



Foresight

FOR A SMARTER FUTURE

WILLIAMS | ADVANCED
ENGINEERING

Foresight Solar & Technology VCT PLC

**FORESIGHT
WILLIAMS
TECHNOLOGY
SHARES**

Securities Note

30 DECEMBER 2020

Important Information

This document constitutes a securities note (the “Securities Note”) dated 30 December 2020 issued by Foresight Solar & Technology VCT plc (the “Company”), prepared in accordance with Regulation (EU) 2017/1129 (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.

The Company and the Directors (whose names are set out on page 54) accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors, the 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.

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 30 December 2020 and will close on 29 December 2021 or earlier at the absolute discretion of the Directors.

This Prospectus has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 and such approval should not be considered as an endorsement of the Company or quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

YOUR ATTENTION IS DRAWN TO THE RISK FACTORS ON PAGES 4 and 5.

Contents

Part I: Introduction

Risk Factors
Expected Timetable, Statistics and Costs
Letter from the Chairman
Investment Opportunity and Strategy
Current FWT Funds Portfolio Companies

Part II: Technology Adviser and Fund Manager

- i. Williams Advanced Engineering (WAE)
- ii. Foresight Group
- iii. Investment Committees
- iv. Investment Team

Part III: Fund Structure and Details

Part IV: Details of the Offer

- i. FWT Shares
- ii. Costs of the Offer
- iii. Pricing formula
- iv. Tax benefits for investors
- v. Share Certificates, CREST and Nominees

Part V: The Company

- i. The Directors
- ii. Investment policy
- iii. Co-investment policy
- iv. Valuation policy
- v. Share buyback policy
- vi. Dividend policy (FWT Shares)
- vii. Fees and Expenses

Part VI. Additional Information

- i. Use of proceeds
- ii. The offer for subscription
- iii. Minimum and maximum investment
- iv. Claiming income tax relief
- v. Launch costs
- vi. Category of potential investors
- vii. Investor communications
- viii. Reporting dates
- ix. Working capital
- x. Net Assets
- xi. Capitalisation and indebtedness

Part VII. Taxation considerations for Investors

- i. Tax Reliefs
- ii. Illustration of effect of tax relief for investors
- iii. Obtaining tax reliefs
- iv. Investors not resident in the UK

Part VIII: Conditions to be met by Venture Capital Trusts

- i. Qualification as a VCT
- ii. Qualifying Investments
- iii. Qualifying Companies
- iv. Approval as a VCT
- v. Definition of "Knowledge Intensive" Company

Part IX: Definitions

Part X: Applications for Foresight Williams Technology Shares

Terms and conditions of application
Lodging of application forms and dealing arrangements
Application procedure
Corporate information

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, 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.

- There may be adverse consequences to the Company or the companies in which the FWT Shares class invests as a result of the outbreak of COVID-19, a strain of novel coronavirus disease. In response to the declaration of a global pandemic by the World Health Organization on 11 March 2020, the UK and other governments worldwide have taken and continue to take steps to contain the outbreak of the virus, including advising self-isolation, implementing travel restrictions and quarantines, which the Board acknowledges will have significant effects on the global economy and the prospects of many businesses, including that of the companies in which the FWT Shares class invests in. It is unknown at this time whether the COVID-19 pandemic will have a material adverse impact on the future investment returns of the Company, the price of the FWT Shares and the ability of the Investment Manager to find and realise suitable investments.

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.

- 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 10 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.

Expected Timetable, Statistics and Costs

Indicative offer timetable

Offer opens	▶	30 December 2020
Closing Date, tax year 2020/21	▶	1 April 2021
Closing Date, tax year 2021/22	▶	29 December 2021*
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

* 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 2020)	▶	97.1p
Maximum number of FWT Shares in issue following the Offer*	▶	approximately 27 million
Estimated net proceeds of the Offer, after issue costs, at full subscription**	▶	£18,900,000

* based on an aggregate amount subscribed for FWT Shares of £20 million, number is approximate due to the operation of the Pricing Formula

**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

Promoter's Fee*	▶	up to 2.5%
Initial Adviser Charges Such charges as are agreed between each investor and their authorised financial intermediary	▶	Variable

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

Commission-Eligible Investors

Promoter's Fee*	▶	up to 2.5%
Initial commission to Intermediaries**	▶	3.0%
Annual commission to intermediaries***	▶	0.5%

Direct Investors

Promoter's Fee*	▶	up to 5.5%
------------------------	---	------------

* 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*

Existing Foresight Shareholder Loyalty

Loyalty Discount - available to any investor who currently holds shares in any VCT managed by Foresight	▶	0.5%
--	---	------

*Expressed as a percentage of an Investor's subscription

Letter from the Chairman

30 DECEMBER 2020

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 36 years; and Williams Advanced Engineering (“**WAE**”), a technology and engineering services business, originally spun out of the Williams Formula 1 business. 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 raised over £50 million and made twenty investments, deploying £35.4 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 begun to make investments.

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:

1 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, testing, manufacturing and operational consultancy 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 promotional support.

2 Foresight's track record

Established in 1984, Foresight is proud of its 36-year track record of investing in and growing early-stage companies. Foresight now has c.£6.7 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 24,000 shareholders with some £420 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.

3 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 EIS version of the strategy was launched. The FWT EIS Fund has raised in excess of £50 million, demonstrating the appeal of the unique collaboration to both advisers and investors alike.

Having now been in the market for over four 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 Innovation 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.

4 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

Letter from the Chairman

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, heavily 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 in. The longer the downturn goes on for, 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 and holding mainly cash at present.

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

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 WAE’s technical, commercial and promotional added-value support offer an attractive proposition 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: www.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 on the page opposite. 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

Courtesy: Carbon Limiting Technologies Ltd

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 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 advisors to help support the founding team on their growth journey.

Investment Opportunity & Strategy

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, commercial or promotional added value support may offer a distinct advantage.



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.

WAE competencies

“*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



Aerodynamics and thermodynamics



Battery systems and energy storage



Composites, materials and nanomaterials



Data analytics



Electric machines and drives



Electronics and control systems



Lightweight structures



Prototyping



Systems integration

Continuous improvement

The FWT team operates with a continuous improvement mindset. This is best embodied by the framework illustrated alongside. 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 four years of investing in 20 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 1,000 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.

To date, FWT Funds have co-invested on twelve occasions with 22 different investors.



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**

Investment Opportunity & Strategy

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 3-4 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, the FWT team submit a final, 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 1,000 opportunities assessed by the FWT team to date, only 20 companies have received investment from the FWT EIS Fund and three 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 benefit from direct access to WAE's portfolio management 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 and IP guidance. Investee Companies can also be introduced to WAE's strategic partners and wider customer network.

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

- Thermodynamic modelling of Mixergy's smart hot water tank
- Design review and demonstrator testing of Novosound's flexible and high temperature ultrasound sensors
- Research into automotive applications for Flusso's flow sensors
- User feedback and strategic guidance on Master of Pie's collaborative engineering platform

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.



Members of the FWT Team (from left),
Matthew Burke, Maria Nelson, Ed Inns, Chris Wiles, Andy Bloxam, Matt Hicks and Owen Metters.

Investment Opportunity & Strategy

THE BENEFITS WAE BRING TO THE FWT PORTFOLIO



CREDIBILITY

- WAE confirmation of core technology
- WAE confirmation of IP strategy and defensibility
- WAE confirmation of product development, manufacturing and supply chain plans



EXPERTISE

- Dedicated WAE portfolio management team
- Technical specialist feedback
- Guidance from WAE's business and leadership team
- WAE consultancy at preferential rates



NETWORK

- Intros to WAE's suppliers, customers and partners
- Marketing via WAE's news and social media
- Access to WAE's brand and journalist contacts
- Introduction to co-investor network

OUR SPECIALISMS



“ The FWT fund brings together the outstanding technical capabilities of WAE with the commercial acumen and investment experience from Foresight. Over the past four years, we have continued to refine our investment hypothesis through 20 new investments and 9 follow-ons, building a strong co-investor network and credible reputation along the way. The FWT VCT share class now offers a unique opportunity to build on this experience and to invest in some of the UK’s most advanced Deep Technology companies

Andrew Bloxam, Director, Foresight Group

Collaborative Working Relationship

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



Investment Opportunity & Strategy

Fee sharing arrangements between Foresight Group and WAE

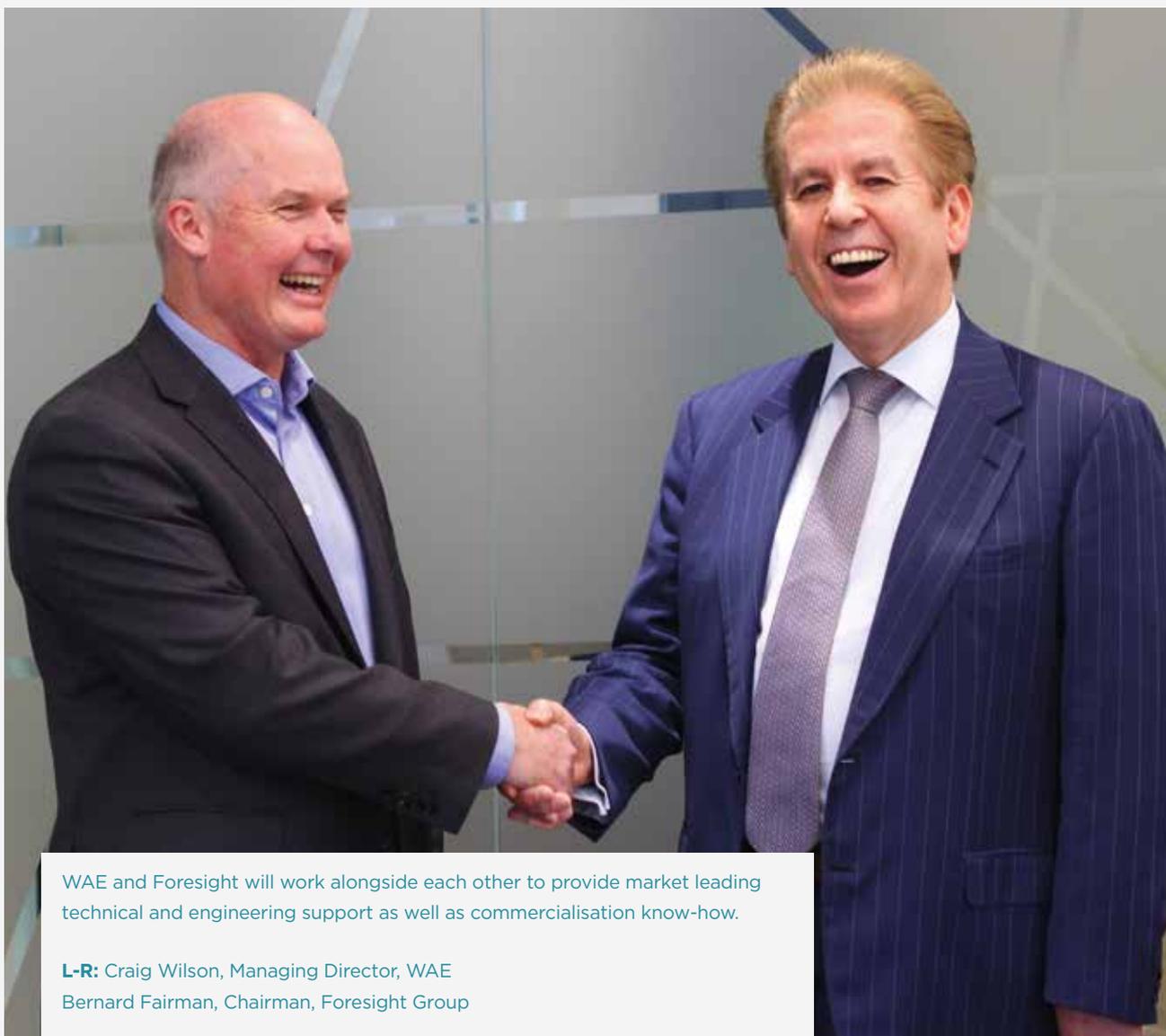
The collaboration between Foresight Group and WAE is a full commercial partnership reflected in the following fee sharing arrangements agreed between the two firms:

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 evenly between the Manager and WAE

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



WAE and Foresight will work alongside each other to provide market leading technical and engineering support as well as commercialisation know-how.

L-R: Craig Wilson, Managing Director, WAE
Bernard Fairman, Chairman, Foresight Group

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 that these ESG benefits should be identified, monitored and celebrated.

Why is ESG so important?

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:

1 Delivers better financial returns:

Academic literature on ESG concludes that strong ESG propositions correlate with higher equity returns while also reducing downside risk¹. This is because a focus on ESG can help to facilitate top-line growth, reduce costs, increase employee productivity and optimise investment and capital expenditure². In short, companies with an ESG focus can deliver profit and purpose.

2 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 them³. 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.

3 Attracts investment:

In 2018, global sustainable investment exceeded \$30 trillion⁴, 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.

¹Mozaffar 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; 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.

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/>

⁴Global Sustainable Investment Review 2018, Global Sustainable Investment Alliance, 2018, gsi-alliance.org.

Investment Opportunity & Strategy

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.

Theme	Example Investments	Impact
Resource Efficiency Improving productivity and economic output while using fewer resources	ADDITIVE MANUFACTURING TECHNOLOGIES 	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
	MASTERS OF PIE 	Enables virtual collaboration on large 3D models, speeding up development time and reducing the requirement for engineers to co-locate
Decarbonisation of the energy system Enabling the transition to a low carbon energy system	MIXERGY 	Advanced hot water tank which is enabling the decarbonisation of domestic hot water while also acting as a flexible energy load to help balance the National Grid
	ROVCO 	Advanced monitoring of sub-sea infrastructure, including wind farms, helping to improve operational availability while reducing maintenance costs
	UTONOMY 	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
Direct impact on end users Improving the quality of life to end-users and local communities	OPEN BIONICS 	3D printed bionic arms which help to overcome the social stigma of conventional prosthetics. Helping to turn disabilities into superpowers
	SALVALCO 	Innovative aerosol valve design for consumer and industrial products which allows hydrocarbon-based propellants to be replaced with inert gases
	FREEFLOW 	Lightweight, high performance e-bike drivetrain system, enabling users to transition from motorised transport for short commutes

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



1
Awareness

- Does the business demonstrate a good awareness of corporate social responsibility?
- Is this reflected in its processes and management structure?



2
Environmental

- Does the company follow good practice for limiting or mitigating its environmental impact, in the context of its industry?
- How does it encourage the responsible use of the world's resources?



3
Social

- What impact does the company have on its employees, customers and society as a whole?
- Is it taking steps to improve the lives of others, either directly, such as through job creation, or indirectly?



4
Governance

- Does the company and its leadership team demonstrate integrity?
- Are the correct policies and structures in place to ensure it meets its legislative and regulatory requirements?



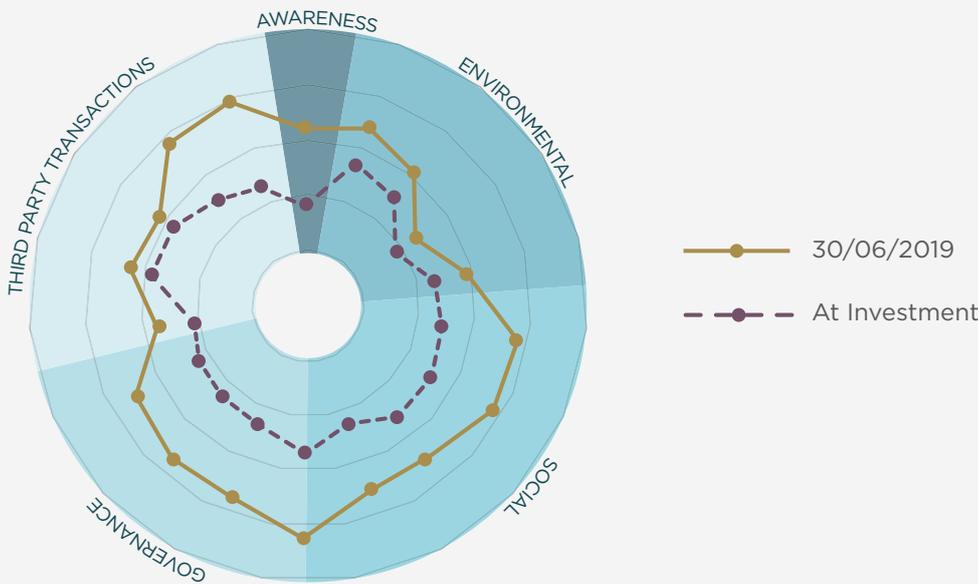
5
Third Party Interactions

- Is the principle of corporate responsibility evidenced in the company's supply chain and customers?
- How does it promote ESG values and share best practice?

Investment Opportunity & Strategy

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 diagrams in the section above have been sourced from Foresight Group.

PART ONE:

Current FWT Funds Portfolio Companies

The FWT Share class has made three investments at the time of publishing – Audioscenic, AMT and Refeyn. Case studies on these companies and others which have received funding from the FWT EIS Fund are shown on the following pages. In future, it is likely that the FWT Funds will co-invest in opportunities.

Audioscenic

AUDIOSCENIC

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

Company Key Facts

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



“ 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

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 IVSR 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 aims 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.

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.

Other shareholders in the company include IP Group Plc

WAE Value-add

The WAE team may be able to help Audioscenic optimise the 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.

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.

Company Key Facts

Name	Additive Manufacturing Technologies (AMT)
Industry	Additive Manufacturing
FWT Share class Commitment	£360k (£2.75m FWT Funds total, including £390k FWT EIS Fund in this round and £2.0m FWT EIS Fund in Sept 2019)
FWT Share class Ownership	2.1% (16.3% FWT Funds total including 14.2% FWT EIS Fund)
Initial Investment Date	October 2020

“AMT has made strong commercial gains in the last 12 months with revenue set for 100% year-on-year growth and a key partnership agreement signed with HP. The benefits of 3D printing have been accentuated by the COVID-19 pandemic and AMT is well positioned to capitalise on the accelerated adoption of 3D printing at scale as a result. We are excited about our growth prospects over the coming years and pleased to have FWT as a key investment partner.

Joseph Crabtree, CEO, AMT





Funding Update

FWT Share class invested as part of a £2.5m funding round from existing shareholders and the UK Government's Future Fund scheme. The investment will provide working capital to support continued R&D and develop the company's growing sales pipeline. Moreover, this funding is expected to enable AMT to reach a breakeven position before considering a further growth funding round in 2021.

Previously, in September 2019, the FWT EIS Fund invested £2.0m as part of a £4.2m 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, 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 current investment round, 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 \$24bn 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 £4m 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.

Other shareholders in the company include:

- DSM Venturing
- Midwest Additive Venturing
- Mercia Asset Management

WAE Value-add

WAE has been able to put AMT in contact with the Williams Racing team, a potential partnership which could help facilitate improvements in AMT's technology through feedback into the composites and motor sports markets.

Refeyn



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

Company Key Facts

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

“ 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



Funding Update

This investment is part of a larger growth round, led by new investor Northpond Ventures, a US-based \$1bn life-sciences focused fund, alongside Oxford Sciences Innovation (“OSI”) 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 £1.2m across two tranches in 2019 as part of a £3.5m round led by OSI.

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



Founders, Philipp Kukura (CEO) and Justin Benesch (Scientific Advisor) are both chemistry professors at the University of Oxford. Leaders in this academic field, they recognised the need for commercial support, recruiting Matthias Langhorst as Chief Marketing Officer from Thermo Fisher and Andrew Justo as Chief Financial Officer from OSI.

Since the 2019 funding round, Jonathan Flint has joined the company as Chair. He was previously CEO of £300m+ revenue Oxford Instruments plc.

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.

Other shareholders in the company include:

- Northpond Ventures
- Oxford Sciences Innovation (OSI)
- University of Oxford
- University of Oxford Innovation Fund
- Oxford Technology EIS Fund

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 with WAE resulted in a sleek industrial design for the Refeyn One instrument and optimisation of the electronic system design specification.



Masters of Pie



A flexible Software Development Toolkit (SDK) which enables virtual collaboration between individuals or teams working with large, data-heavy files over 2D, Virtual Reality (VR) and Augmented Reality (AR) formats.

Company Key Facts

Name	Masters of Pie Ltd
Industry	Collaboration software
FWT EIS Fund Commitment	£1.5m FWT EIS Fund
FWT EIS Fund Ownership	10.35%
Initial Investment Date	January 2020

“ *The backing of Foresight and Williams Advanced Engineering brings financial acumen and world-renowned expertise in engineering design and manufacturing to Masters of Pie as we continue to expand the use of Radical.* ”

Karl Maddix, CEO, Masters of Pie

Technology



In recent years, there has been rapid growth in the use of online collaboration tools, which increase productivity by allowing teams to remotely work together on text and video files in real-time. However, these platforms are not suited to industries with large, complex data sets such as the 3D models used in engineering.

To address this, Masters of Pie has created Radical, a software solution that enables remote sharing and collaboration around large data sets. Radical integrates seamlessly with existing software packages that generate data, offering users a familiar interface and removing the current need for separate design, visualisation and collaboration. Radical provides data generation that can be shared or visualised on a wide range of devices including augmented reality (“AR”) and virtual reality (“VR”) headsets and mobile devices. This allows computer-aided designers to visualise their 3D models.

Radical can be applied to a wide range of uses and industries, however, the initial focus will be on the Product Lifecycle Management (“PLM”) market, which is software used by engineering companies to manage a project’s lifecycle.

Team



Karl Maddix (CEO) formed Masters of Pie in 2011 with Matt Ratcliffe (Chief Product Officer) as an AR/VR studio focused on software solutions for business processes. Karl and Matt have a shared background in 3D art and design and have worked with a range of clients such as Tesco, McLaren, Johnson and Johnson and EDF. Karl’s focus is now on external

engagement with customers and clients, whereas Matt works on product development and improving Radical’s user experience.

Dave Moreau (Chairman) joined in 2018 following an entrepreneurial career in media and mobile media technology. Allen Dickson will join the team as Chief Revenue Officer following completion of this funding round. Allen was previously Chief Commercial Officer of Geospock, a company specialising in processing very large data sets.

Investment Thesis



The company will engage in commercial partnerships with PLM providers, receiving a royalty for each licence and server sold. A commercial partnership with Siemens already exists, with Siemens customers including WAE expressing a keen interest in the Radical collaboration module. It will enable more efficient group design reviews and virtual builds, which currently rely on 2D images and teleconferences. Masters of Pie is also in advance discussions with other large PLM providers.

Whilst this route to market means that the company does not have a direct relationship with the customers, it does mean that sales costs are low, enabling revenue growth with a limited increase in sales headcount.

Other financial and strategic shareholders in the company include:

- Downing Ventures
- Robert Bosch Venture Capital

WAE Value-add

As high-profile users of Siemens PLM software, WAE is ideally placed to add value. WAE has not only trialled Radical internally to increase the efficiency of design reviews and virtual builds but also hosted engagement sessions between Masters of Pie and WAE’s engineers to provide feedback on the user experience. Finally, WAE has actively promoted the use of Radical with commercial partners on large, strategic projects

Open Bionics



Developer and manufacturer of the next generation of bionic limbs. Investment to support growth and scale the business.

Company Key Facts

Name	Open Bionics Limited
Industry	Robotics Healthcare
FWT EIS Fund Commitment	£1.5m
FWT EIS Fund Ownership	11.0%
Initial Investment Date	January 2019



“ We’re thrilled to receive this investment from the Foresight Williams Technology EIS fund. We’re excited to have support from WAE on scaling our manufacturing process as we begin serving the United States and other overseas markets.

Joel Gibbard, CEO, Open Bionic

Technology



Open Bionics is an award-winning designer, manufacturer and supplier of bionic limbs. The team has ambitions to become a market leader in a range of bespoke prostheses and assistive technologies and a global supplier of prosthetic and orthotic products and services.

The key enabling technology behind Open Bionics’ innovative low-cost business model is its proprietary automation software. This software generates bespoke designs for bionic arm sockets as well as frames from a 3D scan of a user’s remaining arm. It also tailors the designs to be 3D-printable while maintaining socket comfort and functionality for the user. This is a significant USP for the company and is backed by substantial technical expertise.

The company has recently launched its first commercial product, the Hero Arm, which has opened up attractive new markets. Commercial licences from Disney, Marvel and Pixar seek to position the Hero Arm most favourably with children and adolescents.

Team



Based in Bristol, Open Bionics was founded in 2014 by CEO Joel Gibbard and COO Samantha Payne and has since grown to a team of 31. Joel is a robotics engineer and Samantha previously worked in digital marketing and technology journalism. Samantha was recently named as one of the Top Innovators under 35 by MIT Technology Review.

After working as an Applications Engineer, Joel launched a crowdfunding campaign that allowed him to buy a 3D printer and work full time on developing robotic hands. This resulted in the Open Hand project, a developer kit for robotics and prosthetics research. Seeing the potential to transform the project into a commercial business, Samantha joined Joel and together they formed Open Bionics.

Investment Thesis



Open Bionics has developed a unique operating model, with potential patients registering directly with the company. This has resulted in a number of successful partnerships with clinicians, allowing for faster growth compared to traditional referrals through clinics.

Through its novel approach to design and technology, Open Bionics has created a low cost, disruptive product that addresses an underserved market. Unlike competitor bionic arms, the Hero Arm’s price point fits within medical funding reimbursement limits for all major developed markets and as such makes bionic prosthetics more attainable for children and adults on a low income.

The Hero Arm’s user-led technology helps minimise the challenges faced by people with limb differences. The aesthetic design is driven by user requirements rather than engineers’ needs and is, therefore, a highly desirable product rather than a purely functional one.

The deal was sourced via WAE’s relationship with the Bristol Robotics Laboratory. Following investment, the team at WAE have supported Open Bionics in areas such as programme management. Open Bionics is also benefiting from the investment management and growth experience of Foresight’s team of investment professionals.

Other shareholders in the company include:

- Downing Ventures
- Ananda Impact Ventures

salvalco

Developer of environmentally friendly aerosol solutions.

Investment to commercialise family of Eco-Valves.

Company Key Facts

Name	Salford Valve Company Ltd (Salvalco)
Industry	Aerosols
FWT EIS Fund Commitment	£3.2m
FWT EIS Fund Ownership	48.3%
Initial Investment Date	April 2018

“ We are delighted to continue to receive the support of both Foresight and Williams Advanced Engineering, which has enabled Salvalco to develop and commercialise a range of valves that will be truly game-changing in reducing the environmental impact and safety issues of the aerosol industry.

Paul Martin, Chairman of Salvalco



Funding Update

The FWT EIS Fund has made three investments into Salvalco – an initial £1.6m in April 2018, a further £1.075m in September 2019 and £0.5m in June 2020. This brings the FWT EIS Fund’s total investment to £3.2m and increases its shareholding to 48.3%. In May 2020, Salvalco received an investment from OSCAR&PAUL Beiersdorf Venture Capital, the platform for ventures in disruptive technologies at Beiersdorf, a leading provider of skincare products, including brands such as NIVEA, Eucerin and La Prairie.

Technology



Salvalco provides aerosol valves for use with ecologically sustainable propellants. Their Eco-Valves utilise patented Bubbly-Flow Technology developed by the Spray Research Group at the University of Salford. It is this technology that enables aerosols to be propelled successfully by harmless compressed inert gases such as simple fresh air or nitrogen. This is significantly better for the environment and far safer than conventional propellants, most of which are hydrocarbons.

Eco-Valves can be used in a range of application fields including personal care, household, food and industrial. From hairsprays, antiperspirants, body sprays, body lotions and sun care to household cleaning and insecticides, Eco-Valves cover 85% of the aerosol market.

Team



Salvalco’s technology and intellectual property are based on work conducted by Professor Ghasem Nasr at the University of Salford. Peter Shaw,

Managing Director, joined in 2019 and was previously Sales Director at Aptar, a global aerosol valve manufacturer. Paul Martin joined in April 2018 as a Non-Executive Director and was appointed Chairman in December 2018. Paul has 30 years’ experience in branded consumer goods and was previously VP Supply Chain at Unilever.

Investment Thesis



The aerosol industry has been searching for a solution to mitigate environmental damage, health and safety risk and reduce cost. Salvalco has developed aerosol valve technologies (referred to as Eco-Valves) that enable safe and inert gases like nitrogen to be used as a propellant in aerosols. The potential impact of this is significant with 16bn aerosols manufactured per annum and the global aerosol valve market set to grow to \$1.87bn by 2025.

The Company has developed a range of patented aerosol valve designs to suit different product viscosities and applications. The current range of Eco-Valves comprises:

- The super single gasket valve (SSG) for low viscosity products such as air fresheners and deodorants.
- The low loss valve (LL) for low viscosity oil-based products such as antiperspirants, light cooking oils and hairsprays; and for higher viscosity products such as lubricants, gels and creams such as sun cream.
- The metering valve (MV) which provides a metered dosage in applications such as air fresheners and medical products.

The deal was sourced through Foresight’s advisor network. The Salvalco team showed a strong interest in working with WAE and were keen to explore areas such as design analysis and optimisation.

WAE Value-add

WAE has provided guidance on IP strategy including introductions to IP licencing specialists within its network. Salvalco has also been working closely with the WAE procurement team on prototype manufacture supply chain development.

I. Williams Advanced Engineering (WAE)

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 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 Grand Prix Engineering Limited 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 will continue 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.

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.

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.

In addition to its technical capabilities, WAE's Business Dynamics team works with its clients to deliver performance improvements to operations, innovation, data analytics, and developing a high-performance culture. The approach from the Business Dynamics team combines an understanding of whole system dynamics with the detailed analytics required. Examples include how to use data to set up for success, or how to view regulation changes as an opportunity to gain competitive advantage – often these can be critical for WAE's clients. Previous projects range from improving the operating model of a U.S. healthcare business to partnering with Thales to deliver innovation for Transport for London (TfL) on its 4 Lines Modernisation (4LM) programme to optimise the planning and execution of test and commissioning during engineering hours.

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 ourselves, 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

Babypod, built from carbon fibre by WAE in the same facility as Williams Racing's race car monocoques and produced in association with Advanced Healthcare Technologies, fits into existing ambulances to transport safely critically ill infants.

I. Williams Advanced Engineering (WAE)

WAE Awards

2020 E&T Innovation Awards:

Winner – Sustainable Planet

The Engineer Collaborate to Innovate Awards

Finalist – Energy and Environment

2018 Queen’s Award for Enterprise in Innovation

Royal Academy of Engineering:

MacRobert Award Finalist

2017 MIA Business Excellence Award for Technology and Innovation

ISO 9001:2015 awarded July 2017

2016 IET Innovation Awards:

Winner - Horizontal Innovation

British Engineering Excellence Awards:

Winner - Consultancy of the Year 2016

2015 Royal Automobile Club Simms Medal:

For the Formula E battery

Race Tech World Motorsport Symposium:

Most Innovative New Motorsport Product of the Year for the Formula E battery

IET Innovation Awards

Finalist

2014 British Renewable Energy Awards:

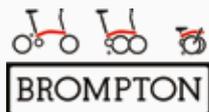
Pioneer Award – for stationary flywheel energy storage

2013 Oxford Brookes Innovation Award

2012 Motorsport Industry Association:

Business of the Year 2012

Selected WAE Customers



CASE STUDY

Aerofoil

WAE has collaborated 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 Sustainability Plan, Sainsbury's has committed £1bn to become a net-zero business by 2040 and this technology can play 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 in the U.S. To date over 1 million aerofoils have been installed in thousands of stores across nine countries.

“ 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, Sainsburys

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



On 5th March 2020 Sainsbury's announced the installation of the one millionth aerofoil

II. 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 £6.7 billion, raised from UK and international private and high net worth individuals, pension funds and other institutional investors, Foresight Group strives to generate capital appreciation and yield for its investors over the long term alongside the additional benefit to UK taxpayers of tax reliefs available through Venture Capital Trusts, the Enterprise Investment Scheme and Business Relief.

Over the last 7 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.



c. £6.7 billion
of assets under management



average 3.0X SME returns
on full or partial exits since 2010



More than 200 SMEs
supported in **30 years**



41 investments including
14 follow ons in 2019



Current portfolio of
104 SMEs

Regional Growth Funds based out of offices in:
**Nottingham, Manchester, Milton Keynes,
Leicester, Cambridge & Edinburgh**



II. Foresight Group



Best BR Investment Manager (unlisted) -
Growth Investor Awards 2020

Best New Product or Service Runner Up -
Growth Investor Awards 2020

Best Sustainable & ESG Alternative Assets Fund (JLEN) -
Investment Week Sustainable & ESG Awards 2020

Best Communication of ESG Award (JLEN) -
IR Society Best Practice Awards 2020

Best Venture Capital Trust Provider (Commended) -
ILP Moneyfacts Awards 2020

Exit Of The Year - Highly Commended - (Simility)
Investment Week Tax Efficiency Awards 2018/19

SME Deal of the Year (200 Degrees)
Insider East Midlands Dealmakers Awards 2018

Deal of the Year - (The Naked Deli)
Insider North East Dealmakers Awards 2018

Exit of the Year - 'One To Watch' - (Simility)
Growth Investors Awards 2018

Generalist VCT of the Year
Investment Week Tax Efficiency Awards 2018

Fund Manager of the Year
PLC Awards 2018

Best VCT Investment Manager
Growth Investor Awards 2017

VCT House of the Year
Unquote British Private Equity Awards 2016

Infrastructure Financier of the Year
Green Innovation And Finance Awards 2017

Deal of the Year (Sub £10m)
Insider Central And East Dealmakers Awards 2017

British Renewable Energy Project Shotwick
Renewable Energy Association Awards 2017

Best Generation Project - Ballymena
Sustainable Ireland Awards 2017

Best IHT Portfolio Service, Foresight AITS
Tax Efficiency Awards 2016

Best On-Farm AD Plant UK
AD Biogas Industry Awards



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

3x

Technology:	Embedded communications software for SIM cards
Amount invested:	£4.0m
Exit:	Purchased by ARM, part of Softbank
Proceeds:	£11.7m

Alaric

5x

Technology:	Credit & debit card authorisation & anti-fraud software
Amount invested:	£2.2m
Exit:	Purchased by NCR Corporation
Proceeds:	£10.9m

Advanced Composites Group

6x

Technology:	High performance composite materials
Amount invested:	£1.6m
Exit:	Purchased by UMECO
Proceeds:	£10m

AppDNA

32x

Technology:	Apptitude software to evaluate compatibility of a change in software operating systems
Amount invested:	£0.8m
Exit:	Purchased by Citrix Systems Inc
Proceeds:	£25.0m

Gemplus

30x

Technology:	Smart cards
Amount invested:	£1.9m
Exit:	Floated on Euronext Paris and Nasdaq
Proceeds:	£57.5m

III. Investment Committees

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

Bernard Fairman

Chairman, Foresight Group

Bernard has over 36 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.

Gary Fraser

Chief Financial Officer, Foresight Group

Gary is a Chartered Accountant and Chartered Fellow of the Securities Institute. He has over 20 years' experience in finance and investment, and worked for Ernst & Young and ISIS Asset Management before joining Foresight in 2004.

Craig Wilson

Managing Director, 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.

Martin Hudson

Financial Director, WAE

Martin has been Finance Director of WAE since 2016. He started his career at Ford Motor Company and worked at a smaller automotive company during a period of rapid growth. Away from the automotive world, Martin spent several years in the industrial manufacturing sector, including involvement in international M&A activity. Martin qualified as a CIMA associate in 2003. Martin is also a Director of Williams Technology Ventures Limited.

Christian Bedford

Head of Legal, WAE

Christian is Head of Legal for WAE and a member of the company's Senior Leadership Team. Prior to joining WAE in 2012, Christian was an Associate in the Intellectual Property Group of law firm Allen & Overy LLP. Christian has been practising law for over 10 years and was awarded a Distinction for PGDip Commercial Intellectual Property from Nottingham Law School. Christian is also a Director of Williams Technology Ventures Limited.

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 technology commercialisation activities including the aerofoil shelf edge technology in partnership with Aerofoil Energy. Prior to WAE Matthew held engineering and technology roles at Tata Motors, Torotrak, and Ford Motor Company. He holds an MSc in Dynamics and Control from the University of Bath and is a Chartered Engineer and Fellow of the IMechE.

Craig Wilson, Christian Bedford, Matthew Burke, Edward Inns, 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.

IV. The 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 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 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 £10m early stage impact fund and was a Venture Principal in Centrica Innovations, the £100m 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 24 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.

Edward Inns

Investment Manager, WAE

Ed is responsible for sourcing and executing new investment opportunities for the FWT Funds. Prior to WAE, he was involved in early-stage investments into over 20 science and technology companies at Oxford Technology Management. Ed holds an MEng in Materials Science from the University of Oxford and a PhD in Biomedical Materials from the University of Cambridge.

Owen Metters

Investment Analyst, 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

Research Analyst, 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.

Maria Nelson

Portfolio Manager, WAE

Maria is responsible for building relationships and identifying opportunities for WAE to add value to the portfolio companies of the FWT Funds. Prior to WAE, she has held commercial and operational roles as a proposition Fund Manager and process improvement consultant. Maria graduated with an MEng from University of Oxford and pursued her interest in materials development and processing at Imperial College where she completed her PhD.

Kirsten Spry

Portfolio Coordinator, 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.

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 62 and 63.

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 55 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 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 page 56. 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 pages 50 and 51 and section 3 of the Application Form

Annual Charges

Further details of the annual fees and expenses can be found on page 56.

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

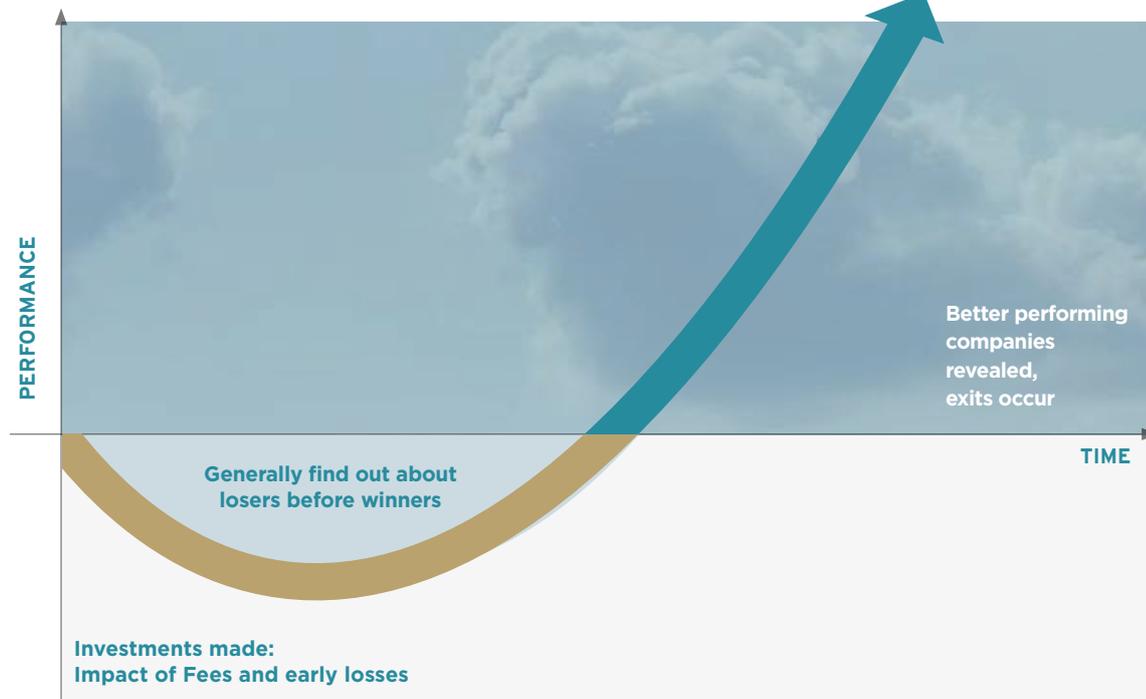
Investing into the FWT Share class should be viewed as a long-term investment (5 to 8+ years).

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.

The 'J' Curve



For illustrative purposes only and is not a reliable indicator of future results.

Details of the Offer

I. 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 24 September 2020 and, if required, further resolutions to be proposed at the Company 2021 Annual General Meeting (exact date to be confirmed). 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.

II. 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 described at paragraph 3 alongside.

Investors applying through an authorised intermediary

Promoter's Fee* up to 2.5%

Initial Adviser Charge 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** 3.0%

Annual commission to intermediaries*** 0.5%

Direct Investors

Promoter's Fee* up to 5.5%

* 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*

Existing Foresight Shareholder Loyalty Discount

Discount to the Offer costs 0.5%

*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.

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 advisor);
- (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.

III. 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:

$$Price = NAV \div X$$

Where:

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.

IV. 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 2020/21 and are expected to remain the same for 2021/22 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.

Details of the Offer

If you subscribe £10,000 to the Offer at a price of 102.8p*

You can claim Income tax relief of **£3,000**

So your net cost of investment would be **£7,000**

* Based on unaudited NAV to 30 September 2020 and assuming offer costs of 5.5%

Initial value of investment

Gross subscription by Retail Investor **£10,000**

Assured Cost of 5.5% **(550)**

Initial Net Asset Value **£9,450**

This initial NAV is **£2,450**

more than the net cost of your investment of £7,000

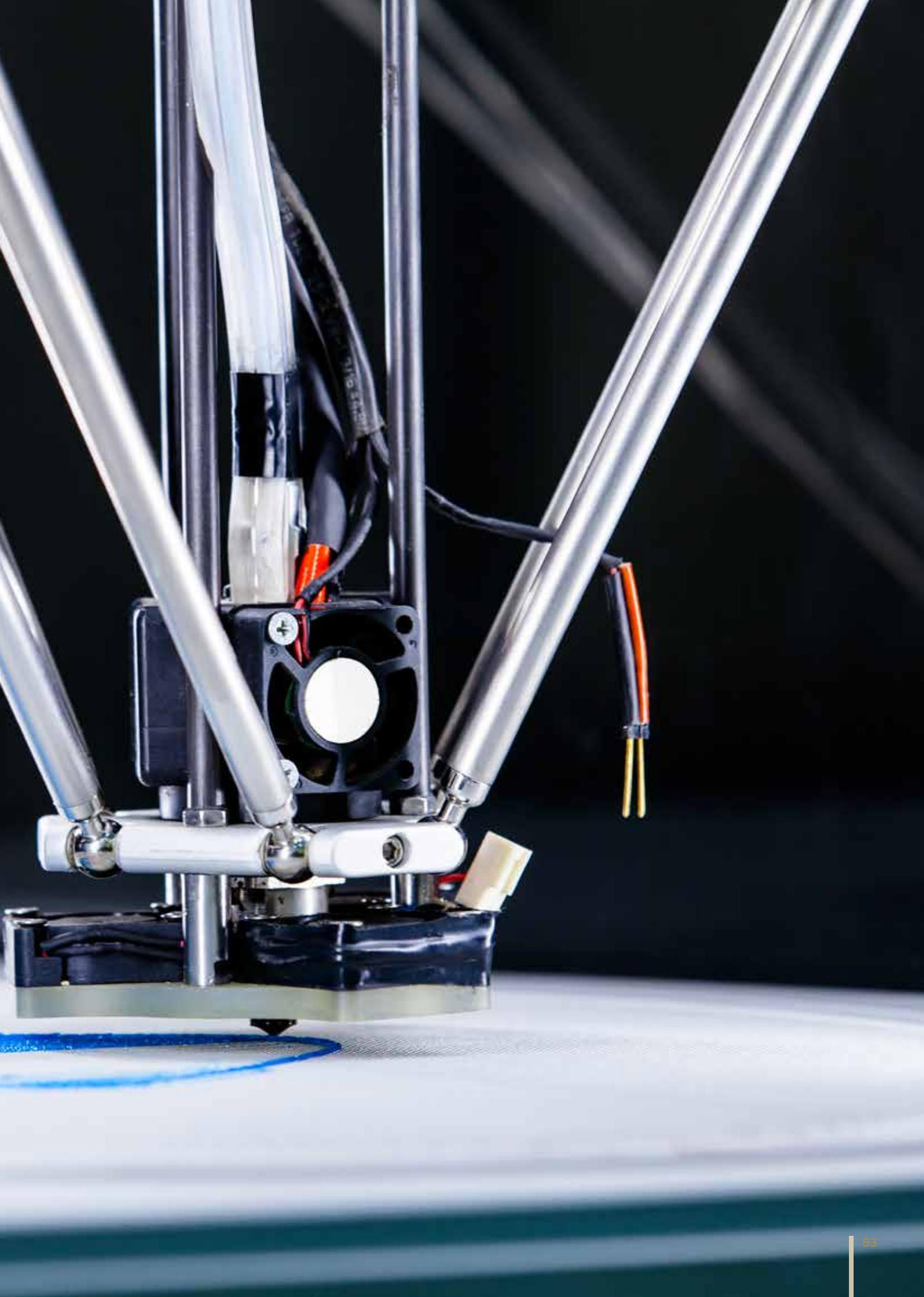
or a gain of **35%**

on your the net cost of investment

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.

V. 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 10 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.



The Company

I. 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 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, 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.

Mike Liston OBE is a Chartered Engineer with relevant experience in leading technology related, public businesses including as Chief Executive of an electricity utility and Non-Executive Chairman of renewable energy developers in the wind, solar and biofuels sectors in Europe and an Asian energy infrastructure fund. He is a director of the General Partner of Foresight Group's first solar power fund. Mike is a Fellow of the Royal Academy of Engineering.

II. 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.

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.

III. 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.

IV. 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.

V. 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.

The Company

VI. 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 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.

VII. 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.



Additional Information

I. Use of Proceeds

It is intended that the proceeds of the Offer will be used in accordance with the proposed investment policy set out on pages 54 and 55 of this document.

II. The Offer for Subscription

It is proposed to allot up to 31,745,000 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 51, 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 30 December 2020 until 29 December 2021, 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 notwithstanding 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.

III. 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 2020/2021 tax year and is expected to be £200,000 in the 2021/2022 tax year.

IV. 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.

V. 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.

VI. 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 pages 54 and 55 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.

VII. 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.

VIII. Reporting dates

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

IX. 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.

X. 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.

XI. Capitalisation and indebtedness

The tables below show the capitalisation and indebtedness of the Company as at 30 September 2020, the most recent date in respect of which unaudited financial information of the Company has been produced.

	£'000
Total Current Debt	0
Guaranteed	0
Secured	0
Unguaranteed/ unsecured	0
Total Non-current Debt	0
Guaranteed	0
Secured	0
Unguaranteed/ unsecured	0
Shareholders' Equity	28,617
Share Capital	392
Other Reserves	28,225

Additional Information

The capitalisation of the Company as at 30 September 2020, extracted without material adjustment from the Company's unaudited report and accounts to that date was as follows:

Shareholders' Equity	£'000
Share Capital	392
Legal Reserve	0
Other Reserves	28,225
Total	28,617

There has been no material change to the Company's capitalisation between 30 September 2020 and 29 December 2020 (being the latest practicable date prior to the publication of the Prospectus).

As at 29 December 2020, 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 30 December 2020 and closes on 29 December 2021. 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

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.

I. Tax reliefs

(a) Income tax

(i) Relief from income tax on investment

An investor subscribing up to £200,000 in the 2020/21 and/or 2021/22 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 2020/21 and/or 2021/22 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 in 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.

II. 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
Investors 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.

III. 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.

IV. 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.

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.

I. 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 10 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 conditions (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.

II. 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.

III. 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.

IV. 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.

V. 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 10 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.

Definitions

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

Admission	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
Applicant	a person who makes an Application
Application	an application for FWT Shares pursuant to the Offer
Application Form	the form pursuant to which an Application made be made and which will be made available in connection with the Offer by the Company on its website
AIM	the Alternative Investment Market
Articles	the articles of association of the Company (as amended from time to time)
BDO	BDO LLP, which is authorised and regulated by the FCA as a sponsor
Board or Directors	the board of directors of the Company
Business Days	any day (other than a Saturday or Sunday) on which clearing banks are open for normal banking business in sterling
CA 2006 or the Act	the Companies Act 2006 (as amended)
Closing Date	1 April 2021 in respect of the 2020/2021 tax year and 29 December 2021 in respect of the 2021/2022 tax year, or as soon as full subscription is reached (unless closed earlier at the Board's discretion)
Company	Foresight Solar & Technology VCT plc (company number 07289280)
Companies Acts	the Companies Act 1985 and CA 2006
CREST	the computerised settlement system to facilitate the transfer of title to securities in uncertified form operated by Euroclear UK & Ireland Limited
Deferred Shares	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
Direct Investor	an Investor who makes an application with reference to an intermediary
Distributions	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
Eligible Shares	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
FCA	the Financial Conduct Authority
Foresight	references to "Foresight" in this document refer to the Manager and/or the Adviser and to the historical activities of Foresight Group more generally
Foresight Entities	the Manager and/or the Adviser and/or the Promoter (as the context dictates) (and each a "Foresight Entity")
Foresight Funds	funds managed or advised by a Foresight Entity

Foresight Group	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
Foresight VCTs	venture capital trusts managed or advised by a Foresight Entity
FSMA	the Financial Services and Markets Act 2000 (as amended)
FWT EIS Fund	the Foresight Williams Technology EIS Fund, sister fund to the FWT Share class and also managed by Foresight Group LLP
FWT Funds	the FWT Share class and the FWT EIS Fund
FWT Share class	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
FWT Shares	the Foresight Williams Technology Shares of 1p each in the capital of the Company
HMRC	HM Revenue & Customs
Initial NAV	NAV as at the date of first admission of FWT Shares to the Official List
Inside Information	as defined in section 118C of FSMA
Investee Companies	a company in which the FWT Share class has made, or intends to make, a Qualifying Investment (and each an "Investee Company")
Investment Adviser or Adviser	Foresight Group CI Limited, a Guernsey company with registered number 51471, licensed by the Guernsey Financial Services Commission with reference number 2006518
Investment Manager or Manager	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
Listing Rules	the listing rules of the FCA
London Stock Exchange	London Stock Exchange plc
Loyalty Discount	the discount of 0.5% applicable to Applications received from an existing shareholder in any of the Foresight VCTs
Memorandum	the memorandum of association of the Company
Money Laundering Regulations	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulation 2017 (as amended)
NAV or Net Asset Value	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
Offer or FWT Share Offer	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
Offer Shares	the FWT Shares proposed to be issued pursuant to the Prospectus
Official List	the official list of the FCA maintained in accordance with section 74(1) of FSMA
Old C Shares	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

Definitions

Old D Shares	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
Ordinary Share class	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
Ordinary Shares	ordinary shares of 1p each in the capital of the Company
Pricing Formula	the formula applied in calculating the number of FWT Shares to be issued to each Applicant as set out on page 51 of this document
Promoter	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
Prospectus	together this Securities Note, the Registration Document and the Summary
Prospectus Regulation	Regulation (EU) 2017/1129 (as amended)
Qualifying Company	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
Qualifying Investments	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the Tax Act
Receiving Agent	Woodside Corporate Services Limited (registered number 06171085)
Registrar	Computershare Investor Services plc (registered number 03498808)
Registration Document	the registration document issued by the Company dated 30 December 2020 in connection with the Offer
Securities Note	this document
Share Class Merger	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
Shareholder	a holder of Shares in the Company
Shares	FWT Shares and/or Ordinary Shares as the context dictates
Summary	the summary issued by the Company dated 30 December 2020 in connection with the Offer
Tax Act	the Income Tax Act 2007 (as amended)
UK	the United Kingdom
VCT Rules	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts
VCT Value	the value of an investment calculated in accordance with Section 278 of the Tax Act
Venture Capital Trust or VCT	a venture capital trust as defined in Section 259 of the Tax Act
WAE	Williams Advanced Engineering Limited

Applications for Foresight Williams Technology Shares

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 received 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;

Applications for Foresight Williams Technology Shares

- (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.
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 29 December 2021 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

Applications for Foresight Williams Technology Shares

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 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 www.foresightgroup.eu/privacy-cookies/.

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.

Application Procedure

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.

The Offer opens on 30 December 2020 and will close on 29 December 2021, 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 2020/2021 tax year end on 5 April 2021, 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. If you wish to hold your FWT Shares through a nominee or in CREST, please provide the relevant details in an accompanying letter. 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).

Please also complete your bank details if you would like dividends paid into a nominated bank account. Please note that your first dividend payment may continue to be made by cheque.

Section 2

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 2 how you would like your subscription monies split between tax years 2020/21 and 2021/22, 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 75. 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 3

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 3 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 4

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.

Sections 5-9

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 3 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 number: 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
Mike Liston

Registered Office and Head Office

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

Company Registration Number

07289280

Website

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
15 Old Square
Lincoln's Inn
London WC2A 3UE

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

KPMG LLP
15 Canada Square
London E14 5GL



Foresight

FOR A SMARTER FUTURE

Foresight Group LLP

The Shard
32 London Bridge Street
London
SE1 9SG

foresightwilliams.co.uk

This publication is printed on paper sourced from certified sustainable forests.
Designed and produced by Fat Media.