

FORESIGHT TECHNOLOGY VCT PLC

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Financial Highlights

FWT Shares Fund

- Net Asset Value per FWT Share at 30 September 2023 was 101.0p (31 March 2023: 102.8p).
- During the period, under the Offer for subscription for the Foresight WAE Technology Shares fund (the “FWT Shares fund”), dated 5 January 2022, £2.8m of new funds were raised.
- During the period, the fund executed four follow-on investments into Machine Discovery Limited, Previsico Limited, Additive Manufacturing Technologies Limited and Inspire Limited.
- Since the end of the reporting period, a further £3.0m has been raised, bringing the total funds raised to £28.7m.
- Since the end of the reporting period, one new and three follow-on investments have been made, bringing total deployment to £19.9m.

Chairman’s Statement

On behalf of the Board, I am pleased to present the Unaudited Half-Yearly Financial Report for Foresight Technology VCT Plc for the six months ended 30 September 2023 and to provide you with an update on the developments affecting the Company.

COMPANY

The Foresight WAE Technology VCT share class (the “FWT Shares”) was launched in December 2019, and represents an exciting investment opportunity made possible by the collaboration between Foresight Group and WAE Technologies Limited (“WAE”), a technology and engineering services business, originally spun out of the Williams Formula 1 business.

The share class 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 different sectors. It builds on the successful relationship that Foresight and WAE have enjoyed from their launch of the Foresight WAE Technology EIS Fund (the ‘EIS fund’) in November 2016, which has raised over £60 million to date and has made over thirty investments across a range of different sectors so far.

Fundraising and share issues

The Offers for subscription, dated 11 January 2023 and relaunched on 6 September 2023, are each up to £15 million (with an overallotment facility for up to an additional £10 million) through the issue of FWT Shares. During the six months ended 30 September 2023, across both Offers, 2.7 million FWT Shares were allotted, raising a further £2.8m, bringing the total funds raised to over £25m.

Post period end, a further 2.9 million FWT Shares were allotted, increasing the total funds raised to £28.7m.

Portfolio and Deal Activity

A detailed analysis of the investment portfolio performance over the period is given in the Investment Manager’s Review.

During the period under review the Investment Manager completed four follow-on investments in exciting companies costing a total of £1.0m. The follow-on investments that were completed in the period were into Machine Discovery Limited, Previsico Limited, Additive Manufacturing Technologies Limited and Inspire Limited.

Details of each of the top 10 portfolio companies by value as at 30 September 2023 can be found in the Investment Manager’s review.

As at 30 September 2023, the FWT shares had made investments totalling £17.9m in 27 exciting portfolio companies. An additional two investments were acquired as part of the merger with the Ordinary share class, bringing the total number of investments for the FWT Share class to 29. Post period end, the FWT Shares made one new and three follow-on investments totalling £2.0m.

The Investment Manager continues to see a strong pipeline of potential investments sourced through its regional networks and well developed relationships with advisers and the SME community; however, it is also focused on supporting the existing portfolio through the current economic environment. Following the fundraising over the last couple of years as well as the fundraising for the ongoing September 2023 offer, the Company is in a position to fully support the portfolio, where appropriate, and exploit potential attractive investment opportunities.

Management fees

The annual management fee of the FWT Shares fund is calculated as 2.0% of Net Assets and equated to £248,000 during the period. The Board believe that the annual management fee represents good value for investors.

Responsible Investing

The analysis of environmental, social and governance (“ESG”) issues is embedded in the Manager’s investment process and these factors are considered key in determining the quality of a business and its long-term success. Central to the Manager’s responsible investment approach are five ESG principles that are applied to evaluate investee companies, acquired since May 2018, throughout the lifecycle of their investment, from

their initial review and acquisition to their final sale. Every year, these portfolio companies are assessed and progress measured against these principles.

Share Class Merger

As explained in last year's Annual Report, on 5 July 2023, shareholders of the Company approved the resolution to redesignate the residual £0.6m of Ordinary Share capital (following a further dividend of 5.5p per share to Ordinary Shareholders which was paid on 25 July 2023) to FWT Shares, and cease the existence of the Ordinary Shares. The Ordinary shares were suspended from the London Stock Exchange on 28 June 2023 and subsequently, on 4 September 2023, the Company's name was changed to Foresight Technology VCT Plc.

On the 20 September 2023 the Board announced a variation to the buyback policy for the former Ordinary Shareholders which would allow the Shareholders to benefit from a buyback at a nil discount to NAV in respect of FWT Shares which they hold pursuant to the above-mentioned redesignation. This Buyback offer will remain open until 20 September 2024.

Sunset Clause

As explained in last year's Annual Report, a "sunset clause" applies to the current approved scheme for EIS and VCT tax reliefs. In the Annual Report we discussed how this clause provides that income tax relief will expire on subscriptions made for VCT shares on or after 6 April 2025, unless the legislation is amended to make the scheme permanent, or the "sunset clause" is extended.

The UK Chancellor has confirmed in the autumn statement that the government remains committed to ensuring early-stage, innovative companies have access to the investment they need to grow and develop. As a result it was announced on 22 November 2023 that the government will legislate to extend the Enterprise Investment Scheme ('EIS') and Venture Capital Trusts ('VCT') to 2035 - this is dependent on approval for the extension from the EU due to Northern Ireland's unique access to the EU Single Market.

Outlook

While the impact of the pandemic has lessened, other economic impacts continue to dampen consumer and business confidence. Ongoing inflationary pressures, tight monetary policies, supply chain issues and a lack of bank lending appetite may continue to hinder economic recovery. The Board is conscious that such conditions could prove particularly challenging for our investee companies which are unquoted, small, early-growth businesses and by their nature entail higher levels of risk and lower liquidity than larger listed companies.

On the other hand, these younger companies may prove more agile and creative in their approach and better able to adapt their operations swiftly and identify new products and services in response to changing circumstances.

The portfolio is showing signs of resilience and the Manager has been working with management teams to assess business plans, consider funding requirements and help navigate through these difficult times.

The Manager is continuing to see a promising pipeline of potential investments, both new and follow-on. In addition to the funds raised earlier in the year, we have already launched a new offer on 6 September 2023 to raise further funds over the coming months. These combined funds will provide the necessary resources to make selective acquisitions from the increasing numbers of investment opportunities that are now emerging out of the recent disruption. Although in the short term there may be considerable economic headwinds, we believe the Company's diversified portfolio is well positioned to generate long-term value for Shareholders.

Ernie Richardson

Chairman

22 December 2023

FWT Shares

Investment Manager's Review

Summary

Between its launch on 20 December 2019 and the end of the reporting period, the FWT Shares fund has raised £25.7m. 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 different sectors. As at 30 September 2023, the fund had made investments into 29 companies totalling £17.9m. This included four follow-on investments in the six month period to 30 September 2023 totalling £1.0m. These investments are summarised below:

Additive Manufacturing Technologies (AMT): a manufacturer of systems that automate the postprocessing of 3D printed parts e.g. unpacking, surface smoothing, sealing and colouring.

Inspire: a developer of novel metrology technologies that will measure the accuracy of automated manufacturing processes in real-time.

Machine Discovery: a University of Oxford spin-out developing machine learning technology that simplifies, automates and accelerates highly complex computer simulations.

Previsico: a University of Loughborough spin-out providing a market-leading flood forecasting and warning software platform.

Fundraising

The Offer, made possible through an innovative collaboration between Foresight Group and WAE Technologies Ltd, continues to build positive momentum in the market, for the six months ending 30 September 2023, a further £3.4m has been raised, bringing the total raised to £5.0m in the most recent fund-raising round and £25.7m overall (with the above figures inclusive of the £0.6m that converted from Ordinary Shares to FWT Shares).

Pipeline

The investment manager continues to see a strong pipeline of opportunities comprising of new and portfolio follow-ons. At the time of writing, two deals were nearing completion and a number of other deals were having terms negotiated.

Foresight Group LLP

Investment Manager

22 December 2023

Unaudited Half-Yearly Results and Responsibilities Statements

Principal Risks and Uncertainties

The principal risks faced by the Company are as follows:

- Performance;
- Regulatory;
- Operational; and
- Financial.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts for the year ended 31 March 2023. A detailed explanation can be found on pages 26 and 27 of the Annual Report and Accounts which is available on Foresight Group's website www.foresightgroup.eu or by writing to Foresight Group at:

The Shard,

32 London Bridge Street,

London,

SE1 9SG.

In the view of the Board, there have been no changes to the fundamental nature of these risks since the previous report and these principal risks and uncertainties are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Directors' Responsibility Statement

The Disclosure and Transparency Rules ('DTR') of the Financial Conduct Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Half-Yearly Financial Report and financial statements.

The Directors confirm to the best of their knowledge that:

- a. the summarised set of financial statements has been prepared in accordance with FRS 104;
- b. the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);
- c. the summarised set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4R; and
- d. the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report of the Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chair's Statement, Strategic Report and Notes to the Accounts of the 31 March 2023 Annual Report.

In addition, the Annual Report includes the Company's objectives, policies and processes for managing its capital; its financial risk management

objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources together with investments and through the cash generated from fundraising activities. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Half-Yearly Financial Report has not been audited nor reviewed by the auditors.

On behalf of the Board

Ernie Richardson

Chairman

22 December 2023

Unaudited Income Statement

for the six months ended 30 September
2023

	Six months ended 30 September 2023 (Unaudited)			Six months ended 30 September 2022 (Unaudited)			Year ended 31 March 2023 (Audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment holding (losses)/gains	—	(856)	(856)	—	9,848	9,848	—	(12,096)	(12,096)
Realised gains on investments	—	—	—	—	—	—	—	27,917	27,917
Income	866	—	866	214	—	214	656	—	656
Investment management fees	(62)	(186)	(248)	(122)	(367)	(489)	(263)	(3,557)	(3,820)
Other expenses	(235)	—	(235)	(252)	—	(252)	(559)	—	(559)
Profit/(loss) before taxation	569	(1,042)	(473)	(160)	9,481	9,321	(166)	12,264	12,098
Taxation	—	—	—	—	—	—	—	—	—
Profit/(loss) after taxation	569¹	(1,042)²	(473)³	(160)	9,481	9,321	(166)	12,264	12,098
Profit/(loss) per share									
Ordinary Share	2.3p	(2.4)p	0.0p	(0.1)p	24.0p	23.9p	0.2p	31.7p	31.9p
FWT Share	(1.0)p	(0.9)p	(1.9)p	(0.6)p	6.2p	5.6p	(1.2)p	6.7p	5.5p

The total column of this statement is the profit and loss account of the Company and the revenue and capital columns represent supplementary information.

All revenue and capital items in the above Income Statement are derived from continuing operations. No operations were acquired or discontinued in the period.

The Company has no recognised gains or losses other than those shown above, therefore no separate statement of total recognised gains and losses has been presented.

¹£806k relates to the Ordinary Share class before the completion of the merger on 5 July 2023.

²(£823k) relates to the Ordinary Share class before the completion of the merger on 5 July 2023.

³(£17k) relates to the Ordinary Share class before the completion of the merger on 5 July 2023.

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 September 2023

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve* £'000	Capital reserve* £'000	Revaluation reserve £'000	Total £'000
As at 1 April 2023	568	19,079	208	1,828	603	3,009	25,295
Share issues in the period	27	2,805	—	—	—	—	2,832
Share class merger	(341)	341	—	—	—	—	—
Expenses in relation to share issues	—	(70)	—	—	—	—	(70)
Expenses in relation to prior year share issues	—	(3)	—	—	—	—	(3)
Investment holding losses	—	—	—	—	—	(856)	(856)
Dividends paid	—	—	—	(1,903)	—	—	(1,903)
Management fees charged to capital	—	—	—	—	(186)	—	(186)
Revenue profit for the period	—	—	—	569	—	—	569
As at 30 September 2023	254	22,152	208	494	417	2,153	25,678

* Total distributable reserves at 30 September 2023 were £911,000 (31 March 2023: £2,431,000).

Unaudited Balance Sheet at 30 September 2023

Registered Number: 07289280

	As at 30 September 2023 (unaudited) £'000	As at 30 September 2022 (unaudited) £'000	As at 31 March 2023 (audited) £'000
Fixed assets			
Investments held at fair value through profit or loss	20,048	60,679	19,951
Current assets			
Debtors	88	569	170
Cash and cash equivalents	5,848	3,592	5,437
	5,936	4,161	5,607
Creditors			
Amounts falling due within one year	(306)	(138)	(263)
Net current assets	5,630	4,023	5,344
Net assets	25,678	64,702	25,295
Capital and reserves			
Called-up share capital	254	534	568
Share premium	22,152	15,633	19,079
Capital redemption reserve	208	208	208
Distributable reserve	494	37,948	1,828
Capital reserve	417	(14,574)	603
Revaluation reserve	2,153	24,953	3,009
Equity shareholders' funds	25,678	64,702	25,295
Net asset value per share			
Ordinary Share	n/a	131.2p	7.2p
FWT Share	101.0p	102.9p	102.8p

Unaudited Cash Flow Statement

for the six months ended 30 September 2023

	Six months ended 30 September 2023 (unaudited) £'000	Six months ended 30 September 2022 (unaudited) £'000	Year ended 31 March 2023 (audited) £'000
Cash flow from operating activities			
Deposit and similar interest received	44	11	30
Investment management fees paid	(261)	(472)	(1,030)
Performance incentive paid	—	—	(2,767)
Secretarial fees paid	(39)	(87)	(173)
Other cash payments	(149)	(192)	(299)
Net cash outflow from operating activities	(405)	(740)	(4,239)
Cash flow from investing activities			
Purchase of investments	(853)	(4,874)	(10,146)
Investments awaiting completion	—	—	(100)
Net proceeds on sale of investments	—	274	52,247
Investment income received	822	74	984
Net cash (outflow)/inflow from investing activities	(31)	(4,526)	42,985
Cash flow from financing activities			
Proceeds of fund raising	2,816	1,697	5,239
Expenses of fund raising	(66)	(53)	(98)
Equity dividends paid	(1,903)	—	(45,664)
Net cash inflow/(outflow) from financing activities	847	1,644	(40,523)
Net inflow/(outflow) of cash in the period	411	(3,622)	(1,777)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash for the period	411	(3,622)	(1,777)
Net cash at start of period	5,437	7,214	7,214
Net cash at end of period	5,848	3,592	5,437

	At 1		At 30
	April		September
Analysis of changes in net debt	2023	Cash Flow	2023
	£'000	£'000	£'000
Cash and cash equivalents	5,437	411	5,848

Notes to the Unaudited Half-Yearly Results

for the six months ended 30 September 2023

- The Unaudited Half-Yearly Financial Report has been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31 March 2023. Unquoted investments have been valued in accordance with International Private Equity and Venture Capital Valuation Guidelines.
- These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 September 2023 and 30 September 2022 has been neither audited nor formally reviewed. Statutory accounts in respect of the year ended 31 March 2023 have been audited and reported on by the Company's auditors and delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006. No statutory accounts in respect of any period after 31 March 2023 have been reported on by the Company's auditors or delivered to the Registrar of Companies.
- Copies of the Unaudited Half-Yearly Financial Report for the six months ended 30 September 2023 have been sent to shareholders via

their chosen method of communication and are available for inspection at the Registered Office of the Company at The Shard, 32 London Bridge Street, London, SE1 9SG. Copies are also available electronically at www.foresightgroup.eu.

4 Net asset value per share

The Net Asset Value per share is based on net assets at the end of the period and on the number of shares in issue at that date.

	Ordinary Shares		FWT Shares	
	Net assets £'000	Number of Shares in issue	Net assets £'000	Number of Shares in issue
30 September 2023	—	—	25,678	25,419,835
30 September 2022	45,378	34,593,623	19,324	18,776,656
31 March 2023	2,477	34,593,623	22,818	22,200,316

5 Return per share

The weighted average number of shares used to calculate the respective returns are shown in the table below:

	Number of Shares	
	Ordinary Shares	FWT Shares
30 September 2023¹	34,593,623	24,608,698
30 September 2022	34,593,623	18,596,307
31 March 2023	34,593,623	19,466,327

Earnings for the period should not be taken as a guide to the results for the full year.

¹The number of shares used to calculate the returns for the Ordinary Share class in the period is the weighted average from the period start date to the date of the merger, 5 July 2023.

6 Income

	Six months ended 30 September 2023 (unaudited)	Six months ended 30 September 2022 (unaudited)	Year ended 31 March 2023 (audited)
	£'000	£'000	£'000
Dividends received	822	—	264
Bank interest	44	11	30
Loan stock interest	—	203	362
Total Income	866	214	656

7 Investments held at fair value through profit or loss

	Company £'000
Book cost at 1 April 2023	16,942
Investment holding gains at 1 April 2023	3,009
Valuation at 1 April 2023	19,951
Movements in the period:	
Purchases at cost	953
Disposal proceeds	—
Realised gains	—
Investment holding losses	(856)
Valuation at 30 September 2023	20,048
Book cost at 30 September 2023	17,895
Investment holding gains at 30 September 2023	2,153
Valuation at 30 September 2023	20,048

8 Transactions with the manager

Details of arrangements with Foresight Group LLP are given in the Annual Report and Accounts for year ended 31 March 2023, in the Directors' Report and Notes 3 and 13. All arrangements and transactions were on an arms length basis.

Foresight Group LLP, which was appointed as Investment Manager on 27 January 2020, earned fees of £248,000 in the six months ended 30 September 2023 (six months ended 30 September 2022: £489,000; year ended 31 March 2023: £3,820,000 including a performance incentive fee of £2,767,000).

Foresight Group LLP is the Company Secretary (appointed in November 2017) and received, directly and indirectly, for accounting and company secretarial services fees of £39,000 in the six months ended 30 September 2023 (six months ended 30 September 2022: £87,000; year ended 31 March 2023: £173,000).

At the balance sheet date there was £22,000 due from (30 September 2022: £38,000 due to; 31 March 2023: £35,000 due from) Foresight Group LLP. No amounts have been written off in the period in respect of debts due to or from related parties.

9 Related party transactions

No Director has an interest in any contract to which the Company is a party other than their appointment and payment as Directors.

10 Post balance sheet event

Between the year end and the date of this report, under the offer for subscription to raise up to £15m FWT shares (with an overallotment facility to raise up to a further £10m), the Company issued a total of 2,894,110 shares which raised funds of £3.0m.

Between the 30 September 2023 and the date of this report, the FWT shares invested a total of £2.0m across four investee companies.

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