

**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.**

If you have sold or otherwise transferred all of your shares in Blackfinch Spring VCT plc (the "**Company**"), please send this document and accompanying documents, as soon as possible, to the purchaser or transferee or to the stockbroker, authorised financial adviser or other person through whom the sale or transfer was effected for delivery to the purchaser or transferee.

An application has been made to the Financial Conduct Authority ("**FCA**") for the Ordinary Shares to be issued under the Offer to be listed on the premium segment of the Official List and will be made to the London Stock Exchange for those Ordinary Shares to be admitted to trading on its main market for listed securities.

Howard Kennedy Corporate Services LLP, which is authorised and regulated in the United Kingdom by the FCA, is acting for the Company and no-one else and will not, subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder, be responsible to any other person for providing advice in connection with any matters referred to herein.

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**Blackfinch Spring VCT plc**

*(Registered in England and Wales with registered number 12166417)*

**General Meeting in connection with recommended proposals to:**

- **authorise the issue of Ordinary Shares whilst disapplying pre-emption rights**
- **approve the payment of the Investment Manager's Promoter Fees**
- **authorise the purchase of Shares by the Company**
- **approve the cancellation of the Company's share premium account**

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Your attention is drawn to the letter from the Chairman of the Company set out in Part II of this document which contains a unanimous recommendation by your Board to vote in favour of the Resolutions. Your attention is also drawn to the risk factors set out in Part I of this document.

You will find set out at the end of this document a notice of the General Meeting, to be held at 11 am on 7 October 2022 at No.1 London Bridge, London SE1 9BG, to approve the Resolutions.

To be valid, the forms of proxy enclosed with this document for the General Meeting should be returned not less than 48 hours before the meeting (excluding weekends and public holidays), either by post or by hand (during normal business hours only) to the Company's Registrar, The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.

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## **DIRECTORS, MANAGER AND ADVISERS**

Directors (all non-executive)	Peter Lionel Raleigh Hewitt (Chairman) Katie Jones Dr Reuben Wilcock
all of (registered office, at)	1350-1360 Montpellier Court Gloucester Business Park Brockworth Gloucester Gloucestershire GL3 4AH
AIFM Investment Manager	Blackfinch Investments Limited 1350-1360 Montpellier Court Gloucester Business Park Brockworth Gloucester Gloucestershire GL3 4AH
VCT Tax Adviser	Philip Hare & Associates LLP 6 Snow Hill London EC1A 2AY
Sponsor	Howard Kennedy Corporate Services LLP No. 1 London Bridge London SE1 9BG
Auditors	BDO LLP 150 Aldersgate Street London EC1A 4AB
Solicitors	Howard Kennedy LLP No. 1 London Bridge London SE1 9BG
Registrars	The City Partnership (UK) Limited The Mending Rooms Park Valley House Meltham Road Huddersfield HD4 7BH
Receiving Agents	Blackfinch Investments Limited 1350-1360 Montpellier Court Gloucester Business Park Brockworth Gloucester Gloucestershire GL3 4AH

## PART I - RISK FACTORS

**Shareholders should consider carefully the following risk factors in addition to the other information presented in this document. If the risks described below were to occur, they could have a material effect on the Company's business, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company, the Board or Shareholders will face in relation to the proposals set out in this document. Additional risks not currently known to the Company or the Board, or that the Company or the Board currently believe are not material in relation to such proposals, may also adversely affect the Company's business, financial condition or results of operations. Shareholders should consult a person authorised under FSMA who specialises in advising on investments in shares and other securities in respect of the matters under consideration in this document.**

Completion of the Offer is dependent upon the approval by Shareholders of Resolutions 1 to 3 to be proposed at the General Meeting. There can be no guarantee that this condition will be satisfied and, if all of these Resolutions are not passed, the Offer will be withdrawn and the Company will be responsible for the costs of the proposals relating to the Offer, which could amount to up approximately £100,000.

As envisaged by the investment policy of the Company, it is intended that risk will be spread by investing in a number of different businesses within different industry sectors using a mixture of securities. The maximum amount currently permitted to be invested in any one company (inclusive of any related group company) is limited to 15% of the value of the portfolio at the time of investment, in accordance with the VCT legislation. If the Offer does not proceed and the Company is, therefore, not able to raise further funds, this may prevent the Company from creating a more diversified portfolio of investments and inhibit the Company from taking advantage of attractive investment opportunities it believes will become available as the UK economy emerges from the current pandemic, and also create a less diversified portfolio than otherwise thereby increasing the risk to investors. It will also limit the Company's ability to make any follow investments into its portfolio of businesses, which might dilute the Company's holding if further funds are sought or constrain the growth of those businesses if they cannot raise any required funding elsewhere.

The current hostilities in Ukraine and the resulting sanctions imposed on the Russian Federation by various countries around the world may have unforeseen, long term and far reaching consequences for the global economy and the Company's portfolio of investments. In particular, the interruption and/or limitation in the supply of certain natural resources (such as oil and gas) could have a negative impact on the performance of the Company's portfolio of investments which may necessitate further investment in those companies to support their working capital. If the Offer does not proceed and the Company is, therefore, not able to raise further funds, this may prevent the Company from supporting any of its portfolio of investments that have been so affected. This may affect their performance and will dilute the Company's holding .

Inflation in the United Kingdom and elsewhere is currently running at rates not seen for many years. This has led to significant increases in consumer prices leading to a so-called 'cost of living crisis'. The cost of living crisis may cause a drop in demand in certain goods and services which could negatively impact the Company's portfolio of investments which may necessitate further investment in those companies to support their working capital. The recent increases in interest rates may have the same affect. If the Offer does not proceed and the Company is, therefore, not able to raise further funds, this may prevent the Company from supporting any of its portfolio of investments that have been so affected, which may affect their performance and will dilute the Company's holding .

## PART II — LETTER FROM THE CHAIRMAN

### Blackfinch Spring VCT plc

*(Registered in England and Wales with registered number 12166417)*

Directors:

Peter Lionel Raleigh Hewitt (Chairman)  
Katie Jones  
Reuben Wilcock

Registered Office:

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

2 September 2022

Dear Shareholder,

**Proposals to authorise the issue of the Ordinary Shares whilst disapplying pre-emption rights; approve the payment of the Investment Manager's Promoter Fees; authorise the purchase of Shares by the Company, and approve the cancellation of the Company's share premium account.**

#### Introduction

I am pleased to announce that the Company is seeking to raise up to £20 million (with a £10 million over allotment facility), before expenses, by way of a further offer for subscription for Ordinary Shares to existing and new shareholders and I am writing to you because the Ordinary Share issue requires your approval.

The Company's previous share offers, launched on 19 November 2019, 2 October 2020, and 3 September 2021 raised approximately £18 million. Your Board believes that the proposed Ordinary Share issue is in the best interests of all Shareholders as it will lead to both economies of scale as well as greater diversification in the Company's portfolio of investments, as the Company has an exciting pipeline of investment opportunities.

This document explains the proposal to grant authority to issue the Ordinary Shares whilst dis-applying pre-emption rights, which is needed to facilitate the Offer, a proposed authority for the Company to buy back its own Shares, to support the Company's buy back policy, both of which are required to be approved by Shareholders under company law and a proposal to pay a fee to the Company's investment manager, Blackfinch Investments Limited ("Blackfinch"), for promoting the Offer, which is required to be approved by Shareholders under the Listing Rules.

#### The Offer

The Company is seeking to raise £20 million, with an over-allotment facility of £10 million, through the Offer which will open today. Application will be made for all of the Ordinary Shares issued under the Offer to be admitted to trading on the London Stock Exchange's main market for listed securities.

The net proceeds of the Offer will be applied in accordance with the Company's published investment policy, which is to invest in innovative .growth-stage technology-enabled companies which are on their scale-up journey. To date, the Company has invested approximately £11 million in 18 VCT qualifying

and UK based businesses in the following technology sectors: Property, Transport, Supply Chain, Software, Marketing, Water, HR, Governance, Wearables, Sleep and Market Intelligence Funds raised under the Offer will also put the Company in a strong position to provide follow on investment to its existing portfolio businesses, if required, and companies in the Blackfinch Ventures EIS Portfolios which are managed by the Company's investment manager, Blackfinch, thereby benefiting from Blackfinch's deep knowledge, experience and past data on those companies.

Our investment manager, Blackfinch, continues to be inundated with exciting investment proposals from UK businesses which are looking for further capital to fuel their growth. In addition, many of Blackfinch's existing portfolio companies have either been well positioned to benefit from changing market conditions, or have successfully adapted to them, and consequently offer tech-enabled products and services that suit the needs of the times, positioning them well for further investment.

Built on over 25 years of investment track record, the name Blackfinch first came into being on the anniversary of Darwin's birth, 12th February 2013. Since then Blackfinch has grown into a group of companies, with a shared vision of a more sustainable future. It has a management team who have extensive experience across sectors including SEIS, EIS, VCT, renewables, property and AIM securities. Run by a team of investment professionals, Blackfinch Ventures is supported by the wider Blackfinch group and an external network of experienced founders, industry leaders and experts, called Venture Partners. Collectively, these individuals give access to over 150 years of experience of investing in, mentoring and running early stage companies. As at 30 August 2022 Blackfinch had over £700 million of funds under management and administration.

Shareholders are asked to authorise the Board to allot the Ordinary Shares pursuant to the Offer whilst disapplying pre-emption rights, under CA 2006, which are the subject of Resolutions 1 and 3.

VCTs were introduced by the UK Government in 1995 to encourage individuals to invest in UK smaller companies. VCTs raised over £1 billion in the 2021/2022 tax year, a record year for fundraising since VCT tax rules were introduced and a 65% increase on fundraising from the 2020/2021 tax year. (Source :AIC )

## **2022 Offer Agreement**

As is customary in the VCT sector Blackfinch charges the VCT a fee for raising funds. In respect of the Offer it is proposed that Blackfinch be appointed as the promoter, and that the Company pay Blackfinch a Promoter Fee, for its role as promoter, amounting to 2.5% of the monies subscribed for Shares under the Offer 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% (in respect of direct investors, or up to 3% in respect of investors introduced through an execution-only broker) of the monies subscribed for Shares under the Offer, less any discounts for early investment ("**Direct Investor Premium**") (the Direct Investor Premium and the Promoter Fee together being the "**Investment Manager Promoter Fees**"). The Investment Manager will also pay Blackfinch 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 will be responsible for the payment of initial commission to authorised financial intermediaries in respect of execution only clients.

Accordingly, under an offer agreement (the "**2022 Offer Agreement**") dated 2 September 2022 between the Company, the Directors, Howard Kennedy and Blackfinch, Blackfinch will, subject to the passing of Resolution 2 at the General Meeting, receive the Investment Manager's Promoter Fees, out of which Blackfinch will discharge the costs of the Offer.

Under the Listing Rules Blackfinch is a related party of the Company. Accordingly, the payment of the Investment Manager's Promoter Fees will constitute a related party transaction under the Listing Rules, being a transaction between the Company and Blackfinch, its investment manager. As such the payment of the Investment Manager Promoter Fees, is required to be approved in advance by the Shareholders at the General Meeting, under the Listing Rules. This is the subject of Resolution 2.

### **Share Buy-Back Policy**

Although the existing Ordinary Shares are, and the Ordinary Shares issued under the Offer will be, listed, Shareholders may find it difficult to sell their Shares and, therefore, to improve liquidity, the Company has established a buy-back policy for the Shares subject to the requirements of the Listing Rules. As a guide and subject to the Board's discretion and providing that, in the opinion of the Board, there is adequate surplus cash available, the Company will consider buying back Shares at a discount of 5% of the latest published net asset value per Share. The approval of the authority for the Company to buy back Shares is the subject of Resolution 4, and is required under CA 2006.

### **General Meeting**

Notice of the required General Meeting is set-out at the end of this document. The General Meeting will be held at 11 am on 7 October 2022 at No.1 London Bridge, London SE1 9BG. The Offer is conditional upon Resolutions 1 to 3 being passed at the General Meeting.

An explanation of the Resolutions is set out below:

Resolution 1 is an ordinary resolution and seeks the approval of Shareholders to authorise the Directors pursuant to Section 551 CA 2006 to allot Ordinary Shares up to an aggregate nominal value of £435,000 (representing approximately 225% of the issued share capital of the Company as at 1 September 2022, this being the latest practicable date prior to publication of this document) in connection with the Offer and other offers for subscription. The authority conferred by this Resolution 1 will expire at the conclusion of the Company's next annual general meeting or on the expiry of fifteen months following the passing of this Resolution 1, whichever is the later (unless previously renewed, varied or revoked by the Company in general meeting).

Resolution 2 is an ordinary resolution to approve the payment of the Investment Manager's Promoter Fees to Blackfinch, details of which are set out under the heading "**2022 Offer Agreement**" on page 6 above, in accordance with the Listing Rules as Blackfinch is a related party under those rules. Blackfinch is not a Shareholder and will not, therefore, vote on this Resolution 2 at the General Meeting and, as a related party to the Company under the Listing Rules, has undertaken to take all reasonable steps to ensure that its associates (as defined in the Listing Rules) will not vote on this Resolution 2 at the General Meeting.

Resolution 3 is a special resolution and seeks the approval of Shareholders to dis-apply pre-emption rights in respect of any Ordinary Shares issued pursuant to the authority contained in Resolution 1, in accordance with CA 2006 (up to an aggregate nominal value of £435,000, which represents approximately 225% of the issued share capital of the Company as at 1 September 2022, this being the latest practicable date prior to publication of this document). The authority conferred by Resolution 3 will expire at the conclusion of the Company's next annual general meeting or on the expiry of fifteen months following the passing of this Resolution 3, whichever is the later (unless previously renewed, varied or revoked by the Company in general meeting).

The authorisations conferred by Resolutions 1 and 3 will be used to enable the Company to issue Ordinary Shares under the Offer and other smaller share offers.

Resolution 4 is a special resolution and seeks the approval of Shareholders to authorise the Company to make market purchases pursuant to CA 2006 of up to such number of Ordinary Shares as is equal to 14.99% of the issued Ordinary Shares immediately following the closing of the Offer. Any Shares bought back under this authority may be cancelled or held in treasury as may be determined by the Board. The authority conferred by Resolution 4 will expire at the conclusion of the Company's next annual general meeting or on the expiry of fifteen months following the passing of Resolution 4, whichever is the later (unless previously renewed, varied or revoked by the Company in general meeting).

Resolution 5 is a special resolution to cancel the share premium account of the Company at the date an order is made confirming such cancellation by the Court, to create a pool of distributable reserves, in accordance with the CA 2006.

The ordinary Resolutions require the approval of a simple majority of 50% of the votes cast in respect of them. The special Resolutions require the approval of 75% of the votes cast in respect of them.

However, before taking any action, you are recommended to read the further information set out in this document and to seek advice from your Independent Financial Adviser.

Shareholders will find enclosed with this document the form of proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting, you are requested to complete and return the relevant forms of proxy so as to be received not less than 48 hours before the time appointed for holding of the General Meeting (excluding weekends and public holidays). Completion and return of a form of proxy will not prevent you from attending and voting in person at the General Meeting should you wish to do so.

Your Board believes that the proposals described in this Circular, including the Resolutions, are in the best interests of the Shareholders as a whole.

Promoter Fees.

The Board also considers that the payment of the Investment Manager's Promoter Fees are fair and reasonable so far as the Shareholders are concerned, the Directors having been so advised by Howard Kennedy, as sponsor to the Company. In providing this advice, Howard Kennedy has taken into account the Directors' commercial assessment of the terms of the 2022 Offer Agreement relating to the payment of the Investment Manager Promoter Fees.

Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolutions at the General Meeting. Blackfinch does not hold any shares in the Company and therefore it will not vote on Resolution 2 at the General Meeting. Blackfinch has also undertaken to take all reasonable steps to ensure that its Associates will not vote on Resolution 2 at the General Meeting.

Yours sincerely

**Peter LR Hewitt**, Chairman

Blackfinch Spring VCT plc



## PART III - ADDITIONAL INFORMATION

### 1. Responsibility

The Company and the Directors, whose names appear on page 3, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), 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.

### 2. Share Capital

2.1 As at 1 September 2022 (being the latest practicable date prior to the publication of this document), the issued ordinary share capital of the Company was as follows:

Aggregate nominal value (£)	Number of Shares
£193,590.79	19,359,079

2.2 As at 1 September 2022 (being the latest practicable date prior to the publication of this document), no warrants or options to subscribe for Ordinary Shares are outstanding, nor did the Company hold any share capital in treasury.

### 3. Directors and their Interests

3.1 As at the date of this document the Directors, their immediate families and connected persons within the meaning of Rule 3 of the Disclosure Guidance and Transparency Rules (“DTR 3”) have, and, assuming (i) the Offer is fully subscribed (assuming the over-allotment facility is fully utilised) at an Offer Price of £0.9319 and (ii) that the fees payable to the Promoter are 5.5%, the Directors and their immediate families and connected persons within the meaning of DTR 3 will immediately following the Offer have the following interests in the share capital of the Company, the existence of which is known to or could with reasonable diligence be ascertained by the Directors:

	Number of Ordinary Shares before the Offer	% of issued Ordinary Shares before the Offer
Peter L R Hewitt	5,038	0.026%
Katie Jones	0	0%
Reuben Wilcock	3,282	0.017%
	Number of Ordinary Shares following the Offer	% of issued Ordinary Shares following the Offer
Peter L R Hewitt	5,038	0.01%
Katie Jones	0	0%
Reuben Wilcock	3,282	0.007%

- 3.2 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 (in the case of Katie Jones and Peter Hewitt) and 18 September 2020 (in the case of Reuben Wilcock), each of which is terminable upon six months' notice given by the Company at any time after the first anniversary of their appointment. Under these letters of appointment, each Director 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 £20,000 (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 Reuben Wilcock, Blackfinch is entitled to receive an annual fee of £12,000 (plus VAT if applicable). No benefits are payable on termination. All the Directors are non-executive directors.
- 3.3 No Director is or has 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 since incorporation, save for Reuben Wilcock who is an employee of Blackfinch, a party to agreements referred to in paragraphs 5.1.1 to 5.1.6 and who is consequently interested in these agreements.

#### 4. Substantial Shareholders

The Company is not aware of any person, not being a member of its administrative, management or supervisory bodies who, as at the date of this document, is directly or indirectly interested in 3% or more of the issued share capital of the Company and is required to notify such interest in accordance with the Disclosure Guidance and Transparency Rules or who directly or indirectly controls the Company.

#### 5. Material Contracts

- 5.1 The following are (a) the only contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company since incorporation and which are or may be material to the Company, and (b) the only contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company since incorporation and which contain any provisions under which the Company has any obligation or entitlement which are material to the Company as at the date of this document:

##### 2022 Offer Agreement

- 5.1.1 An offer agreement dated 2 September 2022 and made between the Company (1), the Directors (2), Blackfinch (3) and the Sponsor (4), (the "**2022 Offer Agreement**") pursuant to which the Sponsor has agreed to act as sponsor to the Offer and Blackfinch has undertaken, as agent of the Company, to use its reasonable endeavours to procure subscribers for Ordinary Shares under the Offer. Under the 2022 Offer Agreement, the Company will pay Blackfinch 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).

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

Under the 2022 Offer Agreement, which may be terminated by the parties in certain circumstances, the Company, Blackfinch 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 Company has also agreed to indemnify the Sponsor in respect of its role as Sponsor and under the 2022 Offer Agreement. 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 2022 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.

## 2021 Offer Agreement

- 5.1.2 An offer agreement dated 3 September 2021 and made between the Company (1), the Directors (2), Blackfinch (3) and the Sponsor (4), (the "**2021 Offer Agreement**") pursuant to which the Sponsor agreed to act as sponsor to the 2021 Offer and Blackfinch undertook, as agent of the Company, to use its reasonable endeavours to procure subscribers for Ordinary Shares under the 2021 Offer. Under the 2021 Offer Agreement, the Company paid Blackfinch a commission of up to 5.5% of the value of each accepted application for Ordinary Shares received pursuant to the 2021 Offer (plus VAT, if applicable).

Blackfinch was responsible for the payment of initial commission to authorised financial intermediaries in respect of execution only clients.

Under the 2021 Offer Agreement, which could be terminated by the parties in certain circumstances, the Company, Blackfinch and the Directors gave 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 2021 Offer at which Shareholders approve the Company's accounts or (if earlier) by the date the Company is subject to a takeover. The Company also agreed to indemnify the Sponsor in respect of its role as Sponsor under the 2021 Offer Agreement. The warranties and indemnities were in usual form for a contract of this type and the warranties were subject to limits of one year's director fees for each Director. The 2021 Offer Agreement could be terminated, inter alia, if any statement in the prospectus relating to the 2021 Offer was untrue, any material omission from that prospectus arose or any breach of warranty occurred.

## 2020 Offer Agreement

- 5.1.3 An offer agreement dated 2 October 2020 and made between the Company (1), the Directors (2), Blackfinch (3) and the Sponsor (4), (the "**2020 Offer Agreement**") pursuant to which the Sponsor agreed to act as sponsor to the 2020 Offer and Blackfinch undertook, as agent of the Company, to use its reasonable endeavours to procure subscribers for Ordinary Shares under the 2020 Offer. Under the 2020 Offer Agreement, the Company paid Blackfinch a commission of up to 5.5% of the value of each accepted application for Ordinary Shares received pursuant to the 2020 Offer (plus VAT, if applicable).

In respect of the 2020 Offer Blackfinch were responsible for the payment of initial commission to authorised financial intermediaries in respect of execution only clients.

Under the 2020 Offer Agreement, which could be terminated by the parties in certain circumstances, the Company, Blackfinch and the Directors gave 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 2020 Offer at which Shareholders approve the Company's accounts or (if earlier) by the date the Company is subject to a takeover. The Company also agreed to indemnify the Sponsor in respect of its role as Sponsor and under the 2020 Offer Agreement. The warranties and indemnities were in usual form for a contract of this type and the warranties were subject to limits of one year's director fees for each Director. The 2020 Offer Agreement could be terminated, inter alia, if any statement in the prospectus relating to the 2020 Offer was untrue, any material omission from that prospectus arose or any breach of warranty occurred.

#### 2019 Offer Agreement

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

In respect of the 2019 Offer, Blackfinch was responsible for the payment of initial commission to authorised financial intermediaries in respect of execution only clients under the 2019 Offer.

Under the 2019 Offer Agreement, which could be terminated by the parties in certain circumstances, the Company, Blackfinch and the Directors gave 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 2019 Offer at which Shareholders approve the Company's accounts or (if earlier) by the date the Company is subject to a takeover. The Company also agreed to indemnify the Sponsor in respect of its role as Sponsor under the 2019 Offer Agreement. 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 2019 Offer Agreement could be terminated, inter alia, if any statement in the prospectus for the 2019 Offer was untrue, any material omission from that prospectus arose or any breach of warranty occurred.

#### 2021 Receiving Agent Agreement

- 5.1.5 On 1 September 2021 the Company entered into a receiving agent agreement with Blackfinch pursuant to which Blackfinch received a fee in the amount of £13,000 for providing receiving agent services in connection with the 2021 Offer.

#### 2022 Receiving Agent Agreement

- 5.1.6 On 1 September 2022 the Company entered into the 2022 Receiving Agent Agreement with Blackfinch. Under this agreement, Blackfinch will receive a fee in the amount of £13,000 for providing receiving agent services in connection with the Offer.

#### Investment Management Agreement

- 5.1.7 An agreement (the “**Investment Management Agreement**”) (as varied) dated 11 November 2019 and made between the Company and Blackfinch whereby Blackfinch was appointed as the Company's external alternative investment fund manager to provide discretionary investment advisory services to the Company in respect of its portfolio of Qualifying Investments and Non-Qualifying Investments and to be responsible for the proper valuation of its investments

Blackfinch will receive an annual fee equal to 2.5% of the Net Asset Value (plus VAT if applicable) payable quarterly in arrears. Blackfinch is entitled to reimbursement of expenses incurred in performing its duties under the Investment Management 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 Manager 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 and multiplied by the number of Shares in issue at the end of the relevant period.

The appointment of the Investment Manager 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 Management Agreement is subject to earlier termination by either party in certain circumstances.

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

#### Directors' Letters of Appointment

- 5.1.8 Each of the Directors entered into an agreement with the Company, dated 11 November 2019 in the case of Katie Jones and Peter Hewitt and 18 September 2020 in the case of Reuben Wilcock, as referred to in paragraph 3.2 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 was raised under the 2019 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 Reuben Wilcock, 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.

#### Administration Agreement

5.1.9 An agreement dated 11 November 2019 and made between the Company and Blackfinch (the "Administration Agreement"), whereby Blackfinch will provide certain administration services and company secretarial services to the Company 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.

#### Custody Agreement

5.1.10 A custody agreement dated 11 November 2019 between the Company and Blackfinch (the "**Custody Agreement**") 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. Other

6.1 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 Companies Act 2006.

6.2 Save for the offer agreements described in paragraphs 5.1.1 to 5.1.4, and the receiving agent agreements described in paragraphs 5.1.5 and 5.1.6 above, the fees paid to the Directors as detailed in paragraph 3.2 above, the fees payable to Blackfinch for investment management services under the Investment Management Agreement and administration services under the Administration Agreement and the Custodian Agreement, there have been no other related party transactions or fees paid by the Company since its incorporation to the date of this document.

6.3 Save in respect of investments totalling £900,000 in 2 VCT qualifying UK businesses between 1 July 2022 and 2 September 2022, there has been no significant change in the financial position of the Company since 30 June 2022 (being the end of the last financial period of the Company for which unaudited financial information has been published) to the date of this document.

- 6.4 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 month period ending on the date of this document which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.
- 6.5 The Company does not have any material shareholders with different voting rights.
- 6.6 Howard Kennedy has given and has not withdrawn its written consent to the issue of this document, with references to its name in the form and context in which they are included and the inclusion of the statement on page 8 of this document that Howard Kennedy has advised the Board that it considers the payment of the Investment Manager Promoter Fees under the 2022 Offer Agreement to be fair and reasonable so far as the Shareholders are concerned.
- 6.7 The Ordinary Shares will be issued in registered form, will be transferable and will rank pari passu in all respects with each other. The first allotment of Ordinary Shares under the Offer will take place on or before 30 November 2022. Application will be made for such Ordinary Shares to be admitted to the CREST system and it is anticipated that holders of Ordinary Shares will be able to hold their Ordinary Shares in certificated or uncertificated form. It is expected that dealings will commence within ten Business Days of any allotment.

## **7. Documents Available for Inspection**

- 7.1 Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document until the conclusion of the General Meeting at the registered office of the Company and at the offices of Howard Kennedy, No 1 London Bridge, London SE1 9BG:
- 7.1.1 the Articles; and
- 7.1.2 this document.

2 September 2022

#### PART IV DEFINITIONS

<b>"2019 Offer"</b>	the offer for subscription by the Company for Ordinary Shares in respect of the tax years 2019/20 and 2020/21 that was launched on 11 November 2019
<b>"2020 Offer"</b>	the offer for subscription by the Company for Ordinary Shares in respect of the tax years 2020/21 and 2021/22 that was launched on 2 October 2020
<b>"2021 Offer"</b>	the offer for subscription by the Company for Ordinary Shares in respect of the tax years 2021/22 and 2022/23 that was launched on 3 September 2021
<b>"2019 Offer Agreement"</b>	the offer agreement dated 11 November 2019, between the Company, the Directors, Howard Kennedy and Blackfinch
<b>"2020 Offer Agreement"</b>	the offer agreement dated 2 October 2020, between the Company, the Directors, Howard Kennedy and Blackfinch
<b>"2021 Offer Agreement"</b>	the offer agreement dated 3 September 2021, between the Company, the Directors, Howard Kennedy and Blackfinch
<b>"Annual Advisory Fee"</b>	the annual fee payable to Blackfinch under the Investment Advisory Agreement
<b>"Annual Running Expenses"</b>	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.
<b>"Articles"</b>	the articles of association of the Company, as amended from time to time
<b>"Associates"</b>	has the meaning given in the Listing Rules
<b>"Blackfinch" or "the Investment Manager"</b>	Blackfinch Investments Limited of 1350-1360 Montpellier Court, Gloucester Business Park, Gloucester GL3 4AH
<b>Blackfinch Ventures EIS Portfolios</b>	the discretionary portfolio service that is managed and administered by the Investment Manager and which provides a portfolio of investments in unquoted technology companies that meet the qualification requirements for enterprise investment scheme relief under the ITA
<b>"Board" or "Directors"</b>	the board of directors of the Company
<b>"Business Days"</b>	any day (other than a Saturday) on which the clearing banks are open for normal banking business in sterling



<b>“CA 2006”</b>	Companies Act 2006 (as amended)
<b>“Circular”</b>	this document
<b>“the Company” or the “Company”</b>	Blackfinch Spring VCT plc
<b>“Disclosure Guidance &amp; Transparency Rules”</b>	the disclosure guidance & transparency rules of the FCA
<b>“EIS”</b>	the Enterprise Investment Scheme, satisfying the requirements of Part 5 of ITA 2007
<b>“FCA”</b>	the Financial Conduct Authority
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“General Meeting”</b>	the general meeting of the Company convened for 11 am on 7 October 2022 (or any adjournment thereof)
<b>"High Water Mark"</b>	the higher of 130p and the highest Performance Value per Share at the end of any previous accounting period
<b>“Howard Kennedy”</b>	Howard Kennedy Corporate Services LLP
<b>"Independent Shareholders"</b>	Shareholders other than Blackfinch and its Associates
<b>"Initial Adviser Charge"</b>	the initial charges payable to advisers in connection with the Offer
<b>“Investor”</b>	a subscriber for Ordinary Shares under the Offer
<b>“ITA 2007”</b>	Income Tax Act 2007 (as amended)
<b>“Listing Rules”</b>	the listing rules of the FCA
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“NAV” or “net asset value”</b>	net asset value
<b>"Non-Qualifying Investments"</b>	those investments specified in section 274 ITA
<b>“Offer”</b>	the offer for subscription by the Company as referred to on pages 5 and 6
<b>“Official List”</b>	the official list of the FCA
<b>“Ordinary Shares”</b>	Ordinary Shares of 1p each in the capital of the Company (and each a <b>“Share”</b> )
<b>"Performance Value per Share"</b>	in relation to each accounting period of the Company, the total of the following: (i) the NAV;

	<p>(ii) all performance incentive fees previously paid or accrued by the Company to the Investment Manager for all previous accounting periods; and</p> <p>(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);</p> <p>divided by the number of Shares in issue in the Company on the relevant date.</p>
<b>"Promoter Fee"</b>	the initial fee payable by the Company to Blackfinch for promoting the Offer, details of which are set out on page 6
<b>"Prospectus"</b>	the prospectus issued by the Company dated 2 September 2022
<b>"Qualifying Investment"</b>	an investment in a company which satisfies the requirements of Chapter 4 of Part 6 ITA, as described in Part 2 of this document
<b>"2022 Receiving Agent Agreement"</b>	The agreement between the Company and Blackfinch dated 1 September 2022 pursuant to which Blackfinch has agreed to provide receiving agent services to the Company.
<b>"Resolutions"</b>	the resolutions to be proposed at the General Meeting
<b>"Shareholder"</b>	a holder of Ordinary Shares
<b>"UK"</b>	the United Kingdom
<b>"VCT" or "venture capital trust"</b>	a company satisfying the requirements of Chapter 3 of Part 6 of ITA 2007 for venture capital trusts
<b>"VCT Rules"</b>	Part 6 ITA 2007 and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning VCTs

## Blackfinch Spring VCT plc

(Registered in England and Wales with registered number 12166417)

### NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a General Meeting of Blackfinch Spring VCT plc (“**the Company**”) will be held at 11 am on 7 October 2022 at No. 1 London Bridge, London SE1 9BG for the purposes of considering and, if thought fit, passing the following resolutions, which will be proposed as to resolutions 1 and 2 as ordinary resolutions and as to resolutions 3 , 4 and 5 as special resolutions:

#### Ordinary Resolutions

1. That, the Directors be and hereby are generally and unconditionally authorised in accordance with Section 551 of the CA 2006 to exercise all of 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 up to an aggregate nominal value of £435,000 in connection with the Offer and other offers for subscription, representing approximately 225% of the issued share capital of the Company as at 1 September 2022, being the latest practical date prior to publication of this document, provided that the authority conferred by this Resolution 1 shall expire at the conclusion of the Company’s next annual general meeting or on the expiry of fifteen months following the passing of this Resolution 1, whichever is the later (unless previously renewed, varied or revoked by the Company in general meeting).
2. That, the payment by the Company to Blackfinch Investments Limited of the Investment Manager Promoter Fees, such payment being pursuant to the 2022 Offer Agreement, details of which are set out on pages 6 and 7 of the circular issued to the Company’s shareholders dated 2 September 2022 (the “**Circular**”), be approved.

#### Special Resolutions

3. That, the Directors be and hereby are empowered pursuant to Section 570(1) of CA 2006 to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of CA 2006) for cash pursuant to the authority given in accordance with Section 551 of CA 2006 by Resolution 1 above as if Section 561(1) of CA 2006 did not apply to such allotments, provided that the power provided by this Resolution 3 shall expire at the conclusion of the Company’s next annual general meeting or on the expiry of fifteen months following the passing of this Resolution 3, whichever is the later (unless previously renewed, varied or revoked by the Company in general meeting).
4. That, the Company be and is hereby authorised to make one or more market purchases (within the meaning of section 693(4) of the CA 2006) of Ordinary Shares provided that:
  - 4.1 the maximum aggregate number of Ordinary Shares authorised to be purchased is an amount equal to 14.99% of the issued Ordinary Shares immediately following the closing of the Offer;
  - 4.2 the minimum price which may be paid for an Ordinary Share is their nominal value;
  - 4.3 the maximum price which may be paid for an Ordinary Share is an amount equal to the higher of (i) 105% of the average of the middle market quotation per Share taken from the London Stock Exchange daily official list for the five Business Days immediately preceding the day on which such Ordinary Share is to be purchased; and (ii) the amount stipulated by the UK version of Article 5(6) of Market Abuse Regulation (596/2014/EU);

- 4.4 unless renewed, the authority hereby conferred shall expire either at the conclusion of the annual general meeting of the Company following the passing of this Resolution 4 or on the expiry of fifteen months from the passing of this Resolution 4, whichever is the later, 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.
5. That, 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 be and hereby is cancelled.

For the purpose of these Resolutions, words and expressions defined in the Circular shall have the same meanings in these Resolutions, save where the context requires otherwise.

Dated 2 September 2022

By order of the Board

Peter LR Hewitt (Chairman)

Registered Office:

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

Information regarding the General Meeting, including the information required by section 311A of CA 2006, is available from: 1350-1360 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, Gloucestershire, GL3 4AH.

**Notes:**

- a) Any member of the Company entitled to attend and vote at the General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the General Meeting in order to represent his appointor. A member entitled to attend and vote at the General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. However, the General Meeting will be held as a closed meeting with a minimum number of shareholders present. The Company will ensure that the legal requirements to hold the meeting are satisfied through the attendance of a minimum number of Directors and/or employee shareholders and the format of the meeting will be purely functional. Neither shareholders nor their proxies (other than the Chairman) will therefore be admitted to the General Meeting. The Company therefore strongly encourages Shareholders to vote on the resolutions to be put to the General Meeting by completing a form of proxy appointing the Chairman as their proxy, as any other appointed person will not be able to access, attend or participate in the General Meeting. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in these Notes. Please read Note (i) below. Under section 319A of the CA 2006, the Company must answer any question a member asks relating to the business being dealt with at the General Meeting unless:

- answering the question would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
- b) To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to the Company's Registrar, The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
- c) In order to revoke a proxy instruction a member will need to inform the Company by sending a signed hard copy notice clearly revoking the proxy appointment to the Company's Registrar, The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by The City Partnership (UK) Limited before the General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note (d) directly below, the proxy appointment will remain valid.
- d) Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the General Meeting in person, the proxy appointment will automatically be terminated.
- e) Copies of the Directors' letters of appointment, a copy of the amended Articles (marked up to show the proposed changes) and a copy of the current Articles will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and public holidays excluded) from the date of this notice, until the end of the General Meeting for at least 15 minutes prior to and during the meeting.
- f) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 5pm on 5 October 2022 or, in the event that the General Meeting is adjourned, on the Register of Members at close of business two days prior to any adjourned meeting, shall be entitled to attend and vote at the General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 5pm on 5 October 2022 or, in the event that the General Meeting is adjourned, on the Register of Members after close of business two days prior to any

adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the General Meeting.

- g) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
- h) As at 1 September 2022, the Company's issued share capital comprised 19,359,079 Ordinary Shares. The total number of voting rights in the Company as at 1 September 2022 is 19,359,079. The website referred to above will include information on the number of Shares and voting rights.
- i) If you are a person who has been nominated under section 146 of the CA 2006 to enjoy information rights ("**Nominated Person**"):
- you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("**Relevant Member**") to be appointed or to have someone else appointed as a proxy for the General Meeting;
  - if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights;
  - your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- j) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
- k) Except as provided above, members who have general queries about the General Meeting should call Blackfinch on 01452 717 070 (no other methods of communication will be accepted).
- l) Members may not use any electronic address provided either in this notice of the General Meeting, or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.