



Foresight
group

FORESIGHT VCT PLC

OFFER FOR SUBSCRIPTION

Offer for subscription to raise up to
£20 million with an over-allotment facility
to raise a further £5 million

Prospectus with Application Form
28 January 2020

INVESTMENT
WEEK
TAX EFFICIENCY
AWARDS 2018/19
WINNER
Best Generalist - VCT

GROWTH
INVESTOR
2017 | AWARDS
WINNER
BEST VCT
INVESTMENT
MANAGER

Awarded to The Foresight Group

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 28 January 2020 (Prospectus) in connection with an offer for subscription to raise up to £20 million, with an over-allotment facility to raise a further £5 million (Offer) through the issue of up to 32.5 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). The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU 2017/1129) 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 46) 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 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 offices of the Promoter, Foresight Group Promoter LLP, The Shard, 32 London Bridge Street, London SE1 9SG and from the Foresight Group LLP website at 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. Completed Application Forms should be posted or delivered by hand to the receiving agent, The City Partnership (UK) Limited, 110 George Street, Edinburgh EH2 4LH. The Offer opens on 28 January 2020 and will close on 30 April 2020 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion).

Your attention is drawn to the Risk Factors on pages 8 to 9.

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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 28 January 2020 (**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, at 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 28 January 2020 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 John Gregory (Chairman), Jocelin Harris, Gordon Humphries and Margaret Littlejohns (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 30 June 2019 (unaudited), unless otherwise stated)

Share class	Net assets	No. of Shares	NAV Share	Historical performance
Ordinary	£132.3m	175,481,093	75.4p	78.1p (NAV as at 31 December 2018 (audited))
Total	£132.3m	175,481,093		

2.2.1.2 Income statement for closed end funds

	Year ended 31 December 2018 (audited)	Six month period ended 30 June 2019 (unaudited)
Total income before operating expenses	£1,398,000	£677,000
Net profit/(loss) on ordinary activities before taxation	£5,384,000	£3,994,000
Performance fee (accrued/paid)	£0	£0
Investment management fee (accrued/paid)	£2,379,000	£1,257,000
Any other material fees (accrued/paid) to service providers	£402,831	£229,751
Earnings per Share	3.1p	2.3p
Dividends paid per Share (in the period)	5.0p	5.0p
Dividends paid per Share (in respect of the period)	5.0p	N/A
Total assets	£137,026,000	£132,819,000
NAV per Share	78.1p	75.4p

2.2.1.3 Balance sheet for closed end funds

	Year ended 31 December 2018 (audited)	Six month period ended 30 June 2019 (unaudited)
Total net assets	£136.7m	£132.3m

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 2018.

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 is not 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 established 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.
- 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

Summary

dividends (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 each comprises ordinary shares of 1p (GBP) each.

As at the date of this document there are 173,959,405 Shares in issue (all fully paid up). The maximum number of Offer Shares to be issued pursuant to the Offer is 32.5 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 Company's dividend policy has recently been updated and 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 at around its current level. In the event that significant realised gains arise on sales of investment, the Board will consider payment of special dividends.

3.2 Where will the securities be traded?

Applications have 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.
- 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 £5 million)

through the issue of up to 32.5 million Offer Shares pursuant to the Offer. If the Board decides (in consultation with the Manager) to utilise the over-allotment facility 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. Applications can be made for both the 2019/2020 and 2020/2021 tax years. Applicants must subscribe a minimum in aggregate of £3,000 and thereafter in multiples of £1,000.

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 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 takes into account the up-front costs applicable to the relevant type of investor to generate a bespoke Offer price for each investor. The use of the Pricing Formula allows all investors to be treated equally in respect of their investment net of their particular costs incurred.

4.1.2 Expected Timetable

The Offer opens on 28 January 2020 and will close (unless fully subscribed earlier or otherwise at the discretion of the Board) at 12.00 noon on 30 April 2020.

The Board reserves the right to close the Offer earlier than the date stated or extend the Offer but not longer than 12 months following publication of the Prospectus.

4.1.3 Details of Admission

Applications have 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 32.5 million Offer Shares available are allotted pursuant to the Offer, the existing 173,959,405 Shares would represent 84.3% 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 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 intermediary commissions and any payment to an investor in connection with adviser charges (as referred to below).

Initial commission will be paid by the Company but borne by the investor through the Pricing Formula. Trail commission will be paid by the Company.

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 intermediary 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 (other than annual trail commission which remains a cost to the Company), in respect of up-front Offer costs, by investors through the Pricing Formula.

4.1.6.2 Expenses charged to the investor

The Direct Offer Costs and, as applicable, any 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.

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 is seeing a significant number of high quality investment opportunities which should provide a strong deal flow.

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

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 £1.375 million and the net proceeds would be £23.625 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

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 the group 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.

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 their respective 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 is not 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.

The Shares are likely to trade at a discount 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. The Shares may trade at a discount to their underlying net asset value for a variety of reasons, including 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.

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 NEX Exchange 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 established 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.

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.

As a result of the status of VCTs, their investments in investee companies are regarded as state-aided investments. Where the European Commission believes that state aid has been provided which is unlawful, in particular if not in accordance with the Risk Finance Guidelines, it may require that the UK Government recovers that state aid. Such recovery may be from the investee company, the VCT or the VCT's investors and this may have an adverse effect on Shareholder returns.

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.

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 (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.

Expected Timetable, Statistics and Costs

Indicative offer timetable

Offer opens	▶	28 January 2020
First allotment of Offer Shares	▶	28 February 2020 Subsequent allotments monthly
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 2019/2020 tax year	▶	12.00 noon on 3 April 2020
Offer closes for 2020/2021 tax year	▶	12.00 noon on 30 April 2020

The Board reserves the right to close the Offer earlier than the date stated or 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 a further £5 million*)
Maximum number of Offer Shares to be issued	▶	32.5 million
Investor's minimum investment (in aggregate if an application is for both tax years)	▶	£3,000 (thereafter in multiples of £1,000)
NAV per Share as at 30 September 2019 (unaudited)**	▶	76.7p

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

** This being the latest published NAV per Share.

Costs and commissions*

Retail Client Investors

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

Offer costs**	2.5%
Initial commission to intermediaries**	3.0%
Trail commission to intermediaries***	0.5% per annum

Direct Investors

Offer costs**	5.5%
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* Expressed as a percentage of an investor's subscription (other than trail commission to intermediaries).

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

*** 0.5% of Base Net Asset Value at the end of each financial year end and paid, where permissible, to intermediaries by the Company (subject to a cumulative maximum of 3% of the Offer price).

Discounts*

Existing Foresight Shareholder Loyalty - available to any investor who currently holds shares in any VCT managed or advised by The Foresight Group.

Discount to the Offer costs	▶	0.5%
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* Expressed as a percentage of an investor's subscription (other than trail commission to intermediaries).

Letter from the Chairman

Dear Investor

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

We are seeking to raise an additional £20 million of capital (with an over-allotment facility for a further £5 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).

Since the last offer in 2017, the Company's portfolio has been significantly expanded and currently comprises in excess of £130 million of assets, with investments in more than 40 UK-based trading businesses across a diverse spread of sectors.

The Company has made 11 (£15.4 million) new and follow-on growth capital investments in the past 12 months. The total return (NAV growth plus cumulative dividends) between 1 January 2014 and 30 September 2019 is 17.7p (representing 17.5% growth from the audited NAV per Share as at 31 December 2013).

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 a level in excess of £150 million;
- the implementation of a significant number of new and follow on qualifying investments every year;
- payment of an annual dividend to Shareholders of at least 5% of the NAV per Share, whilst at the same time aiming to maintain the NAV per Share at around its current level; and
- implementing a programme of regular share buy backs at a discount in the region of 10% to the prevailing NAV per Share.

The Board believes that central to the Company being able to achieve these objectives in the future is the ability of Foresight Group LLP (**Manager**), the Company's manager, to source and complete attractive new qualifying investment opportunities. Whilst this task has not been made easier by the changes

to VCT legislation, 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 and the Manager has an established track record in this area.

Over the past four years, the Manager's consistency and strength as a VCT manager has been recognised through being awarded 'Best Generalist VCT' for the Company at the Investment Week Tax Efficiency Awards 2018/19, 'Best VCT Investment Manager' at the Growth Investor Awards in 2017 and 'VCT House of the Year' at the 2016 Unquote awards. These awards reflect the investments made and the achievements of the Manager's Private Equity Team members and the Manager as a whole over the past four years.

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 five institutional regional funds from five regional offices in addition to its London HQ. In 2019, it launched its most recent regional fund; the £20 million Foresight Scottish Growth Fund, which is supported by the Scottish Government's Scottish Growth Scheme and the European Regional Development Bank. The £100 million Foresight East of England Fund was also launched in 2019, which is unique in that it is a permanent patient pool of capital for SMEs in the East of England and beyond, and will be managed out of a new office in Cambridge, opening in early 2020.

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 Directors 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 resource to investee companies to optimise opportunities for commercial success. The Manager's established network of corporate finance advisers and intermediaries opens up access to many similar business opportunities.

The Manager and companies and undertakings within the same group (together **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. What is less well-known is the ESG approach The Foresight Group applies to all investments including those made by the Manager 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.

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 £8 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.

Applications can be made for both the 2019/2020 and the 2020/2021 tax years. 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. The additional funds raised will allow the Company to retain liquidity levels to take advantage of investment opportunities, maintain an attractive dividend policy and support the running costs as a VCT.

The regular outgoings of the Company, made up chiefly of dividend payments, management fees and the cost of buying back shares, amount to approximately £10.6 million per annum. The Company also seeks to make new investments totalling between £12 and £18 million per annum. Against this background, 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.

More details relating to the Company 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

John Gregory
Chairman



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 £20 million. Key requirements include strong management teams, attractive market characteristics and a defensible competitive position and with investments made in the most attractive

opportunities without sector bias. The Company aims to invest in businesses with realistic growth stories which are at least, or nearing, break-even at EBITDA level, or which are making manageable losses in the context of their rapid growth.

Generalist but specific about the type of companies we decide to invest in...



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, but following the amended VCT legislation is now focused exclusively on growth capital investments. The Manager has been a growth capital investor for 35 years. Since 2010, excluding energy efficiency projects, the Manager has made 56 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 European Digital City Index 2016 report identified London as the best city in Europe to start up and scale a digital enterprise. This entrepreneurial ecosystem is not limited to London or the South East however, with Glasgow, Edinburgh, Manchester, Birmingham, Bristol, Cardiff, Oxford and Cambridge all featuring in the top 60 European cities supporting digital entrepreneurship.

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 six offices. In the wake of uncertainty caused by Brexit, the possible implications such as potential bank reluctance to lend to SMEs strengthens the VCT investment case in both appealing to entrepreneurs and, more widely filling the investment funding gap.

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

There remains uncertainty around the arrangements for the UK's withdrawal from the EU and it is likely that economic growth will remain subdued, or even slip into negative territory, in the short term. Generally, the business environment remains uncertain despite

record levels of employment with the Bank of England maintaining low interest rates and revising downwards its outlook for growth in 2020 to 1.2%, from a previous projection of 1.6%. A period of volatility is almost inevitable, nonetheless 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.

The continuing weakness in Sterling should see UK businesses which export becoming more competitive. The Company has had success in investments which export worldwide, including, for example, Datapath Group Holdings Limited and TFC Europe Limited. Several recent investments, such as the 2016 growth capital investment into Simulity Labs Limited (subsequently sold to ARM Holdings for a 3x return just eight months later), are largely export focused and the Manager believes that a significant proportion of new investments will reflect this trend.

Tax incentives to grow and sell small businesses

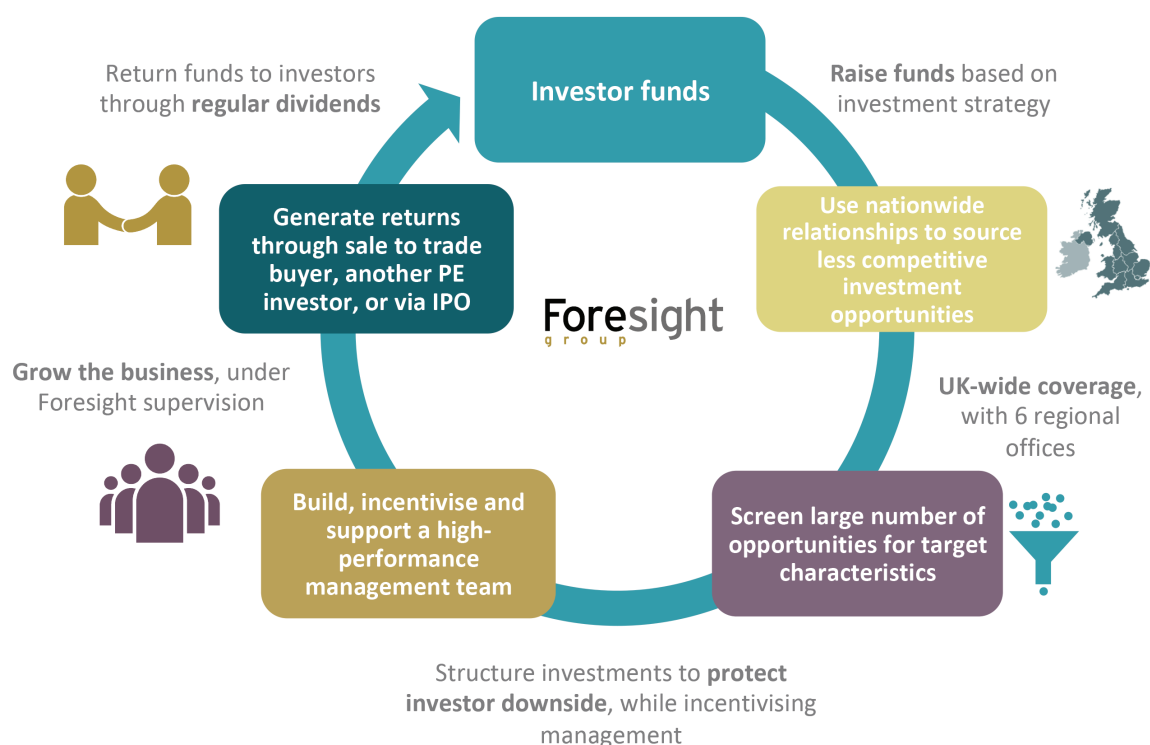
UK tax legislation has developed favourably in recent years to incentivise entrepreneurs to grow and develop businesses. Both Enterprise Management Incentive share option schemes, which apply only to smaller businesses (which are often suitable for VCT investment), and the current Entrepreneur's Relief, which

can reduce business owners' capital gains tax liability on a sale of the business, provide management teams with strong incentives to grow and realise value from their businesses.

Reduced interest from 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. Many mid-market private equity funds raised substantial sums between 2015 and 2018 and as such are focusing more and more on larger transactions and investments. This results in relatively less competition for assets at the lower mid-market level where the Manager specialises.



Banks' lending to SMEs remains relatively constrained

Whilst bank lending to SMEs increased by around 10% in 2018 against the same period in the prior year, this remained below 2015's peak level (Source: UK Finance). This demonstrates a continuing opportunity for lower mid-market private equity funds to be deployed to meet demand for funding transactions amongst SMEs.

Investment Opportunity

Recent Investments

The Manager applies a very high degree of selectivity.


During the current financial year, 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
Roxy Leisure Ltd	Consumer and Leisure	A social entertainment bar group	£1.5m	£3.0m
Rovco Limited	TMT	Subsea surveyor of offshore assets	£0.9m	£3.9m
Biotherapy Services Limited	Healthcare	Pharmaceutical biotech company specialising in wound treatment	£1.5m	£3.0m
Ten Health and Fitness Limited	Consumer and Leisure	Group of boutique health and fitness studios with rehabilitation services	£2.4m	£4.0m
Fourth Wall Creative Limited	Business Services	A technology-led sports merchandising business	£3.0m	£5.0m
LPH Holdings Limited t/a Steamforged Games	Consumer and Leisure	Developer and retailer of tabletop games	£2.4m	£5.0m
Sportslabs Technology Limited t/a ClubSpark	TMT	Software company providing operations management software to sports management and clubs.	£1.3m	£2.2m

All of these businesses have demonstrated good growth potential.

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 buyers in the trade and private equity sectors, listed on a stock exchange or refinanced. Below are some of the highlights since 2017.

<div data-bbox="161 1408 300 1507">  <p>An Episerver company</p> </div> <div data-bbox="354 1440 552 1478"> <h2>Idio Limited</h2> </div> <p>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.</p> <p>During the investment period, Idio refocused its corporate strategy and was able to broaden its customer base beyond financial services.</p> <p>The investment supported the management team's growth strategy by building out the sales team, improving account management to enhance retention rates and further development of the broader business.</p>	<p>SOLD: NOVEMBER 2019</p> <hr/> <p>PRICE: £28.6M</p> <hr/> <p>FORESIGHT VCT PLC TOTAL RETURN: £1.7M</p> <hr/> <p>MULTIPLE: 1.9X</p>
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* Past performance is not necessarily a guide to future performance. It should also be noted that the past performance materially relates to investments made to support management buy-outs prior to the change in the VCT rules.



Thermotech Solutions Limited

A successful sale 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 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.

SOLD:
MAY 2018

PRICE:
£17.4M

FORESIGHT VCT PLC
TOTAL 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 Foresight VCTs supported management to execute a focused sales strategy, in particular developing high margin contract services revenue.

SOLD:
FEBRUARY 2018

PRICE:
£3.8M

FORESIGHT VCT PLC
TOTAL RETURN:
£1.4M

MULTIPLE:
1.5X



Simulity Labs Limited

The sale of Simulity Labs to ARM, the world's leading semiconductor IP company, was completed in July 2017 generating a return on the original investment by the Company after just eight months.

Established in 2009, Simulity provides embedded communications software and related server systems for both SIM cards and embedded SIMs (eSIMs).

After investment in October 2016, Simulity successfully transitioned to a software licensing business model, launched its eSIM technology, increased valuable recurring revenue streams, improved gross margins materially and grew its international sales presence, making the company an attractive acquisition target.

SOLD:
JULY 2017

PRICE:
£35.0M

FORESIGHT VCT PLC
TOTAL RETURN:
£11.7M

MULTIPLE:
2.9X

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

Investment Opportunity



Blackstar Amplification Holdings Limited

The Company originally invested in Blackstar, an award-winning Northampton-based designer and manufacturer of innovative guitar amplifiers, in 2012. The Company's investment provided growth capital and helped restructure Blackstar's shareholder base and strengthened its management team. Blackstar more than doubled turnover over four years, expanded internationally, establishing itself as a renowned amplifier brand in the UK and USA and broadened its product catalogue.

The sale was implemented by a management buyout, supported by the Blackstar's manufacturing and distribution partners.

SOLD:
JULY 2017

PRICE:
£7.1M

FORESIGHT VCT PLC
TOTAL RETURN:
£4.6M

MULTIPLE:
1.9X



The Bunker Secure Hosting Limited

The Company acquired its investment in The Bunker from Foresight 2 VCT plc as part of the merger in December 2015. Having first invested in May 2006, Foresight VCTs have been longstanding shareholders in The Bunker, which builds, hosts and manages high security, high availability IT data centres, providing competitive data storage solutions. The growth capital provided by Foresight VCTs was used to materially scale The Bunker's data storage facilities.

The business experienced a compound annual growth rate of over 14% of recurring revenues for the three years prior to exit with annual revenues growing to more than £9 million compared to £1.8 million at investment.

The Bunker was acquired by Palatine Private Equity.

SOLD:
JULY 2017

PRICE:
£26.0M

FORESIGHT VCT PLC
TOTAL RETURN:
£1.7M

MULTIPLE:
1.1X

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

Performance of the Company*

The Company's NAV total return performance from 1 January 2014 is shown below.

Total Return Performance per Share	9 Months to 30 September 2019	1 Year to 31 December 2018	3 Years to 31 December 2018	5 Years to 31 December 2018
NAV as at the start of the period	78.1p	80.0p	87.5p	101.0p
NAV as at the end of the period	76.7p	78.1p	78.1p	78.1p
Cumulative dividends paid during the period	5.0p	5.0p	21.0p	37.0p
Total return as at end of period (NAV plus cumulative dividends paid in period)	81.7p	83.1p	99.1p	115.1p
NAV total return performance over the period	4.6%	3.9%	13.3%	14.0%

* Past performance is not 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 holding in over 40 trading companies (ignoring those investments held at nil value and money market funds).

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 30 September 2019 (other than the movements which have occurred since that date). 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 30 September 2019. 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. The accounting cost may be higher than the amount invested due to the value of the investment at the time of acquisition from 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 Top Ten have been sourced from the relevant company's latest published financial year end. 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.

Top Ten

The investments below represent the Company's ten largest investments (ignoring cash and money market investments), which represent 42.5% of the Company's net assets.

DATAPATH GROUP LIMITED

www.datapath.co.uk

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



SECTOR: TMT



Year of investment	2007
Amount invested (£'000)	1,000
Accounting cost (£'000)	7,563
Valuation (£'000)	8,098
Revenues at first investment*	£6.7m
Current revenues (latest available)**	£27.7m
Profit before tax (latest available)**	£3.3m
% of net assets of the Company	6.0%



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

** Sourced from the latest audited financial year end (year ended 31 March 2019) accounts published by Datapath Group Limited

The Portfolio

FFX GROUP LIMITED

www.ffx.co.uk

FFX is a multi-channel supplier of high-quality hand tools, power tools and accessories, fixings, fasteners and general building products



SECTOR: BUSINESS SERVICES



Year of investment	2015
Amount invested (£'000)	2,676
Accounting cost (£'000)	2,676
Valuation (£'000)	7,721
Revenues at first investment*	£27.0m
Current revenues (latest available)**	£49.0m
Profit before tax (latest available)**	£0.4m
% of net assets of the Company	5.8%



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

** Sourced from the latest audited financial year end (year ended 30 September 2018) accounts published by FFX Group Limited

SPECAC INTERNATIONAL LIMITED

www.specac.com

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



SECTOR: INDUSTRIALS & MANUFACTURING



Year of investment	2015
Amount invested (£'000)	1,345
Accounting cost (£'000)	1,300
Valuation (£'000)	6,466
Revenues at first investment*	£6.9m
Current revenues (latest available)**	£12.7m
Profit before tax (latest available)**	£1.6m
% of net assets of the Company	4.8%



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

** Sourced from the latest audited financial year end (year ended 31 March 2019) accounts published by Specac International Limited

IXARIS GROUP HOLDINGS LIMITED
www.ixaris.com

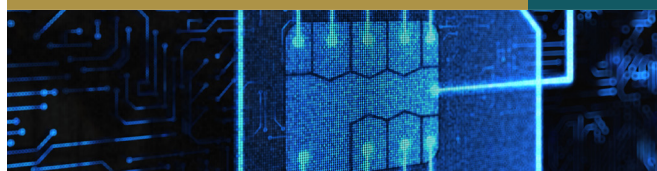
Ixaris is a payments platform enabling efficient global payments, targeted in particular at the travel sector



SECTOR: TMT



Year of investment	2006
Amount invested (£'000)	823
Accounting cost (£'000)	2,266
Valuation (£'000)	5,653
Revenues at first investment*	£0.5m
Current revenues (latest available)**	£25.1m
Profit before tax (latest available)**	£1.6m
% of net assets of the Company	4.2%



* Approximate revenues of the original operating company in which the investment was made by the Company

** Sourced from the latest audited financial year end (year ended 31 December 2018) accounts published by Ixaris Group Holdings Limited

TFC EUROPE LIMITED
www.tfc.eu.com

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



SECTOR: INDUSTRIALS & MANUFACTURING



Year of investment	2007
Amount invested (£'000)	939
Accounting cost (£'000)	3,615
Valuation (£'000)	5,531
Revenues at first investment*	£7.6m
Current revenues (latest available)**	£23.8m
Profit before tax (latest available)**	£2.4m
% of net assets of the Company	4.1%



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

** Sourced from the latest audited financial year end (year ended 31 March 2019) accounts published by TFC Europe Limited

The Portfolio

PROTEAN SOFTWARE LIMITED

www.proteansoftware.co.uk

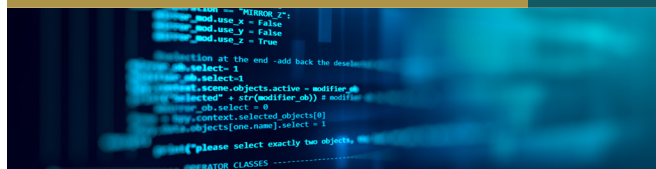
Protean develops and sells field service management software for organisations involved in the supply, installation, maintenance and hire of equipment.

Protean
Software

SECTOR: TMT



Year of investment	2015
Amount invested (£'000)	2,500
Accounting cost (£'000)	2,500
Valuation (£'000)	5,436
Revenues at first investment*	£2.9m
Current revenues (latest available)**	Not disclosed
Retained earnings (latest available)**	£(1.1m)
% of net assets of the Company	4.1%



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

** Sourced from the latest unaudited financial year end (year ended 31 March 2019) accounts published by Protean Software Limited

OLLIE QUINN LIMITED

www.olliequinn.co.uk

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

OLLIE
QUINN

SECTOR: CONSUMER & LEISURE



Year of investment	2017
Amount invested (£'000)	5,694
Accounting cost (£'000)	5,694
Valuation (£'000)	5,317
Revenues at first investment*	£3.6m
Current revenues (latest available)**	Not disclosed
Retained earnings (latest available)**	£(0.4m)
% of net assets of the Company	4.0%



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

** Sourced from the latest unaudited financial year end (year ended 30 June 2019) accounts published by Ollie Quinn Limited

NANO INTERACTIVE GROUP LIMITED
www.nanointeractive.com

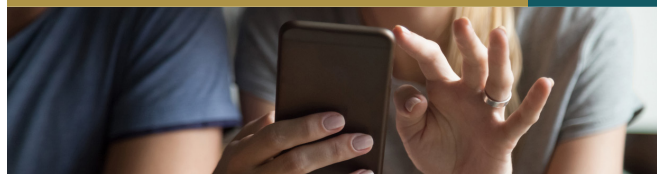
Nano Interactive is an advertising technology business specialising in search re-targeting campaigns for its global customer base. The business was founded in 2010 and has five offices in Germany, UK, France, Poland and Serbia.



SECTOR: TMT



Year of investment	2017
Amount invested (£'000)	3,449
Accounting cost (£'000)	3,449
Valuation (£'000)	4,391
Revenues at first investment	£2.4m
Current revenues (latest available)*	Not disclosed
Profit and loss account (latest available)*	£(0.1m)
% of net assets of the Company	3.3%



* Sourced from the latest unaudited financial year end (year ended 31 December 2018) accounts published by Nano Interactive Group Limited

SPEKTRIX LIMITED
www.spektrix.com

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



SECTOR: TMT



Year of investment	2018
Amount invested (£'000)	3,448
Accounting cost (£'000)	3,448
Valuation (£'000)	4,315
Revenues at first investment	£5.8m
Current revenues (latest available)*	Not disclosed
Profit and loss account (latest available)*	£(1.1m)
% of net assets of the Company	3.2%



* Sourced from the latest unaudited financial year end (year ended 31 December 2018) accounts published by Spektrix Limited

The Portfolio

FRESH RELEVANCE LTD

www.freshrelevance.com

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



SECTOR: TMT



Year of investment	2017
Amount invested (£'000)	2,118
Accounting cost (£'000)	2,118
Valuation (£'000)	3,975
Revenues at first investment	£1.3m
Current revenues (latest available)*	Not disclosed
Profit and loss account (latest available)*	£0.1m
% of net assets of the Company	3.0%



* Sourced from the latest unaudited financial year end (year ended 30 September 2018) accounts published by Fresh Relevance Limited

Other Investments

Company	Year invested	Description	Sector	Amount invested (£'000)	Accounting cost (£'000)	Value (£'000)	% of net assets of the Company
Industrial Efficiency II Limited	2014	Provider of energy efficiency fuel switching services through the installation of gas and electricity delivery equipment	Business Services	2,603	2,603	3,973	3.0%
Hospital Services Group Limited	2015	Provider of high-quality healthcare equipment from global OEM partners as well as providing associated consumables	Healthcare	3,320	3,320	3,904	2.9%
Itad Limited	2015	Specialist consulting firm focused on evaluating the impact of international development funding and aid	Business Services	2,750	2,750	3,877	2.9%
The Business Advisory Limited	2015	Provides support services and contingent advice to UK based SMEs seeking to gain access to Government tax incentives	Business Services	1,650	1,605	3,085	2.3%
Luminet Networks Limited	2018	Provider of fixed wireless access and fibre to businesses	TMT	2,365	2,365	3,021	2.3%
Fourth Wall Creative Ltd	2019	Sports merchandising software and fan engagement services	Consumer & Leisure	2,956	2,956	2,956	2.2%
Mologic Ltd	2018	Health diagnostics company providing Contract Research services and Point of Care diagnostics products	Healthcare	2,434	2,434	2,797	2.1%
Mowgli Street Food Limited	2017	Fast casual Indian street food chain of restaurants	Consumer & Leisure	1,527	1,527	2,682	2.0%
Aquasium Technology Limited	2001	Manufactures, services and refurbishes electron beam welding (EBW) equipment and vacuum furnaces (VF)	Industrials & Manufacturing	1,930	333	2,669	2.0%
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	2,625	2.0%
LPH Holdings Limited t/a Steamforged Games	2019	Designer, developer and retailer of table-top board games	Consumer & Leisure	2,365	2,365	2,557	1.9%

The Portfolio

Company	Year invested	Description	Sector	Amount invested (£'000)	Accounting cost (£'000)	Value (£'000)	% of net assets of the Company
Cinelabs International Ltd	2017	Post-production services to film and TV production houses	TMT	2,216	2,216	2,414	1.8%
Ten Health & Fitness Limited	2019	Boutique health and fitness provider with added rehabilitation services	Healthcare	2,365	2,365	2,365	1.7%
Aerospace Tooling Holdings Limited	2013	Specialist inspection, maintenance, repair and overhaul (MRO) services for components in high-specification aerospace and turbine engines	Industrials & Manufacturing	1,500	150	2,150	1.6%
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	2,121	1.6%
Accrosoft Limited	2018	SaaS business with recruitment and educational software	TMT	1,724	1,724	2,078	1.5%
Sportlabs Technology Limited (t/a ClubSpark)	2019	Sports management platform for local organisations and national governing bodies	TMT	1,271	1,271	2,019	1.5%
Idio Limited	2016	Enterprise software company with a platform to analyse consumer behaviour	TMT	920	920	1,726	1.3%
The Naked Deli Ltd	2018	Chain of 'clean eating' restaurants offering eat-in casual dining and grab-and-go options	Consumer & Leisure	1,724	1,724	1,660	1.2%
Positive Response Corporation 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	1,292	0.9%
Codeplay Software Limited	2018	Software developer focused on artificial intelligence technology	TMT	690	690	1,270	0.9%
Dhalia Limited	2015	Trading company	General	100	100	1,234	0.9%
Online Poundshop Limited	2017	Online discount retailer of general merchandise	Consumer & Leisure	2,610	2,610	945	0.7%
Fertility Focus Limited	2018	Medical device to predict and detect ovulation	Healthcare	862	862	925	0.7%

Company	Year invested	Description	Sector	Amount invested (£'000)	Accounting cost (£'000)	Value (£'000)	% of net assets of the Company
Procam Television Holdings Limited	2013	Broadcast hire company supplying equipment and crew for location TV production	TMT	1,525	1,665	875	0.6%
Whitchurch PE 1 Limited	2014	Trading company	General	1,000	100	291	0.2%
Powerlinks Media Limited	2017	Advertising-technology company with a real-time trading platform for native adverts	TMT	2,709	2,709	241	0.2%
Cole Henry PE 2 Limited	2014	Trading company	General	1,000	100	218	0.2%
Flowrite Refrigeration Holdings Limited	2012	Refrigeration and air conditioning service, maintenance & installation company, providing nationwide support to large leisure & hospitality groups	Business Services	493	210	195	0.2%
Kingsclere PE 3 Limited	2014	Trading company	General	1,000	100	178	0.1%
Biofortuna Ltd	2012	Molecular diagnostics business that manufactures DNA tests	Healthcare	1,073	1,073	98	0.1%
Sindicatum Carbon Capital Limited	2007	Owns clean power generation facilities in emerging markets	General	125	246	62	0.1%
Cash	-	-	-	-	-	18,500	13.8%
Net Current Assets	-	-	-	-	-	193	0.1%

The above does not include investments valued at nil.

The Portfolio

Movements following 30 September 2019







The following movements have occurred since 30 September 2019:

- In November 2019, the Company invested £1.5 million in Biotherapy Services Limited, a pharmaceutical biotech company specialising in wound treatment.
- In November 2019, the Company sold its investment in Idio Limited for £1.7 million (against a cost of £0.9 million).
- In December 2019, the Company invested a further £0.1m in Biofortuna Ltd.
- In December 2019, the Company invested a further £0.4m in Fertility Focus Limited.
- In December 2019, the Company invested £0.9m in Rovco Limited, a subsea surveyor of offshore assets.
- In December 2019, the Company invested a further £1.4m in Luminet Networks Limited.
- In December 2019, the Company invested a further £1.0m in Nano Interactive Group Limited.
- In December 2019, the Company invested £1.5m in Roxy Leisure Ltd, a social entertainment bar group.
- The Board reduced the valuation of Ixaris Group Holdings Limited from £5.653 million to £5.0 million in January 2020.

There have been no other material changes to the Top Ten and Other Investments analysis, which is extracted from the Company's accounting records and unaudited financial information as at 30 September 2019, to the date of this document.

Sector Exposure

The sector exposure across the venture capital investments 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	34.5%
 Consumer and Leisure	20.7%
 Business Services	19.7%
 Industrials and Manufacturing	14.6%
 Healthcare	8.7%
 General	1.8%
Total	100%





Case Studies

SPEKTRIX LIMITED (SPEKTRIX)		SECTOR: TMT
Investment type		Growth Capital
Initial investment date		December 2018
Aggregate investment by all Foresight VCTs		£4.9m
Aggregate amount returned to all Foresight VCTs		-
Aggregate remaining accounting cost of the remaining investment by all Foresight VCTs		£4.9m
Aggregate valuation of remaining investment by all Foresight VCTs		£6.2m

Company Background

SPEKTRIX

Spektrix provides enterprise software to the performing arts market in the UK and the US. The company provides a SaaS solution, which allows venues to manage all customer-facing operations across ticketing, marketing, CRM and fundraising. The functionality within the system is mission critical to clients, including seat selection, pricing, payments, EPOS integration, marketing automation, campaign management, offers, merchandising, memberships, donations and reporting.

Spektrix was founded in 2007 by its CEO, Michael Nabarro. Michael has a background in computer science and previously worked as a theatre manager. In the last decade, the company has grown to become the leading software provider in the UK performing arts market, and has established a fast growing US presence.

Investment

The Foresight VCTs invested £4.9 million, in a combination of loans and equity, in December 2018 to support the growth plans of the company. This was the first external investment in the company designed to help Spektrix scale out its operations in the US and to expand into new markets such as sport events.

The Manager was attracted by Spektrix's recurring revenue model and its exceptionally low customer churn, which spoke to the quality of the product and the service being provided. The company had grown successfully without funding, proving the ability of the team to run a capital efficient business model. Having established itself as a leading player in the UK market, there was an opportunity to replicate this success in the much larger US market, which exhibits similar customer and competitive dynamics.

As part of the investment Mark Redwood was appointed as the company's first non-executive chairperson. Mark brings extensive experience as a former technology entrepreneur, senior executive at Thomson Reuters and has previously worked with a number of private equity backed businesses.

Trading and Strategy

Since investment, Spektrix has continued to grow well. The number of contracts providing annual recurring revenue has also increased, providing a strong foundation for future growth. The US business is performing well.

During the first year of involvement, material investment was also made in the development team and the Spektrix platform. As part of this, Spektrix commenced the transition from a privately hosted solution to the public cloud on Microsoft Azure. This has required significant work from the team, and should provide future benefits in terms of scalability, cost and support effort.

Within the UK market, Spektrix has continued to grow, winning a number of larger clients, including venues such as the Barbican. During 2019, the company also began to make its first foray into additional markets, with a number of ongoing conversations in both music and sport, which provides exciting new avenues of growth for the future.



Case Studies

AEROSPACE TOOLING CORPORATION LIMITED (ATL)		SECTOR: Industrials and Manufacturing
Investment type	MBO/Equity Release	
Initial investment date	June 2013	
Aggregate investment by all Foresight VCTs	£3.5m	
Aggregate amount returned to all Foresight VCTs	£3.5m	
Aggregate remaining accounting cost of the remaining investment by all Foresight VCTs	£0.6m	
Aggregate valuation of remaining investment by all Foresight VCTs	£5.5m	

Company Background



ATL is a niche engineering business providing specialist inspection, maintenance, repair and overhaul (MRO) services on components in high-specification aerospace and turbine engines. A core focus for ATL is in 'legacy' components and engines that have ceased production where parts are not available but are still in widespread use. The business also provides services on a wide range of 'in production' turbines providing a cost-effective alternative to expensive replacement parts.

ATL's repair solutions are conducted under scrutinised conditions and to technical specifications agreed by original equipment manufacturers (OEMs) including Rolls-Royce and Siemens amongst others. The business operates across domestic and military aerospace sectors and industrial markets such as oil and gas and energy production. Customers include OEMs and tier 1 turbine services companies such as Rolls-Royce, Iberia, Siemens, Kawasaki and MTU.

Investment

The Company initially invested £1.5 million alongside £2 million from other Foresight VCTs, in a combination of loans and equity, in 2013 to support the management buy-out and partial exit and equity release for the founder. Alongside this an option pool was created to bring additional members of management into the equity fold to help support the long-term growth of the business and broaden the senior team.

The Manager was attracted by ATL's high quality engineering expertise that had enabled it to become a tier 1 supplier to the likes of Rolls-Royce and Siemens. Its niche engineering capabilities enable the repair of engine components previously destined for scrap which provide both OEMs and end users with significant cost benefits, especially on out of production equipment that still has a significant shelf-life such as aircraft engines. The high barriers to entry coupled with significant levels of repeat custom and high margins, made for a compelling investment proposition.

Trading and Strategy

ATL traded well in the initial periods following the investment by Foresight VCTs. Substantial revenues and exceptional margins were made from a specific contract with Rolls-Royce for component repairs on the Tornado jet engine which at its peak delivered over £7 million of sales per annum and contributed to EBITDA of £4.7 million in 2014. During this period of significant profit growth, the business re-financed and used the proceeds to repay loans and in doing so returned 90% of the original Foresight VCTs' investment, with the VCTs still retaining an equity stake.

Rolls-Royce decided subsequently to take the majority of its Tornado engine work back in-house at a significant cost to ATL. By 2016 the business had slipped to a loss-making position with an inflated overhead base and short debt amortisation profile putting strain on cash reserves.

In 2016, it was decided to provide additional investment to support ATL through this difficult trading period having sourced a high calibre CEO to come in and lead the turnaround of the business. A difficult period of cost cutting and refocusing the business to diversify the customer base and reduce customer concentration followed. This strategy has reaped rewards with ATL achieving revenues of c.£7.2 million and profits of £1.3 million in 2019, compared with £3.8 million and a loss of £2.1 million respectively in 2016. Reduced reliance on Rolls-Royce, major new customer wins with the likes of Iberia, Avio and Standard Aero, and a much broader sector focus has put the business on a strong footing to drive further growth.



Case Studies

MOWGLI STREET FOOD LIMITED (MOWGLI)		SECTOR: Consumer and Leisure
Investment type	Growth Capital/Equity Release	
Initial investment date	July 2017	
Aggregate investment by all Foresight Funds	£3.4m	
Aggregate amount returned to all Foresight Funds	£0.2m	
Aggregate remaining accounting cost of the remaining investment by all Foresight Funds	£3.4m	
Aggregate valuation of remaining investment by all Foresight Funds	£6.0m	

Company Background



Mowgli is a fast-casual Indian street food chain of restaurants founded in 2014 by Nisha Katona, a former barrister with a passion for fresh Indian food. On investment the company operated two sites in Liverpool and one in Manchester. Because of her passion about Indian food, Nisha set up Mowgli as a restaurant serving Indian food that is more akin to that which is consumed in India, believing Indian food should be fresh, light, delicate and healthy. Unlike the food prepared in the majority of Indian restaurants in the UK, Mowgli's dishes are made without cream, onion or ghee (clarified butter used widely in Indian cooking). She launched the first site on Bold Street in Liverpool and when trading exceeded her expectations in January 2015 she left her career as a barrister to focus on her career as a restaurateur.

Investment

In July 2017, the Company invested £1.5 million into Mowgli Street Food alongside approximately £1.9 million from the Foresight Regional Investment Fund to fund the company's expansion plan through the opening of new sites, as well as being used to build out the senior management team to drive further growth.

The Manager was initially attracted to the business' unique approach to Indian cuisine by focusing on showcasing homestyle Indian cooking. The modern focus on healthy, light, flavoursome dishes differentiates it from traditional Indian restaurants, as does its provision of an extensive gluten-free, vegetarian and vegan offering using recipes passed down from Nisha's family. The company was also highly popular, with a strong social media presence and branding and this is reflected in market leading financial metrics with site EBITDA margins in excess of 30%.

The Manager planned to add value by expanding the senior team and board to complement Nisha's entrepreneurial spirit and drive. Two key hires were made soon after investment with the Manager's help; firstly, a non-executive chair, Karen Jones, who founded Café Rouge and is now chair of Hawksmoor, and secondly, a finance director, Matt Peck, who worked for Byron Burgers and Paperchase. Both hires have brought their

knowledge to the business having successfully rolled-out restaurant chains in the past. A strategic plan was formulated with regards to location strategy, site format, pricing strategy, team culture and menus.

Trading and Strategy

Since investment, the company has grown revenues from c.£5 million in 2017 to £12 million in 2019. EBITDA has more than doubled from £0.9 million to £2.1 million in the same period despite Mowgli re-investing cash into new store openings. This success has been recognised through various honours, including Mowgli's entrance to the Sunday Times Virgin Atlantic Fast Track 100 league table, which ranks Britain's top 100 private companies with the fastest-growing sales over the last three years.

Since investment, the company has successfully opened restaurants in Sheffield, Oxford, Nottingham, Birmingham, Leicester and Cardiff. Mowgli has also reinforced its presence in Manchester with a second restaurant. Further locations are in the pipeline, with the goal of operating at least 14 sites by the end of 2020. Mowgli has also nearly tripled its number of employees since investment, from 120 to over 300, with the opening of new sites as well as the newly formed head office function.

About the Manager

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 independent private equity and infrastructure investment manager owned by its individual partners and Foresight CI. 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 35-year track record 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 £4 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 to be a leader in investing in trends ahead of the curve is achieved through its dynamic and entrepreneurial values of flexibility, innovation, problem solving and a commitment to attracting and retaining the best professionals in the industry.

Strength of the Team

The Manager's Private Equity Team, comprises 28 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 team generally reviews more than 1,500 investment opportunities each year across all funds in the UK at various stages of the growth cycle including early and later stage technology-oriented businesses, 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 chairman. 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; and
- mergers, acquisitions and exit planning.

Venture Capital Trusts

The Manager is the fourth largest VCT manager in the UK (by funds under management), with one of the largest VCT investment teams in the industry, managing, together with Foresight CI, three VCTs. The Company, formerly Foresight Technology VCT, was launched in 1997 and remains one of the UK's most successful VCTs for the original investors, and has paid out more than £76 million in tax-free dividends.

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.

Regional growth funds

The Manager also manages five regional institutional funds.

In 2013, the Manager was appointed to manage a regional fund of £39 million on behalf of the British Business Bank, Nottingham City and County Councils 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.

In 2015, the Manager announced a second regional fund 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 already invested over £36.2 million in 14 businesses.

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 £11.1 million of investments in 15 businesses for this fund.

The above mandates have been followed in 2019 by the £100 million Foresight East of England Fund and the opening of an additional regional office in Edinburgh to support the newly created £20 million Foresight Scottish Growth Fund. This latter fund is financed by the Scottish Growth Scheme through a combination of Scottish Government funds and the European Regional Development Fund

(ERDF) from the 2014-20 European Structural Funds Programme in Scotland, with investments of up to £2 million of equity in rounds of up to £10 million in growing Scottish SMEs.

In early 2020, the Manager will be opening 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 UK.

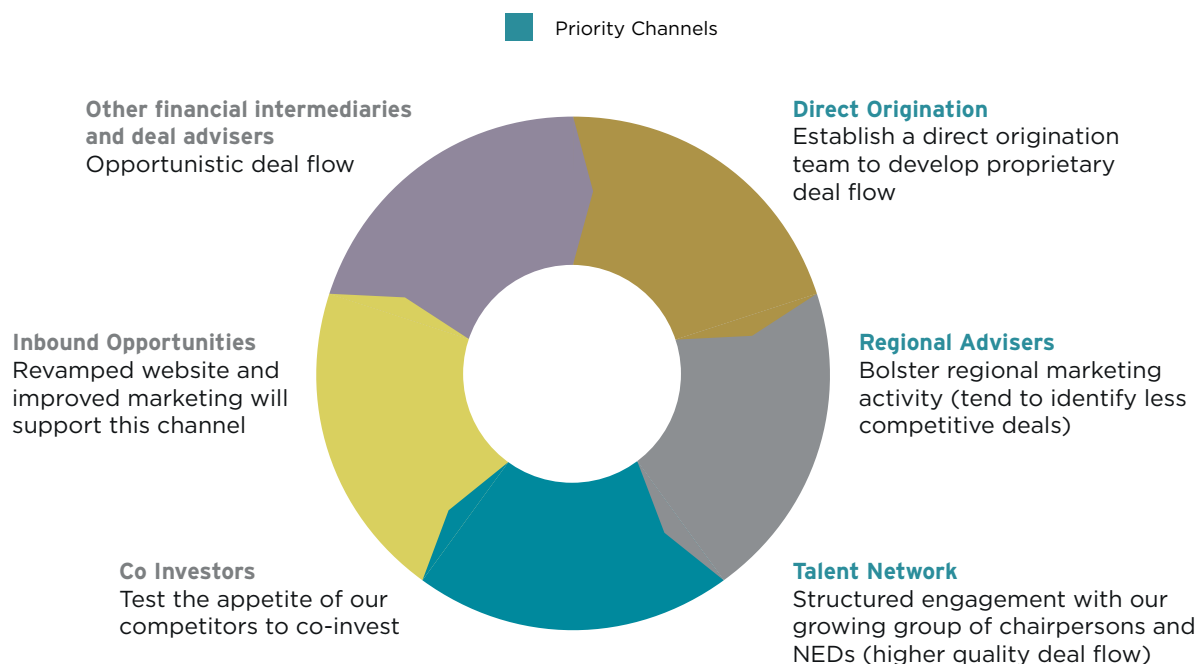
Network and deal origination

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, Edinburgh, Leicester and Milton Keynes and the Manager's head office in London. That network now numbers more than 1,000 in total.

In addition, the Manager has developed a team responsible for direct origination, which has led to 4 successful investments for the funds it manages over the past two years.

Finally, each of the Manager's Private Equity Team executives is tasked with building relationships in discrete regions of the country. This entails regular meetings 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 participate.

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



The Manager is also making earlier stage venture capital investments through its Enterprise Investment Scheme funds, which could provide additional proprietary pipeline for the Company as those businesses mature and require follow-on funding.

Responsible Investment

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 processes and asset management






procedures. Often referred to as responsible investment, these principles provide not only a key platform to generate attractive returns for investors, but also to help build better quality businesses in the UK, creating jobs and making a positive contribution to society.

About the Manager

ESG values form an integral part of The Foresight Group's day-to-day decision making and investment management, which it formalised during 2018 through an update of 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. The evaluation is both about the investee company's existing position and its potential to improve and develop with The Foresight Group's support. Noting the wide range

of sectors in which investments are made, The Foresight Group believes its approach covers the key areas that should be used 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 principle and its improvement journey is supported by quantitative and qualitative data, starting at the initial review of an opportunity through to exit. This process helps The Foresight Group identify both the risks and opportunities that exist within portfolios and aims to ensure that investments support positive environmental and social outcomes.

The Manager has been a member of the UK Sustainable Investment and Finance Association since 2009, a signatory

to the United Nations Principles for Responsible Investing since 2013 and a supporter of the UN Global Compact.

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 and portfolio companies are encouraged to pursue similar objectives.

Awards

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. There are 28 investment professionals in total in the team.

Partners

Russell Healey

Partner and Head of Private Equity

- 20 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

- 15 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

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



Directors

Claire Alvarez (Manchester)

Director

- Six 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



Rodney Appiah

Director

- Five years' private equity and venture capital experience at the Business Growth Fund
- Five years' mergers and acquisitions, corporate advisory and restructuring experience at Merrill Lynch
- Degree in Economics from the Royal Holloway University of London



Mike Quinn (Nottingham)

Director

- 18 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



Senior Investment Managers

Amy Crofton

Senior Investment Manager

- 11 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



John Cordrey

Senior Investment Manager

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



David Turner

Senior Investment Manager

- Seven 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

Senior Investment Manager

- 12 years' experience 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



Matthew Evans-Young

Senior Investment Manager

- Five 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



The Team

Investment Managers

Rob Jones (Manchester)

Investment Manager

- Six 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



David Miles

Investment Manager

- Three 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

- Three 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



The Offer

The Company is seeking to raise up to £20 million (with an over-allotment facility of £5 million) through the issue of up to 32.5 million Offer Shares pursuant to the Offer. If the Board decides (in consultation with the Manager) to utilise the over-allotment facility, this will be advised by way of a RIS Announcement.

The Offer opens on 28 January 2020 and will close (unless fully subscribed earlier or otherwise at the discretion of the Board) at 12.00 noon on 30 April 2020. Applications for the 2019/2020 tax year should be received by 12.00 noon on 3 April 2020 and Applications for the 2020/2021 tax year should be received by 12.00 noon on 30 April 2020. The Offer will not be extended to a date later than 12 months following publication of the Prospectus.

Applicants must subscribe a minimum of £3,000 (in aggregate across the two tax years) and thereafter in multiples of £1,000. The Offer is not underwritten. The maximum investment on which income tax relief can be claimed by any individual is £200,000 in the 2019/2020 tax year and is expected to be £200,000 in the 2020/2021 tax year. The full terms and conditions of the Offer can be found at the end of this document.

Applications will be accepted on a first come, first served basis (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 takes into account the up-front costs applicable to the relevant type of investor to generate a bespoke Offer price for each investor. The use of the Pricing Formula allows all investors to be treated equally in respect of their investment net of their particular costs incurred.

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 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 intermediary commissions and adviser charges.

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 will be paid by the Company, but also borne by the investor through the Pricing Formula. Trail commission will be paid by the Company. 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 Existing Foresight Shareholder Loyalty Discount or any other discount), the Direct Offer Costs (there being no other applicable costs in these circumstances) would be £1.375 million and the net proceeds would be £23.625 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 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 being entitled to 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 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 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).

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

The Offer

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 payment will be made from the Company's share premium account (or reserves created therefrom) attributable to Shares issued prior to 6 April 2016.

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%
Up-front initial commission to intermediaries*	3.0%
Trail commission to intermediaries*	0.5%
Annual trail commission is calculated as a percentage of the Base Net Asset Value at the end of each financial year and is subject to a cumulative trail commission cap of 3.0% of the Offer price.	

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

Initial Commission

Initial commission 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 an intermediary for the benefit of the 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.

Trail Commission

Trail commission will be paid by the Company. The payment of trail commission is subject to the intermediary's client continuing to

hold their Offer Shares and payment being permitted under legislation and regulations. Trail commission can also only be paid to the point that the investor does not receive advice from the intermediary, and the Promoter and/or the Company should be notified accordingly.

Existing Trail Commission Arrangements

In respect of existing trail commission arrangements to 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 intermediary in respect of participating in the Offer, any trail commission which is currently being paid to that 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 intermediary involvement.	

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

Existing Foresight Shareholder Loyalty

Existing shareholders in any of the Foresight VCTs will be entitled to a loyalty discount of 0.5%. The Existing Foresight Shareholder Loyalty Discount will be applied by reducing the Direct Offer Costs to be applied 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 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 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 publically 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

John Gregory (Chairman of the Board)

John is a chartered accountant with a broad experience of banking, corporate finance and fund management; he was an executive director of Noble Fund Managers Limited until 2004. His earlier career was in the City of London and included posts as an executive director of Singer & Friedlander Holdings Limited and, before that, managing director of Henry Ansbacher & Co Limited.

John is chairman of Social Impact VCT plc and a non-executive director or chairman of several private companies.

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 40 development stage companies over the last 35 years.

Jocelin is currently chairman 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 the University Schools Multi Academy Trust.

Gordon Humphries (Chairman of the Audit and Nomination 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.

Gordon has an MA (Hons) in Economics and Accounting from the University of Edinburgh and is a non-executive director of Maven Income and Growth VCT 5 plc and a trustee of the Cattnach Trust.

Margaret Littlejohns (Chairman of the Management Engagement & Remuneration Committee)

Margaret has 19 years of experience in both commercial and investment banking with Citigroup Inc, 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.

Margaret currently serves as non-executive chairman of Henderson High Income Trust plc and as a non-executive director of UK Commercial Property REIT Limited. She is also a member of the Group Development Committee of Southern Housing Group and a trustee of the Lymphoma Research Trust.

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 (Chairman), John Gregory, 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 auditors;
- review and monitor the external auditors' independence; and
- implement and review the Company's policy on the engagement of the external auditors to supply non-audit services.

Nomination Committee

The Nomination Committee comprises Gordon Humphries (Chairman), John Gregory, Jocelin Harris and Margaret Littlejohns 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 Nomination Committee makes recommendations to the Board on the Company's succession plans and also considers the resolutions for the annual re-election of directors.

Management Engagement & Remuneration Committee

The Management Engagement & Remuneration Committee (which has responsibility for reviewing the remuneration of the Directors) comprises Margaret Littlejohns (Chairman), John Gregory, Jocelin Harris and Gordon Humphries and meets at least annually to consider the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role. The Management Engagement & Remuneration Committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards. The Management Engagement & Remuneration Committee also reviews the appointment and terms of engagement of the Manager.

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 and other service providers.

The Board, through the Audit Committee, performs a specific review for the purpose of the annual report. The review considers 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 reports its conclusions to the Board (which was satisfied with the outcome of the review in respect of the financial year ended 31 December 2018).

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.

The Manager has endorsed the UK Stewardship Code published by the

Management and Administration

FRC. This sets out the responsibilities of institutional investors in relation to the companies in which they invest.

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. Thus not all the procedures of the UK Code are directly applicable to the Company. The Board has also considered and observed the principles and recommendations of the 2016 AIC Code of Corporate Governance (AIC Code). The AIC Code addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

Unless noted as an exception below, the requirements of the UK Code were complied with throughout the year ended 31 December 2018.

- In light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to the Manager and other service providers the Company has not appointed a chief executive officer, deputy chairman 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 chairman 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 of the Articles that Directors retire 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. However, the Board has agreed that each Director will retire and, if appropriate, may seek re-election annually. Full details of duties and obligations are provided at the time of appointment and are supplemented by further details as requirements change, although there is no formal induction programme for the Directors as recommended by the UK Code.

In July 2018, the Financial Reporting Council published a new UK Code which will apply to accounting periods beginning on or after 1 January 2019. The Company will, therefore, report against the new UK Code and the recently published 2019 AIC Code for its financial year ending 31 December 2019.

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 CI 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: www.foresightgroup.eu*).

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

VCT Status Monitoring

Shakespeare Martineau LLP provides 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 Company also publishes fact sheets for the March and September quarters which are made available on the Company's website at www.foresightvct.com*.

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

* This website does 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 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, 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. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations, such as the portfolio diversity and the need to maintain VCT status. 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 Company's dividend policy has recently been updated and 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 at around its current level. In the event that significant realised gains arise on sales of investment, the Board will consider payment of special dividends.

Share Buyback Policy

The Company's buyback policy is, 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. 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: www.foresightvct.com.

Objectives and Policies

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 (IPEVC) guidelines (December 2018) developed by the British Venture Capital Association and other organisations. Through these guidelines, investments are valued as defined at 'fair value'. Ordinarily, unquoted investments will be valued at cost for a limited period following the date of acquisition, being the most suitable approximation of fair value unless there is an impairment or significant accretion in value during the period. 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 are held at the suspended price and the view is taken with consideration to best market practice and information from advisers. The Directors do not anticipate any circumstances arising under which the calculation of the net asset value may be suspended. Should the determination of the net asset value differ from that set out above then this will be communicated to investors in the Company through a RIS Announcement.

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. The Manager has agreed to reduce its 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 on the most recently announced net assets and payable 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 £120,308.76 for the current year to 31 December 2020, 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 or service providers, including Foresight CI.

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 2018 were an amount equal to approximately 2.1% of the net assets.

Normal annual running costs include the 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, trail commission or exceptional items.

Co-Investment Scheme and Performance Incentive Arrangements

A 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 are entitled continue to be held by Foresight CI and are expected to be transferred to the Manager over the coming months.

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 coinvest, 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 Manager's 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 is 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 Directors believe 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 (including follow-ons) on or after 31 March 2017.

The Manager will be entitled to a performance incentive fee in respect of 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 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 30 September 2019, the NAV total return per Share was 99.8p (being the aggregate of the unaudited NAV per Share as at 30 September 2019 of 76.7p and Dividends paid per Share (i.e rebased) since 18 December 2015 totalling 23.1p).

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 exceed the Investment Growth Hurdle.

Annual Expenses

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, when 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

2018 Annual Report and 2019 Half-Yearly Report

The Company has produced annual statutory accounts for the financial year ended 31 December 2018 (2018 Annual Report) and an unaudited half-yearly report for the six month period ended 30 June 2019 (2019 Half-Yearly Report). The 2018 Annual Report was audited by KPMG LLP, 15 Canada Square, Canary Wharf, London E14 5GL, and was reported on without qualification and contained no statements under section 495 to section 497A of CA 2006. KPMG

LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

The 2018 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 2018 Annual Report contains a description of the Company's financial condition, changes in financial condition and results of operation and, together with the 2019 Half-Yearly Report, 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	2018 Annual Report	2019 Half-Yearly Report
Balance Sheet	Page 52	Page 19
Income Statement (or equivalent)	Page 50	Page 18
Statement showing all changes in equity (or equivalent note)	Page 51	Page 19
Cash Flow Statement	Page 53	Page 20
Accounting Policies and Notes	Pages 54 to 69	Pages 21 to 22
Auditor's Report	Pages 46 to 49	N/A

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	2018 Annual Report	2019 Half-Yearly Report
Objectives	Page 24	Page 3
Financial Highlights	Page 2	Page 2
Chairman's Statement	Pages 4 to 5	Pages 3 to 4
Manager's Report	Pages 6 to 23	Pages 6 to 16
Portfolio Summary	Pages 12 to 19	Pages 10 to 16
Investment Policy	Page 24	N/A
Valuation Policy	Page 28	N/A

Financial Information

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

	Year ended 31 December 2018 (audited)	Six month period ended 30 June 2019 (unaudited)
Investment income	£1,140,000	£570,000
Total income before operating expenses	£1,398,000	£677,000
Profit/(loss) on ordinary activities before taxation	£5,384,000	£3,994,000
Net profit/(loss) on ordinary activities before taxation	£5,384,000	£3,994,000
Performance fee (accrued/paid)	£0	£0
Investment management fee (accrued/paid)	£2,379,000	£1,257,000
Any other material fees (accrued/paid) to service providers	£402,831	£229,751
Earnings per Share	3.1p	2.3p
Dividends paid per Share (in the period)	5.0p	5.0p
Dividends paid per Share (in respect of the period)	5.0p	N/A
Total assets	£137,026,000	£132,819,000
NAV per Share	78.1p	75.4p

As at 30 June 2019, the date to which the most recent unaudited half-year financial statements on the Company were published, the Company had unaudited net assets of £132.3 million (NAV per Share of 75.4p).

Most recently published NAV

As at 30 September 2019, the date to which the most recent unaudited financial information on the Company has been published, the Company had unaudited net assets of £134.1 million (NAV per Share of 76.7p).

Recent investments

The following investments have been made by the Company since 30 June 2019:

- £1.5m in Biotherapy Services Limited.
- £0.1m in Biofortuna Ltd.
- £0.4m in Fertility Focus Limited.
- £0.9m in Rovco Limited.
- £1.4m in Luminet Networks Limited.
- £1.0m in Nano Interactive Group Limited.
- £1.5m in Roxy Leisure Ltd.

Save as set out above, there have been no material investments made by the Company since 30 June 2019. 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 30 June 2019 (extracted without material adjustment from the 2019 Half-Yearly Report), is set out below.

Shareholders' Equity	£'000
Called-up share capital	1,755
Share premium account	100,495
Other reserves	30,090
Total	132,340

There has been no material change to the capitalisation of the Company between 30 June 2019, the date to which the 2019 Half-Yearly Report was made up to, and 27 January 2020, the latest practicable date before the date of publication of this document.

As at 27 January 2020 (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.

On 15 August 2012, the Company granted a fixed charge in favour of Barclays Bank plc over a designated cash deposit account held by it in connection with a historic investment in Abacus Wood Limited, such charge securing all

indebtedness owed by Abacus Wood Bridgend Limited (this being a subsidiary company of Abacus Wood Limited) pursuant to an overdraft facility letter with Barclays Bank plc. Abacus Wood Bridgend Limited was dissolved on 7 June 2017, and the Company is in the process of seeking that the charge be discharged.

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 30 June 2019, the date to which the 2019 Half-Yearly 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 of 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 2017, the issued share capital of the Company was 175,601,977 Shares, 11,404,314 planned exit shares of 1p each and 32,495,246 infrastructure shares of 1p each (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 2017 is as follows:
 - (i) During the financial year ended 31 December 2018, the Company issued 2,071,401 Shares and bought back 2,622,352 Shares. Following final distributions to the holders of planned exit shares of 1p each and infrastructure shares of 1p each in December 2017, the removal of both classes of shares was completed on 24 January 2018 through each of the issued 11,404,314 planned exit shares of 1p each and 32,495,246 infrastructure shares of 1p being redesignated as deferred shares of 1p each and such deferred shares being bought back by the Company for an aggregate price of 1p and cancelled. As at 31 December 2018, the issued share capital of the Company comprised 175,051,026 Shares, none of which were held in treasury.
 - (ii) During the current period to 27 January 2020 (being the latest practicable date prior to the publication of this document) the Company issued 1,976,383 Shares and bought back 3,068,004 Shares.
- 2.3 On 23 May 2019, the Company passed a resolution that the share premium account be reduced by £21.6 million (such reduction being subsequently confirmed by the Court on 30 July 2019 and registered at Companies House on 30 July 2019).
- 2.4 As at 30 June 2019, the date to which the last unaudited half-yearly report has been published, the

Other Information

issued share capital of the Company was 175,481,093 Shares (all fully paid-up). No Shares were held in treasury.

2.5 At the date of this document, the Company has 173,959,405 Shares in issue (all fully paid up). No Shares are held in treasury.

2.6 The following resolutions were passed at the annual general meeting of the Company held on 23 May 2019:

- (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 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 dividend reinvestment schemes 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 Foresight CI 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 2020, 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 26,240,149 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 BuyBack and Stabilisation Regulation 2003;
 - (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 2020 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.
- 2.7 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.
- 2.8 Following the issue of Offer Shares pursuant to the Offer (assuming the maximum 32.5 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)
	206,459,405	2,064,594.05

- 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 2.6.

- 2.11 As at 27 January 2020 (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 173,959,405 Shares. If the full 32.5 million Offer Shares available are allotted pursuant to the Offer, the existing 173,959,405 Shares would represent 84.3% of the enlarged issued share capital, assuming no participation in the Offer by existing Shareholders.
- 3.2 Annual trail commission payments are capped at a cumulative 3% of the relevant Offer Price, and this only applies to Applications through certain intermediaries. As a result, the dilution from annual trail commission across the Company's total funds is considered to be small.

4 Directors' Interests

- 4.1 As at 27 January 2020 (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
John Gregory	46,878	0.03
Jocelin Harris	63,658	0.04
Gordon Humphries	17,363	0.01
Margaret Littlejohns	-	-

- 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 John Gregory was appointed as a Director on 30 July 2010 and became Chairman of the Board on that date. Jocelin Harris was appointed as a Director on 18 December 2015. Gordon Humphries was appointed as a Director on 20 February 2007. Margaret Littlejohns was appointed as a Director on 1 October 2017. None of the Directors has a service contract. 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 John Gregory as a Director and Chairman of the Board is £32,650, by Gordon Humphries as a Director and Chairman of the Audit Committee and Nomination Committee is £29,500, by Jocelin Harris as a Director is £24,200 and by Margaret Littlejohns as a Director and Chairman of the Management Engagement & Remuneration Committee is £25,400 (in each case plus employers National Insurance Contributions). For the year ended 31 December 2019, the total annual remuneration received by the Directors was £108,375 (John Gregory: £32,075; Jocelin Harris: £23,900; Gordon Humphries: £27,900; and Margaret Littlejohns: £24,500, plus employers National Insurance Contributions. Aggregate Directors' emoluments for current year to 31 December 2020 are expected to be £111,750 (plus employers National Insurance Contributions).

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- 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 2016, 2017 and 2018 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
John Gregory	Meaujo Bell Limited (in liquidation) Social Impact VCT plc Tixal Limited	Arctic Solar Limited DP Associates GB Limited Javelin Solar Limited Meaujo Tug Limited Resilient Solar Limited Sphere Medical Holding Limited (in administration)
Jocelin Harris	8 Stafford Terrace (Freehold) Limited Crest Medical Holdings Limited Circular Wave Limited Durrington Corporation Limited Eonyx Corporation Halpin Partnership Limited Halkin Secretaries Limited Hip and Healthy Limited Lightfoot Solutions Group Limited Lightfoot Solutions UK Limited Millennium Mats Limited Obillex Limited The Millenium Mat company LLC Tudor Roof Tile Co. Limited Unicorn AIM VCT plc University Schools Multi Academy Trust	8 Stafford Terrace (Management) Limited (dissolved) British American Rubber Company LLC Foresight 2 VCT plc (dissolved) Mintec Limited PCCW Global Networks (UK) Limited Roil Foods Limited Roilvest Limited Serres Limited (dissolved) The St Peter's College Foundation Unipower Solutions Europe Limited (dissolved)
Gordon Humphries	Maven Income and Growth VCT 5 plc	Maitland Administration Services (Scotland) Limited
Margaret Littlejohns	Brixton Radlett Property Limited Henderson High Income Trust plc Lymphoma Research Trust Southern Housing Group (member of Group Development Committee) UK Commercial Property Estates Holdings Limited UK Commercial Property Estates Limited UK Commercial Property Estates (Reading) Limited UK Commercial Property Finance Holdings Limited UK Commercial Property GP Limited UK Commercial Property Holdings Limited UKCPT Limited Partnership UK Commercial Property Nominee Limited UK Commercial Property REIT Limited	JPMorgan Mid Cap Investment Trust plc The Space Place Self Storage Limited The Space Place Self Storage (Chiswick) Limited (dissolved) The Space Place Self Storage (Telford) Limited

- 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) John Gregory was appointed as a director of Maxim Investments Limited on 21 August 1996 and subsequently resigned on 28 February 1997. On 29 July 1998, the company was put into compulsory liquidation and the winding up was concluded on 22 April 1999. The company was later dissolved on 12 August 1999 before being restored to the register by order of the Court on 30 April 2001. John Gregory was also a director of Sphere Medical Holding Limited from 17 November 2011 until 19 October 2017. The company was later placed into administration on 24 September 2019. The initial published statement of affairs suggests that the estimated total assets available for preferential creditors is £70,519, £53,415 for floating charge holders, £17,104 for unsecured creditors, with an overall deficit of £10,370,585 as regards members. John Gregory was also a director of Meaujo Bell Limited when it was placed into members' voluntary liquidation. A declaration of solvency was sworn on 12 June 2019 with the commencement of winding up beginning on 19 June 2019.
- (ii) Jocelin Harris was appointed as a director of Teviotdale Windows & Doors Limited on 12 October 2005 and subsequently resigned on 24 September 2009. On 15 October 2010, the company was placed into

compulsory liquidation and was later dissolved on 27 December 2013, the realisable assets of the company being insufficient to cover the expenses of the winding up. Jocelin Harris was also 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.

- (iii) 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.

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 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.

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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. The Manager has agreed to reduce its 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 £120,308.76 for the current year to 31 December 2020, 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 running costs 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 (through reimbursement or a reduction in future fees). Normal annual running costs include the annual expenses of the Company incurred in its ordinary course of business (for example the annual investment management and administration fees, directors' remuneration, normal fees payable to the Company's registrars, stockbroker, auditors, solicitors and VCT status advisers and irrecoverable VAT). It does not include performance incentive fees, trail commission 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 and amended on 27 January 2020) 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 49 of this document.

The co-investments already made by Foresight CI prior to the arrangements being novated to the Manager continue to be held by Foresight CI and are expected to be transferred to the Manager shortly.

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 31 October 2019 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 28 January 2020 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 intermediary commissions payable by the Company) and adviser charges (payable by the investor, save that up-front adviser charges may be facilitated by the Company). All up-front costs and intermediary charges and commissions will be borne by the investor through the price which the investor pays for the Offer Shares. In respect of each investor, the fees will be reduced by the Existing Shareholder Loyalty Discount and any other discount the Promoter may agree to offer 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 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.

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 his right to vote at a general meeting or at any separate meeting of the holders of any class of share, whether in person or by proxy, unless all calls presently payable by him in respect of those shares, together with interest and expenses (if any) have been paid in full to the Company, even where those shares are jointly held. The right to vote, together with all other rights and benefits of membership, will also be lost where the member (or any other person claiming to have an interest in such shares) has been issued with a notice pursuant to section 793 of CA 2006 (which requires the member or such other person to declare his interest in the shares) and has failed to give the required information to the Company within the prescribed period of 14 days.

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 his 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).

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

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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 novation and amendment arrangements referred to in respect of the agreements set out in paragraphs 5.1 and 5.2 above and 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 2019.

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

10.6 Save for the risks set out under 'Other Risks' in the Risk Factors on page 9 of this document, there are no governmental, economic, monetary, political or fiscal policies and factors which have or could affect the Company's operations.

10.7 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 49 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 (including cash) 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.

10.8 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.

10.9 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 49 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.

10.10 The investment policy set out on page 49 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.

10.11 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.

10.12 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.

10.13 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 also at the registered office of the Company whilst the Offer is open:

- (i) The memorandum of association and the Articles of the Company;
- (ii) the 2018 Annual Report and the 2019 Half-Yearly Report;
- (iii) the material contracts referred to in paragraph 5 above;
- (iv) the consent referred to at paragraph 10.13 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 on or before 30 April 2020. There are no conditions attaching to this consent. Financial advisers and intermediaries may use the Prospectus in the UK.

Other Information

- 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.**

28 January 2020

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 from the Company of an amount equal to the amount to be facilitated from which such adviser charge will

Tax Considerations for Investors

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 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:

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.

	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.

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 70% (80% for accounting periods starting after 5 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 (including cash) 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 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 funds 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.

The term 'eligible shares' means ordinary shares which do not carry any rights to be redeemed or preferential rights to assets on a winding-up or dividends (other than certain non-cumulative fixed preferential rights).

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:

- (a) 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
- (b) any loan made by the VCT must have a five year or greater maturity period, 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 NEX Exchange 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;

VCT Qualifying Conditions

- (vi) commencing to trade within two years of the issue of shares or securities to the VCT and continuing to trade thereafter;
- (vii) not existing for a disqualifying purpose (e.g. for the purpose of accessing tax reliefs or is in substance 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.

However, to aid the launch of a VCT, HMRC may give provisional approval if satisfied that conditions (b), (c), (f) and (g) in paragraph 1 above will be met throughout the current or subsequent accounting period and condition (d) in paragraph 1 above will be met in relation to an accounting period commencing no later than three years after the date of provisional approval.

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.

Withdrawal of provisional approval has effect as if provisional approval had never been given (including the requirement to pay corporation tax on prior gains).

5. UNLAWFUL STATE AID

Investments made by VCTs in underlying portfolio companies are regarded as state-aided. Where the European Commission believes that state aid has been provided which is unlawful, in particular if it is not consistent with the Risk Finance Guidelines, it may require the Government to recover that state aid. Such recovery may be from the investee company, the VCT or the VCT's investors.

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:

2018 Annual Report

the annual report for the Company for the year ended 31 December 2018

2019 Half-Yearly Report

the half-yearly report for the Company for the six month period ended 30 June 2019

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 2016 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 77 to 80 of this document

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 UKLA registered sponsor

Board

the board of directors of the Company

Brexit

the UK's decision in a referendum on 23 June 2016 to leave the EU

Business Days

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

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 an intermediary (together **Direct Investors**)

Direct Offer Costs

the costs of the Offer to an investor other than intermediary commissions and adviser charges (as more particularly described on page 43 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

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 for the Offer received from an existing shareholder of any of the Foresight VCTs, a discount of 0.5% to be applied as set out on page 44 of the Prospectus

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

any VCT managed or advised by The Foresight Group

FSMA

the Financial Services and Markets Act 2000, as amended

HMRC

Her Majesty's Revenue & Customs

ITA 2007

the Income Tax Act 2007 (as amended)

Definitions

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 2017 within the guidance for the UK Financial Sector issued by the Joint Money Laundering Steering Group

NAV

net asset value

NEX Exchange

the NEX Exchange, a prescribed market for the purposes of section 118 of FSMA

Offer

the offer for subscription to raise up to £20 million, with an over-allotment facility for up to a further £5 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 44 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 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 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

The City Partnership (UK) 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 for a further £5 million). The maximum number of Offer Shares to be issued pursuant to the Offer is 32.5 million Offer Shares. If the Board (in consultation with the Manager) decides to utilise the over-allotment facility (subject to the overall aggregate maximum number of 32.5 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 be closed at 12.00 noon on 30 April 2020 or as soon as full subscription is reached (unless extended by the Board or closed earlier at its discretion). The Offer will not be extended to a date later than 12 months following publication of the Prospectus.
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 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 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

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(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 on trust by the Receiving Agent for the purposes of (i) the payment of the Offer price in respect of Offer Shares you have subscribed for 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 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 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 judgment 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.

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

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with respect to the possession or distribution of the Prospectus other than in the UK. No person receiving a copy of this document, 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 him nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him 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 himself 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. Applications with cleared funds will also be given priority.

9. Dealing may commence before such notification. 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 will 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 will be entitled to the Existing Foresight Shareholder Loyalty Discount as described on page 44 of this document. 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.

In addition, provided financial intermediaries continue to act for their client and the client continues to hold such Offer Shares, such intermediaries will be paid an annual trail commission of 0.5% of the Base Net Asset Value for each such Offer Share. It is expected that trail commission will be paid quarterly.

The administration of annual trail commission will be managed on behalf of the Company by the Promoter which will maintain a register of intermediaries entitled to trail commission. The Company and the Promoter shall be entitled to rely on a notification from a Shareholder that he or she has changed his or her financial intermediary, in which case, the trail commission will cease to be payable to the original financial intermediary and will be payable to the new financial intermediary if one is appointed.

No payment of trail commission shall be made to the extent that the cumulative trail commission would

exceed 3% of the Offer price of each such Offer Share or in respect of any period commencing after the sixth anniversary of the closing date of the Offer.

Financial intermediaries should keep a record of Application Forms submitted bearing their FCA number to substantiate any claim for commission.

12. Applicants and financial intermediaries should note that trail commission is not payable if the financial intermediary subsequently then gives advice in respect of the holding in the Company. It is the responsibility of the Applicant and the financial intermediary to notify the Company and/or the Promoter as soon as possible if advice is given and payments for this (or for any other reason) must cease (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).
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 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 2016. 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 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. 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 one or more platforms (subject

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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: www.foresightgroup.eu/privacy-cookies/
- The City Partnership (UK) Limited: www.city.uk.com/privacy.html

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:
The City Partnership (UK) Limited, 110 George Street, Edinburgh EH2 4LH

Applications can be submitted electronically by first contacting the Receiving Agent on 0131 243 7210 or ra@city.uk.com.

The Offer opens on 28 January 2020 and will close at 12.00 noon on 30 April 2020, or earlier at the discretion of the Board. The Board in its absolute discretion may also decide to extend the Offer to a date no later than 12 months following publication of the Prospectus.

Applications for the 2019/2020 tax year should be received by 12.00 noon on 3 April 2020 and Applications for the 2020/2021 tax year should be received by 12.00 noon on 30 April 2020.

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 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 3 April 2020 in respect of Applications for the 2019/2020 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.

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

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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.

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 3.

Please tick the relevant box in this section if you are an existing shareholder in one or more of the Foresight VCTs. This information will be used to apply the Existing Foresight Loyalty Discount. 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 in the Company 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.

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: Subscription

Insert (in figures) the total amount you wish to invest. Your Application must be for a minimum of £3,000 and thereafter in multiples of £1,000. You can specify in Section 2 how you would like, if relevant, your Application monies to be split between the 2019/2020 and 2020/2021 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 2 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 'The City Partnership – Foresight VCT.' 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 name, address and date of birth 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 80 of this document. Please also reference bank transfers with your initials and telephone number (enter number with no gaps).

Please tick the relevant 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 2. 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 3: 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 3. 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.

Section 4: Communication

The Company provides Shareholders with the opportunity to receive notification by electronic communications when Company documentation is published on the Company's website. Please complete Section 5 to receive such notifications rather than receive documents by post. The Company's registrars will provide further instructions for completion following the allotment of the Offer Shares to you to process

this election. 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 is moving to paying dividends only by way of bank transfer into a nominated bank account. Please, therefore, 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 into CREST. 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.

Section 6: Dividend Reinvestment Scheme

Please tick the box in Section 7 if you wish to participate in the Dividend Reinvestment Scheme. Only registered holders may participate in the scheme.

Please refer to the terms and conditions of the Dividend Reinvestment Scheme available from 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 7 is ticked).

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 7 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. Your first dividend may still be paid by cheque to allow time to effect your participation in the Dividend Reinvestment Scheme.

Section 7: Direct or 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 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.

Application Procedures

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: 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 solicitor or bank. Original documents will only 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

The City Partnership (UK) Limited

110 George Street
Edinburgh
EH2 4LH

Bank Transfers

Sort code: 80-22-60
Account no: 20060465

Account name:
City Partnership – Foresight VCT

Bank:
Bank of Scotland

BIC:
BOFSGBS1SDP

IBAN:
GB15BOFS80226020060465

Please reference bank transfers with your surname, initials and post code.

Application form - Private Investors

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:

'Foresight VCT Offer'

The City Partnership (UK) Limited
110 George Street
Edinburgh
EH2 4LH

so as to arrive as soon as possible but in any case no later than 12.00 noon on 3 April 2020 in respect of Applications for the 2019/2020 tax year and 12.00 noon on 30 April 2020 in respect of Applications for the 2020/2021 tax year.

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 28 January 2020 (**Prospectus**), in particular the risk factors on pages 8 to 9, the terms of the Offer in Part III on pages 43 to 45, the Terms and Conditions of Application on pages 71 to 76 and the Application Procedures on pages 77 to 80. Definitions used in the Prospectus apply herein.

If you do not receive an acknowledgement of your Application within ten days of sending it to The City Partnership, please contact the Promoter on 020 3667 8181.

Please note all fields marked with an asterisk are mandatory where applicable.

CHEQUES

Make payable to 'The City Partnership – Foresight VCT'. (Note: Cheques drawn on corporate accounts will not, unless otherwise agreed, be accepted)

BANK TRANSFERS

Sort code: 80-22-60 BIC: BOFSGB33SDP
Account no: 20060465 IBAN: GB15BOFS80226020060465
Bank: Bank of Scotland

Please use your surname, initials and postcode as the payment reference.

The Offer will open on 28 January 2020 and will be closed at 12.00 noon on 30 April 2020 (or earlier if the Offer is fully subscribed or otherwise at the Board's discretion). The Board reserves the right to extend the Offer.

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 44 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.

SECTION 1: PERSONAL DETAILS (Mandatory)

Title*:

Forenames*:

Surname*:

Address*:

Postcode*:

If 3 years or less then please provide previous address*:

☐ Please tick this box if you are resident for tax purposes in any jurisdiction other than the UK

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:

Country:

TIN/Equivalent:

Country:

TIN/Equivalent:

Date Of Birth*:

National Insurance No*:

Email:

Tel No (Day):

Tel No (Evening):

☐ Please tick this box if you are an existing shareholder in any of the Foresight VCTs

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 complete their details below.

Designated Contact Full Name:

Relationship:

Residential Address:

Postcode:

Tel No:

Email:

Designated Contact Signature:

Please note that completion of this section allows a designated contact to obtain information only about your shareholding. No changes can be made to the account, nor can the designated contact deal in your shares on your behalf.

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.



Application form - Private Investors

FORESIGHT VCT PLC (the Company)

SECTION 2: SUBSCRIPTION (mandatory)

I offer to subscribe for the following amount 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 (in aggregate across the tax years) for a minimum of £3,000 and thereafter in multiples of £1,000. Amounts should include any up-front adviser charges to be facilitated if relevant.

Total*:	Tax year 2019/2020*:	Tax year 2020/2021*:
£:	£:	£:

I enclose a cheque or banker's draft drawn on a UK clearing bank, made payable to 'The City Partnership - Foresight VCT'

☐

OR

I have made the above payment by electronic bank transfer which I have referenced using my initials and telephone number (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*:

(please note that additional information may be requested in such instances.)

SECTION 3: CREST/NOMINEE DETAILS

Please complete this section if Offer Shares are to be deposited in a CREST account (which must be in the same name as the Applicant given in Section 1).

CREST Participant ID:	CREST Member Account ID:
Participant Name:	Reference (optional):
Participant Address:	Telephone:
Postcode:	Contact:

If you would like your Offer Shares issued to a CREST or non-CREST nominee, please complete the above providing equivalent details for the nominee.

SECTION 4: COMMUNICATION

The Company provides Shareholders with the opportunity to receive notification by electronic communication when Company documentation is published on the Company website. Please tick this box if you would like to receive such notifications in place of receiving documents by post. **Your email address must be provided in Section 1.** By ticking this box you confirm acceptance of Computershare Investor Services plc's eComms terms and conditions (which are available at <http://www.computershare.com/uk/investor/termsandconditions>)

☐

If you have requested that your Offer Shares be issued directly to a nominee, please tick this box if you would like to receive notification by email when Company documentation is published on the Company website.

☐

Application form - Authorised Financial Intermediary Certificate

FORESIGHT VCT PLC (the Company)

SECTION 5: DIVIDENDS (mandatory unless you elect to participate in the Dividend Reinvestment Scheme or have requested that your Offer Shares be issued into CREST)

Dividends will be paid directly into your account. Please complete your account details here, otherwise there may be a delay in the payment of dividends to you:

Account Name*:

Bank/Building Society*:

Sort code*:

Account Number*:

Postcode*:

SECTION 6: DIVIDEND REINVESTMENT SCHEME (if you would like your cash dividends reinvested)

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.

(Please fill out the remainder of Section 7 if facilitation of initial adviser charges is requested, 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.

(The remainder of Section 7 does not need to be completed. 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 simply 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 2):

£: _____ 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 (mandatory)

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 71 to 76 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 www.city.uk.com/privacy.html



Application form - Authorised Financial Intermediary Certificate

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*:	Email (for communication)*:
Investment Adviser/Partner*:	Adviser's Email (if different)*:
Main point of contact for communication purposes*:	Tel No (Day)*:
	Tel No (Evening)*:
	Fax:
Address*:	Firm FCA Registration No*:
	Partner/Adviser FCA Registration No*:
	Adviser/Partner reference (if applicable)*:
Postcode*:	Finance department email (for issuance office statements):
SIGNATURE:	Date:

SECTION 10: FINANCIAL INTERMEDIARY REMUNERATION (you must elect one of the two options)

Please tick either Option 1 **OR** Option 2 and ensure that this is consistent with section 3 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 9.)

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 8 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 2) 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 (mandatory where any 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*:	Bank/Building Society*:
Sort code*: <input type="text"/> <input type="text"/> <input type="text"/>	Account Number*: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

Application form - Authorised Financial Intermediary Certificate

FORESIGHT VCT PLC (the Company)

SECTION 13: AUTHORISED FINANCIAL INTERMEDIARY CERTIFICATE to be completed by the investor's financial intermediary

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 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 if 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 www.city.uk.com/privacy/html

SPECIAL INSTRUCTIONS



Corporate information

DIRECTORS (NON-EXECUTIVE)

John Gregory (Chairman)
Gordon Humphries
Jocelin Harris
Margaret Littlejohns

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

The City Partnership (UK) Limited
110 George Street
Edinburgh
EH2 4LH

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 website 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

