 in total. Between 1 April 2020 and 31 May 2021, around 80% of the meetings with advisers by the Manager's Private Equity Team have been with those who are outside London, with approximately 93% of the new investments made have been in businesses head-quartered outside London.

Direct origination

In addition, the Manager has developed a team responsible for direct origination, which has led over the past three years to nine successful investments for the funds it manages (examples being Mologic Ltd. and Spektrix Limited, both of which are companies in which the Company has invested).

Each of the Manager's Private Equity Team executives is tasked with building relationships in discrete regions of the country. This entails regular meetings with professional advisers to build a mutual rapport and understanding of the Manager's investment criteria and process.

When the adviser has a fundraising opportunity which fits the criteria, the Manager expects to be in the position of being one of the few potential funding institutions, not only to be made aware of the opportunity, but with the financial capacity and investment remit to provide the appropriate finance.

Pipeline from other funds

The Midlands Engine Investment Fund, the Foresight Williams Technology EIS and the Foresight Williams Technology share class of the Foresight Solar and Technology VCT plc, which focus on seed and earlier stage investment, are also providing a pipeline of deals (such as the investment by the Company in Additive Manufacturing Technology Limited) as portfolio companies begin to mature and require additional follow-on funding via growth capital investment.

Responsible investment

In order to deliver sustainable growth and long-term success, The Foresight Group believes it is critical to incorporate environmental, social and governance factors (ESG) into its investment

management processes. Often referred to as 'Responsible Investment', these principles provide not only a key basis for generating attractive returns for investors, but also to help build better quality businesses in the UK, creating jobs and making a positive contribution to society.

ESG values form an integral part of The Foresight Group's day-to-day decision making and investment management, which it formalises through its ESG policy. Central to The Foresight Group's investment approach are five ESG principles which it uses to evaluate investee companies throughout the life cycle of an investment.

Overall 40 individual key performance indicators are considered under the five 'Principles'. The evaluation is about both the company's existing position and its potential to improve and develop with support. The Foresight Group invests in a wide range of sectors and believes its approach covers the key tests that should be applied to assess a company's ESG performance, throughout the life cycle of an investment.

Awareness 	Strategy and Awareness Does the business demonstrate a good awareness of corporate social responsibility? Is this reflected in its processes and management structure?
Environmental 	Environmental Does the company follow good practice for limiting or mitigating its environmental impact, in the context of its industry? How does it encourage the responsible use of the world's resources?
Social 	Social What impact does the company have on its employees, customers and society as a whole? Is it taking steps to improve the lives of others, either directly, such as through job creation, or indirectly?
Governance 	Governance Does the company and its leadership team demonstrate integrity? Are the correct policies and structures in place to ensure it meets its legislative and regulatory requirements?

Third Party Interactions



Third Party Interactions

Is the principle of corporate responsibility evidenced in the company's supply chain and customers?

How does it promote ESG values and share best practice?

The evaluation of investee companies against each of the five Principles is supported by quantitative and qualitative data, starting at the initial review of an investment opportunity through to exit. This process helps identify both the risks and opportunities that exist within the portfolio and aims to ensure that investments support positive environmental and social outcomes.

The UN's Sustainable Development Goals (SDGs) also represent a key driver and

important lens through which corporate and investment activities are reviewed.

Each portfolio company is also subject to an annual assessment where progress against each of the five Principles and SDGs are measured and an evaluation matrix updated to allow progress to be tracked and continuous improvement encouraged.

The Manager has been a member of the UK Sustainable Investment and Finance

Association since 2009 and a signatory to the United Nations Principles for Responsible Investing since 2013.

The Manager is also an accredited Living Wage Employer and a signatory of the HM Treasury Women in Finance Charter, committing the group to implement recommendations to improve gender diversity in financial services. Portfolio companies are encouraged to pursue similar objectives.

Awards

Best ESG Investment Fund: Private Equity

Runner up 2021



Best Venture Capital Trust Provider Commended

Investment Life & Pension Moneyfacts Awards 2020



Private Equity/Venture Capital Team of the Year Shortlisted

North West Dealmakers 2020



Funder of the Year

East Midlands Dealmaker 2019



Fund Manager of the Year

PLC Awards 2018



Best Generalist VCT

Investment Week Tax Efficiency Awards 2018/19



Best VCT Investment Manager

Growth Investor Awards 2017



VCT House of the Year

Unquote British Private Equity Awards 2016



The Team

Below are members of the Manager's Private Equity Team who spend a material quantity of time on VCT related activities. The number of investment professionals in the team has more than doubled since 2016 and is now more than 30.

Partners

Russell Healey

Partner and Head of Private Equity

- 21 years' experience in fund management and venture capital investing
- Ten years' senior management experience as chief technology officer of a financial information company sold to Thomson Reuters
- MBA with distinction from the London Business School



James Livingston

Partner

- 16 years' venture capital investment experience
- Three years' strategy consulting and commercial due diligence experience at Deloitte
- First class MA in Natural Sciences and Management Studies from the University of Cambridge



Matt Smith

Partner

- 16 years' venture capital investment experience
- Six years' investment banking experience at Rothschilds
- MA in Biological Sciences and diploma with distinction in Physiology, both from the University of Oxford



Directors

Claire Alvarez (Manchester)

Partner

- Over 11 years' experience advising banks and company directors on returning value from distressed SMEs
- Degree in Management (first class) from the University of Lancaster, MBA (distinction) from Manchester Business School



Mike Quinn (Nottingham)

Director

- 20 years' SME corporate finance experience, latterly as Head of East Midlands CF team at RSM
- Advised on many private equity transactions and spent a year on secondment with Catapult Venture Managers covering the UK from their Leicester base
- Fellow of the ICA and holds a degree in Business Economics and Finance from the University of Loughborough



Amy Crofton

Director

- 12 years' investment banking and corporate finance expertise
- Five years' experience structuring equity and debt investments in UK SMEs
- Degree in Materials, Economics and Management (first class) from the University of Oxford



Investment Directors

David Turner

Investment Director

- Eight years' private equity and venture capital experience
- Six years' investment banking and corporate finance expertise
- Degree in Mechanical Engineering from the University of Nottingham



Stephan Gueorguiev

Investment Director

- 13 years' experience in private equity and venture capital experience with a focus on the technology sector
- MBA in Business Administration from INSEAD
- Degree in Engineering (Electrical and Information Sciences Tripos) from the University of Cambridge



Senior Investment Managers

John Cordrey

Senior Investment Manager

- Five years' private equity and venture capital experience
- Chartered accountant at PWC, working in M&A
- Degree in Business from the University of Durham



Matthew Evans-Young

Senior Investment Manager

- Six years' private equity and venture capital experience
- Three years' experience at KPMG covering M&A and financial due diligence
- Degree in History from the University of Oxford



Rob Jones (Manchester)

Senior Investment Manager

- Seven years' mergers and acquisitions experience with RSM and Ernst & Young, latterly focused on advising mid-market private equity
- ACA qualified with a degree in Business and Economics from the University of Manchester and a master's degree in Global Business from Manchester Business School



The Team

Investment Managers

David Miles

Investment Manager

- Four years' private equity experience
- Five years' experience in accounting and operations
- ACA qualified with a degree in History from the University of Exeter



Graeme McKinstry (Edinburgh)

Investment Manager

- Four years' private equity experience at Par Equity LLP
- Five years' experience in corporate finance at Deloitte
- ACA qualified with a degree in Accountancy and Finance from the University of Glasgow



Lindsay Duebendorfer

Investment Manager

- Three years' experience in investment banking at Moelis & Company
- Five years' experience in deal advisory for KPMG LLP
- Certified public accountant with a BA in Accounting from the George Washington University School of Business and a MBA from the London Business School & The George Washington University School of Business



The Offer

The Company is seeking to raise up to £20 million (with an over-allotment facility to raise up to a further £10 million) through the issue of up to 48 million Offer Shares pursuant to the Offer. If the Board decides (in consultation with the Manager) to utilise the over-allotment facility (in whole or part), this will be advised by way of a RIS Announcement.

The Offer opens on 26 July 2021 and will close for Applications at 12.00 noon on 4 April 2022 in respect of the 2021/2022 tax year and 12.00 noon on 30 April 2022 in respect of the 2022/2023 tax year (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the discretion of the Board). The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus. If the Board decides (in consultation with the Manager) to extend the Offer this will be advised through a RIS Announcement.

Applicants must subscribe a minimum of £3,000 (in aggregate across the two tax years). The Offer is not underwritten. The maximum investment on which income tax relief can currently be claimed by any individual is £200,000 in any one tax year. The full terms and conditions of the Offer can be found at the end of this document.

Applications will normally be accepted on a first come, first served basis (provided cheques are not post-dated and with priority being given to Applications with cleared funds), subject always to the Board's discretion.

Offer Price

The price at which the Offer Shares will be issued to an investor is determined by the Pricing Formula (as detailed below). The Pricing Formula for all investors is based on the latest announced net asset value per Share to which are added applicable up-front costs to generate a bespoke Offer price for each individual investor. As a result, the Offer is not expected to have any material dilutive effect on an existing shareholder's net asset value per share.

In addition, all up-front costs are paid post investment allowing a Qualifying Investor to obtain VCT tax reliefs in respect of the full amount of his or her investment.

Costs of the Offer

The Company will pay the Promoter a fee (Direct Offer Costs) equal to (i) 2.5% of the amount subscribed by Retail Client Investors, Professional Client Investors and Execution-Only Investors and (ii) 5.5% of the amount subscribed by Direct Investors. The relevant amount of Direct Offer Costs will be borne by the investors through the Pricing Formula.

In respect of each investor, the Promoter's fees will, where relevant, be reduced by the Early Bird Discount and the Existing Foresight Shareholder Loyalty Discount (as referred to below) and any other discount the Promoter may agree to offer any particular investor or group of investors (i.e. the Direct Offer Costs applicable to the investor are reduced which will increase the number of Offer Shares to be issued to that investor). In consideration of such fee, the Promoter (as guaranteed by the Manager) will meet all of the costs of the Offer other than financial intermediary commissions, adviser charges and payments to investors from which up-front adviser charges will be facilitated (which are borne by the investor).

The Company may require additional Shareholder authorities in order to utilise the over-allotment facility in full and issue Offer Shares to the maximum of 48 million Offer Shares. The costs related to seeking such shareholder authorities are regarded as general Company expenditure and will be borne by the Company and are not costs relating to the Offer.

Up-front adviser charges can be facilitated by the Company but will be borne by the investor through the Pricing Formula. Ongoing adviser charges will need to be settled directly by the investor. Initial commission to financial intermediaries will be paid by the Company, but also borne by the investor through the Pricing Formula. No trail commission to financial intermediaries will be paid in respect of this Offer. Further details on the facilitation of adviser charges and payment of commission are set out below.

By taking into account an investor's up-front direct or indirect Offer costs through the Pricing Formula, a bespoke Offer price is generated for each investor. This results in the number of Offer Shares issued to an investor being reduced accordingly.

Net Proceeds

Assuming full subscription under the Offer utilising the full amount of the over-allotment facility, and assuming that all successful Applicants are Direct Investors (who are not entitled to the Early Bird Discount, the Existing Foresight Shareholder Loyalty Discount or any other discount), the Direct Offer Costs (there being no other applicable costs in these circumstances) would be £1.650 million and the net proceeds would be £28.350 million.

It is likely that the net proceeds will be greater as it is anticipated that the majority of the investors will be Retail Client Investors, Professional Client Investors and Execution-Only Investors where the aggregate of up-front costs is expected to be lower than the up-front costs for Direct Investors due to financial intermediaries waiving some or all of their initial commission, up-front adviser charges being on average no more than 3% and a number of investors likely to be entitled to the Early Bird Discount and/or the Existing Foresight Shareholder Loyalty Discount.

Retail Client Investors

Direct Offer Costs*	2.5%
Up-front adviser charges*	Variable – can be facilitated
Ongoing adviser charges*	Variable – payable by the investor

Adviser charges must be agreed between an investor and his or her adviser and paid for by the investor. Up-front adviser charges can be facilitated by the Company up to a maximum of 4.5%. Up-front charges in excess of this and ongoing adviser charges will need to be settled directly by the investor.

* Expressed as a percentage of an investor's subscription.

In December 2012, the rules on payment of commission to financial intermediaries changed to prevent commissions being paid to a financial adviser making a personal recommendation to Retail Client Investors (investors who classify themselves as retail clients under the FCA rules).

The Offer

Instead of commission being determined by a product provider, fees for advice must be agreed between the client and his or her financial adviser and paid by the client. A product provider can, however, facilitate the payment.

Up-front Adviser Charges

The Company can facilitate up-front adviser charges (in whole or part), to the extent an investor requests this, from a payment made to the investor, which is taken into account in the Pricing Formula, increasing the Offer price for the investor and thereby reducing the number of Offer Shares he or she receives.

The maximum amount that will be facilitated is an amount equal to 4.5% of the investment (this should not be taken as a recommendation or guide as to the level of appropriate up-front adviser charges). Any adviser charges agreed in excess of this amount will need to be settled by the investor directly to his or her adviser. The up-front adviser charge will be facilitated from a payment to the investor made from the Company's share premium account (or reserves created therefrom) attributable to Shares issued prior to 1 January 2017.

Ongoing Adviser Charges

Ongoing adviser charges will need to be settled by the investor directly to his or her adviser.

Professional Client Investors and Execution-Only Investors

Direct Offer Costs*	2.5%
Initial commission to financial intermediaries*	3.0%
No trail commission will be paid to financial intermediaries in respect of this Offer.	

* Expressed as a percentage of an investor's subscription.

Initial Commission to Financial Intermediaries

Initial commission to financial intermediaries will be paid by the Company but borne by the investor through the Pricing Formula, increasing the Offer price for the investor and thereby reducing the number of Offer Shares he or she receives. Initial commission may be waived (in whole or part) by a financial intermediary for the benefit of the financial intermediary's client. This will reduce the amount of initial commission taken into account in the Pricing Formula reducing the Offer price for the investor and thereby increasing the number of Offer Shares he or she receives.

Existing Trail Commission Arrangements

In respect of existing trail commission arrangements to financial intermediaries, such payments will continue (to the extent permitted under legislation and regulations), but not if subsequent financial advice in respect of the holding is given. As a result, should a Shareholder who decides to seek financial advice from their existing execution-only financial intermediary in respect of participating in the Offer, any trail commission which is currently being paid to that financial intermediary pursuant to an existing holding in the Company must cease and the Promoter and/or the Company should be notified accordingly.

Direct Investors

Direct Offer Costs*	5.5%
Investment without financial intermediary involvement.	

* Expressed as a percentage of an investor's subscription.

Early Bird Discount

An early bird discount 1.0% will be applied in respect of valid Applications received by 5.30 pm on 30 September 2021. The Early Bird Discount will be applied by reducing the Direct Offer Costs in relation to an investor's subscription and is effectively a reduction in the Promoter's fee for the relevant investor.

Existing Foresight Shareholder Loyalty Discount

Existing shareholders in any of the Foresight VCTs as at the date of the Prospectus will receive a loyalty discount of 0.5% (subject to the discretion of the Promoter). The Existing Foresight Shareholder Loyalty Discount is available in addition to the Early Bird Discount and will be applied by reducing the Direct Offer Costs in relation to an investor's subscription and is effectively a reduction in the Promoter's fee for the relevant investor.

Pricing Formula

Investors are invited to subscribe for an amount in pounds sterling rather than apply for a particular number of Offer Shares. The number of Offer Shares to be allotted to a successful Applicant is determined by dividing the investment amount by the Offer price derived from the Pricing Formula below:

$$\text{Offer Price} = \text{NAV} \div X$$

where:

NAV = the most recently published NAV per Share on the day of the allotment, adjusted for dividends declared and for which the record date for payment has passed at the time of allotment; and

X = 1 - Total Net Fees

Total Net Fees means, as applicable, the Direct Offer Costs and, as applicable, any financial intermediary initial commission or up-front adviser charge to be facilitated for the relevant investor, expressed as a percentage of the amount subscribed.

For example, if, for a retail investor, the up-front adviser charge was an amount equal to 2% of the investment amount and the investor was an existing shareholder in one of the Foresight VCTs entitled to the Existing Foresight Shareholder Loyalty Discount (which reduces the Direct Offer Costs to 2% of the investment amount), Total Net Fees would be 0.04 and X would be 0.96.

The Direct Offer Costs and, as applicable, any financial intermediary initial commission or up-front adviser charge

are expected to be the only up-front costs and charges an investor will (directly or indirectly) suffer.

Potential investors should note that the NAV per Share may rise or fall during the Offer period.

The number of Offer Shares to be allotted by the Company will be rounded down to the nearest whole number and fractions of Offer Shares will not be allotted.

Results of the Offer

The following will be announced through RIS Announcements:

- following each allotment, the number of Offer Shares issued and the range of Offer prices relating to the allotment; and
- following close and the final allotment under the Offer, the final results of the Offer.

Share Certificates, CREST and Nominees

The Offer Shares will be issued in the Applicant's name in registered form (unless otherwise requested). Investors will receive a share certificate in respect of their holding within ten Business Days of allotment.

The Company is registered with CREST, a paperless settlement system. Applicants can request that Offer Shares be issued into a CREST account and/or a nominee by completing the relevant section of the Application Form.

In all cases, no temporary documents of title will be issued.

Use of Proceeds

It is intended that the net proceeds of the Offer will be pooled with the existing cash resources of the Company and utilised as follows:

- To make new and follow-on investments in accordance with the Company's investment policy.

- To fund the payment of dividends and make market purchases of Shares, subject to having unrestricted (for VCT legislation purposes) distributable reserves.
- To meet annual running costs.

Investor Profile

The profile of a typical investor for whom Shares in the Company are designed is a retail investor, aged 18 or over, who is a UK tax payer and who is looking for exposure to investments in unquoted companies.

Any decision to invest in the Company should be based on consideration of the Prospectus as a whole as well as the latest publicly available financial information on the Company. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from the investment.

The Board

The Board comprises four directors, all of whom are non-executive and independent of the Manager and considered independent for the purposes of the UK Corporate Governance Code and the Listing Rules.

The Directors have significant relevant experience of similar investment funds, regulatory organisations, corporate governance of listed companies, the private equity industry and investing in small companies.

The Directors

Margaret Littlejohns (Chair of the Board and Chair of the Management Engagement and Nomination Committees)

Margaret has 19 years of experience in both commercial and investment banking, developing particular expertise in derivatives and in credit and market risk management. Between 2004 and 2006 she co-founded two start-up ventures, providing self-storage facilities to domestic and business customers in the Midlands and acted as finance director until the businesses were successfully sold in 2016. In 2008 Margaret joined the board of Henderson High Income Trust plc, where she also served as non-executive chair from 2016 until her retirement in 2021. She was also appointed as non-executive director to JP Morgan Mid Cap Trust plc in 2008 and retired in 2019.

Margaret currently serves as non-executive director of UK Commercial Property REIT Limited and as a trustee of the Lymphoma Research Trust.

Patricia Dimond

Patricia has had an international career with over 30 years in the consumer, retail and financial sectors. As an executive or strategic advisor, she has worked with FTSE 100, private equity and owner managed companies. She is an investor in early stage technology ventures, with an expertise in Fintech. Patricia is an alumna of McKinsey & Company and a Chartered Financial Analyst. She qualified, with Deloitte Haskins & Sells, as a Chartered Accountant, and holds an MBA from IMD Switzerland.

Patricia currently serves as a non-executive director for LXi REIT Plc, where she is the chair of the audit committee and is a trustee and non-executive director of the English National Opera where she is the senior independent director and the chair of the audit and risk committee.

Jocelin Harris

Jocelin is a qualified solicitor and since 1986 has run Durrington Corporation, which provides finance and advice for small businesses. Before this he was a director of private bank Rea Brothers for 13 years. He has personally invested in over 50 development stage companies over the last 40 years.

Jocelin is currently chair or non-executive director of a number of companies in the UK and the USA. He is also a non-executive director of Unicorn AIM VCT plc and a trustee of St Peter's College, Oxford and of the University Schools Multi Academy Trust.

Gordon Humphries (Chair of the Audit and Remuneration Committees)

Gordon has over 30 years' experience in financial services, particularly with regard to investment trusts. He was an investment director and the head of investment companies at Standard Life Investments. Prior to this he was joint head of investment trusts at F&C Asset Management. He was previously a director of R&H Fund Services Limited and was a member of the Institute of Chartered Accountants of Scotland Audit and Assurance Committee for the period 2005 to 2015. Gordon began his career with Deloitte Haskins & Sells (now PwC), where he qualified as a chartered accountant. He has an MA (Hons) in Economics and Accounting from the University of Edinburgh.

Gordon is a non-executive director of Maven Income and Growth VCT 5 plc and JPMorgan Smaller Companies Investment Trust plc.

Management and Administration

The Board sets the Company's policies and objectives and ensures that its obligations to the Shareholders are met. The Board has overall responsibility for the Company's affairs, including approving valuations (prepared by the Manager) and NAVs (calculated by the Manager) which are published quarterly or more often if required.

Board Committees

Audit Committee

The Audit Committee comprises Gordon Humphries (chair), Patricia Dimond, Jocelin Harris and Margaret Littlejohns, all of whom are considered to have sufficient recent and relevant financial experience to discharge the role, and meets at least twice a year to consider, amongst other things, the following:

- Review the valuation of unquoted investments;
- monitor the integrity of the annual and half-yearly reports of the Company and recommend the accounts to the Board for approval;
- review the Company's internal control and risk management systems;
- make recommendations to the Board in relation to the appointment of the external auditor;
- review and monitor the external auditor's independence; and
- implement and review the Company's policy on the engagement of the external auditor to supply non-audit services.

Nomination Committee

The Nomination Committee comprises Margaret Littlejohns (chair), Patricia Dimond, Jocelin Harris and Gordon Humphries and meets at least annually to consider the composition and balance of skills, knowledge and experience of the Board and to make nominations to the Board in the event of a vacancy. New directors are required to resign at the annual general meeting following appointment and then seek re-election thereafter.

The Board believes that, as a whole, it has an appropriate balance of skills, experience and knowledge. The Board

also believes that diversity of experience and approach, including gender diversity, amongst Board members is important and it is the Company's policy to give careful consideration to issues of Board balance and diversity when making new appointments.

The Board currently comprises an equal number of female and male Directors. There is no formal diversity policy in place however the Board is conscious of the need for diversity and will consider both male and female candidates when making new appointments. The Nomination Committee makes recommendations to the Board on the Company's succession plans.

Management Engagement Committee

The Management Engagement Committee comprises Margaret Littlejohns (chair), Patricia Dimond, Jocelin Harris and Gordon Humphries and meets at least annually to review the appointment and terms of engagement of the Manager.

Remuneration Committee

The Remuneration Committee (which has responsibility for reviewing the remuneration of the Directors) comprises Gordon Humphries (chair), Patricia Dimond, Jocelin Harris and Margaret Littlejohns and meets at least annually to consider the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role. The committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards.

Corporate Governance

Internal Controls

The Directors have overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The internal controls system is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives. The system is designed to meet the particular needs of the Company and the risks to which it is exposed and by its nature can provide reasonable but not absolute assurance against misstatement or loss.

The Board has delegated the financial administration to the Manager, which has an established system of financial control, including internal financial controls, to ensure that proper accounting records are maintained and that financial information for use within the business and for reporting to Shareholders is accurate and reliable and that the Company's assets are safeguarded. The Board, therefore, has decided that it is not necessary to have its own internal audit function. It has decided that the systems and procedures employed by the Manager, the Audit Committee and other third party advisers provide sufficient assurance that a sound system of internal control, which safeguards Shareholders' investments and the Company's assets, is maintained. In addition, the Company's financial statements are audited by external auditors.

There is a continuous process for identifying, evaluating and managing the significant risks faced by the Company, and this process is regularly reviewed by the Board and accords with the guidance. The process is based principally on the Manager's existing risk-based approach to internal control whereby a risk matrix is created that identifies the key functions carried out by the Manager and other service providers, the individual activities undertaken within those functions, the risks associated with each activity and the controls employed to minimise those risks. A residual risk rating is then applied. The Board is provided with reports highlighting all material changes to the risk ratings and confirming the action that has been, or is being, taken. This process covers consideration of the key business, operational, compliance and financial risks facing the Company and includes consideration of the risks associated with the Company's arrangements with the Manager, Shakespeare Martineau LLP and other service providers.

The Board, through the Audit Committee, performs a review of the effectiveness of the system of internal control, together with a review of the operational and compliance controls and risk management, as it operated during the year and reported its conclusions to the Board (which was satisfied with the

Management and Administration

outcome of the review) in respect of the financial year ended 31 December 2020.

All Directors have access to the advice and services of the officers of the Company secretary, who is responsible to the Board for ensuring that Board procedures and applicable rules and regulations are complied with.

While the Manager supports the aims and objectives of the Stewardship Code, it is not currently a signatory to the Code which is more applicable to listed securities.

UK Corporate Governance Code

The FCA requires all listed companies to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code (the UK Code) issued by the Financial Reporting Council.

As a VCT, the Company's day-to-day responsibilities are delegated to third parties and the Directors are all non-executive. The Board considers that reporting against the principles and provisions of the 2019 AIC Code of Corporate Governance (AIC Code), which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders. The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company.

Unless noted as an exception below, the requirements of the AIC Code and the UK Code were complied with throughout the year ended 31 December 2020.

- In light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to the Manager, Shakespeare Martineau LLP and other service providers, the Company has not appointed a chief executive officer, deputy chair or a senior independent non-executive director as recommended by the UK Code. The provisions of the UK Code which relate to the division of responsibilities between a chairperson and a chief executive officer are, accordingly, not applicable to the Company.

- As the Board has delegated the financial administration to the Manager and procures additional services from other third party providers, the Board has decided that it is not necessary to have its own internal audit function.
- In view of its non-executive nature and the requirement in the Articles that all Directors retire and, if appropriate, may seek re-election annually at the annual general meeting, the Board considers that it is not appropriate for the Directors to be appointed for a specific term as recommended by the Code. Full details of duties and obligations are provided at the time of appointment and are supplemented by further details as requirements change.

Investment Management and Administration

The Company has appointed the Manager to provide investment management services. The Board has delegated investment decisions to the Manager (save for where conflicts of interest and/or regulatory requirements require the Board to make investment decisions) pursuant to the investment management arrangements.

The Company has also appointed the Manager to provide administration services which include company secretarial, bookkeeping and accounting and safe-custody of documents of title services required in connection with the business and the operation of the Company.

The Company has and will continue to have custody of its own assets:

- monetary assets will be held in bank accounts and/or money market accounts in the Company's own name; and
- investments (both unquoted and, if applicable, quoted) and the corresponding share certificates will also be held in the Company's own name.

The Manager, Foresight Group LLP, is a subsidiary undertaking of Foresight Group Holdings Limited and is registered in England and Wales. The Manager is

authorised and regulated by the FCA (registration number 198020) to provide investment advisory and management services, arrange deals in investments and to make arrangements with a view to transactions in investments. The business of the Manager, this primarily being the provision of investment management and advisory services, was originally carried out by VCF Partners, formed in 1984, before being novated to the Manager. Its principal place of operation is The Shard, 32 London Bridge Street, London SE1 9SG (tel: 020 3667 8100 and website: <https://www.foresightgroup.eu>*).

Further details on the Manager are set out in Part II of this document.

VCT Status Monitoring

Shakespeare Martineau LLP provide legal advice and assistance in relation to the maintenance of VCT tax status of the Company, including reviews of the investment portfolio of the Company to ensure continuing compliance. Reviews of prospective investments are carried out by advisers assisting on the relevant investment transaction.

Investor Communications

The Board places a great deal of importance on communicating with its Shareholders and supports open communication with Shareholders. In addition to the announcement and publication of the annual report and accounts and the half-yearly financial report, the Manager also publishes fact sheets for the March and September quarters which are made available on the Company's website at <https://www.foresightvct.com>*.

Year End	31 December
Announcement and publication of annual report and accounts	April
Announcement and publication of half-yearly results	September

* These websites do not form part of the Prospectus unless that information is incorporated by reference.

Objectives and Policies

Investment Objective

To provide private investors with regular dividends and maintained capital value from a portfolio of investments in fast-growing unquoted companies in the UK.

Investment Policy

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

Investment Securities

The Company invests in a range of securities including, but not limited to, ordinary and preference shares, loan stock, convertible securities, fixed-interest securities and cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stock, while AIM investments are primarily held in ordinary shares. Pending investment in unquoted or AIM listed securities, cash is primarily held in interest bearing accounts as well as in a range of permitted liquidity investments.

UK Companies

Investments are primarily made in companies which are substantially based in the UK, although many will trade overseas. The companies in which investments are made must satisfy a number of tests set out in Part 6 of the ITA 2007 to be classed as VCT qualifying holdings.

Asset Mix

The Company aims to be significantly invested in growth businesses, subject always to the quality of investment opportunities and the timing of realisations. Any uninvested funds are held in cash and a range of permitted liquidity investments.

Risk Diversification and Maximum Exposures

Risk is spread by investing in a number of different businesses within different industry sectors at different stages of development, using a mixture of securities. The maximum amount invested in any one company, including any guarantees to banks or third parties providing loans or other investment to such a company,

is limited by VCT legislation to 15% of the Company's investments (which includes cash) by VCT value at the time of investment.

Investment Style

Investments are selected in the expectation that value will be enhanced by the application of private equity disciplines, including an active management style for unquoted companies through the placement of an investor director on investee company boards.

Borrowing Powers

The Company has a borrowing limit of an amount not exceeding an amount equal to the adjusted capital and reserves (being the aggregate of the amount paid up on the issued share capital of the Company and the amount standing to the credit of its reserves). Whilst the Company does not currently borrow, and the Board has no plans to do so, its Articles allow it to do so.

Co-investment Policy

The Company may invest alongside other funds managed or advised by The Foresight Group. Where more than one fund is able to participate in an investment opportunity, allocations will generally be made in proportion to the net cash raised for each such fund, other than where a fund has a pre-existing investment where the incumbent fund will have priority, priority agreed in relation to a particular fund, the availability of monies to make the investment and other portfolio considerations, such as the portfolio diversity and the need to maintain VCT status, all of which is set out in The Foresight Group private equity allocation policy as agreed by the Board from time to time. This may mean that the Company may receive a greater or lesser allocation than would otherwise be the case under the normal allocation policy.

Where the Company invests in companies in which other funds managed or advised by The Foresight Group have invested or are investing, conflicts of interest may arise and the Board will exercise its judgement in managing such conflicts. In such circumstances,

the Manager will apply The Foresight Group's conflicts policy in order to reconcile the conflict in the first instance and thereafter, if required, the Board will exercise its independent judgement, so far as it is able, to protect the interests of the Company. It may not, in such circumstances, be possible to fully protect the interests of the Company.

Save for the above, there are no material potential conflicts of interest which the Manager, and more widely The Foresight Group, may have as between its duty to the Company and duties owed by them to third parties and their interests.

Dividend Policy

The Board will endeavour to pay annual dividends of at least 5% of the NAV per Share. The aim of the Board and the Manager is for future investment performance to support this level of distribution, whilst also maintaining the NAV per Share on a year on year basis. In the event that significant realised gains arise on sales of investment greatly in excess of their carrying value, the Board will consider payment of special dividends. Investors should note that the Company only pays dividends by way of bank transfer direct to investors' accounts.

Share Buyback Policy

It is the Company's policy, subject to adequate cash availability, to consider repurchasing Shares when they become available in order to help provide liquidity to the market in the Shares, at a target discount of approximately 10% to the net asset value per Share.

Share buybacks will be subject to having appropriate authorities from Shareholders, the Listing Rules and any applicable law at the relevant time. Shares may be bought back into treasury or cancelled at the Board's discretion.

Dividend Reinvestment Scheme

The Company operates, through Computershare Investor Services PLC, a dividend reinvestment scheme whereby Shareholders can elect to have their dividends reinvested in further Shares.

Objectives and Policies

Under the scheme, dividends are reinvested at the last published NAV per Share prior to allotment. The terms of the scheme are available on the Company's website: <https://www.foresightvct.com>.

Investors under the Offer can elect to participate in the dividend reinvestment scheme by completing the relevant section in the Application Form.

Valuation Policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital Valuation (IPEV) guidelines (December 2018 and further COVID-19 guidance for March 2020) developed by the British Venture Capital Association and other organisations. Through these guidelines, investments are valued as defined at 'fair value'. Where the investment being valued was made recently, its cost would normally provide a good starting point for estimating fair value. At each measurement date, fair value is estimated using appropriate valuation techniques. Investments quoted or traded on a market are valued at bid price.

The portfolio valuations are prepared by the Manager, reviewed and approved by the Board quarterly and subject to annual review by the auditors. The Company's net asset value will be calculated quarterly and published by way of a RIS Announcement.

In the event of any suspension of listing, valuations will be 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 RIS Announcement.

Conflicts

The Manager's fees are based on a percentage of net assets and, therefore, there is an inherent conflict in the valuations it proposes in relation to investments. This conflict is managed by the valuation of investments being reviewed and approved by the Board.

Where the Company invests in companies in which other funds managed or advised by the Manager and companies and undertakings within the same group have invested or are investing, conflicts of interest may arise and the Board will exercise its judgement in managing such conflicts. In such circumstances, the Manager and companies and undertakings within the same group 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.

Travel and other expenses that are recoverable from the Company may be considered benefits to the Directors. Where applicable, any associated tax liability will be settled by the Company.

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

Annual Expenses

Investment Management and Administration Fees

The Manager receives an annual investment management fee of an amount equal to 2% of the net assets of the Company. It has been agreed by the Company and the Manager to reduce the annual management fee to 1% in respect of any cash within the net assets of the Company in excess of £20 million.

Management fees are calculated and paid quarterly in advance. Supplemental management fees are paid in relation to funds raised during the quarter.

The Manager also receives an annual administration fee. The fee is £123,677 for the current year to 31 December 2021, with such amount thereafter annually uplifted on 1 January in each year for RPI (on a compounding basis and subject to a cap of £130,000). The administration fee is subject to VAT.

The Manager is responsible for any fees payable to any of its delegates, associates or service providers.

Annual Expenses Cap

The normal annual running costs of the Company (these being the normal expenses incurred in its ordinary course of business) are capped at an amount equal to 2.4% of the net assets of the Company as at the end of each financial year with any excess being borne by the Manager. The annual expenses for the year ended 31 December 2020 were an amount equal to approximately 2.1% of the net assets.

Normal annual running costs include annual investment management and administration fees, directors' remuneration, normal fees payable to the Company's registrars, stockbroker, auditors, solicitors and VCT status advisers, and from 1 January 2020, irrecoverable VAT. It does not include performance incentive fees, historic trail commission or exceptional items.

Co-Investment Scheme and Performance Incentive Arrangements

A new co-investment scheme and performance incentive fee arrangement was approved by Shareholders and

entered into by the Company and Foresight CI in March 2017.

The rights and obligations of Foresight CI in respect of the co-investment scheme and performance incentive arrangements were novated to the Manager on 27 January 2020. As a result, in respect of investments made before that date, the co-investments to which Foresight CI was entitled were transferred to the Manager on 31 March 2020.

Co-Investment Scheme

In order to align the interests of the Manager and the individual members of the Manager's Private Equity Team with those of Shareholders, the Manager and individual members of the Manager's Private Equity Team will co-invest, alongside the Company, for shares and loans in each new investee company at the same time and at the same price paid by the Company.

In respect of investments made by the Company in new investee companies (including follow-ons) on or after 31 March 2017, the Manager and individuals of the Foresight Private Equity team subscribe, in aggregate, for shares and loans equal to 1.0% (1.5% for the period from 31 March 2017 to 27 January 2020) of the total value being invested by the Company. This allocation will be split as to 75% to individual members of the Manager's Private Equity Team and 25% to the Manager. The co-investment will be in the lowest priority of securities that the Company is investing in, subject to not representing more than 3.33% (5% for the period from 31 March 2017 to 27 January 2020) of the amount the Company is investing in each security class.

The Board believes that these arrangements will align the interests of individual members of the Manager's Private Equity Team with the Company through their personal investment in each new investee company in which the Company invests.

Performance Incentive

In order to incentivise the Manager to generate enhanced returns for Shareholders, the Manager will potentially be entitled to a performance incentive payment in respect of investments made by the Company in

new investee companies on or after 31 March 2017 (including follow-ons in such companies).

The Manager will be entitled to a performance incentive fee in respect of the cash proceeds received by the Company in respect of a realisation of an investment subject to (i) an Investment Growth Hurdle and (ii) a Total NAV Return Hurdle.

The 'Investment Growth Hurdle' requires that the cash return received in respect of all investments in the relevant investee company is greater than the cost of those investments increased annually by 4% plus RPI (on a compound basis).

The 'Total NAV Return Hurdle' requires that the NAV total return per Share must be at least the 'Hurdle TR' (i) at the time of the exit of the relevant investment and (ii) at the end of the three year period following the relevant exit.

For these purposes:

'NAV total return per Share' means, as the date of assessment, the NAV per Share plus Dividends paid per Share since 18 December 2015.

'Dividends paid per Share' means the aggregate of the amount of dividends actually paid, divided by the number of Shares in issue at the point of the assessment, to give a rebased amount of dividends per Share.

'Hurdle TR' means 100p as increased from 1 January 2020 to the date of the relevant total return assessment by the greater of (i) the percentage increase in RPI and (ii) 3.5% per annum (such increase to be compounded yearly by the greater of the RPI increase and 3.5% for the relevant year).

For information, as at 31 March 2021:

- the Hurdle TR was 103.5p; and
- the NAV total return per Share was 102.5p (this being the aggregate of the unaudited NAV per Share as at 31 March 2021 of 79.6p plus Dividends paid per Share (rebased) since 18 December 2015 of 22.9p).

Should both of the above hurdles be met, the Manager will receive a fee equal to 20% of the amount by which the cash proceeds received by the Company

Annual Expenses

exceed the Investment Growth Hurdle. The Company may issue Shares in lieu of a cash payment.

The fee will only be paid after three years following the exit of a relevant investment, once the Total NAV Return Hurdle can be measured in full.

No performance fees have to date been paid, or have been otherwise accrued as due.



Financial Information

2020 Annual Report

The Company has produced annual statutory accounts for the financial year ended 31 December 2020 (2020 Annual Report). The 2020 Annual Report was audited by Deloitte LLP, 20 Castle Terrace, Edinburgh EH1 2DB and was reported on without qualification and contained no statements under section 495 to section 497A of CA 2006. Deloitte LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

The 2020 Annual Report was prepared in accordance with UK generally accepted accounting practice (GAAP), the requirements of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The 2020 Annual Report contains a description of the Company's financial condition, changes in financial condition and results of operation and is being incorporated by reference and can be accessed at the following website: www.foresightvct.com.

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. The two tables below comprise a cross-referenced list of information incorporated by reference. The parts of these documents which are not being incorporated by reference are either not relevant for an investor or are covered elsewhere in the Prospectus.

Description	2020 Annual Report
Balance Sheet	Page 62
Income Statement (or equivalent)	Page 60
Statement showing all changes in equity (or equivalent note)	Page 61
Cash Flow Statement	Page 63
Accounting Policies and Notes	Pages 64 to 79
Auditor's Report	Pages 52 to 59

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

Such information also includes operating/financial reviews as follows:

Description	2020 Annual Report
Objectives	Page 28
Financial Highlights	Pages 2 and 3
Chairman's Statement	Pages 4 to 7
Manager's Report	Pages 8 to 12
Portfolio Summary	Pages 14 to 23
Investment Policy	Page 28
Valuation Policy	Page 33

Financial Information

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

	Year ended 31 December 2020 (audited) (£'000 unless otherwise stated)
Investment income	£1,844
Total income before operating expenses	£6,679
Profit on ordinary activities before taxation	£3,380
Performance fee (accrued/paid)	£nil
Investment management fee (accrued/paid)	£2,719
Any other material fees (accrued/paid) to service providers	£350
Earnings per Share	1.7p
Dividends paid per Share (in the period)	3.3p
Total assets	£151,917
NAV per Share	73.7p

Most recently published NAV

As at 31 March 2021, the date to which the most recent unaudited financial information on the Company has been published, the Company had unaudited net assets of £163.9 million (NAV per Share of 79.6p).

Recent investments

The following investments have been made by the Company since 31 December 2020:

- £1.5 million invested in Sportslabs Technology Limited (t/a Clubspark).
- £0.7 million invested in Fresh Relevance Ltd.
- £1.5 million invested in NorthWest eHealth Limited.
- £1.7 million invested in Additive Manufacturing Technologies Limited.
- £0.8 million Hexarad Group Limited.
- £0.7 million follow-on into Biotherapy Services Limited.

Save as set out above, there have been no material investments made by the Company since 31 December 2020. In the ordinary course, there are a number of potential investments which are in progress, but no firm commitments have been made in respect of these.

Capitalisation and Indebtedness

The capitalisation of the Company as at 31 December 2020 (extracted without material adjustment from the 2020 Annual Report), is set out below.

Shareholders' Equity	£'000
Called-up share capital	2,060
Share premium account	67,634
Other reserves	82,124
Total	151,818

Other than the payment of £6.2 million in dividends and £3.1 million in respect of buy backs of 4,626,711 Shares (which reduces the amount of reserves and called-up share capital by a corresponding amount) and the issue of 1,786,248 Shares pursuant to the dividend reinvestment scheme at an aggregate price of £1.36 million (which increases the amount of called-up share capital and share premium by a corresponding amount), there has been no material change to the capitalisation of the Company between 31 December 2020, the date to which the 2020 Annual Report was made up to, and 23 July 2021, the latest practicable date before the date of publication of this document.

As at 23 July 2021 (the latest practicable date prior to the publication of this document), the Company had no indebtedness, whether guaranteed, unguaranteed, secured, unsecured,

direct, indirect and/or contingent and there is no current intention of incurring any such indebtedness for at least the 12 month period from the date of this document.

Working Capital Statement

The Company is of the opinion that the working capital available to the Company is sufficient for its present requirements; that is for at least the twelve month period from the date of this document.

Significant Change Statement

There has been no significant change in the financial position of the Company since 31 December 2020, the date to which the 2020 Annual Report was made up to.

Other Information

1 Constitution and Status

- 1.1 The legal and commercial name of the Company is Foresight VCT plc.
- 1.2 The Company was incorporated and registered in England and Wales as a public company with limited liability on 19 August 1997 with registered number 03421340, under the name Backsight Technology VCT plc. The Company's name was changed to Foresight Technology VCT plc on 20 August 1997 and then subsequently to Foresight VCT plc on 16 January 2007. The Company was issued with a trading certificate under section 117 of CA 1985 (now section 761 of CA 2006) on 23 September 1997.
- 1.3 The principal legislation under which the Company operates, and under which the Shares are created, is CA 2006 (and regulations made thereunder). The Company's registered office and principal place of business is at The Shard, 32 London Bridge, London SE1 9SG. The Company is domiciled in England. The Company does not have, nor has it had since incorporation, any subsidiaries, or employees.
- 1.4 The Company revoked status as an investment company under section 266 of the CA 1985 (now section 833 of CA 2006) on 30 March 2000 for the purposes of paying a capital dividend and does not intend to re-apply for such status.
- 1.5 The memorandum of association, which, by virtue of section 28 of CA 2006, is now treated as being part of the Articles, provides that the Company's principal object and purpose is to carry on the business of a VCT. The objects of the Company are set out in full in clause 4 of the memorandum of association.
- 1.6 HMRC has granted approval of the Company as a VCT under section 259 of ITA 2007. The business of the Company has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full VCT approval.

- 1.7 In order for the future of the Company to be considered by the members, the Directors shall at the annual general meeting falling after the fifth anniversary of the last allotment (from time to time) of shares in the Company, and thereafter at five yearly intervals, invite the members to consider and debate the future of the Company (including, without limitation, whether the Company should be wound up, sold or unitized) and as soon as practicable following that meeting shall convene a general meeting to propose such resolution as the members attending the annual general meeting may by ordinary resolution require.
- 1.8 The Company's shares are admitted to the Official List of the FCA and to trading on the main market of the London Stock Exchange and have an International Securities Identification Number of GB00B68K3716. The Company's Legal Entity Identity number is 213800GNTY699WHACF46.
- 1.9 The Company is not regulated by the FCA or an equivalent European Economic Area regulator but it is an alternative investment fund for the purposes the Alternative Investment Fund Managers Directive (2011/61/EU). The Company is its own alternative investment fund manager for the purposes of that Directive. The Company was registered with the FCA as a small internally managed alternative investment fund on 6 August 2014. In addition, as a premium listed entity on the main market of the London Stock Exchange, the Company is subject to the rules and regulations issued by the FCA from time to time and is also subject to regulation by HMRC under the VCT rules in order to qualify as a VCT. The Company is not otherwise regulated.
- 1.10 The Company and its Shareholders are subject to the provisions of the City Code on Takeovers and Mergers and CA 2006 which require shares to be acquired/transferred in certain circumstances.

2 Share Capital

- 2.1 As at 31 December 2019, the issued share capital of the Company was 173,959,405 Shares (all fully paid-up). No shares in the Company were held in treasury.
- 2.2 The issued share capital history of the Company since 31 December 2019 is as follows:
 - (i) During the financial year ended 31 December 2020, the Company issued 36,275,731 Shares and bought back 4,281,119 Shares. As at 31 December 2020, the issued share capital of the Company comprised 205,954,017 Shares, none of which were held in treasury.
 - (ii) During the current period to 23 July 2021 (being the latest practicable date prior to the publication of this document) the Company issued 1,786,248 Shares and bought back 4,626,711 Shares.
- 2.3 On 28 May 2020, the Company passed a resolution that the share premium account be reduced by £35.6 million (such reduction being subsequently confirmed by the Court on 14 October 2020 and registered at Companies House on 16 October 2020). On 27 May 2021, the Company passed a resolution that the share premium account be reduced by £39.2 million (such reduction expected to be confirmed by the Court and registered at Companies House during August 2021).
- 2.4 At the date of this document, the Company has 203,113,554 Shares in issue (all fully paid up). No Shares are held in treasury.
- 2.5 The following resolutions were passed at the annual general meeting of the Company held on 27 May 2021:
 - (i) That, in substitution for all existing authorities, the Directors were generally and unconditionally authorised in accordance with section 551 of CA 2006 to exercise all the

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powers of the Company to allot Shares and to grant rights to subscribe for, or to convert any security into, Shares (Rights), up to an aggregate nominal amount of £400,000, provided that this authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the fifth anniversary of the date of the passing of this resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require Shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot Shares and grant Rights pursuant to any such offers or agreements as if this authority had not expired.

- (ii) That, in substitution for all existing authorities, the directors were empowered pursuant to section 570 and section 573 of CA 2006 to allot equity securities (within the meaning of section 560 of CA 2006) for cash either pursuant to the authority conferred by the resolution referred to above or by way of a sale of treasury shares as if section 561(1) of CA 2006 did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding £200,000 pursuant to offer(s) for subscription;
- (b) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding an amount equal to 10% of the issued share capital from time to time pursuant to the dividend reinvestment scheme operated by the Company at a subscription price per Share which may

be less than the net asset value per Share, as may be prescribed by the scheme terms;

- (c) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding £100,000 by way of an issue of Shares (which may be at a subscription price per Share which is less than the net asset value per Share) pursuant to performance incentive arrangements with the Manager and relevant individuals of the Manager's investment team; and
- (d) the allotment (otherwise than pursuant to subparagraphs (a) to (c) of this resolution) to any person or persons of equity securities with an aggregate nominal amount of up to but not exceeding an amount equal to 10% of the issued share capital from time to time,

in each case where the proceeds may be used in whole or part to purchase shares in the capital of the Company, and shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the annual general meeting of the Company to be held in the year 2022, or, if earlier, on the date falling 15 months after the passing of this resolution save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the authority conferred hereby had not expired.

- (iii) That, in substitution for all existing authorities, the Company was empowered to

make market purchases (within the meaning of Section 693(4) of CA 2006) of its own shares provided that:

- (a) the aggregate number of Shares to be purchased shall not exceed 30,827,507 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99% of the Company's Shares in issue at the date of passing this resolution;
- (b) the minimum price which may be paid for a Share is 1p (the nominal value thereof);
- (c) the maximum price which may be paid for a Share is the higher of (1) an amount equal to 105% of the average of the middle market quotation for a Share taken from the London Stock Exchange daily list for the five business days immediately preceding the day on which the Shares are purchased, and (2) the amount stipulated by Article 5(1) of the Market Abuse Regulation (596/2014/EU);
- (d) the authority conferred by this resolution shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the annual general meeting of the Company to be held in the year 2022 or, if earlier, on the date falling 15 months after the passing of this resolution; and
- (e) the Company may make a contract to purchase 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 Shares pursuant to such contract.
- 2.6 There are no other shares or loan capital in the Company in issue or under option or agreed conditionally or unconditionally to be put under option nor does the Company hold shares in treasury.
- 2.7 The Board believes that (subject to movements in the net asset value per Share on which the Offer price per Offer Share for each successful Applicant will be based), it has sufficient Shareholder authority to issue Offer Shares for the Offer (ignoring the over-allotment facility). Should the Board decide to utilise the over-allotment facility (in whole or part), it may need to seek further authority from Shareholders to allot and issue Offer Shares (with pre-emption rights disapplied) and will convene a general meeting for this purpose.
- 2.8 Following the issue of Offer Shares pursuant to the Offer (assuming the maximum 48 million Offer Shares are allotted pursuant to the Offer, including in connection with, if utilised, the over-allotment facility) the issued share capital of the Company is expected to be as follows:

Shares	Issued	
	Number	£ (nominal)
	251,113,554	2,511,135.54

- 2.9 The issue premium on an Offer Share will be the difference between the issue price of that share and the nominal value thereof of 1p.
- 2.10 The Company will be subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of 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 in cash) will apply to the balance of the share capital of the Company which is not subject to the disapplication referred to in paragraph 2.5.

- 2.11 As at 23 July 2021 (this being the latest practicable date prior to publication of this document), the Company is not aware of any person who, immediately following the issue of the Offer Shares, directly or indirectly, has or will have an interest in the capital of the Company or voting rights which is notifiable under UK law (under which, pursuant to CA 2006, the Listing Rules and the Disclosure Guidance & Transparency Rules, a holding of 3% or more must be notified to the Company).

3 Issued share capital and dilution

- 3.1 The issued share capital of the Company as at the date of this document is 203,113,554 Shares.
- 3.2 If the full 48 million Offer Shares available are allotted pursuant to the Offer, the interests of the existing Shareholders who hold 203,113,554 Shares would represent 80.9% of the enlarged issued share capital, assuming no participation in the Offer by existing Shareholders.
- 3.3 The costs of the Offer will be borne by investors through the Pricing Formula and/or the Promoter as set out on page 52 of this document. The Company may require additional Shareholder authorities in order to utilise the over-allotment facility in full and issue Offer Shares to the maximum of 48 million Offer Shares as referred to in paragraph 2.7 above. The costs related to seeking such shareholder authorities are regarded as general Company expenditure and will be borne by the Company and are not costs relating to the Offer.

4 Directors' Interests

- 4.1 As at 23 July 2021 (this being the latest practicable date prior to publication of this document), the interests of the Directors' (and their immediate families) in the issued share capital of the Company were as follows:

	Shares	% of Issued Share Capital
Margaret Littlejohns	38,759	0.02
Patricia Dimond	-	-
Jocelin Harris	70,242	0.03
Gordon Humphries	29,137	0.01

- 4.2 Save as set out above, no Director, family member or any person connected with any Director (within the meaning of section 252 of CA 2006) has an interest in the capital of the Company which is or would, immediately following the Offer, be required to be notified pursuant to section 809 of CA 2006 or which is or would be required to be entered in the register maintained under section 809 of CA 2006.
- 4.3 None of the Directors has a service contract, nor are any such contracts proposed. Margaret Littlejohns was appointed as a Director on 1 October 2017 and became Chair of the Board on 27 May 2021. Jocelin Harris was appointed as a Director on 18 December 2015. Gordon Humphries was appointed as a Director on 20 February 2007. Patricia Dimond was appointed as a director on 1 February 2021. The appointments may be terminated on written notice and all Directors are subject to retirement annually. 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. The annual remuneration receivable by Margaret Littlejohns as a Director, Chair of the Board and chair of the Management Engagement Committee and Nomination Committee is £33,250, by each of Patricia Dimond and Jocelin Harris as Directors is £24,650 and by Gordon Humphries as a Director and chair of the Audit Committee and Remuneration Committee is £30,050 (in each case plus employer's National Insurance Contributions). For the

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year ended 31 December 2020, the total annual remuneration received by the Directors (including retiring Directors) was £113,050 (John Gregory: £32,650 (retired on 27 May 2021); Jocelin Harris: £24,200; Gordon Humphries: £30,800; and Margaret Littlejohns: £25,400), plus employers National Insurance Contributions. Aggregate Directors' emoluments for current year to 31 December 2021 are expected to be £120,142 (plus employers National Insurance Contributions).

4.4 There are no potential conflicts of interest of any Directors between

their duties carried out on behalf of the Company and their private interests and/or other duties.

4.5 No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the years ended 31 December 2018, 2019 and 2020 or to the date of this document in the current financial year and remains in any respect outstanding or unperformed.

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

4.7 The Company has taken out directors' and officers' liability insurance for the benefit of its directors, which is renewable on an annual basis.

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

	Current	Past 5 Years
Margaret Littlejohns	Lymphoma Research Trust UK Commercial Property Estates Holdings Limited UK Commercial Property Estates Limited UK Commercial Property Finance Holdings Limited UK Commercial Property GP Limited (in winding up) UK Commercial Property Holdings Limited UK Commercial Property Nominee Limited (in winding up) UK Commercial Property REIT Limited	Brixton Radlett Property Limited (in liquidation) Henderson High Income Trust plc JPMorgan Mid Cap Investment Trust plc Southern Housing Group (member of Group Development Committee) The Space Place Self Storage (Chiswick) Limited (dissolved) UKCPT Limited Partnership (dissolved) UK Commercial Property Estates (Reading) Limited (in liquidation)
Patricia Dimond	English National Opera LXi REIT plc	Withclarity Limited
Jocelin Harris	8 Stafford Terrace (Freehold) Limited Circular Wave Limited Crest Medical Holdings Limited Durrington Corporation Limited Eonyx Corporation Halkin Secretaries Limited Halpin Partnership Limited Hip and Healthy Limited Lightfoot Solutions Group Limited Lightfoot Solutions UK Limited Millennium Mats Limited Obillex Limited (in liquidation) The Millenium Mat Company LLC St Peter's College, Oxford Tudor Roof Tile Co. Limited Unicorn AIM VCT plc University Schools Trust, East London	8 Stafford Terrace (Management) Limited (dissolved) British American Rubber Company LLC Foresight 2 VCT plc (dissolved) Mintec Limited Roil Foods Limited Roilvest Limited Serres Limited (dissolved) The St Peter's College Foundation Unipower Solutions Europe Limited (dissolved)
Gordon Humphries	JPMorgan Smaller Companies Investment Trust plc Maven Income and Growth VCT 5 plc	Maitland Administration Services (Scotland) Limited Cattanach

- 4.9 No Director has any convictions in relation to fraudulent offences during the previous five years.
- 4.10 Save as disclosed in this paragraph, in the five years prior to the publication of this document, there were no bankruptcies, receiverships, liquidations or administrations, of any companies or partnership where any of the Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years nor (iv) a senior manager, during the previous five years:
- (i) Jocelin Harris was a director of Foresight 2 VCT plc which was placed into voluntary members' liquidation in December 2015 pursuant to a merger with the Company under section 110 of the Insolvency Act 1986 and was later dissolved on 27 June 2017. In addition, Jocelin Harris was a director of Unipower Solutions Europe Limited which was placed into administration on 2 June 2011, into liquidation on 31 October 2013 and dissolved on 28 December 2016 and further, a director of each of 8 Stafford Terrace (Management) Limited and Serres Limited, both of which were voluntarily struck off the register of companies and dissolved on 17 January 2017 and 2 October 2018, respectively. Jocelin Harris was also appointed a director of Obillex Limited on 1 October 2013. The company subsequently went into creditors' voluntary liquidation and an extraordinary resolution to wind the company up was passed on 26 February 2020. A statement of affairs filed by the liquidator as at 14 February 2020 stated that the estimated deficiency as regards creditors would be £(4,638.84), with the estimated deficiency as regards the members being £(7,663,375.27).
 - (ii) Margaret Littlejohns was a director of The Space Place Self Storage (Chiswick) Limited which was voluntarily struck off the register of companies and dissolved on 23

August 2016. Margaret Littlejohns was also appointed as a director of UK Commercial Property Estates (Reading) Limited on 29 June 2018 and subsequently resigned on 1 April 2021. UK Commercial Property Estates (Reading) Limited was placed into members' voluntary liquidation on 31 March 2021. The commencement of the winding up began on 31 March 2021 with a declaration of solvency sworn on 31 March 2021. Margaret Littlejohns was also appointed as a director of Brixton Radlett Property Limited on 31 March 2018 and subsequently resigned on 1 April 2021. Brixton Radlett Property Limited was also placed into members' voluntary liquidation on 31 March 2021. The commencement of the winding up began on 31 March 2021 with a declaration of solvency sworn on 31 March 2021. In addition, Margaret Littlejohns was appointed as a director of UK Commercial Property Nominee Limited and of UK Commercial Property GP Limited on 1 January 2018. UK Commercial Property Nominee Limited and UK Commercial Property GP Limited were both placed into voluntary winding up with effect from 31 March 2021 in accordance with the provisions of section 391(1) (b) of the Companies (Guernsey) Law, 2008. In addition UKCPT Limited Partnership, which was 99% owned by UK Commercial Property Holdings Limited (of which Margaret Littlejohns is a director), was placed into voluntary winding up and dissolved on 31 March 2021.

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

5 Material contracts

Set out below is a summary of all contracts (not being contracts entered into in the ordinary course of business) entered into by the Company in the last two years that are material and all other contracts (not being contracts entered into in the ordinary course of business) that contain any provision under which the Company has an obligation or entitlement which is material to the Company as at the date of the document.

- 5.1 An investment management agreement dated 21 June 2012 between the Company (1), the Manager (2) and Foresight CI (3) (as amended from time to time), as novated to the Manager and amended on 27 January 2020 (including Foresight Group Holdings Limited being added as a party to the agreement), pursuant to which the Manager provides investment management and administration (including secretarial and accounting) services to the Company.

The appointment may be terminated by not less than one year's notice in writing by either party. The appointment may also be terminated in circumstances of material breach by the Company or the Manager (or its delegates, subcontractors and service providers) or by the Company if the Manager is no longer authorised by the FCA to provide such services. The Company may appoint other parties in substitution of the Manager as investment adviser or manager in respect of the whole or part of the Company's investment portfolio if it believes that this is necessary to preserve the status of the Company as a VCT. The Manager may delegate, subcontract, procure services from other parties subject to prior approval from the Board (the Manager, however, remains responsible to the Company for all such services).

The Board has permitted the Manager to procure investment management advisory services

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from Foresight CI in connection with delivering its investment management services to the Company. Foresight CI (the parent undertaking of the Manager) and Foresight Group Holdings Limited (the parent company of Foresight CI) have also provided a guarantee under the agreement in respect of the obligations of the Manager.

The Manager receives an annual management fee of an amount equal to 2.0% of the net assets of the Company, calculated and payable quarterly in advance, together with any applicable VAT thereon in respect of investment management services. Supplemental management fees are paid in relation to funds raised during the quarter. It has been agreed by the Company and the Manager to reduce the annual management fee to 1% in respect of any cash within the net assets of the Company in excess of £20 million. The Manager also receives an annual administration fee. The fee is £123,677 for the current year to 31 December 2021, with such amount thereafter annually uplifted on 1 January in each year for RPI (on a compounding basis and subject to a cap of £130,000). The administration fee is subject to VAT.

The normal annual expenses of the Company are capped at an amount equal to 2.4% of the Company's net assets. Any excess over this amount will be borne by the Manager. Normal annual expenses include the annual expenses of the Company incurred in its ordinary course of business, the annual investment management and administration fees, directors' remuneration and normal fees payable to the Company's registrars, stockbroker, auditors, solicitors and VCT status advisers. It does not include any irrecoverable VAT, performance incentive fees or exceptional items.

The agreement contains provisions indemnifying the Manager against any liability not due to its default, negligence, fraud or breach of financial services regulatory requirements.

The Manager (and its group

companies) may retain any arrangement, transaction, exit and directors' fees which it receives in connection with an investment made by the Company subject to certain limits or otherwise as approved by the Board.

- 5.2 A co-investment and performance agreement dated 31 March 2017 between the Company (1) and Foresight CI (2) (as novated to the Manager on 27 January 2020 and as amended and supplemented from time to time) pursuant to which the Company has granted performance incentive entitlements and has agreed to co-investment arrangements with the Manager and the individual members of the Manager's Private Equity Team, as more particularly described on page 59 of this document.

If the co-investment arrangements are not complied with in respect of an investment the Board is entitled to withdraw or modify the co-investment arrangements in respect of future investments. In addition, the Board has reserved the right, but subject to consultation with the Manager, to amend or terminate the co-investment arrangements and the performance incentive entitlement on giving the Manager six months' notice in writing at any time in respect of investments made after the expiry of such notice if it believes that the objectives of the co-investment arrangements and the performance incentive entitlement are not being met and/or are no longer aligned with the best interests of the Company.

- 5.3 Letters of appointment with each of the Directors, the terms of which are summarised in paragraph 4.3 above.
- 5.4 A letter of engagement dated 26 May 2021 between BDO LLP (1) and the Company (2) pursuant to which BDO LLP has been appointed as sponsor to the Company for the purposes of the Offer. The letter contains warranties and representations given by the Company to BDO LLP in connection with the Prospectus. The engagement may be terminated if any statement in the Prospectus

is untrue or any material omission from the Prospectus arises. The fees payable to BDO LLP are part of the costs of the Offer for which the Promoter is responsible.

- 5.5 A promoter's agreement dated 26 July 2021 between the Company (1), the Directors (2), the Promoter (3) and the Manager (4) whereby the Promoter has agreed to act as promoter in connection with the Offer. The agreement contains warranties and indemnities given by the Company to the Promoter. The Company will pay to the Promoter a fee of 2.5% of the amount subscribed by Retail Client Investors, Professional Client Investors and Execution-Only Investors and 5.5% of the amount subscribed by Direct Investors. In consideration of this fee, the Promoter has agreed to meet all costs, expenses and charges of, or incidental to, the Offer (other than financial intermediary commissions, adviser charges and payments to investors from which up-front adviser charges will be facilitated). All up-front costs and financial intermediary charges and commissions will be borne by the investor through the price which the investor pays for the Offer Shares. For the avoidance of doubt, the Promoter will not offer trail commission in respect of this Offer. Ongoing adviser charges will be payable by relevant investors. In respect of each investor, the fees in respect of that investor will be reduced by the Early Bird Discount, the Existing Shareholder Loyalty Discount and any other discount the Promoter may agree to offer to a particular investor or group of investors. The Manager has provided a guarantee under the agreement in respect of the obligations of the Promoter including the agreement to meet the Offer costs for which the Promoter is responsible.

6 Share Rights

6.1 *Votes of members*

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 physical general meeting of the Company shall, on a show of hands, have one vote (save for a duly appointed proxy who, where instructed by one or more members to vote for the resolution (or given discretion as to how to vote) and by one or more members to vote against the resolution (or given discretion as to how to vote) shall have one vote for and one vote against the resolution). On a poll every member present in person or by proxy shall have one vote for each share of which he is a holder.

At an electronic general meeting (or a general meeting being simultaneously held in multiple places one of which is by way of an electronic facility) a resolution put to the vote of the meeting shall be voted on by a poll, which poll votes may, in respect of electronic attendees be cast by such electronic means as the Board in its sole discretion deems appropriate for the purposes of the meeting. The Board may, in its discretion, determine that electronic attendees may cast their votes by way of proxy votes to the chairman prior to the meeting only).

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.

A member will lose their 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 them 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 CA 2006 (which requires the member or such other person to declare their interest in the shares) and has failed to give the required information to the Company within the prescribed period of 14 days.

6.2 **Variation of class 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 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 amount of 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.

6.3 **Transfer of shares**

(i) Form of Transfer

A member may transfer any or all of their shares by instrument of transfer in writing in any usual or common form or in any other form acceptable to the Directors. The instrument of transfer should be signed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. The transfer shall not become effective until the name of the transferee is entered into the register of members.

(ii) Right to Refuse Registration

The Directors may in their absolute discretion, and without assigning any reason therefor, refuse to register any transfer of shares where the shares in question are not fully paid up where such refusal does not restrict dealings on an open and proper basis. The Directors may also decline to register any transfer of share (not being a fully paid share) on which the Company has a lien.

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.

No transfer will be registered where a member, or any other person appearing to be interested in the shares held by him, has been served with a notice under section 793 of CA 2006 and, at the end of the prescribed period, is in default in supplying the information thereby required provided that those shares represent at least 0.25% (calculated exclusively of treasury shares) in nominal value of the issued shares of any class and subject to the exceptions specified in the Articles relating to the disclosure of interests. Restrictions on transfers do not apply to a sale to a bona fide, unconnected, third party.

6.4 **Dividends**

(i) Declaration of Dividends

The Company may by ordinary resolution and subject to the provisions of CA 2006 and the Articles declare dividends to be paid to members according to their respective rights and interest in the profit of the Company, provided that no dividend shall exceed the amount recommended by the Directors.

The Directors may pay interim dividends and also any fixed rate dividends if it appears to them that they are justified in so doing by the profits of the Company available for distribution.

(ii) Entitlement to Dividends

Except as otherwise provided by the rights that attach to any class of share, dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares in respect of which the dividend is paid (except where those amounts are paid up in advance of calls).

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If any dividend remains unclaimed after a period of 12 years from the date of the declaration of that dividend, it shall be forfeited and shall revert to the Company.

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.

6.5 **Distribution of Assets on Liquidation**

On a winding-up, any surplus will be divided amongst the holders of shares according to the respective number of shares held by them, subject to any rights of any shares or class of shares which may be issued with special rights and privileges, in accordance with the Articles and CA 2006.

7 Related Party Transactions

Save for the entering into of the agreement set out in paragraph 5.5 above, the Company has not entered into any related party transactions within the meaning of IFRS or UK GAAP since 1 January 2021.

8 Overseas Investors

The issue of Offer Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such investors should inform themselves about and observe any legal requirements, in particular:

- 8.1 none of the Offer Shares have been or will be registered under the United States Securities Act 1933, as amended, (the Securities Act) or qualify under applicable United States state statute and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia, Japan, South Africa or New Zealand;

- 8.2 the Company is not registered under the United States Investment Company Act of 1940, as amended and investors are not entitled to the benefits of that Act; and

- 8.3 no offer is being made, directly or indirectly, under the Offer, in or into, or by the use of emails or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) or interstate or foreign commerce, or of any facility in a national securities exchange of, the United States, Canada, Australia, Japan, South Africa or New Zealand. It is the responsibility of investors with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of Offer Shares, including the obtaining of any government or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

9 General Taxation

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

- 9.1 Taxation of dividends - under current law, no tax will be withheld by the Company when it pays a dividend.
- 9.2 Stamp duty and stamp duty reserve tax - The Company has been advised that no stamp duty or stamp duty reserve tax will be payable on the issue of the Shares. The Company has further been advised that the transfer of Shares will, subject to any applicable exemptions, be liable to ad valorem stamp duty at the rate of 0.5% of the

consideration paid. An unconditional agreement to transfer such shares if not completed by a duly stamped stock transfer will be subject to stamp duty reserve tax generally at the rate of 50p per £100 (or part thereof) of the consideration paid.

- 9.3 Close company - the Directors believe that the Company is not, and expect that following completion of the Offer will not be, a close company within the meaning of ITA 2007. If the Company was a close company in any accounting period, approval as a VCT would be withdrawn.

10 Other

- 10.1 The Directors act and will continue to act independently of the Manager. No majority of the Directors will be directors or employees of, or former directors or employees of, or professional advisers to, the Manager or any other company in the same group as the Manager. The Company has no employees or subsidiaries.

- 10.2 The Manager has and will have sufficient and satisfactory relevant experience in advising on investments of the size and type which the Company proposes to make. The Directors will also ensure that the Board and any additional or replacement investment advisers have and will have sufficient and satisfactory experience in advising on such investments.

- 10.3 Foresight Group Promoter LLP is the promoter of the Offer and, save as disclosed in paragraph 5.5 above, no amount of cash, securities or benefits has been paid, issued or given to the promoter and none is intended to be paid, issued or given.

- 10.4 The Board believes that the Offer will result in a significant change to the Company, principally an increase in its net assets of an amount equivalent to the net proceeds of the Offer, expected to be a maximum of £28.350 million as set out on page 51 of this document. The short term impact of the Offer on earnings will be dilutive as the additional costs will initially be

greater than any interest earned on cash balances raised. Once the net funds raised have been successfully invested, the impact of the Offer should, in due course, be accretive to earnings and the net asset value per Share.

10.5 A maximum of 75% of the Company's management expenses will be charged against capital with the balance to be met from income.

10.6 There are no governmental, legal or arbitration proceedings of the Company (including any such proceedings which are or were pending or threatened of which the Company is aware) during the 12 months prior to the dates of this document which may have had, or had in the recent past, a significant effect on the Company's financial position or profitability.

10.7 Save for the first three risks set out under 'Other Risks' in the Risk Factors on page 10 of this document, there are no governmental, economic, monetary, political or fiscal policies and factors which have or could affect the Company's operations.

10.8 The Company is subject to the investment restrictions relating to a venture capital trust in ITA 2007, as more particularly detailed in Part V of this document, and in the Listing Rules which specify that (a) the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy as set out on page 57 of this document; (b) the Company must not conduct any trading activity which is significant in the context of its group as a whole; and (c) the Company may not invest more than 10%, in aggregate, of the value of the total assets of the Company (at the time an investment is made) in other listed closed-ended investment funds.

Any material change to the investment policy of the Company will require the approval of Shareholders pursuant to the Listing Rules.

The Company intends to direct its affairs in respect of each of its accounting periods so as to qualify as a venture capital trust and accordingly:

- (i) the Company's income is intended to be derived wholly or mainly from shares or other securities, as this phrase is interpreted by HMRC;
- (ii) the Company will not control the companies in which it invests in such a way as to render them subsidiary undertakings;
- (iii) none of the investments, at the time of investment, will represent more than 15% by VCT Value of the Company's investments by VCT Value (including cash); and
- (iv) not more than 20% of Company's gross assets will at any time be invested in the securities of property companies.

10.9 In the event of a breach of the investment restrictions which apply to the Company as described in paragraph 10.7 above, Shareholders will be informed by means of the half-yearly and/or the annual report or through a RIS Announcement.

10.10 The Company's capital resources are restricted insofar as they may only be used in putting into effect the investment policy set out on page 57 of this document and for working capital and the payment of ongoing expenses, dividends and buybacks. There are no firm commitments in respect of the Company's future investments.

10.11 The investment policy set out on page 57 of this document, in the absence of unforeseen circumstances, will be adhered to by the Company for at least three years following the date of close of the Offer. Any material change to the Company's investment policy in any event will only be made with the approval of the Shareholders by ordinary resolution.

10.12 If, at any time, the Company's VCT status is lost, dealing in its shares and valuation of the Company's net asset value will normally be suspended, which will be communicated to shareholders through a RIS Announcement until such time as proposals to continue as a VCT or to be wound up have been further announced. The Directors do not anticipate any other circumstance under which valuations may be suspended.

10.13 The Company regularly publishes announcements via the Regulatory Information Service and its website. Below is a summary of the information disclosed in accordance with the Company's obligations under the Market Abuse Regulation (Regulation (EU) 596/2014 and as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019 over the last 12 months which are relevant as at the date of this Prospectus:

On 4 September 2020, the Company announced its half-yearly results for the six month period ended 30 June 2020.

On 9 April 2021, the Company announced its audited results for the year ended 31 December 2020 and that the annual general meeting of the Company would be on 27 May 2021.

On 27 May 2021, the Company announced that the unaudited net asset value per Share as at 31 March 2021 was 79.6p.

On 28 June 2021, the Company announced that Jocelin Harris and Gordon Humphries, each a Director, had purchased 3,265 and 1,354 Shares respectively pursuant to the Dividend Reinvestment Scheme.

On 1 July 2021, the Company announced its intention to launch the Offer.

10.14 All Shareholders have the same voting rights in respect of the share capital of the Company. The Company is not aware of any person who, directly or indirectly, exercises or could exercise control over the Company, nor of any of

Other Information

the arrangements, the operation of which, may at a subsequent date result in a change of control of the Company. The Company does not have any material shareholders with different voting rights.

10.15 The Company appointed Deloitte LLP as auditor to the Company in place of KPMG LLP on 30 August 2019 following a tender process. Deloitte LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales. KPMG LLP provided a statement under s.519 of CA 2006 confirming that its resignation was a result of declining to participate in the tender process.

10.16 BDO LLP has given and not withdrawn its written consent to the issue of the Prospectus and the inclusion of its name and the references to it in the Prospectus in the form and context in which they appear.

11 Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Shakespeare Martineau LLP, 60 Gracechurch Street, London EC3V 0HR and can also be accessed on the Company's website at <https://www.foresightvct.com> whilst the Offer is open:

- (i) the memorandum of association and the Articles of the Company;
- (ii) the 2020 Annual Report;
- (iii) the material contracts referred to in paragraph 5 above;
- (iv) the consent referred to at paragraph 10.16 above; and
- (v) this document.

12 Use of the Prospectus

12.1 The Company and the Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to the

subsequent resale or final placement of securities by financial advisers and intermediaries, from the date of the Prospectus until the close of the Offer. The Offer will close for Applications on or before 30 April 2022 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus. There are no conditions attaching to this consent. Financial advisers and intermediaries may use the Prospectus in the UK.

12.2 **Information on the terms and conditions of the Offer will be given to investors by financial advisers and intermediaries at the time that the Offer is introduced to investors. Any financial adviser or intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent and the conditions attached thereto set out in the above paragraph.**

26 July 2021

Tax Considerations for Investors

The following information 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, investment or tax advice. Potential investors are recommended to consult a professional adviser as to the taxation consequences of an investment in a VCT.

The following paragraphs apply to the Company and to the persons holding Shares as an investment and who are the absolute beneficial owners of such Shares. They may not apply to certain classes of persons, such as dealers in securities.

The tax reliefs set out below are those currently available to individuals who are UK tax payers and aged 18 or over who subscribe for Offer Shares under the Offer and will be dependent on personal circumstance. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000 (including shares purchased in the secondary market and through dividend reinvestment schemes). Qualifying Investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.

The tax legislation of an investor's Member State and the Company's country of incorporation may have an impact on the income received from the Offer Shares.

1. TAX RELIEFS

(a) Income tax

(i) Relief from income tax on investment

A Qualifying Investor subscribing for Offer Shares will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 invested in VCTs in any tax year.

The relief is given at the rate of 30% on the amount subscribed for VCT shares regardless of whether the Qualifying Investor is a higher rate, additional rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the Qualifying Investor's income tax liability to nil. Investments to be used as security for, or financed by, loans may not qualify for relief, depending on the circumstances.

(ii) Dividend relief

A Qualifying Investor, who acquires shares in VCTs (including through dividend reinvestment schemes) in any tax year costing up to a maximum of £200,000, will not be liable to income tax on dividends paid on those shares and there is no withholding tax thereon.

(iii) Purchases in the market

A Qualifying Investor who purchases shares in the secondary market will be entitled to claim dividend relief (as described in paragraph 1(a)(ii) above) but not relief from income tax on investment (as described in paragraph 1(a)(i) above).

(iv) Withdrawal of relief

Relief from income tax on a subscription for VCT shares will be withdrawn if the VCT shares are disposed of (other than between spouses or on death) within five years of issue or if the VCT loses its approval within this period as detailed below.

Dividend relief ceases to be available if the VCT loses its approval within this period, as detailed below, or if shares are no longer owned by a Qualifying Investor.

(b) Capital gains tax

(i) Relief from capital gains tax on the disposal of VCT shares

A disposal by a Qualifying Investor of VCT shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year.

(ii) Purchases in the market

An individual purchaser of VCT shares in the secondary market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph b(i) above).

(iii) Facilitation of adviser charges

Where investors request an adviser charge to be facilitated, such investors will be due an entitlement

Tax Considerations for Investors

from the Company of an amount equal to the amount to be facilitated from which such adviser charge will be paid on behalf of the investor. HMRC's position on rebates out of sums paid by investors on subscribing for their shares for the purposes of facilitating adviser charges is that these reduce the base cost for the purposes of assessing capital gains on disposal. Since Qualifying Investors in VCTs are exempt from capital gains tax, this should not have any adverse tax effect. However, if a VCT bought back shares from the investor, the fact that the base cost is reduced could result in a larger income tax liability.

(c) Acquisition and disposal of shares in the same VCT

The disposal of existing shares in a VCT within six months before or after subscription for new shares in the same VCT (or otherwise where the disposal and subscription is linked) will result in the amount of the investment in the new shares in the VCT to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

(d) Loss of VCT approval

For a company to be fully approved as a VCT, it must meet the various requirements as set out in VCT Qualifying Conditions below.

If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, income tax relief ceases to be available on any dividend paid in any accounting period ending when VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

2. ILLUSTRATION OF EFFECT OF TAX RELIEF FOR QUALIFYING INVESTORS

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

	Effective Cost	Tax Relief
Investors unable to claim any tax reliefs	£10,000	Nil
Qualifying Investor (higher rate tax payer) able to claim full 30% income tax relief	£7,000	£3,000

The combined effect of the initial income tax relief, tax-free dividends and tax-free capital growth can substantially improve the net returns of an investor in a VCT.

3. OBTAINING TAX RELIEFS

The Company will provide to each Qualifying Investor a certificate which Qualifying Investors may use to claim income tax relief, either by obtaining from HMRC an adjustment to their tax coding under the PAYE system or by waiting until the end of the tax year and claiming relief in their tax return.

4. INVESTORS NOT RESIDENT IN THE UK

Investors not resident in the UK should seek their own professional advice as to the consequences of making an investment in a VCT as they may be subject to tax in other jurisdictions as well as in the UK.

VCT Qualifying Conditions

1. QUALIFICATION AS A VCT

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

- (a) not be a close company;
- (b) have each class of its ordinary share capital listed on a regulated market;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 80% (70% for accounting periods starting before 6 April 2019) by VCT Value of its investments in shares and securities in Qualifying Investments, 70% of which must be in eligible shares (30% in respect of investments made on or before 5 April 2018 from funds raised before 6 April 2011);
- (e) have at least 10% by VCT Value of each Qualifying Investment in eligible shares;
- (f) not have more than 15% by VCT Value of its investments by VCT Value (including cash), at the time of making an investment, in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT);
- (g) not retain more than 15% of its income derived from shares and securities in any accounting period;
- (h) not make any non-Qualifying Investment other than those specified in section 274 of ITA 2007;
- (i) 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 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;
- (j) not invest in a company or group which causes the company or group to receive more than £5 million (£10 million for 'knowledge

intensive' companies) of state-aided investment in the 12 months ended on the date of that investment;

- (k) not invest in a company or group which causes that company or group to receive more than £12 million (£20 million for 'knowledge intensive' companies) of state-aided investment during its lifetime;
- (l) invest in companies where the first state-aided investment was within seven years of the first commercial sale in respect of the relevant trade (in respect of knowledge intensive' companies such period being ten years from the first commercial sale or, if the company so elects, ten years from the end of the accounting period in which the company's revenues were greater than £200,000), save for in certain limited circumstances where the funds are to be used in connection with a new product or geographical market;
- (m) not permit the use of VCT funding by a company to acquire shares in another company, another business or trade or provide a return of capital to existing shareholders of that company; and
- (n) invest at least 30% of funds raised in an accounting period beginning on or after 6 April 2018 in Qualifying Investments within 12 months after the end of that accounting period.

Conditions (j) to (l) do not apply to investments in shares listed on a recognised stock exchange or to certain investment funds/vehicles.

2. QUALIFYING INVESTMENTS

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company, in each case satisfying the conditions set out in Chapters 3 and 4 of Part 6 of ITA 2007.

In relation to shares and securities:

- (o) for the purpose of paragraphs 1(d) and (e) above, to be 'eligible shares', the shares issued to the VCT must carry no preferential rights on a winding up and no rights to be redeemed (although they may have certain preferential non-cumulative rights to dividends, provided these are not discretionary); and
- (p) any loan made by the VCT must have a maturity period greater than five years, must not be guaranteed and, in respect of loans made from 15 March 2018, may not be secured and must provide no more than a commercial rate of return on the principal.

The conditions relating to the investee company are detailed, but include the investee company:

- (i) having a permanent establishment in the UK (but the company need not be UK resident);
- (ii) being unquoted (for VCT purposes companies whose shares are traded on the Aquis and AIM markets are considered to be unquoted, whilst shares in an unquoted company that subsequently becomes listed may still be regarded as a Qualifying Investment for a further five years following listing, provided all other condition are met);
- (iii) carrying on a qualifying trade (for this purpose certain activities are excluded, such as dealing in land or shares or providing financial services);
- (iv) carrying on, or intending to carry on, the relevant trade (whether itself or by a qualifying subsidiary) at the time of the issue of shares or securities to the VCT (and at all times thereafter);
- (v) having no subsidiaries other than qualifying subsidiaries which must, in most cases, be at least 51% owned;
- (vi) commencing to trade within two years of the issue of shares or securities to the VCT and continuing to trade thereafter;

VCT Qualifying Conditions

- (vii) not existing for a disqualifying purpose (e.g. for the purpose of accessing tax reliefs or if in substance it is a financing business);
- (viii) having objectives to grow and develop over the long term (both generally and as referred to in the 'risk to capital condition' referred to below);
- (ix) having gross assets not exceeding £15 million immediately before and £16 million immediately after the investment;
- (x) applying the money raised for the purposes of a qualifying trade within certain time periods;
- (xi) not being controlled by another company;
- (xii) having fewer than 250 full-time (or full-time equivalent) employees (500 in the case of 'knowledge intensive' companies) at the time of the investment; and
- (xiii) meeting the conditions set out in paragraphs 1(j) to (m) above.

In addition, from 15 March 2018 there is a principles-based gateway test (the 'risk to capital' condition) which requires (i) the investee company having objectives to grow and develop over the long term and (ii) the investment to carry a significant risk of losing more capital than the net return (including any tax relief).

3. APPROVAL AS A VCT

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval.

A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, where a VCT raises further funds, VCTs are given grace periods to invest those funds before such further funds become subject to the tests.

The Company has obtained approval as a VCT from HMRC.

4. WITHDRAWAL OF APPROVAL

Approval of a VCT (full or provisional) may be withdrawn by HMRC if the various tests set out above are not satisfied. The exemption from corporation tax on capital gains will not apply to any gain realised after the point at which VCT status is lost.

Withdrawal of approval generally has effect from the time when notice is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

5. UNLAWFUL STATE AID

Where the European Commission believes that state aid has been provided prior to 1 January 2021 which is not in accordance with the Risk Finance Guidelines, it may require that the UK Government recovers that state aid. There is currently no mechanism for this, but recovery may be from the investee company, the VCT or the VCT's shareholders and this may have an adverse effect on Shareholder returns. From 1 January 2021, the requirement to recover unlawful state aid will be the remit of the UK Government (in compliance with its ongoing arrangements with the EU).

6. TAXATION OF A VCT

VCTs are exempt from corporation tax on chargeable gains. A VCT will be subject to corporation tax on its income (excluding dividends received from UK companies) after deduction of allowable expenses.

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

Definitions

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

2020 Annual Report

the annual report for the Company for the year ended 31 December 2020

Admission

admission of the Offer Shares to the premium segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities

AIC

Association of Investment Companies

AIC Code

the 2019 AIC Code of Corporate Governance Code

AIM

the Alternative Investment Market

Applicant

an applicant under the Offer

Application

a valid application by an Applicant for Offer Shares pursuant to the Offer

Application Form

the application form for the Offer at the end of this document or any revised or additional application form that is published or made available in connection with the Offer

Application Procedures

the application procedures on pages on 85 to 89 of this document

Aquis

the Aquis Stock Exchange (previously NEX Exchange), a prescribed market for the purposes of section 118 of FSMA

Articles

the articles of association of the Company, as amended from time to time

Base Net Asset Value

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

BDO LLP

BDO LLP of 55 Baker Street London W1U 7EU, which is authorised and regulated by the FCA and is a FCA registered sponsor

Board

the board of directors of the Company

Brexit

the UK's decision to leave the EU

Business Day

any day (other than a Saturday) on which clearing banks are open for normal banking business in sterling

BVCA

British Venture Capital Association

CA 1985

the Companies Act 1985, as amended

CA 2006

the Companies Act 2006, as amended

UK Code

UK Corporate Governance Code published by the Financial Reporting Council

Company

Foresight VCT plc

Computershare

a trading name for Computershare Investor Services PLC

CREST

the computerised settlement system to facilitate the transfer of title to securities in uncertified form operated by Euroclear UK & Ireland Limited

CRS

the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information

Direct Investor

an investor who makes an investment in the Company without reference to a financial intermediary (together Direct Investors)

Direct Offer Costs

the costs of the Offer to an investor other than financial intermediary commissions and adviser charges (as more particularly described on page 51 of this document)

Directors

the directors of the Company (and each a Director)

Disclosure Guidance & Transparency Rules

the disclosure guidance and transparency rules of the FCA

EBITDA

earnings before interest, tax, depreciation and amortisation

ESG

Environmental, Social and Governance

EU

the European Union

Early Bird Discount

a discount of 1.0% available in respect of a valid Applications received by 5.30 pm on 30 September 2021 to be applied as set out on page 52 of this document

Execution-Only Investor

an investor who invests in the Company pursuant to a transaction which is executed by an FCA authorised firm upon the specific instructions of a client where the firm does not give advice relating to the merits of the transaction or make a personal recommendation (together Execution-Only Investors)

Existing Foresight Shareholder Loyalty Discount

in respect of an Application received from an existing shareholder of any of the Foresight VCTs as at the date of the Prospectus, a discount of 0.5% to be applied (subject to the discretion of the Promoter) as set out on page 52 of this document

FATCA

the Foreign Account Tax Compliance Act

FCA

the Financial Conduct Authority

FCA Rules

The Financial Conduct Authority handbook of Rules and Guidance

Foresight CI

Foresight Group CI Limited, which is licensed by the Guernsey Financial Services Commission

Foresight Funds

funds managed or advised by The Foresight Group

Foresight VCTs

VCTs managed or advised by The Foresight Group

FSMA

the Financial Services and Markets Act 2000, as amended

HMRC

Her Majesty's Revenue & Customs

Definitions

ITA 2007

the Income Tax Act 2007, as amended

IRS

the Internal Revenue Service of the US

Key Information Document

the key information document published by the Company in relation to its Shares, which can be found at www.foresightvct.com

Listing Rules

the listing rules of the FCA

London Stock Exchange

London Stock Exchange PLC

Manager

Foresight Group LLP, the investment manager, administrator and Company secretary to the Company, which is authorised and regulated by the FCA

Money Laundering Regulations

the Money Laundering Regulations 2019 within the guidance for the UK Financial Sector issued by the Joint Money Laundering Steering Group

NAV

net asset value

Offer

the offer for subscription to raise up to £20 million, with an over-allotment facility to raise up to a further £10 million, through the issue of Offer Shares as set out in this document

Offer Shares

the Shares being offered for subscription pursuant to the Offer (and each an Offer Share)

Official List

the official list of the FCA

Pricing Formula

the formula to calculate the number of Offer Shares to be issued by the Company in respect of a successful Applicant as set out on page 52 of this document

Professional Client Investor

an investor who is provided with advice or guidance as to the merits of making an investment in the Company by an independent financial adviser where that adviser classifies the investor as a professional client for the purposes of the FCA rules (together Professional Client Investors)

Promoter

Foresight Group Promoter LLP, which is a subsidiary undertaking and authorised representative of the Manager

Prospectus

this document

Prospectus Regulations

Regulation (EU 2017/1119) of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market/)/Prospectus (Amendment etc.) (EU Exit) Regulations 2019 (Statutory Instrument 2019/1234)

Prospectus Regulation Rules

the Prospectus Regulation Rules issued by the FCA and made under Part VI of FSMA and pursuant to the Prospectus Regulations

Qualifying Company

an unquoted (including an Aquis traded or AIM-listed) company which satisfies the requirements of Chapter 4 of Part 6 of ITA 2007

Qualifying Investment

an investment in a Qualifying Company satisfying the requirements of Chapter 4 of Part 6 of ITA 2007

Qualifying Investor

an individual aged 18 or over who is resident for tax purposes in the United Kingdom

Receiving Agent

Woodside Corporate Services Limited

Registrar

Computershare Investor Services PLC

Restricted Territories

Canada, Australia, Japan, New Zealand or South Africa (each a Restricted Territory)

Retail Client Investor

an investor who applies for Offer Shares through their independent financial adviser where the adviser has classified the investor as a retail client for the purposes of the FCA rules (together Retail Client Investors)

RIS Announcements

regulatory announcements through one of the newswire services designated as a Regulatory Information Service by the FCA for the purposes of Appendix

3 of the Listing Rules (and each a RIS Announcement)

Risk Finance Guidelines

guidance on State Aid to promote risk finance investments (2014/C 19/04)

RPI

the retail prices index as compiled by the Office for National Statistics (or any replacement thereof)

Shareholders

holders of Shares (and each a Shareholder)

Shares

ordinary shares of 1 penny each in the capital of the Company with an International Securities Identification Number: GB00B68K3716 (and each a Share)

State Aid

any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the EU

Sterling

the official name for the standard monetary unit of the UK

SME

small and medium-sized enterprises

The Foresight Group

the Manager and companies and undertakings within the same group

Total Return

NAV per Share plus cumulative dividends paid per Share

UK

the United Kingdom of Great Britain and Northern Ireland

United States or US

the United States of America, its states, territories and possessions (including the District of Columbia)

VCT Value

the value of an investment calculated in accordance with section 278 of ITA 2007

VCT or venture capital trust

a venture capital trust as defined in section 259 of ITA 2007

Applications

TERMS AND CONDITIONS OF APPLICATIONS

The following terms and conditions of Application apply to the Offer.

Save where the context otherwise requires, words and expressions defined in this document have the same meanings when used in these terms and conditions, the Application Procedures and the Application Form. Words importing one gender (where appropriate) include any other gender and words importing the singular shall (where appropriate) include the plural and vice versa.

The Application Procedures and the Application Form (including, for the avoidance of doubt, any revised or additional Application Form(s) made available by the Company in connection with the Offer) form part of these terms and conditions of Application.

1. The maximum amount to be raised under the Offer is £20 million (with an over-allotment facility to raise up to a further £10 million). The maximum number of Offer Shares to be issued pursuant to the Offer is 48 million Offer Shares. If the Board (in consultation with the Manager) decides to utilise, in whole or part, the over-allotment facility (subject to the overall aggregate maximum number of 48 million Offer Shares to be issued pursuant to the Prospectus), the Company will make a RIS Announcement as soon as reasonably practicable. The Offer will close for Applications at 12.00 noon on 4 April in respect of the 2021/2022 tax year and 12.00 noon on 30 April 2022 in respect of the 2022/2023 tax year (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus. If the Board decides (in consultation with the Manager) to extend the Offer this will be advised through an RIS Announcement as soon as reasonably practicable.
2. The contract created by the acceptance of Applications in the

manner herein set out will, unless otherwise so resolved by the Board, 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 main market for listed securities. If any Application is not accepted or if any Application is accepted for a lower amount than applied for, or if there is a surplus of funds from the Application amount, the Application monies or, as the case may be, the balance thereof will (save where the amount is less than £1, in which case the Applicant authorises such amount be paid to the Company and used for its own purpose) be returned (without interest) at the risk of the person(s) entitled thereto by (i) crossed cheque through the post or (ii) by bank transfer to the same bank account from which the monies were received as identified on the Application Form. In the meantime, Application monies will be retained by the Receiving Agent in a separate account.

3. The Company reserves the right to present all cheques and banker's drafts for payment on receipt and to retain documents of title and, if relevant, surplus Application monies pending clearance of the successful Applicants' cheques, banker's drafts and transfers.
4. 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 in respect of acceptance of these terms and conditions and further that you (as the Applicant), in respect of the Offer:
 - (a) irrevocably offer to subscribe the amount of money specified in your Application Form (or such lesser amount for which your Application is accepted) which will be applied to purchase Offer Shares at the Offer price derived from the Pricing Formula, subject to the provisions of (i) the Prospectus; (ii) these terms and conditions of Application; (iii) the Articles; and (iv) any document

or information mentioned, and on the basis set out, in paragraph (k) below;

- (b) agree that, in consideration of the Company agreeing to process your Application, your Application may not be revoked (save in accordance with 'withdrawal rights' under section 87Q of FSMA and Prospectus Regulation Rule 3.4.1 where a supplementary prospectus to the Prospectus is issued by the Company) until the Offer is closed, and that this paragraph constitutes a collateral contract between you and the Company, the Promoter and the Receiving Agent which will become binding upon you or your agent's dispatch by post or transmission by electronic communication to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your duly completed Application Form;
- (c) agree that your cheque or banker's draft will be presented for payment on receipt, warrant that it will be honoured on first presentation and further agree that, if it is not so honoured, (i) you will not be entitled to receive documents of title in respect of the Offer Shares (nor shall your financial intermediary be entitled to any facilitation of any initial adviser charges or payment of initial commission) or to enjoy or receive any rights or distributions in respect of such Offer Shares unless and until you make payment in cleared funds for such Offer Shares and such payment is accepted by the Company (which acceptance shall be in its absolute discretion and may be on the basis that you indemnify it and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and (ii) that any documents of title, any Application monies returnable and any monies payable to your financial intermediary may be retained pending clearance (and that such monies will not bear interest) and that at any time prior

Applications

to unconditional acceptance by the Company of such late payment in respect of such Offer Shares, the Company may (without prejudice to its other rights), avoid the agreement to allot such Offer Shares and avoid the facilitation of any initial adviser charges or payment of initial commission and may allot such Offer Shares to some other person (in which case you will not be entitled to any payment in respect of such Offer Shares, other than the refund of such late payment (together with any other Application monies returnable) at the risk of the person(s) entitled thereto by (1) crossed cheque through the post or (2) by bank transfer to the same bank account from which the monies were received as identified on the Application Form);

- (d) agree that any Application monies, together with other monies received from other Applicants, will be held by the Receiving Agent in a client account for the purposes of (i) the payment of the Offer price in respect of Offer Shares for which your Application is accepted (which may not take place until several weeks after cleared funds have been received) and/or (ii) the return to you (without interest) in circumstances where such payment(s) as referred to in (i) are not made (and, in circumstances where (ii) applies, you acknowledge that interest earned on such monies will be paid to the Company and used for its own purposes);
- (e) agree that any monies refundable may be retained by the Receiving Agent 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 in relation to you or any third party payee for the purposes of the Money Laundering Regulations;
- (f) agree that, in respect of those Offer Shares for which your Application has been received and processed, and is not rejected, acceptance of your Application shall be constituted by inclusion in an allotment of Offer

Shares to you or, where relevant, your nominee where requested on the Application Form pursuant to the Offer;

- (g) authorise the Company's Registrars to, as relevant, send definitive documents of title for the number of Offer Shares for which your Application is accepted or procure that such Offer Shares are issued in uncertificated form where requested on the Application Form (and further to procure that your name or, where relevant, your nominee where requested on the Application Form, is placed on the register of members of the Company in respect of such Offer Shares);
- (h) authorise the Receiving Agent to send any monies returnable at the risk of the person(s) entitled thereto by way of (i) a crossed cheque by post to your address as set out in your Application Form or bank transfer to the same bank account from which the monies were received as identified on the Application Form;
- (i) agree that all Applications, acceptances of Applications, instructions to facilitate any initial adviser charges, payments of initial commission and contracts resulting therefrom shall be governed by and construed in all respects in accordance with English law and that you submit to the 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, instructions to facilitate any adviser charges, any payments of initial commission and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (j) irrevocably authorise the Receiving Agent and/or the Registrar and/or the Company or any person authorised by any of them, as your agent, to do all things necessary to effect registration of any Offer Shares subscribed by or

issued to you into your name (or, where relevant, the name of your nominee where requested on the Application Form) and authorise any representative of the Receiving Agent, the Registrar or the Company to execute any document required therefor;

- (k) agree and acknowledge that, having had the opportunity to read the Prospectus, the Key Information Document and any supplementary prospectus issued by the Company and filed with the FCA, you are making your Application solely on the basis of the information and statements concerning the Company and the Offer Shares contained in such documents and the latest publicly available financial information and RIS Announcements of the Company, all of which you are deemed to have received and read (whether or not so read);
- (l) 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, the Key Information Document and any supplementary prospectus issued by the Company and filed with the FCA and you agree that no person responsible solely or jointly for such documents or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation relating to the Company, the Offer Shares or for any change in the law or regulations affecting VCTs;
- (m) confirm and warrant that the information provided on the Application Form is true and accurate, that you have personally signed (or, as applicable, inserted your electronic signature or inserted your name in the signature box on) the Application Form, confirm any instructions thereon in relation to the facilitation of an initial adviser charge and irrevocably authorise the Company (as required) to make such payments from your investor entitlement referred to in paragraph 14 below;

- (n) 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 paragraphs 6 and 7 below, and warrant compliance therewith (including that 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, the Promoter or the Manager acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your Application);
- (o) agree to provide the Company and/or the Receiving Agent with any information which either may request in connection with your Application and/or in order to comply with the VCT or other relevant legislation and/or the Money Laundering Regulations;
- (p) warrant that you are an individual aged 18 or over;
- (q) 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;
- (r) warrant that, if you sign the Application Form on behalf of somebody else, you have due authority to do so on behalf of that other person, and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authority contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor or bank with the Application Form;
- (s) acknowledge that the Receiving Agent and the Promoter are acting solely for the Company and no one else and will not be responsible to anyone other than the Company for providing any advice in relation to the Offer and will not treat you (or, where relevant, your nominee) as its customer (and further agree that none of the Receiving Agent, the Promoter and the Manager 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) acknowledge that the information provided in connection with your Application will be provided to the Manager, the Promoter, their delegates and the Registrars to process Applications and shareholding details and send notifications to you;
- (u) authorise the Company and the Promoter (and their delegates and agents) to provide information as provided by you or to you in connection with your Application to your financial intermediary detailed on your Application Form;
- (v) where you have received advice in respect of your Application from a financial intermediary, you (i) authorise the Company and the Promoter (and their delegates and agents) to provide any information in relation to your ongoing investment in the Company, to such financial intermediary detailed on your Application Form (or other authorised financial intermediary who may subsequently be engaged by you to provide advice in connection with your investment in the Company as notified to the Company and/or the Promoter from time to time), (ii) acknowledge that any such communication may be sent to your financial intermediary prior to or, where requested, in place of, being sent to you in such form as may be agreed with such financial intermediary and that such information may also be provided more frequently where agreed and (iii) you also authorise the Company and the Promoter (and their delegates and agents) to accept instructions relating to your investment in the Company and changes to your personal details as provided by such financial intermediary (subject to such evidence and/or verification as the Company and/or the Promoter and/or their delegates and agents may request);
- (w) acknowledge that the Receiving Agent and/or the Promoter and/or the Company (or their delegates and agents) may, if necessary, disclose information to HMRC and the IRS to satisfy their FATCA or CRS obligations or to other regulatory bodies if required, or considered obliged, to do so in accordance with any statute or regulation or by governmental, judicial and law enforcement bodies; and
- (x) agree that these confirmations, warranties, undertakings and authorities are made and given to the Company, the Promoter and the Receiving Agent.
5. The Company reserves the absolute right to inspect (either itself, through the Promoter and/or the Receiving Agent or through other agents) all Application Forms, and may consider void and reject any Application Form that does not in the sole judgement of the Company satisfy the terms and conditions of the Offer. If an Application Form is not completed or in the Company's determination (in its absolute discretion) has not been validly completed, provided that the Application Form is otherwise in order and is accompanied by the appropriate Application monies, the Application may be accepted as a valid Application in whole or in part at the Company's discretion.

Applications

The right is also reserved to treat as valid any application for Offer Shares not complying fully with these terms and conditions of Application, or not in all respects complying with the Application Procedures. In particular, but without limitation, the Company 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, and be bound by, these terms and conditions and may, at its discretion, accept an Application and issue Offer Shares in respect of which payment is not received or cleared by the closing date of the Offer.

6. 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 the Offer Shares in any jurisdiction other than in the UK, nor has any such action been taken with respect to the possession or distribution of the Prospectus other than in the UK. No person receiving a copy of the Prospectus, any supplementary prospectus issued by the Company, the Key Information Document or an Application Form in any territory other than the UK 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 regulation or other legal requirements.

It is the responsibility of any person outside the UK wishing to make an Application 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 requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

7. 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. The Manager is not and will not be registered under the United States Investment Advisers Act of 1940, as amended. No subscription will be accepted if it bears an address in the United States.

8. The basis of allocation will be determined by the Company (after consultation with 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 (save in relation to post-dated cheques, priority being given to cleared funds and further subject always to the discretion of the Board). 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. Applications will not (unless otherwise agreed by the Company) be regarded as valid unless cleared funds are received in respect of the Application.
9. 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 through an RIS Announcement.

Dealing may commence before such notification. Temporary documents of title will be issued. Dealings prior to the issue of certificates, if applicable, for Offer Shares 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. The Offer cannot be withdrawn after dealings in the Offer Shares issued from time to time under the Offer have commenced.

The Offer is not underwritten. The allotment of Offer Shares will be subject to having the requisite authorities from Shareholders from time to time. The Offer may be withdrawn (in whole or part) at the discretion of the Board. The Offer will also be suspended if at any time the Company is prohibited by statute or other regulations from issuing Offer Shares or to the extent that the Company has insufficient Shareholder authority to issue Offer Shares.

10. Existing shareholders in the Foresight VCTs as at the date of the Prospectus will receive the Existing Foresight Shareholder Loyalty Discount (subject to the discretion of the Promoter) as described on page 52 of the Prospectus. The determination as to whether an Applicant is such an existing shareholder will be at the Promoter's discretion and, whilst the Promoter shall be entitled to request additional supporting information to confirm eligibility, it and the Company shall be entitled to rely on the Applicant's confirmation on the Application Form. In addition, valid Applications received by 5.30 pm on 30 September 2021 will receive the Early Bird Discount as described on page 52 of the Prospectus. The Promoter may further agree to offer further discounts to any particular investor or group of investors. Any discounts will be expressed, for the purposes of calculating a bespoke issue price to an Applicant as described in the Pricing Formula, as a percentage of the Application amount to two decimal places.
11. Financial intermediaries who, acting on behalf of their clients where those clients are Execution-Only Investors or Professional Client Investors, return valid Application Forms bearing their FCA number will normally be paid 3% commission on the amount payable in respect of the Offer Shares allotted for each such Application Form. Initial commission will only be paid to the extent permitted under legislation and regulations, and following the

allotment of Offer Shares to the authorised financial intermediary's client. The Receiving Agent will collate the Application Forms bearing the financial intermediaries' FCA number and calculate the initial commission payable which will be paid within one month of the allotment.

Financial intermediaries may agree to waive initial commission in respect of an Application. If this is the case then the amount of commission taken into account in calculating an Applicant's bespoke Offer price for Offer Shares under the Pricing Formula will be reduced to the extent that such commission has been waived, thereby increasing the number of Offer Shares to be issued to the Applicant under the Offer.

12. Financial intermediaries should note that no annual trail commission will be paid in respect of this Offer.

13. In respect of existing trail commission arrangements to financial intermediaries, such payments will continue (to the extent permitted under legislation and regulations), but not if subsequent financial advice in respect of the holding is given. As a result, should a Shareholder decide to seek financial advice from his or her existing financial intermediary in respect of participating in the Offer, any trail commission which is currently being paid to that financial intermediary in respect of an existing holding in the Company must cease and the Company and/or the Promoter should be notified accordingly (though the Company also reserves the right to cease payments if it believes advice may have been given or for any other reason in its absolute discretion).

14. Where Application Forms are returned by an Applicant or on his or her behalf by a financial intermediary who has given a personal recommendation in respect of the Applicant's Application having first categorised the Applicant as a Retail Client Investor, the Company

can facilitate the payment of any up-front adviser charges (in whole or part) agreed between the Applicant and his or her financial intermediary. Ongoing adviser charges will need to be settled directly by the Applicant.

The maximum amount that will be facilitated in respect of up-front adviser charges is an amount equal to 4.5% of the investment. The amount will be facilitated from a commission payment to the Applicant from the Company's share premium account (or reserves created therefrom) attributable to Shares issued prior to 1 January 2017. Any adviser charges agreed in excess of this amount will need to be settled by the Applicant directly to his or her financial intermediary. Up-front adviser charges will only be paid following the allotment of Offer Shares to the authorised financial intermediary's client.

For the avoidance of doubt, any adviser charge facilitated to a financial intermediary will be expressed, for the purposes of calculating a bespoke issue price to an Applicant as described in the Pricing Formula, as a percentage of the Application amount to two decimal places. This will not, however, affect the amount of adviser charge facilitated to a financial intermediary.

If the initial adviser charge agreed between the Applicant and the financial intermediary is greater than the maximum amount agreed to be facilitated by the Company, then the Applicant will need to make such additional payment direct to his or her financial intermediary. The charging of VAT on an initial adviser charge is the sole responsibility of the financial intermediary. Should any facilitated initial adviser charge undertaken by the Receiving Agent (on behalf of the Company) exclude the payment of any such VAT, the Applicant will, at all times, remain solely responsible to make up such VAT deficit (if any) to his or her financial intermediary.

If the investor and financial adviser agree that an initial charge is to be facilitated by the Receiving Agent, the Application Form must be countersigned by the financial adviser to confirm that (i) the facilitation amount has been agreed and (ii) the financial adviser has read and agrees to be bound by these terms and conditions of Application.

The maximum amount of up-front adviser charges stated above that will be facilitated should not be taken as a recommendation or guide as to the level of appropriate adviser charges.

15. The Application Form(s) form part of these terms and conditions.

The Company reserves the right to publish revised Application Forms from time to time. Applicants and the financial intermediaries should, therefore, check when completing an Application Form that no subsequent version has been published or made available by the Company (which will be downloadable from <https://www.foresightgroup.eu/retail-investors/vct/foresight-VCT/>).

The Company further reserves the right to provide editable PDF Application Forms or an Application Form that can be completed online or via a portal. Such Application Forms must either include an electronic signature for the Applicant (and, if relevant, the financial intermediary) or have the Applicant's name (and, if relevant, the financial intermediary's name) stated in full within a signature box. The submission of such Application Form by (or on behalf of) an Applicant (and, if relevant, the financial intermediary) shall constitute confirmation by the Applicant (and, if relevant, the financial intermediary) of agreement to these terms and conditions of Application (and any additional terms and conditions stated on such PDF Application Forms or on-line process).

The Company reserves the right to make the Offer available via

Applications

one or more platforms (subject to information being received in respect of any Applicant and the intended underlying beneficial holder of Offer Shares as may be requested by or on behalf of the Company and subject to paragraph 5 above).

16. The Company, the Manager (on behalf of itself and the Promoter) and the Receiving Agent respect an Applicant's privacy and are committed to protecting his or her personal information. If an Applicant would like to find out more about how the Company, the Manager (on behalf of itself and the Promoter) and the Receiving Agent use and look after personal information, please refer to their privacy notices, which can be found at:

- The Company/the Manager: <https://www.foresightgroup.eu/privacy-cookies/>
- Woodside Corporate Services Limited: https://woodsidecorporateservices.co.uk/WCSL_Privacy-Policy.pdf

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.

17. The Company may, in its absolute discretion, make non-material amendments to these terms and conditions of Application without giving notice to Applicants.



Application Procedures

Lodging of Application Forms

Completed Application Forms with the appropriate remittance must be posted or delivered by hand (unless agreed otherwise) on a Business Day between 9.00 a.m. and 5.30 p.m. to:
Woodside Corporate Services Limited, 4th Floor, 50 Mark Lane, London EC3P 3AH

Applications can also be submitted electronically at the following email address:

clientonboarding@foresightgroup.eu

The Offer opens on 26 July 2021 and will close for Applications at 12.00 noon on 4 April 2022 in respect of the 2021/2022 tax year and 12.00 noon on 30 April 2022 in respect of the 2022/2023 tax year (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus.

If you post your Application Form, you are recommended to use first class post and to allow at least two Business Days for delivery. Applications submitted (in particular with a cheque) should allow for seven working days for their funds to clear (in particular in relation to ensuring the Receiving Agent is in receipt of cleared funds prior to 12.00 noon on 4 April 2022 in respect of the 2021/2022 tax year).

If you do not receive an acknowledgement of your Application within ten Business Days of sending your Application to the Receiving Agent, please contact the Promoter on 0203 667 8181.

Applications under the Offer will normally be accepted on a first come, first served basis (provided cheques are not post-dated and with priority being given to Applications with cleared funds), subject always to the discretion of the Board.

To the extent that an Application is not accepted (in full or part) any excess payment in excess of £1 will be returned without interest at the risk of the person(s) entitled thereto by way of (i) a crossed cheque by post to your address as set out in your Application Form or bank transfer to the same bank account from which the monies were received as identified on the Application Form.

Financial intermediaries are requested to ensure that application forms are reviewed for completeness prior to submission.

Application Procedures

To fill out the Application Form:

Before making any Application to acquire Offer Shares you are strongly recommended to consult an independent financial adviser authorised under the FSMA.

Please use block capitals and blue/black ink.

Section 1: Personal Information

Insert your full name, address and other personal details. Telephone numbers will only be used in case of a query with regard to your Application and to associate your Application with your payment via the payment reference request.

You must be the intended beneficial owner of the Offer Shares (please do not use a nominee name as this may jeopardise your entitlement to VCT tax reliefs). If you would like your Offer Shares to be issued directly to a nominee and/or into CREST, please also complete Section 2.

Please tick the relevant box in this section if you are an existing shareholder in one or more of the Foresight VCTs as at the date of the Prospectus. This information will be used to apply the Existing Foresight Loyalty Discount (subject to the discretion of the Promoter). If you are a beneficial shareholder you may be asked for additional supporting information for confirmation.

The Registrar will use your personal details to identify whether you are an existing Shareholder and, where identifiable, add your new Offer Shares to your existing holding account designation. Please take care that your title, name and address exactly match those shown on your existing Share certificate(s)/account holding designation. This should help prevent your new shareholding being opened in a separate, duplicate account on the register of members of the Company. Again, if you are a beneficial shareholder you may be asked for additional supporting information for confirmation.

If you would like to add a designated contact to your account who can obtain information about your holding on your behalf (other than your financial intermediary) please also complete their details in this section.

Section 2: Nominee/CREST Details

If you would like your Offer Shares to be issued directly in the name of your nominee and/or issued into CREST, please complete the relevant details in Section 2. Please note that if the details are not accurate and/or cannot be verified, Offer Shares will be issued in your name in certificated form.

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

Section 3: Subscription

Insert (in figures) the total amount you wish to invest. Your Application must be for a minimum of £3,000. You can specify in Section 3 how you would like, if relevant, your Application monies to be split between the 2021/2022 and 2022/2023 tax years.

You can provide your Application monies either by cheque/banker's draft or via a bank transfer. Please tick the relevant box in Section 3 to confirm the method of payment. Monies should, save as set out below, be made from an account in the sole or joint name of the Applicant. No receipt for payment will be issued.

If you are paying by cheque please make it payable to 'WCSL FVCT Shares Client Acc'. Cheques must be honoured on first presentation. A separate cheque must accompany each Application. The cheque or banker's draft must be drawn in sterling on an account at a bank branch or building society in the UK and bear a bank sort code number in the top right hand

corner. Where a building society cheque or banker's draft is being used, please ensure the initials, surname and postcode of the person named in Section 1 of the Application Form is written on the back.

If you are making payment via a bank transfer, please see bank transfer details on page 89 of the Prospectus. Please also reference bank transfers with your initials, surname and postcode (enter with no gaps).

Please tick the box to confirm that the payment is being made from an account in your name. Where payment may be made from another individual's account, please confirm who this is and what their relationship is to you and provide their details in Section 3. Please also note that the identity of any third party payee will also need to be verified (please see the Money Laundering Notice below).

Application monies from a corporate account will not, unless otherwise agreed, be accepted.

Section 4: Communication

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

Please complete Section 4 accordingly (and ensure that your email address is provided in Section 1 to help process your

election for email notification). You have the right to opt out of electronic communications at any time by contacting the Registrars.

If you have requested that your Offer Shares be issued directly to a nominee, please tick the box if you would like to receive notification by electronic communications when Company documents are published on the Company's website.

Please ensure your email address is included in Section 1 to process these elections.

Section 5: Dividends

The Company only pays dividends by way of bank transfers into nominated bank accounts.

Please complete your nominated bank details in Section 5, unless you have elected to participate in the Dividend Reinvestment Scheme in Section 6 or have requested that your Offer Shares be issued to a nominee. If this section is not completed, there may be a delay in the payment of dividends to you.

Please complete this section even if you are an existing Shareholder and have previously provided a mandate. Where your new Offer Shares are added to an existing holding account designation, this instruction will (unless your existing holding is in CREST) be applied to your aggregated holding (ie both the

existing Shares and the new Offer Shares) irrespective of any previous dividend payment instructions.

If you are an existing Shareholder and would like to withdraw from the Dividend Reinvestment Scheme (for the avoidance of doubt, in respect of all Shares, both Offer Shares and existing), please tick the relevant box. This withdrawal election (which will apply only if your Application is accepted and following the allotment of Offer Shares to you and subject to any notice periods required under the terms of the Dividend Reinvestment Scheme) will apply to all Shares held in the existing holding account designation to which your Offer Shares are added. If you hold multiple holdings under different holding account designations, please provide all holding account designations you wish the withdrawal election to apply to.

Section 6: Dividend Reinvestment Scheme

Please tick the box in Section 6 if you wish to participate in the Dividend Reinvestment Scheme. Only registered holders may elect to participate in the scheme. If you have requested that your Offer Shares are to be issued to a nominee, the nominee will need to apply to participate in the Dividend Reinvestment Scheme by completing a separate Dividend Reinvestment Scheme mandate form. Your first dividend may still be paid by bank transfer to allow time to effect your participation in the Dividend Reinvestment Scheme.

Please refer to the terms and conditions of the Dividend Reinvestment Scheme available from <https://www.foresightvct.com>. By ticking this box you agree to be bound by such terms and conditions.

If you are an existing Shareholder who has elected to participate in the Dividend Reinvestment Scheme, where your new Offer Shares are added to the same account, your original election to participate in the scheme will automatically extend to the new Offer Shares (whether or not the box in Section 6 is ticked and details provided in Section 5 will be disregarded).

If you are an existing Shareholder who has not previously elected to participate in the Dividend Reinvestment Scheme, your election by ticking the box in Section 6 will apply to all Shares held in the existing account designation to which your new Offer Shares are added. If you hold multiple holdings under different account holding designations, please provide all account holdings designations you wish to have included.

Application Procedures

Section 7: Direct or Financial Intermediary Applications

Please confirm in Section 7 whether your application is an advised investment through a financial intermediary, a non-advised investment through a financial intermediary or a direct investment by ticking the relevant box.

The rest of this section should be completed by advised Retail Client Investors only where facilitation of adviser charges is required.

If you have a financial intermediary who has made a personal recommendation in relation to your Application having classified you as a Retail Client Investor, and you would like the payment of your agreed up-front adviser's fee with your financial intermediary to be facilitated, please complete Section 4.

Please specify the amount of the initial up-front adviser fee agreed between you in relation to this product (the maximum amount which will be facilitated is 4.5% of the subscription amount). Any adviser charge in excess of the maximum amount will need to be settled directly to your adviser. For the avoidance of doubt, any adviser charge payable to a financial intermediary in connection with an Application for Offer Shares will be expressed, for the purposes of calculating a bespoke issue price to an investor under the Pricing Formula, as a percentage of the investment amount. This will not, however, affect the amount of commission payable to a financial Intermediary.

Ongoing adviser charges will need to be settled directly by the investor.

Section 8: Signature and Date

Please sign and date the form in Section 8 (noting the declarations/confirmation you give by signing the Application Form as stated below your signature).

If the form is signed on your behalf by an attorney or other agent, that person should state on the form the capacity in

which they are signing and the original power(s) of attorney or a copy thereof duly certified by a solicitor (on each page) must be enclosed for inspection and will be returned in due course.

Sections 9 - 13: Financial Intermediary Sections

These sections are to be completed by your financial intermediary.

Money Laundering Notice - Important

The identity of the Applicant and, if Application monies are being provided by a third party, the identity of that third party payer, will need to be verified in accordance with the Money Laundering Regulations. The personal information that is provided on the Application Form in relation to an Applicant (and/or, if applicable, any such third party payer) will be used to verify identity with a third party agency.

In addition, in relation to Applications made via a financial intermediary, the financial intermediary should complete verification of the Applicant and, by signing the Application Form, confirms this.

In some circumstances you (or such third party payer) may also be required to provide the following documents before your Application can be accepted:

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

Copies should be certified by a third party professional who is subject to professional conduct rules such as a lawyer, actuary or accountant who is a member of a recognised UK professional body or a director, officer or manager of a financial services businesses authorized and regulated by the FCA. Some post offices also provide a document certification service.

You may use email and a third party to certify the documents if a face to face meeting with a certifier is not possible in the current circumstances. Please contact the Receiving Agent and/or Promoter for further information regarding the email and third party validation process.

Alternatively, you may send 'wet signature' certified documentation to the Receiving Agent by post. If you submit original documents for review, they will be returned if requested and by post at your risk.

Further information may be requested by the Company, the Promoter or the Receiving Agent at their discretion.

Please send the entire Application Form and cheque/banker's draft (unless you have made the payment by electronic bank transfer) by post to the Receiving Agent using the following address:

By Post

Foresight VCT Share Offer

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

Bank Transfers

Sort code: Account number:

80-20-00 10434262

Account name:

WCSL FVCT Shares Client Acc

Bank:

Bank of Scotland

BIC:

BOFSGB21

IBAN:

GB76BOFS80200010434262

Please reference bank transfers with your initials, surname and postcode (enter with no gaps). This will help us identify your transfer easily.

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Application Form - Investor Section

FORESIGHT VCT PLC (the Company)

Ordinary shares of 1p each in the Company (Offer Shares)

This Application Form should be completed in full and sent by post or by hand addressed to the Receiving Agent at the following address:

Foresight VCT Share Offer
Woodside Corporate Services Limited
4th Floor, 50 Mark Lane
London
EC3R 7QR

so as to arrive as soon as possible, but in any case no later than 12.00 noon on 4 April 2022 in respect of Applications for the 2021/2022 tax year and 12.00 noon on 30 April 2022 in respect of Applications for the 2022/2023 tax year.

The Offer will open on 26 July 2021 and will be closed at 12.00 noon on 30 April 2022 (or earlier if the Offer is fully subscribed or otherwise at the Board's discretion). The Board reserves the right to extend the Offer, but not longer than 12 months from the date of the Prospectus.

Cheques should be enclosed with the Application Form unless Application monies have been sent by bank transfer.

Before completing this Application Form you should read the prospectus issued by the Company on 26 July 2021 (**Prospectus**), in particular the risk factors on pages 9 to 10, the terms of the Offer in Part III on pages 51 to 53, the Terms and Conditions of Application on pages 79 to 84 and the Application Procedures on pages 85 to 89. Definitions used in the Prospectus apply herein.

Please note all fields marked with an asterisk are mandatory where applicable.

Cheques

Please make payable to 'WCSL FVCT Shares Client Acc.' (Note: Cheques drawn on corporate accounts will not, unless otherwise agreed, be accepted)

Bank transfers

Sort code: 80-20-00
Account no: 10434262
Bank: Bank of Scotland
BIC: BOFSGB21
IBAN: GB76BOFS80200010434262

Please use your initials, surname and postcode (with no gaps) as the payment reference.

Please note that the number of Offer Shares to be allotted to a successful Applicant will be determined by applying the Pricing Formula set out on page 52 of the Prospectus. The applicable net asset value for the Pricing Formula will be the latest net asset value published by the Company on the day of allotment, adjusted for dividends declared and for which the record date for payment has passed at the time of allotment.

The Promoter (on behalf of the Company) will decide, in its absolute discretion, to accept or reject the Application and you will be notified of the decision.

If you do not receive an acknowledgement of your Application within ten Business Days of sending it to the Receiving Agent, please contact the Promoter on 020 3667 8181.



Application Form - Investor Section

FORESIGHT VCT PLC (the Company)

Section 1: PERSONAL DETAILS (Mandatory)

Title*:	Date of Birth*:
Forenames*:	National Insurance No*:
Surname*:	Nationality*:
Address*:	Email:
	Tel No:
Postcode*:	☐ Please tick this box if you are an existing shareholder in any of the Foresight VCTs
If 3 years or less then please provide previous address*:	
Designated Contact Full Name:	
Relationship:	
Residential Address:	
☐ Please tick this box if you are resident for tax purposes in any jurisdiction other than the UK	Postcode:
Where applicable, please provide confirmation of the non-UK jurisdictions in which you are resident for tax purposes, along with your corresponding tax payer identification number (TIN) or equivalent:	Tel No:
Country:	Email:
TIN/Equivalent:	
Country:	
TIN/Equivalent:	

NOTE: The Company, Foresight Group LLP, the Receiving Agent and the Promoter may, if necessary, disclose information to HMRC and the IRS in order to satisfy FATCA and/or CRS obligations.

Section 2: NOMINEE/CREST DETAILS

Please **only** complete this section if Offer Shares are to be issued to a nominee (whether in CREST or otherwise).

CREST Participant ID:	CREST Member Account ID:
Participant Name:	Reference (optional):
Participant Address:	Nominee Contact Name:
	Nominee Contact Tel No:
Postcode:	Nominee Contact Email:

Application Form - Investor Section

FORESIGHT VCT PLC (the Company)

Section 3: SUBSCRIPTION*

I offer to subscribe the following amount for Offer Shares in the Company on the terms and conditions of application as set out in the Prospectus and subject to the Memorandum and Articles of Association of the Company. Applications must be for a minimum of £3,000 (in aggregate across the tax years). Amounts should include any up-front adviser charges to be facilitated if relevant.

Total:	Tax year 2021/2022:	Tax year 2022/2023:
£:	£:	£:

I enclose a **cheque or banker's draft** drawn on a UK clearing bank, made payable to 'WCSL FVCT Shares Client Acc' ☐

OR

I have made the above payment by **electronic bank transfer** which I have referenced using my initials, surname and postcode (number entered with no gaps) ☐

AND

Please tick this box to confirm that your subscription payment has been made from an account in your name. ☐

OR

Please tick this box if your subscription payment has been made from an account other than in your own name: ☐

Please state below the name, residential address and date of birth of the person from whose account the payment is being made and your relationship to such person. We may be required to request for additional information in such instances.

Section 4: COMMUNICATION*

The Company would like to communicate with you electronically in respect of your shareholding in the Company. This means that you will receive notifications by email that information and/or documents published by the Company are available on the Company's website. **Please note: If no email address is provided then the Company will make notifications by way of letter.**

Please only select one option below.

I would like to receive notifications via email that documents have been published online (please ensure your email address is included in Section 1). ☐

I would like to receive hard copies of Company documents by post. ☐

For nominee applications only

If you have requested that your Offer Shares be issued to a nominee, please tick this box if you would like to receive notification by email when Company documentation is published on the Company's website (please ensure your email address is included in Section 1). ☐

Section 5: DIVIDENDS

Please do not complete if you would like to participate in the Dividend Reinvestment Scheme or have requested that your Offer Shares should be issued to a nominee.

Dividends will be paid directly into your account. Existing Shareholders should note the further information and instructions relating to the completion of Sections 5 and 6 on page 87 of the Prospectus.

Account Name*:

Sort code*:

Postcode*:

Bank/Building Society*:

Account Number*:

If you are an existing participant in the Dividend Reinvestment Scheme and wish to withdraw from the scheme and receive future dividends in cash, please tick this box. Please ensure bank account details are completed above and please do not complete Section 6. ☐



Application Form - Investor Section

FORESIGHT VCT PLC (the Company)

Section 6: DIVIDEND REINVESTMENT SCHEME

Please do not complete if you have completed Section 5 or if your shares are to be issued to a nominee.

Investors may elect to participate in the Dividend Reinvestment Scheme, which will see their annual dividends used to acquire additional shares in the Company to increase their shareholding rather than paid out in cash. Full details and the terms and conditions relating to the Scheme are available at www.foresightvct.com.

If you would like to participate in the Dividend Reinvestment Scheme, please tick this box. By ticking this box you agree to be bound by such terms and conditions.

☐

Section 7: DIRECT OR INTERMEDIARY APPLICATIONS*

Please tick one of the below:

ADVISED INVESTMENT

☐ This is an advised investment with or without an initial adviser charge.

(If an initial adviser charge is due, please add the £ or % below. Sign section 8 and ask your financial intermediary to complete Sections 9 to 13)

NON-ADVISED INVESTMENT

☐ This is a non-advised investment through a financial intermediary and I have not received any financial advice.

(Please sign Section 8 and ask your financial intermediary to complete Sections 9 to 13)

DIRECT INVESTMENT

☐ This is a direct investment with no financial intermediary involved.

(Please sign Section 8 and leave all other remaining Sections blank.)

To be completed only by advised investors requesting facilitation of initial adviser charges

Amount of agreed initial adviser charge to be facilitated (maximum 4.5% of the total Application amount in Section 3):

£: _____ or % _____

Please note: You should be entitled to claim income tax relief on your gross investment. The Company will not facilitate ongoing adviser charges.

Section 8: SIGNATURE*

SIGNATURE OF APPLICANT*

Print name*:

Date*:

BY SIGNING THIS APPLICATION FORM I HEREBY IRREVOCABLY DECLARE THAT:

(i) I have read and understood the application procedures contained herein and agree to be bound by the Terms and Conditions of subscription contained in pages 79 to 84 of the Prospectus;

(ii) if I have completed Section 7, I am declaring and validating to the Company, the Promoter, the Receiving Agent and the Manager the amount of the facilitation charge(s) specified therein and am agreeing to the making of a facilitation payment of that amount;

(iii) if my authorised financial intermediary has classified me as an elective Professional Client for the purposes of this Application, I am aware of the risks involved in such classification and of the rights I am giving up and I wish to be treated as a Professional Client in respect of my Application; and

(iv) to the best of my knowledge and belief, the particulars I have given are correct.

The Company, Foresight Group LLP and the Receiving Agent respect your privacy and are committed to protecting your personal information. If you would like to find out more about how the Company, Foresight Group LLP and the Receiving Agent use and look after your personal information, please refer to their privacy notices, which can be found at www.foresightgroup.eu/privacy-cookies/ and https://woodsidecorporateservices.co.uk/WCSL_Privacy-Policy.pdf

Application Form - Financial Intermediary Section

FORESIGHT VCT PLC (the Company)

SECTIONS 9 TO 13 TO BE COMPLETED BY THE INVESTOR'S FINANCIAL INTERMEDIARY (to be completed for every investor except for those ticking the 'Direct Investment' box in Section 7 above)

Section 9: FINANCIAL INTERMEDIARY DETAILS

Firm Name*:

Firm FCA No*:

Adviser/Partner Name:

Email*:

Admin Email*:

Address*:

Postcode*:

Network Firm Name*:

Network Firm FCA No*:

Adviser/Partner FCA No:

Adviser/Partner Reference (if applicable)*:

Tel No*:

Section 10: FINANCIAL INTERMEDIARY REMUNERATION

Please tick either Option 1 OR Option 2 and ensure that this is consistent with section 7 of the Application Form*

OPTION 1: Tick this box if you have provided advice to your client and any agreed up-front adviser charges comply with COBS 6.1A ☐

(If you have ticked Option 1 go directly to Section 12.)

OPTION 2: Tick this box if you are entitled to receive commission (please read note below) ☐

(If you have ticked option 2 please write in the reason here and complete section 11 below.)

Note: Post the Retail Distribution Review (RDR), only advisers with investors who are categorised as 'professional' under FCA Rules or certain execution-only intermediaries remain entitled to receive commission. Post the FCA Policy Statement 13/1, platforms may no longer receive commission whether they follow an advised or an execution only model.

Section 11: COMMISSION WAIVER DETAILS (only complete if commission selected in Section 10)

Initial commission (3% of the Application amount stated in Section 3) may be waived (in whole or part) for the benefit of your client. Please insert the amount of commission you wish to be waived in the box (up to 3%).

%

Section 12: INTERMEDIARY'S BANK DETAILS

Please complete where intermediary charges or commissions are payable.

Please provide details of your bank or building society account for the payment of adviser charges or commission (as applicable).

Account Name*:

Sort code*:

Postcode*:

Bank/Building Society*:

Account Number*:



Application Form - Financial Intermediary Section

FORESIGHT VCT PLC (the Company)

Section 13: FINANCIAL INTERMEDIARY SIGNATURE AND CERTIFICATE

SIGNATURE OF FINANCIAL INTERMEDIARY*

Print name*:

Date*:

We, the authorised financial intermediary identified in Section 9 above, confirm that we have applied customer due diligence measures on a risk-sensitive basis in respect of the applicant to the standard required by the Money Laundering Regulations 2007 within the guidance for the UK financial sector issued by the Joint Money Laundering Steering Group and that in the event that any one or more of the Company, the Promoter, the Receiving Agent and the Manager require additional information in order to accept the subscription, we will provide it to them within two business days of receiving their request or, if we don't have the information required, arrange for the information to be provided to them.

We, the authorised financial intermediary identified in Section 9 above, further confirm that, where we have provided advice to the applicant in connection with an investment in the Company, such investment is considered to be a suitable investment for the applicant in their current circumstances.

BY SIGNING AND SUBMITTING THIS APPLICATION FORM:

- (i) We confirm that our details included in this Application Form are true and accurate;
- (ii) We make the above confirmation regarding the customer due diligence and, where relevant, the above confirmation regarding suitability of the investment;
- (iii) We confirm our acceptance of the Terms and Conditions of subscription contained in pages 79 to 84 of the Prospectus (as relevant to us) and The Foresight Group's Terms and Conditions for Financial Intermediaries (which can be accessed at www.foresightgroup.eu/retail-investors/vct); and
- (iv) We undertake to forthwith notify the Company and/or the Promoter of any changes to our details provided above and/or if the applicant ceases to be our client in respect of his or her investment in the Company.

The Company, Foresight Group LLP and the Receiving Agent respect your privacy and are committed to protecting your personal information. If you would like to find out more about how the Company, Foresight Group LLP and the Receiving Agent use and look after your personal information, please refer to their privacy notices, which can be found at www.foresightgroup.eu/privacy-cookies/ and https://woodsidecorporateservices.co.uk/WCSL_Privacy-Policy.pdf

SPECIAL INSTRUCTIONS

Corporate information

DIRECTORS (NON-EXECUTIVE)

Margaret Littlejohns (Chair)
Patricia Dimond
Jocelin Harris
Gordon Humphries

REGISTERED OFFICE AND HEAD OFFICE

The Shard
32 London Bridge Street
London
SE1 9SG

COMPANY REGISTRATION NUMBER

03421340

WEBSITE

www.foresightvct.com*

TELEPHONE NUMBER

020 3667 8181

INVESTMENT MANAGER, ADMINISTRATOR AND COMPANY SECRETARY

Foresight Group LLP
The Shard
32 London Bridge Street
London
SE1 9SG
www.foresightgroup.eu*

PROMOTER

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

SOLICITORS TO THE COMPANY

Shakespeare Martineau LLP
60 Gracechurch Street
London
EC3V 0HR

RECEIVING AGENT

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

SPONSOR

BDO LLP
55 Baker Street
London
W1U 7EU

REGISTRAR

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

BROKER

Panmure Gordon & Co
One New Change
London
EC4M 9AF

BANKERS

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

AUDITORS

Deloitte LLP
20 Castle Terrace
Edinburgh
EH1 2DB

* These websites do not form part of the Prospectus unless that information is incorporated by reference.

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

foresightvct.com
foresightgroup.eu

