

Spring Venture Capital Trust

Brochure

Signatory of:

 **PRI** | Principles for
Responsible
Investment

We're part of Blackfinch Group, an investment specialist working in partnership with advisers.



Working with leaders of positive change to enable individuals, businesses and communities to thrive.



Built on over 30 years' investment track record, with Blackfinch Investments being our first business to launch.



Our experienced team bring a range of expertise in tax-efficient solutions, alongside early stage investing.



Our offerings are known for flexible designs and lower fees. And our focus is on capital protection, security and growth.

Benefits of tax-efficient investments are subject to change and personal circumstances.

Welcome to Blackfinch

The Blackfinch Spring Venture Capital Trust (VCT) is part of our solutions for clients. We developed it to address their interest in supporting the UK's fledgling technology businesses.

Blackfinch Ventures, which manages the VCT, is part of Blackfinch Group, an investment specialist entrusted with over £900 million in assets under management and administration, built on over 30 years' track record. Blackfinch Group partners with advisers, and our businesses can provide solutions for almost any situation. Across businesses, we work to build long-term future prospects.

Our specialisms mean we're a long-time supporter of fast-growing firms. Our track record as a provider of Enterprise Investment Schemes (EIS) bears this out. We invest across sectors in new firms with great ideas and strong management teams. This includes technology and technology-enabled companies.

The opportunities in this space are broad, with chances to invest at different stages in a company's life. The Spring VCT invests in technology-enabled firms at growth stage. Clients can then look to benefit from high-performing companies that are on track for success.



Richard Cook
Founder and CEO



About Blackfinch

Blackfinch constantly adapts to market change and customer needs.



Evolutionary Origins

We were founded on evolutionary principles, inspired by the work of Charles Darwin. Our ability to adapt and evolve, and our focus on helping others thrive, are core to how we work. Our aim is to deliver outstanding service and provide the strongest possible solutions.

Rigorous Processes

We’re committed to delivering high regulatory standards, robust controls, and strict procedures. Our evolutionary heritage ensures this, as we apply our values to working for a better future.

Transparent Approach

As a result, our customers can expect straightforward processes, accessible staff, and funds managed by sector specialists with a transparent approach. We continue working closely with advisers to bring clients the solutions they need, including the Blackfinch Spring VCT.

An Early Stage Investor

We bring long-standing experience in early stage investing, and a technology focus.

We’re passionate about supporting innovative firms as they grow and we also co-invest with clients. In this way, we’re helping to shape the future UK economy. As experienced managers of EIS services we manage over £70 million in funds. This is split across a variety of sectors including early stage technology companies, media and leisure.

The Blackfinch Ventures EIS Portfolios achieved a successful exit in 2022 with Candidate.ID, a recruitment-tech business. In total the Portfolios have raised over £58 million and made investments in a wide range of sectors. These include Wearables, Education Technology and Software-as-a-Service (SaaS) powered by Artificial Intelligence (AI).

The Ventures team combines experienced startup founders, technologists and finance professionals, including three PhDs. This team manages the Blackfinch Ventures EIS Portfolios as well as the Blackfinch Spring VCT, and has deployed over £100m into innovative technology businesses since 2019.

What is a Venture Capital Trust?

The UK Government introduced VCTs in 1995 to encourage investment in new businesses and support UK entrepreneurs. VCTs themselves are companies that can be publicly traded on a stock exchange.

VCTs offer a range of tax benefits to mitigate the risk of investing in early stage firms. These are currently available on investments of up to £200,000 in a tax year. Investors must have a sufficient income tax liability to benefit from the tax reliefs offered by the product.

30% income tax relief (minimum holding period five years)

Gains exempt from capital gains tax when clients sell their shares

No income tax on any dividends from a VCT

Uses of VCTs

VCTs are well established and popular with investors. Over the last five years VCTs have raised over £4.5 billion - providing much needed support to the UK's fast-growing companies.

(Source: The Association of Investment Companies, 2025).

Alongside tax mitigation, VCTs have many other uses. They can help to create a more diversified portfolio through exposure to different firms and sectors for investors. They can provide an income stream through dividends. Whichever way a client chooses to use a VCT, they can be a helpful and useful feature of financial planning.

Investment Focus

The Spring VCT invests in new tech-enabled firms with a strong focus on research, development and innovation.

We target firms at growth stage that have already raised funding, gained traction and are seeking to accelerate their progress. We aim for diversification, and broad opportunities. These stem from both new deal flow and from the Blackfinch Ventures EIS Portfolios.

New Investments

We're focused on high-quality deal flow. The Ventures team itself is a great source of deals as they are connected to many promising new firms. We source firms using our extensive networks, cutting-edge research platform and also from referrals. We then advise on strongly vetted new opportunities.

Follow-On Investments

Investee firms in the Blackfinch Ventures EIS Portfolios can often create an opportunity for follow-on co-investment by the VCT. We manage investments for both, bringing the advantage of deep knowledge, experience and data we have collected on firms. Due to this, each firm we select from our EIS for the VCT has a higher chance of success.

Investment Criteria



Digital Disruption is a revolution that is caused by emerging digital technologies and business models. These innovative new technologies and models can make a fundamental change in their industry, which in turn impacts the value of existing products and services.

High-Growth Potential

Companies must be capable of growth through disrupting large growing markets that are typically worth at least £1 billion. They must also offer the potential for significant returns at exit. We're focused on growth within the VCT's investment timeframe. Only in exceptional circumstances would we consider highly regulated industries that take a long time to get to market and exit.

Existing Revenue and Customers

Companies will typically need to show evidence of having gained traction in the market, often in the form of revenue. They will also need to show how they can control customer acquisition. This would typically be through growth metrics. We know that firms with these characteristics have a higher chance of efficient, quantified growth, which is key to future success.

Strong Teams

Potential investee companies must have teams that are highly motivated, driven, and have a track record of making excellent decisions under pressure. Team members must complement each other in their skills, to cover core operating areas. We constantly assess each team's work ethic, and how they handle challenges, to see if they're prepared for the next stage of company growth.

Responsible Investing

We consider the purpose of a business and invest in firms that share our views on acting responsibly. We support young, entrepreneurial firms who can help build long-term future prospects. These often offer solutions which have a positive social impact. Investments are also aligned with the Government's focus on technology firms, supporting innovation, creating jobs and strengthening the economy.

Investor Objectives

We know many VCT investors have a strong focus on dividends for income. We're targeting dividends of 5% of net asset value p.a., along with 'special dividends' from the proceeds of successful exits that are not reinvested or required elsewhere by the Company.

Our investee firms operate across industries, with offerings often based on ground-breaking new concepts, using highly specialised technology. Space Technology, Software-as-a-Service, Hydrogren Technology and Artificial Intelligence are just are just some of the areas where firms are innovating.

In this way, the VCT gives access to high-growth firms and reasonable exit timescales. As we support firms that we've sourced from new deal flow and our EIS Portfolios, this creates a range of exit opportunities. We're focused on strong exits for investors and the potential for special dividends. Dividends are also dependent on realised profits, related legislation and the VCT's available cash reserves.

Investment Process



Deal Flow

Alongside team connections, we use links to UK accelerators, incubators and start-up hubs. We also use a research platform tracking high-growth UK start-ups. Referrals also come from investee firm founders, our wider network and other Group teams. We typically see at least 1,000 deals each year, planning to make 5-10 new investments annually.



Pipeline Process

Each prospective investee firm needs to meet our requirements around technology focus, correct stage and VCT suitability. We hold discussions with founders to collect key information, meet regularly to assess all prospects and have filtering meetings with our senior team. We place a suitable firm on a 'Long List' and continue focused discussions with its founder.



Pitch

We invite companies that have made it through the pipeline stage to pitch to us. The recorded pitch sessions often continue for many hours and involve thorough assessments, 'deep dives' into data, metrics, performance and financials. The aim of these sessions is to gain enough information to decide whether to progress to 'term sheet' stage.



Term Sheet

Term sheets include clauses motivating the core team to stay with the firm and giving us vetoes over key decisions. We also include further specific conditions or terms relevant to the company. We take input from our Investment Committee (IC) before moving beyond term sheet. This ensures strong governance ahead of incurring any legal costs.



Due Diligence

We use a due diligence questionnaire and work with a tax specialist to ensure VCT qualification. We arrange for a sector expert to assess the firm's technology risk, and a senior team member from Blackfinch interviews the team. We also connect with existing investors in the company to gain further insights. The IC makes the final decision of whether to approve the company for investment.



Post Investment

Where appropriate, we appoint a value-add non-executive director to the firm's board, drawn from our network of Venture Partners. These individuals help in decision-making and founders often cite them as a key differentiator. One of our team also acts as a board observer. We document financial records monthly, along with performance. We look to support firms through our guidance and network.

Blackfinch Team



Richard Cook
Founder & CEO

Richard founded Blackfinch and as CEO has driven the company's growth. He has over 15 years' experience in structuring products and services, managing investments and helping to grow underlying companies within Blackfinch.



Dr Dan Appleby
Chief Investment Officer -
Asset Management & Ventures

Dan joined Blackfinch in 2018 and was previously Head of Research, and has held Senior Analyst and Investment Manager roles within Blackfinch for our Multi-Asset and Adapt AIM portfolios. He also sat on the investment committee for the VCT and EIS portfolios. Dan holds a PhD in nanoelectronic research and is also a CFA Charterholder.



Richard Harley
Ventures Director

Richard Harley, a career entrepreneur and investor, co-founded ScholarPack, an EdTech platform used in over 2,000 schools. He's invested in and advised 20+ early-stage firms across MedTech, EdTech, marketplaces, and B2B software. Joining Blackfinch in 2022, Richard focuses on supporting and managing portfolio companies.



Dr Nic Pillow
Ventures Director

Nic co-founded investment-backed EdTech start-up and SaaS business Rhizome Live. Prior to that he held various positions at Nokia. Nic holds a first-class degree in Engineering & Computing and a PhD in Computer Vision, both from the University of Oxford.



Kimberley Hay
Ventures Director

Kimberley brings a combination of corporate finance and investment experience to the team, having started her career in Investment Banking. She has spent the past four years investing in companies focused on disrupting the "Future of Work", completing deals across multiple sectors including HealthTech, HRTech & RegTech.

The team combines experienced startup founders, technologists and finance professionals, including three PhDs.



Simon Porter
Principal



Corey Price
Ventures Manager



Hassaan Mehmood
Senior Associate



Winston Mathew
Assistant Ventures Manager



Charles Horn
Associate



Ijaz Khan
Associate



Katie Connolly
Product Manager



Cameron McGee
Technical Ventures Analyst



Rebecca Sumner
Operations Director



Alice Bollen
Investment Operations Manager



Hamish Masson
Head of Legal

Venture Partners

We have grown a network of Venture Partners who are all experienced founders, industry leaders or technology experts. We appoint them to the boards of our portfolio companies as needed. They add meaningful value through their experience and contacts. You can find information on more Venture Partners in the Spring VCT Prospectus.



Elizabeth Chambers
Venture Partner

Libby Chambers, a board director and adviser, is an Operating Partner at Searchlight Capital Partners. Currently sitting on the boards of TSB Bank plc and Wise Plc, her experience spans global financial institutions and professional services organizations. A Harvard MBA, she is also a Stanford graduate and started her professional life with Morgan Stanley & Co.



Geraldine Osman
Venture Partner

Geraldine is an Independent Consultant, Advisor, NED, Mentor and exited entrepreneur. She was a cofounder and Chief Marketing Officer at StaffConnect Group an enterprise B2B SAAS solution that transformed the employee experience for large field and remote workforces – a business that she rapidly grew and took to a successful exit within 4 years.



Andrew Hughes
Venture Partner

Andrew is an entrepreneur with a track record of success, having successfully established three high-performing digital start-ups from concept to exit. Additionally, he co-founded two internationally established industry associations, the Mobile Marketing Association (MMA) and the International Social Games Association (ISGA).



Steven Raffe
Venture Partner

Steve Raffe has a proven record of leading and growing B2B SaaS businesses with outstanding results. He has a Master’s degree in Engineering from the University of Cambridge with First Class Honours and 13 years of experience in B2B Tech. He has expertise in sales, marketing, product, technical, strategy, and general management roles in both private and VC-backed companies.

A Growing Portfolio

The Spring VCT is investing steadily, with a portfolio that has grown from three high-potential companies at the end of 2020 to 35 by July 2025. We expect to add a further 5-10 new companies per annum.

It offers good diversification across a wide range of technology-enabled sectors. In comparison to much larger VCTs, a big exit from any one company would represent a much larger return per share. There is thus the potential for special dividends from early successful exits in addition to the regular dividends.

Spotless Water

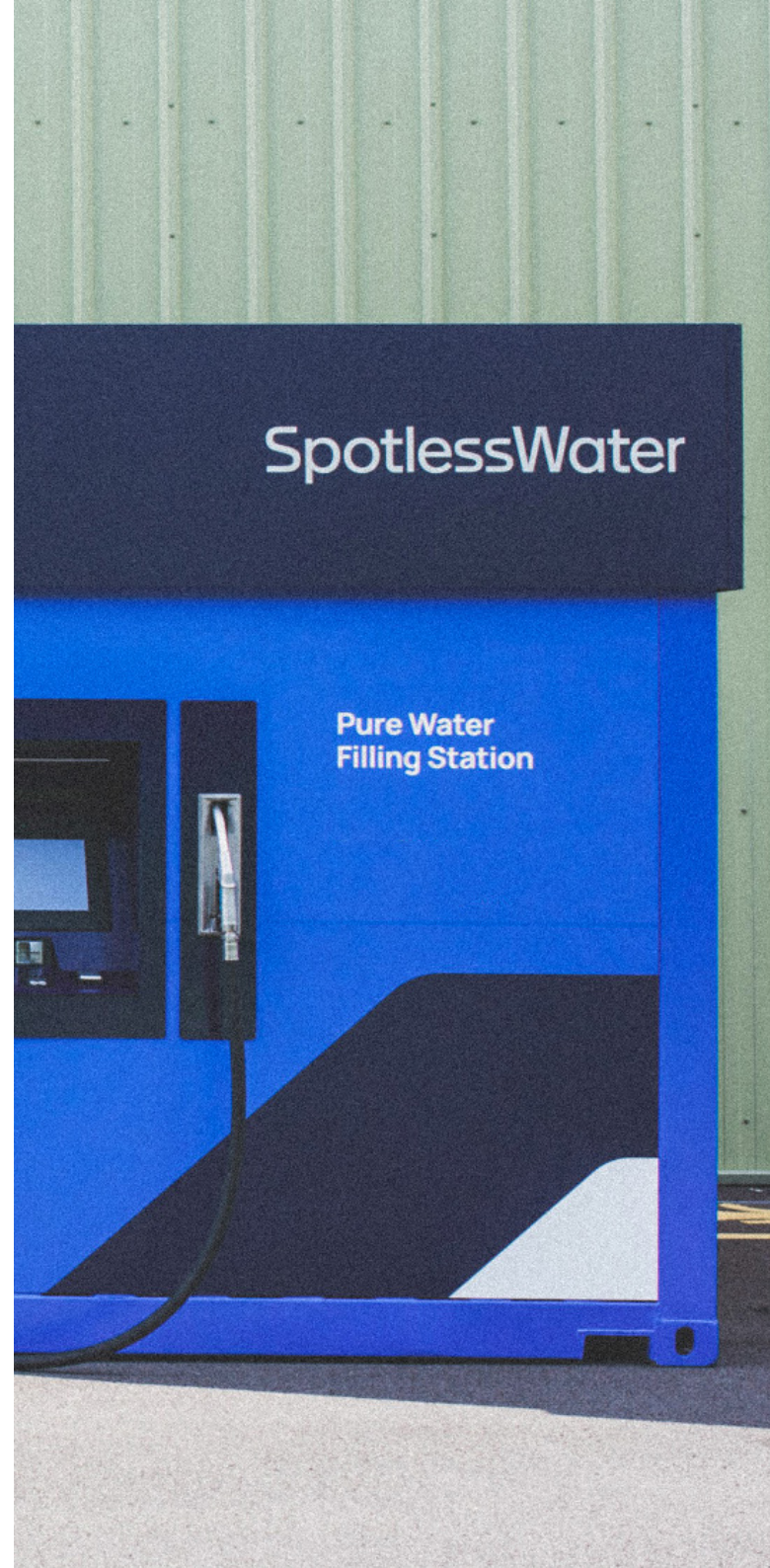
Leading in Ultra-Pure Water

Spotless Water sells ultra-pure water from self-service dispensing units around the UK. The water is primarily used by window cleaners, as well as for car cleaning, dentistry, and even aquariums. It is a unique business with no national competitors: the alternative is for customers to produce their own pure water, which is time-consuming and requires expensive equipment. Since investment in 2020, Spotless has grown annual revenue fivefold and continued to open new self-service stations.

VCT Investment
£459k

VCT Shareholding
3.3%

Sector
Water Technology



Spaceflux

Optical Space Intelligence

Spaceflux is a London-based space tech company helping track objects in space, such as satellites and space debris. It uses a mix of telescopes and AI to provide real-time data to governments and private companies. Spaceflux has grown its network of sensors around the world and secured multiple contracts with government and commercial customers. Spaceflux is a new investment for 2025.

VCT Investment
£528k

VCT Shareholding
4.4%

Sector
Space Technology





Kelpi

Turning the Tide on Plastic Packaging

Kelpi, is turning the tide on plastic packaging, disrupting the industry with its patented seaweed-derived packaging layer. Its ‘bioplastic coating’, applied to paper or cardboard, provides a water-resistant barrier, enjoying the qualities of plastic while being exclusively sourced from sustainable materials. Kelpi is creating a new generation of packaging that is recyclable, sustainable, compostable, and marine safe. Kelpi is also working with several large global brands in the cosmetic and personal care space to develop packaging products. Since investment in 2024, Kelpi has undertaken projects with clients such as Unilever and Holland & Barrett.

VCT Investment	VCT Shareholding
£500k	3.8%

Sector
Material Tech



MEASURE

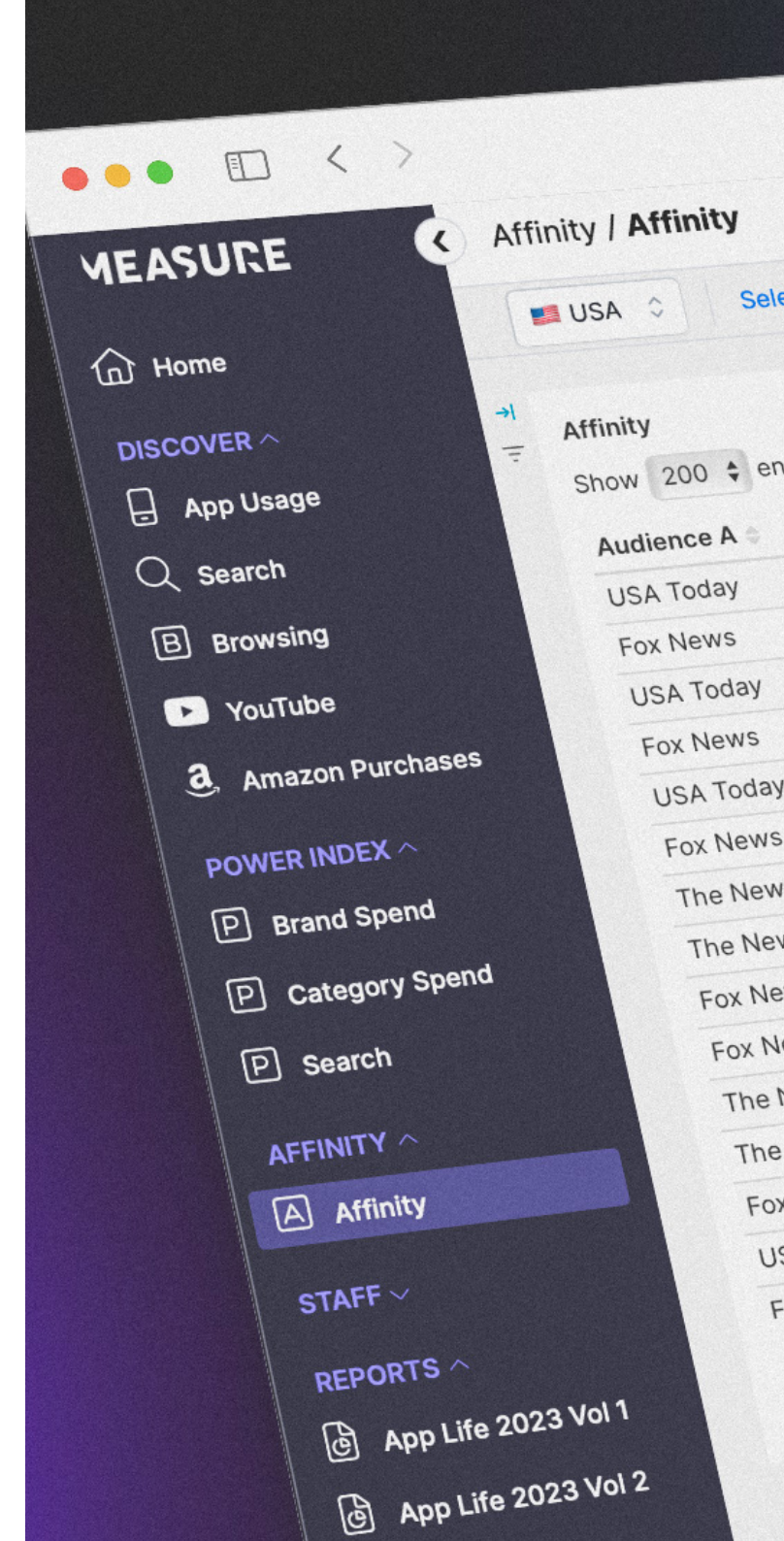
Measure Protocol

Reliable Data for Smarter Consumer Insights

Measure Protocol enables leading technology companies to access highly granular customer experience data. Users on Measure Protocol’s platform are asked to perform specific tasks for brands while their activity is captured through screen recording technology. The company’s proprietary technology then uses image processing to extract behaviour and data, such as the layout of icons on a mobile phone screen. Since investment in 2022, the company has signed key contracts with large enterprise clients such as Google, alongside which, Measure Protocol is the key data provider for Project Lantern, a new research initiative launched by a collaboration of Channel 4, Sky, ITV and YouView.

VCT Investment	VCT Shareholding
£1.98m	10.6%

Sector
Market Intelligence Technology



Supercritical

Cost-Effective Green Hydrogen At Scale

Supercritical is a London-based hydrogen technology company revolutionising the production of hydrogen for industrial applications such as the manufacture of ammonia, a core ingredient of fertilisers and cleaning products. Unlike conventional methods that generate hydrogen from fossil fuels, Supercritical uses just water, efficiently splitting it into hydrogen and oxygen using renewable electricity. The company was a new investment in December 2024.

VCT Investment
£1.58m

VCT Shareholding
4.3%

Sector
Hydrogen Technology



Odore

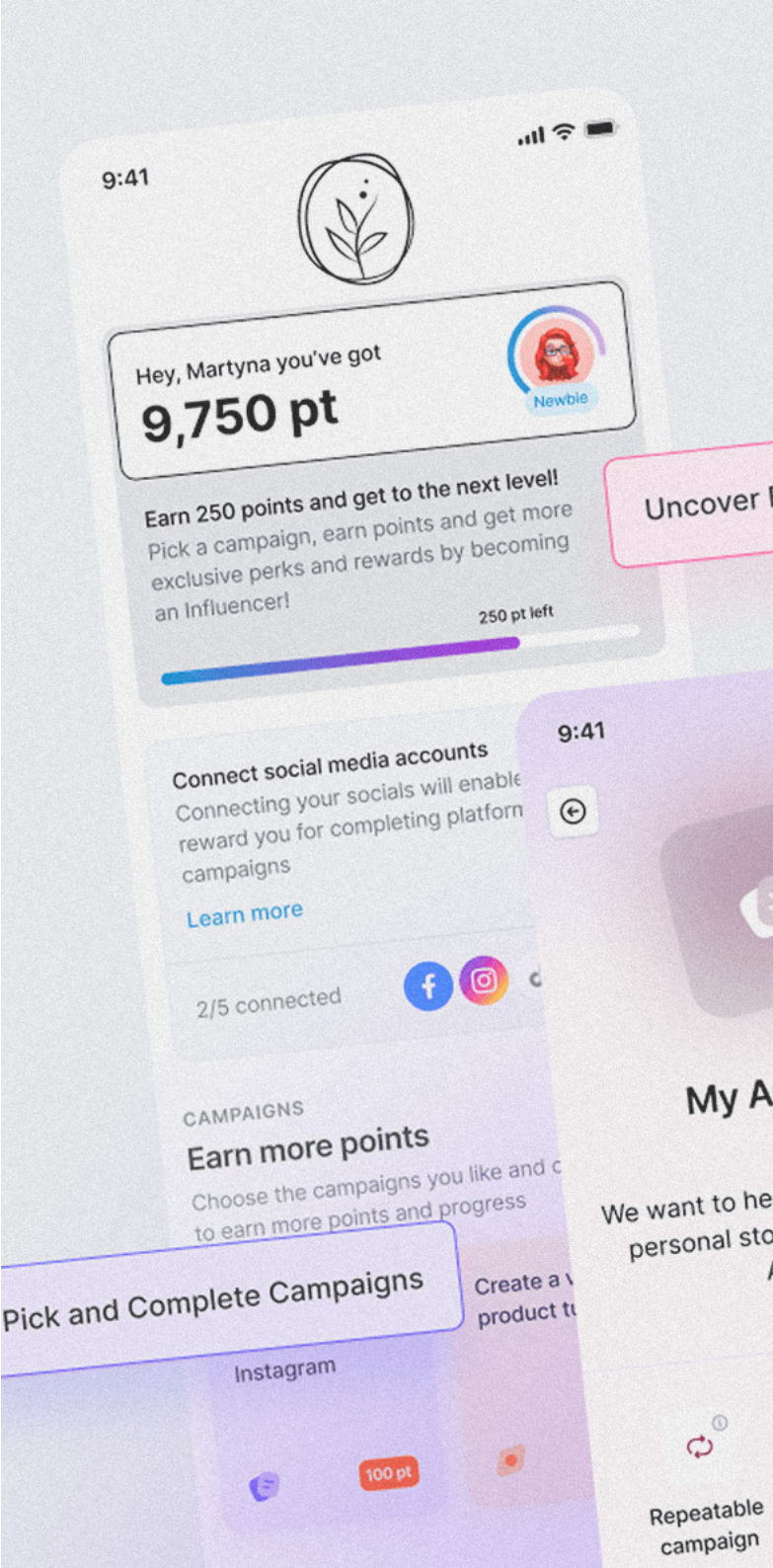
Managing Communities That Boost Brand Visibility

Odore helps consumer brands engage customers and drive growth. Its main product is an ‘Advocacy’ platform that enables businesses to build and activate communities of loyal customers on social media. These customers can recommend products, share experiences, and amplify brand messaging. It’s a powerful tool for brands to personalise interactions and harness the influence of their most engaged customers. Since initial investment in 2021, Odore has grown its recurring revenue more than fivefold, working alongside global brands such as L’Oreal and Unilever.

VCT Investment
£830k

VCT Shareholding
5.8%

Sector
Marketing Technology



GT Wings

Harnessing Wind Power to Decarbonise Shipping

GT Wings develops innovative wind-powered systems to make shipping greener. The company’s key product, the AirWing™, is a retractable vertical ‘wing’ that can be installed on new or existing ships. By using wind to assist propulsion, the AirWing™ helps reduce fuel consumption and greenhouse gas emissions – which are becoming mandatory obligations under new international shipping rules. Since investment in 2024, the company has successfully completed sea trials of its AirWing™ with a maiden transatlantic voyage.

VCT Investment	VCT Shareholding
£1.29m	10.2%

Sector
Shipping Technology



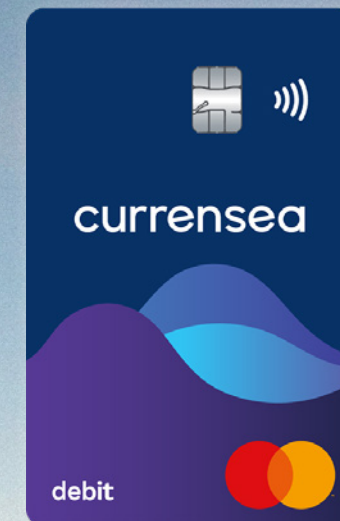
Currensea

Seamless Spending

Currensea offers the UK’s first travel-focused direct debit card that connects directly with the user’s traditional high street current account. The card lets customers spend money abroad at the lowest exchange fees, while removing the need to top up, or set up a new bank account. The company also operates corporate and affinity partnerships. Since investment in 2022, Currensea has more than tripled its revenue and has developed a pioneering loyalty debit card with Hilton Hotels, paving the way for other partnership cards with large enterprises.

VCT Investment	VCT Shareholding
£1.37m	5.8%

Sector
Financial Technology



VCT Performance

We target dividends of 5% of Net Asset Value per annum along with ‘special dividends’ from the proceeds of successful exits.

Since the VCT paid its maiden dividend in 2024 we have continued to meet this target, paying cumulative dividends of 10.3p per share.

¹ Dividend Yield is calculated as total dividends paid during the year divided by the year-end NAV for the financial year they are related to.

² Net Asset Value Total Return Calculated at June 2025, accounting for all dividends paid divided by the NAV (including all dividends paid) at the beginning of the relevant period.

Date	Dividend Per Share	Dividend Yield ¹
04/2024	2.5p	5.02%
12/2024	2.6p	
05/2025	2.5p	5.02%
08/2025	2.7p	

Total Cumulative Dividends: 10.3p

Years	Net Asset Value Total Return ²
1 Year	1.80%
2 Year	13.70%
3 Year	17.80%
5 Year	9.90%

Dividend Payment

Blackfinch Spring VCT operates a Flexible Dividend Reinvestment Scheme (FlexiDRIS). Clients have the following options when dividends are paid:



Full Reinvestment

Clients can choose to reinvest their dividends through the FlexiDRIS Scheme, and any reinvested dividends will qualify for the same tax reliefs as the original investment¹.



Partial Reinvestment & Partial Cash Payment

Clients can choose to have part of their dividends reinvested through the FlexiDRIS Scheme, with the remaining amount paid out to them in cash. Any reinvested dividends will receive the same tax reliefs as the original investment¹.

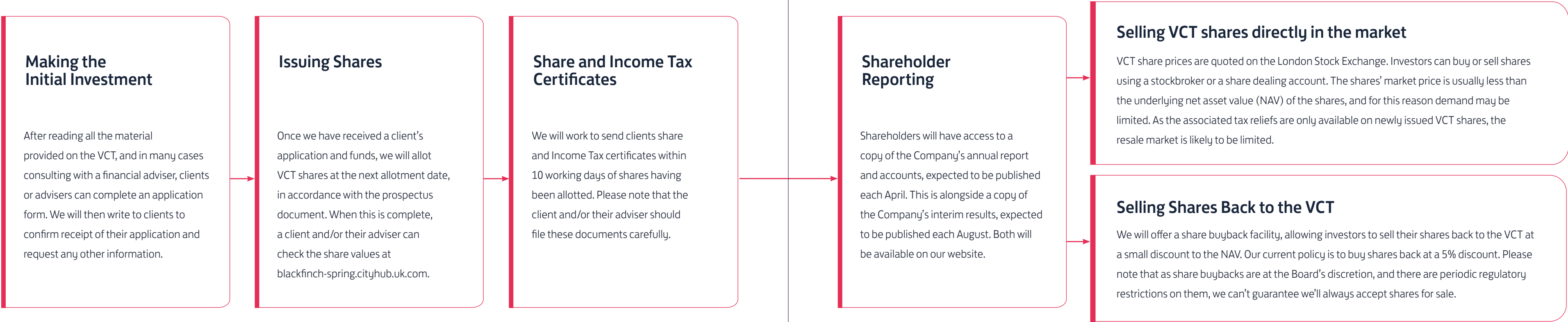


Cash Payment

The full dividend amount will be paid directly to the client in cash.

¹Monies reinvested via FlexiDRIS count towards the annual VCT limit of £200,000 per tax year and the shares must be retained for five years to retain the relevant tax reliefs. An investor must have a sufficient income tax liability to claim the associated Income Tax relief.

VCT Investment Lifecycle



Lifecycle Overview

The VCT investment lifecycle starts with making the initial investment and holding the VCT shares over the required five-year time period. During this time, investors can receive certification to claim 30% Income Tax relief. Clients can opt to reinvest some or all of their dividends via the Flexible Dividend Reinvestment Scheme.

Fees and Charges

We’re focused on delivering value for investors and are known for our competitive fees. We are also aware that investors have different ways of investing and using financial advice. As a result, we have developed the Blackfinch Spring VCT to accommodate a range of requirements. The below provides a breakdown of the fees charged in connection with the offer:

Fee Type	Fee Arrangement	Advised Investors	Execution-Only Investors	Direct Investors
Fees paid by Investor				
Paid by the Investor (prior to subscription for shares)	Initial Adviser Charge ¹	Up to 5%	-	-
Fees paid by VCT				
Upfront charges (the Initial Fees) paid by the Company	Initial Promotion Fee paid to Blackfinch Investments Limited ²	2.5%	2.5%	2.5%
	Execution-Only Initial Fee ³	-	Up to 3%	-
	Direct Investor Premium ⁴	-	-	3%
Ongoing annual charges paid by the Company	Effective Investment Management fee ⁵ paid to Blackfinch Investments Limited	2%	2%	2%
	Adviser Ongoing Charge ⁶	Up to 0.5%	-	-
	Execution-Only Ongoing Fee ⁷	-	Up to 0.5%	-
	Direct Investor Ongoing Fee ⁸	-	-	0.5%
	Performance Fee ⁹	20%	20%	20%

¹Initial Adviser Charge

This is agreed between a Financial Adviser and a subscriber to the Company. It can be charged up to a maximum of 5% and is not eligible for Income Tax Relief. For Advised Investors, the Company will pay the Promoter the Initial Promotion Fee (excluding the amount of the Initial Adviser Charge facilitated prior to subscription for Shares).

²Initial Promotion Fee

The Company will pay the Promoter a fee for procuring subscribers under the Offer of 2.5% of the aggregate Subscription Amounts under the Offer less any discounts for early investment and Existing Blackfinch Group Investors (the “Initial Promotion Fee”).

³Execution-Only Initial Fee

For Execution-Only Investors the Company will pay to the Promoter, in addition to the Initial Promotion Fee, up to 3% of the monies subscribed for Shares under the Offer (“Execution-Only Initial Fee”).

⁴Direct Investor Premium

For Direct Investors, the Company will pay the Promoter, in addition to the Initial Promotion Fee, 3% of the monies subscribed for Shares under the Offer (“Direct Investor Premium”).

Notwithstanding that the Initial Promotion Fee, Direct Investor Premium and Execution-Only Initial Fee (the “Initial Fees”) are paid by the Company, they will effectively be borne by investors through the operation of the Pricing Formula and the number of Shares issued to Investors.

⁵Effective Investment Management Fee

The Company will pay the Investment Manager an annual Investment Management Fee of 2.5% of the NAV. However, the Investment Manager will rebate 0.5% of the NAV per annum to investors making the effective annual investment management fee 2% of the NAV. Any Adviser Ongoing Charges, Execution-Only Ongoing Fees and Direct Investor Ongoing Fees will be calculated by the Administrator based on the NAV of the investor’s shareholding. The Administrator will then facilitate the payment on behalf of the investor from the rebate of the Investment Management Fee.

⁶Adviser Ongoing Charge

Commission is generally not permitted to be paid to Financial Advisers who provide a personal recommendation to UK retail clients on investments in VCTs. Instead of commission being paid by the Company, an Initial Adviser Charge will usually be agreed between the adviser and the Advised Investor for the advice and related services.

The Investment Manager will rebate 0.5% per annum of the net asset value of the Advised Investor’s shareholding to facilitate any Adviser Ongoing Charge. If the Advised Investor chooses to pay their Financial Adviser less than the maximum amount, the Administrator will apply the remaining funds from the rebate to purchase additional Shares for the Advised Investor. These additional Shares purchased will be issued by reference to the last published prevailing NAV per Share (adjusted as appropriate for any dividends approved by shareholders at general meeting, subsequently paid or in respect of which the record date has passed). If the payment of the Adviser Ongoing Charges are to be facilitated on behalf of the Advised Investor, then the Advised Investor’s Financial Adviser is required to specify the amount of the charge on the Application Form (up to a maximum of 0.5% per annum).

⁷Execution-Only Ongoing Fee

Commission is permitted to be paid to Execution-Only Intermediaries under the rules of the Financial Conduct Authority in respect of Execution-Only Investors where no advice or personal recommendation has been given. Such authorised Intermediaries who, acting on behalf of their clients, return valid Application Forms bearing their stamp and Financial Conduct Authority number will usually be entitled to an Execution-Only Initial Fee.

Provided that the Intermediary continues to act for the client and the client continues to be the beneficial owner of the Shares, the Intermediary will be further entitled to a fee of up to 0.5% of the Net Asset Value per Share for a period of up to 10 years from the initial allotment of shares (“Execution-Only Ongoing Fee”).

The level of the Execution-Only Initial Fee and Execution-Only Ongoing Fee is agreed between the Execution-Only Intermediary and the relevant Investor and stated by the Intermediary on the Application Form.

The Administrator will facilitate payment of the Execution-Only Ongoing Fee through rebating an equivalent amount to the investor from the Investment Management Fee and paying this directly to the Intermediary. If the level of the Execution-Only Initial Fee or Execution-Only Ongoing Fee that the investor chooses to pay their Intermediary is less than the maximum amount (i.e. 3% Execution-Only Initial Fee, 0.5% Execution-Only Ongoing Fee), the Administrator will apply the remaining funds from the rebate to purchase additional Shares for the Investor. Shares will be issued at last published NAV per Share (adjusted as appropriate for any dividends approved by shareholders at general meeting, subsequently paid or in respect of which the record date has passed).

⁸Direct Investor Ongoing Fee

The Investment Manager will pay the Promoter 0.5% of the value of the Direct Investor’s Shareholding per annum (“Direct Investor Ongoing Fee”) out of its Investment Management Fee in consideration for promoting the Offer. Direct Investors will not receive any rebate from the Direct Investor Premium or the Direct Investor Ongoing Fee.

⁹Performance Fee

The Company will pay a Performance Fee to the Investment Manager in relation to each accounting period. The Performance Fee is equal to 20% of the amount by which the Performance Value per Share at the end of an accounting period exceeds the High Water Mark. This is the higher of 130p and the highest Performance Value per Share at the end of any previous accounting period. This number is then multiplied by the number of shares in issue in the Company on the relevant date.

In calculating the Performance Fee, the methodology for calculating the performance value is as follows:

- the Net Asset Value,
- all Performance Fees previously paid or accrued by the Company to the Investment Manager for all previous accounting periods since inception of the Company, and
- the cumulative amount of dividends or any other distributions paid (and declared but not yet paid) by the Company before the relevant accounting reference date. This includes the amount of those dividends in respect of which the ex-dividend date has passed as at that date,

in each case, divided by the number of Shares in issue in the Company on the relevant date.

Transaction Fees

The Investment Manager is entitled to charge the Portfolio Companies fees for arrangement, director and monitoring, exit and, to the extent that other services are provided, additional fees may be agreed. For the avoidance of doubt, these fees are not borne by the Company. Subject to FCA inducement and conflict of interest rules, fees may be paid to introducers in respect of the introduction of transactions.

Number of Shares to be issued

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

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

A higher proportion of Initial Fees will reduce the number of Shares an investor receives for a given investment amount, thereby increasing the effective price paid per Share. While the Initial Fees are paid by the Company, they reduce the number of Shares issued to the investor, effectively increasing the cost paid per Share.

Subject to any discounts for early investment and/or for Existing Blackfinch Group Investors, the Initial Fees are up to 5.5% of the investment amount for Direct Investors and Execution-Only Investors and 2.5% for Advised Investors. The NAV per Share will be adjusted, as necessary, for any dividends approved by shareholders at general meeting, subsequently paid or in respect of which the record date has passed.

The Promoter may agree to reduce the Initial Fees in whole or in part in respect of specific Investors or groups of Investors.



Illustrative Example

The below gives an illustrative example of the initial charges that would apply to a £10,000 investment into the Company as an Advised, Execution-Only and Direct Investor.

	Advised Investor	Execution-Only Investor	Direct Investor
Total Investment	£10,000	£10,000	£10,000
Initial Adviser Charge ¹	3% = £300	N/A	N/A
Subscription to VCT (eligible for tax relief)	£9,700	£10,000	£10,000
Execution-Only Initial Fee ²	N/A	3% = £300	N/A
Direct Investor Premium ³	N/A	N/A	3% = £300
Initial Promotion Fee ⁴	£242.50	£250	£250
Remaining funds to purchase shares	£9,457.50	£9,450	£9,450
Indicative NAV Per Ordinary Share	£1.05	£1.05	£1.05
Indicative Number of Shares to Be issued ⁵	9,007	9,000	9,000
Effective NAV Per Ordinary Share	£1.08	£1.11	£1.11

¹ The Initial Adviser Charge is payable to the client’s adviser and is agreed directly between the adviser and client. It can be charged at a rate of up to 5% of the total investment but a typical adviser charge is 3%.

² The Execution-Only Initial Fee is charged at a rate of up to 3% of the subscription. This is paid to the Execution-Only intermediary.

³ The Direct Investor Premium is charged at a rate of 3% of the subscription. This is paid to the Promoter.

⁴ The Initial Promotion Fee is charged at a rate of 2.5% of the subscription. This is paid to the Promoter.

⁵ The number of Shares to be issued to each investor will be determined by the pricing formula. This is calculated by the remaining funds (after payment of any Initial Adviser Charge) to purchase shares divided by the Net Asset Value per Share. While the Initial Fees are paid by the Company, they reduce the number of shares issued to the Investor, effectively increasing the cost paid per Share. Full details on the pricing formula can be found in the prospectus. The above calculation is for illustrative purposes only and the Shares issued will be subject to the NAV at the time of the Share issuance.

Risks

Prospective investors should carefully consider the following material risk factors that are specific to the VCT's ordinary shares, as well as the other information in the prospectus, before investing. Prospective investors should read the whole prospectus and not rely solely on the information in the section entitled 'Risk Factors'. Please note that the business and financial conditions of the VCT as a company could be adversely affected if any of the following were to occur. Investors could lose part or all of their investment.



The value of ordinary shares can fluctuate and investors may not get back the full amount they invest. In addition, there is no certainty that the market price of ordinary shares will fully reflect the underlying NAV, that shareholders will be able to realise their shareholding or that any dividends will be paid. An investment in the VCT as a company should be viewed as a higher-risk, longer-term investment.

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

Issuer Risks

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

There can be no guarantee that suitable investment opportunities will be identified. This factor would affect the financial performance of the Company and the returns for Shareholders.

The current hostilities in the Middle East, Ukraine and, in respect of the latter, 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.

There is no guarantee that the Company will always find suitable investments. Although it mainly invests in UK SMEs, many portfolio companies depend on global supply chains and overseas markets. Tariffs, quotas, customs

delays or regulatory changes, linked to US trade policy, Brexit or geopolitical events, could raise costs, disrupt supplies, and reduce exports. This may reduce profitability and growth, lowering the value of investments and NAV per Share. Future trade policy changes could add further challenges.

Inflation remains above the Bank of England's 2% target. This reduces the real value of both income paid to investors and capital returned. The Company invests in early- and growth-stage businesses that are vulnerable to rising costs and weaker demand. Higher inflation often leads to higher interest rates, which can reduce valuations, restrict access to capital and put pressure on profitability. These factors may affect returns and lower NAV per Share.

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

The market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing, and disposing of such stock.

There may also be constraints imposed on the realisation of investments to maintain the VCT tax status of the Company. All these factors could affect the financial performance of the Company, and the returns for Shareholders.

The Company's portfolio of Non-Qualifying Investments (e.g., money market funds) are subject to market fluctuations. 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 Finance Act introduced a "risk-to-capital" condition for Qualifying Investments, designed to focus investments towards earlier stage, growing businesses, and away from investments which could be regarded as lower risk and these factors could affect the financial performance of the Company, and the returns for Shareholders. The Company may not make any prohibited non-qualifying investments, including 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.

Whilst HMRC have stated that VCT status will not be withdrawn where an investment is ultimately found to be non-qualifying if, after taking reasonable steps including seeking advice, a VCT considers that an investment is qualifying, a breach of any of these conditions could result in the loss of VCT status by the Company or HMRC requiring rectification of the breach, which may mean that the Company is forced to dispose of the investment at a loss and this could adversely affect investor returns. The Investment Manager and its respective officers, employees and consultants are involved in other activities which may give rise to conflicts of interest with the Company and the Investment Manager may from time-to-time act for other clients or manage or advise other funds, which have similar investment mandates to that of the Company. In seeking to manage such conflicts, the Investment Manager may not offer the Company the opportunity to invest in all of its investment opportunities that fall within the Company's investment policy, for example, where the Investment Manager is bound to allocate a specific investment opportunity to the Blackfinch Adapt IHT Service, that might otherwise have been presented to the Company.

This could have a material adverse effect on the Company's profitability, the Net Asset Value, and the price of the Ordinary Shares.

Securities Risk

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

As a company, the VCT intends, but cannot guarantee, to pay a regular annual dividend equivalent to 5% of the VCT's NAV. The ability to pay the intended dividends may also be constrained by, in particular, the existence of realised profits, regulations and the available cash reserves of the VCT.

The value of an ordinary share depends on the performance of the VCT's underlying assets and that value and the income derived from those assets may go down as well as up and an investor may not get back the amount invested.

Levels, bases of, and reliefs from taxation are subject to change, which could be retrospective. This could affect the VCT status of the company and the VCT tax benefits available to shareholders.

Any purchaser of existing Shares in the secondary market will not qualify for the then (if any) available upfront tax reliefs afforded only to subscribers of Ordinary Shares on the amount invested.

Investors who sell their Ordinary Shares within five years of allotment will have to repay some or all of their initial 30% income tax relief depending on the sale proceeds and it is, therefore, probable that the market in the Ordinary Shares will be illiquid for at least five years.

If the Company loses its approval as a VCT before Investors have held their shares for five years, the income tax relief obtained will have to be repaid by such Investors. Following a loss of VCT status, an Investor will be taxed on dividends paid by the Company and, in addition, a liability to capital gains tax may arise on any subsequent disposal of their Ordinary Shares.

This brochure is an advertisement and not a prospectus. Investors should not subscribe for shares on the basis of this brochure, but only on the basis of the prospectus, published on 9 September 2024 which is available at: www.blackfinch.ventures/vct

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Prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of investing and the risk involved. Prospective investors should not treat the contents of this brochure as advice relating to legal, taxation or other matters. If in any doubt about the proposal discussed in this brochure, its suitability, or what action should be taken, prospective investors should consult their own professional advisers.

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Current Investors can now access all of their information using the Blackfinch Spring VCT Investor Hub.

Visit our website blackfinch.com/ventures and access the Investor Hub at the top of any page.

For any queries (other than investment advice) please contact us on 01452 717070 or email enquiries@blackfinch.com.

