



# Foresight

FOR A SMARTER FUTURE

Foresight Solar & Technology VCT plc

**FORESIGHT  
WILLIAMS  
TECHNOLOGY  
SHARES**

**SECURITIES  
NOTE**

5 JANUARY 2022

# IMPORTANT NOTICE

**This document constitutes a securities note (the “Securities Note”) dated 5 January 2022 issued by Foresight Solar & Technology VCT plc (the “Company”), prepared in accordance the Prospectus Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “Prospectus Regulation”).**

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

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

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

The Company and the Directors (whose names are set out on page 74) accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors, the Prospectus is in accordance with the facts and makes no omission likely to affect its import.

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

**Offer for Subscription to raise in aggregate up to £20 million (with an over-allotment facility of up to an additional £10 million) by issues of Foresight Williams Technology Shares of 1p each**

Sponsored by BDO LLP

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

In connection with the Offer, Foresight Group Promoter LLP (the “Promoter”), Foresight Group CI

Limited (“the Adviser”) and Foresight Group LLP (the “Manager”), the promoter of the Offer, investment adviser and investment manager and administration service provider to the Company respectively, are acting for the Company and no-one else and will not be responsible (subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder) to anyone other than the Company for providing the protections afforded to customers of Foresight or the Promoter nor for providing advice in relation to the Offer. The Manager is authorised and regulated in the UK by the FCA (with reference number 198020) and the Promoter is its appointed representative (with reference number 806061). Foresight Group CI Limited is licensed by the Guernsey Financial Services Commission (with reference number 2006518).

Copies of this document, the Registration Document and the Summary are available (and any supplementary prospectus published by the Company will be available) free of charge from the offices of Foresight Group LLP at The Shard, 32 London Bridge Street, London SE1 9SG; from the Foresight website at [www.foresightgroup.eu](http://www.foresightgroup.eu).

The procedure for, and the terms and conditions of, application under this Offer are set out at the end of this document. Completed Application Forms must be posted or delivered by hand to the Receiving Agent, Woodside Corporate Services. The Offer opens on 5 January 2022 and will close on 4 January 2023 or earlier at the absolute discretion of the Directors.

**YOUR ATTENTION IS DRAWN TO THE RISK FACTORS ON PAGES 2 to 5**

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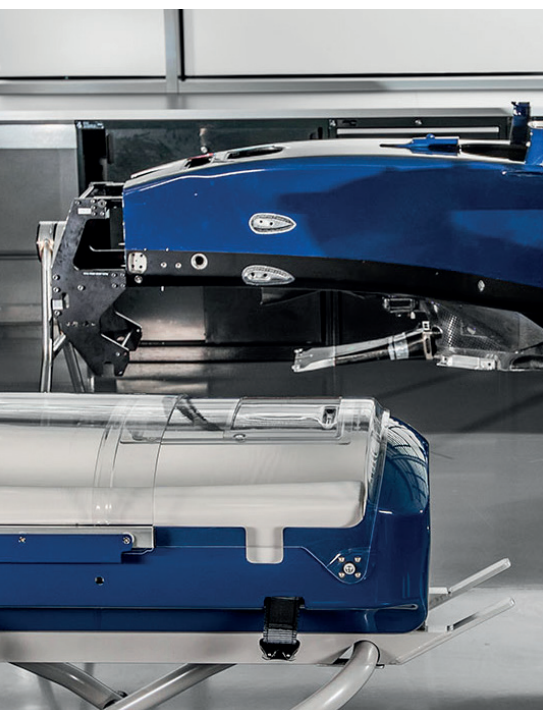
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[WWW.FORESIGHTWILLIAMS.CO.UK](http://WWW.FORESIGHTWILLIAMS.CO.UK)



## PART ONE: RISK FACTORS



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

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

### General Investment Risks

- The value of the FWT Shares and the income from them can fluctuate and investors may not get back the amount they invested. In addition, there is no certainty that the market price of the FWT Shares will fully reflect their underlying net asset value or that FWT Shareholders will be able to realise their shareholding or that dividends will be paid. Investment in the Company should be seen as a long-term investment.
- The past performance of the Company and other Foresight Funds is not a reliable indication of the future performance of the FWT Shares class.
- The net asset value of the FWT Shares and the return received by investors will be dependent on the values and performance of the underlying investments in the FWT Shares fund portfolio. The value of the investments and income derived from them can rise and fall.
- The Investee Companies will be small, unquoted companies. Realisation of investments in unquoted companies can be difficult and may take considerable time. Proper information for determining their value or the risks to which they are exposed may also not be available. Investment in such companies by its nature is illiquid and uncertain and consequently involves a higher degree of risk than a portfolio of quoted shares.



- The level of returns from investments may be less than expected if there is delay in the investment programme, such that all or part of the net proceeds of the Offer are held in cash or near cash investments for longer than expected, or if the returns obtained on investments are less than planned, or if investments cannot be realised at the expected time and values. There can be no guarantee that suitable investment opportunities will be identified in order to meet the Company's objectives.
- The performance of the FWT Shares class is dependent on the ability of the Manager to identify appropriate Investee Companies and on the ability of the Investee Companies to perform in line with their respective business plans. Early-stage businesses will be dependent on the skills of a small group of individuals, the loss of any of which may be particularly detrimental to those companies. Moreover, products and technologies developed by Investee Companies may prove not to be commercially or technically successful. While investments in these companies may present greater opportunities for growth, such investments may also entail greater risks than are customarily associated with investments in large companies. Commensurate with the nature of venture capital investing it should be expected that some companies, and the investments in those companies, may fail.
- It is not the Company's intention to pay regular dividends in respect of the FWT Shares for the first four years of the life of the FWT Shares class. The FWT Shares class will aim to realise capital gains from the disposal or part disposal of its holdings in Investee Companies in order to meet its target of an average 5% dividend from year four onwards (assuming a launch year of 2020), but there can be no guarantee this will be achieved and that Distributions will be made. In addition, where VCT legislation would mean that the payment of Distributions would have an adverse effect on the Company's maintenance of VCT status, then such Distributions may not be made.
- Although it is anticipated that the FWT Shares will be admitted to the Official List of the FCA and traded on the London Stock Exchange's main market for listed securities, it is likely that there will not be a liquid market as there is a limited secondary market for VCT shares, due in part to the holding period required to maintain up-front income tax reliefs, and investors may find it difficult to realise their investments.
- Where more than one Foresight Fund wishes 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 investments are proposed to be made in a company where one or more Foresight Fund has a pre-existing investment where the incumbent investor will have priority. Where an investment has been sourced from or introduced by WAE, the Foresight Williams Technology EIS Fund and the FWT Shares class will always have priority over any other Foresight Fund. Implementation of this policy will also be subject to the availability of monies in each Foresight Fund to make the investment and other portfolio considerations such as portfolio diversity and regulatory or legislative requirements with respect to the Company's portfolio of Qualifying Companies. This might mean that the FWT Shares class could receive a greater or lesser allocation, for instance when co-investing with the Foresight Williams Technology EIS Fund, than would otherwise be the case.

**General Investment Risks**  
continued

- Economic and global political uncertainty, including the continuing impact of Brexit, the COVID-19 pandemic and potential low levels of economic growth, continues to present significant challenges and is adversely affecting, and may continue to adversely affect, the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company. This may also negatively impact the number or quality of investment opportunities available to the Company. It is possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the future viability of the Company and/or the performance of companies in which the Company has invested or may invest which in turn may adversely affect the performance of the Company.

**VCT and Taxation Risks**

- If an investor who subscribes for FWT Shares disposes of those FWT Shares within five years, the investor is likely to be subject to clawback by HM Revenue & Customs of any income tax relief originally obtained on subscription.
- Changes to the VCT Rules in respect of investments made on or after 15 March 2018 have meant that VCTs may only invest in companies which pass a “risk to capital” gateway test requiring the investee company to have long term growth and development objectives and for the investment to carry a significant risk that invested capital will be lost over and above the net return to the Company irrespective of whether the return takes the form of income, capital growth, fees, other payments or anything else. This new test inherently increases the risk profile of companies in which the Company can invest going forward and stands in contrast to those in which the Company has historically invested, many of which may not have passed this gateway test due to their ownership of significant assets or their enjoyment of secured income streams.
- Further recent changes to the VCT Rules have prohibited the making of secured loans by VCTs. Future loan capital held by the Company will therefore be unsecured and will rank behind secured creditors of the investee company in question. As loan capital investments by a VCT are separately restricted to a maximum of 30% of any new investment, and Investee Companies which meet the above noted “risk to capital” test tend not to be able to provide significant assets against which to secure loans in any case, the Board do not consider that this restriction further materially increases the risk profile of new investments made by the Company.
- Venture capital trusts are now required to invest 30% of new funds raised within 12 months of the end of the accounting period in which they were raised. While the Company and the Manager believe this investment time horizon is achievable based on the Manager’s existing pipeline of investment opportunities without impacting the quality of potential investments, this added pressure on the Company to complete investments in a timely fashion could result in the less attractive investments being prioritised in order to meet the statutory requirement.



Image courtesy of the FIA

- The Finance (No.2) Act 2015 introduced changes to the VCT Rules which have placed greater restrictions on the range of investments into which the Company can deploy funds. As a result, the Company is required to invest in businesses which are less than seven years old (less than ten years for 'knowledge intensive' companies) and VCT funds cannot be used to finance acquisitions by investee companies. The penalty for breaching these new rules is the loss of VCT status, so the Company and its investors may face a higher risk of the loss of tax benefits than under the previous rules. Qualifying investee companies are also now subject to a lifetime risk finance investment limit of £12 million (£20 million for 'knowledge intensive' companies), which may restrict the Company's ability to make follow on investments.
- The Finance Act 2014 amended the VCT Rules, such that VCT status will be withdrawn if, in respect of shares issued on or after 6 April 2014, a dividend is paid (or other forms of distribution or payments are made to investors) from the capital received by the VCT from that issue within three years of the end of the accounting period in which shares were issued to investors. This may reduce the amount of distributable reserves available to the Company to fund dividends and share buybacks.
- The information, including tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective.



## PART ONE:

# EXPECTED TIMETABLE, STATISTICS AND COSTS

## INDICATIVE OFFER TIMETABLE

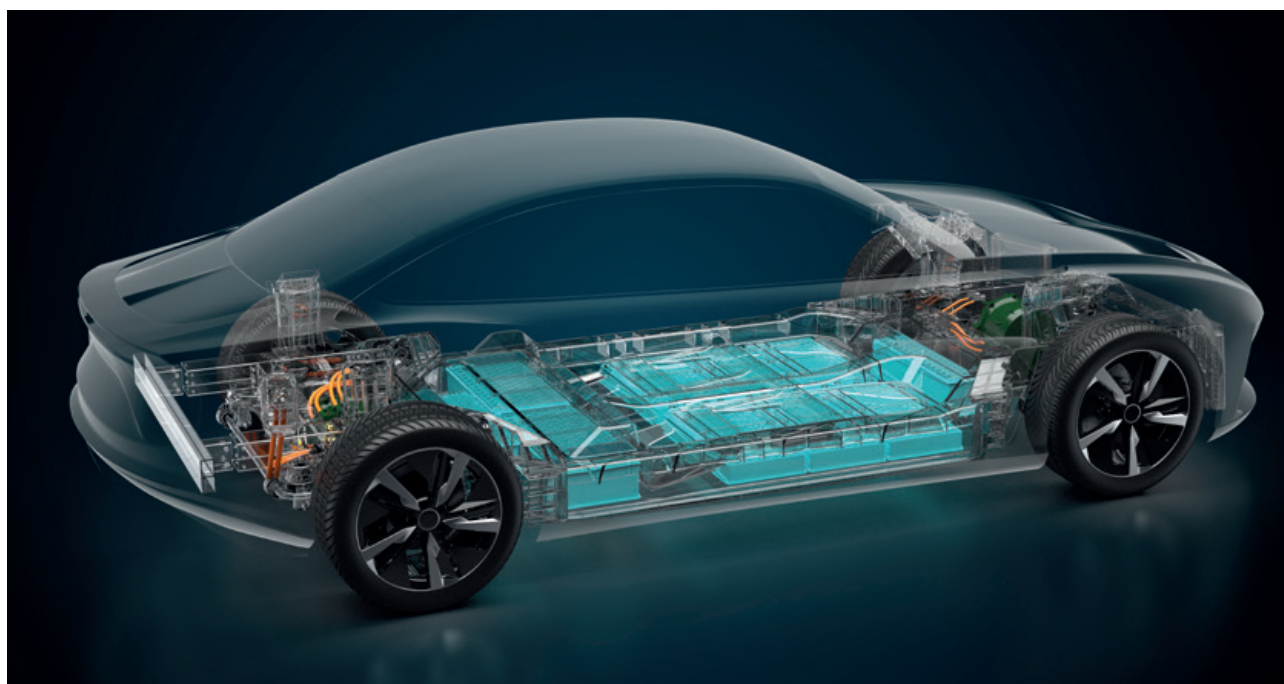
Offer opens	5 January 2022
Closing Date, tax year 2021/22	1 April 2022
Closing Date, tax year 2022/23	4 January 2023 <sup>1</sup>
Allotments	Monthly
Effective date for the listing allowing allotment of the Offer Shares and commencement of dealings	Three Business Days following allotment
Share certificates dispatched	Within ten Business Days of allotment

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

## OFFER STATISTICS

Most recent NAV per FWT Share (as at 30 September 2021)	97.0p
Maximum number of FWT Shares in issue following the Offer <sup>1</sup>	approximately 34 million
Estimated net proceeds of the Offer, after issue costs, at full subscription <sup>2</sup>	£18,900,000

1. Based on an aggregate amount subscribed for FWT Shares of £20 million, number is approximate due to the operation of the Pricing Formula.
2. Based on an aggregate amount subscribed for FWT Shares of £20 million less approximate expenses of the Offer of 5.5%, assuming subscriptions are exclusively made by direct investors.



## OFFER COSTS

### INVESTORS WITH AN AGREED ADVISER CHARGE

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

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

### COMMISSION-ELIGIBLE INVESTORS

<b>Promoter's Fee<sup>1</sup></b>	2.5%
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<b>Initial commission to Intermediaries<sup>2</sup></b>	3.0%
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<b>Annual commission to Intermediaries<sup>3</sup></b>	0.5%
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### DIRECT INVESTORS

<b>Promoter's Fee<sup>1</sup></b>	5.5%
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- The Promoter's Fee may be reduced at the sole discretion of the Promoter and will be reduced by any applicable Loyalty Discount.
- Only payable where permissible under FCA Rules and may be waived for additional shares.
- Only payable where permissible under FCA Rules. Calculated by reference to net asset base value and subject to a cumulative maximum of 3.0%.

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

## DISCOUNTS<sup>1</sup>

### EXISTING FORESIGHT SHAREHOLDER LOYALTY

<b>Loyalty Discount</b>	0.5%
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available to any investor who currently holds shares in any VCT managed by Foresight

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

## LETTER FROM THE CHAIRMAN



“On behalf of the Board, I am delighted to introduce this offer.”

**Ernie Richardson**

Chairman  
Foresight Solar & Technology VCT plc

5 January 2022

Dear Investor

On behalf of the Board, I am delighted to introduce this offer. The Foresight Williams Technology Share class (“FWT Share class”) represents an exciting investment opportunity made possible by the collaboration between Foresight Group, a leading independent infrastructure and private equity investment manager which has been managing investment funds on behalf of institutions and retail clients for more than 37 years; and Williams Advanced Engineering (“WAE”), a technology and engineering services business, originally spun out of the Williams Formula One operation. The concept of the collaboration is that by working together, Foresight and WAE can deliver better results for investors than would be the case if either company were working individually.

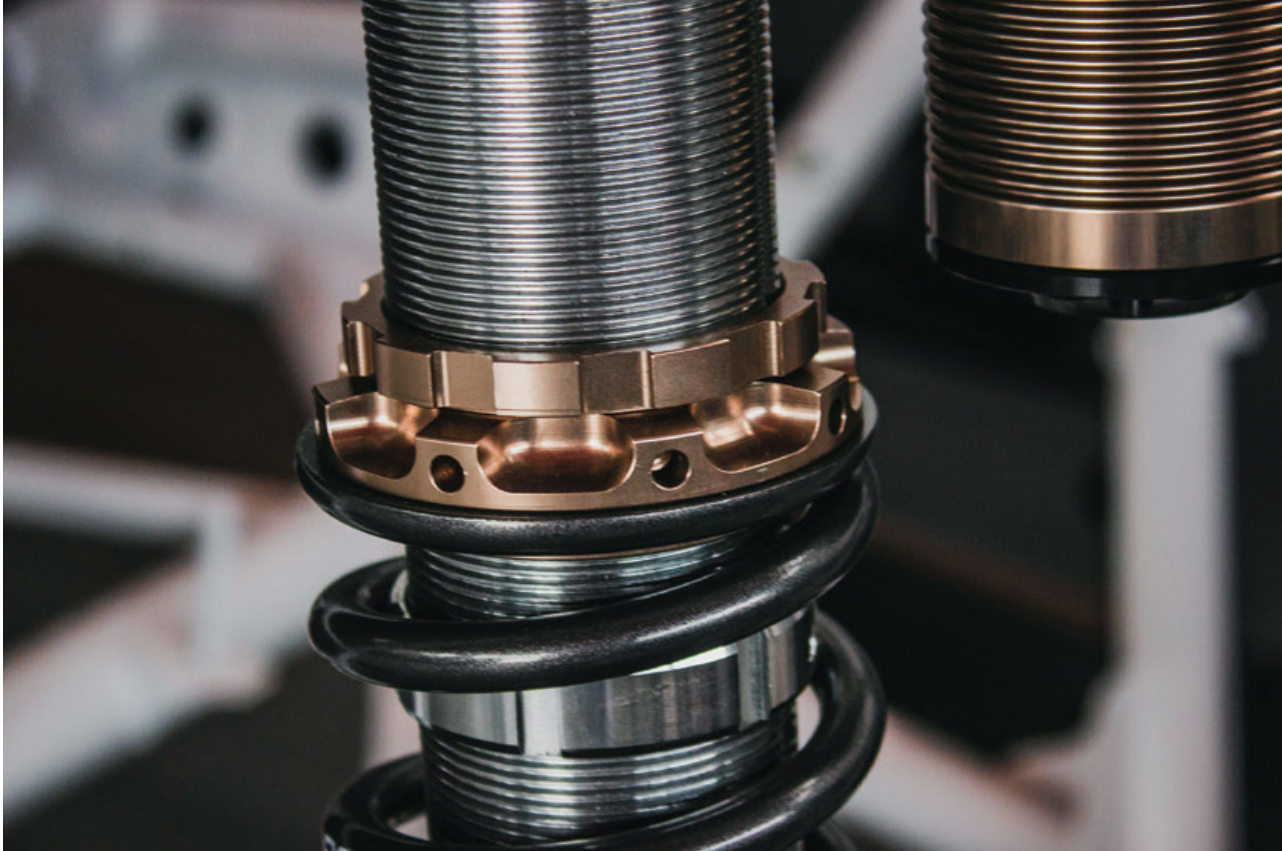
**The Offer provides investors with the opportunity to invest in a portfolio of early-stage companies with high growth potential, developing innovative and occasionally transformational technologies across a range of industry sectors.**

The relationship between WAE and Foresight began in early 2015. Following an initial period of due diligence, the Foresight Williams Technology EIS Fund (“FWT EIS Fund”) was launched in November 2016. Since then and at the time of publication, the FWT EIS Fund has made 39 investments, of which 11 are follow-ons into existing portfolio companies, deploying £42.5 million to date. Throughout this period the Foresight and WAE teams have worked closely together in sourcing opportunities and carrying out the due diligence on potential investments. The FWT Share class was launched in December 2019 and has already raised c£15 million and made 12 investments (including one follow-on).

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

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





# 01

## ENGINEERING AND TECHNOLOGY ADVISER

In 2010, Williams Grand Prix Engineering Limited began diversifying its operations, leading to the establishment of the Williams Advanced Engineering division, which has now become Williams Advanced Engineering Limited. Combining cutting edge technology and highly experienced engineers with the precision and speed derived from four decades of success in the ultra-competitive environment of Formula One, WAE provides technical innovation, engineering, prototyping, testing, and manufacturing services across numerous industries.

Working in close collaboration with its customers and partners, WAE helps meet the sustainability and technology challenges of the 21st century by applying its expertise in aerodynamics, thermodynamics, electrification, advanced lightweight materials, simulation and vehicle integration. WAE provides services to a number of corporate clients operating internationally and employs more than 300 people.

With its work across a range of industry sectors, WAE is well-positioned to identify growing market opportunities. Through its reputation and commercial relationships, WAE also has access to an exciting pool of investment opportunities. Indeed, to date over half of the investments made by the FWT EIS Fund and FWT Share class (“FWT Funds”) have been sourced by WAE. During the investment process, its expertise is harnessed to oversee technical due diligence. Post-investment, portfolio companies can benefit from WAE’s technical, commercial and marketing support.

# 02

## FORESIGHT'S TRACK RECORD

Established in 1984, Foresight is proud of its 37-year track record of investing in and growing early-stage companies. Foresight now has c.£8.1 billion of assets under management from a wide and varied investor base of private and institutional investors. This includes Foresight-managed Venture Capital Trusts and Enterprise Investment Schemes, which currently have over 22,000 shareholders with some £430 million invested.

The FWT Share class continues Foresight’s long history of supporting innovative and entrepreneurial businesses. Using its well-resourced investment and portfolio management teams and an extensive network of non-executive directors and entrepreneurs, Foresight is well-positioned to introduce senior resource to Investee Companies to optimise opportunities for commercial success.

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

# 03

### FORESIGHT WILLIAMS TECHNOLOGY REPUTATION

While the FWT Share class was only launched in December 2019, the partnership between Foresight and WAE has evolved significantly from 2016 when the FWT EIS Fund was launched. The FWT Funds have raised in excess of £65 million, demonstrating the appeal of the unique collaboration to both advisers and investors alike.

Having now been in the market for over five years, the Foresight Williams Technology (“FWT”) investment strategy has developed a strong reputation amongst the investment and corporate adviser community.

This in combination with Foresight’s widespread presence across the UK, made possible by its network of six regional offices, means the FWT team enjoys visibility of high-quality investment and co-investment opportunities. The FWT Funds have co-invested in opportunities with other established UK technology investors including IP Group, IQ Capital, Mercia, Oxford Sciences Enterprise and Parkwalk Advisors.

Some of the existing portfolio companies are starting to see the benefits of this unique partnership and FWT’s proposition is becoming increasingly well-known and respected in the early stage, deep-technology ecosystem. Through its technical expertise, WAE can help portfolio companies’ product development programmes, and make commercial introductions to their network of customers and partners.

Combining this with Foresight’s experience in early-stage investing means FWT has a considerable advantage compared to other purely financial investors.

Over the following pages, we will provide evidence in some of the case studies of how attractive the FWT strategy is perceived by both potential investee companies and other co-investors. We will also demonstrate how WAE is working with some of the existing FWT Funds’ portfolio companies to support and grow their products and services.



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

## 04

### THE EFFECTS OF THE PANDEMIC AND THE ECONOMIC CYCLE

Through the new share class, the Company only began to make investments in Q4 of 2020. We believe this to be a real competitive advantage in the current environment.

Most VCT fundraisings involve long-established funds raising (often significant) top-up funds to further develop their portfolios. In normal economic conditions, this is seen as attractive because new investors benefit from the legacy portfolio of the VCT and its performance immediately. The global COVID-19 pandemic has had a significant impact on the UK economy, impacting valuations and future outlook for early-stage companies, the core investment focus of many VCT funds. Right now, investment managers of mature VCTs will be focused on helping their portfolio companies through the economic downturn that we are currently experiencing. The longer the downturn continues, the more uncertainty there will be. Valuing these businesses accurately is also harder in times of significant volatility.

The FWT Share class will continue to build its portfolio over the coming years. Our investment managers can concentrate fully on picking the best opportunities to invest in as opposed to managing their existing portfolio companies. It is also typically the case that in economic downturns the pricing and competition for investment opportunities reduce because less capital is available for new investments. There is evidence that the best returns from venture capital are produced from funds that invest at the bottom of economic cycles and the FWT Share class is well-positioned to capitalise on this market timing.

The FWT Share class may also be able to participate in the follow-on funding rounds of companies that have already received investment from its sister FWT EIS Fund. These companies will already be well known to the FWT team and will typically have progressed from the point of the original investment, therefore representing a potentially lower-risk investment while still offering an opportunity for an attractive return.

The FWT strategy has progressed considerably since its inception in November 2016 and is now proven in the marketplace. This strategy is able to evidence strong deal flow, relationships with a number of established and highly successful venture capitalists for co-investment opportunities, and a portfolio that is now seeing some of its earliest investments maturing and looking for follow-on funding for their next stage of growth. I also believe the Company is well-positioned to capitalise on the current economic cycle by being at the beginning of its investment period.

If you would like more details on the Company please call us on 020 3667 8199. I hope you find this Securities Note clear and easy to understand though I recommend that you read the Prospectus in full and seek independent financial advice before you invest.

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

Yours faithfully

**Ernie Richardson**

Chairman

Foresight Solar & Technology VCT plc



# INVESTMENT OPPORTUNITY & STRATEGY

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

**Craig Wilson**

Managing Director, WAE

## Internal Expertise

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

## Industry Trends

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

## External Factors

The UK remains an excellent place to start, scale and sell a business, with broad pools of talent and an entrepreneurial culture. For example, the European Digital City Index report identified London as the best city in Europe to start up and scale a digital enterprise (source: <https://digitalcityindex.eu/>). This entrepreneurial ecosystem is not limited to London or the South East, with Glasgow, Edinburgh, Manchester, Birmingham, Bristol, Cardiff, Oxford and Cambridge all featuring in the top 60 European cities supporting digital entrepreneurship. This mirrors Foresight’s experience of the wider UK SME market and is the reason Foresight’s executives source deal flow from across the country through six regional offices and its London HQ. The UK’s decision to leave the EU, coupled with the economic challenges borne by the COVID-19 pandemic has resulted in significant uncertainty in the UK economy, potentially limiting the availability of funding for early-stage, advanced technology companies. VCTs are therefore potentially an appealing source of funding for entrepreneurs and help to fill this investment funding gap.



## Profile of Companies

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

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

### Technology Readiness Level ("TRL")

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

Fund Focus

### Commercial Readiness Level ("CRL")

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

Fund Focus

3

4

5

6

7

8

9 TRL

Courtesy: Carbon Limiting Technologies Ltd

## PART ONE:

# INVESTMENT OPPORTUNITY & STRATEGY CONTINUED

### Profile of Companies continued

Crucially, the technology developed by the Investee Companies will be protected, usually in the form of IP such as patents, but also as know-how, computing code or trade secrets. This helps to protect the technology from replication by a competitor, giving the Investee Company a sustained competitive advantage and a strong opportunity to generate attractive commercial returns from its technology. Furthermore, companies that have developed a defensible technology which has successfully proven market adoption are often attractive acquisition targets for strategic buyers or corporates. This is because strategic buyers and particularly corporates can struggle to replicate the same success with their resources as quickly due to their larger-size and corporate inertia, which leads to slow decision making and technical progress.

In addition to world-class technologies, the FWT Funds are also seeking to invest in outstanding entrepreneurs who have both the technical, commercial and emotional skills to successfully bring their technology to market and scale rapidly. However, no one individual can grow a successful company single-handedly, so the FWT team will often work with the Investee Company to appoint a non-executive chair, C-level hires and independent advisers to help support the founding team on their growth journey.

### Investment Criteria

FWT believes there are a number of elements that lead to a successful VCT investment and will focus on the following criteria when evaluating potential investment opportunities for the FWT Share class:



#### Innovative technology:

The share class will seek businesses that have developed market leading and/or innovative technology that has clear commercial advantages to the end customer.



#### A roadmap to commercialisation:

Investee Companies will have a clear path to commercialisation in less than 24 months from the point of initial investment.



#### Market opportunity greater than £100 million:

The opportunity should have a minimum global addressable market size of £100 million per year.



#### WAE Value-Add:

The focus will be on early-stage companies where WAE's technical and/or commercial understanding offer a distinct advantage and/or WAE's technical, commercial and promotional support could add value.



#### High risk, high growth potential companies:

Targeting businesses with the potential to deliver 10x multiples at exit.



#### A strong and ambitious management team:

The share class will focus on working with and building experienced teams with a track record of success in the sectors and markets in which their companies operate.

**These criteria are indicative only and the VCT will have the discretion to invest in companies which may not exhibit all of these characteristics.**



**Aerodynamics and thermodynamics**



**Battery systems and energy storage**



**Composites, materials and nanomaterials**



**Data analytics**



**Electric machines and drives**



**Electronics and control systems**



**Embedded software**



**IP Protection**



**Lightweight structures**



**Manufacturing Best Practice**



**Programme Management**



**Prototyping**



**Systems integration**



### Continuous Improvement

The FWT team operates with a continuous improvement mindset. This is best embodied by the framework illustrated below. By seeking to operate a best-in-class investment process, demonstrating flexibility on the stage and terms of investment and offering industry specialist value-add, the FWT team seeks to build a positive relationship within the ecosystem, attracting the best talent who want to work for FWT and the best entrepreneurs who want to receive investment from FWT Funds. The FWT team believes this combination will lead to the FWT Share class delivering attractive returns to its investors, thereby further improving our reputation in the market.



### Existing Pipeline and Future Deal Flow Strategy

After five years of investing in 27 advanced technology companies through the FWT EIS Fund, the Investment Manager believes that the FWT team has built a strong reputation in the UK early-stage ecosystem and is now seen as one of the UK's top investors in the deep technology and advanced hardware sectors. Over this period, the FWT team has reviewed more than 1,500 opportunities across a multitude of sectors from transport and manufacturing to energy and industrial engineering.

FWT's growing reputation drives deal-sourcing activities across the UK and the team now has a robust network of contacts with Technology Hubs, Universities and their Technology Transfer Offices, Innovation Networks and Business Accelerators. This is in addition to a wide network of other early-stage investors including Institutional Venture Capital funds, Corporate Venture Capital funds and Angel Investment networks. This expansive network within the UK start-up ecosystem means that FWT gains visibility of investment opportunities which are not widely publicised in the market.

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

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

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

To date, FWT Funds have co-invested on more than 30 occasions with more than 40 different investors.



“The partnerships team helps to unlock growth opportunities for the FWT portfolio by utilising WAE’s resources, capabilities and network.”

**Matthew Burke**

Head of Technology Ventures, WAE

**Strong Regional Presence**

The FWT Share class also benefits from the wider network of Foresight’s Private Equity team which generally reviews more than 1,800 investment opportunities every year across all funds in the UK at various stages of the growth cycle, including early- and later-stage technology-oriented businesses.

Foresight is committed to developing a strong regional presence across the UK and in the last three years alone has been appointed the equity Fund Manager for three new regional funds. In 2018 Foresight launched the Midlands Engine Investment Fund, supported by the European Investment Bank and the British Business Bank, with responsibility for the East Midlands and South East Midlands regions. That mandate was followed in 2019 by the opening of an additional regional office in Cambridge to support the £100 million Foresight East of England Fund, which is the first evergreen pool of patient capital in the UK targeting businesses in the region and beyond. In 2019 Foresight also launched the £20 million Scottish Growth Fund, 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.

Through this expanding regional presence, Foresight has built up an extensive network of active corporate finance advisers and other professional Small and Medium Enterprise (“SME”) advisers through investment teams based in its Cambridge, Nottingham, Manchester, Edinburgh, Leicester and Milton Keynes regional offices and its head office in London. That network now numbers more than 1,300.

**The Investment Process**

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

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

This rigorous process ensures that the material aspects of the opportunity are carefully considered by multiple individuals with technical, commercial, financial and legal backgrounds, preventing potential ‘group think’ and ensuring a high level of scrutiny is applied.

This approach also means the potential risks with the investment are well understood and mitigated against where possible before completion. Of the more than 1,500 opportunities assessed by the FWT team to date, only 27 companies have received investment from the FWT EIS Fund and 11 from the FWT Share class at the time of going to print, clearly illustrating the high standards set by the team and this process.

Initial investments made from the FWT Funds will typically range between £0.5 million and £3 million. Where the FWT Funds have made an initial investment, it is expected that some of the funds raised will be used for follow-on investments as the Investee Companies mature and start generating revenues and profits.

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

### Governance

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

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

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

### WAE Support

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

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

- Technical programme advisory service to advance Freeflow's e-bike product development
- Mechanical system design, prototyping and testing to unlock new applications for Synaptec's optical fibres sensors
- Thermodynamic modelling of Mixergy's smart hot water tank to engage technical audiences and speed up future redesign work
- Cross functional design review to improve robustness of Novosound's high temperature corrosion monitoring sensor
- User feedback and strategic guidance on Master of Pie's collaborative engineering platform
- WAE have also contracted Novosound to develop a new, high value application of their thin film, flexible sensors for which WAE could provide a route to market

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

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

## PART ONE:

# INVESTMENT OPPORTUNITY & STRATEGY CONTINUED

### Collaborative Working Relationship:

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

**Foresight**  
FOR A SMARTER FUTURE

**WILLIAMS** | ADVANCED  
ENGINEERING

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

1. Where possible, WAE will undertake technical due diligence

### Fee Sharing Arrangements Between Foresight Group and WAE

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



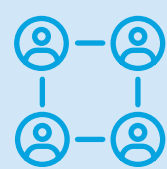
- **Initial Fee** to be paid to the Promoter of 2.5% (in most cases) to be divided 80% to the Promoter and 20% to WAE
- **Annual Management Fee** of 2.0% to be divided 1.5% to the Manager and 0.5% to WAE
- **Performance Fee:** any performance fees which become due will be shared equally between the Manager and WAE

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






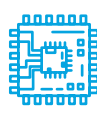










“The FWT fund brings together the outstanding technical capabilities of WAE with the commercial acumen and investment experience from Foresight. Over the past five years, we have continued to refine our investment hypothesis through 27 new investments and 11 follow-ons, building a credible reputation along the way.”

**Andrew Bloxam**  
 Director, Foresight Group

**The Benefits WAE bring to the FWT portfolio:**

		
<p><b>CREDIBILITY</b></p>	<p><b>EXPERTISE</b></p>	<p><b>NETWORK</b></p>
<ul style="list-style-type: none"> <li>• WAE confirmation of core technology</li> <li>• WAE confirmation of IP strategy and defensibility</li> <li>• WAE confirmation of product development, manufacturing and supply chain plans</li> </ul>	<ul style="list-style-type: none"> <li>• Dedicated WAE portfolio management team</li> <li>• Technical specialist feedback</li> <li>• Guidance from WAE’s business and leadership team</li> <li>• WAE consultancy of preferential roles</li> </ul>	<ul style="list-style-type: none"> <li>• Intros to WAE’s suppliers, customers and partners</li> <li>• Marketing via WAE’s news and social media</li> <li>• Access to WAE’s brand and journalist contracts</li> <li>• Introduction to co-investor network</li> </ul>

**Our Specialisms**

							
<p>Product strategy &amp; investment</p>	<p>Intellectual Property</p>	<p>Industrial Design</p>	<p>Mechanical Engineering</p>	<p>Data Analytics</p>	<p>Electronics</p>	<p>Battery Technology</p>	<p>Prototype &amp; Test</p>
							
<p>Composites/ Lightweighting</p>	<p>Street Testing &amp; CAE Analysis</p>	<p>Aerodynamics</p>	<p>Thermodynamics</p>	<p>Supplier Sourcing</p>	<p>Manufacturing &amp; Assembly</p>	<p>Compliance &amp; Certification</p>	<p>New Product Induction Process</p>



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

The primary aim of the FWT Funds is to invest in deep technology businesses with potentially game-changing technologies. Innovation within the hardware and advanced engineering space can often lead to significant Environmental, Social and Governance (“ESG”) benefits. The FWT team strongly believes these ESG benefits should be identified, monitored and celebrated.

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

# 01

Delivers Better  
Financial Returns

Academic literature on ESG concludes that strong ESG propositions correlate with higher equity returns while also reducing downside risk<sup>1</sup>. This is because a focus on ESG can help to facilitate top-line growth, reduce costs, increase employee productivity and optimise investment and capital expenditure<sup>2</sup>. In short, companies with an ESG focus can deliver profit and purpose.

# 02

Motivates Employees

There is greater awareness amongst society of the need to change consumption habits to reduce humans’ impact on the environment. This awareness is strongest amongst millennials, of whom 85% say that environmental sustainability is extremely important to them<sup>3</sup>. As millennials now make up the largest single generation in the workforce, companies with a strong ESG proposition are more likely to attract and retain high performing employees, enhance employee motivation and increase productivity.

# 03


Attracts Investment

In 2018, global sustainable investment exceeded \$30 trillion<sup>4</sup>, up 68% since 2014 and 10x since 2004. This growth has, in part, been driven by the realisation that a strong ESG proposition can safeguard a company’s long-term success. Early-stage companies with a strong ESG culture are therefore more likely to have a wider range of funding options available to them as they grow.

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

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

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

Theme	Example Investments	Impact
<b>RESOURCE EFFICIENCY</b> Improving productivity and economic output while using fewer resources		Enables greater adoption of 3D printing by reducing the cost of 'post-processing' which is currently a significant contributor to the cost of the final component
		Enables virtual collaboration on large 3D models, speeding up development time and reducing the requirement for engineers to co-locate
<b>DECARBONISATION OF THE ENERGY SYSTEM</b> Enabling the transition to a low carbon energy system		Advanced hot water tank which enables the decarbonisation of domestic hot water while also acting as an energy load to balance the National Grid
		Advanced monitoring of sub-sea infrastructure, including wind farms, helping to improve operational availability while reducing maintenance costs
		Remote control and monitoring of gas grids, helping to reduce the leakage of methane and enabling the injection of bio-methane into the gas network
<b>DIRECT IMPACT ON END USERS</b> Improving the quality of life to end-users and local communities		3D printed bionic arms which help to overcome the social stigma of conventional prosthetics. Helping to turn disabilities into superpowers
		Innovative aerosol valve design for consumer and industrial products which allows hydrocarbon-based propellants to be replaced with inert gases
		Lightweight, high performance e-bike drivetrain system, enabling users to transition from motorised transport for short commutes

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

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

Five Principles Overview:		
	<b>01</b> AWARENESS	<ul style="list-style-type: none"> <li>• Does the business demonstrate a good awareness of corporate social responsibility?</li> <li>• Is this reflected in its processes and management structure?</li> </ul>
	<b>02</b> ENVIRONMENTAL	<ul style="list-style-type: none"> <li>• Does the company follow good practice for limiting or mitigating its environmental impact, in the context of its industry?</li> <li>• How does it encourage the responsible use of the world's resources?</li> </ul>
	<b>03</b> SOCIAL	<ul style="list-style-type: none"> <li>• What impact does the company have on its employees, customers and society as a whole?</li> <li>• Is it taking steps to improve the lives of others, either directly, such as through job creation, or indirectly?</li> </ul>
	<b>04</b> GOVERNANCE	<ul style="list-style-type: none"> <li>• Does the company and its leadership team demonstrate integrity?</li> <li>• Are the correct policies and structures in place to ensure it meets its legislative and regulatory requirements?</li> </ul>
	<b>05</b> THIRD PARTY INTERACTIONS	<ul style="list-style-type: none"> <li>• Is the principle of corporate responsibility evidenced in the company's supply chain and customers?</li> <li>• How does it promote ESG values and share best practice?</li> </ul>

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

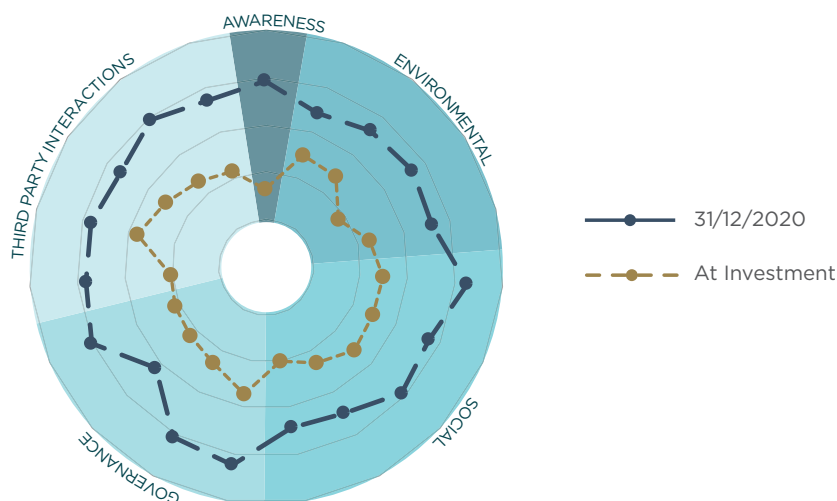
## Example Evaluation of Criteria Within the Five Principles

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

Foresight is committed to making investments with an ESG impact and is proud of its ESG credentials. The company is accredited as a Living Wage Employer and is a signatory of the HM Treasury Women in Finance Charter. Foresight has also been a member of the UK Sustainable Investment and Finance Association since 2009 and a member of the Climate Bonds Initiative since 2018. Finally, Foresight has been a signatory to the United Nations-backed Principles for Responsible Investment ("PRI") since 2013 and in 2019 received an 'A+' for Strategy and Governance and an 'A' for Private Equity.

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

Tables and graphs in the section above have been sourced from Foresight Group



### Current FWT Funds Portfolio Companies

The FWT Share class has made 12 investments (including one follow-on) at the time of publishing. Case studies on six of these companies – Audioscenic, AMT, Refeyn, VividQ, Previsico and Machine Discovery – are shown on the following pages.



## PART ONE: CASE STUDY 01

# AUDIOSCENIC

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

### Technology

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

### Team

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

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

### Investment Thesis

The audio industry has developed several formats to accurately record the intensity, depth and direction of a sound, to offer the listener the sensation of being in the middle of the original "sound field".

Such 3D sound formats are increasingly being adopted by content providers including Netflix, Amazon and BT Sport. However, replicating the immersive 3D sound experience in consumer hardware other than headphones has proven challenging as most 3D loudspeaker systems confine the user to a small pre-determined 'sweet spot' or rely on cumbersome and expensive multi speaker systems.

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

### COMPANY KEY FACTS

<b>Name:</b>	Audioscenic Ltd
<b>Industry:</b>	3D Audio technology
<b>Fund Commitment:</b>	£360k (£1.05m FWT Funds total including £690k FWT EIS Fund)
<b>Fund Ownership:</b>	8.8% (25.7% FWT Funds total including 16.9% FWT EIS Fund)
<b>Investment Date:</b>	October 2020

### AUDIOSCENIC



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

**David Monteith**

CEO, Audioscenic, Founder

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

**WAE Value-add**

The WAE team may help Audioscenic with the optimisation, design and performance of the audio hardware modules. WAE may also be able to introduce the company to key players in the automotive infotainment market, a segment that Audioscenic sees as a long-term area of growth for the company’s technology and one in which WAE is well connected.

**Other shareholders in the company include IP Group Plc.**

## PART ONE: CASE STUDY 02

# ADDITIVE MANUFACTURING TECHNOLOGIES (AMT)

Innovative 3D printing company transforming post-processing technologies. Investment to accelerate sales and fully commercialise the company's integrated Digital Manufacturing System

### Funding Update

FWT Share class invested a further £840k recently as part of a £9 million funding round that will enable AMT to grow its sales and distribution internationally, bring new products to market and target cashflow breakeven.

In October 2020, FWT Share class invested £360k as part of a £2.5 million funding round from existing shareholders and the UK Government's Future Fund scheme. The investment provided working capital to support continued R&D and develop the company's growing sales pipeline.

Previously, in September 2019, the FWT EIS Fund invested £2 million as part of a £4.2 million round to support product development and grow AMT's US presence. At that time, AMT had developed its first machine, the PostPro3D. It has subsequently expanded its product range, launching a more compact version, the PostProMini, and an

automated de-powdering machine, the PostProDP. There are also new products in the pipeline and the company is well placed for future expansion.

### Technology

3D printing (also known as additive manufacturing) is transitioning from a niche prototyping method to a large-scale production technique. However, much of the production process for 3D printed parts, particularly the post-processing (cleaning, smoothing and sealing the surface of 3D printed parts), is still manual, costly and slow. AMT was set up to develop fully automated, safe and sustainable postprocessing systems to enable the industrial production of 3D printed parts at scale.

AMT's goal is to provide a fully automated end-to-end post-processing solution (a "Digital Manufacturing System" or "DMS") consisting of stand-alone modular processing units to carry out each

stage of the workflow with robots to link each stage. The core steps in the post-processing of AM parts are: removal of excess polymer (de-powdering), surface smoothing/polishing, colouring (if required) and inspection. AMT is developing solutions for each of these processes.

AMT's core technology is licensed from the University of Sheffield's Centre for Advanced Additive Manufacturing. It automates the smoothing of 3D printed polymer parts previously done by hand, by applying a solvent vapour to the surface to give a consistent, glossy finish. AMT's technology is built around four pillars of sustainability: no waste; better chemistries; less energy and less labour and consumables.

### Team

Sheffield based AMT was founded in 2017 by CEO Joseph Crabtree. Following an MEng in Material Sciences and Engineering from the University of Sheffield,

### COMPANY KEY FACTS

<b>Name:</b>	Additive Manufacturing Technologies (AMT)
<b>Industry:</b>	Additive Manufacturing
<b>FWT Share class Commitment:</b>	£1.20m (£8.75m total Foresight Funds, including £6.0m from FWT Share class, FWT EIS Fund and Foresight VCTs in the most recent round, £750k from FWT Share class and FWT EIS Fund in October 2020 and £2.0m from FWT EIS Fund in September 2019)
<b>FWT Share class Ownership:</b>	3.5% (25.2% Foresight Funds)
<b>Investment Date:</b>	October 2020 and June 2021





“We’re proud that all of our current investors have recognised the progress we’ve made and are continuing to support our vision to transform the 3D Printing market. This investment will allow us to commercialise and scale our end-to-end DMS Platform, for which we have already taken orders, and deliver on our vision of using 3D printing as a viable alternative to traditional manufacturing.”

**Joseph Crabtree**

CEO, AMT

Joseph spent 11 years in the advanced metal forging and composites manufacturing industries serving the aerospace, defence and automotive sectors.

First Joseph worked in the UK, USA, Mexico and Hungary in Engineering and Operations management with Alcoa (now-Arconic), and latterly as Head of Sales and Marketing for an Aerospace SME.

As part of the investment round in October 2020, Manish Dev joined AMT as CFO. Manish was previously CFO of LPW, a metal powder 3D printing materials company that grew significantly before being acquired by Carpenter Technologies.

Luis Folgar, Executive Vice President (Americas), joined from Nike’s Manufacturing Innovation Team and oversees AMT’s US operation. David Manley, Non-Executive Chairman, joined AMT in April 2019. He was previously MD of Machine Works, a software development company focused on the additive manufacturing sector.

**Investment Thesis**

The global 3D printing market is undergoing rapid international growth and is expected to reach nearly \$24 billion by 2025.

AMT provides fully automated end-to-end post-processing solutions, resulting in significant cost and time savings, with applications ranging from aerospace to footwear.

AMT has traded resiliently through the COVID-19 pandemic and aims to exceed £4 million in revenue for FY 2020, nearly double FY 2019, which in turn was double FY 2018. It has also just signed a distribution agreement with HP, the market leader in polymer 3D printing technology. This gives AMT access to HP’s worldwide sales team and customer network and provides a strong indication of demand for AMT’s solutions in the market.

**WAE Value-add**

Following an introduction from WAE, the Williams Formula One team has been trialling AMT’s technology. WAE is also looking to leverage AMT’s expertise and products for internal and external projects.

**Other shareholders in the company include:**

- DSM Venturing
- Midwest Additive Venturing
- Mercia Asset Management
- UK Government via its Future Fund scheme
- 15th Rock Ventures
- Saint Gobain
- Beacon Enterprise Investments



## PART ONE: CASE STUDY 03

# REFEYN

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

### Funding Update

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

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

### Technology

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

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

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

### Team

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

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

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

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

### COMPANY KEY FACTS

<b>Name:</b>	Refeyn Ltd
<b>Industry:</b>	Mass photometry
<b>FWT Share class Commitment:</b>	£360k (£3.3m FWT Funds total, including £1.7m FWT EIS Fund in this round and £1.2m FWT EIS Fund in 2019)
<b>FWT Share class Ownership:</b>	0.6% (9.0% FWT Funds total, including 8.4% FWT EIS Fund)
<b>Investment Date:</b>	November 2020

RE@FEYN



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

**Jonathan Flint**

Chair, Refeyn

**Investment Thesis**

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

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

In the last 12 months, the company has successfully scaled its operations in response to strong demand, doubling the number of instruments installed and with more in the pipeline. Whilst the development of the Lite and Pharma models has taken longer than planned, the company has still been able to address the biopharma market with the existing One product.

Several pharma clients are conducting long-term on-site evaluations with a view to installing the products at multiple premises. The Lite and Pharma products are on track to launch in 2021 and the company is now looking to develop other products.

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

**WAE Value-add**

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

**Other shareholders in the company include:**

- OSE
- University of Oxford
- University of Oxford Innovation Fund
- Oxford Technology EIS Fund
- Northpond Ventures

## PART ONE: CASE STUDY 04

### VIVIDQ

## Deep technology start-up developing software which should enable the mass adoption of Computer Generated Holographic (CGH) displays

### Investment to continue technical development and grow high-calibre team

#### Technology

Holography is regarded by industry experts as the holy grail of display technology because it creates true three-dimensional images as opposed to current 3D displays that trick the eye into perceiving depth using two offset images shown separately to the left and right eye. However, holography has yet to be widely adopted due to the very high computing requirements and the complexity of the optical hardware.

Conventional methods for producing a holographic image require an exponential increase in the computational power with the resolution of the image. VividQ has developed a patented approach that breaks down the image into a series of layers, reducing the computing power required.

This breakthrough should mean that holographic display systems can now be integrated into compact, wearable devices such as augmented reality (“AR”) glasses. In the near-term, VividQ is also targeting the automotive Head-up Display (“HUD”) market, which presents a nearer-term route to market.

VividQ started working on holographic displays in 2017 and filed its core patent in 2018. It has now developed a software development kit, hardware reference designs and licensable intellectual property, which display manufacturers can use to develop best-in-class holographic displays using existing hardware.

#### Team

VividQ’s team consists of world-class engineers and scientists, with strong links to the University of Cambridge Photonics Department. Darran Milne, Co-founder and CEO, is a computational physicist and has worked in software development for financial institutions.

He is a co-inventor of VividQ’s core technology. COO Aleksandra Pedraszewska completed a Master’s in technology policy at Cambridge Judge Business School. Richard Taylor-Colville, Head of Sales and Licensing, has 20 years’ sales experience in technology and telecoms. Richard has played a central role in developing the current commercial pipeline and negotiating the key terms of the existing commercial agreements. Andrzej Kaczorowski, Co-founder and CTO, leads the research and development team and is the inventor of VividQ’s patents, having developed his skills through a research background in holography at the University of Cambridge. The remaining founders, Tom Durrant, Dr S J Senanayake and Dr Roman Pechhacker, all have impressive technical backgrounds and are part of the research and development team. Within VividQ’s 35 employees, 27 are technically focused.

#### COMPANY KEY FACTS

<b>Name:</b>	VividQ
<b>Industry:</b>	Holographic Displays
<b>FWT Share class Commitment:</b>	£1.1m (£2.1m FWT Funds total, including £1.0m FWT EIS Fund)
<b>FWT Share class Ownership:</b>	3.4% (6.7% FWT Funds total, including 3.3% FWT EIS Fund)
<b>Initial investment Date:</b>	May 2021





“Our team has taken the technology that used to require immense amounts of computing power and found solutions to implement Computer-Generated Holography across consumer electronics. This new investment allows us to complete the next, critical phase of implementation projects and supports further innovation efforts to bring holography to new display applications.”

**Darran Milne**

Co-Founder and CEO of VividQ

The funding round will help support the hiring of a project manager and financial management resource.

**Investment Thesis**

VividQ licenses its software development kits and IP to global technology companies and has already started early-stage trials with several well-known American and Japanese manufacturers.

The company’s goal is to disrupt the consumer electronics display and wearable AR display markets. The automotive HUD market presents a nearer term opportunity to commercialise the technology, improve the team’s ability to deliver on commercial contracts and generate initial revenue. The market for automotive HUDs is estimated to be worth \$866 million per annum today and is forecast to grow to \$3.37 billion by 2025.

VividQ plans to partner with technology companies to focus on key aspects of the holographic system. This strategy will reduce the burden on VividQ to design, manufacture and supply the hardware in-house whilst speeding up the time to market and generating licence fees and royalties.

The combination of a patented technology which offers a triple-order of magnitude improvement in performance, coupled with the large, and growing, market opportunity and asset-lite business model suggests that VividQ has the potential to deliver an attractive return for the FWT fund

**WAE Value-add**

Williams Advanced Engineering has helped VividQ to understand the timelines, standards and industry nuances of supplying into the Automotive sector. WAE’s project engineers have also assisted VividQ’s technical team with improving their programme management function. This support is proving particularly helpful as the Company transitions from a R&D focus to a commercialisation focus.

**Other shareholders in the company include:**

- Sure Valley Ventures
- UTEC
- UTokyo IPC
- Flux Unit
- Miyako Capital
- R42
- Apex Ventures

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## PART ONE: CASE STUDY 05

# PREVISICO

Previsico's FloodMap Live platform predicts flood impacts, including surface water flooding, and automated alerts allow users to protect assets and minimise damage

**Funding will enable further product development, team expansion and support sales growth, in the UK and beyond**

### Technology

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

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

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

### Team

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

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

### Investment Thesis

The UK Environment Agency ("EA") recently stated that surface water flooding threatens more people in the UK than any other form of flooding and it is notoriously difficult to predict.

### COMPANY KEY FACTS

<b>Name:</b>	Previsico
<b>Industry:</b>	Insurtech
<b>FWT Share class Commitment:</b>	£0.6m (£1.75m Foresight Funds total, including £0.6m FWT EIS Fund and £0.5m MEIF)
<b>FWT Share class Ownership:</b>	10.7% (29.1% Foresight Funds total)
<b>Initial investment Date:</b>	August 2021

PREVISICO





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

**Jonathan Jackson**  
CEO, Previsico

In the recent London flash floods this summer, which resulted in the closure of eight tube stations, a DLR station, numerous roads and damage to hundreds of homes, the affected areas were not covered by EA warnings.

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

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

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

**WAE Value-add**

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

## PART ONE: CASE STUDY 06

# MACHINE DISCOVERY

## Ambitious early-stage software company developing machine learning technology to simplify, automate and accelerate simulation tasks

### Investment supports commercialisation of the company's Discovery Platform and team expansion

#### Technology

Machine learning is used in artificial intelligence. Software algorithms allow computers to analyse lots of data at once, and learn from past data to identify meaningful patterns, all at an extraordinary speed. Today, simulations used in the engineering and technology sectors are increasingly complex and costly. Machine Discovery is commercialising a new software platform, based on a new type of algorithm developed in the University of Oxford's Department of Physics, to make these simulations much faster, easier and less costly.

The software, Discovery Platform, combines three key innovative technologies: a Workflow Manager, a Replicator and an Optimiser. The Workflow Manager co-ordinates complex collaborative projects across large teams with millions of simulations. The Replicator learns how different types of simulation behave in order to greatly accelerate outputs and the Optimiser uses algorithms for rapid optimisation and statistical sampling. The platform allows customers to dramatically speed up and reduce the cost of existing simulation workflows, enabling analysis that was previously out of reach.

#### Team

Machine Discovery was spun out of the University of Oxford in 2019. Its founders have strong academic pedigrees and are highly regarded in their respective fields. Prof Gianluca Gregori, Prof Sam Vinko, Dr Muhammad Kasim and Dr Brett Larder are experts in laser and plasma physics and machine learning. They co-invented the concepts behind the company's software technology during their academic research at the University. In Q1 2020, Bijan Kiani, an executive who has spent over 30 years in the enterprise software and simulation sector, joined the team as CEO.

### COMPANY KEY FACTS

<b>Name:</b>	Machine Discovery
<b>Industry:</b>	Technology
<b>FWT Share class Commitment:</b>	£0.2m (£0.6m FWT Funds total, including £0.4m FWT EIS Fund)
<b>FWT Share class Ownership:</b>	7.4% (18.4% FWT Funds total, including 11.0% FWT EIS Fund)
<b>Initial investment Date:</b>	March 2021





“Machine Discovery is revolutionising the way that the power of machine learning is harnessed by companies in a variety of sectors. Our partnership with Foresight comes at vital stage of the company’s development and will enable us to take advantage of the substantial market opportunities available, accelerate our growth and drive efforts to commercialise our new Discovery Platform”

**Bijan Kiani**

CEO, Machine Discovery

Bijan previously led the product marketing team at Synopsys, an industry-leading Electronic Design Automation (“EDA”) software company and founded and successfully exited his own electronics design start-up. Following the FWT investment, the company will hire additional staff to focus on research and software development as part of its growth plan.

**Investment Thesis**

Machine Discovery’s technology was developed to solve problems facing a group of research physicists. Its initial algorithms were so successful that they were published in high-profile academic journals and attracted worldwide attention. Before the company was even founded, other research groups were offering to pay for access to this technology. From that promising beginning, the company plans to pursue large commercial contracts. The company will initially target the rapidly expanding EDA, engineering and clean energy markets, where global software sales are estimated to be worth over \$30 billion per annum.

With these substantial market opportunities, together with the combination of the technical and commercial experience in the management team, Machine Discovery is considered to be well-positioned for future growth.

**WAE Value-add**

In the engineering sector, WAE will be well-placed as a potential end-user and can act as an industry reference point. WAE engineers will be able to show the company their typical workflows and requirements and share expectations for the functionality and user interface of an engineering simulation tool.

**Other shareholders in the company include:**

- BGF
- OSE
- Oxford Technology EIS Fund
- University of Oxford
- University of Oxford Innovation Fund



## WILLIAMS ADVANCED ENGINEERING (WAE)

WAE has grown from an embryonic business in 2010 to a company employing more than 300 people engaged in many innovative and transformative technical areas.

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

In 2010, Williams Grand Prix Engineering Limited began diversifying its operations, leading to the establishment of the Williams Advanced Engineering division, which later became Williams Advanced Engineering Limited. In December 2019, Williams Grand Prix Holdings plc agreed to the sale of a majority equity stake in WAE to EMK Capital, with Williams retaining a minority stake in the business.

WAE has grown from an embryonic business in 2010 to a company employing more than 300 people engaged in many innovative and transformative technical areas for a growing list of clients. The investment by EMK represented a natural next step in the evolution of the company, unlocking the potential for further growth.

In August 2020, Dorilton Capital acquired Williams Grand Prix Engineering Limited. The new ownership will allow the Williams Racing team to focus on its objective of returning to the front of the grid in Formula One. The team continues to be based at the Grove campus alongside WAE.

### Technology Incubation and Commercialisation

The genesis of the diversification of the Williams Group was the hybridisation of Formula One in 2009. However, the origins of WAE can be traced back even further, as

the Williams Group had undertaken projects outside Formula One on an ad hoc basis for over 30 years, such as creating the Metro 6R4 rally car in the 1980s and running touring cars for Renault and Le Mans cars for BMW in the 1990s.

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

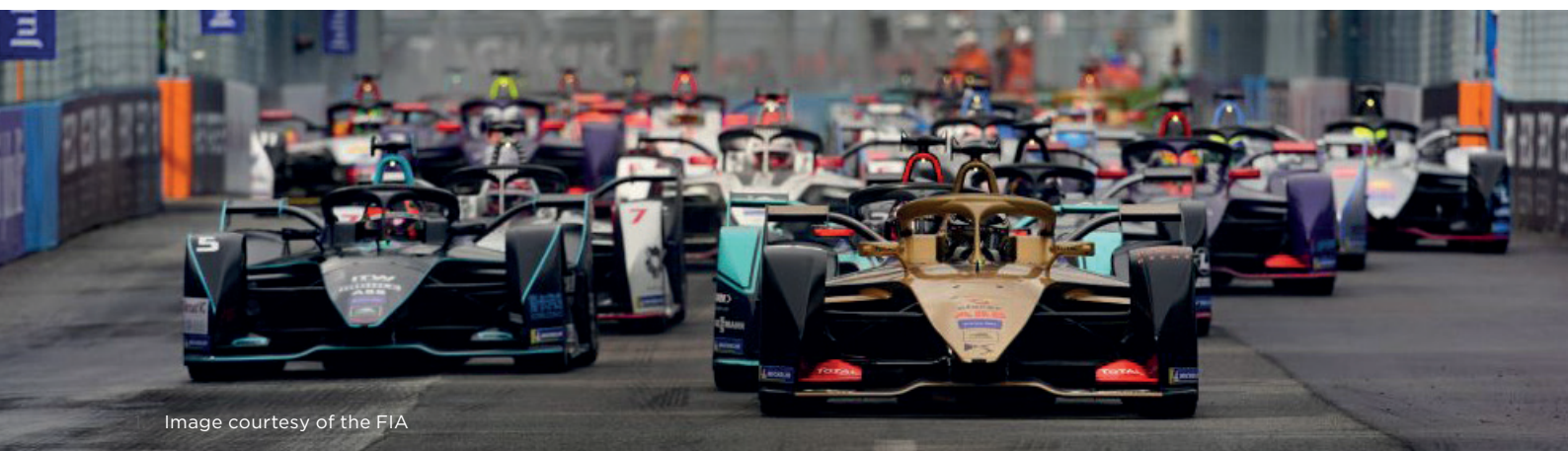


Image courtesy of the FIA

## The team at WAE is deployed across a wide range of engineering skill sets.

WAE's expertise in battery energy storage systems has been applied across different industry sectors. Its high performance batteries have been used in the Formula E racing series, which is a test bed for electrification and new technologies for the automotive industry. Working with Nissan Europe it has repurposed electric vehicle batteries to help power buildings in combination with solar photovoltaic (PV) energy. In partnership with Unipart Manufacturing Group it has established Hyperbat to create the UK's largest independent vehicle battery manufacturer. In fact, WAE's expertise is even being applied to the world's largest hydrogen powered electric mining truck by developing a high-voltage battery system to replace the vehicle's diesel engine in a programme with global mining company, Anglo American. WAE is also working with Fortescue Metals Group (FMG), a global leader in the iron ore industry, to design, build, test and integrate a battery system to power an electric mining haul truck, as an important first step to decarbonising FMG's mining haul fleet.

### Broad Diversity of Skills

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

WAE contracts with Williams Grand Prix Engineering Limited to make use of the Williams Racing team's extensive testing and manufacturing facilities which include wind tunnels, test cells, materials labs, additive manufacturing, composite production and conventional machining facilities. Engineering projects are supported by dedicated programme management and procurement teams.

### Technical Due Diligence

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

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

**Matthew Burke**

Head of Technology Ventures, WAE

#### In summary, the goals of the technical and IP due diligence are to assess the following:

Technical capabilities of the technology including the maturity of the technology (TRL) and, where applicable, manufacturing readiness

Technical capabilities of the team and supporting engineering processes

Strength of patents

Potential for WAE to add value

# WILLIAMS ADVANCED ENGINEERING (WAE) CONTINUED

WAE AWARDS	
<b>2020</b>	<p><b>E&amp;T Innovation Awards:</b> Winner – Sustainable Planet</p> <p><b>The Engineer Collaborate to Innovate Awards</b> Finalist – Energy and Environment</p>
<b>2018</b>	<p><b>Queen’s Award for Enterprise in Innovation</b></p> <p><b>Royal Academy of Engineering</b> MacRobert Award Finalist</p>
<b>2017</b>	<p><b>MIA Business Excellence Award for Technology and Innovation</b></p> <p><b>ISO 9001:2015 awarded July 2017</b></p>
<b>2016</b>	<p><b>IET Innovation Awards</b> Winner – Horizontal Innovation</p> <p><b>British Engineering Excellence Awards</b> Winner – Consultancy of the Year 2016</p>
<b>2015</b>	<p><b>Royal Automobile Club Simms Medal</b> For the Formula E battery</p> <p><b>Race Tech World Motorsport Symposium</b> Most Innovative New Motorsport Product of the Year for the Formula E battery</p> <p><b>IET Innovation Awards</b> Finalist</p>
<b>2014</b>	<p><b>British Renewable Energy Awards</b> Pioneer Award – for stationary flywheel energy storage</p>
<b>2013</b>	<p><b>Oxford Brookes Innovation Award</b></p>
<b>2012</b>	<p><b>Motorsport Industry Association</b> Business of the Year 2012</p>

## SELECTED WAE CUSTOMERS



# CASE STUDY

## AEROFOIL

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

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

Sainsbury's uses 1% of the UK's energy in total. As part of its Plan for Better sustainability strategy, Sainsbury's has committed £1 billion to become a net-zero business by 2035 (brought forward from its original goal of 2040) and the aerofoil shelf edge technology is playing a key role in achieving this target.

In November 2017 Sainsbury's announced that it would roll out aerofoils across its 1,400 UK stores. Aerofoils have also been rolled out by Tesco, Asda, Marks and Spencer and other high-profile retailers. The technology is currently being evaluated by the world's largest bricks and mortar retailer Walmart in 50 of its stores. To date over 1 million aerofoils have been installed in thousands of stores across nine countries. In recognition of its achievements in improving the energy efficiency of retail refrigeration, Aerofoil Energy received the Queen's Award for Enterprise in Innovation in April 2021.

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

"We're committed to becoming a net-zero business by 2040 and have already begun to make headway by investing substantial time, research and money into different areas that can help us achieve this goal - including the fitting of the pioneering Aerofoil technology. Since rolling out Aerofoils, we've seen a 15% reduction in energy created from fridges across our estate and over the next few years we'll continue innovating and investing in technology to help us combat climate change."

### Dave Merefield

Carbon, Utilities and Engineering Manager, Sainsbury's





## FORESIGHT GROUP

Foresight Group is a leading independent infrastructure and private equity investment manager owned by its partners.

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

Foresight Group was founded in 1984, initially as an early-stage technology investor. The two founders, Bernard Fairman and Peter English, raised a £20 million venture capital fund, which was invested in unquoted technology companies in the UK, Europe and USA and returned £80 million to investors. Building on the success of the first fund, in 1997 Foresight raised one of the first VCTs, the technology/media focused Foresight VCT plc which remains one of the best-performing VCTs ever launched 23 years later.

The FWT Share class heralds a return to technology investing which is a core part of the firm's DNA. The other side of Foresight Group's business growth has been a successful diversification into infrastructure with a specialist focus on renewable energy projects including Solar, Wind, Bioenergy, Battery Storage, Flexible Generation and Smart Data. Foresight has its principal offices in London and Guernsey and has operations in Italy, Spain and Australia.

With assets under management of over £8.1 billion (unaudited), raised from UK and international private and high net worth individuals, pension funds and other institutional investors, Foresight Group strives to generate capital appreciation and yield for its investors over the long term alongside the additional benefit to UK taxpayers of tax reliefs available through Venture Capital Trusts, the Enterprise Investment Scheme and Business Relief.

Over the last seven years, Foresight Group has raised a number of Regional Growth Funds based out of Foresight offices in Nottingham, Manchester and most recently Edinburgh and Cambridge. These funds, a cornerstone for various local government pension funds, the British Business Bank and the Scottish Government, are targeting growth capital deals across these regions, investing between £100,000 and £5 million into technology-related and more traditional management-led businesses.





**£8.1 BILLION ASSETS UNDER MANAGEMENT**



**AVG. 3.0X SME RETURNS ON FULL OR PARTIAL EXITS SINCE 2010**



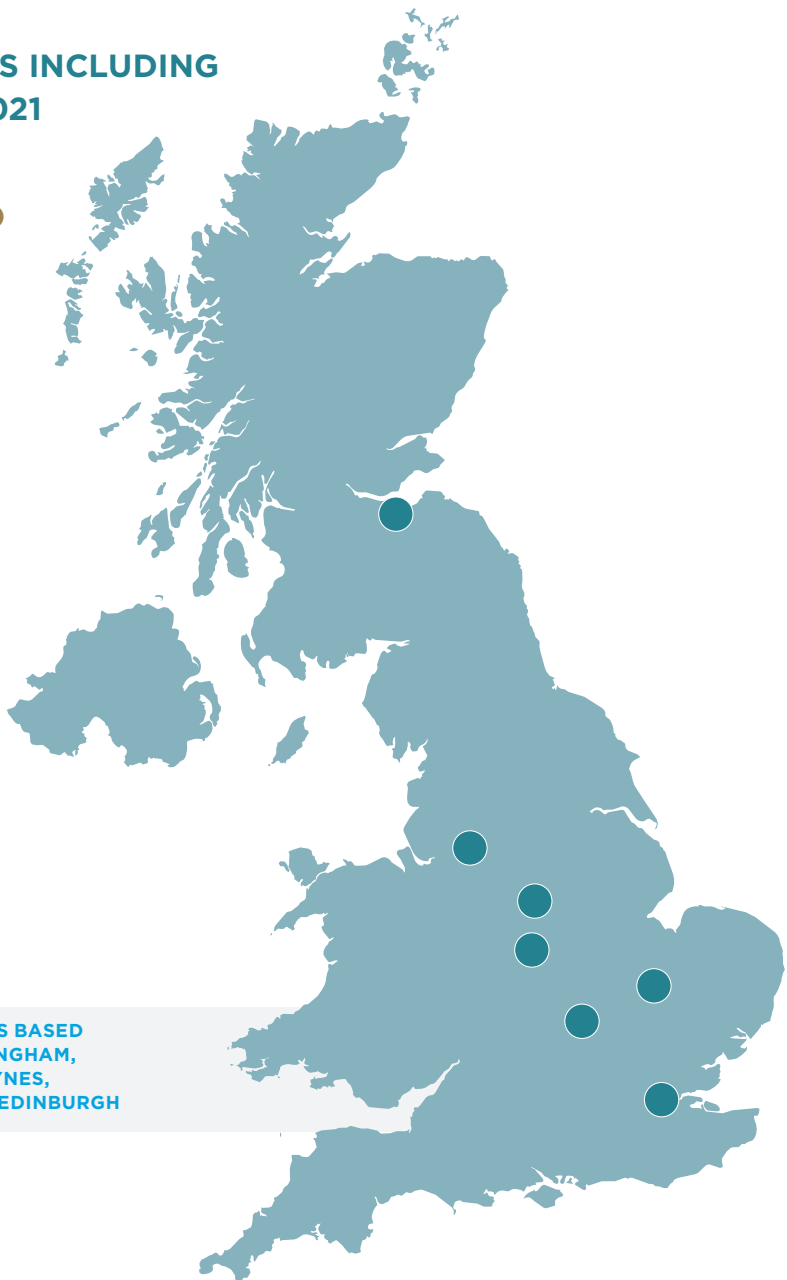
**MORE THAN 200 SMES SUPPORTED IN 30 YEARS**



**54 NEW INVESTMENTS INCLUDING 18 FOLLOW ONS IN 2021**



**CURRENT PORTFOLIO OF 120+ SMES**



**REGIONAL GROWTH FUNDS BASED OUT OF OFFICES IN NOTTINGHAM, MANCHESTER, MILTON KEYNES, LEICESTER, CAMBRIDGE & EDINBURGH**

# FORESIGHT GROUP CONTINUED

AWARDS		
2021	<p><b>ESG Champion of the Year</b> Growth Investor Awards 2021</p> <p><b>Unquote British Private Equity Awards</b> Winner - Venture/Growth Cap House of the year</p> <p><b>Insider South East Dealmakers Awards</b> Winner - Emerging Dealmaker of the Year: Chris Wiles</p>	
	2020	<p><b>Best BR Investment Manager (unlisted)</b> Growth Investor Awards 2020</p> <p><b>Best New Product or Service Runner Up</b> Growth Investor Awards 2020</p> <p><b>Best Sustainable &amp; ESG Alternative Assets Fund (JLEN)</b> Investment Week Sustainable &amp; ESG Awards 2020</p> <p><b>Best Communication of ESG Award (JLEN)</b> IR Society Best Practice Awards 2020</p> <p><b>Best Venture Capital Trust Provider (Commended)</b> ILP Moneyfacts Awards 2020</p>
		2018
2018		
	2017	
		2016



## SUCCESSFUL EXITS

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

### SIMULITY

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

### ALARIC

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

### ADVANCED COMPOSITES GROUP

<b>Technology:</b>	High performance composite materials	<b>6x</b>
<b>Amount invested:</b>	£1.6m	
<b>Exit:</b>	Purchased by UMECO	
<b>Proceeds:</b>	<b>£10m</b>	

### APPDNA

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

### GEMPLUS

<b>Technology:</b>	Smart cards	<b>30x</b>
<b>Amount invested:</b>	£1.9m	
<b>Exit:</b>	Floated on Euronext Paris and Nasdaq	
<b>Proceeds:</b>	<b>£57.5m</b>	



## PART TWO: TECHNOLOGY ADVISER AND FUND MANAGER

# INVESTMENT COMMITTEES

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

### **Bernard Fairman**

#### **Chairman, Foresight Group**

Bernard has over 37 years' investment experience. He founded Foresight Group, formerly VCF Partners, with Peter English in 1984, having worked with several small electronics companies before joining the newly formed 3i Ventures in 1981. Bernard began his career with a degree in economics from Nottingham University as an oil investment analyst with Panmure Gordon, then moved to Edward Bates, a specialist City investment bank.

### **David Hughes**

#### **Chief Investment Officer, Foresight Group**

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

### **Russell Healey**

#### **Head of Private Equity, Foresight Group**

Russell is a Partner, member of the firm's Executive Committee and Head of Private Equity based in the London office. He joined Foresight in 2007 and has some 25 years' experience. Prior to Foresight, Russell worked at merchant bank Parkmead Group, where he was involved in a number of corporate and principal finance projects. Before that, he spent ten years in technology and marketing management positions, including four years with Thomson Financial, following its acquisition of a financial information company of which he was CTO.

### **Craig Wilson**

#### **Chief Executive Officer, WAE**

Craig joined WAE in November 2013 as Managing Director and has seen the business successfully grow across industrial sectors. Before joining WAE, Craig co-founded an engineering consultancy specialising in bringing sustainable transport projects to market. Craig is also a Director of Williams Technology Ventures Limited.

### **Alistair Ball**

#### **Chief Financial Officer, WAE**

Alistair joined WAE in July 2021. He has over 20 years' experience in finance leadership within the engineering technology sector with a focus on value creation, operational delivery, business protection and stakeholder management. He has held senior financial roles at Intelligent Energy, Nissan and Rolls-Royce. Alistair is also a Director of Williams Technology Ventures Limited.

### **Paul McNamara**

#### **Technical Director, WAE**

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

### **Matthew Burke**

#### **Head of Technology Ventures, WAE**

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

### **Ami McClean**

#### **Legal Counsel, WAE**

Ami joined Williams in January 2015 and initially supported the Williams Group with a range of legal matters. She formally transferred to WAE in January 2020 and continues to advise the business in relation to projects across all industrial sectors, with particular focus on motorsport, defence and IT.

**Craig Wilson, Alistair Ball, Matthew Burke, Owen Metters and Matthew Hicks have been appointed to carry out the customer functions for and on behalf of Williams Technology Ventures Limited, in its capacity as appointed representative of Foresight.**

## INVESTMENT TEAM

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

### Andrew Bloxam

#### Director, Foresight Group

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

### Chris Wiles

#### Senior Investment Fund Manager, Foresight Group

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

### Bill Yost

#### Investment Manager, Foresight Group

Bill joined Foresight Group in 2020 to focus on the FWT Funds. Bill has over 25 years' experience spanning buy-side, sell-side, operational and advisory roles with technology companies. Most recently, Bill worked at Mercia Asset Management and headed the Technology Innovation Management team at PA Consulting. Bill also founded two hardware start-ups, GelSight Inc., and Electrolytic Ozone Inc. and previously held engineering roles at Sony and Corning. Bill holds a BSc in Physics from Cornell University, an MSc in Electrical Engineering from the University of Pittsburgh and an MSc in the Management and Regulation of Risk from the London School of Economics.

The Foresight team draws on the expertise and experience of other members of Foresight's 30-strong award-winning Private Equity team as required.

### Owen Metters

#### Investment Manager, WAE

Owen works on all aspects of the investment process for the FWT Funds. He was previously at Oxford University Innovation where he worked as a Licensing and Ventures Fund Manager commercialising innovations from academic research. Owen graduated from Durham University with a degree in Chemistry before completing a PhD at the University of Bristol.

### Matt Hicks

#### Investment Associate, WAE

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

### Kirsten Spry

#### Partnerships Associate, WAE

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

## PART THREE: FUND STRUCTURE AND DETAILS

# VCT STRUCTURE

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

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

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

These tax reliefs are available to UK taxpayers up to a maximum of £200,000, with the income tax relief subject to holding the shares for a minimum of five years. More information on tax reliefs can be found on pages 58 to 59.

### Evergreen

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

### Share Buy Back Policy

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

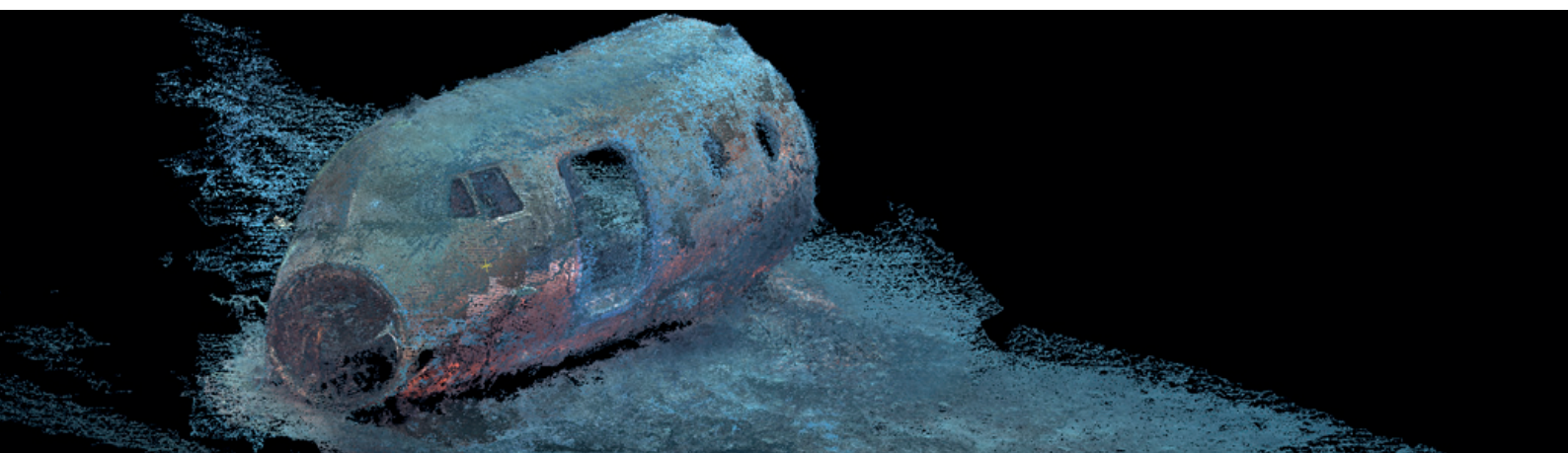
The Company will aim to buy FWT Shares back from investors at a 10% discount (with the intention to narrow this to 5% from four years after the close of this Offer) to their prevailing published Net Asset Value (NAV) (see page 54 for more information). In addition, shares can be sold anytime on the stock market although the market for second hand VCT shares is generally illiquid.

### Return Profile

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

### Dividend Policy

Returns will be paid to investors in the form of tax-free dividends, which are anticipated to be paid from year four onwards (based on a launch year of 2020) at a targeted average rate of 5% per annum of the NAV of the FWT Shares. Investors should note that this is an estimated average target over a number of years and in any given year the 5% target may not be met (or may be exceeded). Due to the nature and returns profile of the underlying investments, the Board anticipates irregular dividends, paid as and when exits occur, to be a significant factor in the Company's ability to achieve or exceed the average 5% annual target.



## Fees and Charges

### Initial Charges

More details of the initial charges relating to the Offer can be found on pages 48 to 49. These are summarised below:

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

\* Capped at 3.0%

\*\* See page 49 and section 7 of the Application Form

### Annual Charges

Further details of the annual fees and expenses can be found on page 55.

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

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

In summary the following annual fees will apply:

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

### Investor Journey & Suitability

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

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

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

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



## PART FOUR:

# DETAILS OF THE OFFER

### 1. FWT Shares

The securities being offered pursuant to the Offer are Foresight Williams Technology Shares of one penny each (ISIN: GB00BKF2JH04).

The FWT Shares will be issued pursuant to resolutions passed at the Company's Annual General Meeting held on 23 September 2021. All Shareholders will have the same voting rights in respect of the existing share capital of the Company.

The FWT Shares are separate from the Company's existing classes of Ordinary Shares and Deferred Shares. All investments and cash attributable to the existing Ordinary Share class are kept separate from the FWT Shares fund.

Accordingly, investors in the FWT Shares will not have any exposure to the investment gains and losses of the Ordinary Share class.

The holders of FWT Shares will have the exclusive right to Distributions from the assets within the FWT Shares fund. Equally the holders of other Shares will continue to have the exclusive right to Distributions from assets attributable to such Shares but not from assets attributable to FWT Shares. All Shareholders will share the benefit of spreading the Company's administration costs over a wider asset base. FWT Shareholders will be entitled to receive certificates in respect of their FWT Shares and will also be eligible for electronic settlement.

Holders of FWT Shares will be entitled to vote at meetings of the Company in the same way as existing shareholders. No change may be made to the rights attaching to FWT Shares without the approval of the holders of FWT Shares. An existing holder of FWT Shares who does not subscribe under the offer would experience dilution in terms of their voting power but no dilution in terms of net asset value of their holding due to the application of the Pricing Formula pursuant to which Offer Shares are issued at a price equal to their NAV plus associated offer costs.

### 2. Costs of the Offer

The Company will pay the Promoter a fee equal to 2.5% of the amount subscribed under the Offer by those Investors who apply through an authorised financial intermediary and 5.5% of the amount subscribed under the Offer by those Investors who apply direct. In respect of each investor, the Promoter's fees will be reduced by any applicable Loyalty Discount (as referred to below) and any other discount the Promoter may agree to offer any particular investor or group of investors. From its fees the Promoter will meet all of the costs of the Offer other than intermediary commissions and adviser charges.

The costs of the Promoter's fees and any applicable up-front intermediary commissions and adviser charges applicable to a particular investor will be borne by that Investor through the application of the Pricing Formula set out on page 50.

#### Investors applying through an authorised intermediary

Promoter's Fee <sup>*</sup>	2.5%
<b>Initial Adviser Charge</b>	Variable
Such charges as are agreed between each investor and their authorised financial intermediary up to a maximum of 4.5% of the amount subscribed	
Note: ongoing adviser charges will not be facilitated by the Company.	
OR	
Initial commission to Intermediaries <sup>**</sup>	3.0%
Annual commission to intermediaries <sup>***</sup>	0.5%

#### Direct Investors

Promoter's Fee <sup>*</sup>	5.5%
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\* The Promoter's Fee may be reduced at the sole discretion of the Promoter and will be reduced by any applicable loyalty bonus.

\*\* Only payable where permissible under FCA Rules and may be waived for additional shares.

\*\*\* Only payable where permissible under FCA Rules. Calculated by reference to net asset base value and subject to a cumulative maximum of 3.0%

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

## Discounts

<b>Existing Foresight Shareholder Loyalty Discount</b> Discount to the Offer costs	0.5%*
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\* Expressed as a percentage of an Investor's subscription

## Commission and Adviser Charges

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

Instead of commission being paid by the VCT, an adviser charge will usually be agreed between the Intermediary and Investor for the advice and related services. This fee can either be paid directly by the Investor to the Intermediary or, if it is an initial one-off fee, the payment of such fee may be facilitated by the Company. Ongoing fees to Intermediaries will not be facilitated by the Company. If the payment of the adviser charge is to be facilitated by the Company, then the Investor is required to specify the amount of the charge in the relevant box on the Application Form. The Investor will be issued fewer Offer Shares (to the equivalent value of the adviser charge) through the application of the Pricing Formula set out above. The adviser charge is deemed to be inclusive of VAT, where applicable.

Adviser charge facilitation payments will be made on behalf of Investors from the Company's share premium account (or reserves created therefrom) in respect of share capital issued prior to 6 April 2014 or which was created pursuant to shares issued more than three full years prior to the payment.

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

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

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

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

## PART FOUR: DETAILS OF THE OFFER CONTINUED

### 3. Pricing Formula

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

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

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

### 4. Tax Benefits for Investors

The tax reliefs set out below make the FWT Shares tax efficient for UK income taxpayers and are available on the gross amount subscribed under the Offer through the mechanism of the Pricing Formula. Although there is no maximum size of investment, VCT tax reliefs are available on investments up to a maximum by any individual of £200,000 in the 2021/22 and are expected to remain the same for 2022/23 tax year.

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

#### Cost of Investment

<b>If you subscribe £10,000 to the Offer at a price of 102.34p*</b>	
You can claim Income tax relief of	£3,000
<b>So your net cost of investment would be</b>	<b>£7,000</b>

\* Based on unaudited NAV to 30 September 2021 and assuming offer costs of 5.5%

#### Initial Value of Investment

Gross subscription	£10,000
Assumed Cost of 5.5%	(550)
Initial Net Asset Value	£9,450
<b>This initial NAV is</b> more than the net cost of your investment of £7,000	<b>£2,450</b>
<b>or a gain of</b> on your net cost of investment	<b>35%</b>

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

### 5. Share Certificates, CREST and Nominees

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







## PART FIVE: THE COMPANY

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

### 1. The Directors

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



**Ernie Richardson**

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



**Tim Dowlen**

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



**Carol Thompson**

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

## 2. Investment Policy

The Company's investment policy, which was most recently approved by Shareholders at a general meeting held on 27 January 2020, is set out below.

### Investment Policy

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

### Investment Securities

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

### UK Companies

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

### Asset Mix

The Ordinary Share class is fully invested in unquoted companies that seek to generate solar electricity and, in most cases, benefit from long-term government-backed price guarantees.

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

### Risk Diversification and Maximum Exposures

Risk in the Ordinary Share portfolio has been spread by investing in a number of different companies which have targeted a variety of separate locations for their solar power assets. Although risk is spread across different portfolio companies, concentration risk is fairly high given that a number of these companies trade on the same UK solar parks.

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

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

### Borrowing Powers

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

## PART FIVE:

# THE COMPANY CONTINUED

### 3. Co-investment Policy

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

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

### 4. Valuation Policy

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

### 5. Share Buyback Policy

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

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

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

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

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

## 6. Dividend Policy (FWT Shares)

Returns will be paid to investors in the form of tax free dividends, which are anticipated to be paid from year four onwards (assuming a launch year of 2020) at a targeted average rate of 5% per annum of the NAV of the FWT Shares. Investors should note that this is an estimated average target over a number of years and in any given year the 5% target may not be met (or may be exceeded). This will be dependent primarily on profits generated from realisations within the portfolio and the timing of those realisations. Due to the nature and returns profile of the underlying investments, the Board anticipates irregular dividends, paid as and when exits occur, to be a significant factor in the Company's ability to achieve or exceed the average 5% annual target.

## 7. Fees and Expenses

### Annual fees and expenses

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

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

### Performance incentive

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



## PART SIX:

# ADDITIONAL INFORMATION

### 1. Use of Proceeds

It is intended that the proceeds of the Offer will be used in accordance with the FWT Shares' investment policy set out on page 53 of this document.

### 2. The Offer for Subscription

It is proposed to allot up to 35 million FWT shares to the public pursuant to the Offer. The FWT Shares will be offered to individual investors at a price determined in accordance with the Pricing Formula on page 50, such price per share (less costs) to be payable in full, by bank transfer or by cheque or bankers draft drawn on a UK bank. Application has been made to the FCA for all of the FWT Shares issued pursuant to the Offer to be admitted to the Official List. Applications will also be made to the London Stock Exchange for Admission to trading on the London Stock Exchange's market for listed securities. The Offer will open on 5 January 2022 until 4 January 2023, but may close earlier if fully subscribed or otherwise at the discretion of the Directors.

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

The Company is seeking to raise £20 million under the Offer (with an over-allotment facility of up to an additional £10 million), before expenses. The FWT Shares will be issued on a fully paid basis in registered form. FWT Shares will be allotted and issued in respect of valid applications under the Offer usually on a monthly basis or at any other time as the Directors decide.

Details of allotments will be announced through a Regulatory Information Service provider by no later than the end of the Business Day following the allotment and dealings in such Shares are expected to commence within three Business Days following allotment. If the Company is required to publish a supplementary prospectus, subscribers who have yet to be entered on to the Company's registers of members will be given two days to withdraw from the subscription. In the event that the notification of withdrawal is given by post, such notification will be effected at the time the subscriber posts such notification rather than at the time of receipt by the Company.

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

### 3. Minimum and Maximum Investment

The minimum subscription under the Offer will be £3,000. Applications in excess of £3,000 may be made for any higher amount in multiples of £1,000. The maximum investment on which income tax relief can be claimed by any individual is £200,000 in the 2021/2022 tax year and is expected to be £200,000 in the 2022/2023 tax year.

### 4. Claiming Income Tax Relief

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

### 5. Launch Costs

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

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

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

### 6. Category of Potential Investors

A typical investor for whom the Offer is designed is a UK higher-rate income taxpayer over 18 years of age with an investment range of between £3,000 and £200,000 who, having regard to the risk factors set out at the front of this document, considers the investment policy as detailed on page 53 of this document to be attractive. Investment in a VCT may not be suitable for all investors and should be considered as a long-term investment.

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

## 7. Investor Communications

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

## 8. Reporting Dates

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

## 9. Working Capital

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

## 10. Net Assets

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

## 11. Capitalisation and Indebtedness

The tables below show the capitalisation and indebtedness of the Company as at 30 September 2021, the most recent date in respect of which unaudited financial information of the Company has been produced.

	£'000
<b>Total Current Debt</b>	<b>0</b>
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
<b>Total Non-Current Debt</b>	<b>0</b>
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
<b>Shareholders' Equity</b>	<b>42,355</b>
Share Capital	478
Other Reserves	41,877

The capitalisation of the Company as at 30 September 2021, extracted without material adjustment from the Company's unaudited report and accounts to that date was as follows:

	£'000
<b>Shareholders' Equity</b>	<b>42,355</b>
Share Capital	478
Legal Reserve	0
Other Reserves	41,877
<b>Total</b>	<b>42,355</b>

There has been no material change to the Company's capitalisation between 30 September 2021 and 4 January 2022 (being the latest practicable date prior to the publication of the Prospectus).

As at 4 January 2022, being the latest practicable date prior to the publication of this document), the Company is not aware of any person who, directly or indirectly, has or will have an interest in the capital of the Company or voting rights which is notifiable under UK law (under which, pursuant to the Act and the Listing Rules and Disclosure Guidance and Transparency Rules of the FCA, a holding of 3% or more will be notified to the Company).

The Company and the Directors consent to the use of this Prospectus by financial intermediaries and accepts responsibility for the information contained in this document in respect of any final placement of FWT Shares by any financial intermediary which was given consent to use this document. The offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this prospectus is given commences 5 January 2022 and closes on 4 January 2023. Information on the terms and conditions of the Offer by any financial intermediary is to be provided at the time of the Offer by that financial intermediary. Financial intermediaries may use this Prospectus in the UK.

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

# TAXATION CONSIDERATIONS FOR INVESTORS

## 1. Tax Reliefs

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

### (a) Income tax

#### (i) Relief from income tax on investment

An investor subscribing up to £200,000 in the 2021/22 and/or 2022/23 tax years for eligible shares in a VCT will be entitled to claim income tax relief, at the rate of 30%, although this relief will be withdrawn if either the shares are sold within five years or the investor takes out a loan which would not have been made, or would not have been made on the same terms, save for the acquisition of such shares.

If an Investor has sold, or if they sell, any shares in Foresight Solar & Technology VCT plc within six months either side of the subscription for the FWT Shares, then for the purposes of calculating income tax relief on the FWT Shares the subscribed amount must be reduced by the amount received from the sale. Relief is also restricted to the amount which reduces the investor's income tax liability to nil.

#### (ii) Dividend relief

An investor who subscribes for or acquires eligible shares in a VCT (up to a maximum of £200,000 in each of the 2021/22 and/or 2022/23 tax years) will not be liable for UK income tax on dividends paid by the VCT. The income received by the VCT will usually constitute either interest (on which the VCT may be subject to tax) or a dividend from a UK company (on which the VCT would not be subject to tax). The VCT's income, reduced by the payment of tax (if applicable), can then be distributed tax-free to investors who benefit from this dividend relief. There is no withholding tax on dividends paid by a UK company and, consequently, the Company does not assume responsibility for the withholding of tax at source.

#### (iii) Purchasers in the market

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

### (b) Capital gains tax

#### (i) Relief from capital gains tax on the disposal of FWT Shares

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

#### (ii) Purchasers in the market

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

## 2. Illustration of effect of tax relief for investors

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

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

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

## 3. Obtaining tax reliefs

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

## 4. Investors not resident in the UK

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



## PART EIGHT:

# CONDITIONS TO BE MET BY VENTURE CAPITAL TRUSTS

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

A summary of these tests is set out below.

### 1. Qualification as a VCT

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

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

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

### 2. Qualifying Investments

To be a Qualifying Investment, an investment must consist of shares or securities first issued to the VCT (and held by it ever since) by an unquoted company satisfying certain conditions. The conditions are complex but include conditions that any investment must be in a qualifying company which must:

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

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

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

### 3. Qualifying Companies

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

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

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

### 4. Approval as a VCT

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

### 5. Definition of “Knowledge Intensive” Company

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

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

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

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

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

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

## PART NINE:

# DEFINITIONS

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

<b>Admission</b>	the date on which FWT Shares allotted pursuant to the Offer are listed on the Official List of the FCA and admitted to trading on the London Stock Exchange's market for listed securities	<b>Deferred Shares</b>	means the separate class of shares of 1p each in the capital of the Company entitled "Deferred Shares" which have the rights and are subject to the restrictions attributed to Deferred Shares in the New Articles
<b>Applicant</b>	a person who makes an Application	<b>Direct Investor</b>	an Investor who makes an application with reference to an intermediary
<b>Application</b>	an application for FWT Shares pursuant to the Offer	<b>Distributions</b>	amounts paid by way of dividends, tender offers, share buy-backs, proceeds on a sale or liquidation of the Company and any other proceeds or value received, or deemed to be received, by Shareholders in the Company in respect of Shares, excluding any income tax relief on subscription
<b>Application Form</b>	the form pursuant to which an Application may be made and which will be made available in connection with the Offer by the Company on its website	<b>Eligible Shares</b>	in relation to a company which is a Qualifying Company, means shares which may carry a non-cumulative and non-discretionary preferential right to dividends but not to the assets of the company on its winding up, and which may carry no present or future right to be redeemed
<b>AIM</b>	the Alternative Investment Market	<b>FCA</b>	the Financial Conduct Authority
<b>Articles</b>	the articles of association of the Company (as amended from time to time)	<b>Foresight</b>	references to "Foresight" in this document refer to the Manager and/or the Adviser and to the historical activities of Foresight Group more generally
<b>BDO</b>	BDO LLP, which is authorised and regulated by the FCA as a sponsor	<b>Foresight Entities</b>	the Manager and/or the Adviser and/or the Promoter (as the context dictates) (and each a "Foresight Entity")
<b>Board or Directors</b>	the board of directors of the Company	<b>Foresight Funds</b>	funds managed or advised by a Foresight Entity
<b>Business Days</b>	any day (other than a Saturday or Sunday) on which clearing banks are open for normal banking business in sterling	<b>Foresight Group</b>	a collective term for all of the entities owned by Foresight Group Holdings Limited, Foresight Group CI Limited and/or Foresight Group LLP, indirectly and indirectly
<b>CA 2006 or the Act</b>	the Companies Act 2006 (as amended)	<b>Foresight VCTs</b>	venture capital trusts managed or advised by a Foresight Entity
<b>Closing Date</b>	1 April 2022 in respect of the 2021/2022 tax year and 4 January 2023 in respect of the 2022/2023 tax year, or as soon as full subscription is reached (unless closed earlier at the Board's discretion)		
<b>Company</b>	Foresight Solar & Technology VCT plc (company number 07289280)		
<b>Companies Acts</b>	the Companies Act 1985 and CA 2006		
<b>CREST</b>	the computerised settlement system to facilitate the transfer of title to securities in uncertified form operated by Euroclear UK & Ireland Limited		

<b>FSMA</b>	the Financial Services and Markets Act 2000 (as amended)	<b>Loyalty Discount</b>	the discount of 0.5% applicable to Applications received from an existing shareholder in any of the Foresight VCTs
<b>FWT EIS Fund</b>	the Foresight Williams Technology EIS Fund, sister fund to the FWT Share class and also managed by Foresight Group LLP	<b>Memorandum</b>	the memorandum of association of the Company
<b>FWT Funds</b>	the FWT Share class and the FWT EIS Fund	<b>Money Laundering Regulations</b>	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulation 2017 (as amended)
<b>FWT Share class</b>	the aggregate of the capital raised by subscriptions for FWT Shares issued by the Company under the Offer, all income and assets derived therefrom and all expenses and liabilities attributable thereto	<b>NAV or Net Asset Value</b>	the net asset value attributable to the FWT Shares calculated in accordance with the Company's normal accounting policies in force at the date of calculation
<b>FWT Shares</b>	the Foresight Williams Technology Shares of 1p each in the capital of the Company	<b>Offer or FWT Share Offer</b>	the offer for subscription to raise in aggregate up to £20 million (with an over-allotment facility of up to an additional £10 million) by issues of FWT Shares by the Company pursuant to the Prospectus
<b>HMRC</b>	HM Revenue & Customs	<b>Offer Shares</b>	the FWT Shares proposed to be issued pursuant to the Prospectus
<b>Initial NAV</b>	NAV as at the date of first admission of FWT Shares to the Official List	<b>Official List</b>	the official list of the FCA maintained in accordance with section 74(1) of FSMA
<b>Inside Information</b>	as defined in section 118C of FSMA	<b>Old C Shares</b>	the C ordinary shares of 1p each in the capital of the Company, subsequently re-designated as Ordinary Shares pursuant to the Share Class Merger
<b>Investee Companies</b>	a company in which the FWT Share class has made, or intends to make, a Qualifying Investment (and each an "Investee Company")	<b>Old D Shares</b>	the D ordinary shares of 1p each in the capital of the Company, subsequently re-designated as Ordinary Shares pursuant to the Share Class Merger
<b>Investment Adviser or Adviser</b>	Foresight Group CI Limited, a Guernsey company with registered number 51471, licensed by the Guernsey Financial Services Commission with reference number 2006518	<b>Ordinary Share class</b>	the aggregate of the capital raised by subscriptions for Ordinary Shares issued by the Company (and for Old C Shares and Old D Shares converted into Ordinary Shares pursuant to the Share Class Merger), all income and assets derived therefrom and all expenses and liabilities attributable thereto
<b>Investment Manager or Manager</b>	Foresight Group LLP, a limited liability partnership registered in England and Wales with registration number OC300878, authorised and regulated by the FCA with firm reference number 198020	<b>Ordinary Shares</b>	ordinary shares of 1p each in the capital of the Company
<b>Listing Rules</b>	the listing rules of the FCA		
<b>London Stock Exchange</b>	London Stock Exchange plc		



## PART NINE: DEFINITIONS CONTINUED

<b>Pricing Formula</b>	the formula applied in calculating the number of FWT Shares to be issued to each Applicant as set out on page 50 of this document	<b>Securities Note</b>	this document
<b>Promoter</b>	Foresight Group Promoter LLP, a limited liability partnership registered in England and Wales with registered number OC421343 which is an appointed representative of Foresight Group LLP with FCA reference number 806061	<b>Share Class Merger</b>	the merger of the Ordinary Shares with the Old C Shares and Old D Shares that was completed on 29 June 2018 by way of the re-designation of the Old C Shares and Old D Shares as Ordinary Shares with a conversion ratio of 0.9057 and 0.9917 respectively
<b>Prospectus</b>	together this Securities Note, the Registration Document and the Summary	<b>Shareholder</b>	a holder of Shares in the Company
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018	<b>Shares</b>	FWT Shares and/or Ordinary Shares as the context dictates
<b>Qualifying Company</b>	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act	<b>Summary</b>	the summary issued by the Company dated 5 January 2022 in connection with the Offer
<b>Qualifying Investments</b>	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the Tax Act	<b>Tax Act</b>	the Income Tax Act 2007 (as amended)
<b>Receiving Agent</b>	Woodside Corporate Services Limited (registered number 06171085)	<b>UK</b>	the United Kingdom
<b>Registrar</b>	Computershare Investor Services plc (registered number 03498808)	<b>VCT Rules</b>	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts
<b>Registration Document</b>	the registration document issued by the Company dated 5 January 2022 in connection with the Offer	<b>VCT Value</b>	the value of an investment calculated in accordance with Section 278 of the Tax Act
		<b>Venture Capital Trust or VCT</b>	a venture capital trust as defined in Section 259 of the Tax Act
		<b>WAE</b>	Williams Advanced Engineering Limited





## PART TEN: APPLICATIONS FOR FORESIGHT WILLIAMS TECHNOLOGY SHARES

# TERMS AND CONDITIONS OF APPLICATION

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

- (g) agree that all Applications, acceptances of Applications, instructions to facilitate initial adviser charges, payments of commission and contracts resulting therefrom will be governed by, and construed in accordance with, English law and that you submit to the exclusive jurisdiction of the English courts and agree that nothing shall limit the right of either Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (h) agree that, in respect of those FWT Shares for which your Application has been received and processed and not refused, acceptance of your Application shall be constituted by inclusion in an allotment of FWT Shares to you pursuant to the Offer;
- (i) agree that, having had the opportunity to read the Prospectus and any supplementary prospectus issued by the Company and filed with the FCA, you shall be deemed to have had notice of all information and representations concerning the Company contained herein and in any announcement made by the Company on an appropriate Regulatory Information Service (whether or not so read);
- (j) agree that all documents in connection with the Offer and any returned monies will be sent at your risk and may be sent by post to you at your address as set out in the Application Form;
- (k) confirm that in making such Application you are not relying on any information or representation in relation to the Company other than those contained in the Prospectus and any supplementary prospectus filed with the FCA and you accordingly agree that no person responsible solely or jointly for this document and/or any supplementary prospectus or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation;
- (l) confirm and warrant that the information provided on the Application Form is true and accurate and that any instructions thereon in relation to the facilitation of initial adviser charges are confirmed and that you irrevocably authorise the Company (as required) to make such payments from remitted funds;
- (m) confirm that you have reviewed the restrictions contained in this paragraph 3 and paragraph 4 below and warrant as provided therein;
- (n) warrant that you are not under the age of 18 years;
- (o) agree that these warranties are made, and the Application Form is addressed to the Company, the Promoter and the Receiving Agent;
- (p) agree to provide the Company, the Promoter and/or the Receiving Agent with any information which they may request in connection with your Application and/or in order to comply with the Venture Capital Trust or other relevant legislation and/or the Money Laundering Regulations;
- (q) warrant that, in connection with your Application, you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company, the Receiving Agent or any Foresight Entity acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your Application;
- (r) confirm that you are not a US person as defined under the United States Securities Act of 1933, as amended, or a resident of Canada and that you are not applying for any FWT Shares with a view to their offer, sale, delivery to or for the benefit of any US person or a resident of Canada, and that you have reviewed the restrictions contained in paragraph 5 below and warrant compliance therewith;
- (s) agree that neither the Receiving Agent nor any Foresight Entity will regard you as its customer by virtue of you having made an Application for FWT Shares or by virtue of such Application being accepted;
- (t) declare that a loan has not been made to you or any associate, which would not have been made or not have been made on the same terms, but for you offering to subscribe for, or acquiring FWT Shares and that the FWT Shares are being acquired for bona fide commercial purposes and not as part of a scheme of arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax;
- (u) warrant that, if you sign the Application Form on behalf of somebody else, you have due authority to do so on behalf of that other person, and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authority contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor or bank with the Application Form; and
- (v) consent to the information provided on the Application Form being provided to the Registrars to process shareholding details and send notifications to you.



## PART TEN: APPLICATIONS FOR FORESIGHT WILLIAMS TECHNOLOGY SHARES

# TERMS AND CONDITIONS OF APPLICATION CONTINUED

4. No action has been or will be taken in any jurisdiction by, or on behalf of, the Company which would permit a public offer of FWT Shares in any jurisdiction where action for that purpose is required, other than the United Kingdom, nor has any such action been taken with respect to the possession or distribution of the Prospectus other than in the United Kingdom. No person receiving a copy of this document or any supplementary prospectus filed with the FCA or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to 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 registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application for FWT Shares to satisfy 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 required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
5. The FWT Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States. In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. Neither Foresight Group CI Limited nor Foresight Group LLP is, nor will be, registered under the United States Investment Advisers Act of 1940, as amended. No subscription will be accepted if it bears an address in the USA.
6. The basis of allocation will be determined by the Company (after consultation with BDO, the Promoter and the Receiving Agent) in its absolute discretion. It is intended that Applications will be accepted in the order in which they are received. The Offer will be closed on 4 January 2023 or as soon as full subscription is reached (unless closed earlier at the Board's discretion). The right is reserved, notwithstanding the basis so determined, to reject in whole or in part and/ or scale down any Application, in particular multiple and suspected multiple Applications which may otherwise be accepted, and to allot FWT Shares notwithstanding that the Offer is not fully subscribed.

Application monies not accepted or if the Offer is withdrawn will be returned to the Applicant in full by means of a transfer back to the account from which it was received or by cheque, posted at the applicant's risk. The right is also reserved to treat as valid any Application not complying fully with these terms and conditions of Application or not in all respects complying with the application procedures set out in Part Ten. In particular, but without limitation, the Company (after consultation with BDO, the Promoter and the Receiving Agent) may accept Applications made otherwise than by completion of an Application Form where the Applicant has agreed in some other manner to apply in accordance with these terms and conditions. The Offer is not underwritten. The Offer will be suspended if at any time any of the Company are prohibited by statute or other regulations from issuing FWT Shares.
7. Save where the context requires otherwise, terms defined in the Prospectus and any supplementary prospectus filed with the FCA bear the same meaning when used in these terms and conditions of Application and in the Application Form.
8. Authorised financial intermediaries who, acting on behalf of their clients, return valid Application Forms (in each case bearing their stamp and FCA number) following the provision of restricted advice to their professional clients or in respect of execution-only transactions where they can demonstrate and confirm to the Company that their duty to act honestly, fairly and professionally in the best interest of the client is not impaired and that they provide an enhanced value service in accordance with COBS 2.3A.6 to 2.3A.9, will normally be paid 3% commission on the amount payable in respect of the FWT Shares allocated for each such Application Form. In addition, provided they continue to act for their client and the client continues to hold such FWT Shares, such intermediaries will be paid an annual trail commission of 0.5% of the net asset base value for each such FWT Share. For this purpose, "net asset base value" means the net assets attributable to the FWT Share in question as determined from the audited annual accounts of the Company as at the end of the preceding financial year. It is expected that annual trail commission will be paid 5 months after the year end of the Company in each year. The administration of annual trail commission will be managed on behalf of the Promoter by Foresight Group LLP which will maintain a register of intermediaries entitled to trail commission.

The Company and Foresight Group LLP shall be entitled to rely on a notification from a client that he has changed his adviser, in which case, the trail commission will cease to be payable to the original adviser and will be payable to the new adviser if one is appointed. No payment of trail commission shall be made to the extent that the cumulative trail commission would exceed 3% of the Offer price of each such FWT Share or in respect of any period commencing after the sixth anniversary of the closing date of the Offer. Financial intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for commission. The Promoter (or Foresight Group LLP on its behalf) will collate the Application Forms bearing the financial intermediaries' stamps and calculate the initial commission payable which will be paid within one month of the allotment.

9. Financial intermediaries may agree to waive initial commission in respect of your application. If this is the case, the Pricing Formula will operate to increase your allocation by an amount equivalent to the amount of commission waived.
10. Where Application Forms are returned by you or on your behalf by an authorised financial intermediary and on which an adviser charge figure is specified, your agreement to this charge being validated by your completion of the relevant section of the Application Form, the Company will facilitate the payment of this adviser charge up to a maximum of 4.5% of your subscription amount. The amount of the agreed Adviser Charge will be facilitated by the Company through the application of the Pricing Formula and a payment made on your behalf to your intermediary and the number of FWT Shares which are issued to you will be commensurately reduced.
11. There has been no material disparity in the past year (from the date of this document), nor shall there be under the Offer in the effective cash cost of FWT Shares to members of the public as compared with the effective cash cost of FWT Shares to members of the Company's management (including its administrative and supervisory bodies) or their affiliates.
12. Where Application Forms are returned on your behalf by an authorised financial intermediary, the Promoter at its sole discretion will determine the Promoter's Fee applicable to your application for FWT Shares, subject to a maximum of 2.5% of the amount subscribed.
13. The Company may publish revised Application Forms from time to time. Applicants and financial intermediaries should, therefore, check when completing an Application Form that no subsequent version has been published or made available by the Company (which will be downloadable from [www.foresightgroup.eu/retail-investors/vct/foresight-solar-technology-vct-plc](http://www.foresightgroup.eu/retail-investors/vct/foresight-solar-technology-vct-plc)).
14. The Company and Foresight Group LLP respect your privacy and are committed to protecting your personal information. If you would like to find out more about how the Company and Foresight Group LLP use and look after your personal information, please refer to their privacy notices, which can be found at <https://www.foresightgroup.eu/privacy-policy/> and <https://www.foresightgroup.eu/cookie-policy/>.  
The Receiving Agent respects your privacy and is committed to protecting your personal information. If you would like to find out more about how the Receiving Agent uses and looks after your personal information, please refer to its privacy notices, which is available on request from the Receiving Agent.  
You have certain rights in relation to your personal information, including the right to receive a copy of the information that is held about you. For more details, please see the privacy notice referred to above.
15. Certain information may be shared with the Company's and/or Foresight Group's delegates, Foresight Entities, and/or the Registrars for the purposes of processing an Application Form and in relation to an investor's ongoing investment in the Company. Information may also be shared with regulatory bodies to the extent any of the above entities or the Receiving Agent are required, or consider obliged, to do so in accordance with any statute or regulation or if governmental, judicial and law enforcement bodies require.
16. You authorise the Company, Foresight Group LLP and their delegates to provide any information as provided by or to you in connection with your Application, and any information in relation to your ongoing investment in the Company, to your authorised financial intermediary detailed on your Application Form or other authorised financial intermediary notified to Foresight Group and/or the Company from time to time. You acknowledge that any such communication may be sent to your authorised financial intermediary prior to or, where requested, in place of, being sent to you in such form as may be agreed with your authorised financial intermediary. You also authorise the Company, Foresight Group LLP and its delegates to accept instructions relating to your investment in the Company and changes to your personal details as provided by such authorised financial intermediary (subject to such evidence and/or verification as the company, Foresight Group and/or their delegates may request).
17. The Company may, in its absolute discretion, make non-material amendments to these terms and conditions without giving notice to investors.

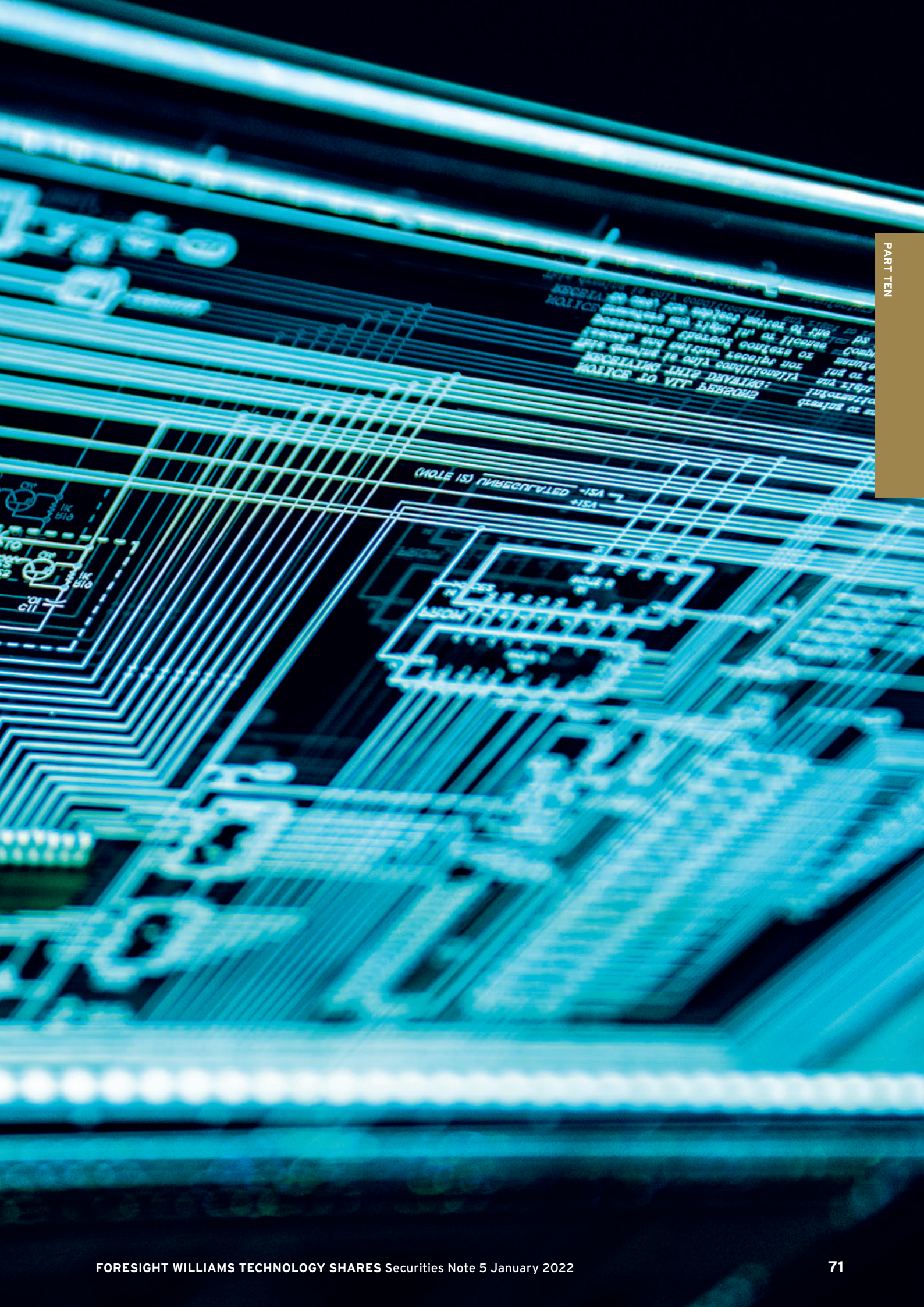
## **LODGING OF APPLICATION FORMS AND DEALING ARRANGEMENTS**

### **Lodging of application forms and dealing arrangements**

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

The Offer opens on 5 January 2022 and will close on 4 January 2023, or earlier at the discretion of the Directors. If you post your Application Form, you are recommended to use first class post and to allow at least two Business Days for delivery. In order that cleared funds are available for allotment pre 2021/2022 tax year end on 5 April 2022, Applicants submitting Applications with a cheque should allow seven working days for their funds to clear. It is expected that dealings in the FWT Shares will commence three Business Days following allotment and that share certificates will be despatched within ten business days of the allotment of the FWT Shares. Allotments will be announced on an appropriate Regulatory Information Service. Temporary documents of title will not be issued. Dealings prior to receipt of share certificates will be at the risk of applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all. To the extent that any application is not accepted any excess payment will be returned without interest by returning the applicant's cheque or banker's draft or by sending a crossed cheque in favour of the applicant through the post, at the risk of the person entitled thereto.







# APPLICATION PROCEDURE

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

## SECTION 1

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

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

## SECTION 2

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

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

## SECTION 3

Insert (in figures) the total amount you wish to invest. Your application must be for a minimum of £3,000 and thereafter in multiples of £1,000. You can also specify in Section 3 how you would like your subscription monies split between tax years 2021/22 and 2022/23, allowing for more efficient tax planning.

If you are paying by cheque please make it payable to "WCSL FWT Shares Client Acc". Cheques must be honoured on first presentation. A separate cheque must accompany each application. No receipt for your payment will be issued. The cheque or banker's draft must be drawn in sterling on an account at a bank branch or building society in the United Kingdom and bear a bank sort code number in the top right hand corner. You may, if you wish, use a personal cheque drawn by someone else, in which case your full name and address should be written on the back of the other person's cheque. Additionally, if you use a building society cheque or banker's draft, you should write the name, address and date of birth of the person named in Section 1 of the Application Form on the back of the cheque or banker's draft. You may pay by direct transfer. For details please see page 73. Cheques and transfers from corporate accounts are not permitted. Any monies not accepted will be returned by the applicant's cheque or banker's draft or by sending a cheque crossed "Account Payee Only" in favour of the applicant. Please tick the box to confirm that the cheque/transfer is being made from a bank account in your own name. If this is not the case, please tick the box and state where/who the monies are being sent from and the connection to you.

## SECTION 4

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

If you have requested that your FWT Shares be issued directly to a nominee, please tick the box if you would like to receive notification by electronic communications when the Company publishes documents on the website.

## SECTION 5

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

## SECTION 6

Please confirm in section 6 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.

## SECTION 7

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

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

## SECTION 8

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

## SECTION 9-13

**THESE SECTIONS ARE TO BE COMPLETED BY YOUR AUTHORISED FINANCIAL INTERMEDIARY**

### Money Laundering Notice - Important

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

1. a certified copy of either the passport or the driving licence of the applicant (and cheque 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 cheque payer if different).

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

Please send the entire Application Form and a cheque made payable to 'WCSL FWT Shares Client Acc' (unless you have made the payment by electronic bank transfer) by post to the Receiving Agent using the following address:

### BY POST

Foresight Williams Technology Shares Offer  
Woodside Corporate Services Limited  
4th Floor  
50 Mark Lane  
London EC3R 7QR

### BANK TRANSFERS

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

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

# CORPORATE INFORMATION

## Directors (Non-executive)

Ernie Richardson (Chairman)  
Tim Dowlen  
Carol Thompson

## Registered Office and Head Office

### Foresight Group LLP

The Shard  
32 London Bridge Street  
London SE1 9SG

### Company Registration Number

07289280

### Website

[www.foresightgroup.eu](http://www.foresightgroup.eu)

### Telephone Number

020 3667 8100

## Investment Manager and Company Secretary

### Foresight Group LLP

The Shard  
32 London Bridge Street  
London SE1 9SG

## Registrars

### Computershare Investor Services PLC

The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ

### Investment Adviser

### Foresight Group CI Limited

PO Box 156, Dorey Court  
Admiral Park  
St Peter Port  
Guernsey GY1 4EU

### Promoter

### Foresight Group Promoter LLP

The Shard  
32 London Bridge Street  
London SE1 9SG

### Solicitors and Arranger

### RW Blears LLP

70 Colombo Street  
London SE1 8PB

## Broker

### Panmure Gordon (UK) Limited

One New Change  
London EC4M 9AF

## Sponsor

### BDO LLP

55 Baker Street  
London W1U 7EU

## Receiving Agent

### Woodside Corporate Services Limited

4th Floor, 50 Mark Lane  
London EC3R 7QR

## Bankers

### Barclays Bank plc

54 Lombard Street  
London EC3P 3AH

## Auditors

### Deloitte LLP

20 Castle Terrace  
Edinburgh EH1 2DB









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# Foresight

FOR A SMARTER FUTURE

## **Foresight Solar & Technology VCT PLC**

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SE1 9SG

[www.foresightwilliams.co.uk](http://www.foresightwilliams.co.uk)