



Foresight

FOR A SMARTER FUTURE

FORESIGHT ENTERPRISE VCT PLC

**UNAUDITED HALF-YEARLY
FINANCIAL REPORT**

30 JUNE 2021

SHAREHOLDER INFORMATION

Foresight Enterprise VCT plc is a Venture Capital Trust aiming to provide investors with attractive returns from a portfolio of investments in fast growing, unquoted UK companies.

Enquiries

The Board and the Manager are always keen to hear from investors. If you have any feedback about the service you receive or any queries relating to Foresight Enterprise VCT plc, please contact the Investor Relations team:

Telephone: 020 3667 8181

Email: InvestorRelations@foresightgroup.eu

www.foresightenterprisevct.com

Annual and Half-Yearly Reports, as well as quarterly Factsheets and information on new investments, can be viewed online.

As part of the Manager's investor communications policy, investor forums are held throughout the year. Shareholders can also arrange a mutually convenient time to meet the Manager's investment team. Please contact Investor Relations if you are interested.

Dividends

All cash dividends will be credited to your nominated bank/building society account. Your options are:

- Receive your dividends in sterling via direct credit to a UK domiciled bank account
- Reinvest your dividends for additional shares in the Company through our Dividend Reinvestment Scheme

www.investorcentre.co.uk

Investors can manage their shareholding online using Investor Centre, Computershare's secure website. Shareholders just require their Shareholder Reference Number (SRN), which can be found on any communications previously received from Computershare, to access the following:

Holding Enquiry Balances | Values History | Payments | Reinvestments

Payments Enquiry Dividends | Other payment types

Address Change Change registered address to which all communications are sent

Bank Details Update Please ensure bank details are up to date in order to receive your dividends

Outstanding Payments Reissue payments using our online replacement service

Downloadable Forms for Dividend mandates | Stock transfer | Dividend reinvestment | Change of address

Alternatively you can contact Computershare by phone on 0370 703 6385

Key dates

Annual Results to 31 December 2021	April 2022
Annual General Meeting ("AGM")	June 2022
Interim Results to 30 June 2022	September 2022

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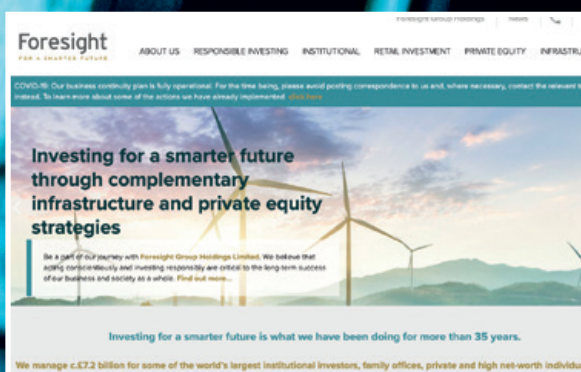
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WWW.FORESIGHTENTERPRISEVCT.COM

FINANCIAL HIGHLIGHTS

“In the period, the value of the investment portfolio rose by £11.9 million, driven by £5.1 million of deployment and an increase of £12.5 million in the value of investments offset by a realisation of £5.7 million.”

£123.5m

Total net assets
as at 30 June 2021

4.2p

Dividend paid
18 June 2021

£11.9m

Uplift in portfolio value
in period to 30 June 2021

63.8p

NAV per share
as at 30 June 2021

- Total net assets **£123.5 million**.
- An interim dividend of **4.2p** per share was paid on 18 June 2021, returning **£8.1 million** to Shareholders.
- The portfolio value has increased by **£11.9 million** in the last six months.
- Net Asset Value per share increased by **2.7%** in the period from **62.1p** at 31 December 2020 to **63.8p** at 30 June 2021. Including the payment of a **4.2p** dividend made on 18 June 2021, NAV total return per share at 30 June 2021 was **68.0p**, representing a positive total return of **9.5%** in the period.

Key:

- Technology, media & telecommunications
- Industrials & manufacturing
- Healthcare
- Business services
- Consumer & leisure
- General
- Environmental

**Key Metrics**

	30 June 2021	31 December 2020
Total net assets	£123.5m	£120.4m
Net Asset Value per share	63.8p	62.1p
Movement in Net Asset Value total return during the period ¹	9.5%	16.3%
Share price	56.5p	52.5p
Dividend per share paid in the period	4.2p	2.8p
Dividend yield ¹	7.4%	5.3%
Ordinary Shares in issue	193,758,305	193,859,213

	30 June 2021	31 December 2020
Discount to NAV ¹	11.4%	15.5%
Average discount on buybacks ¹	7.5%	7.5%
Shares bought back during the period under review	1,613,303	2,078,035
Shares issued under the dividend reinvestment scheme	1,512,395	1,111,024
Ongoing charges ratio ¹ (based on net assets)	2.35%	2.35%

1. Definitions of these Alternative Performance Measures can be found in the Glossary on page 30.

CHAIRMAN'S STATEMENT



“NAV total return per share for the six-month period was 68.0p, representing a total return of 9.5%.”

Raymond Abbott

Chairman of Foresight Enterprise VCT plc

I am pleased to present the unaudited Half-Yearly Report for Foresight Enterprise VCT plc for the period ended 30 June 2021.

Material events during the period

Before providing other details, I would like to draw attention to the continuing impact of COVID-19 on the Company and its portfolio.

The COVID-19 virus has presented the Company and the management of every one of its portfolio companies with unprecedented challenges which it is anticipated will persist for a considerable time to come. The Manager continues to work closely with the portfolio companies, attempting to minimise any adverse impact and it is a great credit to the quality of the management of the portfolio companies that the fallout from the pandemic has not been even more significant. Until this virus is brought under worldwide control, it is impossible to assess its full impact and challenges remain.

The overall impact of the COVID-19 pandemic could be seen in the material fall in the valuation of the Company's portfolio at 31 March 2020. On a positive note, I can say that so far this year the trading position of most of these businesses has significantly improved, resulting in an £11.9 million increase in portfolio value in the six months to 30 June 2021.

The end of the Brexit transition period on 31 December 2020 has created some economic uncertainty. The Manager has engaged with portfolio companies to prepare and advise them as some encounter supply chain challenges and experience staffing issues. Thanks to the diverse nature of the portfolio, with a combination of businesses focused on the domestic UK market and some that export and source worldwide, the Board remains confident that the Company is well-positioned to endure potential volatility.

Performance and portfolio activity

During the period Net Asset Value per share increased by 2.7% from 62.1p at 31 December 2020 to 63.8p at 30 June 2021. Including the payment of a 4.2p dividend made on 18 June 2021, NAV total return per share at 30 June 2021 was 68.0p, representing a positive total return of 9.5%. This positive movement is a result of the strategy and business changes throughout the portfolio alluded to above.

During the period under review the Manager completed three new investments and one follow-on investment costing £4.1 million and £1.0 million respectively as well as announcing the sale of its investment in FFX Group Limited, generating a return of 4.3x on the original investment.

Additionally, after the period end, the Manager completed one new investment and two follow-on investments costing £2.4 million and £0.9 million respectively as well as announcing the sale of its investment in Mologic Ltd, generating a return of 3.1x on the original investment. Also in August 2021 the Company sold its investment in Ixaris Group Holdings Limited. The Board and the Manager are confident that a number of new and follow-on investments can be achieved in the remainder of the 2021 year, particularly with the increased investment activity noted above. Details of each of these new, existing and former portfolio companies can be found in the Manager's Review.

Foresight Group LLP, the Company's 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 COVID-19 pandemic. Following both the successful fundraises launched in May 2017 and June 2018, the Company is in a position to fully support the portfolio, where appropriate, and exploit potential attractive investment opportunities.



Dividends

An interim dividend of 4.2p per share was declared on 20 May 2021 based on an ex-dividend date of 3 June 2021 and a record date of 4 June 2021. The dividend was paid on 18 June 2021.

As noted in the Annual Report and Accounts and in light of the change in portfolio towards earlier stage, higher risk companies as required by the new VCT rules, the Board felt it prudent to adjust the dividend policy towards a targeted annual dividend yield of 5% of NAV per annum. The Board and the Manager hope that this may be enhanced by additional 'special' dividends as and when particularly successful portfolio exits are made. The impact of COVID-19 will be taken into consideration when the Board considers dividends in the near term.

Shareholder communication

We were disappointed that so far this year we still have not been able to meet with Shareholders in person as a result of the travel restrictions imposed due to COVID-19. As an alternative, we invited Shareholders to our virtual AGM in July, as well as an online investor forum facilitated by the Manager in June.

We appreciate how popular such events are with our investors and will continue to hold similar events remotely until it is considered safe to meet in person. Details of any such future events will be communicated to investors.

Board composition

The Board continues to review its own performance and undertakes succession planning to maintain an appropriate level of independence, experience, diversity and skills in order to be in a position to discharge all its responsibilities.

Outlook

The persisting uncertainty over the full impact of COVID-19 and the ongoing changes related to Brexit create truly exceptional challenges for every business. The Company invests primarily in developing companies which by their nature benefit from general economic growth and the current environment places considerable demands upon them and their management teams. The Manager's Private Equity Team is well aware of the management and business needs of each of the companies within the investment portfolio and is working closely with them to help them progress during these testing times.

Until the pandemic is brought under worldwide control there will inevitably be further, mainly UK based businesses. Notwithstanding this, the Board and the Manager have been impressed by the resilience shown by the significant majority of the Company's investments and are optimistic that the existing portfolio has potential to add value once the virus has been successfully contained.

Raymond Abbott

Chairman

28 September 2021

MANAGER'S REVIEW

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INVESTMENT MANAGER'S REVIEW

The portfolio value has increased by £11.9 million in the last six months.

Portfolio summary

As at 30 June 2021 the Company's portfolio comprised 38 investments with a total cost of £62.1 million and a valuation of £104.3 million. The portfolio is diversified by sector, transaction type and maturity profile. Details of the ten largest investments by valuation, including an update on their performance, are provided on pages 14 to 18.

During the six months to June, the value of the investment portfolio held rose by £11.9 million. This was driven by £5.1 million of new and follow-on investments and an increase of £12.5 million in the value of existing investments offset by a realisation of £5.7 million. The Company's portfolio continues to recover following the impact of COVID-19 over the past 18 months. Many of the portfolio companies have successfully navigated the new economic landscape, with some performing extremely strongly while others continue to adjust.

The Manager remains focused on supporting an annual dividend to Shareholders of at least 5% of the NAV per share whilst retaining a stable NAV. The Company has made reasonable progress against these objectives in the period.

New investments

The Manager has taken a prudent approach to investing since the onset of COVID-19. Repeated lockdowns have made it challenging for the Private Equity Team to meet prospective companies and their teams face to face, an important part of assessing investments and developing relationships with management teams. However, the Manager and SMEs have adjusted to this new landscape given companies still wish to grow their businesses despite the economic uncertainty. The Manager continued to meet new companies and advisers throughout this period. Relationships are now forged virtually with deals being introduced and completed entirely online.

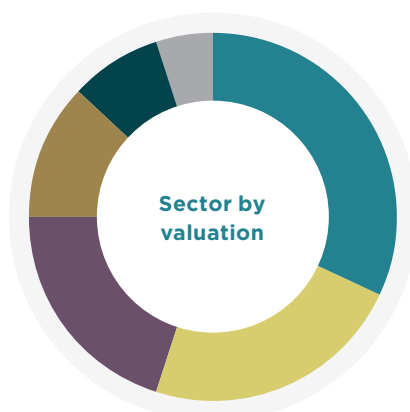
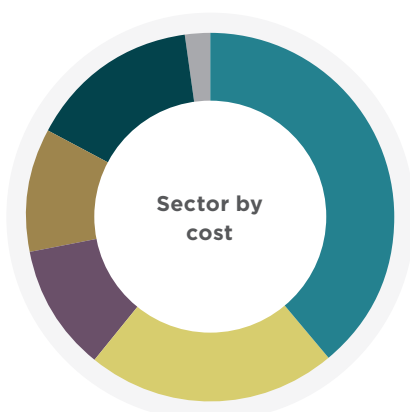
As a result, three new investments were completed in the six months to 30 June 2021. Further details of each of these are provided below. Behind these, there is a strong pipeline of opportunities that the Manager expects to convert during the second half of 2021.



NorthWest EHealth

In June 2021, the Company invested £1.5 million into NorthWest EHealth, which provides software and services to the clinical trials market, allowing pharmaceutical companies and contract research organisations to conduct feasibility studies, recruit patients and run trials. The investment will be used to expand the current data network, enabling the company to support a larger number of trials at a global level, increase product development and expand the sales and marketing team to help build long term, strategic relationships.

Portfolio Diversification



Key:

- Technology, media & telecommunications **39%** | **32%**
- Healthcare **22%** | **23%**
- Industrials & manufacturing **11%** | **20%**
- Business services **11%** | **12%**
- Consumer & leisure **15%** | **8%**
- General **2%** | **5%**

INVESTMENT MANAGER'S REVIEW CONTINUED

New investments continued



Hexarad Group

Also in June 2021, the Company invested £0.9 million into Hexarad Group, an early stage, high growth healthcare services company, providing teleradiology services to NHS Trusts and UK private healthcare customers. Headquartered in London, the company was founded in 2016 by a group of NHS consultant radiologists and differentiates itself through its clinical leadership and technology-led proposition. The investment into Hexarad Group will enable the company to support more NHS and private healthcare customers and further improve customer and radiologist experience.



Additive Manufacturing Technologies

Finally, in June 2021, the Company invested £1.7 million into Additive Manufacturing Technologies ("AMT"), which manufactures systems that automate the post-processing of 3D printed parts. AMT originally received seed funding from Foresight Williams EIS in September 2019. The additional investment, made alongside further investment from Foresight Williams, will be used to further commercialise its products now they have achieved commercial traction.



Callen-Lenz Associates

Post-period end, in August 2021, £2.4 million of growth capital was invested into Callen-Lenz Associates, a provider of innovative technology solutions for unmanned aerial vehicles, commonly known as drones. Based near Salisbury, the company develops, designs, and manufactures vehicles, components, and software for drones globally.

Follow-on investments

The Manager had expected that more portfolio companies would need additional capital to support them through difficult trading conditions resulting from the various lockdowns, driving an increase in follow-on investment. However, the portfolio has remained relatively resilient, supported by the Manager, which has increased oversight of the portfolio and provided guidance to portfolio management teams throughout the pandemic. The Company made one follow-on investment in the period, totalling £1.0 million, to support further growth opportunities post-COVID-19 restrictions lifting. Further details are provided below.

Many companies used forms of Government support, such as the furlough scheme and the Coronavirus Business Interruption Loan Scheme, which reduced the need for additional equity injections in the period. However, as these schemes unwind, the Manager anticipates some requirements for follow-on investment in the next six months.



Clubspark

In March 2021, Clubspark, a software platform that provides sports clubs and centres with the ability to manage operations such as court and equipment booking, received a £1.0 million follow-on investment from the Company. The investment will be used to expand into other sports and push further into international markets, such as the US.



Biotherapy Services

Post-period end, in July 2021 a follow-on of £0.8 million was also made into Biotherapy Services ("BTS"), a leading pharmaceutical biotech company. BTS has developed a wound care treatment for diabetic foot ulcers and the additional funds will be used to support its clinical trial.



Fertility Focus

In August 2021, post-period end, a £0.2 million follow-on investment was made into Fertility Focus, a leading fertility monitoring technology company that has developed registered medical devices that enable women to predict ovulation. The funding will be used to support a new product launch over the next 12 months.

PORTFOLIO SUMMARY

I-MIST LTD

Company Background

I-Mist was founded in 2015 by Tony Sims and Alex Pollard who together have over 15 years' experience within the fire suppression industry. Their goal was to revolutionise the traditional fire sprinkler, developing a more cost effective and simple solution that could be installed easily in domestic and residential buildings.

The company has developed a new technology using high pressure water mist that brings with it a number of benefits compared to existing products in the market. Notably, the technology is substantially more environmentally friendly, using six litres of water per minute versus 51 for traditional sprinkler systems and thereby causing less damage. I-Mist addresses a clear gap in the market, as competitors are typically focused on larger industrial and commercial projects. I-Mist is based in East Yorkshire, Scotland and Kent, as well as in a recently established North Carolina facility to facilitate its US expansion strategy.



I-Mist Key Facts

Name	I-Mist Ltd
Location	Unit 11 Park Road Industrial Estate, Swanley, BR8 8AH
Website	www.imist.com
Industry	Business Services
Foresight Enterprise VCT plc Commitment	£1.6 million
Foresight Enterprise VCT plc Ownership %	15.8% (fully diluted)
Stage	Growth Capital
Investment Date	December 2020
Total Foresight Group LLP Commitment	£4.5 million (£1.6 million of investment made by Foresight VCT plc and £1.6 million of investment made by Foresight Enterprise VCT plc alongside £1.3 million of co-investment from the Foresight Scottish Growth Fund)

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INVESTMENT MANAGER'S REVIEW CONTINUED

Pipeline

At 30 June 2021, the Company held cash of £19.3 million, which will be used to fund new and follow-on investments, buybacks and running expenses and support the Company's dividend objectives. The Manager is seeing a recovery in the pipeline of potential investments and has a number of opportunities under exclusivity or in due diligence. The Company remains well-positioned to continue pursuing these potential investment opportunities. As the economy recovers from the worst effects of COVID-19, the Manager expects demand for funding to increase, driving some particularly interesting opportunities for investment.

Exits and realisations

The M&A climate has remained surprisingly buoyant during the last 18 months. At first, most trade acquirers focused on their core business and private equity investors focused on their existing portfolios or on distressed acquisitions.

However, since the second half of last year, the Manager has seen acquisition interest returning, particularly in the healthcare, technology and e-commerce sectors, with numerous investment opportunities being presented for consideration.

In January 2021 the Company successfully sold its investment in FFX Group, one of the UK's largest multi-channel, independent suppliers of high-quality power tools, fixings and building supplies. The transaction generated proceeds of £5.7 million at completion and the Company will receive up to £0.2 million of deferred consideration after 18 months subject to certain conditions. This implies a cash on cash return of 4.3x the initial investment of £1.4 million, made in October 2015, which is equivalent to an IRR of c.32%. During the investment period, FFX Group opened a new 60,000 sq ft distribution centre and a new head office in Kent. The business updated its brand and launched an extensive range of its own products. Since the Company's investment, FFX Group more than tripled revenues and increased headcount by over 125.

Post-period end, the Company announced the successful sale of Mologic, a health diagnostics company providing both contract research services for clients and developing its own range of proprietary point-of-care diagnostics products. It was sold to Global Access Health, a not-for-profit company financed by the Soros Economic Development Fund, the impact investing arm of the Open Society Foundations and a group of other philanthropic organisations and investors. The return multiple of 3.1x includes deferred consideration, which is equivalent to an IRR of c.38%. During the investment period, the Mologic team has worked with the Manager to strengthen the business, advancing the product portfolio, increasing turnover by over 165% and increasing employee numbers by over 40%. The business has also developed a presence in the US, opening an office on the East Coast, and developed a manufacturing partnership in West Africa.

The Company's investment in Ixaris Group Holdings was sold in August 2021 to Nium, a global B2B payments platform headquartered in Singapore.

PORTFOLIO SUMMARY

NORTHWEST EHEALTH

Company Background

Established in 2016, NorthWest EHealth ("NWEH") grew out of a collaboration between the University of Manchester, Salford Royal Foundation NHS Trust and Salford Clinical Commissioning Group. Its products provide the life sciences industry with an alternative approach to clinical trial design and management. NWEH's leading-edge technologies help run trials more cost effectively, from feasibility studies to the World's first large scale Phase III trial using data directly from source electronic health records.

NWEH utilises existing electronic health records from primary care providers to conduct clinical trials much more efficiently via its two products, Farsite and Connexion. Farsite allows for the automated searching of a population dataset to assess trial feasibility and identify and recruit patients. This is historically a manual and hugely expensive process, with NWEH able to reduce this from months to days.

The Connexion platform automates data collection and validation during a trial, remotely collecting results through primary care data, wearables and patient input.

This reduces trial cost by reducing manual input, validation and audit, with Connexion adhering to all regulatory standards.

NWEH has historically worked with some of the largest pharma companies, including Novartis and Pfizer. The company has recently begun to develop strong relationships with several large contract research organisations in the market, which can potentially provide a recurring source of trials.

The UK is one of the leading global markets for clinical trials, currently worth c.£3.0 billion per year, with life sciences identified as a priority sector by the UK Government post-Brexit. This leads to an addressable market of c.150 trials per year for NWEH.



NorthWest EHealth Key Facts

Name	NorthWest EHealth Limited
Location	2/F, Bright Building, Manchester Science Park, Pencroft Way, Manchester, M15 6GZ
Website	www.nweh.co.uk
Industry	Healthcare
Foresight Enterprise VCT plc Commitment	£1.5 million
Foresight Enterprise VCT plc Ownership %	13.9% (fully diluted)
Stage	Growth Capital
Investment Date	June 2021
Total Foresight Group LLP Commitment	£3.0 million (£1.5 million of investment made by Foresight VCT plc and £1.5 million of investment made by Foresight Enterprise VCT plc)

INVESTMENT MANAGER'S REVIEW CONTINUED

Disposals in the six months to 30 June 2021

Company	Detail	Accounting cost at date of disposal (£)	Proceeds (£)	Realised gain (£)	Valuation at 31 December 2020 (£)
FFX Group Limited	Full Disposal	1,372,002	5,651,756 ¹	4,279,754	5,723,459

1. A further £71,703 in deferred consideration has been reflected in the accounts.

Key portfolio developments

In the first six months of the year, the portfolio has shown further recovery, which started in the second half of 2020, as businesses adapt to the new economic climate combined with the gradual easing of restrictions.

The value of unquoted investments held rose by £11.9 million in the six months to June, driven by deployment of £5.1 million and an increase in value of existing investments by £12.5 million offset by a realisation of £5.7 million. A disciplined approach to investment valuations has been maintained in light of COVID-19. During the prior period, the value of investments held rose by £26.2 million, driven by deployment of £6.5 million and an increase in the value of existing investments of £19.7 million.

Material changes in valuation, defined as increasing or decreasing by £1.0 million or more since 31 December 2020, are detailed below. Updates on these companies are included in the Top Ten Investments section on pages 14 to 18.

Key valuation changes in the period

Company	Valuation (£)	Valuation change (£)
Galinette Limited	3,317,884	2,057,468
Biofortuna Ltd	8,559,163	1,377,859
Aerospace Tooling Corporation Limited	4,072,294	1,075,795
Hospital Services Group Limited	4,294,035	1,070,285
Mologic Ltd	3,257,940	1,055,793

Outlook

The United Kingdom has now lifted most of its COVID-19 restrictions, marking a milestone as the country moves into a new phase. However, this newfound freedom has brought with it a raft of challenges, including a sharp rise in new COVID-19 cases and the consequential increase in the percentage of the population isolating. This has led to staff shortages across the country, leading to either reductions in capacity or the temporary closure of businesses.

The rules are changing constantly, and it is clear that COVID-19 will still continue to impact trading in the medium term and businesses must remain cautious through this transition to the 'new normal'. The Manager will continue to provide added support to its portfolio companies and, if the situation worsens, will be on standby to administer the same 'toolbox' of support as in prior lockdowns.

On a positive note, the International Monetary Fund believes that the UK economy will grow faster than previously expected this year, upgrading the UK's forecast to 7% growth. Despite this, the Manager has taken a prudent view, encouraging companies to revise budgets to manage creditor stretch and debt build-up, particularly due to the reduction of Government support. The Manager is ensuring that finance directors at the portfolio companies continue to tightly manage overheads and critically assess capital expenditure given the uncertain macro environment.

Whilst COVID-19 has brought unprecedented disruption, it has also prompted many organisations to reassess their business models and take action to adapt to a new economic landscape. A number of the Company's portfolio have used this as an opportunity to review their overall strategy, venture into a new market or launch a new product or service.

For example, to supplement lost revenues from their core business some portfolio companies have procured and provided PPE or other protective equipment, such as hand sanitising stations or screens. Healthcare and life science investments have also contributed to national efforts to defeat the virus by manufacturing COVID-19 testing kits.

Some of the portfolio companies used this time as an opportunity to improve online activity and have seen an uptick in revenues as a consequence. With the trend towards e-commerce accelerating during COVID-19, retail businesses will need to continue embracing this channel fully and make it a core part of the overall growth strategy.

The Manager is working closely with portfolio companies to ensure they are well-positioned to capitalise on this opportunity.

Beyond COVID-19, the end of the Brexit transition period on 31 December 2020 has also created some economic uncertainty. The Manager has worked closely with portfolio companies to prepare them to the best extent possible as some of them encounter supply chain challenges and experience staffing issues. Thanks to the diverse nature of the portfolio, with a combination of businesses focused on the domestic UK market and some that export and source worldwide, the Manager remains confident that the Company is well-positioned to endure potential volatility.

Notwithstanding this uncertain economic backdrop, the Manager continues to see encouraging levels of activity from smaller UK companies seeking growth capital. The Manager expects this to increase as companies begin to recover from the impact of COVID-19, with requirements for permanent funding to working capital. VCTs are still viewed by many entrepreneurs as an attractive source of capital that provide scale-up funding to businesses at an early stage of their growth, when other sources of funding may not be readily available or alongside other sources of capital, including government measures for supporting businesses during COVID-19.

Despite the challenges of COVID-19 in the medium and long term, the UK remains an excellent place to start, scale and sell a business, with broad pools of talent and an entrepreneurial culture.

Russell Healey

on behalf of Foresight Group LLP
Head of Private Equity
Foresight Group LLP

28 September 2021

ABOUT THE MANAGER – FORESIGHT GROUP LLP

Foresight Group LLP is a leading infrastructure and private equity investment manager.

Sustainability and ESG criteria are central to all investments – Foresight was among the first to prioritise sustainability and ESG and it remains at the forefront of these developing investment themes.

200+

Institutional clients

19

Institutional solutions

62%

Institutional assets

28,000

Retail investors

14

Retail solutions

38%

Retail assets

INFRASTRUCTURE

Foresight now manages over 300 infrastructure assets, including wind, solar and bioenergy, with installed capacity to generate 2.9GW of renewable energy.

£6.5bn

AUM | 90%

317

Assets

PRIVATE EQUITY

Foresight manages more than 100 growth capital and replacement capital investments through a network of seven regional UK offices.

£714m

AUM | 10%

115

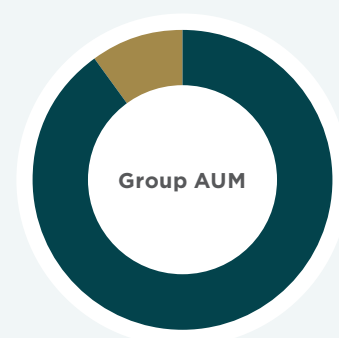
Investments

OFFICES

Foresight has 12 offices, the largest of which is in London.

£7.2bn

AUM audited as at 31 March 2021



■ Infrastructure

■ Private Equity



London
Stock Exchange

On 9 February 2021, Foresight Group Holdings Limited shares were unconditionally listed on the premium segment of the London Stock Exchange Main Market, under the ticker "FSG". Foresight Group Holdings Limited was awarded the LSE's Green Economy Mark, which recognises companies that derive 50% or more of their annual revenues from products and services that contribute to the global green economy. www.fsg-investors.com

TOP TEN INVESTMENTS

BY VALUE AS AT 30 JUNE 2021

For the investments below held by Foresight 3 VCT plc ("F3") pre-merger, the amount invested refers to the initial amount invested by F3 and the Company. The accounting cost includes both the initial investment by both funds and also the valuation of the F3 investment at the point it was transferred to the Company.



DATAPATH GROUP LIMITED

DERBYSHIRE

www.datapath.co.uk

SECTOR: TECHNOLOGY, MEDIA & TELECOMMUNICATIONS

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

30 June 2021 update

Trading has improved and revenues are now materially ahead of prior year, although volatility is expected to persist over the next six months. COVID-19 continues to impact customer demand, while the business has also experienced chip shortages. The focus is on building out the new product order book to underpin trading for the rest of the financial year.

Initial investment	September 2007
Amount invested (£)	2,000,000
Accounting cost (£)	11,081,243
Investment value (£)	15,321,243
Basis of valuation	Discounted earnings multiple
Equity held (%)	26.7%



BIOFORTUNA LTD

WIRRAL

www.biofortuna.com

SECTOR: HEALTHCARE

Biofortuna, established in 2008, is a diagnostics business based in the North West that provides contract development, contract manufacturing and genomic services.

30 June 2021 update

Biofortuna's technical ability and freeze-drying capability allowed it to support several clients, manufacturing their COVID-19 testing kits, with over 30 million manufactured since April 2020. COVID-19-related activity produced material revenue growth for the company, however, more recently there has been a slowdown in trading as the pandemic begins to ease. Its COVID-19-related work has raised Biofortuna's profile and new opportunities are arising as a consequence. In the period Biofortuna acquired a genomic services company, Northgene.

Initial investment	March 2012
Amount invested (£)	3,517,537
Accounting cost (£)	3,517,537
Investment value (£)	8,559,163
Basis of valuation	Discounted revenue multiple
Equity held (%)	45.0%



SPECAC INTERNATIONAL LIMITED

KENT

www.specac.com

SECTOR: INDUSTRIALS & MANUFACTURING

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

30 June 2021 update

Specac International had a strong start to its financial year, mainly driven by higher sales volumes and improved gross margins. Cost control and efficiency have both improved under the new Managing Director. The order book and sales pipeline are encouraging, buoyed by customers replacing capital goods after the end of lockdown.

Initial investment	April 2015
Amount invested (£)	1,300,000
Accounting cost (£)	2,554,761
Investment value (£)	7,794,033
Basis of valuation	Discounted earnings multiple
Equity held (%)	39.2%



TFC EUROPE LIMITED

EAST SUSSEX

www.tfc.eu.com

SECTOR: INDUSTRIALS & MANUFACTURING

TFC Europe is one of Europe's leading suppliers of fixing and fastening products to customers across a wide range of industries, including aerospace, automotive, oil & gas and mechanical engineering.

30 June 2021 update

TFC Europe continued to generate strong sales despite the impact of COVID-19, with revenues and profits now ahead of budget. TFC Europe has used this period to review its pricing model, strengthen its balance sheet and overall focus on increasing market share to drive value in the long term. Investment in the sales and marketing functions is beginning to pay off with demand now increasing.

Initial investment	March 2007
Amount invested (£)	1,408,638
Accounting cost (£)	2,149,307
Investment value (£)	7,212,888
Basis of valuation	Discounted earnings multiple
Equity held (%)	42.5%

TOP TEN INVESTMENTS CONTINUED

BY VALUE AS AT 30 JUNE 2021



INNOVATION CONSULTING GROUP LIMITED

HERTFORD

www.govgrant.co.uk

SECTOR: BUSINESS SERVICES

Innovation Consulting Group (formerly The Business Advisory Limited) provides support services and contingent advice to UK based SME businesses seeking to gain access to Government tax incentives.

30 June 2021 update

Innovation Consulting Group has had a mixed six months of trading, with one strong quarter followed by a softer quarter. During the period, the business launched a new self-serve portal for accountants to perform and submit their own R&D claims, and initial feedback from the market has been positive. This has led to additional lead generation for the company, which should help to generate additional growth.

Initial investment	September 2015
Amount invested (£)	1,650,000
Accounting cost (£)	1,938,046
Investment value (£)	6,317,853
Basis of valuation	Discounted earnings multiple
Equity held (%)	36.7%

HOSPITAL SERVICES GROUP LIMITED

BELFAST

www.hsl.ie

SECTOR: HEALTHCARE

Hospital Services Group ("HSL") distributes, installs and maintains high quality healthcare equipment and consumables from global partners such as Hologic, Fujifilm and Shimadzu. HSL has strengths in the radiology, ophthalmic, endoscopy and surgical sectors, as well as a growing presence in telehealth (delivery of health care services via remote technologies) and broader healthcare IT.

30 June 2021 update

HSL has traded very well with revenues and profits materially ahead of prior year and budget. In the period, the company acquired MDI Medical, a leading supplier, installer and servicer of medical devices and systems, particularly ultrasound and patient monitoring equipment. This is performing particularly well, while HSL's other divisions, PPE aside, are seeing an uptick in trading following the impact of COVID-19.

Initial investment	September 2015
Amount invested (£)	1,200,000
Accounting cost (£)	1,200,000
Investment value (£)	4,294,035
Basis of valuation	Discounted earnings multiple
Equity held (%)	16.3%



AEROSPACE TOOLING CORPORATION LIMITED

KENT

www.atlturbineservices.co.uk

SECTOR: INDUSTRIALS & MANUFACTURING

Founded in 2007, Aerospace Tooling Corporation (“ATL”) is a niche engineering company based in Dundee. ATL provides specialist inspection, maintenance, repair and overhaul (“MRO”) services for components in high-specification aerospace and turbine engines.

30 June 2021 update

ATL has had a strong trading period, with revenues and profits ahead of budget. Revenue continues to be evenly split between aviation, a majority of which is military, and industrial divisions. The business is having promising conversations with a number of prospective new customers that should convert later in the year.

Initial investment	June 2013
Amount invested (£)	2,000,000
Accounting cost (£)	415,255
Investment value (£)	4,072,294
Basis of valuation	Discounted earnings multiple
Equity held (%)	46.9%



PROTEAN SOFTWARE LIMITED

COVENTRY

www.proteansoftware.co.uk

SECTOR: TECHNOLOGY, MEDIA & TELECOMMUNICATIONS

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

30 June 2021 update

Trading continues to recover, with revenues in the last quarter being the second best in the company’s history. The company is working on recruiting additional suitable engineers in both the UK and Poland but finding it hard given current market pressures. They are using contractors in the meantime to fill this gap. Despite this, the forecast for FY22 looks to be a pivotal year as the market transitions more fully to SaaS.

Initial investment	July 2015
Amount invested (£)	1,500,000
Accounting cost (£)	1,795,229
Investment value (£)	3,413,734
Basis of valuation	Discounted revenue multiple
Equity held (%)	23.8%

TOP TEN INVESTMENTS CONTINUED

BY VALUE AS AT 30 JUNE 2021



GALINETTE LIMITED

LONDON

SECTOR: GENERAL

Galinette holds investments in smaller companies, most notably True Lens Services Limited (“TLS”), a specialist provider of lens manufacturing, refurbishment and servicing to the film and television markets. The business was a subsidiary of Procam TV, previously held by the Company, but was carved out by the Manager in September 2020.

30 June 2021 update

The principal driver of TLS’ performance has been the lens rehousing activities. The TV and film production market is very active in the post-pandemic period due to the backlog in content generation over the last 15 months, this has created strong momentum and demand for TLS’ services. The sale of the new Vega lenses has been slightly slower than planned but further marketing activities are ongoing to promote the lenses in both the domestic and international markets.

Initial investment	June 2017
Amount invested (£)	100
Accounting cost (£)	100
Investment value (£)	3,317,884
Basis of valuation	Net assets
Equity held (%)	100.0%

MOLOGIC LTD

BEDFORD

www.mologic.co.uk

SECTOR: HEALTHCARE

Mologic is a health diagnostics company providing contract research services for clients and developing its own range of proprietary point-of-care diagnostics products. It also conducts various grant-funded projects for large philanthropic organisations.

30 June 2021 update

Post-period end, the Company announced the successful sale of Mologic. It was sold to Global Access Health, a not-for-profit company financed by the Soros Economic Development Fund, the impact investing arm of the Open Society Foundations, and a group of other philanthropic organisations and investors. The return multiple of 3.1x includes deferred consideration. During the investment period, the Mologic team and Foresight worked to strengthen the business, advancing the product portfolio, increasing turnover by over 165% and increasing employee numbers by over 40%.

Initial investment	April 2018
Amount invested (£)	1,059,000
Accounting cost (£)	1,059,000
Investment value (£)	3,257,940
Basis of valuation	Sales proceeds ¹
Equity held (%)	6.4%

1. Including contractual deferred consideration.

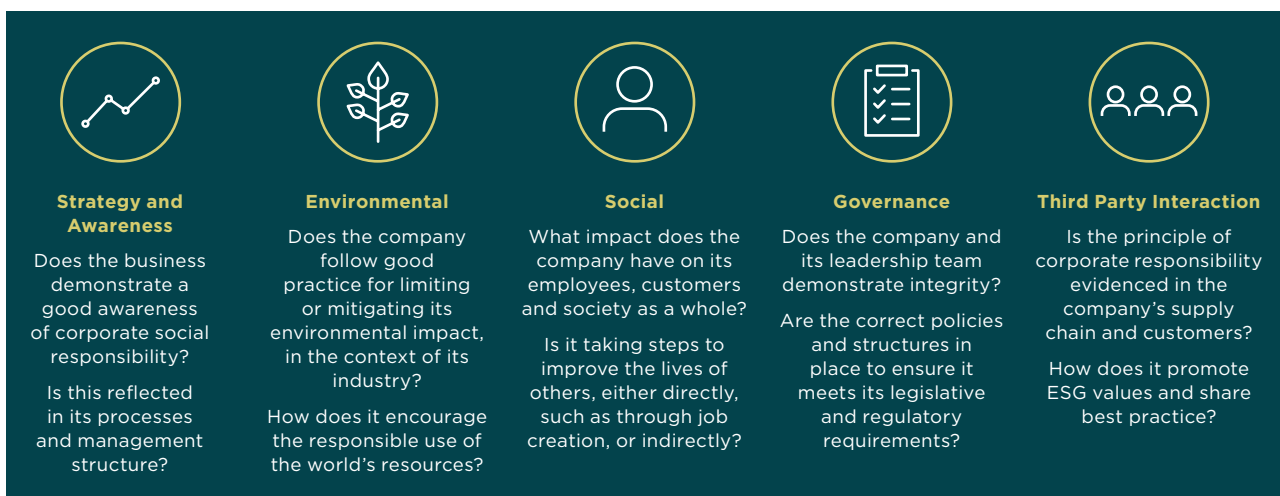
RESPONSIBLE INVESTMENT

We believe in delivering sustainable growth and incorporate ESG into our management process.

In order to deliver sustainable growth and long-term success, the Manager believes it is critical to incorporate Environmental, Social and Governance factors (“ESG”) into its investment management processes. Often referred to as Responsible Investment, these principles provide not only a key basis for generating attractive returns for investors, but also to help build better quality businesses in the UK, creating jobs and making a positive contribution to society.

ESG values form an integral part of the Manager’s day-to-day decision making, with all new investments made since May 2018 subject to ESG due diligence and ongoing ESG monitoring. This accounts for 48% of the current portfolio, with the view of reaching 100% as legacy investments are sold. Central to its investment approach are five ESG Principles which are used to evaluate investee companies.

Overall 40 individual key performance indicators are considered under the five Principles. The Manager invests in a wide range of sectors and believes its approach covers the key tests that should be applied to assess a company’s ESG performance, throughout the life cycle of an investment:



UN SDGs

The evaluation of investee companies against each of the five Principles is supported by quantitative and qualitative data, starting at the initial review of an opportunity through to exit. This process helps identify both the risks and opportunities that exist within the portfolio and aims to ensure that investments support positive environmental and social outcomes.

The UN’s Sustainable Development Goals (“SDGs”) also represent a key driver and important lens through which corporate and investment activities are reviewed. Each portfolio company is also subject to an annual assessment where progress against each of the five Principles and SDGs are measured and an evaluation matrix updated to allow progress to be tracked and continuous improvement encouraged.



PORTFOLIO OVERVIEW

Investment	30 June 2021		Basis of valuation	31 December 2020	
	Accounting Cost £	Investment Value £		Accounting Cost £	Investment Value £
Datapath Group Limited	11,081,243	15,321,243 ¹	Discounted earnings multiple	11,081,243	15,670,327
Biofortuna Ltd	3,517,537	8,559,163 ¹	Discounted revenue multiple	3,517,537	7,181,304
Specac International Limited	2,554,761	7,794,033 ¹	Discounted earnings multiple	2,554,761	7,263,367
TFC Europe Limited	2,149,307	7,212,888 ¹	Discounted earnings multiple	2,149,307	6,540,051
Innovation Consulting Group Limited (formerly The Business Advisory Limited)	1,938,046	6,317,853 ¹	Discounted earnings multiple	1,938,046	6,002,488
Hospital Services Group Limited	1,200,000	4,294,035 ¹	Discounted earnings multiple	1,200,000	3,223,750
Aerospace Tooling Corporation Limited	415,255	4,072,294 ¹	Discounted earnings multiple	415,255	2,996,499
Protean Software Limited	1,795,229	3,413,734 ¹	Discounted revenue multiple	1,795,229	2,964,339
Galinette Limited	100	3,317,884 ¹	Net assets	100	1,260,416
Mologic Ltd	1,059,000	3,257,940 ¹	Sales proceeds	1,059,000	2,202,147
Spektrix Limited	2,118,000	3,101,512	Discounted revenue multiple	2,118,000	2,472,661
Roxy Leisure Ltd	2,500,000	2,912,915	Discounted earnings multiple	2,500,000	2,521,997
Clubspark Ltd	1,860,000	2,881,506	Discounted revenue multiple	860,000	1,639,281
PH Realisations 2020 Limited (formerly Procam Television Holdings Limited)	2,162,929	2,544,379	Discounted earnings multiple	2,162,929	2,314,634
Itad Limited	1,371,726	2,169,274	Discounted earnings multiple	1,371,726	1,950,547
Ixaris Group Holdings Limited	3,479,188	2,095,864	Discounted offer	3,479,188	1,388,932
Accrosoft Limited	1,050,000	1,883,055	Discounted revenue multiple	1,050,000	1,469,901
Biotherapy Services Limited	1,500,000	1,842,957	Price of last funding round	1,500,000	1,981,234
I-Mist Ltd	1,614,500	1,810,803	Discounted revenue multiple	1,614,500	1,614,500
IMMJ Systems Limited	1,750,000	1,786,077	Discounted revenue multiple	1,750,000	1,750,000
Additive Manufacturing Technologies Limited	1,737,500	1,737,499	Price of last funding round	—	—
Steamforged Games Ltd	1,600,000	1,724,478	Discounted revenue multiple	1,600,000	1,321,506

1. Top ten investments by value are shown on pages 14 to 18.

Investment	30 June 2021		Basis of valuation	31 December 2020	
	Accounting Cost £	Investment Value £		Accounting Cost £	Investment Value £
Titania Group Limited	1,250,000	1,635,399	Discounted revenue multiple	1,250,000	1,250,000
Positive Response Corporation Ltd	1,009,195	1,582,329	Discounted revenue multiple	1,009,195	1,384,180
NorthWest EHealth Limited	1,500,000	1,500,000	Price of last funding round	—	—
Fourth Wall Creative Limited	2,000,000	1,465,456	Discounted earnings multiple	2,000,000	1,323,157
Iphigenie Limited	100	1,267,511	Net assets	100	1,262,665
Ten Health & Fitness Limited	1,600,000	1,204,765	Discounted revenue multiple	1,600,000	953,191
Codeplay Software Limited	300,000	1,086,093	Discounted revenue multiple	300,000	1,019,912
Hexarad Group Limited	850,000	850,000	Price of last funding round	—	—
Rovco Limited	950,000	789,625	Discounted revenue multiple	950,000	786,105
Fertility Focus Limited	525,569	692,837	Discounted revenue multiple	525,569	649,868
Whitchurch PE 1 Limited	378,000	650,683	Net assets	378,000	651,062
ABL Investments Limited	1,494,075	639,130	Discounted earnings multiple	1,494,075	732,495
Cole Henry PE 2 Limited	200,000	368,126	Net assets	200,000	368,505
Luminet Networks Limited	960,000	343,987	Discounted earnings multiple	960,000	395,203
Kingsclere PE 3 Limited	100,000	211,250	Net assets	100,000	211,628
Sindicatum Carbon Capital Limited	544,538	—	Nil value	544,538	—
FFX Group Limited	—	—	Sold	1,372,002	5,723,459
Total	62,115,798	104,338,577		58,400,300	92,441,311

GOVERNANCE

Unaudited half-yearly results and responsibilities statements.

Principal risks and Uncertainties

The principal risks faced by the Company are as follows:

- Performance
- Regulatory
- Economic (external shocks)
- Operational
- Financial

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts for the period ended 31 December 2020. A detailed explanation can be found on page 27 of the Annual Report and Accounts which is available on Foresight Enterprise VCT's website www.foresightenterprisevct.com or by writing to Foresight Group LLP at The Shard, 32 London Bridge Street, London, SE1 9SG. The Board considers that 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.

In the view of the Board, there has been a further change to the fundamental nature of these risks since the previous report. As the Brexit transition period ended on 31 December 2020, a number of portfolio companies have recently experienced increased economic uncertainty including supply chain challenges and staffing shortages. The Board and the Manager continue to follow Brexit developments closely with a view to identifying where changes affect the areas of the market in which portfolio companies operate. This enables the Manager to work closely with portfolio companies, preparing them to the best extent possible to ensure they are well-positioned to endure potential volatility.

Directors' responsibility statement

The Disclosure and Transparency Rules ('DTR') of the UK Listing 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
- 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 Chairman's Statement, Strategic Report and Notes to the Accounts of the 31 December 2020 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 income generated therefrom across a variety of industries and sectors. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have 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

Raymond Abbott

Chairman

28 September 2021

FINANCIAL STATEMENTS

WHAT'S IN THIS SECTION

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UNAUDITED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Six months ended 30 June 2021 (Unaudited)			Six months ended 30 September 2020 (Unaudited)			Nine months ended 31 December 2020 (Audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment holding gains	—	8,253	8,253	—	9,990	9,990	—	20,372	20,372
Realised gains/(losses) on investments	—	4,280	4,280	—	—	—	—	(623)	(623)
Income	190	—	190	324	—	324	67	—	67
Investment management fees	(290)	(871)	(1,161)	(295)	(884)	(1,179)	(434)	(1,301)	(1,735)
Other expenses	(291)	—	(291)	(270)	—	(270)	(490)	—	(490)
(Loss)/return on ordinary activities before taxation	(391)	11,662	11,271	(241)	9,106	8,865	(857)	18,448	17,591
Taxation	—	—	—	—	—	—	—	—	—
(Loss)/return on ordinary activities after taxation	(391)	11,662	11,271	(241)	9,106	8,865	(857)	18,448	17,591
(Loss)/return per share	(0.2)p	6.0p	5.8p	(0.1)p	4.7p	4.6p	(0.4)p	9.5p	9.1p

During the period, the Company shortened its accounting period from 31 March 2021 to 31 December 2020. Given this change, the latest half-yearly and annual comparative results shown in this report are for the six months ending 30 September 2020 and the nine months ending 31 December 2020.

The total columns of this statement are 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.

The Company has only one class of business and one reportable segment, the results of which are set out in the Income Statement and Balance Sheet.

There are no potentially dilutive capital instruments in issue and, therefore, no diluted earnings per share figures are relevant. The basic and diluted earnings per share are, therefore, identical.

UNAUDITED BALANCE SHEET

AT 30 JUNE 2021

Registered Number: 03506579

	As at 30 June 2021 £'000 (Unaudited)	As at 30 September 2020 £'000 (Unaudited)	As at 31 December 2020 £'000 (Audited)
Fixed assets			
Investments held at fair value through profit or loss	104,338	76,196	92,441
Current assets			
Debtors	149	971	162
Cash and cash equivalents	19,258	34,884	27,862
Total current assets	19,407	35,855	28,024
Creditors			
Amounts falling due within one year	(214)	(124)	(111)
Net current assets	19,193	35,731	27,913
Net assets	123,531	111,927	120,354
Capital and reserves			
Called-up share capital	1,938	1,944	1,939
Share premium account	68,344	80,002	67,458
Capital redemption reserve	539	518	523
Special distributable reserve	58,921	56,678	68,307
Capital reserve	(48,505)	(50,874)	(51,914)
Revaluation reserve	42,294	23,659	34,041
Equity Shareholders' funds	123,531	111,927	120,354
Net Asset Value per share	63.8p	57.6p	62.1p

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UNAUDITED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Called-up share capital £'000	Share premium account £'000	Capital redemption Reserve £'000	Special distributable reserve ¹ £'000	Capital reserve ¹ £'000	Revaluation Reserve £'000	Total £'000
As at 1 January 2021	1,939	67,458	523	68,307	(51,914)	34,041	120,354
Share issues in the period	15	918	—	—	—	—	933
Expenses in relation to share issues	—	(32)	—	—	—	—	(32)
Repurchase of shares	(16)	—	16	(909)	—	—	(909)
Realised gains on disposal of investments	—	—	—	—	4,280	—	4,280
Investment holding gains	—	—	—	—	—	8,253	8,253
Dividends paid	—	—	—	(8,086)	—	—	(8,086)
Management fees charged to capital	—	—	—	—	(871)	—	(871)
Revenue loss for the period	—	—	—	(391)	—	—	(391)
As at 30 June 2021	1,938	68,344	539	58,921	(48,505)	42,294	123,531

1. Reserve is available for distribution, total distributable reserves at 30 June 2021 are £10,416,000 (31 December 2020: £16,393,000).

UNAUDITED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2021

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	Six months ended 30 June 2021 £'000 (Unaudited)	Six months ended 30 September 2020 £'000 (Unaudited)	Nine months ended 31 December 2020 £'000 (Audited)
Cash flow from operating activities			
Loan interest received on investments	205	29	136
Dividends received from investments	21	—	—
Deposit and similar interest received	1	26	28
Investment management fees paid	(1,161)	(1,179)	(1,283)
Secretarial fees paid	(79)	(79)	(119)
Other cash payments	(216)	(147)	(349)
Net cash outflow from operating activities	(1,229)	(1,350)	(1,587)
Cash flow from investing activities			
Purchase of investments	(5,087)	—	(6,532)
Net proceeds on sale of investments	5,652	—	46
Net cash inflow/(outflow) from investing activities	565	—	(6,486)
Cash flow from financing activities			
Expenses of fundraising	(32)	(19)	(28)
Repurchase of own shares	(756)	(795)	(1,085)
Equity dividends paid	(7,152)	(4,824)	(4,824)
Net cash outflow from financing activities	(7,940)	(5,638)	(5,937)
Net outflow in cash in the period	(8,604)	(6,988)	(14,010)
Reconciliation of net cash flow to movement in net funds			
Decrease in cash and cash equivalents for the period	(8,604)	(6,988)	(14,010)
Net cash and cash equivalents at start of period	27,862	41,872	41,872
Net cash and cash equivalents at end of period	19,258	34,884	27,862

Analysis of changes in net debt

	At 1 January 2021 £'000	Cash Flow £'000	At 30 June 2021 £'000
Cash and cash equivalents	27,862	(8,604)	19,258

NOTES TO THE UNAUDITED HALF-YEARLY RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

1 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 nine months ended 31 December 2020. Unquoted investments have been valued in accordance with IPEV Valuation Guidelines.

2 These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 June 2021 and 30 September 2020 has been neither audited nor formally reviewed. Statutory accounts in respect of the nine months ended 31 December 2020 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 December 2020 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

3 Copies of the Unaudited Half-Yearly Financial Report will be sent to Shareholders via their chosen method and will be available for inspection at the Registered Office of the Company at The Shard, 32 London Bridge Street, London, SE1 9SG.

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 the date.

	Net assets	Shares in Issue
30 June 2021	£123,531,000	193,758,305
30 September 2020	£111,927,000	194,420,778
31 December 2020	£120,354,000	193,859,213

5 Return per share

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

	Shares
Six months ended 30 June 2021	193,660,150
Six months ended 30 September 2020	194,054,492
Nine months ended 31 December 2020	194,099,123

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

6 Income

	Six months ended 30 June 2021 £'000	Six months ended 30 September 2020 £'000	Nine months ended 31 December 2020 £'000
Loan stock interest	168	278	19
Dividends	21	—	—
Deposit and similar interest received	1	26	28
Other income	—	20	20
Total income	190	324	67

7 Investments held at fair value through profit or loss

	£'000
Book cost as at 1 January 2021	58,400
Investment holding gains	34,041
Valuation at 1 January 2021	92,441
Movements in the period:	
Purchases	5,087
Disposal proceeds ¹	(5,652)
Realised gains	4,280
Investment holding gains ²	8,182
Valuation at 30 June 2021	104,338
Book cost at 30 June 2021	62,115
Investment holding gains	42,223
Valuation at 30 June 2021	104,338

1. The Company received £5,651,756 from the disposal of investments during the period. The book cost of these investments when they were disposed was £1,372,002. These investments have been revalued over time and until they were sold any unrealised gains or losses were included in the fair value of the investments.

2. Investment holding gains in the income statement include the deferred consideration debtor of £71,703, relating to FFX Group Limited.

8 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.

9 Transactions with the manager

Foresight Group LLP acts as manager to the Company and was appointed on 27 January 2020. During the period, services of a total cost of £1,161,000 (30 September 2020: £1,179,000; 31 December 2020: £1,735,000) were purchased by the Company from Foresight Group LLP.

During the period, administration services of a total cost of £79,000 (30 September 2020: £79,000; 31 December 2020: £119,000) were delivered to the Company by Foresight Group LLP, Company Secretary.

At 30 June 2021, the amount due from Foresight Group LLP was £nil (30 September 2020: £452,000; 31 December 2020: £nil).

GLOSSARY OF TERMS

VCT	A Venture Capital Trust as defined in the Income Tax Act 2007.
Net Asset Value or NAV	The Net Asset Value (NAV) is the amount by which total assets exceed total liabilities, i.e. the difference between what the Company owns and what it owes. It is equal to Shareholders' equity, sometimes referred to as Shareholders' funds.
Net Asset Value per share or NAV per share	Net Asset Value expressed as an amount per share.
Dividend Yield	The sum of dividends paid during the period of 4.2p (30 September 2020: 2.8p; 31 December 2020: 2.8p) expressed as a percentage of the mid-market share price at the period end date of 56.5p (30 September 2020: 49.5p; 31 December 2020: 52.5p). This giving a dividend yield of 7.4% (30 September 2020: 5.7%; 31 December 2020: 5.3%).
Discount to NAV	A discount to NAV is the percentage by which the mid-market share price of the Company of 56.5p (30 September 2020: 49.5p; 31 December 2020: 52.5p) is lower than the Net Asset Value per share of 63.8p (30 September 2020: 57.6p; 31 December 2020: 62.1p). This giving a discount to NAV of 11.4% (30 September 2020: 14.1%; 31 December 2020: 15.5%).
Ongoing Charges Ratio	The sum of expenditure incurred in the ordinary course of business being £1.5 million (30 September 2020: £1.4 million; 31 December 2020: £2.1 million) expressed as a percentage of the average Net Asset Value during the period being £121.9 million (30 September 2020: £111.5 million; 31 December 2020: £120.4 million), adjusted for the number of months in the period in order to give an annual figure.
Movement in Net Asset Value Total Return	The movement in the NAV per share at the start of the period to the NAV per share at the end of the period plus all dividends paid per share in the period. The NAV at the start of the period was 62.1p (30 September 2020: 55.8p; 31 December 2020: 55.8p), dividends paid during the period were 4.2p (30 September 2020: 2.8p; 31 December 2020: 2.8p) with NAV at the end of the period being 63.8p (30 September 2020: 57.6p; 31 December 2020: 62.1p) as such NAV total return at the end of the period was 68.0p (30 September 2020: 60.4p; 31 December 2020: 64.9p). Therefore the movement in Net Asset Value total return in the period is 9.5% (30 September 2020: 8.2%; 31 December 2020: 16.3%).
Average discount on buybacks	The average of the percentage by which the buyback price is lower than the Net Asset Value per share at the point of the buyback.
Dividends paid in the period	The total dividends paid in the period per share of 4.2p (30 September 2020: 2.8p; 31 December 2020: 2.8p).
Shares bought back in the period	The total number of shares which were bought back in the period being 1,613,303 (30 September 2020: 1,516,470; 31 December 2020: 2,078,035).
Qualifying Investment	An investment which consists of shares or securities first issued to the VCT (and held by it ever since) by a Qualifying Company and satisfying certain conditions under the VCT legislation.
Qualifying Company	A company satisfying certain conditions under the VCT legislation. The conditions are detailed but include that the company must be unquoted (companies listed on AIM can qualify), have a permanent establishment in the UK, apply the money raised for the purposes of growth and development for a qualifying trade within a certain time period and not be controlled by another company. There are additional restrictions relating to the size and stage of the company to focus investment into earlier stage businesses, as well as maximum investment limits (certain of such restrictions and limits being more flexible for 'knowledge intensive' companies). VCT funds cannot be used by a Qualifying Company to acquire shares in another company or a trade.
Manager	Foresight Group LLP as the Company's manager.

FINANCIAL CONDUCT AUTHORITY INFORMATION

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000.



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BEWARE OF SHARE FRAUD

Fraudsters use persuasive and high-pressure tactics to lure investors into scams.

They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

HOW TO AVOID SHARE FRAUD

- Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- Check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you is authorised by the FCA.
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- Use the firm's contact details listed on the Register if you want to call it back.
- Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date.
- Search the list of unauthorised firms to avoid at www.fca.org.uk/scams.
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- Think about getting independent financial and professional advice before you hand over any money.
- **Remember:** if it sounds too good to be true, it probably is!

Report a scam

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at

www.fca.org.uk/scams, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

In association with



CORPORATE INFORMATION

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03506579

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Raymond Abbott (Chairman)
Gaynor Coley
Michael Gray
Simon Jamieson

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Panmure Gordon & Co

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London
EC4M 9AF

ADDITIONAL INFORMATION

Privacy policy

We respect your privacy and are committed to protecting your personal data. If you would like to find out more about the measures the Manager takes in processing your personal information, please refer to the privacy policy, which can be found at <http://www.foresightgroup.eu/privacy-policy/>.



Share buyback dates

Share buybacks are timed to avoid the Company's closed periods. Buybacks will generally take place, subject to demand, during the following times of the year:

- **April**, after the Annual Report has been published
- **June**, prior to the half-yearly reporting date of 30 June
- **September**, after the Half-Yearly Report has been published
- **December**, prior to the end of the financial year

Trading shares

The Company's shares are listed on the London Stock Exchange. Share price information is available on Foresight Group LLP's website and can also be obtained from many financial websites.

The Company's shares can be bought and sold in the same way as any other quoted company on the London Stock Exchange via a stockbroker. The primary market maker for Foresight Enterprise VCT plc is Panmure Gordon & Co.

You can contact Panmure Gordon by phone on 0207 886 2716 or 0207 886 2717

Investment in VCTs should be seen as a long-term investment and Shareholders selling their shares within five years of original purchase may lose any tax reliefs claimed. Investors who are in any doubt about selling their shares should consult their independent financial adviser.

Please contact the Manager if you or your adviser have any questions about this process.

Important information

Foresight Enterprise VCT plc currently conducts its affairs so that its shares can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products and intends to continue to do so for the foreseeable future.

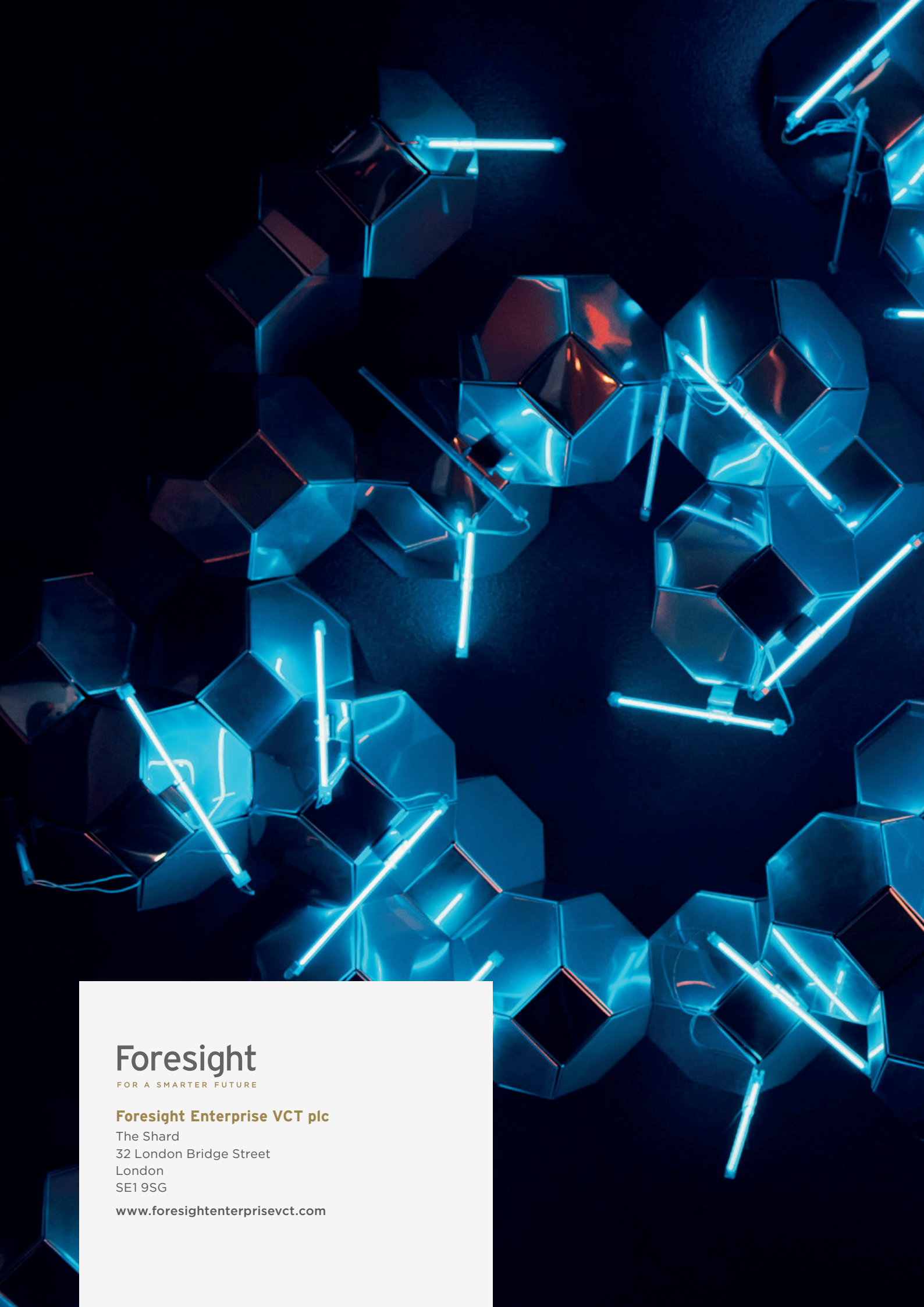
The shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in a VCT.

Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities and smaller companies, their potential volatility increases the risk to the value of, and the income from, the investment.



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Foresight

FOR A SMARTER FUTURE

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