

September 2024

Pembroke VCT plc

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Offer for Subscription for up to
£40 million of B Ordinary Shares
with an over-allotment facility for
up to a further £20 million of
B Ordinary Shares

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 9 September 2024 relating to Pembroke VCT plc (the "Company" or "Pembroke") has been prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority ("FCA") made under section 73A of FSMA (the "Prospectus Regulation Rules"). This document has been approved by the FCA as competent authority under the UK version of Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered an endorsement of the Company that is, or the quality of the securities that are, the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This Prospectus has been drawn up as part of a simplified prospectus in accordance with article 14 of the UK Prospectus Regulation.

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 B Ordinary Shares regarding the legality of an investment in the B 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 pages 11 to 12 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 the light of such risk factors.

The Directors of the Company, whose names appear on page 23 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 Company the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import. 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.

Subject to FSMA, the Prospectus Regulation 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 Pembroke Investment Managers LLP is acting as promoter in connection with the Offer, both of whom are authorised and regulated by the Financial Conduct Authority. Neither Howard Kennedy Corporate Services LLP nor Pembroke Investment Managers LLP are 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.

Pembroke VCT plc

(incorporated in England and Wales with registered number 08307631)

Prospectus relating to an offer for subscription for up to £40 million of B Ordinary Shares
in the capital of Pembroke VCT plc payable in full on application
with an over-allotment facility for up to a further £20 million of B Ordinary Shares

Sponsor

Howard Kennedy Corporate Services LLP

Promoter and Investment Manager

Pembroke Investment Managers LLP

The B Ordinary Shares in issue at the date of this document are listed on the Official List of the FCA and traded on the London Stock Exchange's main market for listed securities. Application will be made to the FCA for all of the Shares to be issued pursuant to the Offer to be listed on the Official List and application will be made to the London Stock Exchange for those Shares to be admitted to trading on its main market for listed securities. It is expected that the Admission of such Shares will become effective, and that trading in those Shares will commence, within ten Business Days of their allotment.

This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any new 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 new 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.

Up to £40 million of B Ordinary Shares in the Company with an over-allotment facility of up to a further £20 million of B Ordinary Shares, which are being offered to the public, are being made available in two different tax years (2024/2025 and 2025/2026).

The Offer will open on 9 September 2024 and may close at any time thereafter but, in any event, not later than 12.00 noon on 4 April 2025, in the case of the 2024/2025 offer, and at 3.00 p.m. on 27 June 2025, in the case of the 2025/2026 offer (unless, in either case, the Offer has been fully subscribed by an earlier date). The closing date of the Offer, and the deadline for receipt of applications for the final allotment with respect to the 2025/2026 offer, may be extended by the Directors at their absolute discretion to a date no later than 3 September 2025. All subscription monies will be payable in full in cash on application.

The terms and conditions of the Offer are set out on pages 70 to 73 of this document. The Offer is not underwritten.

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

Copies of this document may be viewed on the National Storage Mechanism (NSM) of the FCA at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> and at <http://www.pembrokevct.com/investors> and following the date of publication may be obtained free of charge for the duration of the Offer by collection from:

Pembroke Investment Managers LLP

3 Cadogan Gate
London SW1X 0AS

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Summary

Introduction and Warnings

Name and ISIN of Securities	B Ordinary shares of 1 pence each (ISIN: GB00BQVC9S79) ("B Ordinary Shares").
Identity and Contact Details of Issuer	Pembroke VCT plc (the "Company" or "Pembroke") was incorporated and registered in England and Wales on 26 November 2012 with registered number 08307631, and its registered address is 3 Cadogan Gate, London SW1X 0AS (LEI: 213800RLWAGHVUX8HR40). The Company can be contacted at info@pembrokevct.com or 020 7766 6900.
Competent Authority approving the Prospectus	The Financial Conduct Authority ("FCA"), 12 Endeavour Square, London EC20 1JN, telephone 020 7066 1000.
Date of Approval of the Prospectus	9 September 2024
Warnings	(a) This 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) Civil liability attaches only to those persons who have tabled this summary, but only where this 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 B Ordinary Shares.

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 26 November 2012 as a public company limited by shares under the Companies Act 2006 (the "CA 2006") with registered number 08307631 (LEI: 213800RLWAGHVUX8HR40). The principal legislation under which the Company operates is the CA 2006 and the regulations made thereunder.
Principal Activities	The Company is a generalist venture capital trust (formed as a closed-ended investment company) focused on early stage investments in a diversified portfolio of smaller, unquoted companies currently concentrating on the following three sectors: Consumer, Technology and Business Services.
Major Shareholders	As at 8 September 2024, UBS Private Banking Nominees Limited held 15,762,302 B Ordinary Shares being approximately 7.2% of the issued share capital of the Company. As at the date of this document, there are no persons who directly or indirectly, jointly or severally, exercise control over the Company.
Directors	The Directors of the Company (all of whom are non-executive) are: Jonathan Simon Djanogly (Chair); David John Till; Laurence Charles Neil Blackall; Louise Esther Wolfson; Mark Andrew Stokes; and Christopher Charles Allner.
Statutory Auditor	The statutory auditor of the Company is BDO LLP, 55 Baker Street, London W1U 7EU.

What is the key financial information regarding the issuer?		Year Ended 31.03.24 (audited)
	Loss before tax (£000)	(10,474)
	Loss before operating expenses (£000)	(5,165)
	Performance fee (accrued/paid) (£000)	–
	Investment Management Fee (accrued/paid) (£000)	4,433
	Any other material paid to service providers (£000)	–
	Net assets (£000)	224,075
	NAV per B Ordinary Share (pence)	104.6
	Number of issued B Ordinary Shares	214,268,418
	Total Return per B Ordinary Share (pence)	139.6
	Return per B Ordinary Share (pence)	(5.4)
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 Company: - Investments in smaller unquoted companies (usually with limited trading records which require venture capital) carry substantially higher risks than would investments in larger or longer-established businesses. - 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. - Despite a falling inflation rate in the first half of 2024, it is anticipated that rising living costs and geopolitical uncertainty will continue to put pressure on customers and businesses in the near term. Any change in government and/or of governmental, economic, fiscal, monetary or political policy, in particular government spending reviews and political party policies may affect levels of unemployment, stock market volatility, consumer confidence and interest rates. This may have an adverse effect on the Company's portfolio companies and, potentially, their value and have a negative impact on the net asset value of the Company, which in turn may have an adverse effect on the future investment returns of the Company and the market value of the B Ordinary Shares. - The Company may be unable to maintain its VCT status, which could result in Shareholders losing the tax reliefs available for VCT shares and the Company losing its exemption from corporation tax on capital gains. - The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively, which may adversely affect an investment in the Company. This may reduce the Company's ability to raise further funds and make new investments and which may also mean it is no longer able to support its portfolio companies through further investment which could result in a dilution of the Company's shareholding if other investors invest in these companies and/or constrain the growth of such companies and/or cause those companies to fail due to lack of needed funds. - 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 venture capital trust ("VCT") tax status of the Company. - The Company's portfolio of non-VCT-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 Pembroke Investment Managers LLP (the "Manager"), the Company's investment manager, 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. - The Company may make investments into companies with similar trading profiles and with exposures in the same industry and/or to the same customer base. The level of returns to the Company may, therefore, be adversely affected by any downturn in those sectors or the sources within those sectors from which income is derived.	

Summary continued

Key Information on the Securities

What are the main features of the securities?	
Type, class and ISIN of securities	The Company will issue new B Ordinary Shares of 1 pence each under the Offer. The ISIN of the B Ordinary Shares is GB00BQVC9S79.
Currency, par value and number to be issued	The currency of the B Ordinary Shares is Sterling, having a par value of 1 pence each and pursuant to the Offer the Company will issue up to £40 million of B Ordinary Shares with an over-allotment facility for up to a further £20 million of B Ordinary Shares.
Rights attaching to the securities	As regards income: The shareholders of the Company (the “Shareholders”) are entitled to receive such dividends as the directors of the Company (the “Directors”) resolve to pay out in accordance with the Company’s articles of association pro rata according to the number of B Ordinary Shares held. As regards capital: On a return of capital on a winding-up or on a return of capital (other than on a purchase by the Company of its B Ordinary Shares), the surplus capital shall be divided amongst the holders of B Ordinary Shares pro rata according to the number of B Ordinary Shares held. As regards voting and general meetings: Subject to disenfranchisement in the event of non-compliance with a statutory notice requiring disclosure as to beneficial ownership, each Shareholder, present in person or by proxy, on a poll has one vote for each B Ordinary Share of which they are the holder. As regards redemption: None of the B Ordinary Shares are redeemable.
Seniority of securities	The B Ordinary Shares that are the subject of the Offer shall rank equally with the existing Shares in the event of an insolvency of the issuer.
Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the B Ordinary Shares.
Dividend policy	The B Ordinary Shares will target annual dividends totalling 5 pence per B Ordinary Share and will aim to pay further dividends where significant realisations occur from the sale of portfolio assets (subject to realised profits, distributable reserves, liquidity levels, the VCT Rules and the best interests of the Company). No forecast or projection should be implied or inferred.
Where will the securities be traded?	Applications will be made to the FCA for the B Ordinary Shares issued pursuant to the Offer to be admitted to the Official List of the FCA and to the London Stock Exchange for those B Ordinary Shares 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 B Ordinary Shares will commence, within ten business days of their allotment.
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: • The market price of a B Ordinary Share may not fully reflect its underlying net asset value. The value of B Ordinary Shares depends on the performance of the Company’s underlying assets. It can take a number of years for the underlying value or quality of the businesses of smaller companies, such as those in which the Company will invest, to be fully reflected in their market values and their market values are often also materially affected by general market sentiment, which can be negative for prolonged periods. • 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 B Ordinary Shares. • Levels and bases of, and reliefs from, taxation are subject to change, which could be retrospective. • An investment in the Company should be regarded as long-term in nature as a sale by Investors of their B Ordinary Shares within five years will require a repayment of the upfront income tax relief obtained (currently 30%) and is, therefore, not suitable for all individuals.

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 the Offer Up to £40 million of B Ordinary Shares are being made available at the Offer Price under the Offer, with an over-allotment facility for up to a further £20 million of B Ordinary Shares. The B Ordinary Shares are payable by an applicant in full upon application. Pricing of the Offer A fee for promoting the Offer (the “Promoter Fee”) is payable to the Manager and is calculated on the value of each application for B Ordinary Shares under the Offer accepted by the Company as follows: (i) 5.0% for investors under the Offer (“Investors”) who have invested directly into the Company or invested through an intermediary/platform and have not received advice; (ii) 3.0% for Investors who have invested in the Offer through an intermediary and have received upfront advice including Investors who are investing through intermediaries using financial platforms, or such lower percentage in each case as may be agreed by the Directors and the Manager. The number of B Ordinary Shares to be issued to each applicant will be calculated based on the following pricing formula (the “Pricing Formula”) (rounded down to the nearest whole B Ordinary Share): Number of B Ordinary Shares = Amount subscribed (<i>less</i> Promoter Fee (<i>less</i> any reduction agreed by the Manager for any specific Investor or group of Investors (where applicable) and <i>less</i> any initial commission waived by an intermediary in favour of the applicant) and <i>less</i> any adviser charge) divided by the latest published net asset value per B Ordinary Share. The Offer Price for each applicant is calculated by dividing the amount subscribed by the number of B Ordinary Shares allocated to the applicant, as calculated by the Pricing Formula. The Offer is conditional on resolutions 10 and 12 to be proposed at the annual general meeting of the Company to be held on 12 September 2024 (or any adjournment thereof) being passed, authorising the Directors to allot B Ordinary Shares up to an aggregate nominal value of £600,000 pursuant to offer(s) for subscription and further amounts up to an aggregate nominal amount representing 20% of the issued B Ordinary Share capital of the Company from time to time, and disapplying the pre-emption rights in respect of these allotments. The Offer will open on 9 September 2024 and may close at any time thereafter, but, in any event, not later than 12.00 noon on 4 April 2025, in the case of the 2024/2025 offer, and 3.00 p.m. on 27 June 2025, in the case of the 2025/2026 offer (unless, in either case, the Offer has been fully subscribed by an earlier date). The closing date of the Offer, and the deadline for receipt of applications for the final allotment with respect to the 2025/2026 offer, may be extended by the Directors at their absolute discretion to a date no later than 3 September 2025. It is expected that the admission to trading on the London Stock Exchange’s main market for listed securities of the B Ordinary Shares that are the subject of the Offer will become effective within ten business days of their allotment. Expenses charged to the Investor The expenses charged to the Investor are 3.0% of gross funds raised by the Company for advised Investors and 5.0% of gross funds raised for direct Investors or Investors who have invested through an intermediary/platform and have not received advice.
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Summary continued

Under which conditions and timetable can I invest in this security? <i>continued</i>	Adviser charges and commission Commission is not permitted to be paid to intermediaries who provide a personal recommendation to UK retail clients on investments in VCTs. Instead of commission being paid by the VCT, a fee will usually be agreed between the intermediary and Investor for the advice ("Adviser Charge"). This fee can either be paid directly by the Investor to the intermediaries or, up to an amount not exceeding 4.5% of the amount subscribed by the Investor, can be facilitated by the Company. If the payment of the Adviser Charge is to be facilitated by the Company, then the Investor is required to specify the amount of the Adviser Charge on the Application Form. The Investor will be issued fewer B Ordinary Shares (to the equivalent value of the Adviser Charge) through the Pricing Formula set out above. Commission is permitted to be paid to intermediaries in certain limited situations, such as in respect of execution only clients (where no advice or personal recommendation has been provided) or where the intermediary has demonstrated to the Manager that the Investor is a professional client of the intermediary. Initial commission of 2.0% is payable and the amount paid to the intermediary depends on the amount waived in favour of additional B Ordinary Shares through the Pricing Formula set out above. Additionally, provided that the intermediary continues to act for the Investor and the Investor continues to be the beneficial owner of the B Ordinary Shares, and subject to applicable laws, regulations and FCA rules, the Company has agreed to pay trail commission to intermediaries on an individual basis up to a maximum of 0.375% of the net asset value per share of a B Ordinary Share at the end of each financial year, for a period of up to six years, subject to historical arrangements that exist for volume based trail commission to intermediaries of up to a maximum of 0.75% of the net asset value per share of a B Ordinary Share at the end of each financial year, for a period of up to eight years. Payment of the initial commission is the Manager's responsibility and is payable out of the Promoter Fee. Trail commission is payable by the Company. Expenses of the Offer Total initial expenses of the Offer are limited to 5.0% of the gross proceeds of the Offer and the legal, Sponsor, registrar, receiving agent and London Stock Exchange fees relating to the Offer, together with any irrecoverable value added tax on those costs and expenses. Dilution On the basis of full subscription under the Offer of £60 million, including full utilisation of the over-allotment facility at an Offer Price of 106.1 pence per B Ordinary Share, the B Ordinary Shares in issue will be diluted by 20.5%.
Why is this prospectus being produced?	The reason for the Offer is to enable the Company to raise funds and use a minimum of 80% of the proceeds of the Offer to acquire over a period not exceeding three years (and subsequently maintain) a portfolio of VCT-qualifying investments in accordance with its published investment policy. The Company intends to use the funds raised under the Offer to make new investments and to make a number of follow-on investments in companies in which the Company has already invested. Assuming a full subscription of £60 million of B Ordinary Shares and a Promoter Fee of 5.0% on all such subscriptions (with the over-allotment facility fully utilised), the estimated maximum net proceeds of the Offer is £57 million, before the legal, Sponsor, registrar, receiving agent and London Stock Exchange fees relating to the Offer, together with any irrecoverable value added tax on those costs and expenses. The Offer is not subject to an underwriting agreement. No conflict of interest is material to the Offer.

Risk Factors

Prospective Investors should consider carefully the following risk factors, as well as the other information in this Prospectus, before investing in B Ordinary Shares. Prospective Investors should read the whole of this Prospectus and not rely solely on the information in this section entitled "Risk Factors". The business and financial condition of the Company could be adversely affected if any of the following risks were to occur and as a result the trading price of the B Ordinary Shares could decline and Investors could lose part or all of their investment.

The Directors consider the following risks to be material for potential 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 (such as changes in legal, regulatory or tax requirements), or which the Company currently believes are immaterial, may also have a materially adverse effect on its financial condition or prospects or the trading price of B Ordinary Shares.

The Directors draw the attention of potential Investors to the following risk factors which may affect an investment in B Ordinary Shares, the Company's performance and/or the availability of tax reliefs.

Risks associated with the B Ordinary Shares

- The B Ordinary Shares will usually trade at a discount to their underlying net asset value. The value of an investment in the Company depends on the performance of its underlying assets. It can take a number of years for the underlying value or quality of the businesses of smaller companies, such as those in which the Company invests, to be fully reflected in their market values and their market values are often also materially affected by general market sentiment, which can be negative for prolonged periods.
- If the Company loses its approval as a VCT, an Investor will be taxed on dividends paid by the Company and any dividends previously paid will be liable to be assessed to income tax in the year in which they were paid and, in addition, a liability to capital gains tax may arise on any subsequent disposal of B Ordinary Shares. Interest may also be due. The Company will also lose its exemption from corporation tax on capital gains. If at any time VCT status is lost, dealings in the B Ordinary Shares may be suspended until such time as the Company has published proposals to continue as a VCT or be wound up.
- The information in this document relating to the B Ordinary Shares is based on existing legislation, including taxation legislation. The tax reliefs described are those currently available. Levels and bases of, and relief from taxation are subject to change. Such change could be retrospective. The value of tax reliefs depends on the personal circumstances of a holder of B Ordinary Shares, who should consult their own tax adviser before making any investment.
- An investment in the Company should be regarded as long-term in nature as a sale by Investors of their Shares within five years will require a repayment of the upfront income tax relief obtained (currently 30%) and is, therefore, not suitable for all individuals. Potential Investors should consult their professional adviser prior to making any investment decision in relation to the Offer.
- Income tax relief is not available in respect of a subscription for shares in a VCT where the Investor has sold shares in that VCT and the sale was conditional upon the

subscription, or the subscription was conditional upon the sale, or the subscription was made within six months of the sale (before or after). This will also have effect in relation to a subscription for shares in a VCT which is deemed to be a successor or predecessor of the VCT because there has been a merger of VCTs, or a restructuring of a group of companies of which the VCT is a member, where it was known at the time of the subscription and sale that the VCTs were intending to merge. The measure will not affect subscriptions for shares where the monies being subscribed represent dividends which the Investor has elected to reinvest.

- The Finance (No. 2) Act 2015 introduced a maximum age limit for companies receiving VCT investment (generally seven years from first commercial sale or ten years for Knowledge Intensive Companies), and a maximum amount of Risk Finance State Aid which a company can receive over its lifetime (£12 million, or £20 million for Knowledge Intensive Companies). There are further restrictions on the use of VCT funds received by investee companies. The Finance Act 2018 introduced a new "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. The Company may not make any prohibited non-qualifying investments, including those 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.
- Although the B Ordinary Shares to be issued under the Offer 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 B Ordinary Shares primarily because the initial tax relief is only available to those subscribing for newly issued B Ordinary Shares, which may, therefore, adversely affect the market price of the B Ordinary Shares and the ability to sell them.

Risks associated with the Company

- Investment in smaller unquoted companies, usually with limited trading records, by its nature, involves a higher degree of risk than investment in the main market or larger or longer-established businesses. In particular, small companies requiring venture capital frequently experience significant change and often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals.
- 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.
- Despite a falling inflation rate in the first half of 2024, it is anticipated that rising living costs and geopolitical uncertainty will continue to put pressure on customers and businesses in the near term. Any change in government and/or of governmental, economic, fiscal, monetary or political policy, in particular government spending reviews

Risk Factors continued

and political party policies may affect levels of unemployment, stock market volatility, consumer confidence and interest rates. This may have an adverse effect on the Company's portfolio companies and, potentially, their value and have a negative impact on the NAV of the Company, which in turn may have an adverse effect on the future investment returns of the Company and the market value of the Shares.

- The VCT Rules include a maximum age limit for companies receiving VCT investments (generally seven years from first commercial sale) and a maximum amount of Risk Finance State Aid which a company can receive over its lifetime (£12 million, or £20 million for Knowledge Intensive Companies), together with further restrictions on the use of VCT funds received by investee companies. Whilst it is the intention of the Board that the Company will continue to be managed so as to qualify as a VCT, there can be no guarantee that such status will be maintained. Failure to continue to meet the qualifying requirements could result in Shareholders losing the tax reliefs available for VCT shares and the Company losing its exemption from corporation tax on capital gains.
- The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively, which may adversely affect an investment in the Company. This may reduce the Company's ability to raise further funds and make new investments and which may also mean it is no longer able to support its portfolio companies through further investment which could result in a dilution of the Company's shareholding if other investors invest in these companies and/or constrain the growth of such companies and/or cause those companies to fail due to lack of needed funds.
- 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. Proper information for determining their value or the risks to which they are exposed may also not be available. There may also be constraints imposed on the realisation of investments by reason of the need to maintain the VCT status of the Company.
- The Company's portfolio of non-VCT 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 Manager 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.
- The Company may make investments into companies with similar trading profiles and with exposures in the same industry and/or to the same customer base. The level of returns to the Company may, therefore, be adversely affected by any downturn in those sectors or the sources within those sectors from which income is derived.
- The VCT Rules may prevent the Company from making a follow-on investment into one of its portfolio companies. In addition, third party funding may not be readily available where it is required either in addition to the further investment by the Company or where the Company is unable to make a follow-on investment. These factors may mean the Company is no longer able to support its portfolio companies through further investment which could result in a dilution of the Company's shareholding if other investors invest in these companies and/or constrain the growth of such companies and/or cause those companies to fail due to lack of needed funds.
- The Company does not intend to invest in a large number of Qualifying Investments or Non-Qualifying Investments, instead concentrating on a limited number of Qualifying Investments or Non-Qualifying Investments but at the same time ensuring that no one investment represents more than 15% (by value and at the date of investment) of its total investments. By concentrating on a smaller number of Qualifying Investments and Non-Qualifying Investments, risk is not spread as widely but is more concentrated between a smaller number of Qualifying Investments and Non-Qualifying Investments.
- Although the Company expects to receive certain conventional venture capital rights in connection with its unquoted investments, as a minority shareholder it will not control the companies in which it invests (or their boards of directors) and may not always be in a position to fully protect its interests.
- Businesses in which the Company invests may incur unplanned costs and delays as a result of statutory and regulatory requirements in areas such as labour, and health and safety, or where construction operations do not proceed as planned, which may prevent them from fulfilling their business plans and reduce the level of returns to the Company.
- The level of returns from investments may be reduced if there are delays in the investment programme, such that part of the net proceeds of the Offer are held in cash or cash-based similar liquid investments for longer than anticipated, or if the investments cannot be realised at the expected time and values.
- HMRC has 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.
- The Manager will provide discretionary and advisory investment management services to the Company in respect of its portfolio of investments. If the Manager does not perform its obligations in accordance with the agreement regulating the provision of these services, the performance of the Company and/or its ability to achieve or maintain VCT status may be adversely affected.

General

Forward-looking statements

This Prospectus contains forward-looking statements, including, without limitation, statements containing the words “targets”, “believes”, “expects”, “estimates”, “intends”, “may”, “plan”, “will”, “anticipates” and similar expressions (including the negative of those expressions). The Directors consider that the expectations reflected in these statements are reasonable but forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by those forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in the risk factors section of this document. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on those forward-looking statements. The forward-looking statements contained in this document are made on the date of this document, and the Company is not under any obligation to update those forward-looking statements in this document to reflect actual future events or developments. Notwithstanding the foregoing, nothing in this Prospectus shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation. These forward-looking statements will be updated as and when required by the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales.

Non-mainstream pooled investment status and UK MiFID Laws

As the Company is a closed-ended investment company, the Shares will be “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA’s restriction on the promotion of non-mainstream pooled investments. The Company intends to conduct its affairs so that its Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under the UK MiFID Laws. The Directors consider that the Shares should be considered “non-complex” for the purposes of the UK MiFID Laws.

Websites

Without limitation, neither the contents of the Company’s or the Manager’s website (or any other website referred to in this Prospectus) nor the content of any website accessible from hyperlinks on the Company’s or the Manager’s website (or any other website referred to in this Prospectus) is incorporated into, or forms part of this Prospectus.

Withdrawal

The Company may update the information provided in this Prospectus by means of a supplement if a significant new factor that may affect the evaluation by prospective Investors occurs after the publication of this Prospectus or if this Prospectus contains any material mistake or substantial inaccuracy. Any such supplement will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules. In the event that the Company is required to publish a supplement prospectus prior to Admission, applicants who have applied for Shares under the Offer shall have the right to withdraw their applications for Shares made prior to the publication of the supplement prospectus. Such withdrawal must be made within the time limits and in the manner set out in any such supplement prospectus (which shall be at least two clear Business Days following the publication of the relevant supplement prospectus). If the application is not withdrawn within the stipulated period, any offer to apply for Shares under the Offer will remain valid and binding. Applicants who have applied for Shares through an Intermediary should contact the relevant Intermediary for details of how to withdraw an application.

Expected Timetable for the Offer

Offer opens	9 September 2024
Deadline for receipt of hard copy and scanned Application Forms and cleared funds for final allotment in 2024/2025 Offer	12.00 noon on 28 March 2025
Deadline for receipt of online Application Forms and cleared funds for final allotment in 2024/2025 Offer	12.00 noon on 4 April 2025
Deadline for receipt of all Application Forms and cleared funds for first allotment in 2025/2026 Offer	3.00 p.m. on 9 April 2025
Deadline for receipt of all Application Forms and cleared funds for final allotment in 2025/2026 Offer	3.00 p.m. on 27 June 2025
Allotments in respect of applications under the 2024/2025 Offer	On or before 5 April 2025
Anticipated final allotment in respect of applications under the 2025/2026 Offer	4 July 2025
Admission and dealings expected to commence within ten Business Days of any allotment.	

The deadline for receipt of applications is subject to the Offer not being fully subscribed by an earlier date. The closing date of the Offer, and the deadline for receipt of applications for the final allotment in the 2025/2026 tax year, may be brought forward or may be extended by the Directors at their absolute discretion to a date no later than 3 September 2025 with the anticipated final allotment date under the 2025/2026 offer

being extended accordingly. The Directors reserve the right to allot and issue B Ordinary Shares at any time whilst the Offer remains open. Definitive share and tax certificates will be dispatched and CREST accounts credited as soon as practicable following allotment of B Ordinary Shares. The Offer is not underwritten.

Offer Statistics

Offer Price per B Ordinary Share	See page 42
Issue costs per B Ordinary Share	See page 41
Expected maximum net proceeds of the Offer if the over-allotment facility is fully utilised*	£57 million
Expected maximum net proceeds of the Offer if the over-allotment facility is not utilised*	£38 million
Maximum number of B Ordinary Shares in issue following the Offer if the over-allotment facility is fully utilised**	276,223,694
Maximum number of B Ordinary Shares in issue following the Offer if the over-allotment facility is not utilised**	257,373,553

* assumes Promoter Fee of 5.0% paid on all subscriptions, before the legal, Sponsor, registrar, receiving agent and London Stock Exchange fees relating to the Offer, together with any irrecoverable value added tax on those costs and expenses

** assuming an Offer Price of 106.1 pence per B Ordinary Share

Information relating to the Company

Directors

(all non-executive)

Jonathan Simon Djanogly (Chair)
Laurence Charles Neil Blackall
Mark Andrew Stokes
David John Till (Non-independent)
Louise Esther Wolfson
Christopher Charles Allner

all of Registered Office at

3 Cadogan Gate
London
SW1X 0AS

Administrator and Company Secretary

The City Partnership (UK) Limited
The Mending Rooms
Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

Sponsor

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

Manager and Promoter

Pembroke Investment Managers LLP
3 Cadogan Gate
London SW1X 0AS

Registrar and Receiving Agent

The City Partnership (UK) Limited
The Mending Rooms
Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

Solicitors

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

VCT Tax Adviser

Philip Hare & Associates LLP
6 Snow Hill
London EC1A 2AY

Auditor

BDO LLP
55 Baker Street
London W1U 7EU

Distributor

Portlight Limited
10 Throgmorton Avenue
London EC2N 2DL

Bankers

Barclays Bank plc
1st Floor, 99 Hatton Garden
London EC1N 8DN

Chair's Letter

Dear Investor

We are pleased to announce that Pembroke VCT plc has launched a new share offer to raise up to £60 million.

Since 2012, the Company has raised over £270 million and has returned £66 million to Shareholders, including £24.8 million returned through dividends and buy backs since April 2023. The Company has invested in 65 companies since inception and since April 2024, the Company has invested £3 million in one existing portfolio company.

In the year to 31 March 2024, the Company returned £17.3 million to Shareholders through dividends and share buybacks. Since 31 March 2024, the Company bought back 3,355,560 shares for an aggregate consideration of £3.3 million and paid out a 2.0 pence per share dividend of £4.2 million in April 2024.

As at 30 June 2024 the (unaudited) net asset value of the B Ordinary Shares was 102.8 pence and the (unaudited) Total Return per B Ordinary Share was 139.8 pence. We recently announced a 2.0 pence per share dividend to be paid in October 2024 and are looking forward to continue rewarding our Shareholders.

The Board and the Manager continue to seek out investment opportunities and to support our existing portfolio. Whilst we remain conscious of the macro-economic environment of the UK, the Board is confident that the founders of our portfolio companies will continue to adapt and seek growth opportunities.

The Company made a loss of £10.5 million (2023: £9.3 million) in the year to 31 March 2024. The net investment revaluations amounted to a £6.7 million loss which has been offset by investment income of £1.5 million. Company expenses were £0.9 million and the Manager's fees were £4.4 million. Whilst this is disappointing for Shareholders the Board is encouraged by the potential of companies in the portfolio.

Nine portfolio companies are valued at £50 million or more and this, coupled with some renewed optimism in the wider venture capital space, provides an encouraging start to the year though we expect market conditions to remain challenging.

As the Company continues its growth beyond the £200 million net asset hurdle it remains in a strong position and the additional cash will allow it to take advantage of new investment opportunities as well as supporting the continued growth of its existing portfolio businesses.

We are delighted to announce the Company has successfully exited BOAT International Business Limited. The deal comes at an exciting time for BOAT, which has seen significant growth in recent years across its print, events, digital and data businesses.

Existing portfolio of investments

New Investors will gain immediate access to a maturing portfolio of growing businesses and to a well-established dividend-paying VCT. These assets include high growth companies such as LYMA, Secret Food Tours, OnePlan, SeatFrog and Peckwater Brands. The Company intends to use the funds raised to make a number of new and follow-on investments in companies in which the Company has already invested - where further capital will accelerate their growth plans.

VCT regulatory changes

Changes brought about to the VCT Rules in 2015 and 2018 restrict the types of companies that VCTs can invest in. As a result, many VCT managers were forced to develop new investment capabilities and hire new staff. However, given the Company's focus has been on providing development capital to high growth companies rather than 'management buy-out' transactions and mature businesses, the Board is confident that the Manager remains well placed to manage the Company and identify suitable VCT investment opportunities. Neither the Company's investment strategy nor the types of companies it invests in has had to alter since these rule changes.

Investments made following the Finance Act 2018 are subject to the risk-to-capital condition, which has two requirements, based on the views of a 'reasonable' person: (i) does the company intend to grow and develop over the long term, and (ii) is there the risk of a loss of capital to the investor of an amount greater than the net return. The Company believes its current portfolio and future pipeline meet these tests without difficulty, and will not need to make any meaningful changes to its investment strategy.

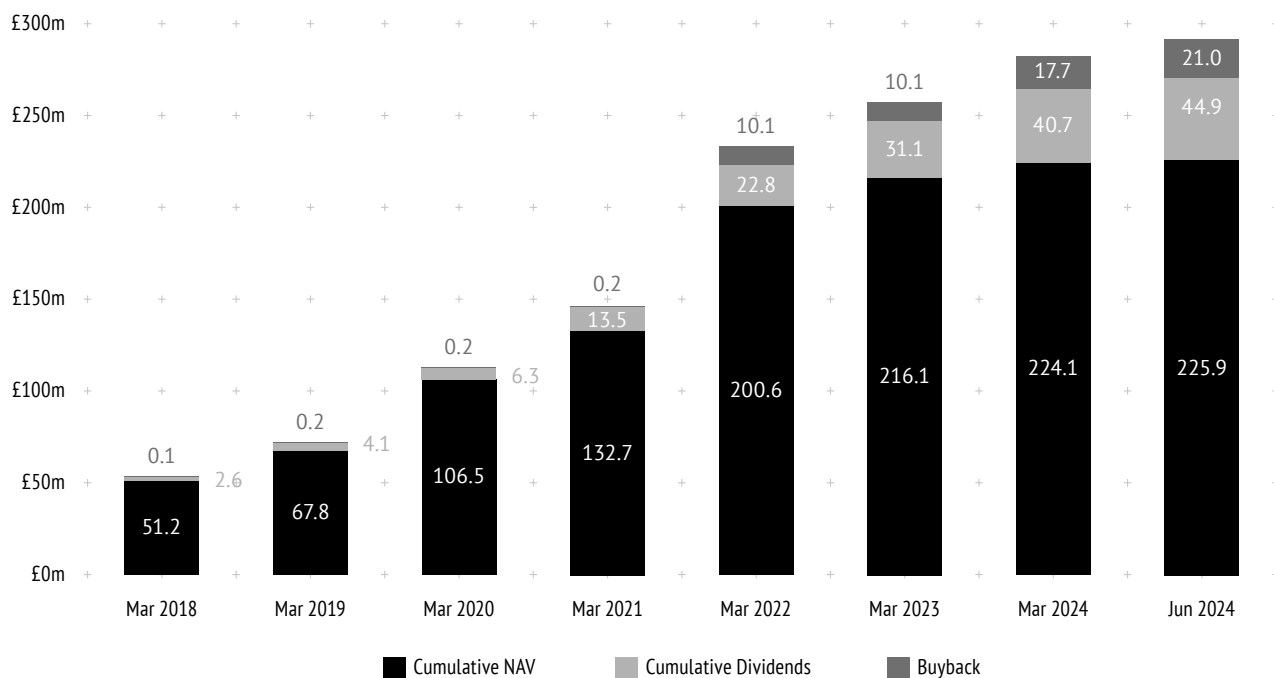
Investment strategy

The Company's objective is to provide Investors with access to a series of carefully researched investments currently focusing on its three key investment segments: Consumer, Technology and Business Services. The Company will continue to invest in a diversified portfolio of smaller unquoted companies, although it may also invest in companies whose shares are traded on AIM or the Aquis Stock Exchange, with the objective of generating significant returns, whilst enabling Investors to benefit from substantial tax advantages.

The Company seeks opportunities which are capable of significant organic growth and sustainable cash generation. A key feature of this strategy is an investment bias towards early stage and founder-led businesses.

Dividends & NAV total return

The B Ordinary Shares target an annual dividend of 5.0 pence per B Ordinary Share from 1 April 2022 and further dividends may also be paid where significant realisations occur from the sale of portfolio assets (subject to realised profits, distributable reserves, liquidity levels and the VCT Rules).



Shareholders have received 35.0 pence per B Ordinary Share in dividends to 31 March 2024. Since 31 March 2024, Shareholders have received a dividend of 2.0 pence per B Ordinary Share in April 2024 and in August 2024 the Board approved the payment of an interim dividend of 2.0 pence per B Ordinary Share on 4 October 2024, the record date and the ex-dividend date for which were 6 September 2024 and 5 September 2024 respectively. This will increase the total dividends per B Ordinary Share to 39.0 pence.

Tax advantages

VCTs offer significant tax benefits over many investment products, including the following current benefits:

- income tax relief of 30% on the amount invested; (subject to the five-year minimum holding period);
- dividend payments are tax free; and
- no capital gain arises when Shares are sold.

If you are not already, we look forward to welcoming you as a Shareholder.

Jonathan Djanogly
Chair

9 September 2024

Part 1

Overview

Investment strategy for the B Ordinary Shares

For its Qualifying Investments, the Company invests principally in unquoted companies, although it may also invest in companies whose shares are traded on AIM or the Aquis Stock Exchange. The Company is aiming to make 10-15 investments (new or follow-on) each year and will invest in a diverse range of smaller companies which the Manager believes provide the opportunity for value appreciation. It is likely that investment will be biased towards early stage investments in founder-led businesses, with a concentration in sectors where the Manager has a previous track record. Investments have to date been across three sectors: Consumer, Technology and Business Services. The companies may be at any stage in their development from start-up to established businesses. It is expected that a substantial proportion of the Qualifying Investments will be in the form of ordinary shares, although the Company has and may continue to invest in preference shares or provide loans as part of those investments. It is anticipated that the Company will generally take positions in its investee companies which, whilst minority interests (as required under VCT Rules), allow the Company to have a level of influence over key elements of each investee company's strategy and operations. It is anticipated that, at any time, up to 20% of investments will be held in Non-Qualifying Investments, recognising that no single investment will represent more than 15% of net assets (at the time of investment). Until suitable Qualifying Investments are identified, the net proceeds of the Offer will be invested in Non-Qualifying Investments intended to generate a positive return, which may include certain money market securities, listed securities and cash deposits. The Company will continue to hold up to 20% of its net assets in such Non-Qualifying Investments after it is fully invested under the VCT Rules. To the extent that any such investment results in the Manager or another member of the Oakley group receiving an additional management fee on any assets of the Company, the Manager has agreed to refund those additional amounts to the Company, so there is no "double dipping".

Illustration of Investment Strategy

The Company's and the Manager's investment strategy is focused on delivering long-term stable capital growth, accompanied by annual dividends and further dividends upon achieving profitable exits. Its approach centres on investing in a diversified portfolio of carefully researched unquoted companies, operating within three key sectors known for their attractive fundamental characteristics: Business Services, Consumer and Technology.

To achieve its investment objective, the Company and the Manager seek out companies with the following key attributes:

- **Talented leadership:** The Company and the Manager prioritise companies led by what they consider to be talented founders and management teams, with a proven track record in their respective fields.
- **Strong business models:** The Company and the Manager focus on companies with attractive business models and solid company fundamentals.
- **Market disruptors:** The Company and the Manager seek companies that have the potential to disrupt large markets with a standout and defensible product or service.
- **Compelling valuations:** The Company and the Manager carefully evaluate investment opportunities to ensure a compelling entry valuation for both Pembroke and the target company.

- **Value growth potential:** Companies in the portfolio demonstrate a credible and well-defined path to achieving significant value growth, leading to an exit event within a four-to-seven-year time horizon.

By adhering to these principles, the Company aims to deliver strong returns for its investors while maintaining a disciplined and responsible approach to investment management.

In the coming year, the Company and the Manager will maintain their focus on businesses within the three key sectors, utilising deal origination to continue to access quality new investment opportunities. Together, the Company and the Manager will emphasise a higher level of investment activity in the UK's regional economic hubs and promote geographical diversity of the Company.

Tax benefits

VCTs offer significant tax advantages over most investment products. In summary, the main tax reliefs for Investors are currently:

- income tax relief of 30% on the amount invested in VCTs up to £200,000 per tax year;
 - capital gains on the disposal of shares in VCTs (acquired within the £200,000 maximum per tax year) are tax free; and
 - dividends received by an Investor from the VCT are tax free.
- Please see Part 2 for more detail on the potential tax benefits available to Investors.

Example (excluding the costs of the Offer)

Assume that an Investor invests £200,000 in the Company, which leads to £400,000 of capital returned to the Investor. This means:

	Illustration
Initial investment	£200,000
30% income tax relief	£(60,000)
Effective cost of initial investment	£140,000
Capital returned to Investor (no capital gains tax payable on this return)	£400,000
Money multiple based on effective cost of initial investment	2.9x (=£400,000/£140,000)
Overall tax saving	£100,000
No capital gains tax on the capital return, so tax saved here (at 20%)	£40,000 (=20% of £200,000)
30% income tax relief	£60,000 (=30% of £200,000)

However, no profit forecast is to be inferred or is implied from this illustrative example.

The Company proposes to raise subscriptions from Investors through both the 2024/2025 offer and the 2025/2026 offer. Investors will be able to subscribe for B Ordinary Shares both before and after the end of the current tax year (5 April 2025) in order to take advantage of the tax reliefs available in each tax year. This also means that individual Investors will be able to invest a maximum of £400,000 in the Company under the Offer by utilising their income tax relief for two tax years.

Further, as spouses individually have such entitlements, a couple together could double this £400,000 amount to £800,000 in total.

Income tax relief is only available for set-off against any income tax liability due for the relevant tax year in which shares are issued. Investments in excess of £200,000 per tax year can be made although the amount of the subscription for which tax relief available will be limited to £200,000.

The above is only a very brief summary of the UK tax position of Investors in VCTs and is based on the Company's understanding of current law and practice. The tax treatment of Investors in VCTs will depend on their individual circumstances. Potential Investors are recommended to consult their own appropriate professional adviser as to the taxation consequences of their investing in a VCT.

Deal flow

- The Company expects the majority of investments to be sourced by the Manager from the extensive personal and professional networks of the Manager.
- These networks have built up over many years from direct operational business experience in commercial enterprises in a variety of sectors, and from venture capital investing.
- The vast majority of Pembroke deal flow comes through the following channels:
 - introductions from founders that Pembroke is or has been working with;
 - direct approaches to the Manager;
 - the Manager's outbound origination;
 - a network of corporate finance advisers;

- the Manager's network of professionals and organisations; and
- Pembroke's investor base, who approach Pembroke with opportunities they are presented with.

Exit

The Company aims to exit each of its Qualifying Investments after a holding period of approximately four to seven years. The Manager will consider the likely exit options as part of its due diligence process on an investment opportunity before making a recommendation to invest.

Where possible, the Company will encourage an exit from an investee company at the same time as other shareholders as this is likely to maximise value for Investors.

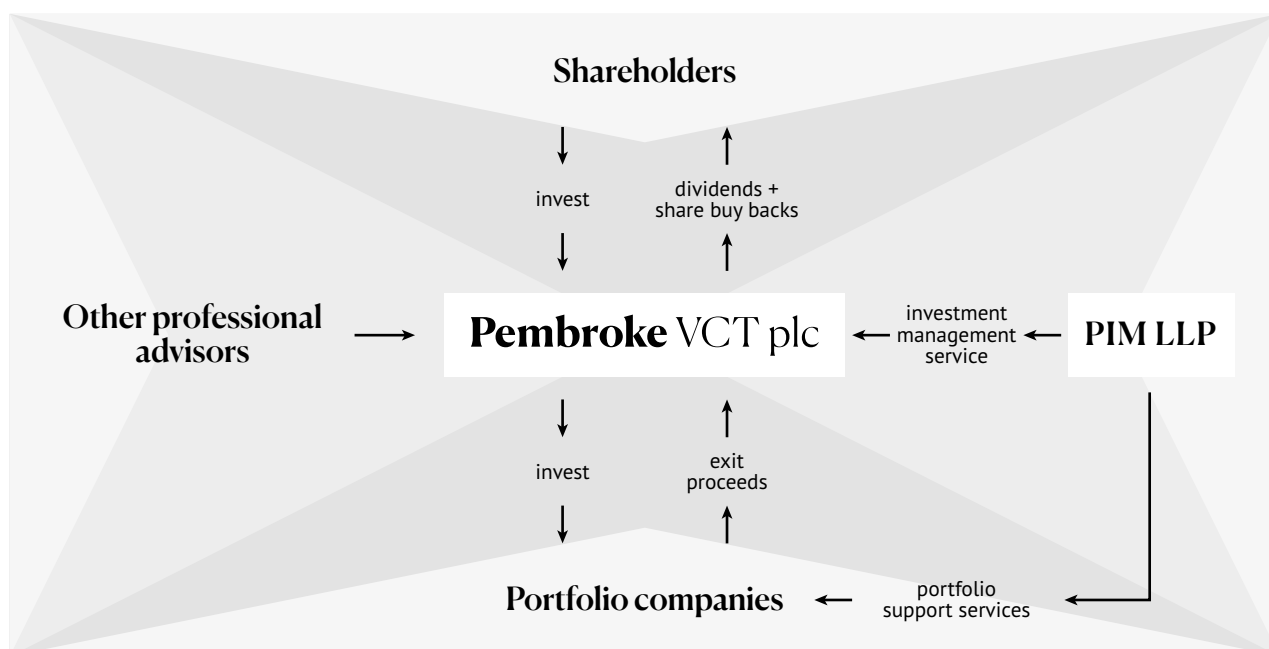
As interests in the investee companies are sold, the Company intends to pay Shareholders the net proceeds it receives from each sale, most likely in each case by way of tax-free dividends, but always subject to the requirements and best interests of the Company, and the rules and regulations to which it is subject, and subject to the Company having sufficient cash resources and distributable reserves. Net proceeds are calculated after deducting costs of the transaction and any Performance Fee payable.

Substantial Directors' commitment

The past and present Directors have invested £725,000 in the first issue of Ordinary Shares and a further £1.5 million in subsequent share offers, thus creating a significant alignment of their interests with other Investors in the Company, and reflecting their continued confidence in the investment strategy. The value of the past and present Directors' investment is now £2.8 million. The Directors intend to invest a further £145,000 in aggregate under the Offer.

Illustration of how Pembroke operates with its key stakeholders

Pembroke VCT Business Model



Part 1

Investment Activity and Performance

The Manager’s investment activity up to the date of this document and performance up to 31 March 2024 is summarised below.

The Manager has developed a consistent track record of investing in small companies, targeting businesses capable of significant organic growth, as illustrated in the table below.

The Pembroke portfolio

Pembroke has made a total of 65 investments and the current active portfolio consists of 42 investments.

In total, approximately £113 million has been invested as at the date of this document in the current active portfolio (see table below).

With the exception of Transreport, all investments in the Company’s portfolio have been held for over 12 months and, therefore, have been revalued at fair value (unaudited) either based on the most recent follow-on investment rounds or on valuation multiples applied to trading performance. All active portfolio companies have increased in value to £178 million, representing an overall unrealised “money multiple” of 1.6x to 9 September 2024. (Source: unaudited figures provided by the Manager*).

Summary of Pembroke Investment Performance**

	Equity (cost) £'000	Debt (cost) £'000	Total invested (cost) £'000	Equity fair value £'000	Loan fair value £'000	Investments made since March 2024 £'000	Exits made since March 2024 £'000	Current valuation £'000	Return on investment
B Ordinary Share portfolio	103,230	9,511	112,741	164,977	17,512	3,000	(7,565)	177,923	1.6x

*see paragraph 6.20 of Part 4.
**Includes all active portfolio companies as at the date of this document, with the valuations being audited as at 31 March 2024. Investments made since 31 March 2024 are valued at cost.

Portfolio management strategy



Founder help



Board & Business Strategy

With decades of experience in holding Board positions, Pembroke actively contributes to Board discussion helping to provide strategic guidance, market knowledge, commercial insight, governance and ESG best practice.



Advisory & Panel Guidance

Pembroke provides access to trusted, industry-leading experts, with a proven track record, but who typically engage with larger companies.



Talent Management Network & Team improvements

Over the years, Pembroke have built an extensive Talent network across multiple sectors, which we leverage and deploy to assist in building world-class teams.



Operational support



Cash Management

Pembroke assists with the development of long-term funding strategies that ensure the company has access to the capital required to execute their growth plans; both within Pembroke and through our external investor network.



Exit Strategy

We encourage exit strategies to be developed significantly in advance of an exit event, to ensure the company is correctly positioned to maximise opportunities and returns for our founders, stakeholders and investors.



Financial & KPI Analysis

Our in house P+ Vision reporting platform, underpinned by iLevel, enables monthly monitoring of key financial metrics and KPIs; providing the engine to allow data-driven decisions that shape company strategy.

Summary of Pembroke's portfolio*

	First investment	Holding period (months)	Equity (cost) £'000	Loan (cost) £'000	Total invested (cost) £'000	31.03.24 Equity fair value £'000	31.03.24 Debt inc. accrued interest £'000	Investments made since March 2024 £'000	Exits made since March 2024 £'000	Current valuation £'000	Return on investment
Business Services											
Boat	Jan-14	-	-	-	-	4,930	2,635	-	(7,565)	-	-
OnePlan	May-21	40	5,000	-	5,000	6,448	-	-	-	6,448	1.3
Peckwater Brands	Sep-21	35	4,000	-	4,000	10,888	-	-	-	10,888	2.7
Thrive	Jul-19	62	1,330	-	1,330	3,752	-	-	-	3,752	2.8
Stillking	Oct-14	120	1,452	-	1,452	5,315	-	-	-	5,315	3.7
Dropless	Mar-21	42	3,000	2,000	5,000	609	2,358	-	-	2,967	0.6
Credentially	Feb-21	43	5,000	-	5,000	5,000	152	-	-	5,152	1.0
HotelMap	Nov-18	71	3,300	-	3,300	4,200	-	-	-	4,200	1.3
Cydar	Feb-22	31	3,000	-	3,000	1,793	-	-	-	1,793	0.6
SeatFrog	Feb-23	18	3,000	-	3,000	4,632	-	-	-	4,632	1.5
Toucantech	May-20	52	1,000	-	1,000	2,081	-	-	-	2,081	2.1
Eave	Oct-20	47	3,900	-	3,900	568	35	-	-	603	0.2
Wishi	Sep-16	96	153	-	153	457	-	-	-	457	3.0
Consumer											
Five Guys	Aug-13	133	1	2,725	2,726	7,046	6,608	-	-	13,654	5.0
N is for Nursery	Aug-18	74	3,000	-	3,000	7,297	-	-	-	7,297	2.4
Bella Freud	Nov-13	131	3,379	950	4,329	3,241	1,192	-	-	4,433	1.0
Secret Food Tours	Aug-18	74	2,000	-	2,000	10,622	-	-	-	10,622	5.3
Troubadour	Sep-13	133	2,540	-	2,540	5,380	152	-	-	5,532	2.2
Hackney Gelato	Jan-20	56	3,200	1,300	4,500	4,078	1,317	-	-	5,395	1.2
Heist	Jul-17	87	7,249	1,100	8,349	1,408	1,400	-	-	2,808	0.3
Bloobloom	Aug-22	25	2,500	-	2,500	1,672	-	-	-	1,672	0.7
Chucs Restaurants	Oct-13	132	2,220	-	2,220	638	-	-	-	638	0.3
JustWears	Sep-21	35	2,000	-	2,000	760	-	-	-	760	0.4
KX	Sep-13	133	700	-	700	1,654	-	-	-	1,654	2.4
Ro&Zo	Oct-22	23	1,500	-	1,500	1,500	-	-	-	1,500	1.0
My Expert Midwife	May-22	27	1,500	-	1,500	903	-	-	-	903	0.6
Rubies In The Rubble	Jul-19	62	1,328	-	1,328	510	-	-	-	510	0.4
Vieve	Oct-22	23	1,000	-	1,000	590	-	-	-	590	0.6
KXU	Mar-17	91	244	790	1,034	-	790	-	-	790	0.8
Annie Mals	Mar-22	30	500	-	500	500	-	-	-	500	1.0
United Fitness Brands	May-13	137	5,276	-	5,276	1,028	141	-	-	1,169	0.2
Tala	Dec-21	33	3,200	-	3,200	510	-	3,000	-	3,510	2.6
Technology											
Lyma	Dec-18	69	2,000	-	2,000	31,169	-	-	-	31,169	15.6
Popsa	Feb-18	79	5,200	-	5,200	17,253	-	-	-	17,253	3.3
Coat	Jun-21	39	5,000	-	5,000	4,496	6	-	-	4,502	0.9
Beryl	Oct-14	120	553	-	553	1,889	-	-	-	1,889	3.4
Auddy	Jul-22	26	1,800	-	1,800	1,108	-	-	-	1,108	0.6
Smartify	Nov-20	46	1,000	500	1,500	1,745	560	-	-	2,305	1.5
Roto VR	Jan-19	68	1,750	-	1,750	1,323	-	-	-	1,323	0.8
Floom	Nov-18	70	4,415	145	4,560	1,810	167	-	-	1,977	0.4
Rated People	Jan-14	129	641	-	641	621	-	-	-	621	1.0
Unbolted	Nov-16	95	400	-	400	553	-	-	-	553	1.4
Transreport	Dec-23	10	3,000	-	3,000	3,000	-	-	-	3,000	1.0
Subtotal: Active portfolio companies			103,230	9,511	112,741	167,977	17,512	3,000	(7,565)	177,923	1.6
Portfolio companies with valuation written-down to £nil:											
Chilango	Nov-13	131	635	0	635	-	-	-	-	-	-
Sourced Market	Jun-14	124	3,897	3,550	7,447	-	-	-	-	-	-
Stitch & Story	Nov-19	58	4,000	100	4,100	-	-	-	-	-	-
Alexa Chung	Apr-16	101	4,122	0	4,122	-	-	-	-	-	-
Kat Maconie	Jun-13	136	1,820	1030	2,850	-	-	-	-	-	-
Kinteract	Apr-19	66	3,635	0	3,635	-	-	-	-	-	-
Total: All current investments			121,339	14,191	135,530	167,977	17,512	3,000	(7,565)	177,923	1.3

* Includes all investments in current portfolio companies as at the date of this document, with the valuations being audited as at 31 March 2024. Investments made since 31 March 2024 are valued at cost.

Part 1

Management Team

The Company will be managed by the Manager, which includes the management professionals described below, together with assistance from a number of specialist staff within the Oakley group. The combined experience of these individuals aligns with the published investment policy of the Company.

Peter Dubens

Partner and Co-Founder of Oakley

Peter is an entrepreneur who began his career in his early twenties by successfully acquiring, growing and selling a number of small businesses and subsequently gained experience building larger businesses in the public markets in the early 2000s. He founded Oakley Capital ("Oakley") in 2002 to be a best of breed, entrepreneurially driven investment house, creating an ecosystem that supports companies through investment, whether they are early-stage (through the venture capital businesses) or more established companies (through private equity funds). The vision of Oakley has always been to encourage and back entrepreneurship.

Oakley is a private equity firm with approximately €11.0 billion of assets under management. Oakley's private equity funds invest in mid-market companies within four core sectors – Consumer, Education, Technology and Business Services.

Oakley believes it is able to deliver differentiated investment opportunities and superior returns by leveraging its entrepreneurial mindset and considerable sector expertise. The Oakley team works closely with a network of entrepreneurs and successful management teams to help source primary, proprietary opportunities and gain valuable insights into the businesses in which it invests. Its ability to overcome complexity, and a flexible approach to value creation, allow Oakley to support its portfolio companies to achieve sustainable growth and as a result generate strong returns.

Peter has been a consistent supporter of smaller entrepreneurial endeavours over many years and, as well as making personal investments, he has backed venture capital teams to support emerging firms. Oakley established Pembroke in 2013 to support the development of smaller, early-stage high-growth businesses.

David Till

Partner and Co-Founder of Oakley

See paragraph headed "Board of Directors" on page 23.

Andrew Wolfson

Chief Executive Officer

Andrew is responsible for executing Pembroke's strategy, overseeing the investment team and leading deal origination and is directly involved with supporting portfolio companies.

He sits on the board of a number of Pembroke's current investments, helping the founders and management teams develop their strategies and supporting them in delivering their goals. Prior to becoming CEO of the Manager, Andrew worked with some of Oakley's earlier stage portfolio companies including KX and James Perse. Before joining Oakley, he headed a number of businesses working across a breadth of sectors from hospitality to manufacturing and telecoms. He is also Chair of Benesco Charity Limited, The Charles Wolfson Charitable Trust and Music in Secondary Schools Trust (MISST).

Jamie Kennell

Chief Investment Officer

Jamie joined Pembroke in 2022 and is responsible for leading Pembroke's investment and portfolio strategy.

Jamie sits on the board of a number of Pembroke's current investments, helping the founders and management teams develop their strategies and supporting them in delivering their goals.

He has operated in the UK investment market for over 30 years, having worked during that time at KPMG, NatWest Markets, 3i and Beringea. Jamie has also held numerous non-executive directorships during that time.

Chris Lewis

Chief Financial and Operating Officer

Chris joined Pembroke in 2019. Prior to joining Pembroke he was CFO at Downing LLP. During his ten years at Downing, the business expanded considerably and diversified from managing VCTs into EIS, inheritance tax planning, lending and other investment products. He became a Partner and CFO in 2014.

He graduated from University College London and spent nine years with KPMG where he qualified as a chartered accountant. He has also worked at EY and has been CFO of a London family office.

Chris is currently the Chair of the Venture Capital Trust Association, the industry body representing VCT managers in the UK and over 90% of the industry's £6.5 billion of funds under management.

Part 1

Board of Directors

The Board comprises six Directors, all of whom are non-executive. Jonathan Djanogly, Laurence Blackall, Louise Wolfson, Mark Stokes and Christopher Allner are independent of the Manager. The sixth Director, David Till, is a member of the Manager and is, therefore, not considered independent. Although the management of the Company’s portfolio has been delegated to the Manager and the Manager acts as the Alternative Investment Fund Manager, the Directors retain overall responsibility for the Company’s affairs. The past and present Directors have already invested £2.1 million in the Company, and the Directors intend to invest a further £145,000 in aggregate under the Offer.

Jonathan Djanogly – *Independent non-executive Chair*
Jonathan is a non-practising solicitor and was, for over ten years, a corporate partner at City law firm SJ Berwin LLP. He specialised in mergers and acquisitions, private equity and joint ventures as well as fund raising on public markets. Jonathan was a Member of Parliament between 2001 and 2024, where he served as a Member of the Trade and Industry Select Committee and latterly as a member of the Public Accounts Committee. He also served on the Opposition front bench as Shadow Solicitor General, as a Shadow Minister for Trade and Industry with responsibility for employment law and corporate governance and as a Justice Minister for over two years.

Laurence Blackall – *Independent non-executive Director*
Laurence has had a 30-year career in the information, media and communication industries. After an early career at Virgin and the SEMA Group he was a director of Frost & Sullivan before moving to McGraw Hill where he was a vice-president in its computer and communications group. He then went on to found AIM listed Internet Technology Group plc in 1995 and successfully negotiated its sale in 2000 for almost £150 million. Laurence was also instrumental in the creation of Pipex Communications plc. He has interests in a range of leisure and TMT businesses and currently holds a number of directorships in public and private UK companies.

David Till – *Non-independent non-executive Director*
David Till co-founded Oakley alongside Peter Dubens in 2002. David plays a key role within the group and has overall responsibility for operations, finance, due diligence, compliance and fund formation.
He started his career in the British Army, then later qualified as a chartered accountant with Coopers & Lybrand and worked in industry as a finance director before returning to the profession holding senior M&A roles.

Louise Wolfson – *Independent non-executive Director*
Louise Wolfson is a senior corporate lawyer who was previously a partner at Allen & Overy LLP and Pinsent Masons LLP. She has a particular focus on corporate finance transactions, and has wider experience including mergers and acquisitions, joint ventures, strategic investments, capital raisings and listings. Louise currently works as a freelance corporate lawyer and sits as a tribunal judge hearing social security and immigration appeals.

Mark Stokes – *Independent non-executive Director*
Mark Stokes has over 30 years experience in financial services, and 20 years at Executive Committee level. He is currently Chief Commercial Officer at United Trust Bank, and previously held Managing Director positions at Lloyds Corporate and Commercial Banking, Williams & Glyn, and Metro Bank. He has a deep understanding of business strategy, execution, performance management, risk management, and governance. Mark has a broad business experience from a career lending into commercial and SME markets, and consumer and asset finance markets, that includes M&A execution and capital markets fund raising. He has also previously served as a Non-Executive Director Alternate with Motobility Operations Group plc. Mark is a member of the Chartered Institute of Bankers and has completed their Green and Sustainable Finance certification.

Christopher Allner – *Independent non-executive Director*
Chris Allner joined the Board of Pembroke in June 2024. He brings deep industry experience from a 40-year career in venture capital and private equity, including senior roles at fund, investment manager and portfolio company level. He has been a partner at Downing LLP since 2012 and continues to chair its investment committee as well as being a member of Nesta’s Impact investment committee. He also remains on the board of Thames Ventures VCT 1 plc and Thames Ventures VCT 2 plc, and was formerly a Non-Executive Director on the Boards of Firefly Education Ltd, FundingXchange Ltd, Curo Compensation Limited and Xupes Handbags & Jewellery Ltd. Previously, he held senior investment roles at Octopus Capital, Beringea and Bridgepoint.

Board Summary

Independent NEDs	Appointed	Age	Experience	Qualifications
Jonathan Djanogly	Nov-12	59	L CF LC SE G	BA, Qualified Solicitor, ICAEW Corporate Finance Qualification
Laurence Blackall	Nov-12	73	CF E LC SE G	MA
Louise Wolfson	Jan-21	52	L CF LC SE G	MA, Qualified Solicitor
Mark Stokes	Jan-21	62	B CF LC SE G	Chtd Banker, CBI Green & Sustainable Finance Certificate, IoD Dip in Company Direction
Chris Allner	June-24	65	IM CF LC SE G	MA, C.Dip Fin Acc.
Non-Independent				
David Till	Aug-18	60	CF E LC SE AA IM G	BA, Chartered Accountant, FCA

L Legal

E Entrepreneur

AA Accounting & Audit

B Banking

LC Listed Corporate

IM Investment Management

CF Corporate Finance

SE Senior Executive

G Governance

Part 1

Investment Policy

As at 31 March 2024, 80.3%, and as at 30 June 2024 88.6%, of the portfolio (as measured by the VCT Rules) was invested in VCT qualifying investments as reviewed and confirmed by Philip Hare & Associates LLP, above the 80% current VCT qualifying threshold. The funds raised by the issue of B Ordinary Shares under the Offer will be invested in accordance with the Company's published investment policy. The Company's current investment policy is set out below:

Investment objectives

The Company will seek to invest in a diversified portfolio of smaller companies, principally unquoted companies but possibly also including stocks quoted on AIM or the Aquis Stock Exchange, selecting companies which the Manager believes provide the opportunity for value appreciation. Pending investment in suitable Qualifying Investments, the Manager will invest in companies intended to generate a positive return, which may include certain money market securities, listed securities and cash deposits. The Company will continue to hold up to 20% of its net assets in such products after it is fully invested under the VCT Rules.

Investment strategy

For its "qualifying investments" (being investments which comprise Qualifying Investments for a venture capital trust as defined in Chapter 4 Part 6 of the Income Tax Act 2007) ("Qualifying Investments"), the Company is expected to invest primarily in unquoted companies, although it may also invest in companies whose shares are traded on AIM or the Aquis Stock Exchange. The Company will invest in a diverse range of businesses, predominantly those which the Manager considers are capable of organic growth and, in the long term, sustainable cash flow generation. It is likely that the investment will be founder-led with an established brand or where brand development opportunities exist. The Company will invest in a small portfolio of carefully selected Qualifying Investments where the Manager should be able to exert influence over key elements of each investee company's strategy and operations. The companies may be at any stage in their development from start-up to established businesses.

It is anticipated that, at any time, up to 20% of investments will be held in non-VCT qualifying investments, recognising that no single investment will represent more than 15% of net assets (at the time of investment). Until suitable Qualifying Investments are identified, up to 20% of the net proceeds of any offer will be invested in other funds, with the balance being invested in other investments which may include certain money market securities, and cash deposits.

Asset allocation

Qualifying Investment portfolio

Under current VCT legislation, the Company must at all times hold at least 80% of its relevant funds in Qualifying Investments. Funds raised in a period of up to three years are excluded from this requirement, but at least 30% of funds raised in any accounting period must be invested in Qualifying Investments by the anniversary of the end of the accounting period in which those funds were raised.

For its Qualifying Investments, the Company will invest primarily in companies whose shares are not traded on any exchange, although it may also invest in companies whose shares are traded on AIM or the Aquis Stock Exchange, and will invest up to a maximum of 15% (at the time of investment) in any single Qualifying Investment.

The Manager will seek to construct a portfolio comprising a diverse range of businesses. It is expected that a substantial proportion of the Qualifying Investments will be in the form of ordinary shares and, in some cases, preference shares or loans.

Non-Qualifying Investment portfolio

Under current VCT legislation, the Company must have invested at least 80% of funds raised in Qualifying Investments within three years of the funds being raised (70% until 31 March 2020). However, this programme of investment in Qualifying Investments will take time to complete; thus in the first three years following a fund raise, a considerable proportion of those funds will need to be invested elsewhere, in Non-Qualifying Investments such as certain money market securities, listed securities and cash deposits. At any time after the end of the three years of initial investment in Qualifying Investments, the Company will hold no more than 20% of its funds in Non-Qualifying Investments.

The portfolio of Non-Qualifying Investments will be managed with the intention of generating a positive return. Until suitable Qualifying Investments are identified, up to 20% of the net proceeds of any offer will be invested in other funds, with the balance being invested in other investments which may include money market securities and cash deposits.

Risk diversification

The Directors will control the overall risk of the portfolio by ensuring that the Company has exposure to a diversified range of unquoted companies, in particular, through targeting a variety of sectors. The Company may invest in a diverse range of securities: unquoted Qualifying Investments will typically be structured as a combination of ordinary shares, preference shares, convertible shares and loans. In order to limit concentration risk in the portfolio, at the time of investment no more than 15% by value of the relevant share pool of the Company will be invested in any single portfolio company. Further, at the time the investment is made, no more than 10% in aggregate of the NAV of the Company may be invested in other listed closed-ended investment funds.

Borrowing

In common with many other VCTs, although currently the Board does not intend that the Company will borrow funds, the Company has the ability to borrow funds provided that the aggregate principal amount outstanding at any time does not exceed 25% of the value of the adjusted capital and reserves of the Company at the time the borrowings are incurred. In summary, this is the aggregate of (a) the issued share capital, plus (b) any amount standing to the credit of the Company's reserves less (c) any distributions declared and intangible assets and adjusting for any variation to the above since the date of the relevant balance sheet.

Change in investment policy

The Board is responsible for determining the Company's investment policy and will have overall responsibility for the Company's activities. Should a material change in the investment policy be deemed appropriate by the Board, in accordance with the requirements of the Listing Rules this will only be effected with the prior approval of Shareholders.

Part 1

Other Information

Conflicts of interest

The Manager, or any of its officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "Interested Party") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. An Interested Party will not be liable to account for any profit made in connection with these activities. For example, and without limitation, an Interested Party may:

- deal or invest in any investment, whether or not for its own account and notwithstanding that similar investments may be held by the Company;
- enter into or be interested in any financial or other transaction with any entity, any of whose securities are held by or for the account of the Company;
- allocate investment opportunities among the funds and accounts it manages in accordance with its internal policies; and
- arrange for the Company to acquire investments from or dispose of investments to any Interested Party or any investment fund or account advised or managed by any such person.

In the event of a conflict of interest arising in relation to the above circumstances, or in any other circumstances, and so far as it is within their powers to do so, the Directors will endeavour to ensure that it is resolved fairly and approved by the Independent Board in accordance with the Conflicts Policy as set out in the Manager's compliance manual. Where potential and actual conflicts of interest are identified, the Manager's compliance team will be notified and they will prepare a note, which will then be considered by and discussed with the Independent Board, with the aim of agreeing steps to resolve, mitigate or otherwise manage such conflicts.

To the extent that the Company intends to invest in a company in which another fund managed by the Manager has invested or intends to invest, the investment must be approved by the Independent Board. The Company's advisers may be involved in other financial, investment or other professional activities which may conflict with the interests of the Company.

When conflicts occur between the Manager and the Company because of other activities and relationships of the Manager, the Manager will ensure that the Company receives fair treatment. Such conflicts will be disclosed to the Company.

The Manager may make investments on behalf of the Company in collective investment vehicles of which it is manager or in companies where the Manager has been involved in the provision of services to those companies and may receive commissions, benefits, charges or advantage from so acting. Any fees arising in connection with investments made by the Company in any Oakley Funds will be discharged by the Manager. There will be no duplication of fees in such situations.

The Manager will be responsible for determination and calculation of the net asset value of the Company in accordance with the valuation policy set out below. Valuations of unquoted companies are determined by the Directors within the International Private Equity and Venture Capital Valuation ("IPEV") guidelines. These valuation policies are either based on the most recent follow-on investment rounds or on valuation multiples applied to trading performance, and therefore the valuation of the portfolio and opportunities for realisation depends on market conditions. Where the valuation is based on the most recent investment round, there is generally third-party validation of the value of the business. When the valuation multiple of revenue or operating profit is

used it will be based on similar market transactions. Valuations are subject to annual audit by independent third parties.

Co-Investment policy

If situations arise where the Company proposes to invest in the same companies as other funds managed by the Oakley group, but at a different time or on different terms, any such proposed investment will require approval from the Independent Board.

No member of the Oakley group is obliged to offer co-investment opportunities to the Company.

The Board will be responsible for determining the Company's investment policy and will have overall responsibility for the Company's activities. In accordance with the Listing Rules, a material change in the investment policy of the Company will only be effected with the prior approval of Shareholders.

Post-Investment management

The Manager will monitor each investment regularly and will expect to meet with the management of investee companies on a regular basis.

As the values of underlying investments increase, the Manager will monitor opportunities for the Company to realise gains, and make tax-free distributions to Shareholders.

The Manager will advise the Company on the disposal of any underperforming investments if it believes that there is unlikely to be any capital appreciation in these investments in the short to medium term.

Valuation policy

Investments in AIM- and Aquis Stock Exchange-traded shares will be valued at the last published bid prices in the market, unless it is thought necessary to make any adjustment for illiquidity.

Investments in hedge funds and funds of hedge funds will be valued on the basis of net asset value per share as reported by the administrator of each fund held. These funds typically permit investors to redeem their shares at net asset value per share using the next valuation published after the redemption notice period (typically 30 days).

All other investments will be valued by the Directors (the majority of whom are independent of the Manager) on the recommendation (but not direction) of the Manager in accordance with the IPEV guidelines. The IPEV guidelines have replaced BVCA guidelines for investment companies investing in unquoted investments and reporting under United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard ("FRS") applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The underlying principle of FRS is that investments should be reported at fair value. 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.

The Manager will be responsible for determination and calculation of the net asset value of the Company in accordance with the policies set out above.

The Company announces its net asset value per share at least quarterly, including through its annual reports and interim accounts, which will be communicated to Shareholders through Regulatory Information Service announcements.

The calculation of the net asset value per Share will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

Part 1

Investment Review

At the date of this document, the Company has investments in 48 companies across three sectors, investing approximately £136 million, as summarised below.

Business Services

Credentially

Credentially is aiming to ease the administrative burden placed on both medical and clerical staff when applying for and filling job vacancies in Health and Social Care. This application process is resource intensive and can take up to six months. To reduce this burden, Credentially has developed software that automates the sign-up, verification, and ongoing compliance of employees in Health and Social Care. With the success in the UK market, they are currently expanding in the US.

Cost	£5.0m
Valuation	£5.0m
Interest rolled up in fixed income investment	£0.2m
Basis of valuation	Multiples
Equity holding	21.3%
Investment in the year at cost	£2.0m

Dropless

Dropless has developed an eco-friendly, non-hazardous nano car cleaning solution which has helped save over 200 litres of water every wash. The company launched a scratch and dent repair service in 2020 and the Dropless Hydroloop, the world's first closed-loop HGV and LCV wash system. They have grown rapidly expanding beyond London to Bristol and Manchester through its regional B2B customers.

Cost	£5.0m
Valuation	£2.6m
Interest rolled up in fixed income investment	£0.4m
Basis of valuation	Most Recent Round
Equity holding	27.8%
Investment in the year at cost	£0.6m

Cydar

Cydar is a medical software company that improves patient outcomes by providing a 'sat nav for surgeons' which uses Artificial Intelligence (AI) to enhance image-guided surgery. The first application of the software is in the field of endovascular surgery. Cydar feeds the data received from these surgeries into the Cydar Surgical Intelligence system which develops a deeper understanding of the variables that affect patient outcomes and aims to improve outcomes going forward.

Cost	£3.0m
Valuation	£1.8m
Basis of valuation	Most Recent Round
Equity holding	6.0%

Eave

Eave aims to help prevent avoidable deafness through the monitoring of, and protection against, damaging noise levels at work. Its first product is a pair of smart ear defenders designed for the construction industry. Unlike traditional passive hearing protection, these work as part of a complete solution to protect workers from hearing damage, as well as to detect and report noise levels. This hardware and software combination is enabling Eave to pivot to data-driven monitoring.

Cost	£3.9m
Valuation	£0.6m
Interest rolled up in fixed income investment	£35.0k
Basis of valuation	Multiples
Equity holding	34.4%

HotelMap

HotelMap is a worldwide platform for managing hotel bookings exclusively for business events such as conferences, professional congresses, conventions, and trade shows. The company seeks to exploit the advantages associated with hotel booking for business events by creating a completely autonomous on-demand platform. HotelMap aims to become the dominant global brand in the sector, enabling the platform to aggregate buying power with hotel suppliers because of its ability to manoeuvre the world's largest audience of business event delegates to HotelMap's official hotels.

Cost	£3.3m
Valuation	£4.2m
Basis of valuation	Most Recent Round
Equity holding	8.1%
Investment in the year at cost	£1.8m

SeatFrog

Seatfrog is a two-sided technology business with a mission to build a better future for rail operators and their passengers with its consumer-facing application. Seatfrog provides enterprise software to train operating companies that increases revenue, creates new incremental revenue sources and improves customer satisfaction scores. Together, Seatfrog's consumer app aims to provide rail passengers with a superior customer experience as the only app that allows one to buy a ticket, upgrade to first-class and switch to any train.

Cost	£3.0m
Valuation	£4.6m
Basis of valuation	Most Recent Round
Equity holding	11.5%

OnePlan

OnePlan has built a collaborative, easy-to-use, real-time platform for event and venue planning. OnePlan combines some of the best selection of 2D, 3D, satellite, and aerial maps into its platform to provide planners with fully customisable solutions to suit their event planning needs. The user-friendly design allows employees of all skill levels to use the platform without specialist training. The company has recently been awarded a contract for planning the 2024 Olympic and Paralympic Games in Paris.

Cost	£5.0m
Valuation	£6.4m
Basis of valuation	Multiples
Equity holding	13.9%
Investment in the year at cost	£1.3m

Stillking

Stillking Films is a prolific producer of commercials, TV series, feature films and music videos. The company has created commercials for almost all Dow Jones and FTSE advertisers. They have co-produced a number of successful feature films, including Spider-Man: Far from Home, The Falcon and the Winter Soldier, Casino Royale and created music videos for artists including Beyoncé, Kanye West, Blur, Madonna, and One Direction.

Cost	£1.5m
Valuation	£5.3m
Basis of valuation	Multiples
Equity holding	4.9%

Business Services (continued)

Thriva

Thriva is a proactive healthcare service, which offers at-home blood tests for a range of health markers such as Vitamin B12, Vitamin D, liver function, omega, and iron. Consumers receive the testing kit in the post with NHS-grade results. Post-blood test, Thriva offers a range of supplements they can recommend and offer to consumers based on test results. The company is also working with several government agencies to support their health programmes.

Cost	£1.3m
Valuation	£3.8m
Basis of valuation	Multiples
Equity holding	5.2%

Toucantech

ToucanTech is a software-as-a-service (SaaS) CRM and website-builder used by schools, charities and companies to run their communities. It allows organisations to manage marketing, fundraising, alumni communications and events in one easy-to-use, vertically integrated platform. ToucanTech has created a user-friendly, cost-effective community management software platform that encompasses a wide range of features.

Cost	£1.0m
Valuation	£2.1m
Basis of valuation	Multiples
Equity holding	12.2%

Peckwater Brands

Peckwater Brands develops virtual food brands for delivery-only restaurant franchises which are operated by existing restaurant owners allowing them to increase their revenue from their existing kitchens. Since its commercial launch in 2020, Peckwater has developed multiple brands, ranging from Korean fried chicken and wings to a plant-based hot dog brand in partnership with Unilever.

Cost	£4.0m
Valuation	£10.9m
Basis of valuation	Multiples
Equity holding	11.6%

Wishi

Wishi is an innovative fashion technology business that brings together personal styling and online wardrobe management functionality to help fully exploit an individual's current wardrobe and provide new clothing suggestions personalised to their look.

Cost	£0.2m
Valuation	£0.5m
Basis of valuation	Most Recent Round
Equity holding	1.2%

Consumer

Annie Mals

Annie Mals was incorporated in 2021 by Emily Samuels, an award-winning charity fundraiser and Oxbridge classics graduate. Emily has drafted a series of 15-20 illustrated children's books for 4–6-year-olds. The first book has been published with the rest to follow. Emily plans to then license the characters for television animation and short-form YouTube content with toys, clothing, and accessories also in the proposed pipeline.

Cost	£0.5m
Valuation	£0.5m
Basis of valuation	Most Recent Round
Equity holding	20.0%

Bloobloom

Bloobloom sells premium glasses and sunglasses at a fair price, via a seamless buying experience. Bloobloom sells direct to consumer (DTC) both online and offline through a growing store network and offers a free Home Try On (HTO) service for online customers who select five styles to be sent to their home. The business is rolling out stores over London as they continue to grow.

Cost	£2.5m
Valuation	£1.7m
Basis of valuation	Multiples
Equity holding	13.2%

Bella Freud

Bella Freud is a fashion designer label producing a range of high-end men's and women's clothing and homeware. The collections are available at the Flagship store on Chiltern Street in London, online and through a range of luxury retail boutiques and department stores in the UK, and around the world. Bella Freud's mission is to create clothing and accessories that are both stylish and comfortable, and that reflect the brand's irreverent spirit.

Cost	£4.3m
Valuation	£4.2m
Interest rolled up in fixed income investment	£0.2m
Basis of valuation	Multiples
Equity holding	46.4%

Chucs Restaurants

Chucs Restaurants was founded with the goal of creating a unique dining experience that combines Italian inspired cuisine with a modern, luxurious atmosphere with locations open across West London. Serving brunch, lunch and dinner. The restaurant's concept reflects the style and branding of the Italian Riviera.

Cost	£2.2m
Valuation	£0.6m
Basis of valuation	Multiples
Equity holding	19.8%

Consumer (continued)

Five Guys UK

Five Guys was founded in the US. The company serves a range of hand-made burgers made with fresh locally sourced beef and cooked on a grill, along with fresh-cut fries, served with unlimited toppings. It now has over 150 outlets in the UK and is expanding in Europe.

Cost	£2.7m
Valuation	£9.8m
Interest rolled up in fixed income investment	£3.9m
Basis of valuation	Multiples
Equity holding	1.0%

Heist

Heist is a UK-based fashion brand that specialises in creating high-quality, comfortable, and stylish hosiery for women. The company was founded with the goal of rethinking the traditional hosiery industry. Heist uses innovative materials and design techniques to create hosiery that is both comfortable and stylish, with features like a waistband that does not roll down, a seamless design that eliminates bulges, and a range of skin-tone shades that are inclusive. The company also places a strong emphasis on sustainability, using recycled materials and reducing waste in their production process.

Cost	£8.3m
Valuation	£2.5m
Interest rolled up in fixed income investment	£0.3m
Basis of valuation	Multiples
Equity holding	40.2%

Hackney Gelato

Hackney Gelato produces artisanal gelato that specialises in creating unique and delicious flavours using high-quality, locally sourced ingredients. It was established in 2015 by two chefs, Sam and Enrico, who learnt the craft from the master Gualtieri of Sicily. The brand has quickly become one of the leading suppliers to high-end London restaurants, as well as retail customers through multiple channels including Ocado, Waitrose, Tesco, Whole Foods, Gorillas and independent retail outlets. Hackney Gelato has won over 40 Great Taste awards in five years.

Cost	£4.5m
Valuation	£5.4m
Interest rolled up in fixed income investment	£17.0k
Basis of valuation	Multiples
Equity holding	35.9%
Investment in the year at cost	£1.3m

JustWears

JustWears is a men's basics brand looking to disrupt a £31 billion category that is dominated by stagnant legacy brands and unsustainable products. JustWears sell men's underwear as well as other basics such as t-shirts and socks and has recently started selling women's underwear. The brand prides itself on the use of innovative materials, with a focus on ergonomic designs and comfort, made using sustainable, biodegradable, high-performance fabrics.

Cost	£2.0m
Valuation	£0.8m
Basis of valuation	Multiples
Equity holding	15.3%

KX

KX Gym, founded in 2002, is a private members' gym and spa, which includes a restaurant and clubroom, located in Chelsea, London. KX offers members an exclusive holistic approach to wellbeing, incorporating fitness, diet, and relaxation.

Cost	£0.7m
Valuation	£1.7m
Basis of valuation	Multiples
Equity holding	11.8%

KXU

KX Urban (KXU) is a pay-as-you-go development of the established KX luxury gym brand. It offers a range of gym classes including Hiit & Run, Body Barre, yoga, boxing and spinning within a high-quality gym environment with a healthy food and beverage offering.

Cost	£1.0m
Valuation	£0.8m
Basis of valuation	Multiples
Equity holding	10.3%

My Expert Midwife

My Expert Midwife (MEM) is a pregnancy, post-birth and baby brand offering award-winning products and midwife-led educational services. My Expert Midwife's products are developed in collaboration with experienced midwives and are designed to be safe and effective for both mother and baby.

Cost	£1.5m
Valuation	£0.9m
Basis of valuation	Multiples
Equity holding	13.4%

N Family Club

N Nursery & Family Club is a 7-day-a-week neighbourhood club, which offers a nursery (N Nursery) during the week and a family club space (N Family Club) at weekends. N Nursery & Family Club is open 51 weeks per year, closing only between Christmas and New Year and, to provide parents with a flexible offering, the nursery is open from 7am to 7pm. The business has more than 30 live sites including its latest additions.

Cost	£3.0m
Valuation	£7.3m
Basis of valuation	Most Recent Round
Equity holding	6.8%

Consumer (continued)

Ro&Zo

Ro&Zo is a womenswear brand selling accessible, trend-led pieces that flatter women of all ages and sizes. Ro&Zo's key product categories include dresses and occasion wear, alongside a range of tops, trousers, and loungewear, all of which are designed to be versatile, comfortable, and fashionable.

Cost	£1.5m
Valuation	£1.5m
Basis of valuation	Multiples
Equity holding	21.4%

Rubies in the Rubble

Rubies in the Rubble produces sustainable condiments. Every Rubies product makes use of otherwise discarded ingredients: aesthetically rejected fruit and vegetables, or under-utilised by-products of food production. The business has focused on the OOH (out of home) market, whilst also being stocked in leading supermarkets. Their range includes mayo, relishes and ketchup that contains 3x more fruit and 50% less sugar than competitors.

Cost	£1.3m
Valuation	£0.5m
Basis of valuation	Most Recent Round
Equity holding	15.7%
Investment in the year at cost	£0.1m

Secret Food Tours

Secret Food Tours is a rapidly growing food and beverage tour company that has developed a scalable and profitable approach to global expansion. Its flagship events centre on high-end food tours, culinary events, and nightlife tours. The company operates tours across five continents.

Cost	£2.0m
Valuation	£10.6m
Basis of valuation	Multiples
Equity holding	20.5%

TALA

We Are Tala (TALA) is a sustainable activewear brand focused on 'Gen Z' (the generation that was born between 1997-2012) females. TALA was founded by fitness influencer Grace Beverley, who has amassed on social media a loyal following of over a million followers on her personal Instagram account.

Cost	£3.2m
Valuation	£3.5m
Basis of valuation	Multiples
Equity holding	8.0%

Troubadour

Troubadour Goods is a sustainable London based luxury men's and women's accessories brand specialising in designing and creating superior handcrafted leather and textile goods, including an affordable range of products. Troubadour has recently opened its first London store in Beak Street, with the entire collection on display.

Cost	£2.5m
Valuation	£5.4m
Interest rolled up in fixed income investment	£0.2m
Basis of valuation	Multiples
Equity holding	30.8%

United Fitness Brands

United Fitness Brands (UFB) is the UK's first fitness supergroup – offering its portfolio of premium studios accelerated growth, scale and commercial prowess within the industry and beyond. UFB brings together the Boom Cycle, Kobox, Barrecore, and Triyoga fitness brands.

Cost	£5.3m
Valuation	£1.0m
Interest rolled up in fixed income investment	£0.1m
Basis of valuation	Most Recent Round
Equity holding	5.3%

Vieve

VIEVE is an online first female cosmetics brand founded by Jamie Genevieve, a professional makeup artist and beauty influencer. Jamie has a cult following of over three million social media followers, was voted beauty influencer of the year in 2021 by VOGUE and is a member of the British Beauty Council's advisory board.

Cost	£1.0m
Valuation	£0.6m
Basis of valuation	Multiples
Equity holding	3.8%

Technology

Auddy

Auddy was launched in 2021 to help companies and podcasts build and distribute audio content whilst carefully placing targeted advertisements (ads) therein. Auddy delivers end-to-end premium audio podcast publishing solutions for both creators and organisations. The business is focused on targeted audiences, highly responsive advertising solutions and deep analytics.

Cost	£1.8m
Valuation	£1.1m
Basis of valuation	Multiples
Equity holding	9.4%

Coat

COAT Paints is a paint brand disrupting a market dominated by ageing incumbents. COAT provides premium, environmentally friendly paint at a cost approximately 20% lower than its direct competitors. COAT's entire range is water-based and solvent-free, low VOC (volatile organic compounds), 100% vegan and 100% animal cruelty-free.

Cost	£5.0m
Valuation	£4.5m
Interest rolled up in fixed income investment	£6.0k
Basis of valuation	Most recent round
Equity holding	39.1%
Investment in the year at cost	£2.0m

Beryl

Beryl is focused on changing the way cities move. Beryl's focus is on bike-sharing and e-scooter systems in urban environments. It partners with local authorities such as TFL, Transport for Greater Manchester, Transport for West Midlands, Hackney Council and many more.

Cost	£0.6m
Valuation	£1.9m
Basis of valuation	Most Recent Round
Equity holding	3.3%

Floom

Floom is a curated global marketplace platform for independent florists; its mission is to become the primary destination for customers looking to send flowers worldwide. It also encompasses FloomX which provides a complete back-office function for independent florists to make their work more streamlined, efficient, and enjoyable. Floom is expanding its US operations by collaborating with small independent florists and working to secure increased subscriptions.

Cost	£4.6m
Valuation	£2.0m
Interest rolled up in fixed income investment	£22.0k
Basis of valuation	Multiples
Equity holding	21.7%

LYMA

LYMA is a luxury wellness brand. The company works closely with the world's leading nutritional scientists, combining intensive R&D with the latest technological advances to produce a unique and high-quality, evidence-based nutritional supplement. It also launched a world-first medical-grade laser that can be used safely at home in conjunction with a newly formulated serum and mist. LYMA has gained a reputation for excellence in the wellness industry and has been recognised with numerous awards and accolades.

Cost	£2.0m
Valuation	£31.2m
Basis of valuation	Multiples
Equity holding	19.7%

Rated People

Rated People, founded in 2005, is one of the UK's leading online marketplaces for homeowners to find tradesmen for home improvement jobs. Trust pilot review Rated People at "Excellent" with a rating of 4.4 out of 5.

Cost	£0.6m
Valuation	£0.6m
Basis of valuation	Multiples
Equity holding	1.1%

Popsa

Popsa is a photobook app that, using proprietary machine learning algorithms, has reduced the time it takes for customers to produce photobooks from 2 hours to an average of just 5 minutes. Popsa operates in a billion-dollar global industry that has been built on a clunky and frustrating process. By automating the selection of a customer's most relevant photos, Popsa's disruptive software removes this frustration.

Cost	£5.2m
Valuation	£17.3m
Basis of valuation	Multiples
Equity holding	17.7%

Roto VR

Roto VR's flagship product is an interactive virtual reality (VR) chair. The chair syncs what users feel with what they see, by auto-rotating wherever the user looks. This phenomenon known as gravitational presence is achieved by incorporating accelerometers, gyroscopes and magnetometers inside the Roto Head tracker; a small device that clips onto the user's own VR headset. The company has developed a VR immersion chair which boasts a smaller form factor allowing consumers to enter the VR world with the same benefits as the VR chair.

Cost	£1.8m
Valuation	£1.3m
Basis of valuation	Most Recent Round
Equity holding	19.1%

Technology (continued)

Smartify

Smartify is an award-winning digital platform used by some of the world's most popular art and cultural institutions to bring their content to life. Smartify gives its users access to audio tours, a 'Shazam for art' feature covering over two million artworks, and a suite of distance learning tools which have been produced in association with the world's leading cultural institutions. Smartify was launched in 2017 by Tate trustee Anna Lowe and digital entrepreneur Thanos Kokkiniotis.

Cost	£1.5m
Valuation	£2.2m
Interest rolled up in fixed income investment	£0.1m
Basis of valuation	Multiples
Equity holding	20.0%

Unbolted

Unbolted provides a platform for peer-to-peer secured lending, offering short-term liquidity to individuals seeking bridging facilities, or advance sale loans for personal or small business use. In late 2019 the company launched their first mortgage product to complement the asset-back lending product.

Cost	£0.4m
Valuation	£0.6m
Basis of valuation	Multiples
Equity holding	5.9%

Transreport

Transreport is an enterprise SaaS platform and a consumer application that allows the rail industry to facilitate the booking of assisted travel, primarily for elderly and disabled passengers and supports rail operators in complying with the Department for Transport's Service Quality Regime (SQR).

Cost	£3.0m
Valuation	£3.0m
Basis of valuation	Most recent round
Equity holding	7.4%
Investment in the year at cost	£3.0m

The cost figures and valuations set out on pages 21, 26 to 37 and 64 as at 31 March 2024 are audited (or, in the case of later investments or follow-on investments since that date, at cost (unaudited)), and have been provided by the Manager (see paragraph 6.20 of Part 4).

Chilango, Kat Maconie, Kinteract, Alexa Chung, Stitch & Story and Sourced Market are currently in the portfolio but are not included above as they are in an administration or in an orderly wind-down process, but are included in the portfolio summaries on pages 21 and 64.

Part 1

Recent Exits

The following examples represent two of the recent exits of the Qualifying Investments from the Company's portfolio. Past performance is no indication of future performance of the Company's portfolio and any potential exits.

Pembroke + BOAT

Business description

Boat is an international media group serving the superyacht industry through the publication of BOAT International and BOAT International US Edition, which provides guides to luxury yachts and yachting lifestyle. The company also owns the award-winning data provider BOAT Pro, and organises globally renowned events ranging from the World Superyacht Awards to the Superyacht Design Festival.

Investment structure

Pembroke's investment in BOAT was structured as equity and debt.

Date of initial investment:	January 2014
Total investment cost:	£3,250,000
Equity acquired:	17.3%
Exit proceeds:	£4,641,000
Return on investment:	143%
Date of exit	July 2024

Exit

In July 2024, Pembroke sold its holding BOAT International Business Limited to Informa Group Limited. The sale returned a multiple of 1.4x Pembroke's investment. As a result of this exit the Board has declared a dividend of 2 pence per B Ordinary Share (amounting in total to £4.5 million) which will be paid in September 2024.

Pembroke + ME+EM

Business description

ME+EM, founded in 2008, is a contemporary womenswear brand launched by Clare Hornby. The brand targets women aged 30-55 who are busy and fashion-conscious, offering a classic aesthetic embodying designer quality at an affordable price. The business designs and produces its collections primarily through catalogues and online.

Investment structure

Pembroke's investment in ME+EM was structured as equity only.

Date of initial investment:	August 2015
Total investment cost:	£955,000
Equity acquired:	11.7%
Exit proceeds:	£15,480,000
Return on investment:	1,620%
Date of exit	March 2022

Exit

In March 2022, Pembroke sold its holding ME+EM to Highland Europe, who invested to accelerate the brand's international expansion in the US, Australia and the Middle East. The sale achieved a return of 16.2x its investment. The proceeds from this profitable exit were used to fund a special dividend of 5 pence per B Ordinary Share, which was paid in July 2022.

Part 1

The Manager, Management Arrangements and Costs

The Manager

Pembroke Investment Managers LLP, which is authorised and regulated by the Financial Conduct Authority to conduct investment business, is the manager of the Company under the terms of an investment management agreement entered into on 15 February 2013, as subsequently varied and novated to the Manager (the "IMA"). Pursuant to the IMA, the Manager provides discretionary and advisory investment management services to the Company in respect of its portfolio of investments and will, on behalf of the Company, be pursuing an active investment strategy. The Manager acts as the Alternative Investment Fund Manager to the Company. The Manager currently manages one fund, which it is managing under delegation.

The Manager provides services in accordance with the IMA, for which it receives a management fee of 2% of the Company's NAV. The Manager has also agreed to indemnify the Company by such amount as is equal to the excess by which the Annual Running Costs of the Company exceed 0.5% of the Company's NAV, calculated on an annual basis.

In the year to 31 March 2024 the Annual Running Cost to NAV ratio was 0.39% and, in the event of a full subscription of £60 million, is expected to be no more than 0.5% in the year to 31 March 2025.

After ten years of not charging monitoring fees to the portfolio companies, in April 2023, the Manager introduced a portfolio support fee of £30,000 (plus VAT) per year for a period of three years ("Portfolio Support Fee") payable by the companies in which Pembroke invests (whether as new or follow-on) an amount greater than £1.0 million, with the three-year period commencing on the date of Pembroke's investment. The Manager intends to maintain the Portfolio Support Fee in its current form but will review it annually.

In addition to the Portfolio Support Fee, from 9 September 2024, the Manager may at its discretion charge an arrangement fee ("Arrangement Fee") to the portfolio companies in which the Company invests. To date, no Arrangement Fee has been charged by the Manager for any new or follow-on deals. However, the Manager considers that in light of market demands and the fact that the Company now invests in companies that are at a slightly later stage of their growth trajectory and with more sophisticated business models (compared to when the Company was first launched), an arrangement fee is appropriate in order to meet the increased costs of arranging, structuring and undertaking due diligence on the transactions. The Arrangement Fee will be restricted to 2.0% of the gross amount invested by the Company (whether as new or follow-on investment) into the portfolio company in a particular investment round. Should the Company be involved in investment rounds alongside other VCTs, venture capital firms or family office funds that have a lower arrangement fee, or none, the Manager would consider exercising its discretion to either lower its Arrangement Fee to match theirs or waive it completely.

To align themselves with the Investors, the Manager does not take any performance incentive fees until the conditions set out below have been met.

Proposed change of legal status of Pembroke Investment Managers LLP

As part of an internal group reorganisation proposal, and subject to FCA approval, Pembroke Investment Managers LLP intends to change its legal status from a limited liability partnership to a limited company to become a FCA regulated

subsidiary of an Oakley group entity.

It is proposed that Pembroke Investment Managers LLP's trade, assets, liabilities, contracts and staff will transfer to Pembroke UK Investment Managers Limited (company number: 14925984), which itself will become a subsidiary of an Oakley group entity. The services being received by the Company will continue without interruption, either being provided by Pembroke Investment Managers LLP or Pembroke UK Investment Managers Limited.

The purpose of this reorganisation is to bring Pembroke Investment Managers LLP directly into the Oakley group from where it will continue to be able to draw on the same resources that are available to the rest of the Oakley group, including compliance, legal, finance, HR, IT and premises. Leveraging the high-quality Oakley resources will enable the investment manager of the Company (Pembroke Investment Managers LLP/ Pembroke UK Investment Managers Limited) to continue to be independently managed and operated as a lean organisation. This allows the investment team to focus its time on identifying high-potential investment opportunities and to work with the founders of the Company's underlying portfolio companies.

Oakley Capital

Oakley Capital is a pan-European private equity investor, backing mid-market businesses across its core sectors of business services, technology, consumer and education. Oakley Capital Limited, a UK registered and FCA authorised and regulated business, provides investment advisory services to Oakley Capital's private equity funds with assets under management of more than €11.0 billion. Founded in 2002, Oakley Capital Limited has demonstrated the repeated ability to source attractive growth assets at attractive prices. To do this it relies on its sector and regional expertise, its ability to tackle transaction complexity and its deal generating entrepreneur network. Oakley Capital Private Equity L.P. and its successor funds, Oakley Capital Private Equity II, Oakley Capital Private Equity III, Oakley Capital IV, Oakley Capital V, Oakley Capital Origin Fund and Oakley Capital Origin Fund II are unlisted lower-mid to mid-market private equity funds that aim to provide investors with significant long-term capital appreciation. The investment strategy of the funds is to focus on buy-out opportunities in industries with the potential for growth, consolidation and performance improvement.

Performance Fees

As is customary in the venture capital industry, the Manager will be incentivised with a Performance Fee to align the interests of the Manager and Shareholders.

- A Performance Fee is only payable to the Manager if the Company's cumulative realised investment gains are greater than its cumulative realised investment losses (requiring all realised losses, past and future, to be recovered before a Performance Fee is paid);
- A Total Return Hurdle of 3 pence per year from 26 August 2020 must be achieved before a Performance Fee is paid to the Manager;
- The relevant Performance Fee will be calculated at each financial year-end and half-year balance sheet dates using information disclosed in the relevant year-end or half-year financial statements;
- If the above conditions are met, a Performance Fee of 20% of the amount by which cumulative realised investment gains exceed cumulative realised investment losses will be payable to the Manager.

Dividend policy

Generally under the VCT Rules, a VCT must distribute by way of dividend such amount as to ensure that it retains not more than 15% of its income from shares and securities.

The Directors aim to maximise tax-free distributions to Shareholders by way of dividends paid out of income received and from capital gains received following successful realisations, subject to the requirements and best interests of the Company. All distributions are expected to be free of UK income tax to individuals aged 18 or over who acquire their shares within the annual £200,000 limit.

The B Ordinary Shares will target an annual dividend of 5 pence per B Ordinary Share from 1 April 2022 and will also aim to pay further dividends where significant realisations occur from the sale of portfolio assets (subject to realised profits, distributable reserves, liquidity levels, the VCT Rules and the best interests of the Company). To date, the Company has paid 39 pence per share in respect of the B Ordinary Shares.

The ability to pay dividends will be constrained by, in particular, the existence of realised profits, regulations and the available cash reserves of the Company. The Company will not pay a dividend which would reduce the Company's post-dividend cash reserve to less than £10 million.

There can be no assurance that any dividends or distributions will be paid in respect of any financial year or period and no guarantee as to the level of any future dividends or distributions to be paid by the Company. No forecast or projection is implied or inferred.

Dividends paid

Ordinary Shares

Payment date	Amount paid
September 2014	3.0p
October 2015	0.6p
October 2016	2.0p
June 2017	1.0p
October 2018	3.0p
October 2019	3.0p

B Ordinary Shares

Payment date	Amount paid
October 2016	2.0p
June 2017	1.0p
October 2017	2.0p
October 2018	3.0p
October 2019	3.0p
November 2020	3.0p
March 2021	4.0p
June 2021	4.0p
November 2021	3.0p
July 2022	5.0p
May 2023	2.5p
November 2023	2.5p
April 2024	2.0p

The Company has adopted a flexible dividend reinvestment scheme ("FlexiDRIS") for Investors and existing Shareholders to reinvest any cash dividends received in further Shares and allows a Shareholder to specify what percentage of a dividend is to be reinvested in further Shares and what percentage is to be taken as cash. Investors wishing to participate in the FlexiDRIS should tick the appropriate box in Section 5 of the Application Form in respect of their existing Shares (if any) and their Shares applied for and issued to them under the Offer. Existing Shareholders wishing to participate in the FlexiDRIS who are not applying for Shares under the Offer should contact The City Partnership (UK) Limited to request a FlexiDRIS application form or update their preferences on the City investor hub. An investment in the Company involves a high degree of risk and any decision to participate in the FlexiDRIS should only be made after careful consideration of the risk factors set out on pages 11 and 12 of this document and, if appropriate, consultation with an independent financial adviser. No trail commission is payable to an intermediary in respect of Shares issued under the FlexiDRIS. The terms and conditions of the FlexiDRIS can be found at Part 7.

Share buyback policy

Although it is anticipated that the Shares will be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities, there is likely to be an illiquid market, and in such circumstances Shareholders may find it difficult to sell their Shares in the market. In order to try to improve the liquidity in the Shares, the Company intends to operate a share buyback policy, subject to authority from Shareholders, the Listing Rules and the Company having the necessary cash resources and distributable reserves available for the purchase. The Company may repurchase shares which Shareholders wish to sell, at a discount of no more than 5% to net asset value per Share, less transaction costs payable. Any purchase of Shares will be at the discretion of the Board who must believe it to be in the best interests of the Company at the relevant time. Shares bought back by the Company may be cancelled or held in treasury for later sale in the market. Shares disposed which have not been held for five years are considered for tax purposes to be a disposal and, therefore, subject to clawback by HMRC of any upfront income tax reliefs obtained on subscription. Shareholders should seek professional advice in relation to any disposal of Shares. The Company has an authority to buy back up to 14.99% of its B Ordinary Shares. Investors should note that tax relief on subscriptions for shares in a VCT is restricted where an Investor has disposed of shares in that VCT within six months (before or after) that subscription and that a disposal of Shares to the Company within these periods could, therefore, put their income tax relief at risk. The Board approved and executed a share buyback by the Company in April 2024 and will consider further share buybacks every six months thereafter.

Reporting to Shareholders

The Directors believe that communication with Shareholders is important. In addition to announcements being released through a Regulatory Information Service, Shareholders will receive a copy of the Company's annual report and accounts (expected to be published in July each year) and a copy of the Company's interim results (expected to be published in December each year).

Part 1

The Manager, Management Arrangements and Costs (continued)

Corporate Governance

The UK Corporate Governance Code (the “Code”) published by the Financial Reporting Council in July 2018 applies to the Company. The Directors note that the Code acknowledges that it does not set out a rigid set of rules and that some provisions may have less relevance for investment companies and, in particular, consider some areas inappropriate due to the size and nature of the business of the Company.

Accordingly, the Company will comply with all the provisions of the Code save that (i) the Company does 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 venture capital trust (ii) in view of its non-executive nature, to ensure continuity of experience amongst members of a small Board and the requirement under the Articles that all Directors are subject to election by Shareholders at the first annual general meeting after their appointment and thereafter at every third annual general meeting, the Board considers that it is not appropriate for the Directors to be subject to annual re-election or appointed for a fixed term and (iii) as all the Directors are non-executive and in light of the responsibilities delegated to the Manager, its VCT status adviser and the Company secretary, and also the responsibilities retained by the Board and the Audit Committee, the Remuneration and Nomination Committee and the Management Engagement Committee, the Company has not appointed a chief executive, deputy Chair or a senior independent non-executive Director. David Till, who is not an independent Director, is subject to annual re-election under the Listing Rules.

Status of the Company

The Company is unregulated, although VCTs need to meet a number of conditions set out in tax legislation in order for tax reliefs to apply.

Taxation and HMRC approval

The Directors intend to manage the Company’s affairs in order that it continues to comply with the legislation applicable to VCTs. In this regard Philip Hare & Associates LLP has been appointed to advise on tax matters generally and, in particular, on VCT status. HMRC has granted the Company approval as a VCT, and Philip Hare & Associates LLP will assist the Manager (but report directly to the Board) in monitoring compliance with the VCT requirements. The Company must continue to satisfy the requirements of HMRC in relation to VCTs, or it is likely to lose its VCT status. The Company has received confirmation that the B Ordinary Shares will be regarded as VCT eligible shares. Tax legislation in the Investor’s home state may have an impact on the income received from the B Ordinary Shares.

Life of the Fund

Given the changes made to the VCT Rules in 2015 and the consequent shortage of ‘evergreen’ VCTs unaffected by the new rules, the Directors sought, and were granted, Shareholder approval to extend the life of the Company on a rolling basis (such that it became ‘evergreen’ with no fixed termination date). However, the Directors intend to keep under review whether it is in the best interests of Shareholders for the Company to continue on a rolling basis.

Part 1

Costs of the Offer and Offer Price

Costs of the Offer

The costs of the Offer to be met by the Company will be:

- (i) the Promoter Fee payable to the Manager;
- (ii) trail commission payable to Intermediaries, if any (see “Commission and Adviser Charges” below); and
- (iii) the legal, Sponsor, registrar, receiving agent and London Stock Exchange fees relating to the Offer, together with any irrecoverable value added tax on those costs and expenses.

Promoter Fee

The Promoter Fee is calculated on the value of each application for B Ordinary Shares under the Offer accepted by the Company as follows:

- (a) 5.0% for Investors who have invested directly into the Company or invested through an Intermediary/platform and have not received advice;
- (b) 3.0% for Investors who have invested in the Offer through an Intermediary and have received upfront advice including Investors who are investing through Intermediaries/advisers using financial platforms,

or such lower percentage in each case as may be agreed by the Board and the Manager. Assuming the Offer is fully subscribed, including the over-allotment facility, with all Investors investing directly into the Company or investing through an Intermediary/platform and not receiving advice, the Promoter Fee will represent 1.34 per cent of the Company's net assets as shown in the audited financial statements for the year ended 31 March 2024. The Manager will pay all the initial costs of the Offer from the Promoter Fee, save for the legal, Sponsor, registrar, receiving agent and London Stock Exchange fees relating to the Offer, together with any irrecoverable value added tax on those costs and expenses which will be paid by the Company.

Details of the Offer

It is proposed to raise in aggregate up to £60 million by means of the Offer, being the principal offer of £40 million and the over-allotment facility of a further £20 million which may be utilised at the Board's discretion where it believes it is in the best interest of the Company to do so. Subscription amounts are payable in full, by cheque or banker's draft or electronic transfer, on subscription. The Offer will open on 9 September 2024 and it is expected to remain open until 12.00 noon on 4 April 2025 in relation to the 2024/2025 tax year, and until 3.00 p.m. on 27 June 2025 in relation to the 2025/2026 tax year. The Offer may close in advance of these dates in the event that the maximum subscription is reached. The closing date of the Offer, and the deadline for receipt of applications for the final allotment with respect to the 2025/2026 offer, may be extended by the Directors at their absolute discretion to a date no later than 3 September 2025.

Investors must ensure that hard copy or scanned Application Forms relating to subscriptions in relation to the 2024/2025 tax year, and cleared funds in respect of those subscriptions made by separate cheque, bank transfer or banker's draft, are received before 12.00 noon on 28 March 2025. Online Application Forms relating to subscriptions in relation to the 2024/2025 tax year, and cleared funds in respect of those subscriptions made by bank transfer, must be received before 12.00 noon on 4 April 2025.

All Application Forms relating to the first allotment of Shares in relation to the 2025/2026 tax year, and cleared funds in respect of those subscriptions made by separate cheque, bank transfer or banker's draft, must be received before 3.00 p.m. on 9 April 2025 and all Application Forms relating to the final allotment of Shares in relation to the 2025/2026 tax year, and cleared funds in respect of those subscriptions made by separate cheque, bank transfer or banker's draft, must be received before 3.00 p.m. on 27 June 2025.

The Offer is not underwritten. The maximum net proceeds of the Offer, assuming full subscription and a Promoter Fee on all such subscriptions of 5.0% (including the over-allotment facility) will be £57 million, before the legal, Sponsor, registrar, receiving agent and London Stock Exchange fees relating to the Offer, together with any irrecoverable value added tax on those costs and expenses. There is no minimum aggregate subscription below which the Offer will not proceed. The Promoter Fee is based on the value of accepted applications for B Ordinary Shares under the Offer.

The profile of a typical Investor is a UK tax resident individual who seeks a venture capital strategy focused on capital appreciation with sufficient income and capital available to be able to commit an investment in the Company for over five years and who is attracted by the income tax relief available for a VCT investment. Investors may include retail, institutional and sophisticated investors and high net-worth individuals (however, the decision to invest may be influenced by the availability of tax reliefs to such an Investor).

Applications will be accepted on a “first come, first served” basis, subject always to the discretion of the Directors. For these purposes ‘first-come, first-served’ shall be assessed based on the date and time of receipt of a fully completed Application Form, subject to receipt of application monies (in full, including those making multiple payments) in cleared funds within five Business Days thereafter (or, if earlier, before an Offer deadline or close of the Offer) to retain the Applicant's position of priority. If application monies are not received within such time, the relevant date and time shall be when the Applicant's actual application monies (in full) are received in cleared funds. An Application Form may not be considered as ‘complete’ until identity verification is completed and/or, where relevant, information or supporting evidence required for the Application Form remains outstanding. If the Offer is over-subscribed (or over-subscribed after use of the over-allotment facility), an Application Form may be rejected or may be accepted for fewer B Ordinary Shares than the number actually applied for. In these cases, the amount paid on application, or the balance, will be returned, without interest, by bacs to the bank account details provided in section 4 in the Application Form at the risk of the Applicant. Investors are, therefore, encouraged to submit their Application Forms early in order to be confident that their subscriptions will be successful. Multiple applications are permitted.

Part 1

Costs of the Offer and Offer Price

(continued)

The minimum application level under the Offer is £5,000 (including any adviser charge to be facilitated). The maximum aggregate investment in all VCTs in any one tax year on which tax relief is available is £200,000 per Investor (spouses have separate limits and, therefore, together can invest up to £400,000 in aggregate in each tax year).

The Offer may not be withdrawn after dealings in the B Ordinary Shares issued under the Offer have commenced. In the event of any requirement for the Company to publish a supplementary prospectus, Investors who have yet to be entered onto the Company's register of members will be given two Business Days to withdraw from their subscription. Investors 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 Investors should, therefore, rely on their own legal advice in this regard.

The full terms and conditions of application are set out in Part 6 of this document, together with an Application Form and details of the application procedure.

The Pricing Formula

The number of B Ordinary Shares to be issued to each Applicant will be calculated based on the following Pricing Formula (rounded down to the nearest whole B Ordinary Share):

Number of B Ordinary Shares

=

Amount subscribed, less:
(i) Promoter Fee¹ and
(ii) Adviser Charge (if any)

÷

Latest published
NAV per
B Ordinary Share²

¹ Less any reduction agreed by the Promoter for any specific investor or group of investors (where applicable) and less any initial commission waived by an intermediary in favour of the Applicant.

² Adjusted for any dividends paid or declared (and in respect of which no adjustment has been made to that latest published NAV per B Ordinary Share).

Illustrative examples of the number of B Ordinary Shares to be issued to each Applicant under the Pricing Formula (based on a subscription under the Offer of £10,000 and a NAV per B Ordinary Share of £1):

Initial	Adviser Charge (Facilitated)	Number of B Ordinary Shares
(i) 5.0%	n/a	(10,000 – 500 – 0) ÷ 1 = 9,500
(ii) 3.0%	1.75%	(10,000 – 300 – 175) ÷ 1 = 9,525
(iii) 3.0%	4.5%	(10,000 – 300 – 450) ÷ 1 = 9,250

It should be noted that the example Adviser Charges set out above have been provided to illustrate the pricing of the Offer and should not be considered as a recommendation as to the appropriate levels of Adviser Charges.

The Offer Price for each Applicant is calculated by dividing the amount subscribed by the number of B Ordinary Shares allocated to the Applicant, as calculated by the Pricing Formula.

Allotment, dealings and settlement

Application has been made to the FCA for the B Ordinary Shares to be issued pursuant to the Offer to be admitted to the Official List and will be made to the London Stock Exchange for those B Ordinary Shares to be admitted to trading on its main market for listed securities.

It is intended that allotments of B Ordinary Shares under the Offer will be made every 4-6 weeks during the Offer. Successful applicants will be notified by post or email.

It is expected that the Admission of B Ordinary Shares will become effective, and that trading in those B Ordinary Shares will commence, within ten Business Days of their allotment.

B Ordinary Shares will be issued in registered form, will be freely transferable in both certificated and uncertificated form and are not redeemable. It is anticipated that definitive share certificates will be issued within ten Business Days of each allotment.

B 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 B 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.

Commission and Adviser Charges

An initial commission of 2.0% of the amount subscribed is payable where there is an execution-only transaction and no advice has been provided by the Intermediary to the Investor or where the Intermediary has demonstrated to the Promoter that the Investor is a Professional Client of the Intermediary. The amount of initial commission paid to the Intermediary depends on the amount waived in favour of additional B Ordinary Shares through the Pricing Formula set out above. Payment of the initial commission is the Manager's responsibility and is payable out of the Promoter Fee.

Additionally, provided that the Intermediary continues to act for the Investor and the Investor continues to be the beneficial owner of the B Ordinary Shares, and subject to applicable laws, regulations and FCA rules, the Company agrees to pay trail commission to intermediaries on an individual basis up to a maximum of 0.375% of the net asset value per share of a B Ordinary Share at the end of each financial year, for a period of up to six years, subject to historical arrangements that exist for volume-based trail commission to intermediaries of up to a maximum of 0.75% of the net asset value per share of a B Ordinary Share at the end of each financial year, for a period of up to eight years. Trail commission is payable by the Company.

Commission is not permitted to be paid to Intermediaries 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 Intermediary and Investor for the advice and related services ("Adviser Charge"). This fee can either be paid directly by the Investor to the Intermediary, when it will not form part of an Investor's subscription amount, or the payment of such fee, up to an amount not exceeding 4.5% of the amount subscribed by the Investor, may be facilitated from the Investor's funds received by the Company and when it will form part of an Investor's subscription amount. If the payment of the Adviser Charge is to be facilitated by the Company, then the Investor is required to specify the amount of the charge on the Application Form. The Investor will be issued fewer B Ordinary Shares (to the equivalent value of the Adviser Charge) through the Pricing Formula. The Adviser Charge is inclusive of VAT, if applicable.

Income tax relief should be available on the total amount subscribed, subject to the VCT Rules and personal circumstances.

Part 2

Taxation Considerations for Investors

1. Individual Shareholders

The following is a summary of the tax benefits available to VCTs and for Shareholders who are either Qualifying Subscribers or Qualifying Purchasers.

The tax treatment of Investors in VCTs will depend on their individual circumstances. Investors who are in any doubt as to their tax position are recommended to take professional advice.

A number of tax benefits are available to individuals, aged 18 or over, who invest in shares in a VCT. The tax benefits available to those individuals are different, depending on whether the individual subscribes for shares or acquires shares otherwise than by way of subscription. There is also a limit (the Qualifying Limit) on the amount which, in any tax year, an individual may invest in VCTs which will qualify for any tax benefits. The current limit is £200,000 in any one tax year. It is, therefore, possible to invest £400,000 with an investment of £200,000 on or before 5 April 2025 for the tax year 2024/2025 and £200,000 on or after 6 April 2025 for the tax year 2025/2026. Spouses have separate limits and each, therefore, has an annual limit of £200,000 meaning that together spouses may invest up to £400,000 per tax year in aggregate, or up to £800,000 in aggregate over two tax years.

Investments in ordinary shares in VCTs in excess of the Qualifying Limit will not be eligible for any tax benefits.

Set out below is a summary of the tax benefits available to Qualifying Subscribers and Qualifying Purchasers.

2. Tax reliefs available to Qualifying Subscribers but not available to Qualifying Purchasers

The tax relief is available on aggregate investments in VCTs of up to £200,000 in any one tax year. Where advantage is taken of this relief, a Qualifying Subscriber will be able to obtain total initial tax relief of up to 30% of the amount of their investment, as shown in the table below.

Maximum effect of initial tax relief.

	No VCT tax relief	30% income tax relief
Initial investment	£100,000	£100,000
30% income tax relief	–	(£30,000)
Effective current cost of the investment	£100,000	£70,000

Relief from income tax up to 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.

Income tax relief is not available in respect of a subscription for shares in a VCT where the investor has sold shares in that VCT and the sale was conditional upon the subscription, or the subscription was conditional upon the sale, or the subscription was made within six months of the sale (before or after). This will also have effect in relation to a subscription for shares in a VCT which is deemed to be a successor or predecessor of the VCT because there has been a merger of VCTs, or a restructuring of a group of companies of which the VCT is a member, where it was known at the time of the subscription that the VCTs were expected to merge. The measure will not affect subscriptions for shares where the monies being subscribed represent dividends which the investor has elected to reinvest.

3. Tax reliefs available to Qualifying Subscribers and available to Qualifying Purchasers

The tax reliefs below are only available on investments up to a maximum of £200,000 in VCTs in any one tax year.

3.1 Exemption from capital gains tax

Any gain or loss accruing to Qualifying Subscribers or Qualifying Purchasers on a disposal of shares in a company which was a VCT at the time they acquired the shares, and remained a VCT throughout their period of ownership, will neither be a chargeable gain, nor an allowable loss, for the purposes of capital gains tax.

3.2 Exempt dividend income

Dividend income will be exempt from tax. No tax credits will be repayable in respect of dividends paid.

3.3 Procedure for obtaining income tax reliefs available to Qualifying Subscribers

All Qualifying Subscribers will automatically be provided with certificates enabling them to claim income tax relief. The certificate will specify details of the Shareholder, the date on which the shares were issued and the amount paid for the shares, and will also certify that the shares have been issued to a Qualifying Subscriber, and that certain other conditions are met to the best of the VCT's knowledge and belief. The relief may not be available unless the Qualifying Subscriber holds such a certificate.

The investor may use the certificate to claim income tax relief either by obtaining from HMRC an adjustment to their tax coding under the PAYE system or by waiting until the end of the tax year and using a Self Assessment Tax Return to claim the relief.

Dividends received on shares acquired in VCTs up to the qualifying maximum value of £200,000 per tax year need not be shown in the investor's Self Assessment Tax Return.

4. Loss of VCT status

The following is a summary of the tax consequences for VCTs and their shareholders resulting from a loss of VCT status.

4.1 VCTs

Exemption from corporation tax on chargeable gains will not be available in relation to any gain realised after the VCT status is lost (and on any gain realised by the VCT if approval is deemed never to have been given).

4.2 Relating to Qualifying Subscribers only

Income tax relief on investment

Where VCT approval is treated as never having been given, or where it is withdrawn before the shares have been held for five years, the relief will be withdrawn in full, and the Qualifying Subscriber will be assessed to tax in the tax year in which the relief was given on an amount equal to that relief. Interest on overdue tax may arise.

4.3 Relating to Qualifying Subscribers and Qualifying Purchasers

1. *Exempt dividend income*

Dividend income will not be exempt from tax if the dividend is paid in respect of profits or gains arising or accruing in any accounting period in which the VCT is not approved as such.

2. *Exemption from capital gains*

Where VCT approval is treated as never having been given, any gains and losses arising on a disposal of shares in the VCT will be taxable and allowable in the ordinary way. Where VCT approval is withdrawn at any time (whether or not the shares have been held for five years), the Qualifying Subscriber or the Qualifying Purchaser will be treated as having disposed of their shares immediately before the VCT ceased to be approved, for an amount equal to their market value at that time, and as having immediately reacquired them at that value. Thus, any capital gain up to that date will be exempt from tax, but any gains arising after that date will be taxable in the ordinary way.

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

Part 3

Taxation of the Company

Qualifying as a VCT

1. In order to qualify as a VCT, a company must satisfy the following conditions in each accounting period:
 - i. it must be approved as a VCT by HMRC;
 - ii. it must not be a close company;
 - iii. throughout the period, each class of its ordinary share capital has been quoted on the main list of the London Stock Exchange or any EU regulated market;
 - iv. it must derive its income in the period wholly or mainly from shares or securities;
 - v. it must have at least 80% by value of its investments throughout the period in newly issued shares or securities (where the securities are not redeemable within five years of issue) comprised in Qualifying Holdings. This requirement was increased from 70% as from 1 April 2020;
 - vi. at least 30% of funds raised will need to be invested in Qualifying Holdings by the anniversary of the end of the accounting period in which those funds were raised;
 - vii. at least 70% by value of Qualifying Holdings must be ordinary shares which carry no preferential rights to assets on a winding-up nor any rights to be redeemed, although they may have certain preferential rights to dividends;
 - viii. it must have at least 10% by value of its investments in any Qualifying Company in ordinary shares which carry no prohibited preferential rights;
 - ix. it must have not more than 15% by value of its investments throughout the period in a single company or group (other than a VCT, or other similar company);
 - x. it must generally not retain more than 15% of the income which it derives from shares and securities in the period;
 - xi. it must not make an investment in a company which causes that company to receive more than £5 million of Risk Finance State Aid investment (including from VCTs) in the 12 months ending on the date of the investment. From 6 April 2018 a company which is deemed to be a Knowledge Intensive Company may receive up to £10 million of Risk Finance State Aid investment in a 12-month period;
 - xii. it must not return capital to shareholders before the third anniversary of the end of the accounting period during which the subscription for shares occurs;
 - xiii. no investment can be made by the Company in a company which 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;
 - xiv. no investment can be made by the Company in a company whose first commercial sale was more than seven years prior to the date of investment (ten years for a Knowledge Intensive Company), except where previous Risk Finance State Aid was received by the company within those seven (or ten) years or where a turnover test is satisfied and the company is entering a new product market or a new geographic market;
 - xv. no funds received from an investment into a company can be used to acquire another existing business or trade; and
 - xvi. the VCT must not make a Non-Qualifying Investment other than those specified in Section 274 ITA 2007.
2. In order, however, to facilitate the launch of VCTs, there is a relaxation of some of these tests during the Company's first and, in the case of the test referred to in paragraphs 1(v) and (vii) above, up to the third accounting period (see below under the heading, "Approval as a VCT").
3. The risk-to-capital condition introduced in the Finance Act 2018 requires that the Qualifying Company has long-term growth plans and that the investment made by the VCT is at risk.

Qualifying Holdings

4. A Qualifying Holding consists of shares in, or securities of, a Qualifying Company (see below under heading "Qualifying Companies" for further details). A Qualifying Company must:
 - i. be unquoted (which will, in the case of a company which was unquoted at the time of the VCT's investment, be deemed to be the case for a further five years after the company ceases to be unquoted). Companies whose shares are traded on AIM or on the Aquis Stock Exchange are treated as unquoted;
 - ii. have gross assets of £15 million or less immediately pre-investment and £16 million or less immediately post investment (in the case of companies which have Qualifying Subsidiaries (see below), the test is applied on a group basis);
 - iii. have a permanent establishment in the UK;
 - iv. not be able to control (whether on its own or together with a connected person) any company which is not a subsidiary;
 - v. not be controlled by another company (on its own or together with a connected person);
 - vi. have fewer than 250 employees immediately pre-investment (500 for a Knowledge Intensive Company); and
 - vii. not have any property managing subsidiaries which do not fall into the definition of relevant Qualifying Subsidiaries (see below).

The company's first commercial sale must be no more than seven years before the VCT's investment (ten years for a Knowledge Intensive Company) prior to the date of investment, except where previous Risk Finance State Aid was received by the company within those seven years or where the company is entering a new market and a turnover test is satisfied. Funds received from an investment by a VCT cannot be used to acquire another existing business or trade.

Qualifying Investments are limited to aggregate investments of £5 million in the 12 months ending on the date of the investment (from 6 April 2018, £10 million for a Knowledge Intensive Company) and £12 million in total (£20 million for a Knowledge Intensive Company).

Qualifying Companies

5. A Qualifying Company is a company which exists to carry on one or more Qualifying Trades (see below) or is the parent of a trading group, where each of its subsidiaries is a Qualifying Subsidiary and the group as a whole is not engaged in non-qualifying activities (see below). It must also meet a financial health requirement.
6. For the purposes of the Qualifying Holdings test in paragraph 4(iv) above, a subsidiary will be a relevant Qualifying Subsidiary if at least 90% of its issued share capital and its voting power is directly owned by the Qualifying Company or by a wholly owned Qualifying Subsidiary. A relevant Qualifying Subsidiary can also be a wholly owned subsidiary of a 90% owned subsidiary. Certain other tests as to the distribution of the subsidiary's profits and assets on a winding-up must also be satisfied.
7. In the case of the Qualifying Holdings test in paragraph 4(iv) above, a subsidiary will be a Qualifying Subsidiary if the majority of its issued share capital is owned by the Qualifying Company and the other tests are also satisfied.
8. A trade will be a Qualifying Trade only if it does not to a substantial extent include non-qualifying activities (non-qualifying activities include dealing in land or shares, providing financial services or activities which are largely land-based, such as farming, hotels and nursing homes). In the case of a company which is preparing to carry on a Qualifying Trade, the Qualifying Trade must begin within two years of the issue to the VCT of the shares or securities, and must continue thereafter.
9. The risk-to-capital condition introduced in the Finance Act 2018 requires that the Qualifying Company has long-term growth plans and that the investment made by the VCT is at risk.
10. Since 15 March 2018, the rate of return on investments in loans in Qualifying Companies cannot exceed a commercial rate of return and must be unsecured.

Approval as a VCT

11. A VCT must be approved as such at all times by HMRC. Approval has effect from the time specified in the approval, which cannot be earlier than the time at which the application for approval is made.
12. A VCT cannot be approved until the relevant tests (see above under the heading, "Qualifying as a VCT") have been satisfied throughout the most recent complete accounting period of the VCT and HMRC is satisfied that the tests will be satisfied in relation to the accounting period of the VCT which is current at the time the application is made.
13. However, in order to facilitate the launch of VCTs, HMRC may grant provisional approval to a VCT, notwithstanding that not all the relevant tests are satisfied at the time of the application, provided that HMRC is satisfied that the tests will be satisfied within a certain period. In particular, HMRC may grant provisional approval if it is satisfied that:
 - i. the relevant tests in paragraphs 1(iii), 1(iv), and 1(ix) to 1(xvi) under the heading, "Qualifying as a VCT" above, will either be satisfied in the accounting period current when the application for approval is made or the following accounting period;
 - ii. the relevant tests in paragraphs 1(v) and 1(vii) under the heading, "Qualifying as a VCT" above, will be satisfied in relation to any accounting period beginning not more than three years after the time when approval is given, or if earlier, when it has effect; and
 - iii. the relevant tests in paragraphs 1(iii) to 1(xvi) under the heading, "Qualifying as a VCT" above, will continue to be satisfied in all subsequent accounting periods.
14. The Company has been granted provisional approval as a VCT effective from admission of the former Ordinary Shares to the Official List and to trading on the main market of the London Stock Exchange. On the creation of the B Ordinary Shares, HMRC confirmed that the B Ordinary Shares were eligible shares for VCT tax relief purposes.

Withdrawal of approval

15. Approval as a VCT may be withdrawn by HMRC if the relevant tests (see above under the heading, "Approval as a VCT") are not satisfied. Withdrawal of approval generally has effect from the time when notice of withdrawal is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all the tests were satisfied. The actions proposed to be taken by the Company in the case of a withdrawal of approval will be announced through a Regulatory Information Service.
16. Where provisional approval is withdrawn, approval is deemed to have never been given. The taxation consequences of approval being deemed to have never been given are set out above under the heading "Loss of VCT status".
17. HMRC has stated that VCT status will not be withdrawn where an investment is ultimately found to be non-qualifying if, after taking reasonable steps which may include 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.

The information in this Part 3 is based on existing legislation, which may change and which change could be retrospective.

Part 4

Additional Information

1. The Company

- 1.1 The Company was incorporated and registered in England and Wales on 26 November 2012 under the name Pembroke VCT 2 plc with registered number 08307631 as a public company limited by shares under the CA 2006. On 28 November 2012 the name of the Company was changed to Pembroke VCT plc. The principal legislation under which the Company operates, and under which the Shares have been created, is the CA 2006 and the regulations made thereunder. The Company is not regulated to conduct investment business under the FSMA, and is neither regulated nor authorised by any particular regulatory authority. By virtue of the fact that the Company is a VCT it will be subject to the regulations of HMRC. It is also subject to the regulations of the CA 2006, the FCA and other relevant regulations and legislation.
- 1.2 On 28 November 2012, the Registrar of Companies issued the Company with a certificate under Section 761 of the CA 2006. On 28 November 2012, 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 CA 2006.

2. Share capital

- 2.1 The Company was incorporated with two ordinary shares of 1 pence each issued fully paid to the subscribers to the memorandum of the Company (the "Subscriber Shares") which were held by HK Nominees Limited and HK Registrars Limited. On 26 August 2020 the Ordinary Shares converted into B Ordinary Shares on a relative NAV basis, namely 1.039713483 B Ordinary Shares for each Ordinary Share, such that the Company now has just one class of shares, the B Ordinary Shares.
- 2.2 At the annual general meeting of the Company to be held on 12 September 2024, the following resolutions, inter alia, will be proposed:
 - 2.2.1 that the Directors of the Company be authorised to allot B Ordinary Shares up to an aggregate nominal value of £600,000 pursuant to offer(s) for subscription and further amounts up to an aggregate nominal amount representing 20% of the issued B Ordinary Share capital of the Company from time to time, such authority expiring on the later of the date of the Company's next annual general meeting or the date falling 15 months after the date of the passing of this resolution unless renewed, revoked, varied or extended by the Company in general meeting;
 - 2.2.2 the pre-emption rights in respect of the above allotments be disapplied.
- 2.3 Save as disclosed in this paragraph 2 and pursuant to the Offer, 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 and no commissions, discounts, brokerages, or other special terms have been granted by either the Company or any subsidiary, in connection with the issue or sale of any such capital.
- 2.4 No share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.
- 2.5 The Shares will be in registered form and temporary documents of title will not be issued. The ISIN of the B Ordinary Shares is GB00BQVC9S79 and the SEDOL code is BQVC9S7. The LEI of the Company is 213800RLWAGHVUX8HR40.
- 2.6 The issued share capital of the Company is, at the date of this document, 219,673,270 B Ordinary Shares. Assuming full subscription under the Offer, full utilisation of the over-allotment facility, an Offer Price of 106.1 pence per B Ordinary Share and a Promoter Fee of 5.0% on all such subscriptions, the issued share capital of the Company following the Offer will be 276,223,694 B Ordinary Shares.
- 2.7 The Company will be subject to the continuing obligations of the FCA and the London Stock Exchange with regard to the issue of securities for cash and the provisions of Section 561 of the CA 2006 (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 share capital of the Company which is not subject to the disapplication 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 contain provisions to the following effect:

3.2.1 Voting rights

Subject to any disenfranchisement as provided in paragraph 3.2.4 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 an 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 Transfer of Shares

Subject to paragraph 3.2.13 below, the Shares are in registered form and will be freely transferable. All transfers of 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 a 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 if:

- 3.2.2.1 it is not (i) duly stamped (if so required), (ii) lodged at the Company's registered office or with its registrars or at such other place as the Directors may appoint and (iii) 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 and the due execution by him of the transfer;
- 3.2.2.2 it is in respect of more than one class of share;
- 3.2.2.3 the transferees exceed four in number; and
- 3.2.2.4 it is in respect of a Share on which the Company has a lien.

3.2.3 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 a 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 six years after being declared or becoming due for payment shall be forfeited and shall revert to the Company.

3.2.4 Disclosure of interest in Shares

If any member or other person appearing to be interested in the Shares is in default in supplying within 42 days (or 28 days where the Shares represent at least 0.25% of its 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 CA 2006, 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.

3.2.5 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 CA 2006, subject to the rights of any Shares which may be issued with special rights or privileges. The Articles of Association provide that the liquidator may, with the sanction of a resolution and any other sanction required by the CA 2006, divide amongst the members in specie the whole or any part of the assets of the Company in such manner as he may determine.

Part 4

Additional Information continued**3.2.6 Changes in share capital**

- 3.2.6.1 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 CA 2006, the Company may issue Shares, which are, or at the option of the Company or the holder are, liable to be redeemed.
- 3.2.6.2 The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into Shares of larger amounts, 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.
- 3.2.6.3 Subject to the CA 2006, 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 CA 2006 (and by resolution of the holders of the Shares repurchased where such Shares are convertible Shares), purchase its own Shares.

3.2.7 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 three-fourths of the nominal amount of the issued Shares of the class or with the sanction of a resolution passed at a separate meeting of such holders.

3.2.8 Directors

Unless and until otherwise determined by the Company in general meeting, the number of Directors shall not be less than two or 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 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 CA 2006, 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 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 appoint a president of the Company (who need not be a Director of the Company) and may determine his duties and remuneration and the period for which he is to hold office.

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.

3.2.9 Directors' interests

3.2.9.1 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 CA 2006, the nature of his interest.

3.2.9.2 Provided that he has declared his interest in accordance with paragraph 3.2.9.1, 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.

- 3.2.9.3 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:
- 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;
 - 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;
 - 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;
 - 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 does 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;
 - any proposal relating to a superannuation fund or retirement benefits scheme which either relates to both employees and Directors of the Company or has been approved by, or is subject to and conditional upon, approval by the Board of Inland Revenue for taxation purposes;
 - 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
 - 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.
- 3.2.9.4 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.

3.2.10 Remuneration of Directors

- 3.2.10.1 Subject to paragraph 3.2.10.3 below, 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 £150,000 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.
- 3.2.10.2 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.
- 3.2.10.3 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 dependents or, apart from membership of any such scheme, the payment of a pension or other benefits to him or his dependents on or after retirement or death.

Part 4

Additional Information continued**3.2.11 Retirement of Directors**

A Director shall also 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 as a Director despite having attained any particular age.

3.2.12 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 Company's power to borrow money is subject to the aggregate principal amount outstanding not exceeding 25% of the value of the adjusted capital and reserves of the Company (being, in summary, the aggregate of the issued share capital, plus any amount standing to the credit of the Company's reserves, deducting any distributions declared and intangible assets and adjusting for any variations to the above since the date of the relevant balance sheet). The test shall be the aggregate principal amount outstanding at the time of borrowing rather than from time to time.

3.2.13 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 Articles 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 new B Ordinary Shares to be issued under the Offers have been made eligible for settlement in CREST.

3.2.14 General Meetings

Annual general meetings shall be held at such time and place as may be determined by the Directors and not more than fifteen months shall elapse between the date of one annual general meeting and that of the next.

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 CA 2006. Any meeting convened 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 21 days' notice in writing, and all other general meetings of the Company shall be called by not less than 14 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 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 auditor. 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 of the Company.

If within 30 minutes of 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 14 days and not more than 28 days hence) and at such place as the Chair 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 ten 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 Chair 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 DTR 5 of the Disclosure Guidance and Transparency Rules requires a Shareholder to notify the Company of the percentage of its Shares he holds if such percentage reaches, exceeds or falls below 3% or subsequent 1% thresholds. The Company will make such information public through a Regulatory Information Service. With the exception of UBS Private Banking Nominees Limited which, as at 8 September 2024 held 15,762,302 B Ordinary Shares (being approximately 7.3% of the issued share capital of the Company), neither the Company nor the Directors are aware of any person who, not being a member of its administrative, management or supervisory bodies, as at the date of this document or immediately after the Offer (assuming full subscription), directly or indirectly, jointly or severally, exercises or could exercise control over the Company or who is interested directly or indirectly in 3% or more of the issued share capital of 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 now and as they are expected to be following 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 assuming that the Offer is fully subscribed (with the over-allotment facility being utilised in full), a Promoter Fee of 5.0% on all such subscriptions at an Offer Price of 106.1 pence per B Ordinary Share:

Director	Number of B Ordinary shares		% of B Ordinary shares in issue	
	Current	Following Offer	Current	Following Offer
Jonathan Djanogly	75,992	99,554	0.035%	0.036%
Laurence Blackall	307,942	307,942	0.140%	0.111%
Mark Stokes	37,652	37,652	0.017%	0.014%
David Till	589,669	683,919	0.268%	0.248%
Louise Wolfson	25,869	35,294	0.012%	0.013%
Christopher Allner	6,654	16,079	0.003%	0.006%

All the B Ordinary Shares have the same rights relative to each other and there are no different rights attaching to the Shares held by the Directors.

- 4.3 Save as disclosed above, no Director nor any person connected with any Director has any interest in the share capital or loan capital of the Company whether beneficial or non-beneficial and no Shares in the capital of the Company are being reserved for allocation to existing Shareholders or Directors.
- 4.4 The Company's major shareholders do not have different voting rights.
- 4.5 As the investment manager of the Company, the Manager is a related party for the purposes of the Listing Rules of the FCA and any transactions between the Manager and the Company will constitute related party arrangements.
- 4.6 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.
- 4.7 No loans made or guarantees granted or provided by the Company to or for the benefit of any Director are outstanding.
- 4.8 There are no service contracts in existence between the Company and any of its Directors nor are any such contracts proposed. The services of all the Directors are provided to the Company pursuant to letters of appointment dated 11 December 2020 (with respective appointments to have commenced on 1 January 2021) save for Christopher Allner whose letter of appointment is dated 10 May 2024 (with appointment to have commenced on 1 June 2024), which are summarised in paragraph 5.7 below. The Directors' appointments are terminable upon three months' notice given by the Company. All the Directors are non-executive. Save in respect of these letters of appointment, no member of any administrative, management or supervisory body has a service contract with the Company.
- 4.9 There are no family relationships between any of the Directors or members of the Manager, or between any of the Directors and the employees of the Manager.

* In solvent liquidation prior to dissolution

Part 4

Additional Information continued

- 4.10 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 companies and partnerships specified below (excluding subsidiaries of any company of which he is also a member of the administrative, management or supervisory body):

Current Directorships and Partnership Interests	Previous Directorships and Partnership Interests held in past five years
Jonathan Djanogly Pembroke VCT plc 2 & 3 Angel Court Management Company Limited CGLV Limited The Djanogly Family LLP	
Laurence Blackall Pembroke VCT plc Double Digit Media Management Limited Cybertrends Limited	Flora Park General Partner Limited (dissolved)* Oakley Capital Investments Limited Hypersonica Limited (dissolved) Manoir Hotels Limited (dissolved)*
David Till Pembroke VCT plc Cadogan London Limited Ocean Family Foundation KX U Limited KX Holdings Limited KXDNA Limited KX Gym UK Limited Oakley Capital Management (Bermuda) Limited Oakley Capital Interests Limited Palmer Capital Associates Limited Oakley Capital Limited Pembroke Investment Managers LLP Pembroke UK Investment Managers Limited ProFounders UK Capital Partners Limited Pembroke Managers Limited JP-UK Limited Boltondene Limited Time Out Group plc Chucs Restaurants Limited Peter Dubens Family Foundation Oakley Capital Partners LLP KX Group Holding Limited Lechlade Capital Limited Oakley Capital GmbH Oakley Capital Investments Limited Oakley Capital Founder Member Limited (Bermuda) Oakley Capital Services Limited Lancaster Management (Jersey) Limited The Royal Anglian Regiment Benevolent Charity The Royal Anglian Regiment Charity Iconic Holdco (UK) Limited Aedos Fund Management (Bermuda) Limited Oakley Capital Holdings S.à r.l. Oakley Capital IV FM GP S.à r.l. Oakley Capital V FM GP S.à r.l. Oakley Capital Origin FM GP S.à r.l. Oakley Capital Origin II FM GP S.à r.l. Temeraire Capital Limited Oakley Capital Holdings Limited (Bermuda) Oakley Capital CI Holdings S.à.r.l. Oakley Capital V FM GP S.à.r.l.	Oakley Capital I Limited (Alternate Director) (dissolved) Oakley Capital Founder Member Limited (Alt Dir) (dissolved) Oakley Capital Management Limited (dissolved) Flora Park General Partner Limited (dissolved)* HEIG (UK) Limited (dissolved) Duncan Clark Limited (dissolved)* Kearsley Nominees Limited (dissolved)* D C Nominees Limited (dissolved)* SPP Wombwell Limited (dissolved)* BF 55 Limited (dissolved)* BGM 55 Limited (dissolved)* BGE 55 Limited (dissolved)* 6D UK Lease Limited (dissolved) XWDP Limited (dissolved) Houlihan Lokey (UK) Limited Bar Productions Limited (dissolved) KX International Holdings Limited (dissolved) Oakley Capital S.a.r.l. KX Spa UK Limited KX Café UK Limited Dreadnought Capital LLP LPEC Limited (dissolved) Poseidon (UK) 1 Limited (dissolved) Zeus (UK) 1 Limited (dissolved) 7NXT Luxco S.à.r.l. ACE Education Luxco S.à.r.l. Adtech 1 Luxco S.à.r.l. Adtech 2 Luxco S.à.r.l. eCommerceOne Luxco S.à.r.l. Maple Oakley Luxco S.à.r.l. Matilda Luxco S.à.r.l. Nimbus Oakley Luxco S.à.r.l. Oakley Albatros Luxco S.à.r.l. Oakley Capital IV Master Holdco S.à.r.l. Oakley Capital IV S.à.r.l. Oakley Capital Origin Master Holdco S.à.r.l. Oakley Capital Origin S.à.r.l. Oakley Capital V Master Holdco S.à.r.l. Oakley Capital V S.à.r.l.

continues over

Current Directorships and Partnership Interests	Previous Directorships and Partnership Interests held in past five years
David Till <i>(continued)</i>	Oakley Cascade Luxco S.à.r.l Oakley Cypress Luxco S.à.r.l Oakley Dexters LuxCo S.à r.l Oakley EY Education Lux SPV S.à r.l Oakley Idealista LuxCo S.à r.l Oakley Mercury LuxCo S.à r.l Oakley Monterey LuxCo S.à r.l Oakley Pebble LuxCo S.à r.l Oakley Tangerine LuxCo S.à r.l Oakley WebPros LuxCo S.à r.l Ocean Luxco S.à r.l Vice LuxCo S.à.r.l vLex Holdco S.à.r.l vLex Midco S.à.r.l Walt Luxco Holding S.à.r.l Walt Luxco S.à.r.l Wiscard Lux SPV S.à.r.l Wiscard ColinvestCo S.à.r.l Boat International Group Limited Boat International Business Limited
Louise Wolfson Pembroke VCT plc Lew Management Limited Lew Dreamland Limited The Naylands Management Company Limited	Women's Pioneer Housing
Mark Stokes Pembroke VCT plc United Trust Bank Limited The Association of Short Term Lenders Limited	SME Invoice Finance Limited SME Asset Finance Limited RDM Factors Limited
Christopher Allner Pembroke VCT plc Downing Group LLP Downing LLP Thames Ventures VCT 2 plc Thames Ventures VCT 1 plc	Firefly Learning Limited Claresys Limited Xupes Handbags & Jewellery Ltd Curo Compensation Limited

4.11 None of the Directors or members of the Manager in the five years prior to the date of this Prospectus:

- 4.11.1 save as set out in paragraph 4.10 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 within the five years immediately preceding the date of this document;
- 4.11.2 has any unspent convictions in relation to fraudulent offences;
- 4.11.3 save as set out in paragraph 4.10 above, has had any bankruptcies, receiverships or liquidations 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
- 4.11.4 has had any official public recriminations 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.

4.12 David Till was the finance director of Crown Products Group plc between November 1995 and January 1998 and a director of its subsidiary, Endbourne 1 Limited. Both of these companies entered into administrative receivership in 1998 with an overall creditor shortfall of approximately £7.5 million. David Till was also a non-executive director of Warner Brothers Studio Stores Limited, which was placed into administration in 2004 with a creditor shortfall of approximately £7.5 million.

Part 4

Additional Information continued

- 4.13 The Company has taken out directors' and officers' liability insurance for the benefit of the Directors.
- 4.14 The estimated aggregate remuneration, including benefits in kind, to be paid to the Directors by the Company in the financial period ended 31 March 2025, based on the arrangements currently in place with each Director, will not exceed £130,000.
- 4.15 Save insofar as Peter Dubens and David Till are members of the Manager, and save insofar as Peter Dubens has a controlling interest in Oakley, and save as set out in the section headed "Conflicts of Interest" in Part 1, no Director or member of the Manager has any conflict of interest between their duties to the Company and their private interests or other duties.
- 4.16 There are no restrictions agreed by any Director or member of the Manager on the disposal within a certain time period of their holdings in the Company's securities.
- 4.17 There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors or members of the Manager.
- 4.18 None of the Directors or members of the Manager have any service contract with the Company providing for benefits upon termination of employment. See paragraph 5.7 below which refers to the Directors' letters of appointment.
- 4.19 The audit, valuations and risk committee of the Company (the "Committee") comprises the Board, save for Jonathan Djanogly and David Till, and meets at least twice a year. The Company's auditor 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:
- 4.19.1 to review and approve the interim and annual results of the Company and the statutory accounts before submission to the Board;
 - 4.19.2 to review management accounts;
 - 4.19.3 to consider the appointment of the external auditor, the level of audit fees and to discuss with the external auditor the nature and scope of the audit; and
 - 4.19.4 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.

The Company also has a nomination and remuneration committee and a management engagement committee.

5. Material contracts

The following constitutes a summary of the principal contents of each material contract entered into by the Company, otherwise than in the ordinary course of business, in the two years immediately preceding the date of this document, or any other contract which contains 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 – Offer

Under an offer agreement dated 9 September 2024 and made between the Company (1), the Directors (2), Howard Kennedy (3) and the Manager (4), Howard Kennedy agreed to act as sponsor to the Offer and the Manager undertook as agent of the Company to use its reasonable endeavours to procure subscribers under the Offer. The Company will be entitled to any interest earned on subscription monies prior to the allotment of B Ordinary Shares under the Offer. Under the Offer Agreement, the Manager will be paid a Promoter Fee of (i) 5.0% for Investors who have invested directly into the Company or invested through an Intermediary/platform and have not received advice and (ii) 3.0% for Investors who have invested in the Offer through an Intermediary and have received upfront advice, including Investors who are investing through Intermediaries/advisers using financial platforms, or such lower percentage in each case as may be agreed by the Board and the Manager.

The Manager will pay all costs and expenses of or incidental to the Offer and Admission, excluding any annual trail commission, the legal, Sponsor, registrar, receiving agent and London Stock Exchange fees relating to the Offer, together with any irrecoverable value added tax on those costs and expenses but including commission payable to the Distributor. Total initial costs payable by the Company under the Offer Agreement are limited to 5.0% of the gross proceeds of the Offer plus the legal, Sponsor, registrar, receiving agent and London Stock Exchange fees relating to the Offer, together with any irrecoverable value added tax on those costs and expenses.

Under the Offer Agreement, which may be terminated by the parties in certain circumstances, the Manager, the Company and the Directors have given certain warranties and indemnities. Warranty claims must be made by no later than 60 days after the date of the publication of the audited accounts of the Company for the accounting year ending 31 March 2026. The warranties and indemnities are in the usual form for a contract of this type and the warranties are subject to limits in aggregate of £2,000,000 (or 5% of gross funds raised under the Offer (whichever is higher)) for the Manager, £10,000 for Jonathan Djanogly and £7,500 for each of the other Directors. The Company has also agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the Offer Agreement. The Offer Agreement may be terminated, inter alia, if any material statement in the Prospectus is untrue, any material omission from the Prospectus arises or any material breach of warranty occurs.

5.2 Offer Agreement – 2023 Offer

Under an offer agreement dated 5 September 2023 (the “2023 Offer Agreement”) and made between the Company (1), the Directors (2), Howard Kennedy (3) and the Manager (4), Howard Kennedy agreed to act as sponsor to the 2023 Offer and the Manager undertook as agent of the Company to use its reasonable endeavours to procure subscribers under the 2023 Offer. The Company was entitled to any interest earned on subscription monies prior to the allotment of B Ordinary Shares under the 2023 Offer. Under the 2023 Offer Agreement, the Manager was paid a Promoter Fee of (i) 5.0% for Investors who have invested directly into the Company or invested through an Intermediary/platform and who did not receive advice and (ii) 3.0% for Investors who have invested in the 2023 Offer through an Intermediary and who received upfront advice, including Investors who invested through Intermediaries/advisers using financial platforms, or such lower percentage in each case as agreed by the Board and the Manager.

The Manager paid all costs and expenses of or incidental to the 2023 Offer and admission, excluding any annual trail commission but including commission payable to the Distributor. Total initial costs payable by the Company under the 2023 Offer Agreement were limited to 5.0% of the gross proceeds of the 2023 Offer.

Under the 2023 Offer Agreement, which could be terminated by the parties in certain circumstances, the Manager, the Company and the Directors gave certain warranties and indemnities. Warranty claims must be made by no later than 60 days after the date of the publication of the audited accounts of the Company for the accounting year ending 31 March 2025. The warranties and indemnities were in usual form for a contract of this type and the warranties were subject to limits in aggregate of £2,000,000 (or 10% of gross funds raised under the 2023 Offer (whichever is higher)) for the Manager, £10,000 for Jonathan Djanogly and £7,500 for each of the other Directors. The Company also agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the 2023 Offer Agreement. The 2023 Offer Agreement may be terminated, inter alia, if any material statement in the prospectus relating to the 2023 Offer was untrue, any material omission from that prospectus arose or any material breach of warranty occurred.

5.3 Offer Agreement – 2022 Offer

Under an offer agreement dated 8 September 2022 (the “2022 Offer Agreement”) and made between the Company (1), the Directors (2), Howard Kennedy (3) and the Manager (4), Howard Kennedy agreed to act as sponsor to the 2022 Offer and the Manager undertook as agent of the Company to use its reasonable endeavours to procure subscribers under the 2022 Offer. The Company was entitled to any interest earned on subscription monies prior to the allotment of B Ordinary Shares under the 2022 Offer. Under the 2022 Offer Agreement, the Manager was paid a Promoter Fee of (i) 5.0% for Investors who have invested directly into the Company or invested through an Intermediary/platform and who did not receive advice and (ii) 3.0% for Investors who have invested in the 2022 Offer through an Intermediary and who received upfront advice, including Investors who invested through Intermediaries/advisers using financial platforms, or such lower percentage in each case as agreed by the Board and the Manager.

The Manager paid all costs and expenses of or incidental to the 2022 Offer and admission, excluding any annual trail commission but including commission payable to the Distributor. Total initial costs payable by the Company under the 2022 Offer Agreement were limited to 5.0% of the gross proceeds of the 2022 Offer.

Under the 2022 Offer Agreement, which could be terminated by the parties in certain circumstances, the Manager, the Company and the Directors gave certain warranties and indemnities. Warranty claims must be made by no later than 60 days after the date of the publication of the audited accounts of the Company for the accounting year ending 31 March 2024. The warranties and indemnities were in usual form for a contract of this type and the warranties were subject to limits in aggregate of £2,000,000 (or 10% of gross funds raised under the 2021 Offer (whichever is higher)) for the Manager, £10,000 for Jonathan Djanogly and £7,500 for each of the other Directors. The Company also agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the 2022 Offer Agreement. The 2022 Offer Agreement may be terminated, inter alia, if any material statement in the prospectus relating to the 2022 Offer was untrue, any material omission from that prospectus arose or any material breach of warranty occurred.

5.4 Offer Agreement – 2021 Offer

Under an offer agreement dated 8 September 2021 (the “2021 Offer Agreement”) and made between the Company (1), the Directors (2), Howard Kennedy (3) and the Manager (4), Howard Kennedy agreed to act as sponsor to the 2021 Offer and the Manager undertook as agent of the Company to use its reasonable endeavours to procure subscribers under the 2021 Offer. The Company was entitled to any interest earned on subscription monies prior to the allotment of B Ordinary Shares under the 2021 Offer. Under the 2021 Offer Agreement, the Manager was paid a Promoter Fee of (i) 5.5% for Investors who have invested directly into the Company or invested through an Intermediary/platform and who did not receive advice and (ii) 3.0% for Investors who have invested in the 2021 Offer through an Intermediary and who received upfront advice, including Investors who invested through Intermediaries/advisers using financial platforms, or such lower percentage in each case as agreed by the Board and the Manager.

The Manager paid all costs and expenses of or incidental to the 2021 Offer and admission, excluding any annual trail commission but including commission payable to the Distributor. Total initial costs payable by the Company under the 2021 Offer Agreement were limited to 5.5% of the gross proceeds of the 2021 Offer.

Part 4

Additional Information continued

Under the 2021 Offer Agreement, which could be terminated by the parties in certain circumstances, the Manager, the Company and the Directors gave certain warranties and indemnities. Warranty claims must be made by no later than 60 days after the date of the publication of the audited accounts of the Company for the accounting year ending 31 March 2023. The warranties and indemnities were in usual form for a contract of this type and the warranties were subject to limits in aggregate of £2,000,000 (or 10% of gross funds raised under the 2021 Offer (whichever is higher)) for the Manager, £10,000 for Jonathan Djanogly and £7,500 for each of the other Directors. The Company also agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the 2021 Offer Agreement. The 2021 Offer Agreement may be terminated, inter alia, if any material statement in the prospectus relating to the 2021 Offer was untrue, any material omission from that prospectus arose or any material breach of warranty occurred.

5.5 Investment Management Agreement

An agreement (the "IMA") dated 15 February 2013 and made between the Company and the Original Manager whereby the Original Manager agreed to provide discretionary investment management and advisory services to the Company in respect of its portfolio of Qualifying Investments and Non-Qualifying Investments. On 1 July 2014 the IMA was novated to the Manager and on 3 October 2014, 1 December 2017, 16 July 2020 and 1 April 2021 the IMA was varied.

The Manager has agreed to act as Alternative Investment Fund Manager to the Company.

The Manager receives a management fee of 2% of the Company's NAV and the Manager has agreed to indemnify and keep indemnified the Company by such amount as is equal to the excess by which the Annual Running Costs of the Company exceed 0.5% of the Company's NAV, calculated on an annual basis. The Manager is also entitled to reimbursement of expenses incurred in performing its obligations.

The Manager will also receive a performance fee as follows:

- a Performance Fee is only payable to the Manager if the Company's cumulative realised investment gains are greater than its cumulative realised investment losses (requiring all realised investment losses, past and future, to be recovered before a Performance Fee is paid);
- a Total Return Hurdle of 3 pence per year from 26 August 2020 must be achieved before a Performance Fee is paid to the Manager;
- the relevant Performance Fee will be calculated at each financial year-end and half-year balance sheet dates using information disclosed in the relevant year-end or half-year financial statements;
- if the above conditions are met, a Performance Fee of 20% (exclusive of VAT) of the amount by which cumulative realised investment gains exceed cumulative realised investment losses will be payable to the Manager;

The Manager is entitled to receive and retain entirely for its own use and benefit all other transaction fees, directors' fees, monitoring fees, consultancy fees, corporate finance fees, introductory fees, syndication fees, exit fees, commissions and refunds of commission received by the Manager in connection with the management of the investment portfolio of the Company.

Pursuant to the IMA, the Manager will provide custodian services to the Company and will hold the assets in the name of the Company. The Company or the Manager (as applicable) may, under the IMA, enter into a separate direct agreement with a custodian or depositary (as applicable) for the provision to the Company or the Manager (as applicable) of custody or depositary services (as applicable) relating to the Company's assets. The terms of such an agreement will regulate, inter alia:

- the duties of the custodian and/or the depositary in relation to those assets;
- the liaison between the custodian and/or the depositary and the Manager which will be required in order for the Manager to be able to exercise voting or other rights attached to those assets; and
- the liability of the custodian and/or the depositary to the Company or the Manager (as applicable) for the performance of its duties by itself or by any delegate from time to time.

As at the date of the Prospectus neither the Company nor the Manager has entered into a separate direct agreement with a custodian or depositary and the Manager is the only custodian in respect of the Company's investments.

The appointment will continue until terminated on 12 months' notice in writing given by either party, although the Manager will have the benefit of a five year term in relation to any new funds raised by the Company after the 2019 Offer (and any investments acquired from such funds), with the term in relation to those funds/investments reverting to a rolling term with termination on one year's notice by either the Company or the Manager after the expiry of the relevant five-year period. The IMA is subject to earlier termination by either party in certain circumstances.

When conflicts occur between the Manager and the Company because of other activities and relationships of the Manager, the Manager will ensure that the Company receives fair treatment. Such conflicts will be disclosed to the Company.

The Manager may make investments on behalf of the Company in collective investment vehicles of which it is manager or in companies where the Manager has been involved in the provision of services to those companies and may receive commissions, benefits, charges or advantage from so acting.

Any fees arising in connection with investments made by the Company in Oakley Funds (if any) will be discharged by the Manager. There will be no duplication of fees in such situations.

5.6 Investment Management Agreement Amendment Agreements

On 1 December 2017, the Manager and the Company entered into a further amendment agreement to the IMA providing that the definition of Annual Running Costs be amended so that it also excludes auditors' fees, administration, accounting and company secretarial costs, share registrars' fees, London Stock Exchange fees, printing and mailing costs in respect of the year end audited accounts, interim accounts and circulars to Shareholders, fees in respect of regulatory announcements made through a Regulatory Information Service, corporate broking fees, insurance premiums, and remuneration of the Board (including employers' national insurance contributions) where the aggregate of such fees in any rolling period of 12 months, for such time as the Net Asset Value of the Company is £100,000,000 or less, is less than £350,000 and, for such time as the Net Asset Value of the Company exceeds £100,000,000, is less than £500,000.

On 1 April 2021 the Manager and the Company entered into a further amendment agreement to the IMA, pursuant to which the Manager has agreed to indemnify and keep indemnified the Company by such amount as is equal to the excess by which the Annual Running Costs of the Company exceed 0.5% of the Company's NAV, calculated on an annual basis, and pursuant to which corporate broking fees were removed from the definition of Annual Running Costs.

5.7 Directors' Letters of Appointment

Each of the Directors has entered the letters of appointment with the Company referred to in paragraph 4.8 above, whereby they are required to devote such time to the affairs of the Company as the Board reasonably requires consistent with their role as a non-executive Director. Under the letters of appointment the Chair of the Company is entitled to receive an annual fee of £30,000 and each of the other Directors an annual fee of £25,000. David Till has agreed to waive his fee. Each party can terminate the relevant agreement by giving to the other at least three months' notice in writing. In respect of the last reporting period to 31 March 2024, Jonathan Djanogly received £30,000, Laurence Blackall received £25,000, Louise Wolfson received £25,000 and Mark Stokes received £25,000. Christopher Allner was appointed a Director on 1 June 2024 and did not, therefore, receive any remuneration in respect of the last reporting period to 31 March 2024.

5.8 Administration Agreement

An agreement dated 1 January 2022 and made between the Company and The City Partnership (UK) Limited (the "Administrator") (the "Administration Agreement") whereby the Administrator provides certain administration, registrar, and company secretarial services to the Company for an annual fee based upon the Company's NAV as at the end of each quarter. The administration fee (including registrar and company secretarial services fees) is currently charged at a rate of approximately £138,500 per annum plus VAT at the relevant rate. The annual fee is payable quarterly in arrears.

The Administration Agreement is terminable by either party giving six months' written notice, on or after the initial one-year period, but subject to early termination in certain circumstances.

5.9 Accounting Services Agreement

An agreement dated 2 November 2023 and made between the Company and the Manager (the "Accounting Services Agreement") whereby the Manager, with effect from 1 October 2023, provides accounting, bookkeeping and other financial administrative services to the Company for a fee of £65,000 per annum, which fee shall be increased annually in line with the Retail Prices Index. The Accounting Services Agreement may be terminated by either party on no less than 3 months written notice, subject to earlier termination by either party in certain circumstances.

Part 4

Additional Information continued**6. General**

- 6.1 The principal place of business and registered office of the Company is at 3 Cadogan Gate, London SW1X 0AS. The telephone number of the Company is 020 7766 6900 and its website address is: www.pembrokevct.com. 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 effects on the Company's financial position or profitability.
- 6.3 The Company has not, nor has it had since incorporation, any employees and it neither owns nor occupies any premises.
- 6.4 The Manager will receive management fees and other payments from the Company as described in paragraph 5 above, and commission payments in relation to the Offer from the Company as described in paragraph 5.1 above.
Save as disclosed in this paragraph and in paragraph 5 above, no amount or benefit has been paid or given to any promoters and none is intended to be paid or given.
- 6.5 The Company's accounting reference date is 31 March.
- 6.6 The Manager is Pembroke Investment Managers LLP, which is authorised and regulated by the Financial Conduct Authority and whose principal place of business is at 3 Cadogan Gate, London SW1X 0AS. The principal legislation under which it operates is the Limited Liability Partnerships Act 2000.
- 6.7 The Offer Price will represent a premium over the nominal value of such Shares and is payable in full on application.
- 6.8 The Offer is not underwritten. The expenses of and incidental to the Offer, including printing, posting, and advertising costs, but excluding the legal, Sponsor, registrar, receiving agent and London Stock Exchange fees relating to the Offer, together with any irrecoverable value added tax on those costs and expenses, will be payable by the Manager on the terms set out in the Offer Agreement. If the maximum of £40 million is raised under the Offer (with the over-allotment facility not being utilised and Offer costs of 5.0%) the net proceeds will amount to £38 million, before the legal, Sponsor, registrar, receiving agent and London Stock Exchange fees relating to the Offer, together with any irrecoverable value added tax on those costs and expense. If the over-allotment facility is utilised, and the maximum of £60 million is raised, and Offer costs of 5.0%, the net proceeds will amount to £57 million, before the legal, Sponsor, registrar, receiving agent and London Stock Exchange fees relating to the Offer, together with any irrecoverable value added tax on those costs and expense.
- 6.9 Save in connection with the Offer, B Ordinary Shares have not been marketed to and are not available to the public. Market makers will be offered the opportunity to subscribe for B Ordinary Shares under the Offer.
- 6.10 BDO LLP has been the auditor of the Company for the period covered by the historical financial information set out in paragraph 7 of this Part 4. It is registered by the Institute of Chartered Accountants in England and Wales as auditors.
- 6.11 The Company has given notice to the Registrar of Companies, pursuant to Section 833 of the CA 2006, of its intention to carry on business as an investment company, which will enhance its ability to pay dividends out of income.
- 6.12 Save for the fees paid to the Directors of the Company as detailed in paragraph 5.7 above, the fees payable for investment adviser services under the IMA, the fees payable to the Manager under the 2023 Offer and the current Offer and the irrevocable and unconditional commitments to subscribe for B Ordinary Shares from David Till, Louise Wolfson, Christopher Allner and Jonathan Djanogly, Directors, under the current Offer, there have been no other related party transactions or fees paid by the Company since 31 March 2024, the date of the Company's latest published audited financial information, to the date of this document.
- 6.13 The Company is of the opinion that it has sufficient working capital for its present requirements, that is, for at least the next 12 months following the date of this document. When calculating the working capital available to it, the Company has assessed whether it is able to access cash and other available liquid resources in order to meet its liabilities as they fall due. No account has been taken of the proceeds of the Offer in calculating the working capital available to the Company. When calculating its present requirements, the Company has taken into account the terms of its investment strategy and investment policy.

6.14 The following table shows the capitalisation of the Company as at 30 June 2024.

Shareholders' equity	£
Called up share capital	2,197,000
Legal reserve (share premium account)	44,218,000
Other reserves (includes revenue reserve)	179,457,000
Total	225,872,000

There has been no material change in the capitalisation of the Company since 30 June 2024.

- 6.15 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.
- 6.16 The Company does not assume responsibility for the withholding of tax at source.
- 6.17 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 in Part 3 of this document. In addition, the following restrictions are imposed upon the Company under the rules relating to admission to the Official List:
- 6.17.1 it, or any of its subsidiaries, must not conduct any trading activity which is significant in the context of the group as a whole;
- 6.17.2 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
- 6.17.3 it must manage and invest its assets in accordance with the investment policy set out on page 24 which contains information about the policies which it will follow relating to asset allocation, risk diversification and which includes maximum exposure.
- 6.18 Shareholders will be informed, by means of the interim and/or annual report or through a Regulatory Information Service announcement if the investment restrictions which apply to the Company as a VCT detailed in this document are breached.
- 6.19 The Manager 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 it is included.
- 6.20 The Manager accepts responsibility for the financial information contained in or referred to on pages 21, 26 to 37, and 64 of this document, and which are referenced in this paragraph 6.20. Such information has been included, in the form and context in which it appears, with the consent of the Manager, who has authorised, and takes responsibility for, such information under rule 5.3.2R(2)(f) of the Prospectus Regulation Rules. To the best of the knowledge of the Manager such information is in accordance with the facts and makes no omission likely to affect its import.
- 6.21 The Offer has been sponsored by Howard Kennedy Corporate Services LLP 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.
- 6.22 The Offer is being promoted by the Manager.
- 6.23 The issued share capital of the Company as at the date of this document is 219,673,270 B Ordinary Shares.
- 6.24 Assuming a full subscription of £60 million at an Offer Price of 106.1 pence per B Ordinary Share (with the over-allotment facility fully utilised and a Promoter Fee of 5.0% on all such subscriptions), the existing Shares would represent 79.5% of the enlarged issued share capital of the Company.
- 6.25 As at 31 March 2024, the date to which the most recent audited financial information on the Company has been drawn up, the audited NAV per B Ordinary Share was 104.6 pence. 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 B Ordinary Shares, primarily because the initial tax relief is only available to those subscribing for newly issued B Ordinary Shares which may, therefore, adversely affect the market price of the B Ordinary Shares and the ability to sell them.
- 6.26 The information contained in this document sourced from a third party has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where such information has been included in this document, the source of that information has been identified.
- 6.27 The results of the Offer will be announced through a Regulatory Information Service within three Business Days of the closing date of the Offer.
- 6.28 The Company and the Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of securities by financial intermediaries, from the date of the Prospectus until the close of the Offer. The Offer is expected to close on or before 27 June 2025, unless previously extended by the Directors to a date no later than 3 September 2025. There are no conditions attaching to this consent. Financial intermediaries may use the Prospectus in the UK.

Part 4

Additional Information continued

6.29 In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the offer at the time that the offer is made. 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 6.28 and the conditions attached thereto.

6.30 The maximum number of B Ordinary Shares which are the subject of this Prospectus is 60,000,000 B Ordinary Shares.

6.31 Any forward looking statements in this Prospectus do not in any way seek to qualify the working capital statement in paragraph 6.13 of this Part 4 and will be updated as required by the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance & Transparency Rules, as appropriate.

7. Financial information

A. Introduction

The Company's auditor is BDO LLP, registered auditor, of 55 Baker Street, London W1U 7EU and regulated by the Institute of Chartered Accountants in England and Wales and was appointed auditor of the Company on 12 December 2019.

The Company's auditor from its incorporation until 11 December 2019 was Grant Thornton UK LLP, 30 Finsbury Square, London EC2P 2YU.

The financial information in relation to the Company contained in the following section of this Part 4 has been extracted without material adjustment from the audited statutory accounts of the Company for the period ended 31 March 2024 (the "Reporting Period") and, in respect of these statutory accounts, the Company's auditor made an unqualified report under Section 495, Section 496 and Section 497 of the CA 2006 and which has been delivered to the Registrar of Companies and such accounts did not contain any statements under Section 498(2) or (3) of the CA 2006, as applicable.

The statutory accounts of the Company for the period ended 31 March 2024 were prepared under United Kingdom Accounting Standards, including Financial Reporting Standard 102.

B. Published Annual Report and Accounts

Historical financial information

The audited statutory accounts for the Reporting Period contain descriptions of the Company's financial condition, changes in financial condition and results of operation for the Reporting Period and the pages referred to below are being incorporated by reference.

Where only certain parts of a document are incorporated by reference, the non-incorporated parts are either not relevant for an Investor or covered elsewhere in the Prospectus.

The information in the audited statutory accounts of the Company for the Reporting Period that is being incorporated by reference includes the following:

Nature of Information	31 March 2024
Income statement	Page 73
Statement of changes in equity	Page 75
Balance sheet	Page 74
Cash flow statement	Page 76
Accounting policies	Pages 77-79
Notes to the accounts	Pages 77-88
Independent auditor's report	Pages 65-71

Operating and Financial Review

Nature of information	31 March 2024
Financial Summary	Page 4
Chair's Statement	Pages 9-10
Investment Manager's Review	Pages 18-27
Investment Portfolio	Page 17
Statutory Reports	Pages 46-64

Copies of the above statutory accounts are available free of charge at the Company's registered office or from its website, the address of which is <http://www.pembrokevct.com/investors>. The announcement of these results of the Company is available on the website of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/prices-and-markets>.

The Company's treasury activities are controlled by the Manager, subject always to the direction and supervision of the Board. Cash and cash equivalents are held only in Sterling and no other currencies. The Company does not have any borrowing. Financial instruments may from time to time be used for hedging purposes as described in more detail in the description of the Company's investment policy. The Company requires liquidity in order to meet its operating costs of which the most significant is the investment management fee. The Company maintains cash reserves suitable to meet its operating commitments.

There has been no significant change in the financial performance of the Company since 31 March 2024 (being the end of the last financial year of the Company for which audited financial information has been published) to the date of this Prospectus.

C. No significant change

Save in respect of the sum of £9 million raised by the Company under the offer for subscription that was launched on 5 September 2023 and the sale of Pembroke's investment in Boat International Business Limited, since 31 March 2024 (being the end of the last financial year of the Company for which audited financial information has been published), there has been no significant change in the financial position of the Company.

D. Investment portfolio of the Company

The investment portfolio of the Company as at the date of this document is as follows (the valuations being the audited valuations as at 31 March 2024 together with additions to the portfolio since that date shown at cost):

Part 4

Additional Information continued

	First investment	Holding period (months)	Equity (cost) £'000	Loan (cost) £'000	Total invested (cost) £'000	31.03.24 Equity fair value £'000	31.03.24 Debt inc. accrued interest £'000	Investments made since March 2024 £'000	Exits made since March 2024 £'000	Current valuation £'000	Return on investment
Business Services											
Boat	Jan-14	-	-	-	-	4,930	2,635	-	(7,565)	-	-
OnePlan	May-21	40	5,000	-	5,000	6,448	-	-	-	6,448	1.3
Peckwater Brands	Sep-21	35	4,000	-	4,000	10,888	-	-	-	10,888	2.7
Thriva	Jul-19	62	1,330	-	1,330	3,752	-	-	-	3,752	2.8
Stillking	Oct-14	120	1,452	-	1,452	5,315	-	-	-	5,315	3.7
Dropless	Mar-21	42	3,000	2,000	5,000	609	2,358	-	-	2,967	0.6
Credentially	Feb-21	43	5,000	-	5,000	5,000	152	-	-	5,152	1.0
HotelMap	Nov-18	71	3,300	-	3,300	4,200	-	-	-	4,200	1.3
Cydar	Feb-22	31	3,000	-	3,000	1,793	-	-	-	1,793	0.6
SeatFrog	Feb-23	18	3,000	-	3,000	4,632	-	-	-	4,632	1.5
Toucantech	May-20	52	1,000	-	1,000	2,081	-	-	-	2,081	2.1
Eave	Oct-20	47	3,900	-	3,900	568	35	-	-	603	0.2
Wishi	Sep-16	96	153	-	153	457	-	-	-	457	3.0
Consumer											
Five Guys	Aug-13	133	1	2,725	2,726	7,046	6,608	-	-	13,654	5.0
N is for Nursery	Aug-18	74	3,000	-	3,000	7,297	-	-	-	7,297	2.4
Bella Freud	Nov-13	131	3,379	950	4,329	3,241	1,192	-	-	4,433	1.0
Secret Food Tours	Aug-18	74	2,000	-	2,000	10,622	-	-	-	10,622	5.3
Troubadour	Sep-13	133	2,540	-	2,540	5,380	152	-	-	5,532	2.2
Hackney Gelato	Jan-20	56	3,200	1,300	4,500	4,078	1,317	-	-	5,395	1.2
Heist	Jul-17	87	7,249	1,100	8,349	1,408	1,400	-	-	2,808	0.3
Bloobloom	Aug-22	25	2,500	-	2,500	1,672	-	-	-	1,672	0.7
Chucs Restaurants	Oct-13	132	2,220	-	2,220	638	-	-	-	638	0.3
JustWears	Sep-21	35	2,000	-	2,000	760	-	-	-	760	0.4
KX	Sep-13	133	700	-	700	1,654	-	-	-	1,654	2.4
Ro&Zo	Oct-22	23	1,500	-	1,500	1,500	-	-	-	1,500	1.0
My Expert Midwife	May-22	27	1,500	-	1,500	903	-	-	-	903	0.6
Rubies In The Rubble	Jul-19	62	1,328	-	1,328	510	-	-	-	510	0.4
Vieve	Oct-22	23	1,000	-	1,000	590	-	-	-	590	0.6
KXU	Mar-17	91	244	790	1,034	-	790	-	-	790	0.8
Annie Mals	Mar-22	30	500	-	500	500	-	-	-	500	1.0
United Fitness Brands	May-13	137	5,276	-	5,276	1,028	141	-	-	1,169	0.2
Tala	Dec-21	33	3,200	-	3,200	510	-	3,000	-	3,510	2.6
Technology											
Lyma	Dec-18	69	2,000	-	2,000	31,169	-	-	-	31,169	15.6
Popsa	Feb-18	79	5,200	-	5,200	17,253	-	-	-	17,253	3.3
Coat	Jun-21	39	5,000	-	5,000	4,496	6	-	-	4,502	0.9
Beryl	Oct-14	120	553	-	553	1,889	-	-	-	1,889	3.4
Auddy	Jul-22	26	1,800	-	1,800	1,108	-	-	-	1,108	0.6
Smartify	Nov-20	46	1,000	500	1,500	1,745	560	-	-	2,305	1.5
Roto VR	Jan-19	68	1,750	-	1,750	1,323	-	-	-	1,323	0.8
Floom	Nov-18	70	4,415	145	4,560	1,810	167	-	-	1,977	0.4
Rated People	Jan-14	129	641	-	641	621	-	-	-	621	1.0
Unbolted	Nov-16	95	400	-	400	553	-	-	-	553	1.4
Transreport	Dec-23	10	3,000	-	3,000	3,000	-	-	-	3,000	1.0
Subtotal: Active portfolio companies			103,230	9,511	112,741	167,977	17,512	3,000	(7,565)	177,923	1.6
Portfolio companies with valuation written-down to £nil:											
Chilango	Nov-13	131	635	0	635	-	-	-	-	-	-
Sourced Market	Jun-14	124	3,897	3,550	7,447	-	-	-	-	-	-
Stitch & Story	Nov-19	58	4,000	100	4,100	-	-	-	-	-	-
Alexa Chung	Apr-16	101	4,122	0	4,122	-	-	-	-	-	-
Kat Maconie	Jun-13	136	1,820	1030	2,850	-	-	-	-	-	-
Kinteract	Apr-19	66	3,635	0	3,635	-	-	-	-	-	-
Total: All current investments			121,339	14,191	135,530	167,977	17,512	3,000	(7,565)	177,923	1.3

None of the Company's investments comprise assets admitted to trading on a regulated market.

8. Takeovers and Mergers

A. Mandatory takeover bids

The City Code on Takeovers and Mergers (the “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 Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers 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 CA 2006.

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

B. Squeeze-out

Section 979 of the CA 2006 provides that if, within certain time limits, an offer is made for the share capital of the 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 CA 2006 must, in general, be the same as the consideration available under the takeover offer.

C. Sell-out

Section 983 of the CA 2006 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.

9. Consumer Duty

The Directors are cognisant of the Manager’s obligations to comply with the FCA’s consumer duty “Consumer Duty”) rules and principles which came into force in July 2023. Firms subject to Consumer Duty must ensure that they are acting to deliver good outcomes and that this is reflected in their strategy, leadership and governance policies. The Company is not directly captured by Consumer Duty; however, the Directors will receive updates from the Manager on how it is meeting its obligations.

10. Documents for inspection

The Company’s memorandum and Articles are available for inspection at the Company’s registered office at 3 Cadogan Gate, London SW1X 0AS during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the closing of the Offer.

Dated: 9 September 2024

Part 5

Definitions

“2019 Offer”	the offer for subscription of B Ordinary Shares as described in the prospectus issued by the Company on 2 September 2019
“2021 Offer”	the offer for subscription of B Ordinary Shares as described in the prospectus issued by the Company on 8 September 2021
“2022 Offer”	the offer for subscription of B Ordinary Shares as described in the prospectus issued by the Company on 8 September 2022
“2023 Offer”	the offer for subscription of B Ordinary Shares as described in the prospectus issued by the Company on 5 September 2023
“Administration Agreement”	the administration, registrar and company secretarial services agreement between the Company and The City Partnership (UK) Limited dated 1 January 2022 (as amended from time to time)
“Admission”	the admission of the B Ordinary Shares allotted pursuant to the Offer to the Official List and to trading on the London Stock Exchange’s main market for listed securities
“Adviser Charge”	the fee (inclusive of VAT) payable to an Intermediary, agreed with the Investor for the provision of a personal recommendation and/or related services in relation to an investment in B Ordinary Shares under the Offer, and detailed on the Application Form
“AIM”	Alternative Investment Market, the market operated by the London Stock Exchange
“Annual General Meeting”	the annual general meeting of Shareholders convened by the Company for 12 September 2024 at 10 a.m. at 3 Cadogan Gate, London SW1X 0AS (and any adjournment thereof)
“Annual Running Costs”	the annual costs and expenses incurred by or on behalf of the Company in the ordinary course of its business, excluding the management fees payable to the Manager and including, but not limited to, the following items (i) auditor’s fees; (ii) administration, accounting and company secretarial fees; (iii) share registrars’ fees; (iv) London Stock Exchange fees; (v) printing and mailing costs in respect of the year end audited accounts, interim accounts and circulars to shareholders; (vi) fees in respect of regulatory announcements made through a Regulatory Information Service; (vii) insurance premiums; (viii) remuneration of the Board (including employers’ national insurance contributions) (ix) compliance and adviser fees; and (x) market/organisational subscriptions together with any irrecoverable value-added tax on those annual costs and expenses
“Applicant”	a person who makes an application under the Offer whether by lodging an Application Form or otherwise in accordance with the Terms and Conditions
“Application Form”	an application form for the Offer made available by or on behalf of the Company (including online on the Company’s website)
“Aquis Stock Exchange”	the market operated by Aquis Exchange plc, registered in England and Wales with company number 07909192 whose registered office is at Palladium House, 1-4 Argyll Street, London W1F 7LD
“Articles” or “Articles of Association”	the articles of association of the Company (as amended from time to time)
“B Ordinary Shares” or “Shares”	B Ordinary shares of 1 pence each in the capital of the Company (and each a “B Ordinary Share” or “Share”)
“Board” or “Directors”	the board of directors of the Company (and each a “Director”)

“Business Days”	any day (other than Saturdays, Sundays and public holidays) on which clearing banks are open for normal banking business in Sterling
“CA 2006”	Companies Act 2006 (as amended)
“Company” or “Pembroke”	Pembroke VCT plc
“Conflicts Policy”	the conflicts policy of the Manager from time to time
“DRIS”	the flexible dividend reinvestment scheme proposed to be established on the DRIS Terms and Conditions
“DRIS Terms and Conditions”	the terms and conditions relating to the Flexible Dividend Reinvestment Scheme set out in Part 7 of this document
“Disclosure Guidance & Transparency Rules”	the disclosure guidance and transparency rules of the FCA
“Distributor”	Portlight Limited Portlight Limited is a joint venture between Portunus Investment Solutions Limited and LightTower Partners, a division of LGBR Capital London Limited Portunus Investment Solutions Limited is authorised and regulated by the Financial Conduct Authority; number 629943 Portlight Limited is an authorised representative of Portunus Investment Solutions Limited LGBR Capital London Limited is an authorised representative of Laven Advisers LLP which is authorised and regulated by the Financial Conduct Authority; number 447282
“EU MiFID II”	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“MiFID”) and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“MiFIR”), and together with MiFID, “MiFID II”
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“HMRC”	His Majesty’s Revenue & Customs
“Howard Kennedy”	Howard Kennedy Corporate Services LLP
“IMA”	the investment management agreement between the Company and the Original Manager dated 15 February 2013 (novated to the Manager on 1 July 2014) and amended on 3 October 2014, 1 December 2017, 16 July 2020 and 1 April 2021 (as further amended from time to time) and as described more fully in Part 4 of this document
“Independent Board”	those members of the Board from time to time who are independent of the Manager
“Intermediary”	a firm who signs the Application Form and whose details are set out in Section 7 of the Application Form
“Investors”	individuals aged 18 or over who subscribe for B Ordinary Shares under the Offer (and “Investor” means any one of them)
“ITA 2007”	Income Tax Act 2007 (as amended)
“Knowledge Intensive Company”	a company satisfying the conditions in Section 331(A) of Part 6 ITA of the proposed draft legislation
“Listing Rules”	the listing rules of the FCA
“London Stock Exchange”	London Stock Exchange plc
“Manager” or “Promoter”	Pembroke Investment Managers LLP, which is authorised and regulated by the FCA
“ML Regulations”	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)

Part 5

Definitions continued

“NAV” or “net asset value”	net asset value
“Non-Qualifying Investments”	the assets of the Company that are not Qualifying Investments
“Oakley”	Oakley Capital Limited, which is authorised and regulated by the FCA
“Oakley group”	Oakley Capital Group Holdings Limited and its subsidiaries and associates from time to time
“Oakley Funds”	any funds advised by Oakley from time to time
the “Offer”	the offer for subscription for up to £40 million of B Ordinary Shares with an over-allotment facility for up to a further £20 million of B Ordinary Shares, as described in the Prospectus
“Offer Price”	the subscription price for B Ordinary Shares issued under the Offer as set out on page 42
“Official List”	the official list of the FCA
“Ordinary Shares”	the former ordinary shares of 1 pence each in the capital of the Company which were converted into B Ordinary Shares on 26 August 2020
“Original Manager”	Oakley Capital Management Limited
“Performance Fee”	the investment performance related incentive fee payable to the Manager as described on page 38
“Pricing Formula”	mechanism by which the pricing of the Offer may be adjusted according to the latest published NAV, the level of the Promoter Fee and Adviser Charge, as described on page 42
“Professional Client”	a Professional Client (as defined in section 3.5 of the FCA's Conduct of Business Sourcebook)
“Promoter Fee”	the fee payable by the Company to the Manager, calculated as a percentage of each Applicant's gross subscription in the Offer
“Prospectus”	this document dated 9 September 2024 relating to the Offer
“Prospectus Regulation”	the UK version of Regulation (EU) 2017/1129
“Prospectus Regulation Rules”	the Prospectus Regulation rules of the FCA
“Qualifying Company”	a company satisfying the requirements of Chapter 4 of Part 6 of ITA 2007
“Qualifying Investments”	shares in, or securities of, a Qualifying Company held by a VCT which meets the requirements described in Chapter 4 of Part 6 ITA 2007
“Qualifying Limit”	the Investor's subscription limit of £200,000 per tax year
“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, aged 18 or over, who subscribes for Shares within the Qualifying Limit
“Receiving Agent”	The City Partnership (UK) Limited in its capacity as receiving agent to the Company
“Registrar”	The City Partnership (UK) Limited in its capacity as share registrar to the Company
“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 2007
“Scheme Administrator”	The City Partnership (UK) Limited, or such other person or persons who may from time to time be appointed by the Company to administer the Dividend Reinvestment Scheme on its behalf
“Shareholder”	a holder of Shares

“Statutes”	every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies insofar as it applies to the Company
“Sterling”	the lawful currency of the United Kingdom of Great Britain and Northern Ireland
“Terms and Conditions”	the terms and conditions of the Offer set out in Part 6
“Total Return”	NAV per B Ordinary Share together with all dividends or other distributions, share buybacks, proceeds on a sale or liquidation of the Company and any other proceeds or value received or deemed to have been received by Shareholders, net of performance incentive fees paid but excluding Performance Fee provisions
“UK MiFID Laws”	(i) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701), The Data Reporting Services Regulations 2017 (SI 2017/699) and the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (SI 2017/488), and any other implementing measure which operated to transpose EU MiFID II in to UK law before 31 January 2020 (as amended and supplemented from time to time including by: (1) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (2) The Financial Regulators’ Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (3) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019); and (4) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019; and (ii) the UK version of Regulation (EU) No 600/2014 of the European Parliament, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by: (a) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (b) The Financial Regulators’ Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (c) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (d) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019
“UK Prospectus Regulation”	the UK version of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including but, not limited to, by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019))
“UK PRIIPs Laws”	the UK version of the EU Packaged Retail Investment and Insurance Products Regulations which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019 (February 2019) and the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019
“US citizen”	a person who is (a) born in the United States, (b) naturalised as a US citizen or (c) has a parent who is a US citizen. Further, a person can be deemed a ‘tax resident’ of the United States by virtue of the ‘substantial presence test’ or if they hold a ‘green card’. If you are unsure about your citizen/tax status, please consult your tax adviser
“unquoted”	private or public companies not quoted on any market or exchange
“VCT” or “venture capital trust”	a company satisfying the requirements of Chapter 3 of Part 6 of ITA 2007 for venture capital trusts
“VCT Rules”	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

Part 6

Terms and Conditions of Application

1. In these terms and conditions of application, the expression "Prospectus" means this document dated 9 September 2024. The expression "Application Form" means an application form for the Offer made available by or on behalf of the Company (including online on the Company's website) to be sent to The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH (the "Receiving Agent") in accordance with 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 by bacs to the bank account details provided in section 4 of the Application Form at the risk of the Applicant. In the meantime application monies will be retained in a designated bank account in the name of the Receiving Agent.
3. You may pay for your application for Shares by cheque or banker's draft submitted with the Application Form. Neither the Company nor the Receiving Agent shall be responsible for any delay or default caused by any bank, financial institution, clearing or payments system which results in the subscription monies not being received in time.
4. The contract created by the acceptance of applications in respect of allotment of Shares under the Offer will be conditional on Shareholders passing resolutions 10 and 12 to be proposed at the Annual General Meeting, details of which are set out at paragraph 2.2 of Part 4. 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, 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 B 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 to return any monies returnable to you by bacs to the bank account details provided in section 4 of 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 by bacs to the bank account details provided in section 4 of your Application Form, of the proceeds (if any) of the cheque or banker's draft accompanying your application at your risk, without interest;
 - vi) agree that if, following the issue of all or any B Ordinary Shares applied for pursuant to the Offer, your remittance is not honoured on first presentation, those B Ordinary Shares may, forthwith upon payment by the Manager of the Offer Price of those B Ordinary Shares to the Company, be transferred to the Manager or such other person as the Manager may direct at the relevant Offer Price per B 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 B Ordinary Shares to the Manager or such other person as the Manager 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 B Ordinary Shares to the Manager, or such other person, in which case you will not be entitled to those B Ordinary Shares or any payment in respect of such B Ordinary Shares;
 - vii) agree that all cheques and banker's drafts 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 you shall be responsible for ensuring that the subscription monies relating to your application have been received by the Company by the due date. For the avoidance of doubt, neither the Company nor the Receiving Agent shall be responsible for any delay or default caused by any bank, financial institution, clearing or payments system in the transfer of your subscription monies;

- xi) 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;
- xii) 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;
- xiii) 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;
- xiv) 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;
- xv) 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;
- xvi) 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;
- xvii) 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;
- xviii) confirm that you have read and complied with paragraph 6 below;
- xix) confirm that you have reviewed the restrictions contained in paragraph 7 below;
- xx) warrant that you are not under the age of 18 years;
- xxi) 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;
- xxii) agree that the Receiving Agent, 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;
- xxiii) 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 by a solicitor with the Application Form;
- xxiv) 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;
- xxv) 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;
- xxvi) 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;
- xxvii) warrant that: (i) you do not have a current US residence or mailing address, (ii) you do not have a current US telephone number, (iii) you do not have a standing instruction(s) to pay amounts in your bank account to a US bank account, (iv) you do not have a current power of attorney or signatory authority granted to a person with a US address, and (v) you do not have an in-care-of or hold mail address that is the sole address you have provided to us;
- xxviii) warrant that the information contained in the Application Form is accurate;
- xxix) 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; and
- xxx) warrant that you are not currently targeted by any form of UK, US or EU sanctions or restrictive measures including blocking; asset freezes; restrictions on dealings, issuing, or trading in debt, equity, derivatives, or other securities; or any other prohibition or restriction on exercising any rights or performing any obligations you may have in connection with any third party and that you will inform the Company and The City Partnership (UK) Limited immediately of any circumstances or changes whilst you are an Applicant or Shareholder that could impact this warranty.

Part 6

Terms and Conditions of Application continued

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 Manager 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 Receiving Agent and the Sponsor. The rights and remedies of the Receiving Agent 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. By completing and signing an Application Form, Investors consent to the Company, or a third party acting on the Company's behalf, undertaking an online identity check for the purpose of the ML Regulations where necessary. 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 £12,600, as at the date of this document), or more:
 - (i) For Applications made through an Intermediary, the Intermediary should complete verification of the Applicant. By signing the Application Form, the Intermediary confirms that they have verified the identity of the Applicant and that if the Company, Manager and/or Receiving Agent request additional information in connection with that verification, they will provide it within two Business Days of receiving the request.
 - (ii) For direct Applications which are above the Sterling equivalent of €15,000 (for single or linked Applications), the Receiving Agent will use the Applicant's personal information from the Application Form to verify their identity through Veriphy, a specialist compliance solution provider. Veriphy's AML checks include identity and UK address validation as well as integral mortality, departure, sanction, and politically exposed person searches. Veriphy's checks have no impact on an Applicant's credit score or their ability to obtain credit.
 - (iii) In the small number of cases where Veriphy is unable to verify the Applicant's identity sufficiently, the Receiving Agent will need the Applicant to supply evidence of their identity and will contact the Applicant (or their financial Intermediary if applicable) to request copies of the relevant documents (typically, an original or certified copy of a passport or driving licence, as well as a recent bank statement or utility bill) and explain how they should be provided. Please note that failure to provide satisfactory evidence following such a request may result in a delay in processing an Application or, at the point of the Offer closing to Applications, the Application being treated as invalid and funds returned.
 - (iv) The Company and the Receiving Agent may, in their absolute discretion, and regardless of the application amount and/or the involvement of a financial Intermediary, require identity verification.
12. The Applicant's cheque or banker's draft 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 or banker's drafts 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 with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Application Form. 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 or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. Applicants who wish to pay by electronic transfer should use the account details provided. The right is reserved to reject any Application Form in respect of which the cheque or banker's draft has not been cleared on first presentation.

13. 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 Manager). For these purposes 'first-come, first-served' shall be assessed based on the date and time of receipt of a fully completed Application Form, subject to receipt of application monies (in full, including those making multiple payments) in cleared funds within five Business Days thereafter (or, if earlier, before an Offer deadline or close of the Offer) to retain the Applicant's position of priority. If application monies are not received within such time, the relevant date and time shall be when the Applicant's actual application monies (in full) are received in cleared funds. An Application Form may not be considered as 'complete' until identity verification is completed and/or, where relevant, information or supporting evidence required for the Application Form remains outstanding. 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.
14. The application of the subscription proceeds is subject to the absolute discretion of the Directors.
15. Intermediaries who have not provided personal recommendations or advice to UK retail clients on the B 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 B Ordinary Shares under the Offer. If this is the case, then the offer charges will be adjusted, in accordance with the Pricing Formula. Intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for their commission.
16. An Investor's personal data will be used by the Manager, Portlight Limited, The City Partnership (UK) Limited, the Company and any other third-party advisers or intermediaries to:
 - Process an Investor's application and verify their identity, including performing online anti-money laundering checks;
 - Keep an Investor updated on the progress of their investment;
 - Allot Shares and provide the relevant documentation in connection with an Investor's shareholding if their application is successful;
 - Pay dividends, administer the DRIS and process other corporate actions as necessary;
 - Provide an Investor with any reports or information required by law; and
 - Provide an Investor's financial intermediary with reports and information to help them manage and monitor an investment in the Company.

The Company's privacy policy can be found at www.pembrokevct.com/privacy-policy.

If the Company relies on an Investor's consent as its legal basis for processing an Investor's personal information, an Investor has the right to withdraw that consent at any time by contacting the Company by telephone on 020 7766 6900, by email at info@pembrokevct.com or in writing to Pembroke VCT plc, 3 Cadogan Gate, London SW1X 0AS.

The Company will not share your data with any other party other than those listed above unless required to do so.

Part 7

Terms and Conditions of the Flexible Dividend Reinvestment Scheme

Please read these Terms and Conditions carefully and keep them in case you need to refer to them in the future.

This information should not be regarded as a recommendation to buy or hold Shares in the Company. The value of Shares and the income from them can fall as well as rise, and you may not recover the amount of money you invest.

If you are in any doubt about what you should do, you should consult an independent financial adviser. If you have any questions about the Dividend Reinvestment Scheme ("DRIS"), you can write to: DRIS Administration, The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.

1. In these DRIS Terms and Conditions, capitalised terms shall have, unless the context otherwise permits, the meanings set out in the "Definitions" section of the Prospectus.
2. The monies subscribed through the DRIS (being dividends paid on Shares held by, or on behalf of a Shareholder who applies to participate in the DRIS (the "Application") shall be invested in new Shares in the relevant share class. Subject to the provisions of condition 3 below, the Scheme Administrator shall not have the discretion to vary such investments and Applicants may not instruct the Scheme Administrator to make any other investments. Applicants who are Shareholders may only join the DRIS in respect of the Shares of the Company if dividends on all the Shares in the relevant share class registered in their name are mandated to the DRIS. The number of Shares in the relevant share class held by any such Applicant which are mandated to the DRIS shall be altered immediately following any change to the number of Shares in respect of which such Shareholder is the registered holder as entered in the share register of the Company from time to time. Applicants who are not Shareholders may join the DRIS in respect of the number of Shares of the Company specified as "Nominee Shareholdings" and notified to the Scheme Administrator by the Applicant and the Shareholder in whose name the Shares are held. Any new Shares in the relevant share class, which will be issued to the Applicant (and not the Shareholder in whose name the Shares mandated to the DRIS are held), will not be mandated to the DRIS unless a separate DRIS application form is completed in respect of them.
3. Applicants may, by written notice to the Scheme Administrator (a "FlexiDRIS Election"), elect to participate in the DRIS in respect of a specified percentage of the Shares held by the Applicant, such percentage to be notified to the Scheme Administrator in accordance with the instructions that will be sent to the Applicant prior to each dividend payment date, and to receive dividends in respect of the balance of the Shares held by the Applicant.
4. On or as soon as practicable after a dividend payment day, the funds subscribed through the DRIS on behalf of each Applicant, or the relevant percentage of such funds in the case of a FlexiDRIS Election, shall be applied on behalf of that Applicant in the subscription for the maximum number of new Shares as can be acquired with those funds:
 - i) The number of new Shares issued to an Applicant pursuant to condition 2 above shall be calculated by dividing the aggregate value of the dividends paid on the Shares in the relevant share class to which that Applicant is entitled by the greatest of (i) the most recently announced net asset value per share in the relevant share class as at the date the dividend is paid (as adjusted for the relevant dividend in question if this has not already been recognised in the most recently announced net asset value) of the Company (as determined by the Manager), (ii) the nominal value per Share in the relevant share class and (iii) the mid-price value per Share in the relevant share class as at the close of business on the Business Day preceding the date of issue of such Shares;
 - ii) Any balance of cash remaining in the offer account after the subscription shall continue to be held in that account on behalf of the Applicant to whom it relates and added to the cash available in respect of that Applicant for the subscription of Shares in the relevant share class on the next investment day. No interest shall accrue or be payable in favour of any Applicant on any such cash balances; and
 - iii) Subject to the provisions of condition 3, the DRIS involves the investment of the whole dividend paid on each holding in the relevant share class each time a dividend in the relevant share class is paid by the Company. Shareholders will remain in the DRIS, so that all future dividends will be reinvested in accordance with condition 4, until they give notice to the Scheme Administrator that they wish to terminate their participation in the DRIS, either in relation to a particular dividend, or all future dividends.
5. The Registrar shall immediately after the subscription of Shares in accordance with condition 4 hereof take all necessary steps to ensure that the Applicants are entered into the share register of the Company as the registered holders of the Shares issued to them in accordance with condition 4 above, and that share certificates in respect of such Shares are issued and delivered to the Applicants at their own risk, as soon as is reasonably practicable (unless such Shares are to be uncertificated). Shareholders (or such other person as aforesaid) will receive with their share certificates (if any) a statement detailing:
 - i) the dividend available for investment;
 - ii) the price per Share subscribed and the date of issue;
 - iii) the number of Shares issued and the total cost; and
 - iv) the cash to be carried forward for investment on the next investment day; or
 - v) in the event of a FlexiDRIS Election, the amount of the dividend paid in cash.
6. Application to join the DRIS can be made at any time. However, to be reinvested, applications to join the DRIS need to have been received by the Scheme Administrator at least 15 days prior to a dividend being paid.
7. All costs and expenses incurred by the Scheme Administrator in administering the DRIS will be borne by the Company.
8. Each Applicant warrants to the Scheme Administrator that:
 - i) during the continuance of his or her participation in the DRIS he or she will remain the sole beneficial owner of the Shares mandated to the DRIS free from encumbrances or security interests;

- ii) all information set out in the DRIS application form is correct and to the extent any of the information changes he or she will notify the changes to the Scheme Administrator; and
 - iii) during the continuance of his or her participation in the DRIS he or she will comply with the provisions of condition 9 below.
9. The right to participate in the DRIS will not be available to any person who is a citizen, resident or national of, or has a registered address in, any jurisdiction outside the United Kingdom. It is the responsibility of any Applicant wishing to participate in the DRIS to be satisfied as to the full observance of the laws of the relevant jurisdiction(s) in connection therewith, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in any such jurisdiction(s). No such person receiving a copy of the DRIS documents may treat them as offering such a right unless an offer could properly be made without such compliance.
 10. The Applicant acknowledges that neither the Scheme Administrator, the Company nor the Manager are providing a discretionary management service. The Scheme Administrator, the Company and/or the Manager shall not be responsible for any loss or damage suffered by any Applicant as a result of their participation in the DRIS unless due to the negligence or default of the Scheme Administrator, the Company or the Manager (respectively), or its or their servants or agents.
 11. The Applicant may at any time by notice to the Scheme Administrator terminate his or her participation in the DRIS and withdraw any monies held in the offer account on his or her behalf in relation thereto. If an Applicant shall at any time cease to hold any Shares in the Company, he or she shall be deemed to have served such a notice in respect of his or her participation in the DRIS. If such notice is served or deemed to have been served, the Scheme Administrator shall pay all of the monies held in the offer account on the Applicant's behalf to the Applicant at the address set out in the DRIS application form, subject to any deductions which the Scheme Administrator may be entitled or bound to make hereunder.
 12. If an Applicant withdraws from the DRIS and a cash balance remains of less than £1, that balance will not be repaid, but will be donated to a recognised registered charity.
 13. The Company and the Scheme Administrator shall be entitled, at any time and from time to time, to suspend the operation of the DRIS and/or to terminate the DRIS without notice to the Applicants and/or to refuse to reinvest dividends due on Shares held by a nominee. In the event of termination, the Scheme Administrator shall, subject to condition 12 above, pay to each Applicant all of the monies held in the offer account on his or her behalf.
 14. All notices and instructions to be given to the Scheme Administrator shall be in writing and delivered or posted to The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.
 15. The Scheme Administrator shall be entitled to amend the DRIS Terms and Conditions on giving one months' notice in writing to all participating Applicants. If such amendments have arisen as a result of any change in statutory or other regulatory requirements, notice of such amendment will not be given to Applicants unless in the Scheme Administrator's opinion the change materially affects the interests of Applicants. Amendments to the DRIS Terms and Conditions which are of a formal, minor or technical nature or made to correct a manifest error and which do not adversely affect the interests of Applicants may be effected without notice.
 16. By completing and delivering the DRIS application form, the Applicant:
 - i) agrees to provide the Company with any information which it may request in connection with such application and to comply with legislation relating to venture capital trusts or other relevant legislation (as the same may be amended from time to time); and
 - ii) declares that a loan has not been made to the Applicant or any associate of the Applicant which would not have been made, or would not have been made on the same terms, but for the Applicant offering to subscribe for, or acquiring, Shares and 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.
 17. Currently, subscriptions by individuals aged 18 or over for eligible shares in venture capital trusts only attract tax reliefs if in any tax year such subscriptions to all venture capital trusts by such individuals do not exceed £200,000 (including subscriptions pursuant to DRIS). Applicants are responsible for ascertaining their own tax status and liabilities and neither the Scheme Administrator nor the Company can accept any liability in the event they do not receive any venture capital trust tax reliefs.
 18. Since dividends on Shares acquired in excess of £200,000 per Applicant in any tax year will not be exempt from income tax in the same way as Shares acquired within this limit, the Applicant will generally be liable to tax on such dividends. Nevertheless, the whole of such dividends shall be invested unless the Scheme Administrator is notified to the contrary in writing at least 15 days before an investment day.
 19. The Company shall not be required to issue Shares hereunder if the Directors so decide.
 20. These DRIS Terms and Conditions shall be governed by, and construed in accordance with, English Law and each Applicant submits to the jurisdiction of the English Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of, or in connection with, the DRIS in any other manner permitted by law or in any Court of competent jurisdiction.
 21. The Company shall not be required to admit new members to the DRIS in circumstances where the proposed level of dividends to be paid by the Company would require the issue of Shares in breach of the Prospectus Regulation Rules.
 22. All documents will be dispatched at the Shareholder's own risk.

Shareholders in any doubt about their tax position should consult their independent professional adviser.

Part 7

Terms and Conditions of the Flexible Dividend Reinvestment Scheme continued

Additional Notes

The Scheme Administrator and its agents (including any broker) may effect transactions notwithstanding that they have a direct or indirect material interest or a relationship of any description with another party which may involve a conflict with its duty to DRIS participants under the DRIS.

The Scheme Administrator is authorised to disclose any information regarding Shareholders or their participation in the DRIS to any relevant authority, or as required by such authority, whether by compulsion of law or not. The Scheme Administrator shall not be liable for any disclosure made in good faith provided that the Scheme Administrator believes that such disclosure has been made in accordance with the foregoing requirements.

Each of the provisions of the DRIS shall be severable and distinct from one another and if one or more of such provisions is invalid or unenforceable, the remaining provisions shall not in any way be affected.

The Scheme Administrator has procedures to help resolve all complaints from customers effectively. If an Applicant has any complaints about the service provided to him or her or wishes to receive a copy of the Scheme Administrator's complaints procedure, please write to the Scheme Administrator at the address set out in paragraph 14.

This service is a Company sponsored scheme which means that the Scheme Administrator charges the Company a fee which is representative to the costs of operating it. This arrangement means that DRIS participants are not charged an annual fee. If an Applicant would like more detail on this arrangement please write to the Scheme Administrator at the address set out in paragraph 14.

The Scheme Administrator will take reasonable care in operating the DRIS, and will be responsible to an Applicant for any losses or expenses (including loss of shares) suffered or incurred by them as a direct result of breach by the Scheme Administrator of these DRIS Terms and Conditions, negligence, wilful default or fraud. The Scheme Administrator does not accept liability for any indirect or consequential loss suffered by an Applicant or for any loss which does not arise as a result of its breach of these DRIS Terms and Conditions, negligence, wilful default or fraud.

The Scheme Administrator shall not be responsible for delays or failure to perform any of its obligations due to acts beyond its control. Such acts shall include, but not be limited to, acts of God, strikes, lockout, riots, acts of war, terrorist acts, epidemics, governmental regulations superimposed after the fact, communication line failures, power failure, earthquakes or other disasters.

Any personal data obtained from an Applicant in providing this service will be held by the Scheme Administrator in accordance with the relevant legislation. The Scheme Administrator will only hold, use or otherwise process such personal data of an Applicant as is necessary to provide him or her with the service. The Applicant's details will only be disclosed in accordance with the principles set out in the Data Protection Act 1998:

- i) to any person if that person has legal or regulatory powers over the Scheme Administrator; and
- ii) to any other person or body in order to facilitate the operation of the DRIS.

An Applicant has a right to request to view the personal data that the Scheme Administrator holds on him or her.

All communications between the Scheme Administrator and an Applicant will be conducted in the English language.

These DRIS Terms and Conditions are governed by and shall be construed in accordance with English Law.

Part 8

Frequently Asked Questions

Q. How much can I invest in the Company?

There is no upper limit on the amount that you can invest in the Company. However, there is a limit on the amount which, in any tax year, you may invest in VCTs which will qualify for any tax reliefs. The current limit is £200,000 in any one tax year. As the Offer spans two tax years (2024/2025 and 2025/2026) on current limits you can subscribe up to a maximum of £400,000. Each spouse has his or her own limit and so together spouses can invest up to £400,000 in respect of each tax year or up to £800,000 in aggregate over two tax years.

Q. What is the minimum level of investment?

The minimum subscription is £5,000 per application (inclusive of any facilitated Adviser Charges).

Q. To whom should I make the cheque payable?

Cheques should be made payable to "Pembroke VCT PLC Fundraising".

Please reference the reverse of your cheque using your initials and telephone number (alphanumeric, no spaces) as provided in Section 2 of the Application Form. Such a reference will allow the Receiving Agent to match your payment with your Application Form more easily.

Q. Can I pay for my shares electronically?

Yes, to the following account:

Account name: Pembroke VCT PLC Fundraising

Account number: 43173976

Sort code: 20-00-00

Please reference your transfer(s) using your initials and telephone number (alphanumeric, no spaces) as provided in Section 2 of the Application Form. Such a reference will allow the Receiving Agent to match your payment with your Application Form more easily.

The Company and/or the Receiving Agent shall not be responsible for any loss or damage suffered by you as a result of any delay, negligence or default by any bank, financial institution, clearing or payments system relating to the transfer of your subscription monies.

Q. Where should I send my application?

Online applications: Your online application will be submitted directly to the Receiving Agent.

Scanned applications by email: You can scan your signed hard copy application form and email it to PembrokeVCT@city.uk.com. If you submit a scanned copy, please do NOT send the original hard copy by post.

Postal applications: Your signed Application Form should be sent to Pembroke VCT plc Offer, The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.

Q. Will I receive acknowledgement of receipt of my application and subscription monies?

Receipt of your Application Form (online, email, or post) will be acknowledged by the Receiving Agent. Where an email address has been provided an automatic acknowledgement of application will be sent via email to the investor (and their associated Financial Intermediary if applicable), which will include a link to the application tracking service. A further acknowledgement will be sent once the monies have been matched to your application. Where an email address has not been provided, acknowledgment letters will be sent to the Investor's address as stated in Section 2 of the application form.

In addition to tracking the progress of the application and the associated monies on the tracking service, you may download a copy of correspondence issued by the Receiving Agent under the Offer (i.e allotment letter and income tax relief certificate).

Q. What will I receive upon allotment of shares?

Where you have provided an email address in your application, the Receiving Agent will send you a link to the application tracking service where you can obtain your allotment letter and income tax relief certificate within three Business Days of the allotment. Share certificates will follow by post within ten Business Days.

Where you have not provided an email address, for an allotment into a certificated holding, the Company will dispatch to you within ten Business Days from the allotment date, an allotment letter, a share certificate and an income tax relief certificate. Note the share certificate will be sent separately to the allotment letter and income tax relief certificate.

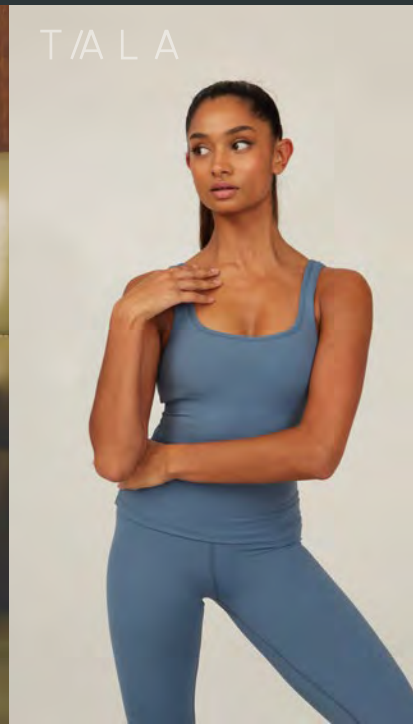
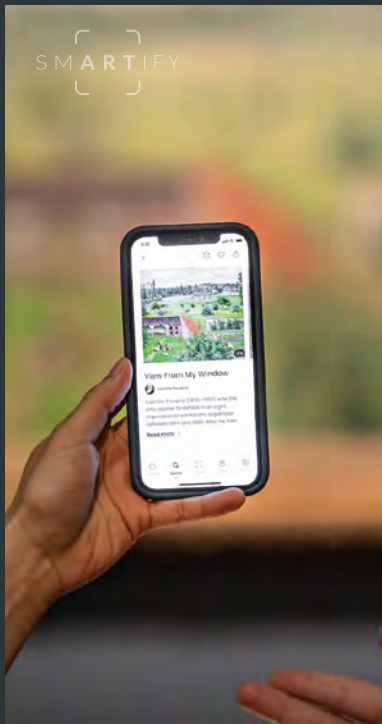
Where you have not provided an email address, for an allotment into a dematerialised holding, the Company will dispatch to you, within ten Business Days from the allotment date, an allotment letter and an income tax relief certificate.

Q. What income tax relief will be given on my investment?

The current rate of income tax relief for VCT investors is 30% of the amount invested, so long as you have sufficient income tax payable in the year in which the shares are issued to you to cover the relief. Therefore, depending on your circumstances, you can get a maximum of £60,000 income tax relief per tax year being 30% on subscriptions for shares in VCTs of £200,000 in any tax year.

Q. How do I claim back my income tax relief on my VCT investment?

In order to claim back your tax relief you can write to HMRC and ask them to amend your tax code so you can receive your tax relief through the PAYE system. Alternatively, you can claim the relief in your tax return for the year in which the Shares are issued to you.



Pembroke VCT plc

3 Cadogan Gate, London SW1X 0AS

Incorporated in England and Wales
with registered number 08307631

PEMBROKEVCT.COM