

FORESIGHT TECHNOLOGY VCT PLC

SUMMARY

SECTION 1: INTRODUCTION

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

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

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

The Issuer's contact details are:

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Website: <https://www.foresightgroup.eu/products/foresight-technology-vct-plc>
Telephone: 020 3667 8181
LEI: 21380013CXOR8N6OD977

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

SECTION 2: KEY INFORMATION ON THE ISSUER

Who is the Issuer of the securities?

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

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

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

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

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

What is the key financial information regarding the Issuer?

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

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

Income statement

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

Balance Sheet

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

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

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

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

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

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

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

SECTION 3: KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

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

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

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

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

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

Where will the securities be traded?

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

Is there a guarantee attached to the securities?

There is no guarantee attached to the FWT Shares.

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

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

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

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

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

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

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

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

where:

NAV = the latest announced net asset value per FWT Share

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

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

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

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

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

Why is this prospectus being produced?

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

The Offer is not underwritten.

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