



BLACKFINCH

BLACKFINCH SPRING VCT

PROSPECTUS NOVEMBER 2019



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action to be taken, you should immediately consult a person authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities.

This document, which comprises a prospectus dated 11 November 2019 relating to Blackfinch Spring VCT plc (the "Company") in accordance with the Prospectus Regulation Rules ("Prospectus Rules") made by the Financial Conduct Authority pursuant to Part VI of FSMA has been approved for publication under section 87A of that Act. This document has also been approved by the Financial Conduct Authority as a prospectus under Prospectus Regulation Rules on 11 November 2019.

The contents of this document and the information incorporated herein by reference should not be construed as legal, business or tax advice. Neither the Company nor any of its Directors or representatives are making any representation to any offeree or purchaser or acquirer of the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser or acquirer under the laws applicable to such offeree or purchaser or acquirer.

Your attention is drawn to the risk factors set out on page 10 and 11 of this document. Prospective investors should read the whole text of this document and should be aware that an investment in the Company involves a high degree of risk and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. All statements regarding the Company's business, financial position and prospects should be viewed in light of such risk factors.

The Directors of the Company whose names appear on page 12 of this document, together with the Company, accept responsibility for the information contained herein. To the best of the knowledge of the Directors and the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors and the Company are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

Application will be made for all the Ordinary Shares in the Company in issue and to be issued pursuant to the offer for subscription ("Offer"), to be admitted to a premium listing on the Official List of the Financial Conduct Authority. Application will also be made to the London Stock Exchange for the Ordinary Shares to be traded on its main market for listed securities. It is expected that admission will become effective and that dealings in the Ordinary Shares will commence on 7 February 2019. Applications for admission of Ordinary Shares may be made at any time after the date of publication of this document and on or prior to the Closing Date. Your attention is drawn to the section entitled 'Risk Factors' set out on pages 11 to 12 of this document.

Subject to FSMA, the Prospectus Rules and applicable laws, the delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time after this date.

Howard Kennedy Corporate Services LLP is acting as sponsor and Blackfinch Investments Limited, which is authorised and regulated by the Financial Conduct Authority, is acting as promoter in connection with the Offer. Howard Kennedy is not advising any other person or treating any other person as a customer or client in relation to the Offer, nor, subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder, will they be responsible to any such person for providing the protections afforded to their respective customers or clients or for providing advice in connection with the Offer.

Blackfinch Spring VCT plc

(incorporated in England and Wales with registered number 12166417)

Offer for Subscription of up to £20million of Ordinary Shares* of £0.01 each, payable in full in cash on application

Issued share capital of the Company assuming full subscription under the Offer (without the over-allotment facility being utilised and initial expenses of 5.5% being charged)

Nominal Value	Number
£189,000.02	18,900,002 Ordinary Shares

- The Directors, in their absolute discretion, may decide to increase the Offer by up to a further £10,000,000 in accordance with the over-allotment facility

BLACKFINCH SPRING VCT PLC

The Offer will be open from 11 November 2019 until the earlier of 3p.m. on the Initial Closing Date and the date on which the maximum subscription is reached. The Directors may close the Offer before the Initial Closing Date at their discretion or extend the Initial Closing Date and the deadline for receipt of applications to a date no later than 30 October 2020. The Offer is not underwritten. The procedure for, and the Terms and Conditions of Application under, the Offer are set out at the end of this document together with an Application Form. The minimum investment per investor is £3,000. Completed Application Forms should be sent by post or delivered by hand (during normal business hours only) to Blackfinch Investments Limited, 1350-1360 Montpellier Court, Gloucester Business Park, Gloucester GL3 4AH.

This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The Offer is not being made, directly or indirectly, in or into the United States, Canada, Australia, New Zealand, Japan, the Republic of South Africa or their respective territories or possessions or in any other jurisdiction where to do so would be unlawful, and documents should not be distributed, forwarded or transmitted in or into such territories. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, New Zealand, Japan, the Republic of South Africa or in any other jurisdiction where to do so would be unlawful.

Copies of this document may be obtained, free of charge, from the Company's registered office and at the offices of Blackfinch at 1350-1360 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, Gloucestershire GL3 4AH, until the closing of the Offer. A copy of this document has been submitted to the National Storage Mechanism and is available to the public for viewing online at the following website address: <http://www.morningstar.co.uk/uk/NSM>.

This document is not a KID (key information document) for the purposes of the EU Packaged Retail Investment and Insurance Products Regulations ("PRIIPs").

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SUMMARY

INTRODUCTION AND WARNINGS

Name and ISIN of Securities	Ordinary Shares of 1 pence each (ISIN: GB00BKV46W45).
Identity and Contact Details of Issuer	Blackfinch Spring VCT plc (the "Company"), incorporated and registered in England and Wales on 20 August 2019 with registered number 12166417, whose registered address is at 1350-1360 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, Gloucestershire GL3 4AH (LEI: 254900F3ZHVS78UV6D89). The Company can be contacted at enquiries@blackfinch.com on 01452 717070.
Competent Authority approving the Prospectus	The Financial Conduct Authority, 12 Endeavour Square, London E20 1JN, telephone 0207 066 1000.
Date of Approval of the Prospectus	11 November 2019.
Warnings	(a) The summary should be read as an introduction to the Prospectus. (b) Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the Investor. (c) An Investor could lose all or part of their invested capital. (d) Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff Investor might, under national laws, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. (e) Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid Investors when considering whether to invest in the securities.

KEY INFORMATION ON THE ISSUER

Who is the Issuer of the Securities?	
Domicile and legal form	The Company is domiciled in England and was incorporated and registered in England and Wales on 20 August 2019 as a public company limited by shares under the Companies Act 2006 ("CA 2006") with registered number 12166417 (LEI: 254900F3ZHVS78UV6D89). The principal legislation under which the Company operates, is the CA 2006 and the regulations made thereunder.
Principal Activities	The Company is a generalist VCT focused on investments in early stage technology-enabled companies with a focus on research and development and innovation.
Major Shareholders	As at the date of this document there are no persons who directly or indirectly, jointly or severally, exercise control over or own the Company.
Directors	The Directors of the Company (all of whom are non-executive) are: Peter L R Hewitt JP FCSI (Chairman) Katie Jones Richard Cook

Statutory Auditors	The statutory auditors of the Company are BDO LLP.
What is the key financial information regarding the issuer?	The Company has not published any financial information as it has not commenced trading operations.
What are the key risks that are specific to the issuer?	Set out below is a summary of the most material risk factors specific to the issuer: • Investments in smaller unquoted companies, (usually with limited trading records which require venture capital) carry substantially higher risks than would an investment in larger or longer-established businesses. • There can be no guarantee that the Company will meet all its objectives or that suitable investment opportunities will be identified. The past performance of members of the investment adviser team is no indication of future performance. • The Company may be unable to maintain its VCT status, which could result in loss of certain tax reliefs. • The market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. There may also be constraints imposed on the realisation of investments to maintain the VCT tax status of the Company. The Company's portfolio of Non-Qualifying Investments (e.g. money market funds) are subject to market fluctuations. Such investments are affected by the selection of funds and managers by the Investment Adviser and by investment decisions of such portfolio managers, and there can be no assurance that appreciation will occur or that losses will not be incurred.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?	
Types, class and ISIN of securities	The Company will issue new ordinary shares of 1 pence each ("Ordinary Shares") under the Offer. The ISIN of the Ordinary Shares is GB00BKV46W45.
Currency, par value and number to be issued	The currency of the Ordinary Shares is Sterling. The Shares are ordinary shares of 1 pence each and, pursuant to the Offer, the Company will issue up to £20 million of Ordinary Shares with an over-allotment facility for up to a further £10 million of Ordinary Shares.
Rights attaching to the securities	
As regards Income	The Shareholders are entitled to receive such dividends as the Directors resolve to pay out in accordance with the Articles of Association.
As regards Capital	On a return of capital on a winding up or otherwise (other than on redemption or purchase of shares) the assets of the Company available for distribution shall be divided amongst the holder of Shares pro rata to their respective holdings of such shares, in accordance with the Articles of Association.
As regards Voting and General Meetings	Subject to any special terms as to voting upon which any shares may have been issued, or may for the time being be held, each holder of Shares present in person or by proxy shall on a poll have one vote for every Share of which he is a holder.
As regards Redemption	The Ordinary Shares are not redeemable.

Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Shares.
Dividend policy	The Company intends but cannot guarantee to pay: (1) a regular annual dividend commencing not earlier than in the financial year beginning 1 January 2024 equivalent to 5% of the Company's Net Asset Value and (2) special dividends, where appropriate, from the proceeds of successful exits of portfolio companies that are not reinvested. The Company's ability to pay dividends is subject to the existence of realised profits, legislative requirements and the available cash reserves of the Company. No forecast or projection is implied or inferred.
Where will the securities be traded?	Application will be made to the FCA for the Ordinary Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that each such admission will become effective, and that dealings in those Ordinary Shares will commence, at any time on or before the Closing Date.
What are the key risks that are specific to the securities?	Set out below is a summary of the most material risk factors specific to the securities: • Although the Ordinary Shares will be listed on the Official List and admitted to trading on the London Stock Exchange, shares in VCTs are inherently illiquid, and there may be a limited market in the shares, primarily because the initial tax relief is only available to those subscribing for newly issued shares. In such circumstances Investors will find it difficult to realise their investment. • The Company intends, but cannot guarantee, to pay a regular annual dividend commencing in 2024 equivalent to 5% of the Company's Net Asset Value. The ability to pay the intended dividends may also be constrained by, in particular, the existence of realised profits, regulations and the available cash reserves of the Company. • The value of an Ordinary Shares depends on the performance of the Company's underlying assets and that value and the income derived from those assets may go down as well as up and an Investor may not get back the amount invested. • Levels, bases of, and reliefs from taxation are subject to change, which could be retrospective, and this could affect the VCT status of the Company and the VCT tax benefits available to Shareholders

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?	
Amount of Offer	Up to £20 million of Ordinary Shares are being made available under the Offer, with an over-allotment facility for up to a further £10 million of Ordinary Shares. The Ordinary Shares are payable by an Applicant in full upon application.
Offer Timetable	The subscription for the Offer will open on 11 November 2019, with the Early Bird Discount available to all applications received by 3pm on 31 January 2020, and may close at any time thereafter but, in any event, not later than 3pm on 3 April 2020, in the case of the 2019/2020 offer, and at 3pm on 30 October 2020, in the case of the 2020/2021 offer (unless, in either case, the Offer has been fully subscribed by an earlier date). It is expected that the admission to trading on the London Stock Exchange's main market for listed securities of the Ordinary Shares that are the subject of the Offer will become effective on or before the Closing Date.

EXPENSES CHARGED TO THE INVESTOR

The estimated expenses charged to the Investor by the Company are as follows:

Fee Type	Fee Arrangement	Advised	Execution Only	Direct Investor
Paid by the Investor (prior to subscription for shares)	Adviser Initial Charge	Up to 5%	-	-
Paid by VCT	Promoter Fee ¹	2.5%	2.5%	2.5%
	Execution Only Intermediary Commission ¹	-	Up to 3%	-
	Direct Investor Premium ²	-	-	3%
	Blackfinch Annual Advisory Fee (AAF) ³	2.5%	2.5%	2.5%
Investor money (paid from Blackfinch annual advisory fee)	Adviser Ongoing Charge ³	Up to 0.5%	-	-
	Execution-Only Intermediary Commission ³	-	Up to 0.5%	-
	Direct Investor Ongoing Fee ³	-	-	0.5%
	Performance Fee ⁴	20%	20%	20%

¹The Promoter (Blackfinch Investments Limited) will charge the Company (Blackfinch Spring VCT Plc) a Promoter Fee of 2.5% of the monies subscribed for shares (subscription amount) under the offer, not including any Adviser Initial Charges, less any applicable discounts. Any agreed Execution-Only Intermediary Initial Commission is added to and paid from the Promoter Fee.

²Where Investors have not invested through an Adviser or Execution-only Intermediary, the Promoter will charge a direct investor premium of 3% of the subscription amount, in consideration for promoting the Offer.

³The Investment Adviser (Blackfinch Investments Limited) will charge an Annual Advisory Fee of 2.5% of the net asset value of the Blackfinch Spring VCT per annum. Any Adviser Ongoing Charges, Execution-Only Intermediary Ongoing Commission and Direct Investor Ongoing Fees will be calculated on the net asset value of the investor's shareholding and rebated from the Annual Advisory Fee. If the investor chooses to pay their Adviser or Execution-Only Intermediary less than the maximum amount shown in the table, the Investment Adviser (Blackfinch Investments Limited) will use the money left over to buy additional VCT shares for the investor. Where Investors have not invested through an Adviser or Execution-only Intermediary, the Investment Adviser will pay the Promoter a Direct Investor Ongoing Fee out of the Annual Advisory Fee in consideration for promoting the Offer. Note: Execution-only Intermediary ongoing commissions are payable for ten years only.

⁴ The Company will be charged a Performance Incentive Fee payable to the Investment Adviser in relation to each accounting period. The amount of the Fee will be equal to 20% of the amount by which the Performance Value per Share at the end of an accounting period exceeds the High Water Mark (being the higher of 130p and the highest Performance Value per Share at the end of any previous accounting period), and multiplied by the number of Shares in issue in the Company on the relevant date. The Performance Value per Share is defined as the total of (i) the Net Asset Value (ii) all Performance Incentive Fees previously paid or accrued by the Company to the Investment Adviser for all previous accounting periods, and (iii) the cumulative amount of dividends paid by the Company before the relevant accounting reference date (including the amount of those dividends in respect of which the ex-dividend date has passed as at that date), divided by the number of Shares in issue in the Company on the relevant date.

Expenses of the Offer

Total initial expenses of the Offer are up to 5.5% of the gross proceeds of the Offer.

Dilution

There are no potentially dilutive securities in issue, nor potentially dilutive transactions in contemplation.

WHY IS THIS PROSPECTUS BEING PRODUCED?

The reason for the Offer is to enable the Company to raise funds and to invest the net proceeds in accordance with its published investment policy so as to use the net proceeds of the Offer to acquire a portfolio of investments in unquoted companies.

The Offer is not subject to an underwriting agreement.

No conflict of interest is material to the Offer.

The Company is proposing to raise up to £20 million pursuant to the Offer (up to £30 million if the allotment facility for up to a further £10 million is utilised in full). The total expenses of the Offer (assuming full subscription with the over allotment facility not utilised and with all applications made by direct Investors only) will be 5.5% of the gross proceeds and the total net proceeds are, therefore, estimated to be £18.9 million.

RISK FACTORS

Prospective Investors should consider carefully the following material risk factors that are specific to the Ordinary Shares, as well as the other information in this Prospectus, before investing. Prospective Investors should read the whole of this Prospectus and not rely solely on the information in the section entitled “Risk Factors”. The business and financial conditions of the Company could be adversely affected if any of the following risks were to occur and Investors could lose part or all of their investment.

Prospective Investors should be aware that the value of Ordinary Shares can fluctuate and that they may not get back the full amount they invest. In addition, there is no certainty that the market price of Ordinary Shares will fully reflect the underlying net asset value, that Shareholders will be able to realise their shareholding or that any dividends will be paid. An investment in the Company should be viewed as a higher risk, longer-term investment.

The Directors draw the attention of potential Investors to the following risk factors which may affect an investment, the Company’s performance and/or the availability of tax reliefs. The Company and the Directors consider the following risks to be material for prospective Investors, but the risks listed below do not necessarily comprise all those associated with an investment in the Company. Additional risks and uncertainties currently unknown to the Company and the Directors (such as changes in legal, regulatory or tax requirements), or which the Company and the Directors currently believe are immaterial, may also have a materially adverse effect on the financial condition or prospects of the Company or on the market price of Ordinary Shares.

ISSUER RISKS

The Company will invest in unquoted companies in accordance with its investment policy and objectives. Investment in unquoted companies, by its nature, involves a higher degree of risk than investment in listed companies. Small companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals and may be more susceptible to political, exchange rate, taxation and other regulatory changes. All of these factors could affect the financial performance of the Company, and the returns for Shareholders.

The Company’s portfolio of Non-Qualifying Investments (e.g. money market funds) are subject to market fluctuations and as such the value of such investments may be volatile and the Company may not realise the full amounts invested in Non-Qualifying Investments. Again, all of these factors could affect the financial performance of the Company, and the returns for Shareholders.

There can be no guarantee that the Company will fulfil the conditions to obtain, or to enable it to maintain full VCT status. If the Company loses its approval as a VCT before Investors have held their Shares for five years, the 30% income tax relief obtained will have to be repaid by such Investors. Following a loss of VCT status, an Investor will be taxed on dividends paid by the Company, and in addition, a liability to capital gains tax may arise on any subsequent disposal of Shares.

VCT Rules impose a “risk-to-capital” condition for Qualifying Investments, designed to focus investments towards earlier stage, growing businesses, and away from investments which could be regarded as lower risk, and these factors could affect the financial performance of the Company, and the returns for Shareholders. The Company may not make any prohibited non-qualifying investments, including investments which breach the “risk-to-capital” condition, and the potential penalty for contravention of these rules can include loss of VCT status with a resultant clawback of VCT tax reliefs from investors. HMRC have stated that VCT status will not be withdrawn where an investment is ultimately found to be non-qualifying if, after taking reasonable steps including seeking advice, a VCT considers that an investment is qualifying. However, HMRC may require rectification of the breach, which may mean that the VCT is forced to dispose of the investment at a loss.

SECURITIES RISKS:

Although it is intended that the Ordinary Shares will be listed on the Official List and admitted to trading on the London Stock Exchange, shares in VCTs are inherently illiquid and there may be a limited market in the shares, primarily because the initial tax relief is only available to those subscribing for newly issued shares. In such circumstances Investors will find it difficult to realise their investment.

The Company intends, but cannot guarantee, to pay a regular annual dividend commencing in the financial year beginning 1 January 2024, equivalent to 5% of the Company’s Net Asset Value. The ability to pay the intended dividends may also be constrained by, in particular, the existence of realised profits, regulations and the available cash reserves of the Company.

The value of an Ordinary Shares depends on the performance of the Company’s underlying assets and that value and the income derived from those assets may go down as well as up and an Investor may not get back the amount invested.

Levels, bases of, and reliefs from taxation are subject to

change, which could be retrospective, and this could affect the VCT status of the Company and the VCT tax benefits available to Shareholders.

On 29 March 2017, the UK gave notice to the EU under Article 50(2) of the Treaty on European Union of its intention to withdraw from the European Union, commonly referred to as “Brexit”. The British government is now negotiating the terms of the UK’s withdrawal from the European Union and the process is scheduled to be finalised on or before 31 January 2020. Although it is unknown what terms will emerge from the same or whether there will be increased regulatory control between the UK and EU countries, the emerging terms may

adversely affect the Company’s business model, business operations, or financial results or have an impact on sales demand, material and labour costs and availability and cost of finance for an underlying portfolio company.

FORWARD LOOKING STATEMENTS

Investors should not place undue reliance on forward-looking statements. This Prospectus includes statements that are (or may be deemed to be) “forward looking statements”, which can be identified by the use of forward-looking terminology including the various terms “believes”, “continues”, “expects”, “intends”, “aims” “may”, “will”, “would”, “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Save in relation to statements concerning working capital adequacy, forward-looking statements contained in this Prospectus, based on past trends or activities, should not be taken as a representation that such trends or activities will continue in the future. These statements will be updated as and when required by the Prospectus Rules, the Listing Rules, the DGTR and MAR, as appropriate.

Any forward looking statements in this Prospectus do not in any way seek to qualify the working capital statement in paragraph 6.15 of Part 3 and will be updated as required by the Prospectus Rules, the Listing Rules and the Disclosure Guidance & Transparency Rules, as appropriate.

DIRECTORS AND ADVISERS

DIRECTORS (ALL NON-EXECUTIVE)

Peter Lionel Raleigh Hewitt (Chairman)
Katie Jones
Richard James Cook

all of:

Registered Office at
1350-1360 Montpellier Court
Gloucester Business Park
Brockworth
Gloucester
Gloucestershire
GL3 4AH

SECRETARY

The City Partnership (UK) Limited
110 George Street
Edinburgh
EH2 4LH

VCT TAX ADVISER

Philip Hare & Associates LLP
Hamilton House
1 Temple Avenue
London
EC4Y 0HA

INVESTMENT ADVISER, PROMOTER AND ADMINISTRATOR

Blackfinch Investments Limited
1350-1360 Montpellier Court
Gloucester Business Park
Brockworth
Gloucester
Gloucestershire
GL3 4AH

SPONSOR

Howard Kennedy Corporate Services LLP
No.1 London Bridge
London
SE1 9BG

AUDITOR

BDO LLP
150 Aldersgate Street
London
EC1A 4AB

SOLICITORS

Howard Kennedy LLP
No.1 London Bridge
London
SE1 9BG

REGISTRARS AND RECEIVING AGENTS

The City Partnership (UK) Limited
110 George Street
Edinburgh
EH2 4LH

LETTER FROM THE CHAIRMAN

Dear Investor,

I am delighted to introduce you to Blackfinch Spring VCT plc, a new VCT which has appointed Blackfinch Investments Limited, an experienced investment specialist as its investment adviser. The Company is looking to raise some £30 million for investment in early stage technology-enabled companies.

The Investment Adviser

Blackfinch is an award-winning investment specialist, with a 25-year heritage, driven by a management team who have extensive experience across relevant sectors including SEIS, EIS, renewables, property and AIM securities. As at October 2019 the Blackfinch Group had over £330 million of funds under management and administration including approximately £50 million in its EIS Portfolios split across a range of industries including early stage technology, media and leisure.

The Company will invest in early stage technology-enabled companies with a focus on research, development and innovation, thereby giving the potential for high growth alongside reasonable exit timescales. To be considered for investment, companies must be capable of growth through disrupting their markets. The investment process benefits from extensive deal flow and a thorough filtering process coupled with a robust approach to due diligence.

The Offer

The Offer is looking to raise up to £20 million and will be open from 11 November 2019 until 30 October 2020, unless the Offer is fully subscribed before this date or the Directors (at their discretion) decide to bring forward the Initial Closing Date. It is expected that applications will be made for the Ordinary Shares of the Company allotted under the Offer to be listed on the premium segment of the Official List and to be traded on the London Stock Exchange's main market shortly after the Minimum Subscription is reached.

The Tax Benefits

Subscriptions for Ordinary Shares in Blackfinch Spring VCT plc should attract income tax relief at the rate of 30% for eligible UK tax-payers. In addition to the VCT can make tax-free distributions to shareholders and gains made within the VCT are free from capital gains tax. Tax reliefs can be subject to change.

Prospective Investors should consult with their own independent financial adviser before making an investment in a VCT.

Yours sincerely,

Peter LR Hewitt, Chairman
Blackfinch Spring VCT plc

DETAILS, TIMETABLE AND STATISTICS OF THE OFFER

TIMETABLE OF THE OFFER

Offer opens	11 November 2019
Early Bird Discount ends	3pm on 31 January 2020
First allotment	as soon as practicable after the Minimum Subscription is reached
Share and tax certificates expected to be dispatched	within 10 Business Days of each allotment
Initial Closing Date	3 April 2020, or such later date to be determined at the Directors' absolute discretion ¹
Dealings expected to commence	within 5 Business Days of allotment

STATISTICS OF THE OFFER

Expected maximum number of Ordinary Shares in issue following close of the Offer assuming full subscription ²	28,350,000 ²
Estimated net proceeds of the Offer, assuming maximum subscription (and full utilisation of the over-allotment facility) ²	£28,350,000 ²
Minimum individual investment	£3,000
Estimated expenses of the Offer assuming full subscription ²	£1,650,000 ²

¹The closing date is subject to the Offer not being fully subscribed or closed at the Directors' discretion at an earlier date. Closing dates may be extended to a date no later than 30 October 2020 or brought forward at the Directors' discretion, in which case the date of admission and commencement of dealings will be revised accordingly.

²Assuming all subscriptions are made by direct Investors only and the Offer is fully subscribed with the over-allotment facility being utilised in full.

A photograph of the interior of Antelope Canyon, showing smooth, undulating sand walls in warm orange and red tones, with a bright light source creating a glowing effect at the top.

PART 1

THE OFFER

PART 1

THE OFFER

INTRODUCTION

Blackfinch Spring VCT has been launched today to invest in early stage high-growth technology-enabled companies. The Directors believe that the VCT will be in a strong position to provide follow on investment to companies in the Blackfinch Ventures EIS Portfolios which are managed by the Company's investment adviser, Blackfinch thereby benefiting from Blackfinch's deep knowledge, experience and past data on those companies.

The Company is seeking to raise up to £20 million (with an over-allotment facility of up to a further £10 million).

In the early stages of the Company's investment programme, whilst funds available to the Company build, the Directors will favour follow on investments, and occasionally, co-investment in companies considered by the Blackfinch Ventures EIS Portfolios. Thereafter, the Directors will instead focus the Company's own slightly later-stage deal flow whilst continuing to back its most promising, high performing, portfolio companies.

The Investment Adviser has a 25-year heritage driven by a management team who have extensive experience across sectors including SEIS, EIS, renewables, property and AIM securities. Run by a team of 5 investment professionals, Blackfinch Ventures is supported by the wider Blackfinch Group and an external network of experienced founders, industry leaders and experts, called the UltraNEDs. Collectively, these individuals give access to over 150 years of experience of investing in, mentoring and running early stage companies. For more information on the Investment Adviser's team and experience, please see the section "The Board, Committees and the Investment Adviser Team" on page 24.

The objective of the Company is to invest in early stage technology-enabled companies with a strong focus on research and development and innovation, which gives the potential for high growth alongside reasonable exit timescales.

The Company will target an annual dividend equivalent to 5 per cent. of its Net Asset Value. It is envisaged that dividends will not be paid before 2024 and will be subject to the existence of realised profits, legislative requirements and the available cash reserves of the Company.

Under current VCT legislation, the Company must hold at least 80% of its assets by value in Qualifying Investments within 3 years. At least 30% of all new funds raised by the Company must be invested in Qualifying Investments within 12 months of the end of the accounting period in which the Company issued the shares. Qualifying Investments will be made in companies which are carrying out a qualifying trade, and have a permanent establishment

in the UK, although some may trade overseas. The Qualifying Companies in which investments are made must have no more than £15 million of gross assets immediately prior to the investment (or £16 million immediately after the investment), fewer than 250 employees (or fewer than 500 employees in the case of a Knowledge Intensive Company) and generally cannot have been trading for more than seven years (or ten years in the case of a Knowledge Intensive Company) at the time of the Company's investment. It must also meet several other conditions to be classed as a VCT qualifying investment, further details of which are set in Part 2.

The Company will apply for the Ordinary Shares issued under the Offer to be listed on the Official List and traded on the London Stock Exchange's main market. The Offer will open on 11 November 2019 until 3 pm on 30 October 2020. The Offer may close in advance of this date in the event that the maximum subscription is reached or the Directors (at their discretion) decide to bring forward the Initial Closing Date. The closing date of the Offer, and the deadline for receipt of applications for the final allotment with respect to the Offer, may be extended by the Directors to a date no later than 30 October 2020.

REASONS FOR THE OFFER

The Offer has been launched to provide Investors with the opportunity to invest in a company with exposure to high-growth technology-enabled portfolio companies with the expected benefit of VCT tax reliefs. The Company will use the proceeds of the Offer to fund its investment programme, for general working capital purposes and to cover the costs of the Offer.

THE INVESTMENT ADVISER

Blackfinch Investments was appointed as the Company's Investment Adviser on 11 November 2019 and is authorised and regulated by the Financial Conduct Authority.

Blackfinch is an award-winning investment specialist, with a 25-year heritage, driven by a management team who have extensive experience across sectors including SEIS, EIS, renewables, property and AIM securities. As at October 2019 the Blackfinch Group had over £330 million of funds under management and administration including approximately £50 million in its EIS Portfolios split across a variety of sectors including early stage technology companies, media and leisure.

The flagship of its Ventures team, Blackfinch Ventures EIS Portfolios, was launched in July 2018 with the aim of investing in early-stage, technology-enabled businesses on the cusp of their growth journey. Run by a team of 5

investment professionals, Blackfinch Ventures is supported by the wider Blackfinch Group and an external network of experienced founders, industry leaders and experts, called the “UltraNEDs”. Collectively, these individuals give access to over 150 years of experience of investing in, mentoring and running early stage companies.

Blackfinch Ventures EIS Portfolios has raised over £6m and made investments in a wide range of sectors including wearables, EdTech, consumer electronics, and AI-powered SaaS, typically investing between £250k and £1m at Seed stage, further details of which are set out on page 27 to 32. Blackfinch Ventures itself extensively uses technology in its approach to sourcing, assessing and filtering opportunities with the Ventures team employing research and deal flow platforms on a daily basis.

Blackfinch has a strong plan to continue its growth over the coming years, with Ventures being a core part of that expansion. Its Ventures EIS Portfolios service gives visibility of approximately 1,000 to 2,000 promising companies in the UK each year, placing Blackfinch in a strong position as Investment Adviser for the VCT, which focusses on early stage investments. Blackfinch will carefully select strongly vetted new opportunities as well as existing, high performing, portfolio companies, for investment by the Company, sometimes co-investing with the Blackfinch Ventures EIS Portfolios.

For more information on Blackfinch’s team and experience, please see the section “The Board, Committees and the Investment Adviser Team” on page 24.

SHARE LIQUIDITY

It is anticipated that the Ordinary Shares will be admitted to the premium segment of the Official List and will be traded on the London Stock Exchange’s market for listed securities. The secondary market for VCT shares is generally illiquid (which may be partly attributable for the fact that initial subscription tax reliefs are not available for VCT shares bought in the secondary market and because VCT shares typically trade at a discount to NAV per share). There may not, therefore, be a liquid market and Shareholders may find it difficult to realise their investment. Shareholders should not rely upon any share buyback policy to offer any certainty of selling their shares at prices that reflect the underlying NAV per Share. An investment in the Company should, therefore, be considered as a long-term investment.

VCT TAX RELIEF

The Directors intend to manage the Company’s affairs in order that it complies with the legislation applicable to VCTs from time to time. In this regard Philip Hare & Associates LLP has been appointed to advise on tax matters generally and, in particular, on VCT status. Approval will be sought as soon as possible, but will only be granted by HMRC once at least 80% by value of the Company’s investments are represented by Qualifying Investments and the Company has complied with the other requirements relating to VCT

qualification. Where requested, Philip Hare & Associates LLP (or other suitably qualified professional advisers) will assist Blackfinch (but report directly to the Board) on ascertaining the qualifying status of each investment as a Qualifying Investment or by seeking advance assurance from HMRC where appropriate and where requested will advise on the status of VCT approval. Once full approval has been attained, the Company must continue to satisfy the requirements of HMRC in relation to VCTs, or it is likely to lose full approval.

VCTs offer significant tax advantages to individual investors when compared to many other investment products. The income tax relief available on subscriptions for shares is 30% up to a maximum of £200,000 invested per individual per tax year. The shares in the VCT need to be held for a minimum of five years to maintain this initial tax relief.

A summary of the tax reliefs for UK taxpayers who invest into a VCT are:

- Income tax relief of 30% of the amount subscribed for shares up to £200,000 per tax year, subject to a minimum holding period of five years
- Dividends received by Investors from the VCT are tax free
- Capital gains made upon the disposal of the shares are tax free
- VCT tax reliefs can be subject to change and are dependent on an individual’s circumstances.

INVESTMENT STRATEGY

The Company will invest in early stage technology-enabled companies with a strong focus on research and development and innovation, which gives the potential for high growth alongside reasonable exit timescales. To be considered for investment, companies must be capable of growth through disrupting large growing markets, typically of at least £1bn, and be capable of achieving significant exit multiples. Highly regulated industries, for example MedTech, are considered only in exceptional cases due to the timescales involved in bringing products to market.

A key premise of the strategy is identifying companies that have already delivered convincingly on the milestones associated with any previous investment rounds. Companies will need to show evidence of product-market-fit through traction, often in the form of revenue, which is a strong indicator they are past the inflection point of their growth curve. They will also need to demonstrate an ability to control the acquisition of new customers, typically verifying the success of campaigns through carefully monitored growth metrics. Companies showing these characteristics have a higher chance of efficient, quantified growth, which is a key ingredient for future success.

When assessing investment opportunities, strong emphasis is placed on the founding team who must be highly motivated, driven, and have a track record of making excellent decisions under pressure. This team must complement each other in their skills, which should, in aggregate, cover the core operating areas of the company. Their interests must be strongly aligned to increasing the valuation of the company and their own shareholding or options, rather than only short-term personal remuneration. The team's work ethic is constantly assessed as is their responsiveness, as a measure of how prepared they are for the challenges of entering the next stage of their company's growth.

Every company that is selected for potential investment will have to pass through a comprehensive due diligence exercise which aims to test its innovations, financials and VCT eligibility. A senior member of the Investment Adviser's team will spend a day with a sector expert at the company's offices to assess the proposition and status, from high level architecture to low level code and designs. Analysts model the company's performance and growth, and a VCT tax specialist will be instructed to determine whether the investment is expected to be VCT qualifying.

Diversification is intended to be achieved across both sector and stage, with the Company planning to invest in a broad range of high-calibre technology-enabled opportunities across many sectors. Although Series A is preferred, the Company diversifies stage risk by balancing earlier opportunities with those slightly further along their traction curve. This approach gives the potential for

significant returns whilst mitigating the effect of companies that underperform or fail. The Company will typically invest in opportunities that are bringing disruptive innovations to large growing markets and are capable of significant exit multiples.

The Investment Adviser's existing Blackfinch Ventures EIS Portfolio service creates a strong opportunity for follow-on co-investment. If approved by the Board and compliant with Listing Rules, these opportunities should benefit from a higher chance of success due to a deep understanding of the proposition and growth data from previous years as a portfolio company. Co-investments of this nature may be made at different times and on different terms to those of Blackfinch Ventures EIS Portfolios.

Where possible, the Investment Adviser will look to lead on the investment round to ensure that timescales and due diligence are within its control. This approach reduces technology, company and compliance risk and, for founders, the speed and confidence of execution is attractive, resulting in a pick of the better opportunities. By the nature of focussing on early stage investments, the Company will often co-invest with other investment firms and will look to secure strong working relationships with those firms during and after the deal making process.

The Investment Adviser will not appoint its own manager or partner as the NED on the board of its portfolio companies. Instead, a so called 'UltraNED' will be appointed from a network of experienced founders, industry leaders and experts brought together for this purpose. UltraNEDs add meaningful value through their experience and network, and founders are increasingly citing this approach as a key differentiator. The Investment Adviser's portfolio team work with these UltraNEDs, and also collect monthly financial and KPI data from the companies.

DEAL FLOW

The Investment Adviser uses links to UK accelerators, incubators and start-up hubs to source potential investments. The Investment Adviser also sources highly qualified deal flow using a cutting-edge research platform which tracks high-growth startups in the UK. Carefully designed searches across sector, buzzword, valuation, time since last funding and accelerator attendance should give access to some of the strongest, yet least-known, investment opportunities in the UK. Using this data-driven strategy allows the Investment Adviser to proactively approach companies before they start their next funding round.

Inbound leads are also captured through an enquiry form on the Investment Adviser's website, direct email, LinkedIn and other online platforms. Referrals provide a further rich stream of deal flow and can arrive from many sources

including founders of existing portfolio companies, the UltraNED network and other teams within Blackfinch's Group. The net result is that approximately 1,000 to 2,000 leads are considered each year, from which the Company plans to make in the region of 5 to 15 high-growth investments annually.

PIPELINE PROCESS

Prospects that meet the requirements of tech focus, correct stage and VCT suitability are placed in a "Long List" and founder discussions allow the collection of key information under standard headings including raise details, technology state, team, competition, unit economics, traction, pipeline, market and investment use. Regular filtering meetings with the senior team determine whether to pass, hold or progress the opportunity in which case it enters a "Short List" with specific areas of concern highlighted for further analysis.

Areas of concern typically include further details of existing traction, sales pipeline, customer journey, introductions to existing investors or customers, and product demonstrations following which a decision is made whether to move to the "Pitch" stage. Recorded pitch sessions often continue for many hours and involve deep dives into data, metrics, performance and financials. The aim of these sessions is to gain enough information to decide whether to progress to "Term Sheet" stage.

Investment committee ("IC") approval is required to issue a Term Sheet, which ensures strong governance on decision making before legal costs are incurred. Term Sheets include requests for founders to re-vest their shares, typically incentivising the key team to stay in the company for up to 4 years. "Investor Consents" are also asserted to provide a veto over significant decisions that could devalue investor's shareholdings. Specific conditions or bespoke deal terms imposed by the IC are included at this stage.

A comprehensive approach is taken in the Due Diligence stage which covers technical, team, financial, tax, market and competitor risk. The company is requested to upload answers and supporting documents in response to a carefully considered and standardised due diligence questionnaire. Technology risk is assessed by a sector expert from the Investment Adviser's external network who visits the company for a day, performing a deep dive on the technology state. This may involve assessing everything from architecture to code level in the case of software or walking through schematics, mechanical designs, supply chain and firmware in the case of hardware. A senior member of the Investment Adviser's team also attends during this day, to assess team dynamics and expertise.

If not already in place, relationships will be formed with Principals in other funds who have previously invested or are co-investing in the round, in order to smooth the process and benefit from their opinions on company performance. This can generate significant insight. The result of the due diligence phase is a fully furnished IC report, which is presented to the IC for approval to proceed to Full Form agreement stage. In most cases,

the Investment Adviser's standard legal templates will be used, but sometimes the portfolio company's existing legal agreements are simply modified in order to assert the main term sheet conditions.

MANAGEMENT OF PORTFOLIO COMPANIES

The Company aims to appoint a value-add 'UltraNED' to the portfolio company board, who will typically be an experienced founder, industry leader or sector expert. The UltraNED is normally identified during the due diligence phase and appointed shortly after an investment is made. UltraNEDs increase the chance of companies making solid business decisions, reducing the risk of failure. A member of the Investment Adviser's team also acts as a board observer for monitoring purposes. Investor consents, which are embedded in the shareholder's agreement, allow the Company a veto over decisions that could devalue the company, ensuring robust governance.

Financial records are recorded monthly, along with performance set against the agreed business plan, which allows quick intervention if problems begin to emerge. Rather than reprimand, the Investment Adviser will look to help, through its guidance, the advice of the UltraNED and, if necessary, support from its wider network of external contacts.

INVESTMENT POLICY

The Company will focus its investment in unquoted companies with some or all of the following characteristics:

- Early-stage and technology-enabled with a focus on research and development
- The capability to grow quickly through disrupting their markets
- Strong performance against previous investment round milestones

The Company's portfolio companies will be:

- Requiring investment of £0.25 million to £3 million
- Entering large growing markets and have the potential for high return multiples
- Generally able to show evidence of product-market-fit

QUALIFYING INVESTMENTS

Qualifying Investments comprise investments in companies which are carrying out a qualifying trade (as defined under the relevant VCT legislation), and have a permanent establishment in the UK, although some may trade overseas. The Qualifying Companies in which investments are made must have no more than £15 million of gross assets immediately prior to the investment (or £16 million immediately after the investment), fewer than 250 employees (or fewer than 500 employees in the case of a Knowledge Intensive Company) and generally cannot have been trading for more than seven years (or ten years in the case of a Knowledge Intensive Company) at the time of the Company's investment. Several other conditions must be met for an investment to be classed as a VCT Qualifying Investment.

The Company intends to invest the net proceeds of the Offer in acquiring a portfolio of Qualifying Investments complying with VCT legislation. At least 30% of the funds raised will be invested in Qualifying Investments within 12 months of the end of the Company's accounting period in which the relevant Shares were allotted, and at least 80% of its net assets will, by the start of the Company's accounting period in which the third anniversary of the date the relevant Shares are allotted falls and continuously thereafter, be invested in Qualifying Investments.

NON-QUALIFYING INVESTMENTS

Subject to the rules applicable to VCTs, funds not employed in Qualifying Investments will be invested in short term liquid instruments, principally other funds which can be easily exited, tradeable securities, bonds and gilts to generate additional return for investors and mitigate against a rise in value of competing companies. These must be easily liquidated as cash. Such investments are subject to market fluctuations.

BORROWING POLICY

The Company has no present intention of utilising gearing as a strategy for improving or enhancing returns. Under the Company's Articles of Association, the borrowings of the Company will not, without the previous sanction of the Company in general meeting, exceed 25% of the aggregate total amount received from time to time on the subscription of Shares in the Company.

RISK DIVERSIFICATION AND MAXIMUM EXPOSURES

It is intended that diversification will be achieved across both sector and stage by investing in a broad range of high-calibre technology-enabled opportunities across many sectors. Although the preferred investment strategy will be to invest at a "series A" stage, investment stage risk is diversified by balancing earlier stage investment opportunities with investments in more mature companies. Risk will also be managed as far as possible by making

follow on investments in companies that have already received early stage investment from other investment vehicles advised by the Company's Investment Adviser. The maximum amount invested in any one company (inclusive of any related group company) is limited to 15% of the value of the portfolio in accordance with the VCT legislation at the time of investment or addition to that investment.

TARGET ASSET ALLOCATION

Initially, the majority of funds will be invested in Non-Qualifying Investments. These will be progressively reduced to provide funds for Qualifying Investments in accordance with VCT Rules requiring at least 80% of the Company's assets to be invested in Qualifying Investments.

CHANGES TO THE INVESTMENT POLICY

The Company will not make any material changes to its Investment Policy without Shareholder approval.

VALUATION POLICY

Unquoted investments will be valued at fair value in accordance with the IPEV Guidelines. The Net Asset Value will be notified through a Regulatory Information Service announcement immediately upon calculation. To ensure the effective management of the portfolio of investments, Blackfinch Investments will undertake an evaluation of the Net Asset Value on a quarterly basis.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

In estimating fair value for an investment, the methodology applied must be appropriate to the nature, facts and circumstances of the investment and its materiality based on reasonable assumptions and estimates. Such methodology, including earnings multiple, cost, cost less a provision or net assets, should be applied consistently.

Blackfinch Investments will be responsible for the determination and calculation of the net asset value of the Company in accordance with the policies set out above. The Company does not anticipate any circumstances arising under which valuations may be suspended. However, if this was to occur, the suspension would be announced through a Regulatory Information Service.

PROFILE OF TYPICAL INVESTOR

A typical Investor for whom the Company is designed is a retail investor and/or sophisticated investor and/or high net-worth individual who is a UK tax resident with sufficient income and capital available to be able to commit to an investment for over 5 years and who is attracted by the income tax relief available for a VCT investment.

SHARE BUYBACK POLICY

The Shares are intended to be traded on the London Stock Exchange's main market for listed securities. Although it is likely that there will be an illiquid market for such shares and, in such circumstances, shareholders may find it difficult to sell their Shares in the market, the Company intends to pursue an active buy back policy to improve the liquidity in the Shares where the Company may repurchase Shares which shareholders wish to sell at a discount of 5-10% to the latest published Net Asset Value per Share, subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable cash resources available for the purpose. The making and timing of any share buybacks will remain at the absolute discretion of the Board. The Directors expect that there will be limited demand for share buybacks from Shareholders within the first five years because the only sellers are likely to be deceased Shareholders' estates and those Shareholders whose circumstances have changed (to such extent that they are willing to repay the 30% income tax relief in order to gain access to the net proceeds of the sale).

SHAREHOLDER REPORTING

The Directors believe that communication with Shareholders is important. Shareholders will have access to a copy of the Company's annual report and accounts (expected to be published each April and a copy of the Company's interim results (expected to be published each August). These will be made available on Blackfinch's website. Shareholders and their advisers (if applicable) will also receive updated reports from the Company and the Investment Adviser on the progress of the Company and its investment.

In order to reduce the administrative burden and cost of communicating with Shareholders, the Company intends to publish all notices, documents and information to be sent to Shareholders generally ("Shareholder Documents") on Blackfinch's website (www.blackfinch.com/ventures/springvct). Increased use of electronic communications will deliver significant savings to the Company in terms of administration, printing and postage costs, as well as speeding up the provision of information to Shareholders. The reduced use of paper will also have general environmental benefits. Shareholders will be notified when Shareholder Documents are published on Blackfinch's website.

Such notification will be delivered electronically (or by post where no email address has been provided for that purpose) and, unless Investors complete the relevant section of the Application Form to receive hard copy Shareholder Documents or, as Shareholders, they subsequently notify the Company of the same, Shareholders will not receive hard copies of the Shareholder Documents.

All Qualifying Subscribers will automatically be provided with certificates enabling them to claim income tax relief.

ALLOTMENT, DEALINGS AND SETTLEMENT

Application will be made to the Financial Conduct Authority for the Ordinary Shares in issue and to be issued pursuant to the Offer to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

Subject to the receipt of the Minimum Subscription by the Company, it is intended that an initial allotment of Ordinary Shares will be made on or around January 2020. Successful Applicants will be notified by post. Dealings may commence prior to notification.

Dealings are expected to commence within five business days of each allotment.

Ordinary Shares will be issued in registered form and will be freely transferable in both certificated and uncertificated form and it is anticipated that definitive share certificates will be issued within 10 Business Days of each allotment.

Ordinary Shares will be capable of being transferred by means of the CREST system. Investors who wish to take account of the ability to trade their Ordinary Shares in uncertificated form (and who have access to a CREST account) may arrange through their professional adviser to convert their holding into dematerialised form.

The Offer may not be withdrawn after dealings in the Ordinary Shares have commenced. In the event of any requirement for the Company to publish a supplementary prospectus, Applicants who have yet to be entered into the Company's register of members will be given two days to withdraw from their subscription. Applicants should note, however, that such withdrawal rights are a matter of law that is yet to be tested in the courts of England and Wales and applicants should, therefore, rely on their own legal advice in this regard. In the event that notification of withdrawal is given by post, such notification will be effected at the time the Applicant posts such notification rather than at the time of receipt by the Company.

CORPORATE GOVERNANCE

The UK Corporate Governance Code published by the Financial Reporting Council in July 2018 (the "Code") applies to the Company. The Directors acknowledge the section headed "Comply or Explain" in the preamble to the Code which recognises that some provisions may have less relevance for externally managed investment companies and, in particular, considers some areas inappropriate to the size and nature of the business of the Company. Accordingly, the provisions of the Code are and will on Admission be complied with save that (i) the Company does not have a senior independent Director (although the Chairman is an independent director), (ii) the Company

will not conduct on an annual basis a formal review as to whether there is a need for an internal audit function as the Directors do not consider that an internal audit would be an appropriate control for a VCT and (iii) as all of the Directors are non-executive and not anticipated to change during the life of the Company, it is not considered appropriate to appoint a nomination or remuneration committee.

MARKET ABUSE REGULATION

The Market Abuse Regulation sets out requirements relating to insiders, director dealings and market soundings. In particular, directors, Persons Discharging Managerial Responsibilities and Persons Closely Associated with them must notify the Company of any transaction in the Company's shares. There is also a restriction on dealing in the Company's shares during a closed period. also stipulates that public disclosure of inside information by the Company must be done without delay (other than in limited circumstances). The FCA must be formally notified following the announcement of any delay.

The Directors are aware of their obligations under MAR and the Company will have a share dealing policy and a procedure to comply with the requirements set out in MAR.

KEY RULES AND REGULATIONS

Venture Capital Trust Regulations

In continuing to maintain its VCT status, the Company must comply with a number of regulations as set out in Part 6 of ITA. How the main regulations apply to the Company is summarised as follows:

(i) the Company's ordinary share capital is listed on a regulated European market;

(ii) the Company holds at least 80% (by value) of its investments in Qualifying Companies;

(iii) at least 70% of the Company's Qualifying Investments (by value) are held in "eligible shares";

(iv) at least 30% of all new funds raised by the Company must be invested in Qualifying Investments within 12 months of the end of the accounting period in which the Company issued the shares;

(v) at least 10% of each investment in a Qualifying Company is held in "eligible shares" (broadly by value at time of investment);

(vi) no investment constitutes more than 15% of the Company's portfolio (by value at time of investment or addition to that investment);

(vii) the Company's income for each financial year is derived wholly or mainly from shares and securities;

(viii) the Company distributes sufficient revenue dividends to ensure that no more than 15% of the income from shares and securities in any one year is retained;

(ix) no investment made by the Company in a company causes that company to receive more than £5 million of Risk Finance State Aid investment (including from VCTs) in the twelve months ending on the date of the Company's investment (the amount is no more than £10 million for Knowledge Intensive Companies);

(x) no payment or distribution is made to any shareholder directly or indirectly from share capital or share premium account until after the third anniversary of the end of the accounting period in which the shares were issued (other than a buyback of shares);

(xi) no investment can be made by the Company in a company that causes that company to receive more than £12 million (£20 million if the company is deemed to be a Knowledge Intensive Company) of Risk Finance State Aid investment (including from VCTs) over the company's lifetime;

(xii) no investment can be made by the Company in a company whose first commercial sale was more than 7 years (or 10 years in the case of a Knowledge Intensive Company) prior to date of investment, except where previous Risk Finance State Aid was received by the company within 7 years of it commencing to trade commercially or where the company is entering a new product market or a new geographic market and a 'turnover test' is satisfied (Knowledge Intensive Companies can choose whether to use the date of first commercial sale or the point at which turnover reached £200,000 to determine when the 10-year period has begun);

(xiii) a company which has received investment from the Company cannot use such investment to acquire another existing business or trade; and

(xiv) the VCT must not make a non-Qualifying Investment other than those specified in section 274 ITA.

The requirements mentioned at (ii) and (iii) above apply throughout accounting periods which end no later than three years after a share issue.

In relation to Qualifying Investments:

(i) to be a Qualifying Investment, an portfolio companies must have objectives to grow and develop over the long-term and there must be a significant risk that there could be a loss of capital to the investor of an amount greater than the net return;

(ii) the investment must be used for the purpose of

growth and development of the company.

Failure to comply with these regulations could result in the loss of the Company's VCT status.

LISTING RULES

In accordance with the Listing Rules:

(i) the Company may not invest more than 10%, in aggregate, of the value of its total assets at the time an investment is made in other listed closed-ended investment funds except listed closed-ended investment funds which have published investment policies which permit them to invest no more than 15% of their total assets in other listed closed-ended investment funds;

(ii) the Company must not conduct any trading activity which is significant in the context of its group (if any) as a whole; and

(iii) the Company must, at all times, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policy as set out in this document. This investment policy is in line with Chapter 15 of the Listing Rules and Part 6 of ITA.

THE BOARD, COMMITTEES AND THE INVESTMENT ADVISER TEAM

Board of Directors

The Board has overall responsibility for the Company's affairs, including determining its investment policy and having overall control, direction and supervision of the Investment Adviser. The Board comprises 3 non-executive directors, two of whom act independently of the Investment Adviser. Accordingly, the majority of the Board, including the Chairman, are independent of the Investment Adviser.

PETER LIONEL RALEIGH HEWITT (CHAIRMAN):

Peter has been a director of 13 public companies over the last 30 years, chairing 7 of these including 7 years as Chairman and CEO of an AIM quoted construction and facilities management business, which he founded and built from zero to £25m turnover and 400 people in 4 years. He is Co-Chairman and co-founder of Universal Defence and Security Solutions Limited, Chairman of Vordere Plc, a non-executive director of Puma 10 VCT PLC, both fully listed public companies and a senior adviser at Brennan and Partners.

Peter is a former Alderman of the City of London and inaugural Chairman of the City's £20m Social Investment Fund, creating investment strategy and policy. Peter is also an individually Chartered Fellow of the Chartered Securities Institute; a Justice of the Peace on the supplemental list and an Honorary Group Captain in 601 Squadron, RAuxAF.

KATIE JONES:

Katie's career spans senior investment leadership and Board roles in the financial services industry including the Pension Protection Fund, JP Morgan, BlackRock, Schroders and M&G. She began her career as a portfolio manager at Prudential M&G before playing an instrumental role in the growth of BlackRock's Solutions business where she built and led the portfolio management function with responsibility for over £300bn of assets.

Katie is currently a non-executive director at the Pension Protection Fund and Chair of the Investment Committee, Trustee of Smart Pension DC Mastertrust and Chair of the Investment Committee, a non-executive director at JPMorgan Funds Limited and Chair of Trustees for RedSTART, a financial education charity.

She has a degree in Mathematical Economics from the University of Birmingham and is a CFA charter holder.

RICHARD JAMES COOK:

Richard founded Blackfinch and has led the growth and expansion of the company within the UK investment market. He has been Chief Executive Officer of Blackfinch since 2009 and involved in the structuring and management of

investment assets for over 15 years, previously working in senior banking roles within Merrill Lynch and the Bank of New York. He has experience of identifying and growing early stage companies, evidenced by those investments made in Blackfinch's existing EIS portfolios.

AUDIT COMMITTEE

The Company has established an audit committee which comprises Katie Jones (Audit Chair) and Peter Hewitt (both independent directors). The committee meets at least twice a year. The Company's auditors may be required to attend such meetings. The Committee will prepare a report each year addressed to shareholders for inclusion in the Company's annual report and accounts. The duties of the committee are inter alia:

- to review and report to the Board on significant financial reporting issues and judgements which the financial statements, interim reports, preliminary announcements and related formal statements contain;
- to monitor, review and report to the Board on internal control and risk management systems;
- to consider the appointment of the external auditor, to monitor its independence and objectivity, the level of audit fees and to discuss with the external auditor the nature and scope of the audit; and
- to prepare a formal report to Shareholders on its activities to be included in the Company's annual report, which includes all information and requirements set out in the UK Corporate Governance Code.

The Company does not have a remuneration committee or a nomination committee.

The Directors have committed to invest an aggregate of £30,000 under the Offer on the same terms as Investors.

BLACKFINCH

The Company appointed Blackfinch as its investment adviser on 11 November 2019 to originate and advise on its investments. Blackfinch is authorised by the FCA to manage investments and provides advisory services in connection with the fund management of the Company.

INVESTMENT ADVISER TEAM

The Investment Adviser has an experienced and talented core team that supports the Company in making solid investment decisions and monitoring and supporting portfolio companies. This core team draws on the wider members of the Investment Adviser's group and also the external expertise from its UltraNED network. This approach reduces reliance on a single individual, and ensures the experience to make high quality, well evidenced investment decisions. The investment adviser team is as follows:

RICHARD COOK, CEO:

See profile above on page 24.

DR REUBEN WILCOCK, VENTURES DIRECTOR:

Reuben's expertise in advising early stage companies has developed through a background spanning academia, technology start-ups and start-up acceleration. He has founded or co-founded four technology start-ups including Joulo, a smart home energy spinout which won the 2013 British Gas Connected Homes award and was acquired by Quby in 2014, and Bar Analytics, an IoT start-up that enables global brands to monitor beer quality and sales.

With a PhD in Electronics, Reuben has extensive product design experience with deep technical knowledge of hardware, software and manufacturing. He is an inventor on five patents and named author on over 45 peer reviewed publications ranging from integrated circuit design to genetic algorithms. Before joining Blackfinch, Reuben was a leading figure in entrepreneurship at the University of Southampton where he sat on its IP Panel for five years, guiding the commercialisation of research innovations through licensing and spinouts.

Reuben is a Royal Academy of Engineering award winning entrepreneur, and the lifetime membership that affords has offered visibility of some of most innovative university spinouts in the UK. In 2015 Reuben founded and ran the Future Worlds accelerator, mentoring over 250 entrepreneurs and 50 companies over a four-year period. Companies included the housemate's app YSplit, 5G silicon IP spinout Accelercomm, Edtech app Perfect Score, AI computer vision company Aura Vision, IoT transport startup Route Reports and HGV data analytics company Dynamon. Whilst at Future Worlds, Reuben also developed the business plan and was the execution partner for the Z21 Fund, run in partnership with the Solent LEP.

WILLIAM SIMMONDS, CTO:

William sits on the IC and is an experienced technology professional and business leader having worked across the industry for 17 years, having worked with cloud technologies since 2012. He brings a wealth of experience across multiple verticals, with his most recent years focused on technology leadership, strategy and systems architecture across highly scalable and secure systems. His passion lies in enabling and transforming businesses and products

through technology. He has a background in consulting, having held senior engineering roles with Compare the Market, easyJet, ASOS, Mercedes-AMG Petronas Formula 1 Team and British Gas.

STEFAN AGOPSOWICZ, INVESTMENT DIRECTOR:

Stefan sits on the IC and is the Investment Director for Blackfinch's Adapt AIM portfolios, legacy EIS portfolios, technical and dealing teams. With 17 years' experience, he brings expertise in company analysis, investment and monitoring. Previously, he worked in IT and software development, gaining deep tech knowledge.

HAMISH MASSON, HEAD OF LEGAL:

In-house legal counsel, Hamish Masson leads the Blackfinch legal team and has 15 years' experience working as a corporate lawyer on debt finance, mergers and acquisitions, private equity and venture capital transactions. Previously, he worked at the law firms Addleshaw Goddard, DLA Piper and Harneys advising in areas ranging from early stage start-up funding to private equity deals across a full spectrum of investments from small scale angel to multi-billion multi-jurisdictional acquisitions. Hamish has an LLM from the University of London and an LLB from the University of Durham.

NIC PILLOW, VENTURES MANAGER:

Nic leads the Ventures deal team, vetting potential investments, performing due diligence, and presenting them to the investment committee. Nic previously led a global team at Nokia which exercised portfolio control over 15 of their software products that grew in annual revenue from £50m to £250m. After leaving Nokia he co-founded his own startup, Rhizome Live, a SaaS business in the EdTech sector, raising £400k investment and gaining access to a top accelerator. Prior to Nokia, Nic held positions ranging from Product Manager at Logica to Solutions Architect at Portal Software. He has an impressive academic background, with an M.Eng from the University of Oxford and an Engineering PhD from the University of Oxford's Robotics Research Group.

HASSAAN MEHMOOD, VENTURES ANALYST:

Hassaan brings finance and tech experience. Previously he was an Investment Analyst at M&G Investments, working on its Small Cap fund and in its asset-backed securities team. He also gained experience in business and finance locally as an undergraduate. Hassaan has a degree in Economics and Management from Aston Business School.

WINSTON MATTHEW, VENTURES ANALYST:

Winston combines financial and engineering specialisms. His previous roles include Junior Proprietary Trader at Samuel and Co., Mechanical Engineer intern at Transport for London, and Manufacturing Engineer intern at Jaguar Land

Rover. Winston holds a master's degree in Mechanical Engineering from Imperial College London.

SHARIF ALVIS, PRINCIPAL SOFTWARE ARCHITECT

Sharif combines tech entrepreneurial experience with system development. He is co-founder and CEO of Proofer, a social media management company, of which he successfully raised investment for. Previously, he has worked as a Lead Web Engineer and Web Systems Developer. He holds a master's degree in Aeronautics & Astronautics from the University of Southampton.

SEB CHAKRABORTY, EXTERNAL ULTRANED:

With a 20-year career as a technology leader and entrepreneur, Seb co-founded Hive, growing the product from conception to being in more than 1.4 million homes in the UK. Hive is part of the Centrica Group and a sister company to British Gas and he is currently Global CTO at the organisation. Previously working as Head of Architecture at Telefonica, Seb then moved to become CTO of Digital UK, helping Telefónica UK's (O2) businesses with their technology scaling and integration challenges. In these roles he has seen through many design, manufacturing and scaling challenges, the growth of large tech teams, and every other aspect of a fast-growing technical organisation. He is currently a UltraNED for three of the Blackfinch Ventures EIS portfolio companies.

ASHLEY UNITT, EXTERNAL ULTRANED:

Ashley has led technology innovation at his own and others' companies for nearly 30 years. He has a track record in delivering brilliant solutions, reducing costs, and building world-class teams and companies that operate on a global scale. In 2000 he launched software as a service (SaaS) firm NewVoiceMedia, providing tech for contact centres that dramatically improves customer service and drives more effective sales and marketing. He was Chief Technology Officer (CTO) for 16 years before a highly successful exit in 2018 for \$350 million. Ashley is now Chief Scientist at NewVoiceMedia along with working as a Blackfinch UltraNED for two of the Blackfinch Ventures EIS portfolio companies.

ANDREW DOE, EXTERNAL ULTRANED:

Andrew brings deep knowledge of digital and e-commerce, having founded his own companies before working with major brands. In the 1990s he was at the forefront of digital change, including as the founder of retail business and UK dot com success story the Confetti Network which raised \$20m and grew to over 100 staff before being acquired. Since Confetti, Andrew has been in demand as a consultant and director for leading UK brands. Roles have included e-commerce director, regional director, and non-executive director for Royal Mail, Carphone Warehouse, Mothercare and Premier Farnell among others. An investor and mentor in early stage tech startups, Andrew works as a Blackfinch

UltraNED for two of the Blackfinch Ventures EIS portfolio companies.

INVESTMENT ADVISER TEAM TRACK RECORD

The Investment Adviser has made a number of early-stage investments for its Blackfinch Ventures EIS Portfolios examples of which are detailed below. These example investments are typical of the type of investment the Investment Adviser will recommend for investment by the Company in accordance with investment policy set out above.

TENDED

SECTOR

Wearable Technology

LOCATION

Lincoln

WEBSITE

www.tended.co.uk

INVESTMENT

£810,000

SHAREHOLDING

28.7%

TEAM

CEO Leo Scott Smith has a strong track record in growing companies. He was inspired to develop the Tended product as a result of his experience working to deliver aid relief in Nepal after the 2015 earthquake.

COO Stephen Goschalk has a background in big data, having held COO and CFO positions in start-ups for which he successfully raised over £10m in funding.

TRACTION

Tended has trials in place with organisations including Nestle and Rolls Royce. It is currently finalising an agreement with one of the world's largest insurance companies.

Tended is a technology start-up that designs intelligent and affordable personal safety wearables and monitoring systems. Its patent-pending technology uses machine learning to automatically monitor a user's safety and alert a key contact in the event of an accident or emergency. Now focusing on its commercial offering, Tended aims to monitor the safety of lone workers in large organisations.

The passion and drive of the Tended team was evident when they pitched for the first time to Blackfinch Ventures. In growing a young company they have achieved an incredible amount in a very short period, developing a comprehensive platform from hardware to software and landing commercial trials with large multinationals. Their supply chain is already well developed, and production units will be shipped soon.

Tended plans to use the investment to hire sales staff and grow the technology team in order to address several market opportunities. Part of the funds will also be used to drive a new marketing campaign designed to increase awareness of and traffic to its website.



COMPARESOFT

SECTOR

Enterprise Software

LOCATION

London

WEBSITE

www.comparesoft.com

INVESTMENT

£534,902

SHAREHOLDING

24.4%

TEAM

CEO Prasanna Kulkarni is an impressive entrepreneur whose skills cover sales, strategic planning and market knowledge. He has global software sales experience and has held senior roles in sales teams, managing a portfolio in excess of \$30m.

CTO Matt Melling is a seasoned entrepreneur with experience in machine learning and a track record of developing and exiting software companies.

TRACTION

Within the asset management software sector, Comparesoft has over 70 vendor customers. Through the platform, these have converted leads worth over £7m.

Comparesoft is an online portal that uses an artificial intelligence-driven search assistant to help customers compare enterprise software. By reducing the multiple channels between software vendors and customers the platform provides personalised and unbiased software recommendation from one search. Software vendors can access the resulting highly relevant leads through a web dashboard.

Blackfinch was impressed with the progress made by the Comparesoft team, which has mastered its approach to the asset management software sector. Through a campaign of high-quality content, the Comparesoft offering has reached page 1 for Google searches in this category. The team is dedicated to replicating this success across 300 other software sectors.

The investment will help Comparesoft to accelerate the machine-learning development behind its search assistant and to deploy a highly automated process. This can enable the company to achieve scale across the next set of software categories.

WARWICK ANALYTICS

SECTOR

Data Analytics

LOCATION

London

WEBSITE

www.warwickanalytics.com

INVESTMENT

£692,153

SHAREHOLDING

26.8%

TEAM

CEO Dan Somers is a serial technology entrepreneur with a track record in taking start-ups to successful exits. He previously worked as a consultant at LEK and holds a master's degree from the University of Cambridge.

CTO Andre Louca is an experienced data scientist with a master's degree in Computer Science in Artificial Intelligence. He previously worked at KPMG.

TRACTION

Warwick Analytics has several major enterprises and partnerships with outsourcers and consultancies.

Warwick Analytics is a cutting-edge data analytics company that uses artificial intelligence (AI) to analyse information for corporate clients and help them better understand customer satisfaction. Its algorithms process data from a variety of sources including emails, calls, and social media, turning this into actionable insight and spotting issues that might otherwise be ignored or misconstrued.

Blackfinch Ventures was attracted to the advanced form of machine learning that Warwick Analytics uses. This allows an operator to constantly improve the algorithm's accuracy as further issues are identified. The company's experienced team has already secured recurring revenue through contracts with several large organisations. These are reporting significant return on their investment.

Warwick Analytics plans to use the investment to grow its sales, software and support teams. The firm is looking forward to deploying enhanced solutions that are currently in development phase.



**WARWICK
ANALYTICS**

KINTERACT

SECTOR

Education Technology (EdTech)

LOCATION

Oxford

WEBSITE

www.kinteract.co.uk

INVESTMENT

£810,000

SHAREHOLDING

18.9%

TEAM

CEO Shehzad Najib has 15 years' experience in education and technology, with previous roles including VP of Digital Technology Strategy for Barclays and Technology Platform Manager for the world's largest education company, Pearson.

CTO Alex Farrell is an experienced software engineer and team leader who has worked in high-tech roles at Barclays, IBM, Accenture, CMC Markets and UBS.

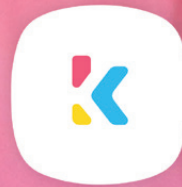
TRACTION

Kinteract is already deployed in more than 80 schools around the world and 140,000 students are using the app.

Kinteract is a digital education platform facilitating efficient feedback and collaboration between teachers, students and parents. Kinteract allows users to record moments linked to their learning and development in a collaborative manner, offering data-driven actionable insights and recommendations. The platform is accessed through a desktop, tablet and mobile user experience aligned with widely used social media formats.

Blackfinch Ventures was impressed with Kinteract's technology which is applicable to different curriculums, ages and languages. The company has achieved strong traction despite its early stage, having been deployed into more than 80 schools. Key strategic partnerships have also been formed with Global Education Management Systems (GEMS) and Nord Anglia, which have facilitated Kinteract entering several Middle Eastern and European markets.

Kinteract will be using the investment to help grow its engineering and data science team for product enhancements, and to extend its reach through additional sales and marketing hires.



Kinteract



BOOKINGLIVE

SECTOR

SaaS Booking Platform

LOCATION

Bristol

WEBSITE

www.bookinglive.com

INVESTMENT

£406,019

SHAREHOLDING

11.68%

TEAM

CEO Vinnie Morgan founded BookingLive, having been a software and design entrepreneur since the age of 13. He is a highly driven individual with expertise in technology, product strategy and business operations.

CMO Sam Johnston is a customer-focused marketing professional, responsible for sales and expansion of the company's activities into the US.

TRACTION

£450,000 annual recurring revenue from Enterprise with 70% growth from 2018 to 2019 and over 300 customers signed to the newly launched Connect Platform.

BookingLive specialises in the provision of software systems to manage online bookings, payments and customer communications. The company's Enterprise product is targeted at large corporate and public sector organisations whilst its Connect product is focused on smaller businesses. Both platforms offer a mobile first booking experience and reporting dashboard as a white-labelled solution.

Chief Executive Officer Vinnie and his team have successfully managed to win tenders across the public and private sector with customers including the NHS, Microsoft and BMW already contributing to over £450,000 of annual recurring revenue. BookingLive's recent launch of its Software-as-a-Service (SaaS) Connect platform will secure the company's position as a scalable and cost-effective global solution for SMEs.

The funds will primarily be used for new hires and marketing to allow continued development and increased adoption of Connect, whilst building the team to bid for larger Enterprise tenders and allowing expansion into the US.



KOKOON

SECTOR

Sleep Technology

LOCATION

London

WEBSITE

www.kokoon.io

INVESTMENT

£541,304

SHAREHOLDING

5.91%

TEAM

CEO Tim Antos has a background in management consulting and mechanical engineering. He founded the company after experiencing his own battle with sleep and has led it from strength to strength over the last six years.

CTO Richard Hall has a Masters in Engineering from the University of Cambridge and held a senior role in the Medical Electronics group at Cambridge Consultants.

TRACTION

Over £3m revenue to date with 15,000 headphones shipped. The product is live in Selfridges and Dixons travel, with other popular retailers soon to be announced.

Kokoon is a sleep technology company whose beautifully designed noise-cancelling headphones include bio-sensors that measure when you fall asleep; automatically fading out audio and introducing masking white noise to protect from disturbances. The connected app offers guided audio content, developed with sleep scientists, to help improve sleep and relaxation, helping users switch off.

Kokoon's first generation of headphones and coaching techniques are already on the market and have shipped an impressive 15,000 products to date. Data collected demonstrates that personalising content helps customers fall asleep over 35% quicker and sustains long-term improvements in sleep and mental health.

Kokoon will use the investment to drive marketing and sales of its over-ear headphones, including distribution through key high-street retailers including Selfridges and John Lewis. It will also use the funds to develop a new in-ear model which will offer a lower price point.



KOKOON

INVESTMENT ADVISORY SERVICES AND ADMINISTRATION

Blackfinch is paid an annual fee of 2.5% of Net Asset Value (plus VAT if applicable) for the investment advisory services it provides to the Company. The fee is payable quarterly in arrears. Any Adviser Ongoing Charges, Execution Only Intermediary Ongoing Commission and Direct Investor Ongoing Fees will be calculated on the net asset value of the investor's shareholding and will be rebated from the Annual Advisory Fee. If the investor chooses to pay their Adviser or Execution-Only Intermediary less than the maximum amount available, the Investment Adviser (Blackfinch Investments Limited) will use the remaining funds from the rebate to purchase additional Shares for the Investor. Where Investors have not invested through an Adviser or Execution-Only Intermediary, the Investment Adviser will pay the Promoter a Direct Investor Ongoing Fee out of the Annual Advisory Fee in consideration for promoting the Offer. Execution-Only Intermediary ongoing commissions are payable for 10 years only.

Blackfinch will also provide administrative services to the Company for an annual fee of the higher of 0.3% of Net Asset Value or £60,000 (plus VAT if applicable), payable quarterly in arrears.

The Company is responsible for its normal third party costs including (without limitation) listing fees, audit and taxation services, legal fees, sponsor fees, registrars' fees, receiving agent fees, Directors' fees and other incidental costs. Blackfinch has agreed to cap the total Annual Running Expenses (excluding any trail commission payments) to a maximum of 3.5% of Net Assets and any excess above this will be borne by Blackfinch.

A maximum of 75% of the Company's management expenses will be capable of being charged against capital reserves with the balance charged against revenues.

FEES, CHARGES AND PIRING OF THE OFFER

Commission

Commission is permitted to be paid to Execution-Only Intermediaries under the rules of the Financial Conduct Authority in respect of execution only clients where no advice or personal recommendation has been given. Such authorised financial intermediaries who, acting on behalf of their clients, return valid Application Forms bearing their stamp and Financial Conduct Authority number will usually be entitled to an initial commission of up to 3% of the amount payable in respect of the Ordinary Shares allocation for each such Application Form. Provided that the intermediary continues to act for the client and the client continues to be the beneficial owner of the Shares, they will be entitled to an annual trail commission of up to 0.5%

of the Net Asset Value per Share for a period of up to 10 years from the Closing Date.

Adviser Charges

Commission is generally not permitted to be paid to Financial Advisers who provide a personal recommendation to UK retail clients on investments in VCTs. Instead of commission being paid by the Company, a fee will usually be agreed between the adviser and Investor for the advice and related services. This fee can either be paid directly by the Investor to the intermediary or, if it is a one off fee, the payment of such fee may be made by the Company up to a maximum of 5% of the Total Investment ("Initial Adviser Charge"). An Adviser Ongoing Charge of up to 0.5% per annum of the net asset value of the investor's shareholding will be rebated from the Annual Advisory Fee. If the investor chooses to pay their Adviser less than the maximum amount, the Investment Adviser will apply the remaining funds from the rebate to purchase additional Shares for the investor. If the payment of the Adviser Charges are to be made by or on behalf of the Company for the Investor, then the Investor's Financial Adviser is required to specify the amount of the charge on the Application Form.

Promoter Fees

The Promoter will charge the Company a Promoter Fee, for its role as promoter, of 2.5% of the monies subscribed for Shares under the Offer (but not including the amount of the Initial Adviser Charge settled by Blackfinch prior to subscription for Shares), less any discounts for early investment ("Promoter Fee"). For direct investors and investors not receiving financial advice and who are introduced through an execution only broker, it will charge an additional 3% of the monies subscribed for Shares under the Offer (but not including the amount of the Initial Adviser Charge settled by Blackfinch prior to subscription for Shares), less any discounts for early investment ("Direct Investor Premium"). The Investment Adviser will also pay the Promoter 0.5% of the value of the Investor's portfolio per annum ("Direct Investor Ongoing Fee") out of its Annual Advisory Fee in consideration for promoting the Offer.

Blackfinch Annual Advisory Fee

Blackfinch will charge a fee of 2.5% of the Net Asset Value of the Company per annum to the Company, with any Adviser Ongoing Charges, Execution-Only Intermediary Ongoing Commissions and Direct Investor Ongoing Fees being rebated from this sum. If the investor chooses to pay their Adviser of Execution-Only Intermediary less than the maximum amount available, the Investment Adviser (Blackfinch Investments Limited) will use the remaining funds from the rebate to purchase additional Shares for the investor. Where Investors have not invested through an Adviser or Execution-Only Intermediary, the Investment

Adviser will pay the Promoter a Direct Investor Ongoing Fee out of the Annual Advisory Fee in consideration for promoting the Offer. Execution-Only Intermediary ongoing commissions are payable for 10 years only.

Transaction Fees

Blackfinch Investments is entitled to charge the underlying portfolio companies fees for arrangement, structuring, monitoring and board directors and, to the extent that other services are provided, additional fees may be agreed. For the avoidance of doubt, these fees are not borne by the Company. Subject to FCA inducement and conflict of interest rules, fees may be paid to introducers in respect of the introduction of transactions.

Performance Incentive

As is customary in the venture capital industry, Blackfinch Investments will be incentivised with a performance related incentive payable in relation to each accounting period, subject to the Performance Value per Share being at least 130p at the end of the relevant accounting period. The amount of the performance incentive fee will be equal to 20% of the amount by which the Performance Value per Share at the end of an accounting period exceeds the High Water Mark (being the higher of 130p and the highest Performance Value per Share at the end of any previous accounting period), and multiplied by the number of Shares in issue at the end of the relevant period. The Directors believe that the performance incentive structure provides a strong incentive for the Investment Adviser which will be incentivised to make distributions as high and as soon as possible.

NUMBER OF SHARES TO BE ISSUED

The number of Shares to be issued to each Investor will be determined by the following formula and rounded down to the nearest whole share:

Number of Shares = (Subscription Amount – Upfront Fees)/
(NAV per Share)

Subject to any discounts for early investment, the Promoter Fee is up to 5.5% of the investment amount for applications received through execution only brokers and direct investors and 2.5% for applications introduced by a Financial Adviser.

The Promoter may agree to reduce its Promoter Fee in whole or in part in respect of specific Investors or groups of Investors.



PART 2

TAXATION

PART 2

TAXATION

The following information is only a summary of the law concerning the tax position of individual Qualifying Subscribers in VCTs. Therefore, potential Investors are recommended to consult a duly authorised financial adviser as to the taxation consequences of an investment in the Company. All tax reliefs referred to in this document are UK tax reliefs dependent on companies maintaining their VCT qualifying status. Tax relief may be subject to change and will depend on individual circumstances

TAXATION OF A VCT

VCTs are exempt from corporation tax on chargeable gains, with no restriction on the distribution of realised capital gains by a VCT, subject to the requirements of company law. VCTs will be subject to corporation tax on their income (generally excluding dividends received from UK companies) after deduction of attributable expenses.

TAX RELIEFS FOR INDIVIDUAL INVESTORS

In order to benefit from the tax reliefs outlined below, individuals who subscribe must be aged 18 or over.

RELIEF FROM INCOME TAX

Relief from income tax of 30% will be available on subscriptions for shares in a VCT, subject to the Qualifying Limit (currently £200,000 in each tax year). The relief, which will be available in the year of subscription, cannot exceed the amount which reduces the income tax liability of the Qualifying Subscriber in that year to nil. Relief may not be available if there is a loan linked with the investment. Relief will not be available, or, where given, will be withdrawn, either in whole or in part, where there is any disposal (except on death) of the shares (or of an interest in them or right over them) before the end of the period of five years beginning with the date on which the shares were issued to the Qualifying Subscriber.

Relief is restricted or not available where a Subscriber disposes of shares in the same VCT (or in another VCT which is known to be merging with the VCT) within six months of their subscription, whether the disposal occurs before or after the subscription.

Income tax relief is available on the total amount subscribed (including the amounts used to pay the Promoter Fee but not including the amount of the Adviser Charge settled by the Company through the Receiving Agent prior to subscription for Shares), subject to VCT Rules, personal circumstances and changes in the availability of tax reliefs.

DIVIDEND RELIEF

VCT of a value of no more than £200,000 in any tax year, will not be liable for UK income tax on any dividends paid out on those shares by the VCT. There is no withholding tax on dividends.

CAPITAL GAINS TAX RELIEF

A disposal by a Qualifying Subscriber of his or her shares in a VCT will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. This relief is limited to the disposal of shares acquired within the £200,000 limit for any tax year.

LOSS OF TAX RELIEFS

Relief from corporation tax on capital gains will be withdrawn should a company that has been granted approval or provisional approval as a VCT fail to maintain the conditions required to keep its qualifying status. After such a status is lost, all gains will fail to benefit from tax exemption.

For investors, loss of VCT status could result in:

- claw-back of the 30% tax relief previously obtained on the subscription for new VCT shares;
- any payments of dividends made by the company during the accounting period in which the company loses VCT status, and thereafter, being subject to income tax; and
- a liability to tax on capital gains as would normally occur on the disposal of shares, except for any part of the gain that could be attributed to the time when the company had VCT status.

Qualifying Investors investing in a company that has provisional approval as a VCT, but fails to obtain full unconditional approval as a VCT may experience the following consequences:

- claw-back of the 30% tax relief previously obtained on the subscription for new VCT shares and interest on any overdue tax;
- any payments of dividends by the company being subject to income tax; and
- any gain from the disposal of any shares being subject to capital gains tax and losses on the shares being allowable losses for capital gains tax purposes.

For the purposes of sections 3 and 4 below, references to shares should be viewed as eligible VCT shares.

available. Levels and bases of, and relief from taxation are subject to change and such change could be retrospective.

THE IMPACT OF THE DEATH OF AN INVESTOR

Initial Income Tax

Should any investor die having made an investment in a VCT, the transfer of shares on his or her death will not be viewed as a disposal of shares and so there will not be any claw-back of the income tax relief obtained on the subscription for those shares. However, the shares transferred will become part of the estate of the deceased for inheritance tax purposes.

Tax implications for the beneficiary

The beneficiary of any VCT shares inherited from a deceased investor will continue to be entitled to tax-free dividends and tax-relief on disposal, but will not be entitled to any initial income tax relief because they have not subscribed for those shares.

The impact of a transfer of shares between spouses

As it is not deemed a disposal of shares, any transfer of shares between spouses will continue to benefit from all tax reliefs.

GENERAL

Investors not residing in the UK

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

Stamp Duty and Stamp Reserve Tax

No stamp duty or stamp duty reserve tax is payable on the issue of shares. The transfer on the sale of shares is usually liable to ad valorem stamp duty or stamp duty reserve tax. Such duties would be payable by the individual who purchases the shares from the original subscriber.

Purchasing shares after listing

Any qualifying purchaser of existing VCT shares, rather than new VCT shares, will not qualify for income tax relief on investments, but may be able to receive exemption from tax on dividends and capital gains tax on disposal of his or her VCT shares if those shares are acquired within the investor's annual £200,000 limit.

The information in this Part 2 is based on existing legislation, including taxation legislation. The tax legislation of the UK and of any other jurisdiction to which an Investor is subject may have an impact on the income received from the securities. The tax reliefs described are those currently



PART 3

ADDITIONAL INFORMATION

PART 3

ADDITIONAL INFORMATION

1. THE COMPANY

1.1 The Company was incorporated and registered in England and Wales on 20 August 2019 under the name Blackfinch Spring VCT plc with registered number 12166417 as a public company limited by shares under the Act. The principal legislation under which the Company operates is the Act. The legal and commercial name of the Company is Blackfinch Spring VCT plc.

1.2 On 7 November 2019 the Company gave notice to the Registrar of Companies of its intention to carry on business as an investment company under section 833 of the Act. On 7 November 2019 the Registrar of Companies issued the Company with a certificate under section 761 of the Act.

1.3 The Company has not traded since incorporation. The Company is domiciled in England. The LEI of the Company is 254900F3ZHVS78UV6D89.

2. SHARE CAPITAL

2.1 The Company was incorporated with two ordinary shares issued fully paid to the subscribers to the memorandum of the Company ("the Subscriber Shares") which are held by HK Nominees Limited and HK Registrars Limited.

2.2 By ordinary and special resolutions passed on 5 November 2019:

2.2.1 the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company. This power was limited to the allotment of relevant securities up to an aggregate nominal amount of £410,000;

Such authority was to expire on the later of 15 months from the date of the resolution or the next annual general meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting);

2.2.2 the Directors were empowered (pursuant to section 570(1) of the Act) to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority referred to in paragraph 2.2.1 above as if section 561 of the Act did not apply to any such allotment, such power to expire at the conclusion of the Company's next annual general meeting, or on the expiry of 15 months following the passing of the resolution, whichever was the later (unless previously renewed or extended by the Company in general meeting). This power was limited to the allotment of equity securities in connection with:

2.2.2.1 the allotment of equity securities in connection with the issue of 50,000 Redeemable Preference Shares of £1 each in the capital of the Company;

2.2.2.2 the Offer;

2.2.2.3 an offer of equity securities by way of rights; and

2.2.2.4 otherwise than pursuant to paragraphs 2.2.2.1 to 2.2.2.3, an offer of equity securities up to an aggregate nominal amount of 20% of the issued ordinary share capital of the Company immediately following closing of the Offer;

2.2.3 the Company adopted new articles of association, details of which are set out in paragraph 3 below.

2.2.4 the Company was authorised to make one or more market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares provided that:

2.2.4.1 the maximum aggregate number of Ordinary Shares authorised to be purchased was an amount equal to 14.99% of the issued ordinary share capital of the Company following the Offer;

2.2.4.2 the minimum price which could be paid for an Ordinary Share was £0.01;

2.2.4.3 the maximum price which could be paid for an Ordinary Share was an amount, exclusive of expenses, equal to the higher of (i) 105% of the average of the middle market prices shown in the quotations for a Share in the Daily Official List of the London Stock Exchange for the five Business Days immediately preceding the day on which that Share is purchased and (ii) the amount stipulated by Article 5(6) of the Market Abuse Regulation; and

2.2.4.4 unless renewed, the authority thereby conferred was to expire either at the conclusion of the next annual general meeting of the Company or on the expiry of 15 months from the passing of this resolution, whichever is the later to occur, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry;

2.2.5 subject to approval by the High Court of Justice, the amount standing to the credit of the share premium account of the Company at the date an order is made confirming such cancellation by the Court will be cancelled.

2.3 On 5 November 2019, 50,000 Redeemable Preference Shares in the Company were allotted and issued to Blackfinch and paid up as to one-quarter so as to enable the Company to obtain a certificate under section 761 of the Act. Once fully paid up, the Redeemable Preference Shares will be redeemed by the Company out of the proceeds of the Offer. Each of the Redeemable Preference Shares which is redeemed shall automatically be cancelled.

2.4 Save as disclosed in paragraphs 2.1 and 2.3, since the date of its incorporation, no share or loan capital of the Company or any subsidiary has been issued or agreed to be issued, or (except pursuant to the Offer) is now proposed to be issued, for cash or any other consideration. No commissions, discounts, brokerages, or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital since its incorporation.

2.5 No share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.

2.6 The Shares will be in registered form and temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00BKV46W45 and the SEDOL code is BKV46W4.

2.7 The issued share capital of the Company, assuming full subscription under the Offer by direct Investors only with the over-allotment facility fully utilised, will be as follows:

Issued Ordinary Shares of £0.01 each	
Number	Nominal Value
28,350,000	£283,500

2.8 The Company will be subject to the continuing obligations of the Financial Conduct Authority and the London Stock Exchange with regard to the issue of securities for cash and the provisions of section 561 of the Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to the Company to the extent any such issues are not subject to the dis-application referred to in sub-paragraph 2.2.2 above.

3. ARTICLES OF ASSOCIATION

3.1 The articles of association of the Company provide that its principal object is to carry on the business of a Venture Capital Trust and that the liability of members is limited.

3.2 The articles of association of the Company, which were adopted by special resolution on 5 November 2019, contain, inter alia, provisions to the following effect:

3.2.1 Voting Rights

Subject to any disenfranchisement as provided in paragraph 3.2.5 below and subject to any special terms as to

voting on which any Shares may be issued, on a show of hands every member present in person (or being a corporation, present by authorised representative) shall have one vote and, on a poll, every member who is present in person or by proxy shall have one vote for every Share of which he is the holder. The Shares shall rank *pari passu* as to rights to attend and vote at any general meeting of the Company.

3.2.2 Rights Attaching to the Redeemable Preference Shares

Each of the Redeemable Preference Shares carries the right to a fixed, cumulative, preferential, dividend of 0.1 % per annum (exclusive of any imputed tax credit available to shareholders) on the nominal amount thereof, but confers no right to vote except as otherwise agreed by the holders of a majority of the Shares. On a winding-up, the Redeemable Preference Shares confer the right to be paid the nominal amount paid on such shares. The Redeemable Preference Shares are redeemable at any time by the Company and by the holder at any time after the Minimum Subscription is raised under the Offer. Each Redeemable Preference Share which is redeemed, shall, thereafter, be cancelled without further resolution or consent.

3.2.3 Transfer of Shares

The Ordinary Shares are in registered form and will be freely transferable. All transfers of Ordinary Shares must be effected by a transfer in writing in any usual form or any other form approved by the Directors. The instrument of transfer of an Ordinary Share shall be executed by or on behalf of the transferor and, in the case of a partly paid share by or on behalf of the transferee. The Directors may refuse to register any transfer of a partly paid Share, provided that such refusal does not prevent dealings taking place on an open and proper basis and may also refuse to register any instrument of transfer unless:

3.2.3.1 it is duly stamped (if so required), is lodged at the Company's registered office or with its registrars or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

3.2.3.2 it is in respect of only one class of share; and

3.2.3.3 the transferees do not exceed four in number.

3.2.4 Dividends

The Company may in general meeting by ordinary resolution declare dividends in accordance with the respective rights of the members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. The Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of an Ordinary Share shall bear interest as against the Company. There are no fixed dates on which entitlement to a dividend arises.

All dividends unclaimed for a period of twelve years after being declared or becoming due for payment shall be forfeited and shall revert to the Company.

3.2.5 Disclosure of Interest in Ordinary Shares

If any member or other person appearing to be interested in shares of the Company is in default in supplying within 42 days (or 28 days where the shares represent at least 0.25% of its entire issued share capital) after the date of service of a notice requiring such member or other person to supply to the Company in writing all or any such information as is referred to in section 793 of the Act, the Directors may, for such period as the default shall continue, impose restrictions upon the relevant shares.

The restrictions available are the suspension of voting or other rights conferred by membership in relation to meetings of the Company in respect of the relevant shares and additionally in the case of a shareholder representing at least 0.25% by nominal value of any class of shares of the Company then in issue, the withholding of payment of any dividends on, and the restriction of transfer of, the relevant shares.

3.2.6 Distribution of Assets on Liquidation

On a winding-up, any surplus assets of the Company will be divided amongst the holders of its Shares according to the respective numbers of Shares held by them in the Company and in accordance with the provisions of the Act, subject to the rights of any shares which may be issued with special rights or privileges. The Company's articles of association provide that the liquidator may, with the sanction of a resolution and any other sanction required by the Act, divide amongst the members in specie the whole or any part of the assets of the Company in such manner as

he may determine.

3.2.7 Changes in Share Capital

3.2.7.1 Without prejudice to any rights attaching to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or in the absence of such determination, as the Directors may determine. Subject to the Act, the Company may issue shares, which are, at the option of the Company or the holder, liable to be redeemed.

3.2.7.2 The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of larger amount, sub-divide its shares or any of them into shares of smaller amounts, or cancel or reduce the nominal value of any shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount so cancelled or the amount of the reduction.

3.2.7.3 Subject to the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account, and may also, subject to the Act (and by resolution of the holders of the shares repurchased where such shares are convertible shares), purchase its own shares.

3.2.8 Variation of Rights

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of not less than 75% of the nominal amount of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of such holders.

3.2.9 Directors

Unless and until otherwise determined by the Company in general meeting, the number of Directors shall not be less than two nor more than ten. The continuing Directors may act notwithstanding any vacancy in their body, provided that, if the number of the Directors be less than the prescribed minimum, the remaining Director or Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or shall convene a general meeting of the Company for the purpose of making such appointment.

Any Director may in writing under his hand appoint (a) any other Director, or (b) any other person who is approved by the Board of Directors as hereinafter provided, to be his alternate. A Director may at any time revoke the appointment of an alternate appointed by him. Every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him.

Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be Managing Director or Joint Managing Directors of the Company, or to hold such other executive office in relation to the management of the business of the Company as they may decide.

A Director of the Company may continue to be or become a Director or other officer, servant or member of any company promoted by the Company or in which it may be interested as a vendor shareholder, or otherwise, and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company.

The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as they think fit.

3.2.10 Directors' Interests

3.2.10.1 A Director who is in any way, directly or indirectly, interested in a transaction or arrangement with the Company shall, at a meeting of the Directors, declare, in accordance with the Act, the nature of his interest.

3.2.10.2 Provided that he has declared his interest in accordance with paragraph 3.2.10.1, a Director may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested. No Director so interested shall be accountable to the Company, by reason of his being a Director, for any benefit that he derives from such office or interest or any such transaction or arrangement.

3.2.10.3 A Director shall not vote nor be counted in the quorum at a meeting of the Directors in respect of a matter in which he has any material interest otherwise than by virtue of his interest in shares, debentures or other securities of, or otherwise in or through the Company, unless his interest arises only because the case falls within one or more of the following paragraphs:

- (a) the giving to him of any guarantee, security or indemnity in respect of money lent or an obligation incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving to a third party of any guarantee, security or indemnity in respect of a debt or an obligation of the Company or any of its subsidiary undertakings for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning the subscription by him of shares, debentures or other securities of the Company or any of its subsidiary undertakings or by virtue of his participating in the underwriting or sub-underwriting of an offer of such shares, debentures or other securities;
- (d) any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he and any persons connected with him do not (to his knowledge) hold an interest in shares representing 1% or more of any class of the equity share capital of such company or of the voting rights available to members of the company;
- (e) any proposal relating to an arrangement for the benefit of the employees of the Company or any subsidiary undertaking which does not award to any Director as such any privilege or advantage not generally awarded to the employees to whom such arrangement relates; and
- (f) any arrangement for purchasing or maintaining for any officer or auditor of the Company or any of its subsidiaries, insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, breach of duty or breach of trust for which he may be guilty in relation to the Company or any of its subsidiaries of which he is a director, officer or auditor.

3.2.10.4 When proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company, or any company in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and (if not otherwise precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

3.2.11 Remuneration of Directors

3.2.11.1 The ordinary remuneration of the Directors shall be such amount as the Directors shall from time to time determine (provided that, unless otherwise approved by the Company in general meeting, the aggregate ordinary remuneration of such Directors, including fees from the Company, shall not exceed £100,000 per year) to be divided among them in such proportion and manner as the Directors may determine. The Directors shall also be paid by the Company all reasonable travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.

3.2.11.2 Any Director who, by request of the Directors, performs special services for any purposes of the Company may be paid such reasonable extra remuneration as the Directors may determine.

3.2.11.3 The emoluments and benefits of any executive director for his services as such shall be determined by the Directors and may be of any description, including membership of any pension or life assurance scheme for employees or their dependants or, apart from membership of any such scheme, the payment of a pension or other benefits to him or his dependants on or after retirement or death.

3.2.12 Retirement of Directors

A Director shall retire from office at or before the third annual general meeting following the annual general meeting at which he last retired and was re-elected. A retiring Director shall be eligible for re-election. A Director shall be capable of being appointed or re-appointed a Director despite having attained any particular age.

3.2.13 Borrowing Powers

Subject as provided below, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital.

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control over its subsidiary undertakings (if any) so as to secure that the aggregate amount at any time outstanding in respect of money borrowed by the group, being the Company and its subsidiary undertakings for the time being (excluding intra-group borrowings), shall not, without the prior sanction of an ordinary resolution of the Company, exceed a sum equal to 25% of the aggregate total amount received from time to time on the subscription of shares of the Company.

3.2.14 Uncertificated Shares

CREST, a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument, was introduced in July 1996. The Company's articles of association are consistent with CREST membership and allow for the holding and transfer of shares in uncertificated form pursuant to the Uncertificated Securities Regulations 2001.

The Company anticipates that it will enter the CREST system on admission of the Shares to the London Stock Exchange.

3.2.15 General Meetings

The Company shall, within 6 months of a company's financial year end, at such time and place as may be determined by the Directors, hold a general meeting as its annual general meeting in addition to any other meetings in that year.

The Directors may, whenever they think fit, convene a general meeting of the Company, and general meetings shall also be convened on such requisition or in default may be convened by such requisitions as are provided by the Act. Any meeting convened under this Article by requisitions shall be convened in the same manner as near to as possible as that in which meetings are to be convened by the Directors.

An annual general meeting shall be called by not less than twenty-one days' notice in writing, and all other general meetings of the Company shall be called by not less than fourteen days' notice in writing. The notice shall be exclusive of the day on which it is given and of the day of the meeting and shall specify the place, the day and hour of meeting, and, in the case of special business, the general nature of such business. The notice shall be given to the members (other than those who, under the provisions of the articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company), to the Directors and to the Auditors. A notice calling an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special resolution or an ordinary resolution as the case may be shall specify the intention to propose the resolution as such.

In every notice calling a meeting of the Company or any class of the members of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him, and that a proxy need not also be a member.

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such time (being not less than fourteen days and not more than twenty-eight days hence) and at such place as the Chairman shall appoint. At any such adjourned meeting the member or members present in person or by proxy and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give not less than seven clear days' notice of any meeting adjourned for the want of a quorum and the notice shall state that the member or members present as aforesaid shall form a quorum.

The Chairman may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

4. DIRECTORS AND OTHER INTERESTS IN THE COMPANY

4.1 Neither the Company nor the Directors are aware of any person who, immediately after the close of the Offer (assuming full subscription with the over-allotment facility fully utilised), will hold (for the purposes of rule 5 of the Disclosure Guidance and Transparency Rules ("DGTR 5")), directly or indirectly, voting rights representing 3% or more of the issued share capital of the Company to which voting rights are attached or who could, directly or indirectly, jointly or severally, exercise control or ownership over the Company.

4.2 The interests of the Directors (and their immediate families) in the share capital of the Company, all of which are beneficial, as they are expected to be following the close of the Offer, and of persons connected to the Directors (and their immediate families) and the existence of which is known to, or could with reasonable diligence, be ascertained by that Director, will be as set out below together with the percentages which such interests represent of the Shares in issue if the Offer is fully subscribed (with the over-allotment facility fully utilised):

Name	Number of Ordinary Shares	Percentage of total Ordinary Shares
Peter L R Hewitt	5,000	0.02%
Katie Jones	Nil	n/a
Richard James Cook	25,000	0.1%

4.3 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

4.4 The Company's major Shareholders do not have different voting rights.

4.5 Save for Richard Cook's interest as a director and shareholder of Blackfinch Investments Limited, a party to the Investment Advisory Agreement, no Director is or has since the period from the Company's incorporation been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company and remains in any respect outstanding or unperformed.

4.6 No loans made or guarantees granted or provided by the Company to or for the benefit of any director are outstanding.

4.7 There are no service contracts in existence between the Company and any of its Directors nor are any such contracts proposed. The services of the Directors are provided to the Company pursuant to letters of appointment dated 11 November 2019, each of which is terminable upon 3 months' notice given by the Company at any time after the first anniversary of their appointment. All the Directors are non-executive directors. Save in respect of these letters of appointment, no member of any administrative, management or supervisory body has a service contract with the Company.

4.8 There are no family relationships between any of the Directors or members of the Investment Adviser.

4.9 During the five years immediately prior to the date of this document, the Directors have been members of the administrative, management or supervising bodies or parties of the entities specified below (excluding subsidiaries of any company of which he is also a member of the administrative, management or supervisory body):

Peter Hewitt:

Current Directorships/Partnerships

Vordere Plc
Basinghall Capital Limited
Blackfinch Spring VCT PLC
Finance For Companies Limited
Provident & Regional Estates Limited
Provident & Regional LLP
Puma VCT 10 PLC

Raleigh 400 Limited
The Armadillo Group Limited
The Guild of Entrepreneurs Trustee Ltd
Universal Defence and Security Solutions Limited
Wimborne Road 11 Limited
The Worshipful Company of Woolmen Trustee Limited

Past Directorships/Partnerships

British Forces Foundation
Eastern Harmony Global Capital Limited
Eastern Harmony GP Limited **
Eastern Harmony Limited **
EP Capital Partners Limited *
Growth Company Association Limited **
HNAIF Global Private Equity (UK) Limited
London Asia Capital PLC
New Gresham Group Limited ***
New Gresham Group Ltd**
Proven Planned Exit VCT PLC ****
Puma VCT VII PLC ****
Red Carpet Capital Limited

* in members' (solvent) voluntary liquidation
** dissolved after a voluntary (solvent) strike off.
*** dissolved after a compulsory strike off (with no creditors).
**** dissolved after a members' (solvent) voluntary liquidation.

Katie Jones:

Current Directorships/Partnerships

JPMorgan Funds Limited
Kate Jones Consulting Limited
Blackfinch Spring VCT Plc
The Pension Protection Fund
Smart Pension DC Mastertrust (Trustee)
RedSTART (Chair of Trustee Board)

Past Directorships/Partnerships

N/A

Richard Cook:

Current Directorships/Partnerships

Blackfinch Spring VCT PLC
Stone Barn Watches Limited
Stone Barn Cars Limited
Storme London Limited
Llwyndyrus Solar Farm Limited
Rev Holding Company (Brotherton) Limited
Renewable Energy Ventures (Brotherton) Limited
Sedgwick Solar 2 Limited
Blackfinch Holdings Limited
Weeton Renewables Limited
Blackfinch Wealth Limited
Sedgwick Wind 3 Limited

Blackfinch Trustees Limited
Country House Events Limited
Blackfinch Adaptations Plc
Ark Hill Wind Farm Limited
Blackfinch Ventures Nominees Limited
Solar Farm DFD Limited
Sedgwick Wind 2 Limited
Ferneylea 1 Limited
Agility Shipping International Limited
Hearth Hospitality Ltd
Sedgwick Wind Limited
SW Construction (Residential) Limited
SW Construction (No.2) Limited
Hermoth Data Services Limited
Back Catalogue Distribution Ltd
Stone Barn Consulting Ltd
Anesco Solar Rooftop 1 Limited
Covington Trading Limited
Waterhouse Trading Limited
Palmersford Solar Limited
SSB Cotgrave Ltd
Culworth Grounds Solar Limited
Origin Investments Ltd
Sound Wave Music 1 Limited
Jenyns Trading Limited
Fitzroy Trading Limited
Sedgwick Solar Limited
Second Wave Music 10 Limited
Second Wave Music 5 Limited
Second Wave Music 9 Limited
Second Wave Music 8 Limited
Second Wave Music 4 Limited
Second Wave Music 11 Limited
Second Wave Music 1 Limited
Second Wave Music 7 Limited
Second Wave Music 3 Limited
Sound Wave Music 11 Limited
Second Wave Music 6 Limited
Second Wave Music 2 Limited
Henslow Trading Limited
Sound Wave Music 10 Limited
Sound Wave Music 2 Limited
Sound Wave Music 9 Limited
Sound Wave Music 6 Limited
Sound Wave Music 4 Limited
Sound Wave Music 3 Limited
Sound Wave Music 7 Limited
Sound Wave Music 8 Limited
Sedgwick Trading Limited
Lyell Trading Limited
Blackfinch Nominees Limited
Blackfinch Investments Limited
RCS Solutions Limited
Blackfinch Financial Limited
Blackfinch Corporate Services Limited
Blackfinch Group Limited

Past Directorships/Partnerships

First Score Music Limited
Sandy Store Limited
Store Wars Limited

4.10 None of the Directors in the five years prior to the date of this Prospectus:-

4.10.1 save as set out in paragraph 4.9 above, is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership;

4.10.2 has any unspent convictions in relation to fraudulent offences;

4.10.3 save as set out in paragraph 4.9 above, has had any bankruptcies, receiverships or liquidations or administrations through acting in the capacity of a member of any administrative, management or supervisory bodies or as a partner, founder or senior manager of any partnership or company; and

4.10.4 has had any official public incriminations and/or sanctions by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a Court from acting as a member of the administrative management or supervisory bodies of any company or firm acting, or in the management or conduct of the affairs of, any company or firm.

4.11 No Shares are being reserved for allocation to existing Shareholders, Directors or employees.

4.12 The Company will take out directors' and officers' liability insurance for the benefit of the Directors.

4.13 The estimated aggregate remuneration for the Company, including benefits in kind, to be paid to the Directors in the financial period ending 31 December 2020, based on the arrangements currently in place with each Director, will not exceed £48,000.

4.14 Save insofar as Richard Cook is a director and shareholder of Blackfinch, no Director or member of the investment adviser team has any potential conflict of interest between his duties to the Company and their private interests or other duties.

4.15 There are no restrictions agreed by any Director or member of the Investment Adviser on the disposal within a certain time period of their holdings in the Company's securities.

4.16 There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors.

4.17 None of the Directors or members of the Investment Adviser have any service contract with the Company providing for benefits upon termination of employment. See paragraph 5.3 below which refers to the Directors' Letters of Appointment.

4.18 The audit committee of the Company comprises the independent Directors and shall meet at least twice a year. The Company's auditors may be required to attend such meetings. The Committee shall prepare a report each year addressed to the shareholders for inclusion in the Company's annual report and accounts. The duties of the Committee are, inter alia:

4.18.1 to review and approve the half yearly and annual results of the Company and the statutory accounts before submission to the Board;

4.18.2 to review management accounts;

4.18.3 to review internal control and risk management systems;

4.18.4 to consider the appointment of the external auditor, to monitor its independence and objectivity, the level of audit fees and to discuss with the external auditor the nature and scope of the audit; and

4.18.5 to consider matters of corporate governance as may generally be applicable to the Company and make recommendations to the Board in connection therewith as appropriate.

4.19 The Company does not have a remuneration committee or a nomination committee.

5. MATERIAL CONTRACTS

The following constitutes a brief summary of the principal contents of each material contract entered into by the Company,

otherwise than in the ordinary course of business, since incorporation. There are no other contracts, not being contracts entered into in the ordinary course of business, entered into by the Company which contain any provision under which the Company has an obligation or entitlement which is material to the Company as at the date of this document:

5.1 Offer Agreement

An Offer Agreement dated 11 November 2019 and made between the Company (1), the Directors (2), the Promoter (3) and the Sponsor (4), pursuant to which the Sponsor has agreed to act as sponsor to the Offer and the Promoter has undertaken, as agent of the Company, to use its reasonable endeavours to procure subscribers for Ordinary Shares under the Offer. The Promoter will be entitled to any interest earned on subscription monies prior to the allotment of Ordinary Shares. Under the Offer Agreement, the Company will pay the Promoter a commission of up to 5.5% of the value of each accepted application for Ordinary Shares received pursuant to the Offer (plus VAT, if applicable).

The Promoter will be responsible for the payment of initial commission to authorised financial intermediaries in respect of execution only clients.

Under the Offer Agreement, which may be terminated by the parties in certain circumstances, the Company, the Promoter and the Directors have given certain warranties and indemnities. Warranty claims must be made by no later than three months after the date of the second annual general meeting of the Company following the closing date of the Offer at which Shareholders approve the Company's accounts or (if earlier) by the date the Company is subject to a takeover. The warranties and indemnities are in usual form for a contract of this type and the warranties are subject to limits of one year's director fees for each Director. The Company has also agreed to indemnify the Sponsor in respect of its role as Sponsor and under the Offer Agreement. The Offer Agreement may be terminated, inter alia, if any statement in the Prospectus is untrue, any material omission from the Prospectus arises or any breach of warranty occurs.

5.2 Investment Advisory Agreement

An agreement (the "Investment Advisory Agreement") dated 11 November 2019 and made between the Company and Blackfinch whereby Blackfinch will, with effect from the first date on which the Company resolves to allot Shares pursuant to the Offer (the "Effective Date"), be appointed as the Company's investment adviser to provide discretionary investment advisory services to the Company in respect of its portfolio of Qualifying Investments and Non-Qualifying Investments.

Blackfinch will receive an annual fee equal to 2.5% of the Net Asset Value (plus VAT if applicable) payable quarterly in arrears, the first payment to be made in respect of the period from the Effective Date until the termination of the Investment Advisory Agreement. Blackfinch is entitled to reimbursement of expenses incurred in performing its duties under the agreement, and will also be entitled to receive and retain transaction and introductory fees, directors' fees, monitoring fees, consultancy fees, corporate finance fees, syndication fees, exit fees and commissions in relation to portfolio companies.

The Investment Adviser will also be entitled to a performance incentive fee payable in relation to each accounting period, subject to the Performance Value per Share being at least 130p at the end of the relevant accounting period. The amount of the performance incentive fee will be equal to 20% of the amount by which the Performance Value per Share at the end of an accounting period exceeds the High Water Mark (being the higher of 130p and the highest Performance Value per Share at the end of any previous accounting period), and multiplied by the number of Shares in issue at the end of the relevant period.

The appointment of the Investment Adviser in relation to the investment advisory services will commence on the Effective Date and will continue unless and until terminated by either party giving to the other not less than 12 months' notice in writing, such notice not to take effect before the end of the fifth anniversary following the last allotment of Shares pursuant to an offer for subscription made by the Company. The Investment Advisory Agreement is subject to earlier termination by either party in certain circumstances.

All securities purchased through the Investment Adviser will be registered (except for bearer stocks) in the name of the Company, to hold all or any of the Company's Assets and documents of title or certificates evidencing title on behalf of the Company.

Any investment or other asset of the Company will be registered (except for bearer stocks) in the name of the Company, or, subject to the written agreement of the Company, in the name of a custodian which may be appointed from time to time by the Company on terms agreed by the Investment Adviser.

Transactions undertaken by the Investment Adviser for the Company shall correspond with the provisions of the Investment Adviser's written execution policy, and the Investment Adviser shall manage conflicts of interest, disclosing

to the Board the nature of any material interest which the Investment Adviser may have in any proposed transaction to which the Company is, or is to be, a party, the Investment Adviser not causing the Company to become a party to any such contract or transaction except with the prior approval of those members of the Board who are independent of the Investment Adviser (such prior approval not to apply to the allocation of investment opportunities governed by the Investment Advisory Agreement).

The Investment Adviser has agreed to indemnify the Company by such amount as is equal to the excess by which the Annual Running Expenses of the Company exceeds 3.5% of the Net Asset Value, calculated on an annual basis

The provision by the Investment Adviser of discretionary investment advisory services is subject to the overall control, direction and supervision of the Directors.

5.3 Directors' Letters of Appointment

Each of the Directors entered into an agreement with the Company dated 11 November 2019 as referred to in paragraph 4.7 above whereby he or she is required to devote such time to the affairs of the Company as the Board reasonably requires consistent with their role as non-executive director. Peter Hewitt is entitled to receive an annual fee of £18,000 (increasing to £20,000 if more than £5m is raised under the Offer) (plus VAT if applicable), Katie Jones is entitled to receive an annual fee of £18,000 (plus VAT if applicable) and for the services to be provided by Richard Cook Blackfinch is entitled to receive an annual fee of £12,000 (plus VAT if applicable). Each party can terminate the agreement by giving to the other at least six months' notice in writing to expire at any time after the date 15 months from the respective commencement dates. No benefits are payable on termination.

5.4 Administration Agreement

An agreement dated 11 November 2019 and made between the Company and the Administrator, whereby the Administrator will provide certain administration services and company secretarial services to the Company in respect of the period from Admission until the termination of the Administration Agreement with regard to all the investments of the Company, for an annual fee of the higher of 0.3% of Net Asset Value of £60,000 (plus VAT if applicable).

The Administration Agreement will continue unless and until terminated by either party giving to the other not less than 12 months' notice in writing, such notice not to take effect before the end of the fifth anniversary following the last allotment of Shares pursuant to an offer for subscription made by the Company, but subject to early termination in certain circumstances.

5.5 Custody Agreement

A Custody Agreement dated 11 November 2019 between the Company and Blackfinch under which Blackfinch agrees to hold securities in certificated form on behalf of the Company as custodian for an annual fee of £5,000 plus VAT, terminable by either party giving to the other not less than 12 months' notice in writing, such notice not to take effect before the end of the fifth anniversary following the last allotment of Shares pursuant to an offer for subscription made by the Company, but subject to early termination in certain circumstances.

6. GENERAL

6.1 The principal place of business and registered office of the Company is at 1350-1360 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, Gloucestershire GL3 4AH. The telephone number of the Company is 01452 717070 and its website address is: www.blackfinch.com/ventures/springvct. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus. The Company has no subsidiaries or associated companies.

6.2 There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months which may have, or have had in the recent past, significant effect on the Company's financial position or profitability.

6.3 The Company does not have, nor has it had since incorporation, any employees and it neither owns nor occupies any premises.

6.4 The Sponsor will be entitled to receive a fee from the Company in connection with the Offer as described in paragraph 5.1 above. Blackfinch will be promoter of the Company and will receive investment advisory fees and other payments from the Company as described in paragraph 5.2 above.

6.5 Save as disclosed in this paragraph and in paragraph 4 above, no amount or benefit has been paid or given to any promoters and none is intended to be paid or given.

6.6 The Company's accounting reference date is 31 December in each year.

6.7 The Investment Adviser is Blackfinch, a private limited company registered in England and Wales and incorporated pursuant to and operating under the Act on 10 April 1992 under company number 02705948, which is authorised and regulated by the Financial Conduct Authority and whose principal place of business and registered office is at 1350-1360 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, Gloucestershire GL3 4AH. The principal legislation under which it operates is the Act. The Investment Adviser is domiciled in England and its legal and commercial name is Blackfinch Investments Limited. The telephone number of the Investment Adviser is 01452 717070 and its website is www.blackfinch.com. The information on their website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

6.8 The Offer is not underwritten. The expenses of and incidental to the Offer and the listing of the Shares, including registration and listing fees, printing, advertising and distribution costs, legal and accounting fees and expenses, are payable by the Promoter. If the maximum of £30million is raised under the Offer (assuming the over-allotment facility is fully utilised), the net proceeds will amount to approximately £28,350,000.

6.9 Save in connection with the Offer, Ordinary Shares have not been marketed to and are not available to the public. Market makers will not be offered the opportunity to subscribe for Ordinary Shares under the Offer.

6.10 BDO LLP was appointed as auditor of the Company on 7 November 2019. It is registered to carry out audit work by the Institute of Chartered Accountants of England and Wales. The Company shall take all reasonable steps to ensure that its auditor is independent of it and has obtained written confirmation from its auditor that it complies with guidelines on independence issued by its national accountancy and auditing body.

6.11 The Company has given notice to the Registrar of Companies, pursuant to section 833 of the Act, of its intention to carry on business as an investment company, which will enhance its ability to pay dividends out of income. If and when capital profits are realised which the Directors consider it appropriate to distribute by way of dividend (for example on the disposal of a successful investment), the Directors would anticipate revoking this status.

6.12 Save for the agreements described in paragraphs 5.1, 5.2, 5.4 and 5.5 of this Part 3 where parties are companies in that group, there have been no related party transactions since the incorporation of the Company.

6.13 Save for the agreements described in paragraphs 5.1, 5.2, 5.4 and 5.5 of this Part 3, there are no material potential conflicts of interest which a service provider to the Company may have as between their duty to the Company and duties owed by them to third parties and their other interests. In order to manage such potential conflicts of interest it is a term of the agreement between the Investment Adviser and the Company referred to in paragraph 5.1 of this Part 3 that the Investment Adviser shall manage conflicts of interest, disclosing to the Board the nature of any material interest which the Investment Adviser may have in any proposed transaction to which the Company is, or is to be, a party, the Investment Adviser not causing the Company to become a party to any such contract or transaction except with the prior approval of those members of the Board who are independent of the Investment Adviser (such prior approval not to apply to the allocation of investment opportunities governed by the Investment Advisory Agreement).

6.14 Since the date of its incorporation, the Company has not commenced operations. No financial statements have been made up as at the date of this document.

6.15 The Company is of the opinion that, subject to the receipt of the Minimum Subscription, the working capital available to the Company is sufficient for its present requirements.

6.16 The Offer will not proceed if the Minimum Subscription is not reached.

6.17 The capitalisation of the Company as at the date of this document is shareholders' equity of £12,500.02 comprising 50,000 redeemable preference shares of £1 each paid up as to one quarter and 2 Ordinary Shares of £0.01 paid up in full.

6.18 As at the date of this Prospectus, the Company did not have loan capital outstanding, any other borrowings nor guaranteed, unguaranteed, secured and unsecured indebtedness, including indirect and contingent indebtedness.

6.19 The Company does not assume responsibility for the withholding of tax at source.

6.20 Securities in certificated form belonging to the Company will be held as custodian on its behalf by Blackfinch whose registered office is at 1350-1360 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, Gloucestershire GL3 4AH (telephone 01452 717070). The terms upon which the securities are to be held are summarised in paragraph

5.5 of this Part 3.

6.21 The Company has to satisfy a number of tests to qualify as a VCT and will be subject to various rules and regulations in order to continue to qualify as a VCT, as set out under the heading "Taxation" in Part 2 of this document. In addition, the following restrictions are imposed upon the Company under the rules relating to admission to the Official List:

6.21.1 it, or any of its subsidiaries, must not conduct any trading activity which is significant in the context of the group as a whole;

6.21.2 it must not invest more than 10% in aggregate of the value of its total assets (at the time the investment is made) in other listed closed-ended investment funds except listed closed-ended investment funds which themselves have published investment policies to invest no more than 15% of their total assets in other closed-ended investment funds; and

6.21.3 it must manage and invest its assets in accordance with the investment policy set out on page 19 of this Prospectus, which contains information about the policies which it will follow relating to asset allocation, risk diversification and gearing and which includes maximum exposure.

6.22 Blackfinch has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name in this document in the form and context in which they are included. The full name and address of Blackfinch are set out on page 12, together with details of their material interests in the Company at paragraphs 5.1 to 5.5 on pages 49 to 50 of this Part 3.

6.23 The Offer has been sponsored by Howard Kennedy whose offices are at No.1 London Bridge, London SE1 9BG and which is authorised and regulated by the Financial Conduct Authority. The Sponsor has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name in the form and context in which it is included.

6.24 The Offer is being promoted by Blackfinch, which is authorised and regulated by the Financial Conduct Authority. The Promoter has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name in the form and context in which it is included.

6.25 There have been no significant changes in the financial position of the Company since it was incorporated.

6.26 Shareholders will be informed, through a Regulatory Information Service announcement, if the investment restrictions which apply to the Company as a VCT detailed in this document are breached.

6.27 The results of the Offer will be announced through a Regulatory Information Service within 3 Business Days of the closing of the Offer.

6.28 Mandatory takeover bids: The City Code on Takeovers and Mergers (the "City Code") applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The City Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers (the "Panel") has now been placed on a statutory footing. The Takeovers Directive was implemented in the UK in May 2006 and since 6 April 2007 has effect through the Act. The Takeovers Directive applies to takeovers of companies registered in an EU member state and admitted to trading on a regulated market in the EU or the EEA States.

6.29 The City Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company the other holders of securities must be protected. This is reinforced by Rule 9 of the City Code which requires that a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30% or more of the voting rights to make a general offer. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person, who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50% of the voting rights.

6.30 There are not in existence any current mandatory takeover bids in relation to the Company.

6.31 Squeeze out: Section 979 of the Act provides that if, within certain time limits, an offer is made for the share capital of a company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90% in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90%, of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks from the date of the notice, pay the consideration for the shares to the relevant company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration available under the takeover offer.

6.32 Sell out: Section 983 of the Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in a company which amount to not less than 90% in value of all the voting shares in the company and carry not less than 90%, of the voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

6.33 The Shares will usually trade at a discount to their underlying net asset value. Shares in VCTs are inherently illiquid and there may be a limited market in the Ordinary Shares primarily because the initial tax relief is only available to those subscribing for newly issued Ordinary Shares which may, therefore, adversely affect the market price of the Ordinary Shares and the ability to sell them.

6.34 The Company and the Directors consent to the use of the Prospectus by financial intermediaries, from the date of the Prospectus until the close of the Offer, for the purpose of subsequent resale or final placement of securities by financial intermediaries for Shares until the close of the Offer, and accept responsibility for the information contained therein for such purpose. The Offer is expected to close on or before 3 pm on 30 October 2020. There are no conditions attaching to this consent. Financial intermediaries may use the Prospectus only in the UK.

6.35 In the event of an offer being made by a financial intermediary, information on the terms and conditions of the offer will be given to Investors by the financial intermediaries at the time that the offer is introduced to investors. Any financial intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent set out in paragraph 6.34 above.

6.36 The maximum number of Ordinary Shares which are the subject of this Prospectus is 34,000,000 Ordinary Shares.

6.37 The Prospectus has been approved by the Financial Conduct Authority, as competent authority under Regulation (EU) 2017/1129. The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval shall not be considered as an endorsement of the issuer that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.

6.38 The information contained in this document sourced from third parties has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third parties, no facts have been omitted which would render such information inaccurate or misleading. Where such information has been included in this document, the source of that information has been identified.

6.39 The Company is an alternative investment fund for the purposes of AIFMD and has registered itself as a small AIFM with the FCA and is subject to the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773). The Company is not otherwise regulated.

7. DOCUMENTS FOR INSPECTION

7.1 The Company's memorandum and articles of association are available for inspection at the offices of Howard Kennedy LLP, No.1 London Bridge, London SE1 9BG, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until closing of the Offer and may also be inspected at the Company's website address at www.blackfinch.com/ventures/springvct.

Dated: 11 November 2019



PART 4

DEFINITIONS

PART 4

DEFINITIONS

The following definitions are used throughout this document and, except where the context requires otherwise, have the following meanings

ACT

Companies Act 2006, as amended

ADMINISTRATOR

Blackfinch

ADMISSION

Admission of the Ordinary Shares to the Official List and to trading on the London Stock Exchange's main market for listed securities

ADVISER CHARGE

Fees agreed between an Investor and his or her Financial Adviser for being given a personal recommendation to subscribe for Shares in the Company

AIFM

An alternative investment fund manager within the meaning of AIFMD

AIFMD

The European Union's Alternative Investment Fund Managers Directive (No. 2011/61/EU) and all legislation made pursuant thereto including, where applicable, the applicable implementing legislation and the regulations in each member state of the European Union

AIM

The AIM market of the London Stock Exchange

ANNUAL RUNNING EXPENSES

The central running costs of the Company, including Directors' fees, the annual investment advisory fee and the administration fee but excluding transaction related fees and expenses, any performance incentive and costs relating to the establishment of the Company and any annual trail commissions payable by or on behalf of the Company.

APPLICANT

An applicant for Shares under the Offer

APPLICATION FORM

The application form for use in respect of the Offer set out at the end of this document

BUSINESS DAYS

Any day (other than Saturday or Sunday or public holiday in the UK) on which clearing banks in London are open for normal banking business

CLOSING DATE

Such date as the Directors shall in their absolute discretion determine that the Offer is closed, being not later than 30 October 2020

COMPANY

Blackfinch Spring VCT plc

CREST

The computerised settlement system to facilitate the transfer of title to securities in uncertificated form operated by Euroclear UK & Ireland Limited

DIRECT INVESTOR PREMIUM

The fee, as described on page 33, payable to the Promoter in connection with the Offer

DIRECTORS, BOARD OF DIRECTORS OR BOARD

The directors of the Company whose names appear on page 12 of this document

DGTR

Disclosure guidance and transparency rules, being the rules published by the FCA from time to time and relating to the disclosure of information in respect of financial instruments

EARLY BIRD DISCOUNT

A discount of 1.5% per Ordinary Share to be deducted from the Offer Price for all applications received by 3pm on 31 January 2020

EEA STATES

The member states of the European Economic Area

EXECUTION-ONLY INTERMEDIARY COMMISSION

The commissions payable to execution-only brokers in connection with the Offer, as described on page 33

FINANCIAL CONDUCT AUTHORITY OR FCA

The United Kingdom Financial Conduct Authority

FINANCIAL ADVISER

A natural or legal person which is authorised and regulated by the FCA to give advice to its clients on investments

FSMA

Financial Services and Markets Act 2000, as amended

GROSS PROCEEDS

The total funds raised under the Offer

HMRC

HM Revenue and Customs

HOWARD KENNEDY OR SPONSOR

Howard Kennedy Corporate Services LLP, which is authorised and regulated by the Financial Conduct Authority

INITIAL ADVISER CHARGE

The initial charges payable to advisers in connection with the Offer, as described on page 33

INITIAL CLOSING DATE

3 April 2020 or, if later, such date as the Directors have at their discretion selected as the Initial Closing Date

INVESTMENT ADVISORY AGREEMENT

The investment advisory agreement between the Company and the Investment Adviser dated 11 November 2019, a summary of which is set out in Part 3 of this document

INVESTMENT ADVISER OR BLACKFINCH

Blackfinch Investments Limited, authorised and regulated by the Financial Conduct Authority, investment adviser to the Company's portfolios of Qualifying Investments and Non-Qualifying Investments

INVESTOR(S)

An individual(s) aged 18 or over who subscribes for Shares under the Offer

IPEV GUIDELINES

International Private Equity and Venture Capital Valuation Guidelines

ITA

Income Tax Act 2007, as amended

KNOWLEDGE INTENSIVE COMPANY

A company satisfying the conditions in Section 331(A) of Part 6 ITA

LISTED

Admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities

LISTING RULES

Listing Rules issued by the Financial Conduct Authority and made under Part VI of the FSMA

LONDON STOCK EXCHANGE

London Stock Exchange plc

MARKET ABUSE REGULATION OR MAR

Market Abuse Regulation (596/2014/EU)

MINIMUM SUBSCRIPTION

Subscriptions under the Offer of at least £3,000,000 (net of Offer costs)

ML REGULATIONS

The Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended

NAV PER SHARE

Last announced Net Asset Value divided by the number of Shares in issue at the date of calculation. Between the date of this Prospectus and the date on which the Company first announces its Net Asset Value, this will be deemed to be £1

NET ASSET VALUE OR NAV

Last announced Net Asset Value divided by the number of Shares in issue at the date of calculation. Between the date of this Prospectus and the date on which the Company first announces its Net Asset Value, this will be deemed to be £1

NON-QUALIFYING INVESTMENT

those investments specified in section 274 ITA

OFFER

The offer for subscription of up to £20 million of Ordinary Shares as described in this document, together with an over-allotment facility of up to a further £10 million of Ordinary Shares

OFFER AGREEMENT

The agreement dated 11 November 2019 between the Company, the Directors, the Promoter and the Sponsor relating to the Offer, a summary of which is set out in Part 3 of this document

OFFER PRICE

The price per share calculated in accordance with the Pricing Formula

OFFICIAL LIST

The Official List of the Financial Conduct Authority

ORDINARY SHARES OR SHARES

Ordinary shares of Sterling £0.01 each in the capital of the Company

PERFORMANCE VALUE PER SHARE

In relation to each accounting period of the Company, the total of the following:

- (i) the Net Asset Value;
- (ii) all performance incentive fees previously paid or accrued by the Company to the Investment Adviser for all previous accounting periods; and
- (iii) the cumulative amount of dividends paid by the Company before the relevant accounting reference date (including the amount of those dividends in respect of which the ex-dividend date has passed as at that date); divided by the number of Shares in issue in the Company on the relevant date

PORTFOLIO COMPANY

A company in which the Company invests

PRICING FORMULA

The mechanism by which the pricing of the offer of Shares may be adjusted according to the level of the Promoter's Fee, Execution-only Intermediary Commission and Direct Investor Premium (on the basis that a Share is issued on a deemed NAV of 100p per Share) as set out on page 34

PROFESSIONAL CLIENT

A Professional Client (as defined in section 3.5 of the FCA's Conduct of Business Sourcebook)

PROMOTER

Blackfinch Investments Limited, which is authorised and regulated by the Financial Conduct Authority

PROMOTER FEE

The fee, as described on page 33, payable to the Promoter in connection with the Offer

PROSPECTUS

This document which describes the Offer in full

PROSPECTUS RULES

The Prospectus Regulation Rules issued by the Financial Conduct Authority and made under Part VI of FSMA and pursuant to Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market

QUALIFYING COMPANY

A company satisfying the conditions in Chapter 4 of Part 6 ITA, as described in Part 2 of this document (and Qualifying Companies shall be construed accordingly)

QUALIFYING INVESTMENT

An investment in an unquoted company or stocks which are AIM/NEX- traded which satisfies the requirements of Chapter 4 of Part 6 ITA, as described in Part 2 of this document

QUALIFYING INVESTOR

An individual aged 18 or over who satisfies the conditions of eligibility for tax relief available to investors in a VCT

QUALIFYING LIMIT

A total amount of £200,000 per individual investor

QUALIFYING PURCHASER

An individual who purchases Shares from an existing Shareholder and is aged 18 or over and satisfies the conditions of eligibility for tax relief available to investors in a VCT

QUALIFYING SUBSCRIBER

An individual who subscribes for Shares under the Offer and is aged 18 or over and satisfies the conditions of eligibility for tax relief available to investors in a VCT

QUALIFYING SUBSIDIARY

A subsidiary company which falls within the definition of Qualifying Subsidiary contained in Section 298 ITA, as described in Part 2 of this document

QUALIFYING TRADE

A trade complying with the requirements of Section 300 ITA

REDEEMABLE PREFERENCE SHARES

Redeemable preference shares of £1 each in the capital of the Company

RECEIVING AGENT OR REGISTRAR

The City Partnership (UK) Limited, of 110 George Street, Edinburgh EH2 4LH

REGULATORY INFORMATION SERVICE

A regulatory information service that is on the list of regulatory information services maintained by the FCA

RISK FINANCE STATE AID

State aid received by a company as defined in Section 280B (4) of ITA

SHAREHOLDERS

Holders of Ordinary Shares

SUBSCRIPTION AMOUNT

Total funds remitted by the client for investment in the Blackfinch Spring VCT, minus any Initial Adviser Charge, before deduction of any fees, share consideration or other costs

TOTAL INVESTMENT

Total funds remitted by the client for investment in the Blackfinch Spring VCT, including any Initial Adviser Charge, before deduction of any fees, share consideration or other costs

UPFRONT FEES

The sum of any Execution-Only Intermediary Commission, Promoter Fee, or Direct Investor Premium payable

VCT RULES

Part 6 ITA and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning VCTs

VENTURE CAPITAL TRUST OR VCT

A company approved as a venture capital trust under Section 274 ITA by the board of HMRC



PART 5

TERMS AND CONDITIONS OF APPLICATION

PART 5

TERMS AND CONDITIONS OF APPLICATION

- 1.** In these terms and conditions of application, the expression “Prospectus” means this document dated 11 November 2019. The expression “Application Form” means the application form for use in accordance with these Terms and Conditions of application and posting it (or delivering by hand during normal business hours) to Blackfinch Investments Limited, 1350-1360 Montpellier Court, Gloucester Business Park, Gloucester GL3 4AH or as otherwise indicated in this document or the Application Form.
- 2.** The right is reserved to reject any application in whole or part only or to accept any application in whole or part only. Multiple applications are permitted. If any application is not accepted, or if any contract created by acceptance does not become unconditional, or if any application is accepted for fewer Shares than the number applied for, or if in any other circumstances there is an excess paid on application, the application monies or the balance of the amount paid or the excess paid on application will be returned without interest by post at the risk of the applicant. In the meantime application monies will be retained in a designated bank account.
- 3.** You may pay for your application for Shares by cheque submitted with the Application Form, or by way of electronic bank transfer. Application Forms accompanied by a post-dated cheque will not be processed until the cheque can be presented and will not be treated as being received by the Receiving Agent until that date. All bank transfers must be referenced with your surname, first initial, and postcode if feasible.
- 4.** The contract created by the acceptance of applications in respect of allotment of Shares under the Offer will be conditional on gross subscriptions under the Offer reaching the Minimum Subscription. If this condition is not met, the Offer will be withdrawn and subscription monies will be returned to Investors at their own risk, without interest. The Offer is not underwritten.
- 5.** By completing and delivering an Application Form, you:
 - i) offer to subscribe for the amount specified on your Application Form plus any commission waived for extra shares or any smaller sum for which such application is accepted at the Offer Price, on the terms and subject to the Prospectus, these Terms and Conditions of application and the Articles of the Company;
 - ii) acknowledge that, if your subscription is accepted, you will be allocated such number of Ordinary Shares as determined by the Pricing Formula;
 - iii) authorise the Registrar of the Company to send a document of title for, or credit your account in respect of, the number of Shares for which your application is accepted and/or a cheque for any monies returnable, by post at your risk to your address as set out on your Application Form;
 - iv) agree that your application may not be revoked and that this paragraph constitutes a collateral contract between you and the Company which will become binding upon dispatch by post or delivery of your duly completed Application Form to the Company or to your financial adviser;
 - v) warrant that your remittance will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive share certificates in respect of the Shares applied for until you make payment in cleared funds for such Shares and such payment is accepted by or on behalf of the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, the Sponsor, and the Registrar against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by or on behalf of the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe such Shares and may issue or allot such Shares to some other person, in which case you will not be entitled to any payment in respect of such Shares, other than the refund to you, at your risk, of the proceeds (if any) of the cheque accompanying your application, without interest;
 - vi) agree that if, following the issue of all or any Ordinary Shares applied for pursuant to the Offer, your remittance is not honoured on first presentation, those Ordinary Shares may, forthwith upon payment by Blackfinch of the Offer Price of those Ordinary Shares to the Company, be transferred to Blackfinch or such other person as Blackfinch may direct at the relevant Offer Price per Ordinary Share and any director of the Company is hereby irrevocably appointed and instructed to complete and execute all or any form(s) of transfer and/or any other documents in relation to the transfer of those Ordinary Shares to Blackfinch or such other person as Blackfinch may direct and to do all such other acts and things as may be necessary or expedient, for the purpose of or in connection with, transferring title to those Ordinary Shares to Blackfinch,

or such other person, in which case you will not be entitled to those Ordinary Shares or any payment in respect of such Ordinary Shares;

vii) agree that all cheques may be presented for payment on the due dates and any definitive document of title and any monies returnable to you may be retained pending clearance of your remittance and the verification of identity required by the ML Regulations and that such monies will not bear interest;

viii) undertake to provide satisfactory evidence of identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Sponsor) to ensure compliance with the ML Regulations;

ix) agree that, in respect of those Shares for which your application has been received and is not rejected, your application may be accepted at the election of the Company either by notification to the London Stock Exchange of the basis of allocation or by notification of acceptance thereof to the Registrar;

x) agree that all documents in connection with the Offer and any returned monies will be sent at your risk and will be sent to you at the address supplied in the Application Form;

xi) agree that having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all the information and representations including the risk factors contained therein;

xii) confirm that (save for advice received from your financial adviser) in making such an application you are not relying on any information and representation other than those contained in the Prospectus and you accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof will have any liability for any such other information or representation;

xiii) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law, and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company or the Sponsor to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or any Court of competent jurisdiction;

xiv) irrevocably authorise the Registrar and/or the Sponsor or any person authorised by either of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representative of the Registrar or of the Sponsor to execute any documents required therefor and to enter your name on the register of members of the Company;

xv) agree to provide the Company with any information which it may request in connection with your application or to comply with the VCT regulations or other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the ML Regulations;

xvi) warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Registrar and/or the Sponsor acting in breach of the regulatory or legal requirements of any territory in connection with the Offer of your application;

xvii) confirm that you have read and complied with paragraph 6 below;

xviii) confirm that you have reviewed the restrictions contained in paragraph 7 below;

xix) warrant that you are not under the age of 18 years;

xx) warrant that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, you have complied with all such laws and none of the Registrar and/or the Sponsor will infringe any laws of any such territory or jurisdiction directly or indirectly as a result of in consequence of any acceptance of your application;

xxi) agree that the Registrar and/or the Sponsor are acting for the Company in connection with the Offer and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Shares or concerning the suitability of Shares for you or be responsible to you for the protections afforded thereunder;

xxii) warrant that if you sign the Application Form on behalf of somebody else or yourself and another or others jointly or a corporation, you have the requisite power to make such investments as well as the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings

contained in these Terms and Conditions of application and undertake (save in the case of signature by an authorised financial adviser on behalf of the Investor) to enclose a power of attorney or a copy thereof duly certified (on each page) by a solicitor with the Application Form;

xxiii) warrant that you are not subscribing for the Shares using a loan which would not have been given to you or any associate or not have been given to you on such favourable terms, if you have not been proposing to subscribe for the Shares;

xxiv) warrant that the Shares are being acquired for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax. Obtaining tax reliefs given under the applicable VCT legislation is not itself tax avoidance;

xxv) warrant that you are not a "US Person" as defined in the United States Securities Act of 1933 ("Securities Act") (as amended), nor a resident of Canada and that you are not applying for any Shares on behalf of or with a view to their offer, sale or delivery, directly or indirectly, to or for the benefit of any US Person or a resident of Canada;

xxvi) warrant that: (i) your place of birth was not the USA, (ii) you do not have a current US residence or mailing address, (iii) you do not have a current US telephone number, (iv) you do not have a standing instruction(s) to pay amounts in your bank account to a US bank account, (v) you do not have a current power of attorney or signatory authority granted to a person with a US address, and (vi) you do not have an in-care-of or hold mail address that is the sole address you have provided to us;

xxvii) warrant that the information contained in the Application Form is accurate; and

xxviii) agree that if you request that Shares are issued to you on a specific date, and such Shares are not issued on such date, that the Company and its agents and Directors will have no liability to you arising from the issue of such Shares on a different date.

6. No person receiving a copy of this document or an Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her or such Application Form could lawfully be used without contravention of any regulations or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application to satisfy him or herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

7. The Shares have not been and will not be registered under the Securities Act, as amended, or under the securities laws of any state or other political subdivision of the United States and may not be offered or sold in the United States of America, its territories or possessions or other areas subject to its jurisdiction ("the USA"). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Investment Adviser will not be registered under the United States Investment Advisers Act of 1940, as amended. No application will be accepted if it bears an address in the USA.

8. This application is addressed to the Registrar and the Sponsor. The rights and remedies of the Registrar and the Sponsor under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to either of them, and the exercise or partial exercise of one will not prevent the exercise of the others.

9. The dates and times referred to in these Terms and Conditions of application may be altered by the Company with the agreement of the Sponsor.

10. The section headed Notes on the Application Form forms part of these Terms and Conditions of application.

11. Investors should be aware of the following requirements in respect of the ML Regulations for applications of the Sterling equivalent of €15,000 (for these purposes approximately £12,750, as at the date of this document), or more:

i) For those who have not previously invested in the Company, please supply either an Identity Verification Certificate from your financial intermediary or, if you do not have an adviser, one of the following:

- a copy of your passport or driving licence certified by a bank or solicitor stating that it is a "true copy of the original and a true likeness of the client" followed by your name; and

- a recent (no more than three months old) bank or building society statement or utility bill showing your name and address; or
- tick the box on the Application Form consenting to the Company, or a third party acting on behalf of the Company, undertaking an online check of your identity using Veriphy, an online anti-money laundering and identity verification system.

ii) For those who have previously invested in the Company, your identity may be verified for the purposes of the ML Regulations by paying subscription monies by a cheque drawn in your name from a European Union based bank. If this is not provided then you will need to go through the above procedure for those who have not previously invested in the Company.

iii) Your electronic transfer or cheque must be drawn in Sterling on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited, a member of the Scottish Clearing Banks Committee or the Belfast Clearing Committee or which has arranged for its cheques to be cleared through facilities provided for members of any of those companies or associations and must bear the appropriate sorting code in the top right hand corner. Cheques should be drawn on the personal account to which you have sole or joint title to such funds. Third party cheques will not be accepted. The account name should be the same as that shown on the application. Post-dated cheques will not be processed until the cheque can be presented and will not be treated as being received by the Receiving Agent until that date. Cheques will be presented for payment upon receipt. The Company reserves the right to instruct The City Partnership (UK) Limited (the "Registrar") to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. If you wish to pay by electronic transfer, please use the account details provided. The right is reserved to reject any Application Form in respect of which the cheque has not been cleared on first presentation.

12. The basis of allocation will be generally on a first come, first served basis (but always subject to the absolute discretion of the Directors of the Company after consultation with the Investment Adviser). The right is reserved to reject in whole or in part and/or scale down and/or ballot any application or any part thereof including, without limitation, where applications in respect of which any verification of identity (which the Company or the Receiving Agent consider may be required for the purposes of the ML Regulations) has not been satisfactorily supplied. Dealings prior to the issue of certificates for Shares will be at the risk of Applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all. The Company may accept applications made otherwise than by completion of an Application Form where the Applicant has agreed in some other manner acceptable to the Company to apply in accordance with these Terms and Conditions of application.

13. The application of the subscription proceeds is subject to the absolute discretion of the Directors.

14. Intermediaries who have not provided personal recommendations or advice to UK retail clients on the Ordinary Shares being applied for and who, acting on behalf of their clients, return valid Application Forms bearing their FCA number may be entitled to commission on the amount payable in respect of such Shares allocated for each such Application Form at the rates specified in the paragraph headed "Commission" in Part 1 of this document. Intermediaries may agree to waive part or all of their initial commission in respect of an application for Ordinary Shares under the Offer. If this is the case, then the charges to be deducted under the Pricing Formula will be adjusted. Intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for their commission.

