

Foresight VCT PLC
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Sale of portfolio company Innovation Consulting Group Limited (‘GovGrant’) delivering a 4.4x cash-on-cash return and an IRR of 24% and exit of portfolio company Datapath Group Limited (‘Datapath’) delivering an 11.7x cash-on-cash return and an IRR of 38% for Foresight VCT

The Board of Foresight VCT Plc (‘FVCT’ or the ‘Company’) is pleased to announce the sale of two portfolio companies since close of trading on 31 March 2023.

The sale of GovGrant to Source Advisors, a US corporate buyer backed by BV Investment Partners, took place on 31 March 2023. GovGrant is one of the UK’s leading providers of R&D tax relief, patent box relief and other innovation services. The transaction generated proceeds of £6.8 million to FVCT at completion. When added to £0.5 million of cash returned to date, this implies a total cash-on-cash return of 4.4 times the capital of £1.65 million invested in October 2015, equivalent to an IRR of 24%.

Since FVCT made its original investment in 2015, Foresight Group has supported GovGrant through a period of material growth during which it has supported the R&D activities of a growing number of customers. GovGrant’s high levels of service and innovative products, such as the growing patent box offering, have contributed to driving innovation in the UK economy. Foresight Group has taken a proactive approach to supporting the exceptional senior management team, all of whom were introduced to the business during the investment period.

The Board of the Company is also pleased to announce the exit on 31 March 2023 of portfolio company Datapath Group Limited (‘Datapath’), a global leader in the provision of visual solutions. The transaction generated proceeds of £5.1 million at completion with an additional £1.2 million payable over the next 24 months. When added to £5.4 million of cash returned to date, this implies a total cash-on-cash return of 11.7 times the original investment, equivalent to an IRR of 38% since the initial investment in 2007.

Since the original investment, Foresight Group has supported Datapath through a period of material growth with revenues growing from approximately £7m to £25m. Datapath has developed a market leading hardware and software product suite for the delivery of multi screen displays and video walls which are sold globally to a diverse customer base across a range of sectors.

Including payment of a 4.0p dividend per share paid in October 2022, the Company’s NAV per Ordinary Share was 85.7p as at 30 September 2022, to which these exits will add 1.5p, giving a pro forma NAV per Ordinary Share of 87.2p.

The sales represent FVCT’s fourth and fifth exits in the last twelve months, following the exits of TFC Europe, Codeplay Software and Mowgli Street Food.

Margaret Littlejohns, Chair of Foresight VCT said: ‘We are delighted to announce two more positive exits for the Company, following the sale of Mowgli in January. Both GovGrant and Datapath have demonstrated excellent growth and value creation since investment. Each one is a success story for the Company and our shareholders.’

For more information contact:

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