

# MOBEUS INCOME & GROWTH VCT PLC AND THE INCOME & GROWTH VCT PLC PROSPECTUS

## Relating to:

**Consideration Shares to be issued by the Companies in connection with the Merger of Mobeus Income & Growth VCT plc and Mobeus Income & Growth 2 VCT plc, and The Income & Growth VCT plc and Mobeus Income & Growth 4 VCT plc**

**and**

**Offers for Subscription by the Companies to raise up to £70 million, with over-allotment facilities to raise up to a further £20 million**



**Gresham House**  
Specialist investment

Promoted and advised by  
Gresham House Asset Management Limited



**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial intermediary authorised pursuant to the Financial Services and Markets Act 2000, as amended (FSMA).**

This document constitutes a prospectus issued by Mobeus Income & Growth VCT plc (**MIG**) and The Income & Growth VCT plc (**I&G**) (together the **Companies** and each a **Company**) dated 18 June 2024 (**Prospectus**).

The Prospectus has been prepared in accordance with the Prospectus Regulation Rules (**Prospectus Regulation Rules**) made by the Financial Conduct Authority (**FCA**) 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 (**UK Prospectus Regulations**) and constitutes a prospectus issued by the Companies. The Prospectus has been approved by the FCA as competent authority under the UK Prospectus Regulations. The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulations and such approval shall not be considered as an endorsement of the quality of the securities or the issuer that are subject to the Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulations. Summary information on each Company is also contained in its key information document (**KID** and together the **KIDs**). This document has been prepared in compliance with the Prospectus Regulation Rules, English law and the rules of the FCA and the information disclosed may not be the same as that which would be disclosed if this document had been prepared in accordance with the laws of a jurisdiction outside England.

The Companies, the directors of the Companies (**Directors**) and the proposed directors of the Companies (**Proposed Directors**), whose names appear on page 113 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Companies, the Directors and the Proposed Directors, the information contained in this document is in accordance with the facts and the document makes no omission likely to affect its import.

Howard Kennedy Corporate Services LLP (**Howard Kennedy**), which is authorised and regulated in the United Kingdom by the FCA, is acting as sponsor for the Companies (and no-one else) in respect of the Prospectus and will (subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder) not be responsible to any other person for providing the protections afforded to customers of Howard Kennedy for providing advice in connection with any matters referred to herein.

Gresham House Asset Management Limited (**Gresham House**), which is authorised and regulated in the United Kingdom by the FCA, is acting as promoter to the Companies (and no-one else) in respect of the offers for subscription by the Companies, the terms of which are set out in this document, (**Offers**) and will (subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder) not be responsible to any other person for providing the protections afforded to customers of Gresham House for providing advice in connection with the Offers.

Shakespeare Martineau LLP, which is regulated in the United Kingdom by the Solicitors Regulation Authority, is acting as legal adviser to the Companies (and no one else) and will not be responsible to any other person for providing advice in connection with any matters referred to herein.

The Companies' existing issued ordinary shares of 1p each in each of the capital of the Companies (Shares) are listed on the premium segment of the Official List of the FCA and traded on the London Stock Exchange's main market for listed securities. Application has been made to the FCA for the Shares to be issued pursuant to the Offers (**Offer Shares**) and the merger of MIG and Mobeus Income & Growth 2 VCT plc (**MIG 2**), and the merger of I&G and Mobeus Income & Growth 4 VCT plc (**MIG 4**) (**Consideration Shares**) to be admitted to the premium segment of the Official List of the Financial Conduct Authority and to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities. It is expected that such admission to the Official List will become effective and that dealings in the Offer Shares and the Consideration Shares will commence within three business days following allotment.

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## Prospectus

relating to:

<b>MOBEUS INCOME &amp; GROWTH VCT PLC</b>	<b>THE INCOME &amp; GROWTH VCT PLC</b>
<i>(Registered in England and Wales with registered number 05153931)</i>	<i>(Registered in England and Wales with registered number 04069483)</i>
<b>Consideration Shares to be issued in connection with the merger of MIG and MIG 2</b>	<b>Consideration Shares to be issued in connection with the merger of I&amp;G and MIG 4</b>
<b>Offer for subscription to raise up to £35 million, with an over-allotment facility to raise up to a further £10 million</b>	<b>Offer for subscription to raise up to £35 million, with an over-allotment facility to raise up to a further £10 million</b>

The Consideration Shares and the Offer Shares have not been, and will not be, registered under the United States Securities Act 1933 or the United States Investment Company Act 1990 and no action has been, or will be, taken in any jurisdiction by, or on behalf of the Companies, Gresham House or Portunus Investment Solutions Limited (**Portunus**), the distributor for the Offers, which would permit a public offer of such shares in any jurisdiction other than the United Kingdom, nor has any such action been taken with respect to the possession or distribution of this document other than in the United Kingdom.

Copies of this Prospectus (and any supplementary prospectus published by the Companies) are available free of charge from the national storage mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>) and from Gresham House:

Gresham House Asset Management Limited  
80 Cheapside  
London EC2V 6EE

telephone: +44 (0)20 7382 0999  
download: [www.mobeusvcts.co.uk/vct-fundraising](http://www.mobeusvcts.co.uk/vct-fundraising)  
email: [mobeusvcts@greshamhouse.com](mailto:mobeusvcts@greshamhouse.com)

**YOUR ATTENTION IS DRAWN TO THE RISK FACTORS ON PAGES 10 to 13.**

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## SUMMARY

### 1. Introduction, containing warnings

This summary should be read as an introduction to the prospectus issued by Mobeus Income & Growth VCT plc (**MIG**) and The Income & Growth VCT plc (**I&G**) (together the **Companies** and each a **Company**) on 18 June 2024 (**Prospectus**) and any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

The securities to be issued pursuant to this Prospectus are:

<b>MIG</b>	ordinary shares of 1p each (ISIN: GB00B01WL239) ( <b>MIG Shares</b> )
<b>I&amp;G</b>	ordinary shares of 1p each (ISIN: GB00B29BN198) ( <b>I&amp;G Shares</b> )

MIG Shares and I&G Shares are together **Shares**.

MIG Shares will be issued to shareholders of Mobeus Income & Growth 2 VCT plc (**MIG 2**) in connection with the Company's acquisition of the assets and liabilities of MIG 2 (**MIG/MIG 2 Scheme** and **MIG Consideration Shares**) and issued to existing and new investors in MIG in connection with the offer for subscription contained in the Prospectus (**MIG Offer** and **MIG Offer Shares**).

I&G Shares will be issued to shareholders of Mobeus Income & Growth 4 VCT plc (**MIG 4**) in connection with the Company's acquisition of the assets and liabilities of MIG 4 (**I&G/MIG 4 Scheme** and **I&G Consideration Shares**) and issued to existing and new investors in I&G in connection with the offer for subscription contained in the Prospectus (**I&G Offer** and **I&G Offer Shares**).

The MIG/MIG 2 Scheme and the I&G/MIG 4 Scheme are each a **Scheme** and are together the **Schemes** and the MIG Consideration Shares and I&G Consideration Shares are together the **Consideration Shares**. The merger of MIG and MIG 2 and the merger of I&G and MIG 4 pursuant to the Schemes is referred to as the **Merger**.

The MIG Offer and the I&G Offer are each an **Offer** and are together the **Offers** and the MIG Offer Shares and I&G Offer Shares are together the **Offer Shares**.

MIG and I&G can each be contacted by writing to the company secretary, Gresham House Asset Management Limited (**Gresham House** or the **Investment Adviser**), at 80 Cheapside, London EC2V 6EE or by calling, within business hours, +44 (0)20 7382 0999.

The Legal Entity Identity number (**LEI**) for each Company is:

<b>MIG</b>	213800HKOSEVWS7YPH79
<b>I&amp;G</b>	213800FPC15FNM74YD92

The Prospectus was approved on 18 June 2024 by the Financial Conduct Authority (**FCA**) of 12 Endeavour Square, London E20 1JN. Contact information relating to the FCA can be found on its website at ([www.fca.org.uk/contact](http://www.fca.org.uk/contact)).

### 2. Key information on the issuers

#### 2.1 Who are the issuers of the securities?

The Companies are each public companies with limited liability incorporated in England and Wales and domiciled in the United Kingdom. The Companies operate under the Companies Act 2006 (**CA 2006**) and regulations made thereunder.

HMRC has granted approval of the Companies as venture capital trusts (**VCTs**) under section 259 of the Income Tax Act 2007 (as amended) (**Tax Act**). The business of the Companies have been, and it is intended that they will continue to be, carried on so as to comply with that section to maintain full VCT approval.

The LEI for each Company is:

<b>MIG</b>	213800HKOSEVWS7YPH79
<b>I&amp;G</b>	213800FPC15FNM74YD92

The Companies do not have any major shareholders. The Companies are not directly controlled by any other party and, at the date of the Prospectus, there are no arrangements in place that may, at a subsequent date, result in a change of control of the Companies.

The directors of each Company (each a **Director** and together the **Directors**) and the additional proposed directors of each Company to be appointed subject to implementation of the Merger are as follows:

<b>MIG</b>	<b>Current Directors</b>	<b>Additional Proposed Directors</b>
	Clive Boothman (Chair) Lucy Armstrong Bridget Guérin	Ian Blackburn Sarah Clark

<b>I&amp;G</b>	<b>Current Directors</b>	<b>Additional Proposed Director</b>
	Maurice Helfgott (Chair) Justin Ward Nemone Wynn-Evans	Graham Paterson

The directors of MIG referred to as the **MIG Board**, the directors of I&G referred to as the **I&G Board** and the MIG Board and the I&G Board together the **Boards** and each a **Board**.

Gresham House has been appointed to provide investment advisory, administrative and company secretarial services to the Companies.

BDO LLP acts as auditor to the Companies. BDO LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

## 2.2 What is the key financial information regarding the issuers?

### (A) MIG

#### 2.2.1(A).1 Information relevant to closed end funds (as at 31 December 2023 (audited), unless otherwise stated)

Share class	Net assets	No. of MIG Shares	NAV per MIG Share	Latest NAV per MIG Share
Ordinary	£95.99m	164,285,230	58.43p	59.04p (as at 31 March 2024, unaudited)

A dividend of 4.0p per MIG Share was paid on 31 May 2024 to MIG Shareholders on the register on 3 May 2024.

The unaudited NAV per MIG Share as at 31 March 2024 adjusted for this dividend would be 55.04p.

#### 2.2.1(A).2 Income statement for closed end funds

	Year ended 31 December 2023 (audited)
Investment income	£2,612,414
Total income before operating expenses	£2,655,018
Investment management fee (accrued/paid)	£(2,189,106)
Other fees (accrued/paid to service providers)	£(243,553)
Profit on ordinary activities before taxation	£6,352,594
Net profit on ordinary activities before taxation	£6,352,594
Earnings per MIG Share	3.84p
Dividends paid per MIG Share (in the period)	9.50p
Dividends paid/declared per MIG Share (in respect of the period)	9.50p

#### 2.2.1A.3 Balance sheet for closed end funds

	As at 31 December 2023 (audited)
Total net assets	£95,993,811
NAV per MIG Share	58.43p

### (B) I&G

#### 2.2.1(A).1 Information relevant to closed end funds (as at 31 March 2024 (unaudited), unless otherwise stated)

Share class	Net assets	No. of I&G Shares	NAV per I&G Share	Latest NAV per I&G Share
Ordinary	£115.29m	155,187,008	74.29p	74.29p (as at 31 March 2024, unaudited)

A dividend of 3.0p per I&G Share was paid on 7 June 2024 to I&G Shareholders on the register on 17 May 2024.

The unaudited NAV per I&G Share as at 31 March 2024 adjusted for this dividend would be 71.29p.

#### 2.2.1(A).2 Income statement for closed end funds

	Six months ended 31 March 2023 (unaudited)	Year ended 30 September 2023 (audited)	Six months ended 31 March 2024 (unaudited)
Investment income	£1,551,444	£3,053,963	£1,247,575
Total income before operating expenses	£1,587,517	£3,196,634	£1,371,200
Investment management fee (accrued/paid)	£(1,240,145)	£(2,534,723)	£(1,240,103)
Other fees (accrued/paid to service providers)	£(114,818)	£(245,050)	£(250,437)
Profit/(loss) on ordinary activities before taxation	£(587,304)	£5,485,564	£3,035,779
Net profit/(loss) on ordinary activities before taxation	£(587,304)	£5,485,564	£3,035,779
Earnings per I&G Share	(0.41)p	3.66p	1.94p
Dividends paid per I&G Share (in the period)	4.00p	8.00p	7.00p
Dividends paid/declared per I&G Share (in respect of the period)	4.00p	11.00p	3.00p

### 2.2.1A.3 Balance sheet for closed end funds

	As at 31 March 2023 (unaudited)	As at 30 September 2023 (audited)	As at 31 March 2024 (unaudited)
Total net assets	£122,928,699	£122,777,786	£115,292,676
NAV per I&G Share	79.38p	79.33p	74.29p

### 2.2.2 Pro forma financial information

The following pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation, and therefore, does not represent a Company's actual financial position or results.

#### (A) MIG

Following implementation of the MIG/MIG 2 Scheme, MIG is expected to have net assets of approximately £211.66 million. This is based on (i) the audited net assets of MIG as at 31 December 2023 and the net assets of MIG 2 that MIG would have acquired (had the Merger been completed as at 31 December 2023) based on the unaudited net assets of MIG 2 as at 30 September 2023, (ii) MIG and MIG 2's allocation of the expected Merger costs and (iii) the MIG Offer being fully subscribed (and that the over-allotment facility is fully utilised). This pro forma basis is different to the expected net assets of MIG post-Merger included under 'Benefits of the Merger' in Part IV of the Prospectus, which is based on the unaudited net assets of MIG and MIG 2 as at 31 March 2024 rather than the audited net assets of MIG as at 31 December 2023 and the unaudited net assets of MIG 2 as at 30 September 2023.

MIG would have had a return on ordinary activities before tax of approximately £(3.79) million based on MIG's audited annual report and accounts for the year ended 31 December 2023 and MIG 2's annual report and accounts for the year ended 31 March 2023.

#### (B) I&G

Following implementation of the I&G/MIG 4 Scheme, I&G is expected to have net assets of approximately £239.56 million. This is based on (i) the unaudited net assets of I&G as at 31 March 2024 and the net assets of MIG 4 that I&G would have acquired (had the Merger been completed as at 31 March 2024) based on the audited net assets of MIG 4 as at 31 December 2023, (ii) I&G and MIG 4's allocation of the expected Merger costs and (iii) the I&G Offer being fully subscribed (and that the over-allotment facility is fully utilised). This pro forma basis is different to the expected net assets of I&G post-Merger included under 'Benefits of the Merger' in Part IV of the Prospectus, which is based on the unaudited net assets of I&G and MIG 4 as at 31 March 2024 rather than the unaudited net assets of I&G as at 31 March 2024 and the audited net assets of MIG 4 as at 31 December 2023.

I&G would have had a return on ordinary activities before tax of approximately £9.32 million based on I&G's audited annual report and accounts for the year ended 30 September 2023 and MIG 4's annual report and accounts for the year ended 31 December 2023.

### 2.2.3 Qualifications to audit reports

There were no qualifications in the audit report for MIG in respect of its financial year ended 31 December 2023 or for I&G in respect of its financial year ended 30 September 2023.

### 2.3 What are the key risks that are specific to the issuer?

- Completion of the Merger is dependent upon a number of conditions precedent being fulfilled, including the approval of Shareholders. Whilst the Boards have identified a number of potential benefits for the enlarged Acquirer VCTs, there is no certainty that these benefits will lead to improved prospects for the enlarged Acquirer VCTs.
- If the Merger is not implemented, the Offers will be withdrawn. Further, if Resolution 3 (relating to the issue of MIG Shares or, as relevant, I&G Shares in connection with the Offers) to be proposed at the general meetings of each Company is not passed, the amount available under the Offers may be restricted.
- There can be no guarantee that the investment objective of a Company will be met or that suitable investment opportunities will be available. Although meeting its objective is each Company's target, the existence of such an objective should not be considered as an assurance or guarantee that it will be met (as this will depend on the investment opportunities sourced by Gresham House and the performance of the investee companies within each Company's portfolio).
- Economic and global political uncertainty and market conditions may adversely affect the performance of companies in which a Company has invested or may invest (including short-term reductions in valuation), which in turn may adversely affect the performance of that Company. Current factors of significance include global political instability, continuing conflicts in Ukraine and the Middle East, potential low levels of economic growth, supply chain loss and disruption, higher interest rates following a sustained period of low rates, currency volatility, and continuing high levels of inflation and energy costs. These factors may also negatively impact the number or quality of investment opportunities available to a Company.
- Changes to VCT legislation since 2015 have introduced a number of restrictions and conditions designed to ensure that investments are made in smaller, younger businesses targeting growth and development and where capital is at risk. This may limit the number of, and increase competition for, investment opportunities

available and such companies are likely to have a higher risk profile (and increased volatility of future returns and more extreme investment outcomes) than companies in which investments were made historically by the Companies.

- Investment in unquoted companies (including AIM and Aquis market-traded companies), by its nature, involves a higher degree of risk than investment in companies listed on the Official List. In particular, 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/or counterparts. They may be more susceptible to political, exchange rate, taxation, economic and other regulatory changes and conditions. In addition, the market for securities in smaller companies may be less regulated and is usually less liquid than that for securities in larger companies.
- Whilst it is the intention of each Board that its Company will continue to be managed so as to qualify as a VCT, there can be no guarantee that a Company's VCT status will be maintained.
- Any change in government and/or of governmental, economic, fiscal, monetary or political policy, in particular government spending reviews and political party policies, resulting in changes to existing policies, tax legislation and the venture capital schemes, levels of unemployment, stock market volatility, consumer confidence, inflation and changes to the current level of interest rates could materially affect, directly or indirectly, the operation and performance of a Company and/or investee companies and/or the value of, and returns from, Shares and/or a Company's ability to achieve or maintain its VCT status.
- The Companies each have a board of non-executive directors and have no employees and are, therefore, dependent on the skills of the Investment Adviser to advise upon, and manage, their investments.

### **3 Key information on the securities**

#### **3.1 What are the main features of the securities?**

##### **3.1.1 Description and class of securities**

The securities to be issued pursuant to the Prospectus are:

<b>MIG</b>	ordinary shares of 1p each (ISIN: GB00B01WL239)
<b>I&amp;G</b>	ordinary shares of 1p each (ISIN: GB00B29BN198)

Each Company's share capital comprises ordinary shares of 1p (GBP) each.

As at the date of this document:

- 162,407,099 MIG Shares are in issue (all fully paid up). The maximum number of MIG Consideration Shares and MIG Offer Shares to be issued pursuant to the Prospectus is 235 million.
- 156,392,897 I&G Shares are in issue (all fully paid up). The maximum number of I&G Consideration Shares and I&G Offer Shares to be issued pursuant to the Prospectus is 225 million.

##### **3.1.2 Rights attaching to the securities**

The Consideration Shares and Offer Shares in each Company will rank equally in all respects (including on a winding up) with each other and the existing Share capital of the relevant Company from the date of issue of such Shares.

There are no restrictions on the transferability of the Shares.

##### **3.1.3 Dividend policies**

Each Board intends to continue to maximise the stream of dividend distributions to its Company's shareholders from the income and capital gains generated by their respective portfolios or from other distributable reserves.

The current annual dividend target of MIG is 4.0p per MIG Share and that of I&G is 6.0p per I&G Share, although, in recent years, both Companies have paid significantly higher dividends.

The Boards consider it appropriate for the Companies, post-Merger, to adopt an annual dividend target set as a percentage rather than a fixed pence amount. Accordingly, the new annual dividend target, subject to the implementation of the Merger, for both Companies will be 7% of the NAV per Share at the start of the relevant financial year. If the Merger is not implemented, the existing annual dividend targets will continue to apply.

There is, however, no guarantee that dividends will continue to be paid by the Companies or that the dividend targets stated will be met and no forecast or estimate is implied or inferred.

#### **3.2 Where will the securities be traded?**

Applications have been made to the FCA for the Consideration Shares and the Offer Shares to be listed on the premium segment of the Official List and will be made to the London Stock Exchange plc for such shares to be admitted to trading on its main market for listed securities.

#### **3.3 What are the key risks that are specific to the securities?**

- The past performance of the Companies and Gresham House is not an indication of future performance. The return received by investors will primarily be dependent on the performance of the underlying investments held by a Company. The value of such investments, and interest income and dividends therefrom, may rise or fall and there is no certainty that dividends will be paid or that investors will get their money back.



- Although each Company operates a share buyback policy (through its broker, Panmure Gordon (UK) Limited) with the objective of maintaining the discount to NAV at which its Shares trade at approximately 5% or less, Shareholders will have no formal right to have their Shares redeemed or repurchased by the relevant Company at any time and may be required to dispose of their Shares on the stock market. Accordingly, the ability of Shareholders to sell their Shares will depend on a Company's ability to operate its buyback policy or the existence of a liquid market in the Shares and the market price of the Shares (which, in each case, will likely be at a discount to the NAV per Share).
- Although the existing Shares are (and it is anticipated that the Offer Shares will be) admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, there may not be a liquid market for the Shares as there is a limited secondary market for VCT shares (primarily because initial VCT tax reliefs are only available to investors subscribing for new VCT shares and are not available on VCT shares bought in the secondary market).
- The disposal of Offer Shares within five years of subscription will result in any income tax relief claimed thereon becoming repayable. On this basis, investing in Offer Shares should be considered a long-term investment. In addition, loss of VCT status by a Company would result in Qualifying Investors losing the tax reliefs available for VCT shares, resulting in adverse tax consequences, including any income tax relief claimed on Offer Shares issued by the relevant Company if the Offer Shares have not been held for five years as at the date of VCT status being regarded as lost.

#### 4 Key information on the offer of securities to the public and/or the admission to trading on a regulated market

##### 4.1 Under which conditions and timetable can I invest in the securities?

###### 4.1.1 Terms and Conditions

###### (A) Merger

MIG and I&G are each referred to as an Acquirer VCT and together the Acquirer VCTs. MIG 2 and MIG 4 are each referred to as a Target VCT and together the Target VCTs.

The Merger will be implemented through the Schemes as follows:

- each Target VCT will be placed into members' voluntary liquidation pursuant to a scheme of reconstruction under section 110 of Insolvency Act 1986; and
- all of the assets and liabilities of the Target VCT will be transferred to the relevant Acquirer VCT in consideration for the issue of Consideration Shares in that Acquirer VCT (which will be issued directly to the Target VCT Shareholders).

The number of Consideration Shares to be issued in the relevant Acquirer VCT will be calculated by reference to the respective net asset values of that Acquirer VCT and the relevant Target VCT. The merger of MIG and MIG 2 will not proceed without the merger of I&G and MIG 4, and vice versa.

The Merger is conditional on, amongst other things, the approval by shareholders of resolutions to be proposed by the Acquirer VCTs and Target VCTs at general meetings.

###### (B) Offers

The Companies are seeking to raise, in aggregate, up to £70 million, with over-allotment facilities to raise up to, in aggregate, a further £20 million, through the issue of Offer Shares pursuant to the Offers.

The amount each Company is seeking to raise, and the maximum number of Offer Shares it will issue, is set out below.

Company:	MIG	I&G
Maximum amount to be raised (excluding the over-allotment facility)	£35 million	£35 million
Maximum amount to be raised (including the over-allotment facility)	£45 million	£45 million
Maximum number of Offer Shares to be issued	110 million	85 million

The Offers are conditional on the Merger being implemented. The Offers will be withdrawn if completion of the Merger does not occur.

The number of Offer Shares to be allotted in the relevant Company to a successful applicant will be determined by the following formula (**Allotment Formula**). The Offer price per Offer Share paid by an investor will be the monetary amount of an application accepted in respect of the relevant Company (**Investment Amount**), divided by the number of Offer Shares, calculated using the Allotment Formula.

$$\text{Number of Offer Shares} = \frac{A - B - C}{\text{NAV}}$$

###### Where:

- A** is the Investment Amount;
- B** is the amount of Offer Costs (see below);
- C** is any amount of initial adviser charges to be facilitated; and
- NAV** is the most recently published NAV per share in the Company on the day of allotment, adjusted for dividends declared and for which the record date for payment has passed at the time of allotment.

The number of Offer Shares to be allotted will be rounded down to the nearest number of whole Offer Shares in the relevant Company (i.e. fractions of Offer Shares will not be allotted).

Offer costs of 3.0% of the Investment Amount are payable by the Companies to the Investment Adviser (but borne by the investor through the Allotment Formula), as promoter to the Offer, reduced by an amount equal to:

- initial commission of 0.5% of the Investment Amount offered by the Investment Adviser to intermediaries in respect of 'execution only' (no advice) or professional client (classified by an intermediary as a professional client) investors and waived by the intermediary in favour of the investor;
- 0.5% of the Investment Amount in respect of investors who receive advice from a financial adviser (and the Application Form is completed by the financial adviser on this basis);
- 0.5% of the Investment Amount in respect of direct investors (i.e. those who do not apply through an intermediary) who are existing shareholders in one or more of the Companies; and
- any other fee reduction the Investment Adviser agrees for a specific investor or group of investors.

Where Offer Costs are reduced, this will (through the Allotment Formula) increase the number of Offer Shares allotted to an applicant.

Intermediaries whose clients are 'execution only' investors or professional client investors will be paid annual trail commission of 0.5% of the Investment Amount. This is limited to five years and subject to a cumulative trail commission cap of 2.5% of the Investment Amount and their client continuing to hold their Offer Shares.

The Companies can also facilitate the payment of an initial adviser charge on behalf of an investor (up to a maximum of 4.5% of the Investment Amount).

#### **4.1.2 Expected Timetable**

##### **(A) Merger**

The Merger being implemented is subject to the approval by shareholders of resolutions to be proposed by the Acquirer VCTs and Target VCTs at general meetings. Subject to those resolutions being passed, and satisfaction of other Scheme conditions, the Merger will be effected on 26 July 2024.

##### **(B) Offers**

The Offers will, subject to the Merger being implemented, open for Applications at 9.00 a.m. on 2 September 2024. The Offer will close for Applications (unless fully subscribed earlier or otherwise at the discretion of the relevant Board) at 5.00 p.m. on 26 March 2025. Each Board reserves the right to accept Applications and allot and arrange for the listing of Offer Shares as it sees fit.

#### **4.1.3 Details of Admission**

Applications have been made to the FCA for the Consideration Shares and the Offer Shares to be listed on the premium segment of the Official List and will be made to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities. It is anticipated that dealings in the Consideration Shares or, as the case may be, the Offer Shares will commence within three business days following allotment.

#### **4.1.4 Distribution**

The Consideration Shares and the Offer Shares will be available to be issued in either registered form (i.e. certificated) or electronic form (i.e. through CREST). As applicable, share certificates are expected to be dispatched by post within ten business days of allotment and CREST accounts are expected to be credited within three business days of allotment.

#### **4.1.5 Dilution**

##### **(A) MIG**

If the maximum of 235 million MIG Consideration Shares and MIG Offer Shares are allotted, the existing 162,407,099 MIG Shares would represent 40.87% of the enlarged issued MIG share capital, assuming no MIG Consideration Shares would be issued to existing MIG Shareholders and no existing MIG Shareholders participate in the MIG Offer.

##### **(B) I&G**

If the maximum of 225 million I&G Consideration Shares and I&G Offer Shares are allotted, the existing 156,392,897 I&G Shares would represent 41.01% of the enlarged issued I&G share capital, assuming no I&G Consideration Shares would be issued to existing I&G Shareholders and no existing I&G Shareholders participate in the I&G Offer.

#### **4.1.6 Expenses**

##### **4.1.6.1 Expenses**

##### **(A) Merger**

The Merger costs are expected to be approximately £1,119,123. Based on the expected annual cost savings of £798,387, the Merger costs are expected to be recovered in under 18 months.

##### **(B) Offers**

Each Company will pay the Investment Adviser, as promoter to its Offer, a maximum fee of an amount equal to 3.0% of the Investment Amount in respect of successful applications (which is effectively borne by the investor

through the application of the Allotment Formula). In consideration, the Investment Adviser will meet all the costs and expenses of each Offer, excluding any amounts due from a Company to the investor in connection with the facilitation of initial adviser charges (such amounts being paid by the relevant Company, but borne by the investor through the Allotment Formula), but including annual trail commission.

**4.1.6.2 Expenses charged to the investor**

**(A) Merger**

There are no direct charges in connection with the Merger for shareholders or new investors.

**(B) Offers**

Except where an investor has agreed to pay a financial adviser a charge for advice regarding the suitability of the investment, the maximum initial costs an investor will effectively pay will be 3.0% of the Investment Amount. The maximum initial costs effectively borne by an advised investor will be 7.5% of the Investment Amount, unless additional adviser charges to be paid directly by the investor are agreed over the amount to be facilitated. An investor may bear less than this, depending on the terms offered by the financial adviser, intermediary and/or the Investment Adviser. Advised investors may incur further ongoing adviser charges depending on the terms they agree with their financial adviser.

**4.2 Why is this Prospectus being produced?**

**4.2.1 Reasons**

**(A) Merger**

The Merger is expected to achieve, amongst other things, cost savings, administration efficiency and simplicity.

In respect of the Merger, the Prospectus is being produced for the purposes of admission of the Consideration Shares to the premium segment of the Official List. There is no offer to the public under the Schemes.

**(B) Offers**

The new funds are being raised to ensure that each Company retains adequate levels of liquidity to continue to (i) take advantage of new investment opportunities and fund further expansion of the businesses in its investment portfolio, (ii) seek the delivery of attractive returns for its Shareholders, including the payment of dividends, over the medium term and (iii) buy back its Shares from those Shareholders who may wish to sell their Shares.

In respect of the Offers, the Prospectus is being produced for the purposes of the Offers each being an offer to the public and for the purposes of the admission of the Offer Shares to the premium segment of the Official List.

**4.2.2 The use and estimated net amount of proceeds**

**(A) Merger**

Each Acquirer VCT will acquire the assets and liabilities of its relevant Target VCT. These will be amalgamated with its own assets and liabilities. There is no offer to the public under the Schemes.

**(B) Offers**

It is intended that the proceeds of each Offer will be used by the relevant Company in accordance with its published investment policy. In particular, monies raised will be used to fund investment opportunities, as well as being used to fund dividends, buybacks and normal annual running costs.

Assuming that the Offers are fully subscribed (and that the over-allotment facilities are fully utilised), the maximum Offer Costs payable by each Company and the minimum net proceeds (excluding any amounts due to an investor from a Company to be used for the purposes of facilitation of initial adviser charges) will be:

<b>Company:</b>	<b>MIG</b>	<b>I&amp;G</b>
Offer Costs	£1.35 million	£1.35 million
Net Proceeds	£43.65 million	£43.65 million

**4.2.3 Conflicts of interest**

There are no material potential conflicts of interest which any of the service providers to a Company may have as between their duty to that Company and their duties owed to third parties and/or their other interests.

The Investment Adviser’s fees are based on a percentage of net assets and, therefore, there is an inherent potential conflict in the valuations it proposes in relation to investments. This conflict is managed by the valuation of investments being reviewed and approved by the relevant Board.

The Investment Adviser and the wider Gresham House Group is the investment adviser/manager both to each of the Companies and a number of other funds, including the Baronsmead VCTs with which the Companies co-invest. Allocation conflicts are managed by having an agreed allocation policy.

## PART I: RISK FACTORS

The risk factors set out below are those which are considered by the Directors to be material to the Merger, the Offers and the Companies, which the Directors consider could have a material effect on the Companies' business, financial condition or results of operation, but are not the only risks. Additional risks and uncertainties that are not currently known to the Directors, or that the Directors do not currently consider to be material, may also have a material effect on the Merger, the Offers, the Companies and the Companies' business, financial condition or results of operation.

References to a Company or an Acquirer VCT should also be construed, where applicable, as including the Enlarged Acquirer VCT.

### Risks Relating to the Merger

**The Merger is subject to conditions being satisfied, including Shareholders approving resolutions to implement the MIG/MIG 2 Scheme and the I&G/MIG 4 Scheme.** Completion of the Merger is dependent upon a number of conditions precedent being fulfilled, including the approval of Shareholders. For the avoidance of doubt, the MIG/MIG 2 Scheme will not proceed independently of the I&G/MIG 4 Scheme and vice versa. Whilst the Boards have identified a number of potential benefits for the Enlarged Acquirer VCTs, there is no certainty that these benefits will lead to improved prospects for the Enlarged Acquirer VCTs.

**Shareholders will participate, and be subject to, the performance of the combined Acquirer VCT and Target VCT investment portfolios within the Enlarged Acquirer VCT post-Merger.** Any gains (or losses) made on the combined portfolio of investments of the Enlarged Acquirer VCT will, following the Merger, be shared amongst all Enlarged Acquirer VCT Shareholders pro rata to their number of Acquirer VCT Shares then held. Although there is material commonality in respect of the investment portfolios of the Companies, the Acquirer VCT Shareholders may be adversely affected by the performance of the investments acquired from a Target VCT or vice versa.

**Shareholders in the Acquirer VCT and Target VCT will be subject to the overall VCT status of the Enlarged Acquirer VCT post-Merger.** Although there is material commonality in respect of the investment portfolios of the Companies, Acquirer VCT Shareholders may be adversely affected by a change in the VCT status of the Enlarged Acquirer VCT if a number of its investments (including those acquired from the Target VCT as part of the Merger) are, or become, unable to meet VCT requirements. Similarly, Target VCT Shareholders may be adversely affected by a change in the VCT status of the Enlarged Acquirer VCT if a number of the Enlarged Acquirer VCT investments (including those held by the Acquirer VCT prior to the Merger) are, or become, unable to meet VCT requirements.

### Risks Relating to the Offers

**The Offers are conditional on the implementation of the Merger.** If the Merger is not implemented, the Offers will be withdrawn. Further, if Resolution 3 to be proposed at each of the Acquirer VCT General Meetings is not passed, the amount available under the Offers may be restricted. If the Offers do not proceed, the Companies are not exposed to the costs of the Offers already incurred as these are underwritten by Gresham House.

**The price at which Offer Shares will be allotted is variable and may move.** The price at which Offer Shares will be issued is calculated by a formula linked to the latest published NAV of an Acquirer VCT Share. Shareholders should be aware that the Acquirer VCTs publish NAVs quarterly and may publish additional NAVs more frequently for the purposes of the Offer. If revised NAVs are published by an Acquirer VCT during the course of its Offer, investors may receive a different number of Offer Shares in the relevant Acquirer VCT from that anticipated.

**If an authorised intermediary rebates adviser charges back to its clients a tax liability may accrue to the investor.** HMRC's position on rebates out of sums paid by investors on subscribing for their shares for the purposes of facilitating adviser charges is that these reduce the base cost for the purposes of assessing capital gains on disposal. Since qualifying investors in VCTs are exempt from capital gains tax, this should not have any adverse tax effect. However, if a VCT bought back shares from the investor, the fact that the base cost is reduced could result in a larger income tax liability.

**Funds raised through the issue of Offer Shares will need to be invested in accordance with VCT rules and regulations.** There are a number of requirements under the VCT rules to deploy funds raised within certain prescribed timescales (as set out in further detail in Part B of Part XII of this document). Failure to do so by an Acquirer VCT may result in it losing its VCT status and adverse tax consequences for investors, including VCT tax reliefs claimed.

### Risks Relating to the Shares

**The value of Shares, and the income from them, can fluctuate and Shareholders may not get back the amount they invested.** The value of such investments, and interest income and dividends therefrom, may rise or fall. In addition, there is no certainty that the market price of Shares will fully reflect their underlying NAV nor that any dividends will be paid.

***The past performance of the Companies and Gresham House is not an indication of future performance.***

The return received by Shareholders will primarily be dependent on the performance of the underlying investments held by a Company. The 2015 change in the investment strategy of each Company, as a result of the changes in the VCT rules, to investing in smaller, earlier stage companies, increases investment risk which may adversely affect the future performance of a Company and the value of its Shares.

***The Companies are closed-ended investment companies.*** Although each Company operates, and intends to continue to operate, a share buyback policy (through its broker, Panmure Gordon (UK) Limited) with the objective of maintaining the discount to NAV at which its Shares trade at approximately 5% or less, Shareholders will have no formal right to have their Shares redeemed or repurchased by the relevant Company at any time. Shareholders should not rely on any buyback policy and, if wishing to realise their investment, may be required to dispose of their Shares on the stock market. Accordingly, the ability of Shareholders to sell their Shares will depend on a Company's ability to operate its buyback policy or the existence of a liquid market in the Shares and the market price of the Shares (which, in each case, will likely be at a discount to the NAV per Share).

***Liquidity in the Shares may be limited.*** Although the existing Shares are (and it is anticipated that the Consideration Shares and the Offer Shares will be) admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, there may not be a liquid market for the Shares as there is a limited secondary market for VCT shares (primarily because the initial VCT income tax relief is only available to investors subscribing for new VCT shares and are not available on VCT shares bought in the secondary market). Shareholders may, therefore, find it difficult to realise their investment. Although each Company operates a share buyback policy and will buy back Shares through the Companies' broker at a discount to the NAV per Share, this is fully at the discretion of that Company's Board and subject to the relevant Company having available cash and reserves. Shareholders should not, therefore, rely on this as a means of realising their investment at or close to net asset value.

***The Shares may trade at a discount.*** At any given point in time, the price for a Share which a Shareholder could achieve on the stock market may be significantly less than the net asset value of the Share or the price paid by the Shareholder to acquire the Share. The Shares may trade at a discount to their underlying net asset value for a variety of reasons, including as a consequence of general market conditions, concerns regarding the general liquidity or marketability of the Shares or the actual or expected performance of a Company.

#### **Risks Relating to Investments**

***There can be no guarantee that the investment objective of a Company will be met or that suitable investment opportunities will be available.*** The investment objective of each Company is to achieve long-term investment returns and provide investors with a regular income stream. Although meeting its objective is each Company's target, the existence of such an objective should not be considered as an assurance or guarantee that it will be met (as this will depend on the investment opportunities sourced by Gresham House and the performance of the investee companies within each Company's portfolio).

***Restrictions under VCT legislation.*** VCT legislation has evolved over a number of years, imposing a number of restrictions and conditions designed to ensure that investments are made in smaller, younger businesses targeting growth and development and where capital is at risk. This may limit the number of, and increase competition for, investment opportunities available and such companies are likely to have a higher risk profile (and increased volatility of future returns and more extreme investment outcomes) than companies in which investments were made historically by the Companies. Although Gresham House has seen a strong flow of new investment opportunities, there can be no guarantee that suitable investments will be identified in order to meet a Company's objectives. In addition, Gresham House is operating in a competitive market and there is no guarantee that it will find enough attractive deals within the investment timeframes required under VCT rules, which may prejudice the tax status of a Company and investors' tax reliefs.

***Investment in unquoted companies (including AIM and Aquis market-traded companies), by its nature, involves a higher degree of risk than investment in companies listed on the Official List.*** In particular, 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/or counterparts. They may be more susceptible to political, exchange rate, taxation, economic and other regulatory changes and conditions. In addition, the market for securities in smaller companies may be less regulated and is usually less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities. Proper information for determining their value or the risks to which they are exposed may also not be available. Investment returns will, therefore, be uncertain and involve a higher degree of risk than investments in companies listed on the Official List.

***It can take time for smaller companies to fully reflect their market value.*** It can take a period of years for the underlying value or quality of smaller companies, such as those in which the Companies invest, to be fully reflected in their market values and they are often also materially affected by general market sentiment, which can be negative for prolonged periods. Furthermore, a Company's investments may be difficult, and take time, to realise. There may also be constraints imposed on the realisation of investments in order to maintain the VCT tax status of a Company.

**Investments may be difficult to realise.** The Companies' investments will generally be in small to medium companies whose securities are not publicly traded or freely marketed and may, therefore, be difficult, and take considerable time, to realise. There may also be constraints imposed on the realisation of investments in order to maintain the VCT tax status of the Company, which may restrict a Company's ability to obtain maximum value from its investments. In addition, although a Company may receive conventional venture capital rights in connection with some investments, as a minority investor it may not be in a position to fully protect its interests.

## Tax Related Risks

**The disposal of Shares within five years of subscription will result in any income tax relief claimed thereon becoming repayable.** On this basis, investing in Shares should be considered a long-term investment. In addition, loss of VCT status by a Company would result in qualifying investors losing tax reliefs available for VCT shares, resulting in adverse tax consequences, including any income tax relief claimed on original issue by the relevant Company if the Shares have not been held for five years as at the date of VCT status being regarded as lost. Further, the disposal of existing Shares within six months either side of the acquisition of Shares in the same Company will result in the amount of the investment in Shares to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

**There can be no guarantee that VCT status will be maintained.** Failure to continue to meet the qualifying requirements could result in qualifying investors losing the tax reliefs available for VCT shares, resulting in adverse tax consequences including, if the holding has not been held for the relevant holding period, a requirement to repay the upfront income tax relief obtained. Furthermore, should a Company lose its VCT status, dividends and gains arising on the disposal of Shares would become subject to tax and the relevant Company would also lose its exemption from corporation tax on its capital gains.

**Investments may be subject to State Aid clawback.** Where the European Commission believes that state aid has been provided prior to 1 January 2021 which is not in accordance with the Risk Finance Guidelines, it may require that the UK Government recovers that state aid. There is currently no definitive mechanism for this, but recovery may be from the investee company, the VCT and/or the VCT's shareholders and this may have an adverse effect on shareholder returns. From 1 January 2021, the requirement to recover unlawful state aid became within the remit of the UK Government (in compliance with its ongoing arrangements with the EU under the UK-EU Trade and Cooperation Agreement (TCA)). On 28 April 2022, the UK's Subsidy Control Bill received royal assent, becoming the Subsidy Control Act 2022, and which came fully into force on 4 January 2023. Although this now has a statutory footing, the interim regime based on the TCA remains applicable due to ongoing post-Brexit negotiations between the UK and the European Union. In addition, certain provisions of the Subsidy Control Act 2022 are subject to the passing of further regulations and further amendment. Accordingly, it remains unclear the extent to which such new regime will affect the Company and VCTs in general.

**The VCT scheme sunset clause.** A condition of the European Commission's State Aid approval of the UK's VCT scheme in 2015 was the introduction of a retirement date for the current scheme at midnight on 5 April 2025. This was passed into UK law through the Finance (No 2) Act 2015. If the relevant legislation is not renewed or replaced with similar or equivalent legislation before this date, investors issued with new VCT shares (whether through an offer or through a dividend reinvestment scheme) after 5 April 2025 would not be able to claim upfront VCT income tax relief in respect of such shares and further this may have an adverse impact on the continuation of a company as a VCT or it being able to raise further funds and/or meet its objectives in the future. After a series of statements by the UK Government in the course of 2022 and 2023 of its intention to extend the VCT scheme beyond 5 April 2025, it was formally announced by the Chancellor in the Autumn Statement on 22 November 2023 that the VCT scheme would be extended by secondary legislation for a further ten years to 5 April 2035. Finance Act 2024 includes provision for the VCT scheme to be extended to 5 April 2035. This will be subject to a Treasury Order being laid following EU approval being obtained for the continuation of the VCT scheme. It is not currently known whether the EU will require any changes to the VCT legislation as part of such approval and no date has been set for such approval.

**The tax rules, or their interpretation, in relation to an investment in a Company and/or the rates of any tax, may change during the life of that Company and may apply retrospectively.** For example, a change in the tax treatment in relation to VCT shares may result in dividends being subject to income tax and gains being subject to capital gains tax. The value of the tax reliefs depends on the personal circumstances of an investor, who should consult their own tax adviser before making any investment. A change in the tax rules may also adversely impact on the ability of a Company to meet its objectives or maintain VCT status.

## Other Risks

**The performance of the Companies and their investments may be adversely affected by market conditions.** Economic and global political uncertainty and market conditions may adversely affect the performance of companies in which a Company has invested or may invest (including short-term reductions in valuation), which in turn may adversely affect the performance of that Company. Current factors of significance include global political instability, continuing conflicts in Ukraine and the Middle East, potential low levels of economic growth, supply chain loss and disruption, higher interest rates following a sustained period of low rates, currency volatility, and continuing high levels of inflation and energy costs. These factors may also negatively impact the number or quality of investment opportunities available to a Company. It is also possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the

performance of companies in which a Company has invested or may invest, which in turn may adversely affect the performance of that Company and the value of its Shares.

***The performance of the Companies and their investments may be adversely affected by changes in government and/or government policy.*** Any change in government and/or of governmental, economic, fiscal, monetary or political policy, in particular government spending reviews and political party policies, resulting in changes to existing policies, tax legislation and the venture capital schemes, levels of unemployment, stock market volatility, consumer confidence, inflation and changes to the current level of interest rates could materially affect, directly or indirectly, the operation and performance of a Company and/or investee companies and/or the value of, and returns from, Shares and/or a Company's ability to achieve or maintain its VCT status.

***The Companies are dependent on the performance of Gresham House and its personnel.*** Each Company has a board of non-executive directors and has no employees and is, therefore, dependent on the skills of Gresham House to advise upon, and manage, its investments. If Gresham House ceases to act as a Company's investment adviser or if key personnel cease to be employed by Gresham House (or be involved in the management of a Company's investment portfolio), there is no assurance that suitable replacements will be found. Such circumstances may have an adverse effect on the performance of a Company and the value of its Shares.

***The Companies are subject to continuation votes.*** Each Company's Articles provide the opportunity for Shareholders of that Company to vote on the continuation of the Company at the annual general meeting falling after the fifth anniversary of the earlier of the last allotment of Shares in that Company or the last continuation vote held. The allotment of Shares in a Company will, therefore, defer (in accordance with the Articles) the opportunity for Shareholders of the relevant Company to vote on the continuation of that Company for at least five years and, as a result, both new and existing Shareholders may have to wait longer to realise their holding in the relevant Company, if no trading in the market is possible.

## PART II: EXPECTED TIMETABLES AND KEY INFORMATION

### MERGER OF MIG AND MIG 2

#### Expected timetable for MIG\*

Latest time for receipt of forms of proxy for the MIG General Meeting	10.00 a.m. on 16 July 2024
MIG General Meeting	10.00 a.m. on 18 July 2024
Calculation Date	after 5.00 p.m. on 25 July 2024
Effective Date for the transfer of MIG 2 assets and liabilities to MIG and the issue of MIG Consideration Shares pursuant to the MIG/MIG 2 Scheme***	26 July 2024
Announcement of the results of the MIG/MIG 2 Scheme	26 July 2024
Admission of and dealings in MIG Consideration Shares issued pursuant to the MIG/MIG 2 Scheme to commence	7.30 a.m. on 29 July 2024
CREST accounts credited with MIG Consideration Shares issued pursuant to the MIG/MIG 2 Scheme	29 July 2024
Certificates for MIG Consideration Shares issued pursuant to the MIG/MIG 2 Scheme dispatched	9 August 2024

#### Expected timetable for MIG 2\*

Date from which it is advised that dealings in MIG 2 Shares should only be for cash settlement and immediate delivery of documents of title	12 July 2024
Latest time for receipt of forms of proxy for the MIG 2 First General Meeting	10.30 a.m. on 16 July 2024
MIG 2 First General Meeting	10.30 a.m. on 18 July 2024
Latest time for receipt of forms of proxy for the MIG 2 Second General Meeting	11.30 a.m. on 24 July 2024
Calculation Date	after 5.00 p.m. on 25 July 2024
MIG 2 register of members closed and Record Date for MIG 2 shareholders' entitlements under the MIG/MIG 2 Scheme	5.00 p.m. on 25 July 2024
Dealings in MIG 2 Shares suspended	7.30 a.m. on 26 July 2024
MIG 2 Second General Meeting	11.30 a.m. on 26 July 2024
Effective Date for the transfer of the assets and liabilities of MIG 2 to MIG and the issue of MIG Consideration Shares pursuant to the MIG/MIG 2 Scheme**	26 July 2024
Announcement of the results of the MIG/MIG 2 Scheme	26 July 2024
Cancellation of the MIG 2 Shares' listing	8.00 a.m. on 23 August 2024

\* The dates set out above in relation to implementation of the MIG/MIG 2 Scheme may be adjusted by MIG and MIG 2, in which case details of the revised dates will be notified through a Regulatory Information Service provider.

\*\* This will be the final expected date of trading of the MIG 2 Shares. If the MIG/MIG 2 Scheme becomes effective in accordance with the above expected timetable, it is anticipated that the listing of the MIG 2 Shares will be cancelled on 23 August 2024.

\*\*\* The Consideration Shares issued to the holders of MIG 2 Shares under the MIG/MIG 2 Scheme will rank *pari passu* with the existing MIG Shares and will be listed on the premium segment of the Official List and admitted for trading on the main market of the London Stock Exchange.



## **MERGER OF I&G AND MIG 4**

### **Expected timetable for I&G\***

Latest time for receipt of forms of proxy for the I&G General Meeting	11.00 a.m. on 16 July 2024
I&G General Meeting	11.00 a.m. on 18 July 2024
Calculation Date	after 5.00 p.m. on 25 July 2024
Effective Date for the transfer of MIG 4 assets and liabilities to I&G and the issue of I&G Consideration Shares pursuant to the I&G/MIG 4 Scheme***	26 July 2024
Announcement of the results of the I&G/MIG 4 Scheme	26 July 2024
Admission of and dealings in I&G Consideration Shares issued pursuant to the I&G/MIG 4 Scheme to commence	7.30 a.m. on 29 July 2024
CREST accounts credited with I&G Consideration Shares issued pursuant to the I&G/MIG 4 Scheme	29 July 2024
Certificates for I&G Consideration Shares issued pursuant to the I&G/MIG 4 Scheme dispatched	9 August 2024

### **Expected timetable for MIG 4\***

Date from which it is advised that dealings in MIG 4 Shares should only be for cash settlement and immediate delivery of documents of title	12 July 2024
Latest time for receipt of forms of proxy for the MIG 4 First General Meeting	11.30 a.m. on 16 July 2024
MIG 4 First General Meeting	11.30 a.m. on 18 July 2024
Latest time for receipt of forms of proxy for the MIG 4 Second General Meeting	11.45 a.m. on 24 July 2024
Calculation Date	after 5.00 p.m. on 25 July 2024
MIG 4 register of members closed and Record Date for MIG 4 shareholders' entitlements under the I&G/MIG 4 Scheme	5.00 p.m. on 25 July 2024
Dealings in MIG 4 Shares suspended	7.30 a.m. on 26 July 2024
MIG 4 Second General Meeting	11.45 a.m. on 26 July 2024
Effective Date for the transfer of the assets and liabilities of MIG 4 to I&G and the issue of I&G Consideration Shares pursuant to the I&G/MIG 4 Scheme**	26 July 2024
Announcement of the results of the I&G/MIG 4 Scheme	26 July 2024
Cancellation of the MIG 4 Shares' listing	8.00 a.m. on 23 August 2024

\* *The dates set out above in relation to implementation of the I&G/MIG 4 Scheme may be adjusted by I&G and MIG 4, in which case details of the revised dates will be notified through a Regulatory Information Service provider.*

\*\* *This will be the final expected date of trading of the MIG 4 Shares. If the I&G/MIG 4 Scheme becomes effective in accordance with the above expected timetable, it is anticipated that the listing of the MIG 4 Shares will be cancelled on 23 August 2024*

\*\*\* *The Consideration Shares issued to the holders of MIG 4 Shares under the I&G/MIG 4 Scheme will rank pari passu with the existing I&G Shares and will be listed on the premium segment of the Official List and admitted for trading on the main market of the London Stock Exchange.*

## THE OFFERS\*

### Expected Timetable

Offers open	9.00 a.m. on 2 September 2024
First allotment of Offer Shares**	1 October 2024
Closing date for Applications***	5.00 p.m. on 26 March 2025
Effective date for the listing of Offer Shares and commencement of dealings	within three business days following allotment
CREST accounts credited	within three business days following allotment
Allotment notification letters and tax certificates dispatched	within three business days following allotment
Share certificates dispatched	within ten business days following allotment

\* The Offers are conditional on the completion of the Merger and, subject thereto, will open at 9.00 a.m. on 2 September 2024. The Offers will be withdrawn if completion of the Merger does not occur.

\*\* Each Board currently envisages allotments of Offer Shares under its Company's Offer to be undertaken in accordance with the expected allotment timetable on page 17 (or, if earlier, as soon as reasonably practicable following its Company's Offer being fully subscribed). Each Board reserves the right to accept applications and allot and arrange for the listing of its Offer Shares as it sees fit.

\*\*\* An Offer will be closed to applications earlier than the date stated above if it is fully subscribed or otherwise at the relevant Board's discretion.

### Key Offer Information

	MIG	I&G	Companies
Maximum amount to be raised under the Offer (excluding the over-allotment facility)*	£35m	£35m	£70m
Maximum amount to be raised under the Offer (including the over-allotment facility)*	£45m	£45m	£90m
Investor's minimum subscription:			
- Aggregate investment across all Offers	n/a	n/a	£6,000
- Investment per Offer	£3,000	£3,000	£6,000
Net assets as at 31 March 2024 (unaudited)	£97.00m	£115.29m	£212.29m
Adjusted net assets as at 31 March 2024 (unaudited)**	£90.49m	£111.50m	£201.99m
Net asset value per Share as at 31 March 2024	59.04p	74.29p	-
Adjusted net asset value per Share as at 31 March 2024**	55.04p	71.29p	-
Dividend policy: annual target as a % of opening NAV per Share***	7.0%	7.0%	-
Buyback target discount****	5.0%	5.0%	-
Normal annual expenses: % of net assets*****	2.6%	2.4%	-

\* If a Board decides (in consultation with Gresham House) to utilise its Company's over-allotment facility (in whole or in part), this will be advised through a RIS Announcement.

\*\* Adjusted for dividends paid/declared since 31 March 2024.

\*\*\* As will be amended for the Enlarged Acquirer VCT (see further page 47).

\*\*\*\* Each Company operates a buyback policy and has an objective of maintaining the discount to NAV at which Shares trade of approximately 5%.

\*\*\*\*\* Based on the expected position of the relevant Enlarged Acquirer VCT (see further page 23).

## Offer Costs (% of Investment Amount)\*

'Execution only' investor (no financial advice) or Professional Client investor	2.5%
Advised investor**	2.5%
Direct applications (new investors)	3.0%
Direct applications (existing Shareholders)	2.5%

\* *Details on Offer selection, allocation of your Application, the Allotment Formula (how the number of Offer Shares will be calculated and the resulting pricing of those Offer Shares), together with details of 'execution only' or Professional Client investor intermediary commission and facilitation of financial adviser charges, are set out in Part V of this document.*

\*\* *Other than on any fees payable by an investor to their financial adviser.*

## Expected Allotment Timetable under the Offers

The timetable of expected allotments of Offer Shares under the Offers (and the dates by which Applications and Application monies are recommended should be submitted by) is set out below:

	Latest date Application <b>and</b> monies should be received by (12 noon unless otherwise stated)	Anticipated date of allotment
First allotment	24 September 2024	1 October 2024
Second allotment*	31 October 2024	7 November 2024
Third allotment*	29 January 2025	5 February 2025
Final allotment (as necessary)*	26 March 2025 (5.00 p.m.)	2 April 2025

\* Allotments following the first allotment will be as required and subject to availability under an Offer.

## Application Procedures

The Offers are conditional on the completion of the Merger and, subject thereto, will open for Applications at 9.00 a.m. on 2 September 2024. The procedure for, and the terms and conditions of, application under the Offers are set out in Part XIII of this document.

**Applications can be completed and submitted online using the online facility (please refer to the instructions at <https://www.mobeusvcts.co.uk/vct-fundraising> or contact the Receiving Agent at [mobeusvcts@city.uk.com](mailto:mobeusvcts@city.uk.com)) or using the separate Application Form which can be downloaded at <https://www.mobeusvcts.co.uk/vct-fundraising>, both of which will be only be available from 9.00 a.m. on 2 September 2024. Payment of Application monies must be by way of bank transfer.**

**The Companies encourage investors to use the online Application facility to reduce their carbon footprint and, as the Offers may fill up quickly, from a speed of processing perspective.**

Applications under an Offer will be accepted on a 'first-come, first-served' basis, subject always to the discretion of the relevant Board. For these purposes **'first-come, first-served' shall be assessed based on the date and time of receipt of a fully completed Application, 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 may not be considered as 'complete' until identity verification is completed and/or, where relevant, information or supporting evidence required for the Application remains outstanding.

If you or your financial intermediary submit a hard copy, scanned, or PDF Application, the Receiving Agent will manually enter your Application into the online facility (including recording the date/time of receipt of the offline Application) and send you a copy of the online submission by email or post for your review and written confirmation. Please note that only upon receipt of your written confirmation of the content of the online submission will the Receiving Agent process your Application. For confirmed Applications, the associated date and time of receipt shall be determined in accordance with the 'first-come, first-served' basis referred to above.

## PART III: DEFINITIONS

<b>Acquirer VCTs</b>	MIG and I&G (and each an <b>Acquirer VCT</b> )
<b>advised investor</b>	an investor who receives advice from a financial adviser in respect of an investment under an Offer
<b>AIC</b>	Association of Investment Companies
<b>AIC Code</b>	the 2019 AIC Code of Corporate Governance
<b>AIFMD</b>	the Alternative Investment Fund Managers Directive 2011/61/EU
<b>AIM</b>	the Alternative Investment Market
<b>Allotment Formula</b>	the formula, pursuant to which the number of Offer Shares to be issued to each investor by a Company under its Offer will be calculated, as set out in Part V of this document
<b>Applicant or investor</b>	an applicant under an Offer
<b>Application</b>	an application by an Applicant for Offer Shares pursuant to one or both of the Offers
<b>Application Form</b>	an application form for the Offers made available by or on behalf of the Companies (including online) in connection with the Offers
<b>Application Procedures</b>	the application procedures on pages 107 to 112 of this document
<b>Aquis</b>	the Aquis Stock Exchange (previously NEX Exchange), a prescribed market for the purposes of section 118 of FSMA
<b>Articles</b>	the articles of association of MIG and/or I&G, as the context permits
<b>Baronsmead VCTs</b>	Baronsmead Venture Trust plc and Baronsmead Second Venture Trust plc
<b>base NAV per share</b>	the cumulative weighted average of the issue price at which shares have been allotted since inception of the relevant share class
<b>Boards</b>	the board of directors of MIG and/or I&G, as the context permits (and each a <b>Board</b> )
<b>Business Days</b>	any day (other than a Saturday) on which clearing banks are open for normal banking business in sterling
<b>CA 1985</b>	the Companies Act 1985, as amended
<b>CA 2006</b>	the Companies Act 2006, as amended
<b>Calculation Date</b>	the date on which the Roll-Over Value and the Merger Value will be calculated, anticipated as being the close of business on 25 July 2024
<b>Circular</b>	the joint circular to shareholders of the Companies, MIG 2 and MIG 4 dated 18 June 2024
<b>City Partnership</b>	The City Partnership (UK) Limited
<b>COBS</b>	the FCA conduct of business sourcebook
<b>Companies</b>	MIG and I&G (and each a <b>Company</b> )
<b>Consideration Shares</b>	new Acquirer VCT Shares to be issued by the Acquirer VCT to the Target VCT Shareholders in accordance with the relevant Scheme
<b>Directors</b>	the directors of MIG and/or I&G, as the context permits (and each a <b>Director</b> )
<b>Disclosure Guidance and Transparency Rules</b>	Disclosure Guidance and Transparency Rules of the FCA
<b>EBITDA</b>	a company's earnings before the deduction of interest, tax, depreciation and amortisation
<b>Effective Date</b>	the date on which the Merger (by way of the Schemes) will be completed, anticipated as being 26 July 2024
<b>Enlarged Acquirer VCTs</b>	MIG and I&G following the Merger being implemented (and each an <b>Enlarged Acquirer VCT</b> )
<b>'execution only' investor</b>	an investor who does not receive advice and submits their Application through an 'execution only' intermediary (ie an intermediary who does not provide financial advice to the investor)
<b>FATCA</b>	the Foreign Account Tax Compliance Act
<b>FCA</b>	the Financial Conduct Authority
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended

<b>General Meetings</b>	the MIG General Meeting, MIG 2 General Meetings, the I&G General Meeting and the MIG 4 General Meetings (and each a <b>General Meeting</b> )
<b>Gresham House or Investment Adviser</b>	Gresham House Asset Management Limited, the investment adviser and administrator of the Companies, which is authorised and regulated by the FCA
<b>Gresham House Group</b>	Gresham House Limited (the ultimate parent company of Gresham House) and its subsidiaries and subsidiary undertakings
<b>HMRC</b>	His Majesty's Revenue & Customs
<b>Howard Kennedy</b>	Howard Kennedy Corporate Services LLP
<b>IA 1986</b>	the Insolvency Act 1986, as amended
<b>IAA Amendments</b>	in respect of each Enlarged Acquirer VCT, the changes to the term, fee and annual expenses arrangements with Gresham House described on pages 48 and 49 of Part VIII of this document
<b>Independent Valuer</b>	Azets Holdings Limited of Titanium 1, King's Inch Place, Renfrew, Glasgow PA4 8WF
<b>Investment Amount</b>	the monetary amount of an Application accepted
<b>IPEV Valuation Guidelines</b>	the International Private Equity and Venture Capital Valuation Guidelines (December 2022) developed by the British Venture Capital Association and other organisations
<b>IRS</b>	the Internal Revenue Service
<b>ITA 2007</b>	the Income Tax Act 2007, as amended
<b>I&amp;G</b>	The Income & Growth VCT plc
<b>I&amp;G 2023 Annual Report</b>	the annual report for I&G for the year ended 30 September 2023
<b>I&amp;G 2024 Half-Yearly Report</b>	the half-yearly report for I&G for the six month period ended 31 March 2024
<b>I&amp;G Financial Statements</b>	the I&G 2023 Annual Report and the I&G 2024 Half-Yearly Report
<b>I&amp;G General Meeting</b>	the general meeting of I&G to be held at 11.00 a.m. on 18 July 2024 (including any adjournment thereof)
<b>I&amp;G Shares</b>	ordinary shares of 1p each in the capital of I&G
<b>I&amp;G/MIG 4 Scheme</b>	the proposed merger of I&G and MIG 4 by means of placing MIG 4 into members' voluntary liquidation pursuant to section 110 of IA 1986 and the acquisition by I&G of all of MIG 4's assets and liabilities in consideration for new I&G Shares on the basis set out in Part IV of this document
<b>Key Information Documents</b>	the key information documents made available by the Companies (and each a <b>KID</b> )
<b>Liquidators</b>	Gareth Harris and Karen Spears of RSM UK Restructuring Advisory LLP, Fifth Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL
<b>Listing Rules</b>	the listing rules of the Financial Conduct Authority
<b>Livingbridge</b>	Livingbridge EP LLP
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>MBO</b>	management buy out
<b>Memorandum</b>	the memorandum of association of MIG and/or MIG 2 and/or MIG 4 and/or I&G, as the context permits (and together the <b>Memoranda</b> )
<b>Merger</b>	the merger of the four Mobeus VCTs into two
<b>Merger Ratio</b>	the Roll-Over Value divided by the Merger Value rounded down to eight decimal places
<b>Merger Value</b>	the value of an Acquirer VCT Share calculated in accordance with the Scheme terms as set out in Part IV of this document
<b>MIG</b>	Mobeus Income & Growth VCT plc
<b>MIG 2023 Annual Report</b>	the annual report for MIG for the year ended 31 December 2023
<b>MIG General Meeting</b>	the general meeting of MIG to be held at 10.00 a.m. on 18 July 2024 (including any adjournment thereof)
<b>MIG Shares</b>	ordinary shares of 1p each in the capital of MIG

<b>MIG/MIG 2 Scheme</b>	the proposed merger of MIG and MIG 2 by means of placing MIG 2 into members' voluntary liquidation pursuant to section 110 of IA 1986 and the acquisition by MIG of all of MIG 2's assets and liabilities in consideration for new MIG Shares on the basis set out in Part IV of this document
<b>MIG 2</b>	Mobeus Income & Growth 2 VCT plc
<b>MIG 2 2023 Annual Report</b>	the annual report for MIG 2 for the year ended 31 March 2023
<b>MIG 2 2023 Half-Yearly Report</b>	the half-yearly report for MIG 2 for the six month period ended 30 September 2023
<b>MIG 2 Financial Statements</b>	the MIG 2 2023 Annual Report and the MIG 2 2023 Half-Yearly Report
<b>MIG 2 First General Meeting</b>	the general meeting of MIG 2 to be held at 10.30 a.m. on 18 July 2024 (including any adjournment thereof)
<b>MIG 2 General Meetings</b>	the MIG 2 First General Meeting and the MIG 2 Second General Meeting (and each a <b>MIG 2 General Meeting</b> )
<b>MIG 2 Second General Meeting</b>	the general meeting of MIG 2 to be held at 11.30 a.m. on 26 July 2024 (including any adjournment thereof)
<b>MIG 2 Shares</b>	ordinary shares of 1p each in the capital of MIG 2
<b>MIG 4</b>	Mobeus Income & Growth 4 VCT plc
<b>MIG 4 2023 Annual Report</b>	the annual report for MIG 4 for the year ended 31 December 2023
<b>MIG 4 First General Meeting</b>	the general meeting of MIG 4 to be held at 11.30 a.m. on 18 July 2024 (including any adjournment thereof)
<b>MIG 4 General Meetings</b>	the MIG 4 First General Meeting and the MIG 4 Second General Meeting (and each a <b>MIG 4 General Meeting</b> )
<b>MIG 4 Second General Meeting</b>	the general meeting of MIG 4 to be held at 11.45 a.m. on 26 July 2024 (including any adjournment thereof)
<b>MIG 4 Shares</b>	ordinary shares of 1p each in the capital of MIG 4
<b>Mobeus</b>	Mobeus Equity Partners LLP
<b>Mobeus VCT Boards</b>	the Boards and the Target VCT Boards, as the context permits (and each a <b>Mobeus VCT Board</b> )
<b>Mobeus VCTs' Shareholders</b>	holders of MIG Shares and/or I&G Shares and/or MIG 2 Shares and/or MIG 4 Shares
<b>Mobeus VCT Shares</b>	Shares and/or Target VCT Shares, as the context permits (and each a <b>Mobeus VCT Share</b> )
<b>Mobeus VCTs</b>	MIG and/or MIG 2 and/or I&G and/or MIG 4, as the context permits (and each a <b>Mobeus VCT</b> )
<b>Money Laundering Regulations</b>	the Money Laundering, Terrorist Financial and Transfer of Funds Regulations 2017 (as amended, updated and supplemented) within the guidance for the UK Financial Sector issued by the Joint Money Laundering Steering Group
<b>Money Market Funds</b>	money market funds, government securities or other low risk liquid assets
<b>NAV</b>	net asset value
<b>Offer Costs</b>	the costs relating to an Offer to be applied through the Allotment Formula as set out on pages 33 and 34 of this document
<b>Offer Price</b>	the price at which the Offer Shares will be allotted in each Company pursuant to the Offers, as determined by dividing the Investment Amount in a Company by the number of Shares to be issued by that Company (in accordance with the Allotment Formula)
<b>Offer Related Management Fee Reduction</b>	in respect of each Enlarged Acquirer VCT, the reduction for 12 months to Gresham House's management fee (such management arrangements as described in Part VIII of this document) in respect of the funds raised pursuant to that Company's over-allotment facility (as described in Part V of this document)
<b>Offer Shares</b>	new Shares in MIG and I&G to be issued pursuant to the Offers (and each an <b>Offer Share</b> )
<b>Offers</b>	the offer for subscription by MIG to raise up to £35 million, with an over-allotment facility of £10 million, and the offer for subscription by I&G to raise up to £35 million, with an over-allotment facility of £10 million, in each case as contained in the Prospectus (and each an <b>Offer</b> )

<b>Official List</b>	the Official List of the FCA
<b>Qualifying Company</b>	an unquoted (including an AIM-listed) company which satisfies the requirements of Chapter 4 of Part 6 of ITA 2007
<b>Qualifying Investment</b>	an investment in a Qualifying Company satisfying the requirements of Chapter 4 of Part 6 of ITA 2007
<b>Qualifying Investor</b>	an individual aged 18 or over who is a tax-payer in the United Kingdom
<b>Portunus or Distributor</b>	Portunus Investment Solutions Limited
<b>Professional Client</b>	a client of an financial adviser where that adviser classifies the client as a professional client for the purposes of the COBS 3.5
<b>Promoter Fee</b>	in respect of each Enlarged Acquirer VCT, the promoter fee payable to Gresham House as the promoter to its Offer as described in Part V of this document
<b>Proposed Directors</b>	in relation to MIG, Ian Blackburn and Sarah Clark and/or in relation to I&G, Graham Paterson (and each a <b>Proposed Director</b> )
<b>Prospectus</b>	this document
<b>Prospectus Regulation Rules</b>	the Prospectus Regulation Rules made by the FCA under the UK Prospectus Regulation
<b>Receiving Agent</b>	City Partnership in its capacity as receiving agent to the Offers
<b>Record Date</b>	the record date to which Target VCT Shareholders' entitlement will be allocated pursuant to the Schemes, anticipated as being close of business on 25 July 2024
<b>Registrar</b>	City Partnership in its capacity as registrars to each of the Companies
<b>Regulations</b>	the Uncertificated Securities Regulations 2001
<b>Resolution 1</b>	Resolution 1 to be proposed at the MIG Meeting or, as the context permits, at the I&G Meeting relating to the approval of the acquisition of the assets and liabilities of MIG 2 or, as relevant, MIG 4 and the issue of Consideration Shares in connection therewith
<b>Resolution 2</b>	Resolution 2 to be proposed at the MIG Meeting or, as the context permits, at the I&G Meeting relating to the approval of MIG's or, as relevant, I&G's Related Party Transactions
<b>Resolution 3</b>	Resolution 3 to be proposed at the MIG Meeting or, as the context permits, at the I&G Meeting relating to the approval of the issue of MIG Shares or, as relevant, I&G Shares in connection with the Offers
<b>Resolutions</b>	the resolutions to be proposed at the MIG Meeting and/or the MIG 2 Meetings and/or the I&G Meeting and/or the MIG 4 Meetings, as the context permits (and each a <b>Resolution</b> )
<b>Revised PIF</b>	in respect of each Enlarged Acquirer VCT, the revised performance incentive arrangement as described in Part VIII of this document
<b>RIS or Regulatory Information Service</b>	a newswire services designated as a Regulatory Information Service by the FCA for the purposes of Appendix 3 of the Listing Rules
<b>RIS Announcements</b>	regulatory announcements through one of the Regulatory Information Services (and each a <b>RIS Announcement</b> )
<b>Risk Finance Guidelines</b>	guidance on state aid to promote risk finance investments (2014/C/19/04)
<b>Roll-Over Value</b>	the value of a Target VCT Share calculated in accordance with the Scheme terms as set out in Part IV of this document
<b>RPI</b>	the retail prices index as compiled by the Office for National Statistics (or any replacement thereof)
<b>Schemes</b>	the MIG/MIG 2 Scheme and the I&G/MIG 4 Scheme (and each a <b>Scheme</b> )
<b>Section 593 Report</b>	a valuation report for the purposes of section 593 of CA 2006, which will be prepared by the Independent Valuer
<b>Shareholders</b>	holders of MIG Shares and/or I&G Shares, as the context permits (and each a <b>Shareholder</b> )
<b>Shares</b>	MIG Shares and/or I&G Shares, as the context permits (and each a <b>Share</b> )
<b>state aid</b>	any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the EU
<b>Target VCT Boards</b>	the MIG 2 Board and/or the MIG 4 Board, as the context permits (and each a <b>Target VCT Board</b> )

<b>Target VCT Shares</b>	MIG 2 Shares and/or MIG 4 Shares, as the context permits (and each a <b>Target VCT Share</b> )
<b>Target VCT Shareholders</b>	holders of MIG 2 Shares and/or the MIG 4 Shares, as the context permits (and each a <b>Target VCT Shareholder</b> )
<b>Target VCTs</b>	MIG 2 and MIG 4 (and each a <b>Target VCT</b> )
<b>TCGA 1992</b>	Taxation of Chargeable Gains Act 1992, as amended
<b>Transfer Agreement</b>	the agreement between an Acquirer VCT and its relevant Target VCT (acting through the Liquidators) for the transfer of all of the assets and liabilities of the Target VCT by the Liquidators to the Acquirer VCT pursuant to the relevant Scheme
<b>UK Prospectus Regulations</b>	the UK version of Regulation (EU 2017/1129) as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States or US</b>	the United States of America, its states, territories and possessions (including the District of Columbia)
<b>US Citizen</b>	an individual born in the US or naturalised as a US citizen or, if an individual was born outside of the US, where one or both of the individual's parents were born in the US or naturalised as a US citizen
<b>VCT or venture capital trust</b>	a company satisfying the requirements of Chapter 3 of Part 6 of ITA 2007 for venture capital trusts
<b>VCT Financial Statements</b>	the MIG 2023 Annual Report, the MIG 2 Financial Statements, the I&G Financial Statements and the MIG 4 2023 Annual Report
<b>VCT Merger Regulations</b>	the Venture Capital Trust (Winding Up and Mergers) (Tax) Regulations 2004, as amended
<b>VCT Value</b>	the value of an investment calculated in accordance with section 278 of ITA 2007



## PART IV: THE MERGER

### Introduction

On 28 February 2024, the Boards and the Target VCT Boards (Mobeus VCTs' Boards) announced that they had entered into discussions regarding the possibility of merging the four Mobeus VCTs into two (Merger) to achieve, amongst other things, cost savings, administration efficiency and simplicity, and would, subject to agreement in principle to implement the Merger by them, put proposals to their respective shareholders so as to be able to implement the Merger.

Agreement in principle has been reached by the Mobeus VCTs' Boards and such proposals have been put to Mobeus VCTs' Shareholders.

If the Merger is implemented, MIG 2 will be merged into MIG and MIG 4 would be merged into I&G (MIG and I&G being the Acquirer VCTs and MIG 2 and MIG 4 being the Target VCTs). The Merger will be effected pursuant to schemes of reconstruction under section 110 of IA 1986. Under each scheme, the relevant Acquirer VCT will acquire the assets and liabilities of the relevant Target VCT in consideration for new Acquirer VCT Shares (Consideration Shares) to be issued directly to the Target VCT's Shareholders (Schemes).

A merger solely on this basis will be outside the provisions of the Takeover Code. The number of Consideration Shares to be issued in the relevant Acquirer VCT will be calculated by reference to the respective net asset values of that Acquirer VCT and the relevant Target VCT. The merger of MIG and MIG 2 will not proceed without the merger of I&G and MIG 4, and vice versa.

The Merger is conditional on, amongst other things, the approval of the Mobeus VCTs' Shareholders at general meetings to be proposed on 18 July 2024 (all Mobeus VCTs) and 26 July 2024 (Target VCTs only).

**For the avoidance of doubt, the Consideration Shares to be issued pursuant to the Scheme are not being offered to the existing Shareholders of the relevant Company or the public save in connection with the Merger.**

If the Merger is not approved and/or effected, the costs incurred to put forward the Merger proposals to Shareholders of approximately £376,000 will nonetheless have been incurred by the Mobeus VCTs and will be split proportionately between the Companies by reference to their respective net assets (ignoring such Merger costs). In addition, the Companies will withdraw the Offers.

### Benefits of the Merger

The Mobeus VCTs' Boards consider that the interests of the Mobeus VCTs' Shareholders as a whole would be better served by merging the Mobeus VCTs.

The VCT Merger Regulations allow VCTs to be acquired by, or to merge with each other, without prejudicing the VCT tax reliefs obtained by their Shareholders. A number of VCTs have taken advantage of these regulations to create larger VCTs for economic and administrative efficiencies. Whilst cost and administrative efficiencies are an important element, there are also wider benefits such as simplicity for the Mobeus VCTs' Shareholders.

A merger of the Mobeus VCTs into one single VCT was considered, however, due to the potential additional burdens of a single VCT of that size, in particular the additional costs and requirements of being a full-scope alternative investment fund and potential VCT compliance complications in relation to aggregated holdings, the Mobeus VCTs' Boards believe merging the four Mobeus VCTs into two is more beneficial.

The Merger is expected to bring a number of benefits for Mobeus VCTs' Shareholders:

- Annual cost savings of approximately £798,387 (£344,858 million in respect of MIG/MIG 2 and £453,529 in respect of I&G/MIG 4), a saving that will be ongoing after the Merger payback period.
- A payback period of under 18 months based on the estimated Merger costs and annual cost savings post-Merger.
- Enlarged Acquirer VCTs with enlarged net assets (approximately £146.47 million for MIG and £191.26 million for I&G) and reduced normal annual expenses as a percentage of the Enlarged Acquirer VCT's net assets (approximately 2.6% of MIG's expected enlarged net assets and approximately 2.4% of I&G's expected enlarged net assets). These figures take into account the expected cost savings, but ignore the Offers.
- Amalgamation of the Mobeus VCTs' portfolios and operations for more efficient management and administration, with the same policies and procedures applying to the Enlarged Acquirer VCTs, increasing Gresham House's ability to focus on investment and portfolio management.
- Enlarged Acquirer VCTs better positioned to meet regulatory requirements, provide greater liquidity in their Shares and more easily consider investment realisations and liquidity events for Shareholders to support

dividend payments by being a larger VCT with a reduced cost base which, therefore, maximises the ability to provide returns to Mobeus VCTs' Shareholders.

- A product offering that will reduce complexity of understanding for existing Shareholders by reducing the number of VCTs from four to two (a number of Shareholders are invested across multiple Mobeus VCTs, which the Boards are aware causes confusion, and further, a significant number of investors hold shares in each of the Mobeus VCTs, and so the Boards expect a material reduction in administration and complication for shareholders through having two shareholdings compared to four), as well as for new investors which supports further fundraising.

As the Mobeus VCTs have the same advisers, materially the same objectives, strategy, policies and procedures, and significant overlap within the investment portfolios, as well as its investor base, the proposed Merger should be achievable without major disruption to the Mobeus VCTs or their shareholders. As at 31 March 2024, 40 out of 49 of the venture capital investments are common across the Mobeus VCTs' investment portfolios, representing 93.1% by overall value.

### **Merger costs and cost savings**

The estimated total Merger costs are £1,119,123 (including professional fees, FCA vetting fees, stamp duty, VAT and the costs of winding up the Target VCTs). The costs of the Merger will be split proportionately between the Mobeus VCTs by reference to their respective Merger net assets (ignoring the Merger costs), save that the post-Merger Acquirer VCT costs relating to the payment of stamp duty on the transfer of stampable assets from the relevant Target VCT and listing fees in respect of the Consideration Shares will be allocated between the Acquirer VCT and the relevant Target VCT (and split proportionately between them by reference to their respective Merger net assets (ignoring Merger costs)).

The pre-Merger and projected post-Merger normal annual running costs (these being normal expenses excluding exceptional items, performance incentive fees and trail commission) are set out below:

	<b>Pre-Merger annual running costs*</b>	<b>% of pre-Merger Acquirer VCT and Target VCT net assets**</b>	<b>Post-Merger annual running costs*</b>	<b>% of post-Merger Acquirer VCT expected net assets***</b>	<b>Expected annual cost saving</b>
<b>MIG/MIG 2</b>	£4,183,393	2.9%	£3,838,535	2.6%	£344,858
<b>I&amp;G/MIG 4</b>	£5,111,472	2.7%	£4,657,943	2.4%	£453,529

\* Based on annualised running costs as at 31 March 2024.

\*\* As at 31 March 2024 (unaudited), adjusted for dividends paid (actual) and declared (estimated) after 31 March 2024.

\*\*\* Based on the aggregate net assets of the Mobeus VCTs as at 31 March 2024 (unaudited), adjusted for dividends paid (actual) and declared (estimated) after 31 March 2024 and expected Merger costs (but ignoring the Offers).

Based on the amount of estimated Merger costs to be borne by MIG and MIG 2 of approximately £504,894 and the expected annual cost savings of £344,858, such Merger costs would be recovered in under 18 months.

Similarly, based on the amount of estimated Merger costs to be borne by I&G and MIG 4 of approximately £614,229 and the expected annual cost savings of £453,529, such Merger costs would also be recovered in under 18 months.

### **Enlarged Acquirer VCTs**

Further information in relation to the Enlarged Acquirer VCTs can be found in Part VIII of this document.

### **The Schemes**

The Merger will be implemented through the Schemes as follows:

- each Target VCT will be placed into members' voluntary liquidation pursuant to a scheme of reconstruction under section 110 of IA 1986; and
- all of the assets and liabilities of the Target VCT will be transferred to the relevant Acquirer VCT in consideration for the issue of Consideration Shares in that Acquirer VCT (which will be issued directly to the Target VCT Shareholders).

The Mobeus VCTs' Boards believe that the Schemes provide an efficient way of merging the Mobeus VCTs with a lower level of costs than other merger routes. The Merger counterparties and successor VCTs were selected based on Merger cost efficiencies and I&G and MIG 4 having existing dividend investment schemes.

In respect of each Acquirer VCT, the portfolio of assets which will be transferred from the relevant Target VCT pursuant to their relevant Scheme are all considered to be in line with the Acquirer VCT's existing published investment policy. The extent of the liabilities (if any) which will be transferred will be those which are incurred in the ordinary course of business, together with the relevant Target VCT's allocation (to the extent remaining unpaid at the time of transfer) of Merger costs. Any such liabilities are expected to be nominal in comparison to the value of the assets being acquired.

As required by section 593 of CA 2006, prior to the allotment of Acquirer VCT Consideration Shares, the Acquirer VCT will post to the relevant Target VCT Shareholders (as well as upload on to the Acquirer VCT's website) a valuation report which will be prepared by the Independent Valuer. The Section 593 Report will confirm to the Acquirer VCT that the value of the relevant Target VCT's assets and liabilities which are being transferred to the Acquirer VCT as part of the Scheme is not less than the aggregate amount treated as being paid up on the Acquirer VCT Consideration Shares being issued to the relevant Target VCT Shareholders pursuant to the Scheme.

For Target VCT Shareholders, they will effectively exchange their Target VCT Shares for new Acquirer VCT Consideration Shares. The new Acquirer VCT Shares will 'replace' their existing Target VCT Shares (please see further the Taxation section below). For Target VCT Shareholders who currently hold their Target VCT Shares in certificated form (i.e. by way of a share certificate), the Acquirer VCT Consideration Shares will be issued in certificated form. Where Target VCT Shareholders hold their Shares in uncertificated form, their CREST accounts will be automatically credited with the holding of Acquirer VCT Consideration Shares. Dividend payment and dividend investment scheme mandates in respect of Target VCT Shares will be automatically transferred to the holding of Acquirer VCT Consideration Shares (unless City Partnership is notified otherwise). If a Target VCT Shareholder is also an Acquirer VCT Shareholder, and this can be identified by City Partnership (at its discretion), the Acquirer VCT Consideration Shares will be added to the existing shareholding account in the Acquirer VCT (unless the dividend payment or dividend investment scheme participation mandates provided for the Target VCT shareholding account differ).

Following the transfer of the assets and liabilities by the Target VCT to the relevant Acquirer VCT, the listing of the Target VCT Shares will be cancelled and the Target VCT will be wound up.

### **Terms of the Schemes**

The key terms of the Schemes (which apply to each of the Schemes (unless otherwise stated) and, as applicable, to the relevant Acquirer VCT and the relevant Target VCT) are set out below.

### ***Provision of Information***

On the Calculation Date, Gresham House (on the instruction of each of the Acquirer VCT and the Target VCT) will calculate the Merger Value and the Roll-Over Value in accordance with the formulae set out below.

On the Effective Date, the Liquidators will receive all the cash, undertakings and other assets and liabilities of the Target VCT and will deliver to the Acquirer VCT:

- particulars of all of the assets and liabilities of the Target VCT;
- a list certified by the Registrar of the names and addresses of, and the number of Target VCT Shares held by, each of the Target VCT Shareholders on the register at 5.00 p.m. on the Record Date;
- an estimate of the winding-up costs of the Target VCT; and
- the amount estimated to be required to purchase the holdings of any dissenting Target VCT Shareholders (if any).

### ***Transfer Agreement***

On the Effective Date, the Acquirer VCT and the Liquidators (on behalf of the Target VCT) will enter into the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto) pursuant to which the Liquidators will procure the transfer of all of the assets and liabilities of the Target VCT to the Acquirer VCT in exchange for the issue of Consideration Shares (credited as fully paid up) to the Target VCT Shareholders on the basis set out below.

In further consideration of such transfer of assets and liabilities of the Target VCT to the Acquirer VCT, the Acquirer VCT will, pursuant to the Transfer Agreement, undertake to pay all liabilities incurred by the Liquidators including, but not limited to, the implementation of the Scheme, the winding up of the Target VCT and the purchase for cash of any holdings of dissenting Target VCT Shareholders.

### **Calculations**

Except as otherwise provided for in the Scheme terms, for the purposes of calculating the Roll-Over Value, the Merger Value and the number of Consideration Shares to be issued (in order that Target VCT Shareholders receive shares in the Acquirer VCT based on the proportion the Target VCT's net assets to be transferred to the Acquirer VCT represents of the Enlarged Acquirer VCT net assets), the following provisions will apply:

### **Acquirer VCT: Merger Value**

The Merger Value will be calculated as follows:

$$\frac{E - F}{G}$$

Where:

- E = the unaudited net assets of the Acquirer VCT as at the Calculation Date, calculated in accordance with the Acquirer VCT's normal accounting policies and taken from the unaudited management information of the Acquirer VCT to that date (including any adjustment considered appropriate to reflect any other actual or contingent benefit or liability of the Acquirer VCT) and as approved by the Acquirer VCT Board and the Target VCT Board (acting jointly);
- F = the Acquirer VCT's pro rata proportion (by reference to the relative aggregate Roll-Over Value of all the Target VCT Shares and the aggregate Merger Value of all Acquirer VCT Shares, but ignoring Merger costs paid) of the costs of the Merger applicable to the Acquirer VCT and the Target VCT; and
- G = the number of Acquirer VCT Shares in issue as at close of business on the Record Date.

### **Target VCT: Roll-Over Value**

The Roll-Over Value will be calculated as:

$$\frac{A - (B + C)}{D}$$

Where:

- A = the unaudited net assets of the Target VCT as at the Calculation Date, calculated in accordance with the Target VCT's normal accounting policies and taken from the unaudited management information of the Target VCT to that date (including any adjustment considered appropriate to reflect any other actual or contingent benefit or liability of the Target VCT as at the Calculation Date) and as approved by the Acquirer VCT Board and the Target VCT Board (acting jointly);
- B = Target VCT's pro rata proportion (by reference to the relative aggregate Roll-Over Value of all the Target VCT Shares and the aggregate Merger Value of all of the Acquirer VCT Shares, but ignoring Merger costs paid), of the costs of the Merger applicable to the Acquirer VCT and the Target VCT, plus £10,000 (representing an amount of contingency to cover any unforeseen additional costs attributable to the Target VCT incurred by the Acquirer VCT, which will indemnify the Liquidators in respect of all of the costs of the Target VCT following the transfer on the Effective Date);
- C = the amount estimated to be required to purchase the holdings of the Target VCT Shares from dissenting Target VCT Shareholders (if any); and
- D = the number of Target VCT Shares in issue as at close of business on the Record Date (save for any Target VCT Shares held by dissenting Target VCT Shareholders).

### **Consideration Shares to be issued to Target VCT Shareholders**

The number of Consideration Shares to be issued to Target VCT Shareholders (save for any dissenting Target VCT Shareholders) will be calculated as follows:

$$\frac{H}{I} \times J$$

where:

- H = the Roll-Over Value;
- I = the Merger Value; and
- J = the number of Target VCT Shares in issue as at close of business on the Record Date (save for any Target VCT Shares held by any dissenting Target VCT Shareholders).

The number of Consideration Shares to be issued pursuant to the Scheme (subject to a maximum of 125 million MIG Consideration Shares and a maximum of 140 million I&G Consideration Shares) will be issued on the instruction of the Liquidators directly to the Target VCT Shareholders pro rata to their existing holdings (disregarding Target VCT Shares held by dissenting Target VCT Shareholders) by applying the Merger Ratio to the Target VCT Shareholders' holdings.

The Merger Ratio (this being the Roll-Over Value divided by the Merger Value) will be rounded down to eight decimal places and entitlements to Consideration Shares will be rounded down to the nearest whole number. Any fractional entitlements in respect of each holding (which, in each case, will not exceed £1) will be sold and the proceeds retained for the benefit of the relevant Enlarged Acquirer VCT.

### ***Share Certificates, Mandates and Listing***

Where Target VCT Shareholders hold their Target VCT Shares in certificated form, they will receive a new certificate for the Consideration Shares issued. Certificates will be dispatched to a Target VCT Shareholder's registered address at their own risk. Where Target VCT Shareholders hold their Target VCT Shares in uncertificated form, their CREST accounts will be automatically credited with the new holding in Consideration Shares.

Dividend payment or dividend investment scheme participation mandates provided for Target VCT shareholding accounts will, unless a Target VCT Shareholder advises otherwise in writing to City Partnership prior to the Calculation Date, be transferred to the Acquirer VCT in respect of the Consideration Shares.

If a Target VCT Shareholder is also an Acquirer VCT Shareholder, and this can be identified by City Partnership (at its discretion), the Consideration Shares will be added to their existing shareholding account in the Acquirer VCT (unless the dividend payment or dividend investment scheme participation mandates provided for the Target VCT shareholding account differ).

### ***Conditions***

The Scheme is conditional upon:

- the passing of Resolution 1 to be proposed at the General Meeting of the Acquirer VCT;
- the passing of the Resolutions to be proposed at the General Meetings of the Target VCT;
- the passing of Resolution 1 to be proposed at the General Meeting of the other Acquirer VCT and the Resolutions to be proposed at the General Meetings of the other Target VCT and their relevant Scheme becoming unconditional;
- notice of dissent not having been received from Target VCT Shareholders holding more than 10% in nominal value of the Target VCT's issued share capital under section 111 of IA 1986 (this condition may be waived by the Acquirer VCT Board);
- the Acquirer VCT confirming to the Target VCT and the Target VCT confirming to the Acquirer VCT that, in each case, it has not received any notice of any claims, proceedings or actions of whatever nature threatened or commenced, as relevant, against the Acquirer VCT which the Target VCT Board regard as material or against the Target VCT which the Acquirer VCT Board regard as material;
- confirmation from HMRC that the VCT Merger Regulations will apply to the Scheme; and
- the Acquirer VCT and the Target VCT maintaining VCT status up to and immediately before implementation of the Scheme.

Subject to the above, the Scheme shall become effective immediately after the passing of the Resolution for the winding up of the Target VCT to be proposed at the Target VCT Second General Meeting. If it becomes effective, the Scheme shall be binding on all Acquirer VCT Shareholders and Target VCT Shareholders and all persons claiming through or under them.

If the conditions set out above have not been satisfied by 30 September 2024, the Scheme shall not become effective and the Target VCT will continue in its current form.

### ***Dissenting Target VCT Shareholders***

A Target VCT Shareholder who does not vote in favour of the Resolution to be proposed at the Target VCT First General Meeting and expresses their dissent to the Liquidator in writing at the registered office of the Target VCT within seven days of the passing of that resolution may require the Liquidators either to abstain from carrying into effect the resolution or to purchase their Target VCT Shares at a price to be determined by agreement between the Liquidators and the Target VCT Shareholder concerned (or otherwise through arbitration).

It is anticipated that the Liquidators will offer to purchase the holdings of dissenting Target VCT Shareholders at the break value price of a Target VCT Share, this being an estimate of the amount a holder of such shares would receive in an ordinary winding-up of the Target VCT if all of the assets of the Target VCT had to be realised. The break value of Target VCT Shares is expected to be significantly below the net asset value of such shares due to the nature of the underlying assets (these primarily being assets in unquoted companies).

Target VCT Shareholders should also be aware that a purchase by the Liquidators will be regarded as a disposal for tax purposes, thereby triggering clawback of any up-front income tax relief received on the original subscription if the shares have not been held for the requisite holding period to maintain such relief. In addition, any deferred capital gains on the original subscription of shares (relevant for VCT shares issued prior to 6 April 2004 only) will

become chargeable to capital gains tax. The value received by a dissenting Target VCT Shareholder may not be sufficient to cover the amount of tax due.

## **Scheme Illustration**

### ***MIG/MIG 2 Scheme***

As at 31 March 2024, MIG 2 had 96,695,959 MIG 2 Shares in issue and unaudited net assets and an unaudited NAV per MIG 2 Share (in each case, adjusted (estimated in respect of the reduction to net assets) for the 5p dividend per MIG 2 Share to be paid on 27 June 2024) of £56.33 million and 58.25p respectively. On this basis, the Roll-Over Value of a MIG 2 Share (had the Merger been completed on that date and calculated in accordance with the above) would have been 58.11p (assuming no dissenting MIG 2 Shareholders).

As at 31 March 2024, MIG had 164,285,230 Shares in issue and unaudited net assets and an unaudited NAV per MIG Share (in each case, adjusted for the 4.0p dividend per MIG Share paid on 31 May 2024) of £90.49 million and 55.04p respectively. On this basis, the Merger Value of a MIG Share (had the Merger been completed on that date and calculated in accordance with the above) would have been 54.95p.

The number of MIG Consideration Shares that would have been issued to MIG 2 Shareholders (had the Merger been completed on 31 March 2024 and calculated in accordance with the above) is 102,266,005 (1.05760372 MIG Consideration Shares for every MIG 2 Share held). The MIG Consideration Shares would, on this basis, have represented approximately 38.4% of the post-Merger enlarged share capital of MIG (ignoring the MIG Offer). The MIG Consideration Shares would have been issued to all MIG 2 Shareholders pro rata to their holdings in MIG 2 (assuming no dissenting MIG 2 Shareholders).

### ***I&G/MIG 4 Scheme***

As at 31 March 2024, MIG 4 had 111,656,815 MIG 4 Shares in issue and unaudited net assets and an unaudited NAV per MIG 4 Share of £80.19 million and 71.81p respectively. On this basis, the Roll-Over Value of a MIG 4 Share (had the Merger been completed on that date and calculated in accordance with the above) would have been 71.65p (assuming no dissenting MIG 4 Shareholders).

As at 31 March 2024, I&G had 155,187,008 Shares in issue and unaudited net assets and an unaudited NAV per I&G Share (in each case, adjusted for the 3.0p dividend per I&G Share paid on 7 June 2024) of £111.50 million and 71.29p respectively. On this basis, the Merger Value of an I&G Share (had the Merger been completed on that date and calculated in accordance with the above) would have been 71.69p.

The number of I&G Consideration Shares that would have been issued to MIG 4 Shareholders (had the Merger been completed on 31 March 2024 and calculated in accordance with the above) is 111,589,890 (0.99940062 I&G Consideration Shares for every MIG 4 Share held). The I&G Consideration Shares would, on this basis, have represented approximately 41.8% of the post-Merger enlarged share capital of I&G (ignoring the I&G Offer). The I&G Consideration Shares would have been issued to all MIG 4 Shareholders pro rata to their holdings in MIG 4 (assuming no dissenting MIG 4 Shareholders).

## **Taxation**

A summary of the taxation implications is set out in Part A of Part XII of this document.

# PART V: THE OFFERS

## Reasons for the Offers

The new funds are being raised to ensure that each Company retains adequate levels of liquidity to continue to:

- take advantage of new investment opportunities and fund further expansion of the businesses in its investment portfolio;
- seek the delivery of attractive returns for its Shareholders, including the payment of dividends, over the medium term; and
- buy back its Shares from those Shareholders who may wish to sell their Shares.

## Why invest in the Offers?

The Boards believe that the attraction of investing in the Companies is the combination of the potential investment return from exposure to fast growing private young businesses, enhanced by the VCT tax reliefs.

VCTs continue to offer attractive tax reliefs to Qualifying Investors. VCTs offer Qualifying Investors, subject to annual investment limits, 30% upfront income tax relief on the amount subscribed for VCT shares (subject to the shares being held for five years). Other tax benefits include tax-free dividends and gains arising on the disposal of VCT shares being free of capital gains tax.

The Companies already have a strong performance track record with established and diversified portfolios. MIG and I&G are expected post-Merger to have net assets of approximately £146.47 million and £191.26 million respectively, which investors will gain immediate exposure to.

Investors who subscribed **equally** into previous joint fundraisings by the Companies have received positive returns from their investment **as a result of the combination of good investment returns, alongside the benefit of initial income tax relief**. Depending on the date of launch of these offers, these positive returns (based on equal investment and including upfront income tax relief at 30%) have, to 31 March 2024 (unaudited), ranged from 33.2% for the 2022/23 fundraising to +138.1% for the first such fundraising in 2010/11.

Further details on the returns which investors in previous offers have achieved to date, together with data which shows the historic performance track record for each Company, are set out in Part VI of this document.

Gresham House has one of the largest VCT teams in the sector providing coverage, experience, contacts and know-how to access more and higher quality investment opportunities. The Investment Adviser will be seeking to continue to deliver attractive returns by making new investments and from realising additional value from the Companies' existing portfolio of investments.

Whilst the economic and global political backdrop for the next twelve months and beyond is likely to continue to present challenges, history has shown that investments made during a downturn in the economy create vintages which deliver strong returns for shareholders. Investing through the cycle is therefore key. Gresham House is confident that there are, and will continue to be, good opportunities to make high quality investments and build strategic stakes in businesses with great potential for the future.

Further details on Gresham House, its team and its investment strategy are set out in Part VII of this document.

## The Offers

The Companies are seeking to raise, in aggregate, up to £70 million, with over-allotment facilities to raise up to, in aggregate, a further £20 million, through the issue of Offer Shares pursuant to the Offers.

The amount each Company is seeking to raise, and the maximum number of Offer Shares it will issue, is set out below.

Company:	MIG	I&G
Maximum amount to be raised (excluding the over-allotment facility)	£35 million	£35 million
Maximum amount to be raised (including the over-allotment facility)	£45 million	£45 million
Maximum number of Offer Shares to be issued	110 million	85 million

The Offers are conditional on the Merger being implemented. The Offers will be withdrawn if completion of the Merger does not occur.

Each Acquirer VCT currently has authority from its Shareholders to allot Offer Shares (with pre-emption rights disapplied), however, such authorities may not be sufficient for the purposes of its Offer. Each Acquirer VCT is therefore seeking additional share allotment authorities from its Shareholders for its Offer pursuant to Resolution 3 at its relevant General Meeting. If Resolution 3 is not passed, the amount available under the Offers may be restricted.

**The Offers will, subject to the Merger being implemented, open for Applications at 9.00 a.m. on 2 September 2024.** The Offers will close for Applications (unless fully subscribed earlier or otherwise at the discretion of the relevant Board) at 5.00 p.m. on 26 March 2025.

A Board may utilise its Company's over-allotment facility in whole or part and at any time during the duration of its Offer depending on investor appetite and anticipated investment deployment. If a Board decides (in consultation with Gresham House) to utilise its Company's over-allotment facility, this will be advised through a RIS Announcement.

Each Board currently envisages allotments of Offer Shares pursuant to its Company's Offer to be undertaken in accordance with the expected allotment timetable on page 17 (or, if earlier, as soon as reasonably practicable following its Company's Offer being fully subscribed). Allotment of Offer Shares in a Company may, however, be made more frequently at the discretion of the Board. The Board reserves the right to accept Applications and allot and arrange for the listing of Offer Shares as it sees fit.

There are no minimum aggregate subscription levels on which any of the Offers are conditional and the Offers are not underwritten.

The Terms and Conditions of Applications for the Offer Shares under each Offer are set out on pages 102 to 106 of this document. By signing the Application Form (or equivalent), an Applicant (and, if relevant, the intermediary) will be declaring that they have read the Terms and Conditions of Applications and agree to be bound by them.

Applicants are advised to read the notes within the Application Procedures on pages 107 to 112 of this document, in particular in respect of how to make elections as to investing in one or both of the Offers, and the consequences of an Offer already being fully subscribed or deemed to have closed by the time an Application Form is processed.

## **Applications**

**Applications can be completed and submitted online using the online facility (please refer to the instructions at <https://www.mobeusvcts.co.uk/vct-fundraising> or contact the Receiving Agent at [mobeusvcts@city.uk.com](mailto:mobeusvcts@city.uk.com)) or using the separate Application Form which can be downloaded at <https://www.mobeusvcts.co.uk/vct-fundraising>, both of which will be only be available from 9.00 a.m. on 2 September 2024. Payment of Application monies must be by way of bank transfer.**

**The Companies encourage investors to use the online Application facility to reduce their carbon footprint and, as the Offers may fill up quickly, from a speed of processing perspective.**

**Please note that there is one combined Application Form (whether using the online Application facility or the separate Application Form) for the Offers and Applicants should complete this as set out in the Application Procedures on pages 107 to 112.**

## **Application Selection Procedures**

An Applicant may apply to invest equally in each of the Offers or apply to invest specific amounts under one or both of the Offers, subject to the relevant Offer being open at the time their Application Form is processed (and subject to the minimum subscription levels referred to below).

An Applicant must apply for a minimum, in aggregate, of £6,000 in one or, as relevant, both of the Offers. In addition to the requirement to apply for a minimum aggregate amount of £6,000 across the Offers, an Applicant must also apply for a minimum of £3,000 per Offer applied for. Applications must be for a whole amount of pounds.

If an Offer is able to accommodate an Applicant's amount in part before reaching full subscription, that partial sum will be utilised before that Applicant's alternative option is processed.

Applications under an Offer will be accepted on a 'first-come, first-served' basis, subject always to the discretion of the relevant Board. For these purposes **'first-come, first-served' shall be assessed based on the date and time of receipt of a fully completed Application, 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 may not be considered as 'complete' until identity verification is completed and/or, where relevant, information or supporting evidence required for the Application remains outstanding.

**If you or your financial intermediary submit a hard copy, scanned, or PDF Application, the Receiving Agent will manually enter your Application into the online facility (including recording the date/time of receipt**



of the offline application) and send you a copy of the online submission by email or post for your review and written confirmation. Please note that only upon receipt of your written confirmation of the content of the online submission will the Receiving Agent process your Application. For confirmed Applications, the associated date and time of receipt shall be determined in accordance with the 'first-come, first-served' basis referred to above.

If the Offer for the Company for which you have applied has closed, or is deemed closed, at the time your Application Form is processed, then your Application for that Offer will automatically be allocated to the other Offer (subject to that Offer remaining open and to the extent possible). If you do not want this to happen, please tick the relevant box on the Application Form.

If both Offers have closed, or are deemed to have closed, by the time your Application Form is received, then the total amount of your Application will be returned to you. **Maximum Initial Charges**

The alternative methods by which an investor can subscribe for Offer Shares are set out below. **Except where an investor has agreed to pay a financial adviser a charge for advice regarding the suitability of the investment**, the maximum initial costs an investor will effectively pay will be 3.0% of the Investment Amount.

The maximum initial costs effectively borne by an advised investor will be 7.5% of the Investment Amount, unless additional adviser charges to be paid directly by the investor are agreed over the amount to be facilitated. An investor may bear less than this, depending on the terms offered by the financial adviser, intermediary and/or the Investment Adviser.

### **The Allotment Formula**

The Allotment Formula determines the number of Offer Shares to be allotted to an Applicant in the relevant Company.

The Allotment Formula is used for two reasons. First, it creates a structure which enables Qualifying Investors to receive upfront VCT income tax relief on the Investment Amount. Second, it means that each investor effectively pays their own specific costs which results in their own bespoke Offer Price per Offer Share in each Company. This bespoke price is derived from the number of Offer Shares in the relevant Company allotted to the investor. The Boards believe that this results in a fair outcome for all investors and existing Shareholders.

The Allotment Formula to determine the number of Offer Shares in each Company to be allotted to an investor is as follows:

$$\text{Number of Offer Shares} = \frac{A - B - C}{\text{NAV}}$$

#### **Where:**

- A** is the Investment Amount;
- B** is the amount of Offer Costs;
- C** is any amount of initial adviser charges to be facilitated; and
- NAV** is the most recently published NAV per share in that Company on the day of allotment, adjusted for dividends declared and for which the record date for payment has passed at the time of allotment.

The number of Offer Shares to be allotted will be rounded down to the nearest number of whole Offer Shares in the relevant Company (i.e. fractions of Offer Shares will not be allotted).

Further information in relation to the constituent parts of the Allotment Formula is outlined below.

#### **(i) Investment Amount**

The Investment Amount is the monetary amount of the investor's Application accepted in respect of a Company. For the avoidance of doubt, this amount includes, where relevant, any initial financial adviser charges to be facilitated.

#### **(ii) Offer Costs**

The Investment Adviser, as promoter to the Offer, will receive a fee of an amount equal to 3.0% of the Investment Amount in respect of each Application accepted. The Investment Adviser has agreed to reduce its fee by an amount equal to:

- initial commission of 0.5% of the Investment Amount offered by the Investment Adviser to intermediaries in respect of 'execution only' or Professional Client investors and waived by the intermediary in favour of the investor;
- 0.5% of the Investment Amount in respect of investors who receive advice from a financial adviser (and the Application Form is completed by the financial adviser on this basis); and

- 0.5% of the Investment Amount in respect of direct investors (i.e. those who do not apply through an intermediary) who are existing Shareholders in one or more of the Companies.

The Investment Adviser may also agree to reduce its fees further (in whole or part) in respect of any specific investor or group of investors.

The net fee payable to the Investment Adviser after these reductions will be the relevant amount of Offer Costs applied through the Allotment Formula in determining the number of Offer Shares to be allotted (and is, therefore, effectively borne by the investor). Any reduction in Offer costs borne by an investor will increase the number of Offer Shares allotted to that investor. The Investment Adviser will not reduce its fee to the extent that, together with the initial intermediary commission, the aggregate reduction would be more than 3.0% of the Investment Amount of any Application.

Further details on the Offer Costs and intermediary commission are set out below.

**(iii) Facilitation of initial financial adviser charges**

Investors who agree to pay an initial financial adviser charge for advice in respect of an investment under the Offer can have this charge 'facilitated' on their behalf as explained in part (a) of the section entitled 'Financial Adviser Charges and Intermediary Commissions' on page 34 of this document.

Any amount agreed to be facilitated (to be no more than 4.5% of the Investment Amount) will be applied through the Allotment Formula in determining the number of Offer Shares to be allotted (and is, therefore, effectively borne by the investor in addition to Offer Costs of up to 3.0% of the Investment Amount).

**(iv) NAV per Share**

Each Company publishes NAVs on a quarterly basis. These will be used to calculate the number of Offer Shares to be allotted to an investor through the Allotment Formula.

Should there be a movement in the NAV between the normal quarterly dates that a Company's Board believes to be significant, that Company will publish an updated unaudited NAV, which will be used to calculate the number of Offer Shares allotted after that date. NAVs will be adjusted for dividends declared and for which the record date for payment has passed at the time of allotment.

Calculating the number of Offer Shares to be issued in each Company by reference to the then existing NAV per Share, plus costs, avoids dilution of the NAV of the existing Shares. In addition, Gresham House has agreed to meet the cost of trail commission in respect of the Offers thereby further avoiding dilution of the NAV of the existing Shares.

**(v) Offer Price**

The Offer Price is determined by dividing the Investment Amount in the relevant Company by the number of Offer Shares issued by that Company to that investor.

After each allotment, the results of each allotment (including details of the Offer Shares allotted and issued and the range of Offer Prices) will be announced through RIS Announcements.

**Allotment Formula Examples**

Below are **examples** of how the Allotment Formula works for each of an advised investor, an 'execution only' investor and a direct investor. They are all based on an **illustrative** Investment Amount of £10,000 for a Company and a NAV of £0.70 per Share.

In respect of the advised investor, example 1 assumes that a financial adviser initial charge equal to 1.0% (£100) of the Investment Amount is to be facilitated and that the 0.5% Offer Costs waiver by the Investment Adviser applies.

In respect of the 'execution only' investor, example 2 assumes that the initial commission of 0.5% (£50) of the Investment Amount has been waived by the 'execution only' intermediary (which reduces the Offer Costs).

In respect of a direct investor, examples 3 and 4 have no adviser charge or 'execution only' intermediary commission. In example 3 the direct investor is not an existing Shareholder and in example 4 the direct investor is an existing Shareholder.

Example	Investment Amount	Offer Costs (3.0% less reductions)	Initial adviser charge to be facilitated	NAV per Share	Number of Offer Shares $\frac{(A - B - C)}{D}$	Offer Price per Offer Share $(A/E)$
	(A)	(B)	(C)	(D)	(E)	
	(£)	(£)	(£)	(£)		(£)
1. Advised investor	10,000	(250)	(100)	0.70	13,785	0.7254
2. 'Execution only' investor (initial commission waived)	10,000	(250)	-	0.70	13,928	0.7179
3. Direct investor	10,000	(300)	-	0.70	13,857	0.7216
4. Existing Shareholder direct investor	10,000	(250)	-	0.70	13,928	0.7179

### Offer Costs

Each Company will pay the Investment Adviser, as promoter to its Offer, a fee of an amount equal to 3.0% of the Investment Amount in respect of successful Applications (which is effectively borne by the investor through the application of the Allotment Formula)\*. In consideration, the Investment Adviser will meet all the costs and expenses of each Offer, including:

- permissible initial commissions offered to intermediaries in respect of 'execution only' and Professional Client investors (see part (b) of the section 'Financial Adviser Charges and Intermediary Commissions' on page 34 of this document);
- permissible annual trail commission (see part (b) of the section 'Financial Adviser Charges and Intermediary Commissions' on page 34 of this document),

but not including the following:

- any amounts due from a Company to the investor in connection with the facilitation of initial adviser charges (see part (a) of the section 'Financial Adviser Charges and Intermediary Commissions' on page 34 of this document) – such amounts being paid by the relevant Company but borne by the investor through the Allotment Formula.

\*Reductions in Offer Costs:

The Investment Adviser has agreed to reduce its fee in respect of a successful Application by an amount equal to 0.5% of the Investment Amount in respect of 'execution only' investors or Professional Client investors where initial commission is waived by the intermediaries in favour of their clients, 0.5% of the Investment Amount in respect of investors who receive advice from a financial adviser other than Professional Client Investors (and the Application Form is completed by the financial adviser on this basis) and 0.5% of the Investment Amount in respect of direct investors who are existing Shareholders in any one or more of the Companies.

The Investment Adviser may also agree (at its discretion) to reduce its fee further (in whole or part) in respect of any specific investor or group of investors for the benefit of such investors.

The benefit of these reductions will be applied through the Allotment Formula by reducing the Offer Costs for those investors, thereby increasing the number of Offer Shares to such investors.

The Investment Adviser will not offer any reduction in its fee which would, together with the initial commission, result in an aggregate reduction to its fee of more than 3.0% of the Investment Amount of any Application.

Assuming that the Offers are fully subscribed (and that the over-allotment facilities are fully utilised), the maximum Offer Costs payable by each Company and the minimum net proceeds (excluding any amounts due to an investor from a Company to be used for the purposes of facilitation of initial adviser charges) will be:

Company:	MIG	I&G
Offer Costs	£1.35 million	£1.35 million
Net Proceeds	£43.65 million	£43.65 million

In addition, in the event that a Company utilises its over-allotment facility, Gresham House has agreed to reduce its management fees for the relevant Company for the 12 month period commencing on the start of the first calendar quarter following the close of the Company's Offer by an amount equal to 1.0% of any net funds raised by that Company under its over-allotment facility.

The Promoter Fee and the Offer Related Management Fee Reduction arrangements described above have been entered into by each of MIG and I&G, conditional on Resolution 2 being approved at their respective General Meetings.

Each Company requires additional Shareholder authorities in order to raise the maximum amount of funds sought and issue Offer Shares to the maximum of, respectively, 110 million and 85 million Offer Shares. The costs related to seeking such Shareholder authorities are regarded as each relevant Company's normal expenditure and will be borne by the Company (and are not regarded as costs relating to its Offer).

### **Financial Adviser Charges and Intermediary Commissions**

The FCA has introduced regulations in respect of charges and commissions payable to financial advisers in consideration of advice being provided to their clients. These regulations took effect on 31 December 2012. This section details how financial adviser charges and intermediary commissions affect investors who invest through one of the three methods below:

#### **(a) Investors who receive advice from their financial adviser**

In accordance with the regulations, initial commission and trail commission are not permitted to be paid to financial advisers that have provided advice after 30 December 2012. However, an investor can agree to pay an initial charge to their financial adviser for advice received in relation to an investment in the Companies.

An initial adviser charge:

- Can be paid directly by the investor to the financial adviser.

**OR**

- Can, at the request of the investor, be facilitated by the Companies in whole or part (the amount which the Companies may agree to facilitate will be no more than 4.5% of the Investment Amount). If the initial adviser charge agreed with the financial adviser is greater than this maximum amount, the investor will need to make additional payments direct to the financial adviser.

It should be noted that the maximum amount of initial charges which may be facilitated on behalf of advised investors as outlined above should not be considered as a recommendation as to the appropriate levels of a financial adviser charge. This is for the investor and the financial adviser to agree depending on the advice and service being provided.

If the investor requests that an initial adviser charge be facilitated, this will be paid on behalf of the investor from an equivalent amount due to the investor from the Companies. The amount of any adviser charge facilitated will be taken into account in the Allotment Formula (and is, therefore, effectively borne by the investor) and the investor will receive fewer Offer Shares (equivalent to the value of the initial adviser charge). This should not, however, affect the availability of upfront VCT income tax relief on the Investment Amount.

The Companies will not facilitate ongoing adviser charges. Any such arrangements should be handled directly between the investor and the financial adviser.

#### **(b) Investors who do not receive advice and submit their Application through an 'execution only' intermediary OR are a Professional Client investor**

Intermediaries who provide 'execution only' services or where an intermediary has classified an advised investor as a Professional Client, to the extent permitted under legislation and regulations:

- Will receive initial commission\* of an amount equal to 0.5% of their client's Investment Amount under the Offers,

**AND**

- Will be paid annual trail commission of 0.5% of the Investment Amount. This is limited to five years and subject to a cumulative trail commission cap of 2.5% of the Investment Amount, their client continuing to hold their Offer Shares. This trail commission is paid by Gresham House.

\* Intermediaries may agree to waive the initial commission in respect of their client's Application. The Investment Adviser has agreed to reduce its fee by an amount equal to the initial commission waived, resulting in a lower amount of Offer Costs being applied through the Allotment Formula as set out above.

Annual trail commission will be paid annually by the Investment Adviser in January each year (the first such payment in relation thereto being in January 2025). The administration of annual trail commission will be managed by the Investment Adviser which will maintain a register of Financial Intermediaries entitled to trail commission.

Investors and intermediaries should note that trail commission is not payable if an 'execution only' intermediary subsequently then gives advice in respect of the investor's holding in the relevant Company or if the intermediary subsequently de-classifies the investor as a Professional Client. It is the responsibility of the investor and the intermediary to notify the relevant Company and/or Gresham House as soon as possible if trail commission payments for this (or for any other reason) must cease (though Gresham House also reserves the right to cease payments if it believes, in its absolute discretion, that payments should cease).

**(c) Commission Arrangements on existing shareholdings**

For existing Shareholders, in respect of existing trail commission arrangements to execution-only intermediaries, such payments will continue (to the extent permitted under legislation and regulations), but not if subsequent financial advice in respect of the holding is given. As a result, should a Shareholder decide to seek financial advice from their existing 'execution only' intermediary in respect of participating in that Company's Offer, any trail commission which is currently being paid to that intermediary pursuant to an existing holding in that Company must cease and the Investment Adviser and/or the Company should be notified accordingly.

**Direct Investors**

Investors who have not invested their money through a financial adviser or intermediary and have submitted their Applications directly will bear the Offer Costs of an amount equal to 3.0% of their Investment Amount (through the Allotment Formula above). The Investment Adviser has agreed to reduce the Offer Costs by an amount equal to 0.5% of the Investment Amount in respect of direct investors who are existing Shareholders in any one or more of the Companies.

**Use of funds**

It is intended that the proceeds of each Offer will be used by the relevant Company in accordance with its published investment policy set on pages 46 and 47 of this document. In particular, monies raised will be used to fund investment opportunities, as well as being used to fund dividends, buybacks and normal annual running costs.

**Results of the Offers**

The following will be announced through RIS Announcements:

- after each allotment, the results of each allotment (including details of the Offer Shares allotted and issued and the range of Offer Prices); and
- following the close of an Offer, the final results of that Offer.

## PART VI: TRACK RECORD

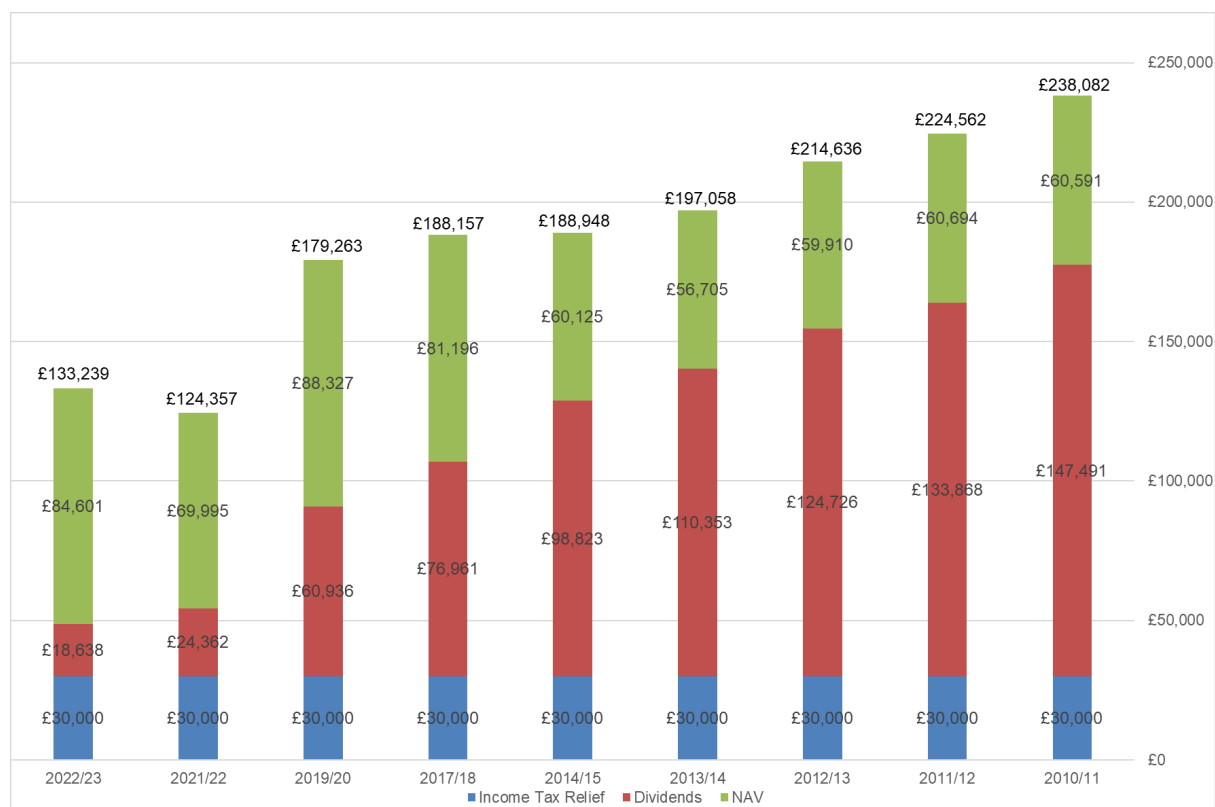
### Financial Performance

The Companies have launched nine joint fundraising offers in the past 14 years. Investors who subscribed in the previous joint fundraisings have seen positive returns on their investment from the combination of either investment performance and/or initial tax relief.

#### Returns for investors in previous joint fundraising offers (including the benefit of initial income tax relief)

The performance for investors who participated in previous joint fundraising offers by the Companies is shown in the table below, based on an initial £100,000 investment. Depending on the date of launch of previous offers, these positive returns have ranged from £133,239 (33.2%) to £238,082 (138.1%) as at 31 March 2024.

**NAV Cumulative Total Returns to investors from £100,000 invested**



Notes to the above graph:

NAV Cumulative Total Return means, based on £100,000 invested equally between the Companies that took part in the relevant fundraising, the growth since the relevant offer in the associated net asset value plus cumulative dividends paid/payable on the shares that would have been acquired. This includes £30,000 initial income tax relief on £100,000 invested (30% of amount invested).

Performance is as at 31 March 2024 (unaudited), adjusted for subsequently announced dividends paid to date.

Figures are based on an average allotment price, where applicable, for the last allotment prior to close of the relevant fundraising and include the impact of initial offer costs charged relevant to the terms of each year's offer for subscription. These allotments assume that no offer discounts or upfront intermediary charges or commissions apply. Individual investor returns and level of performance may vary depending on the proportion invested in each Company and the actual allotment prices.

Investors will note that the income tax relief has been treated as a cash return as, in practice, investors will typically have received the benefit of income tax relief through a reduction in their income tax liability for the tax year in which the shares were subscribed. In addition, dividends have been treated as tax-free on the basis that most investors will qualify for VCT tax reliefs. For instance, investors who subscribed £100,000 for shares in the 2010/11 offer have received, to date, 177.5% of their initial investment in cash (being 147.5% in tax-free dividends and 30% income tax relief), or £177,491 (split £147,491 in tax-free dividends and £30,000 through income tax relief) in monetary terms, and retain a holding in the Companies' Shares at an unaudited NAV value that represents a further 60.6% of their initial investment (or £60,591 in monetary terms).

### Financial performance of the Companies (excluding the benefit of initial income tax relief)

The table below shows the unaudited financial performance (% increase in NAV Cumulative Total Return<sup>[1]</sup>) of each Company over the three, five and ten year periods to 31 March 2024:

% increase in NAV Cumulative Total Return per Share <sup>[1],[2]</sup> (unaudited)			
	Three Year	Five Year	Ten Year
MIG	6.5%	52.0%	68.3%
I&G	8.0%	56.7%	61.8%

Notes to the above table:

<sup>[1]</sup> NAV Cumulative Total Return per Share is each Company's NAV per Share as at 31 March 2024 (unaudited and adjusted for subsequently announced dividends paid to date), plus cumulative dividends paid/payable for the preceding three, five or ten year period (as applicable), divided by the opening NAV per Share as at 31 March for the relevant period (unaudited), expressed as a percentage. The percentage figures represent performance over the relevant period to 31 March 2024, excluding the benefit of any initial income tax relief. All of the financial data above is unaudited.

<sup>[2]</sup> Past performance of the Companies is not an indication of future performance. Investors should note that this return varies between each Company for a number of reasons, including each Company's liquidity level and its participation in each investment.

The table above compares to the weighted average 'Generalist VCT' cumulative NAV total return of 13.2% for a three year period, 24.7% for a five year period and 45.2% for a ten year period as produced by the Association of Investment Companies (AIC) (as at 31 March 2024), which is prepared by Morningstar using the most recent information available to it at that date.

On a NAV total return basis (this being where dividends are reinvested) under the AIC information, the Companies are (together with the Target VCTs which will be merged into the Companies pursuant to the Merger) the top ranking on a five year and ten year basis as compared to other 'Generalist VCTs' that are members of the AIC.

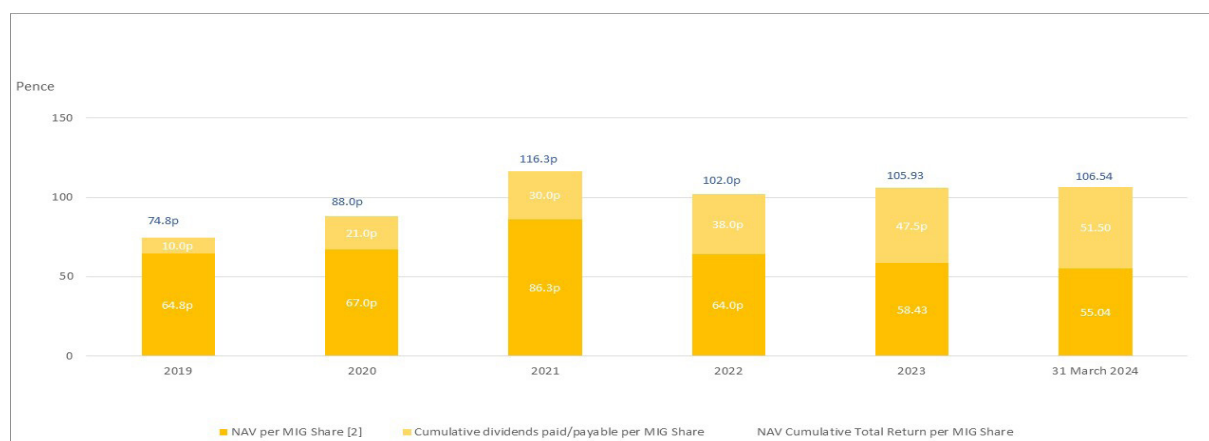
### Recent cumulative financial performance of the Companies (excluding the benefit of initial income tax relief)

The NAV Cumulative Total Return of each Company for the last five full financial year-ends and to 31 March 2024 in the current period, is summarised in each of the bar charts below. The bar charts show both the NAV changes and cumulative dividend performance of each Company at each period end over the recent past.

Further notes applicable to all of these bar charts, which include an explanation of the information presented and the calculation methodology, can be found after the bar charts on page 38.

#### Mobeus Income & Growth VCT plc

##### Unaudited NAV Cumulative Total Return per Share (as at 31 March 2024 unless otherwise stated)<sup>[1],[3]</sup>



Notes to the above bar chart (please also see further notes [1] to [6] on page 38):

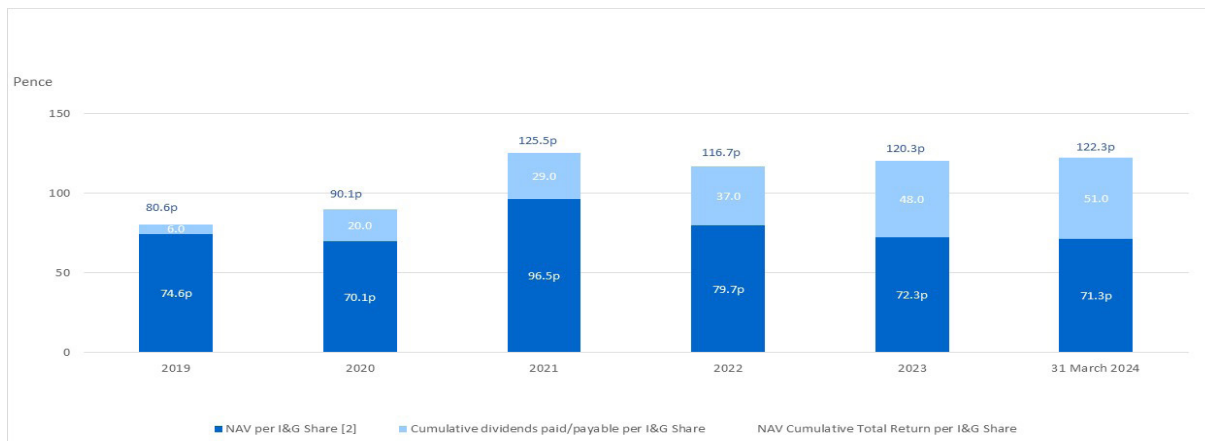
As at 1 January 2019, the start of the period of performance above, the NAV per MIG Share was 65.3p.

Based upon this opening NAV per MIG Share as at 1 January 2019 of 65.3p, over the last five full financial years to 31 December 2023, the NAV per MIG Share has decreased by 6.9p to 58.4p with total dividends of 47.5p per MIG Share paid/payable over the same period. The unaudited NAV Cumulative Total Return per MIG Share over the last five full financial years to 31 December 2023 was therefore 40.6p or 62.2%. The unaudited NAV Cumulative Total Return per MIG Share for the three months to 31 March 2024 was 0.6p or 1.0%.

The position as at 31 March 2024 has been adjusted to reflect the dividend of 4.0p per MIG Share paid on 31 May 2024 to MIG Shareholders on the register on 3 May 2024.

## The Income & Growth VCT plc

### Unaudited NAV Cumulative Total Return per Share (as at 31 March 2024 unless otherwise stated)<sup>[1],[3]</sup>



Notes to the above bar chart (please also see further notes [1] to [6] below):

As at 1 October 2018, the start of the period of performance above, the NAV per I&G Share was 74.8p.

Based upon this opening NAV per I&G Share as at 1 October 2018 of 74.8p, over the last five full financial years to 30 September 2023, the NAV per I&G Share has decreased by 2.5p to 72.3p with total dividends of 48.0p per I&G Share paid/payable over the same period. The unaudited NAV Cumulative Total Return per I&G Share over the last five full financial years to 30 September 2023 was 45.5p or 60.8%. The unaudited NAV Cumulative Total Return per I&G Share for the six months to 31 March 2024 was 2.0p or 2.8%.

The position as at 31 March 2024 has been adjusted to reflect the dividend of 3.0p per I&G Share paid on 7 June 2024 to I&G Shareholders on the register on 17 May 2024.

I&G Shares are the original S share class within I&G launched in December 2007.

#### Notes to the recent cumulative financial performance of the Companies since launch

- [1] NAV Cumulative Total Return is the audited/unaudited NAV per Share as at the relevant period end date, plus cumulative dividends per Share paid/payable from the start of the relevant period of performance to the relevant period end date. Where dividends were paid in respect of a financial period, but after the end of that period, the dividends paid have been adjusted upwards and the closing NAV has been adjusted downwards.
- [2] The NAV per Share included for the Companies in respect of the end column is as at 31 March 2024 (unaudited), this being the latest published NAV per Share for each Company as at the date of this document, adjusted for dividends per Share paid after that date as explained under the relevant table. The NAVs per Share for the earlier years are as at the end of the relevant audited financial year shown, adjusted for dividends per Share paid or payable in respect of that financial year.
- [3] The data does not reflect the further benefit of income tax relief available on initial investment for Qualifying Investors.
- [4] Investors should note that returns will vary between each Company for a number of reasons including each Company's liquidity level, its share of each investment and the different lengths of time over which this return is reported.
- [5] The data has not been audited. The period of performance partly relates to the Companies prior to the novation of the investment advisory arrangements from Mobeus to Gresham House in September 2021.
- [6] Past performance of the Companies is not an indication of future performance. Investors should note that the past performance information also materially relates to investments made under the previous investment strategy of MBO investments prior to the change in the VCT rules requiring investments to be made in earlier stage businesses.

#### Recent Investments

Despite the recent difficult economic and global political conditions, new and exciting opportunities have continued to be sourced by the Investment Adviser's team over the last few years. Below is a summary of new investments made by Gresham House for the Mobeus VCTs since 1 January 2023.

Investee Company		Date of Investment <sup>[1]</sup>	Investment (£million) <sup>[2]</sup>
Connect Earth Limited	Environmental data provider	March 2023	1.10
Cognassist UK Limited	Education and neuro-inclusion solutions business	March 2023	2.20
Dayrize B.V.	Provider of a rapid sustainability impact assessment tool	May 2023	2.03



<b>Mable Therapy Limited</b>	Therapy and counselling for children and young adults	July 2023	1.76
<b>Branchspace Limited</b>	Digital retailing consultancy and software provider to the aviation and travel industry	August 2023	1.73
<b>Ozone Financial Technology Limited</b>	Open banking software developer	December 2023	4.78
<b>Huddl Mobility Limited (trading as CitySwift)</b>	Passenger transport data and scheduling software provider	December 2023	2.44
<b>Azarc.io</b>	Cross-border customs automation software provider	December 2023	1.69
<b>SciLeads Ltd</b>	A data and lead generation platform within life sciences verticals	March 2024	2.63
<b>OnSecurity Technology Limited</b>	Penetration testing provider	June 2024	3.12

<sup>[1]</sup> A follow-on investment of £0.29 million was made into Dayrize B.V in June 2024 (this is not included in the investment in the above table, but is shown by way of a follow-on investment below). No follow-on investments have been made in any of the other investee companies.

<sup>[2]</sup> Amounts invested reflect Mobeus VCTs' investments only. Investments were also made by the two Baronsmead VCTs (which are also managed by Gresham House) in accordance with the agreed allocation policy summarised on page 48.

The Companies, together with the Target VCTs, have also continued to support companies already within their existing investment portfolios by providing further investment for growth and development and, since 1 January 2023, the Mobeus VCTs have made follow-on investments into the following companies (all within their existing investment portfolio as at 1 January 2023) as set out below.

Investee Company		Date(s) of follow-on Investment	Existing Investment (£million)	Follow-on Investment (£million)	Total Investment (£million)	Companies Invested
<b>Legatics Holding Limited</b>	SaaS LegalTech software	July 2023	3.00	1.50	4.50	All Mobeus VCTs
<b>Orri Limited</b>	Specialists in eating disorder support	August 2023 and March 2024	1.91	0.82	2.73	All Mobeus VCTs <sup>[1]</sup>
<b>Rota Geek Ltd</b>	Provider of cloud-based enterprise software	November 2023	5.00	0.75	5.75	All Mobeus VCTs
<b>Focal Point Positioning Ltd</b>	GPS enhancement software provider	December 2023	2.18	0.55	2.73	All Mobeus VCTs <sup>[1]</sup>
<b>My Tutorweb Limited (trading as MyTutor)</b>	Digital marketplace for online tutoring	January 2024	10.87	2.00	12.87	All Mobeus VCTs
<b>Data Discovery Solutions Limited (trading as ActiveNav)</b>	Provider of file analysis software for information governance, security and compliance	May 2024	6.40	6.32	12.72	All Mobeus VCTs
<b>Dayrize BV</b>	Provider of a rapid sustainability impact assessment tool	June 2024	2.03	0.29	2.32	All Mobeus VCTs <sup>[1]</sup>

<sup>[1]</sup> Amounts invested reflect Mobeus VCTs' investments only. Investments were also made by the two Baronsmead VCTs (which are also managed by Gresham House) in accordance with the agreed allocation policy summarised on page 48.

## Realisations

The Companies, together with the Target VCTs, have a strong record of realising investments profitably. Despite the recent difficult economic and global political backdrop, several attractive exits have continued to be achieved. Since 31 March 2021, the Mobeus VCTs have achieved total cash proceeds of £137.5 million over an original cost of £49.5 million and have realised cumulative gains of £88.0 million from nine full realisations and two partial realisations.

Investee Company		Date Sold	Money Multiple <sup>[1]</sup>	Cost (£million)	Cash Gain/ (Loss) (£million) <sup>[2]</sup>	Total Cash Proceeds (£million)
<b>Jablite Holdings Limited</b>	Manufacturer of expanded polystyrene products	April 2024	1.0x	4.90	0.17	5.07
<b>Master Removers Group 2019 Limited</b>	A specialist logistics storage and removals business	February 2024	3.3x	7.20	16.25	23.45
<b>Muller EV Limited (trading as Andersen EV)</b>	A producer of premium EV chargers	January 2024	0.1x	1.75	(1.64)	0.11
<b>Tharstern Group Limited</b>	Software based management information systems	March 2023	2.6x	5.00	7.98	12.98
<b>EOTH Limited (trading as Equip Outdoor Technologies) (part realisation)</b>	Branded outdoor equipment and clothing	November 2022	7.0x	4.45	26.89	31.34
<b>Oakheath Limited (trading as Super Carers)</b>	Online platform that connects people seeking care home from experience independent carers	June 2022	0.0x	2.10	(2.10)	-
<b>Media Business Insight Holdings Limited</b>	A publishing and events business focused on the creative production industries	June 2022	2.2x	11.68	14.36	26.04
<b>CB Imports Group Limited</b>	Importer and distributor of artificial flowers, floral sundries and home décor products	November 2021	1.4x	4.00	1.46	5.46
<b>Vian Marketing Limited (trading as Red Paddle)</b>	Designer, manufacturer and seller of stand-up paddle boards and windsurfing sails	November 2021	5.4x	4.01	17.60	21.61
<b>Proactive Group Holdings Inc</b>	Provider of media services and investor conferences for companies primarily listed on secondary public markets	September 2021	2.6x	3.31	5.18	8.49
<b>My TutorWeb Limited (trading as MyTutor) (part realisation)</b>	Digital marketplace connecting school pupils seeking one-to-one online tutoring	August 2021	2.7x	1.11	1.89	3.00
<b>Total</b>				<b>£49.51</b>	<b>£88.04</b>	<b>£137.55</b>

Notes to the above table:

- <sup>[1]</sup> Money multiple means the total of net proceeds, loan repayments, dividends and interest received in cash from the date of investment to date, divided by the original cost of investment. In the case of a partial sale, the calculation excludes the cost and current valuation of the remaining investment, so the multiple is that achieved to date in respect of the part of the investment realised. However, in the case of EOTH Limited, the Mobeus VCTs retain an interest yielding loan stock which is included within the 'Cost' column. The 'Money Multiple' column, however, shows the cash return to date (i.e. excluding the remaining loan stock valuation but including interest received) over the original investment cost.
- <sup>[2]</sup> Cash gain is the surplus of the total received in cash as described in note 1 above, over the original cost of investment.
- \* The investments in the above table were investments made by all of the Mobeus VCTs, other than CB Imports Group Limited (in which MIG 2 did not invest). In addition to these realisations, returns totalling £2.0 million have been received, principally from loan repayments over the same period.
- \*\* Past performance is not a guide to future performance. As with any diversified portfolio of investments there have also been realised losses and permanent impairments totalling £17.2 million over the same period. Investors should also note that the past performance information also materially relates to investments made under the previous investment strategy of MBO investments prior to the change in the VCT rules requiring investments to be made in earlier stage businesses.
- \*\*\* All of the financial data above is unaudited.

## PART VII: THE INVESTMENT ADVISER

### The Investment Adviser

#### **Gresham House**

In September 2021, Gresham House Holdings Limited, a subsidiary of Gresham House Limited, acquired the Mobeus VCT fund and investment management business. As part of this acquisition, the Mobeus VCTs also novated their investment advisory arrangements to Gresham House Asset Management Limited (Gresham House or Investment Adviser). Gresham House is a subsidiary of Gresham House Holdings Limited. Gresham House Limited and its subsidiaries and subsidiary undertakings are referred to as the Gresham House Group.

Gresham House Group, acquired by Searchlight Capital Partners in December 2023, is a fast growing, specialist fund group, with £8.5 billion in assets under management (as at 31 December 2023, audited) and has a long-term commitment to the VCT industry. Gresham House is also the investment manager of the Baronsmead VCTs, the mandate for which was acquired when Gresham House Group acquired the Livingbridge VCT team in November 2018.

The entire core management, investment and operational teams within Mobeus involved with the Mobeus VCTs were acquired by Gresham House Group to form a significantly enlarged team that manage both the Mobeus VCTs and the Baronsmead VCTs. The Investment Adviser continues to pursue an active investment strategy on behalf of the Mobeus VCTs.

Gresham House has one of the largest VCT teams in the sector providing coverage, experience, contacts and know-how to access more and higher quality investment opportunities. The breadth and depth of resource in portfolio and talent management assists the Mobeus VCTs' existing portfolio companies to grow successfully. This is supported by the infrastructure and resources of the Gresham House Group

#### **The VCT Team**

The VCT team has over 50 people, including 30 investment professionals, which directly source, make, manage and realise investments. Their combined experience aligns with the published investment policies of the Mobeus VCTs. Details of the senior team are set out below:

<b>Trevor Hope</b>	Chief Investment Officer, VCTs	<p>Trevor joined the Mobeus VCT team in 2016 to develop and lead the firm's growth capital and investment strategy. Trevor is a member of the Gresham House Investment Committee.</p> <p>For over 20 years, Trevor has invested growth capital into UK businesses across a wide range of sectors including technology, media, leisure, business services, healthcare, telecoms and consumer services.</p> <p>Before joining Mobeus, he was the chief investment officer of Beringea, the manager of the ProVen VCTs, and an investor with 3i plc. Trevor holds an MBA from Exeter University, is an associate of the Chartered Institute of Bankers and a member of the Chartered Institute of Marketing.</p>
<b>Clive Austin</b>	Managing Director, VCT Portfolio	<p>Clive has been working with the Mobeus VCTs since 2013, is a member of the Gresham House Investment Committee and also has responsibility for the portfolio valuations processes.</p> <p>Clive is an investment management specialist with experience across a wide variety of sectors and stages of company development.</p> <p>He has worked in the private equity industry since 1995 and has acted as non-executive director and chairperson of a wide range of private equity backed businesses. He has previous experience as a director of 3i, Catapult Venture Managers and NVM Private Equity.</p> <p>He holds a BSc (Hons) in Applied Physics &amp; Electronics from Durham University, a DipM from the Chartered Institute of Marketing, and an MBA from the University of Warwick.</p>
<b>Ken Wotton</b>	Managing Director, Public Equity	<p>Ken joined the Gresham House Group in November 2018, having previously spent 11 years with Livingbridge. He leads the Gresham House Equity Funds investment team, managing AIM and other listed investments on behalf LF Gresham House UK Micro Cap Fund (formerly named LF Livingbridge UK Micro Cap Fund) and LF Gresham House UK Multi Cap Income Fund (formerly named LF Livingbridge UK Multi Cap Income Fund), and is a member of the Gresham House Investment Committee.</p>

		<p>He had previously spent two years at Evolution Securities where he worked in equity research, specialising in the telecoms and technology sectors, focusing on smaller companies with significant experience of AIM market fund raisings.</p> <p>Prior to that, he spent five years in the equity research department of Commerzbank Securities where he focused on the pan-European telecoms sector.</p> <p>Ken qualified as a chartered accountant (ACA) with KPMG in London.</p>
<b>Tania Hayes</b>	Chief Operating Officer, Strategic Equity	<p>Tania joined the Gresham House Group in November 2018 having been at Livingbridge for 13 years.</p> <p>Tania progressed from administration assistant to finance manager in 2011 and qualified as a chartered management accountant (CIMA) in 2012 while at Livingbridge.</p> <p>Tania previously worked at a chartered accountancy practice in New Zealand for eight years where she began her accounting training. She holds a BBS in Accounting from the Open Polytechnic of New Zealand.</p>

### Investment Strategy

The investment strategy deployed by Gresham House for the Companies is to invest in fast-growing smaller and younger companies. This is considered attractive due to a number of factors:

- in many cases, with limited security to support a loan, such companies struggle to achieve bank funding and are open to a combination of equity and debt funding from an investor;
- key employees within the business are usually significant shareholders in the company and are highly incentivised to grow their business and increase equity value;
- their existing small scale allows them to be focused on specific niches, developing targeted products and services which are differentiated from their competitors;
- they can experience significant revenue growth far exceeding the general economy as sales of their products or services can increase exponentially;
- as they begin to benefit from economies of scale they can dramatically improve profitability during the lifetime of the investment; and
- smaller fast-growing companies can be attractive acquisition targets to larger competitors, as they look to supplement their own growth. In many instances acquirers are willing to pay premium prices for the asset, providing the investor with an attractive exit.

Growth capital investments carry higher risk, but have the potential for greater growth and returns than more established companies.

## PART VIII – THE COMPANIES

### The Boards

**The Board of each Company is independent of Gresham House and all Directors are non-executive.**

Each Board has substantial experience of venture capital businesses and has overall responsibility for its Company's affairs, including determining the investment policy of the relevant Company (subject to approval by its Shareholders where required), and making investment decisions on the advice of Gresham House. Each Board also retains responsibility for approving both the valuations of its portfolio and the net assets of its Company (on the advice of Gresham House).

The relevant Acquirer VCT Board and Target VCT Board have considered what the size and the composition of their Enlarged Acquirer VCT's Board should be following the Merger. The following Board compositions are proposed:

<b>Current MIG Board</b>	<b>Current MIG 2 Board</b>	<b>Post-Merger MIG Board</b>
Clive Boothman (Chair) Lucy Armstrong Bridget Guérin	Ian Blackburn (Chair) Sarah Clark Sally Duckworth	Clive Boothman (Chair) Ian Blackburn Lucy Armstrong Sarah Clark

<b>Current I&amp;G Board</b>	<b>Current MIG 4 Board</b>	<b>Post-Merger I&amp;G Board</b>
Maurice Helfgott (Chair) Justin Ward Nemone Wynn-Evans	Graham Paterson (Chair) Christopher Burke Lindsay Dodsworth	Maurice Helfgott (Chair) Graham Paterson Justin Ward Nemone Wynn-Evans

The post-Merger MIG Board reflects the intended retirement of Bridget Guérin and Sally Duckworth. If the Merger is not implemented, those retirements are expected to continue and the MIG Board and, as applicable, the MIG 2 Board will, in those circumstances, seek the appointment of new directors reflecting those retirements. The MIG Board and the MIG 2 Board consider the post-Merger MIG Board composition to be a good balance of ongoing directors from both Companies, with complementary skills.

The I&G Board and the MIG 4 Board have each been refreshed in recent years, replacing retiring directors. The post-Merger I&G Board reflects a composition of ongoing directors from both Companies, with complementary skills. If the Merger is not implemented, the I&G Board and the MIG 4 Board will remain unchanged.

Information relating to corporate governance, as well as current and proposed Board committees, is set out in Part XI of this document.

Each Board will continue to keep its composition, tenure of directors, experience and diversity under regular review.

### MIG Directors

#### ***Clive Boothman (Current Director and Chair)***

Clive has over 40 years' experience in the financial services industry, initially qualifying as a chartered accountant. He was with Schroders from 1983 for seventeen years during which time he was variously managing director of Schroder Unit Trusts Limited for ten years and managing director of their international Private Client Group for the final two years. Since leaving Schroders, he has been chief executive of the stockbroker Gerrard Limited (2000 to 2001) and the fund platform Cofunds Limited (2002 to 2003).

From 2004 to 2014 he helped establish and was non-executive chair of Investment Funds Direct Limited, an investment wrap platform. From 2016 to March 2020, Clive was a director and then chair of Professional Partners Administration Limited and its sister company, WAY Group Limited, which are Dorset-based companies providing a range of financial services. Since 2015, he has been non-executive chair of Platform One Group Limited, a UK and International wrap platform and a director of a number of its subsidiaries.

#### ***Lucy Armstrong – (Current Director)***

Lucy has over 30 years' experience of working with mid-corporate businesses to accelerate their development and success by focusing on shareholder and management development and succession. Her experience ranges from funding start-up and early stage manufacturing businesses through to mergers and disposals of international operations.

She is currently the chair of Port of Tyne Authority, Holker Holdings Limited, Cyberhawk Innovations Limited and Caspian Learning Limited, chair of the Advisory Board of Enterprise Research Centre and chair and trustee of The Derwent Initiative (trading as TDI). Lucy is also a member of the Advisory Board of Beechbrook Capital LLP and a

director of Business Banking Resolution Service. Her early career was in private equity, corporate development and recruitment with 3i plc, Courtaulds Textiles plc and Whitney Tyzack Limited.

***Bridget Guérin – (Current Director – will retire on implementation of the Merger)***

Bridget has 30 years' experience in the financial services industry. She was managing director of Matrix Money Management Limited between June 1999 and March 2011 and sat on the Matrix Group board between 2000 and 2009. Prior to joining Matrix, Bridget gained 14 years of retail investment fund experience at Schroder Unit Trusts Limited, Ivory & Sime and County NatWest. She also sat on the board of Charles Stanley plc as a non-executive director between 2012 and 2020.

Bridget is chair of Schroder Income Growth Fund plc and is a non-executive director of Invesco Perpetual UK Smaller Companies Investment Trust plc, both of which are London listed investment trusts. She is non-executive chair of York Racecourse, a non-executive director of Beverley Racecourse and is a trustee of the York Racecourse Pension Fund. Bridget was a director of Matrix Income & Growth 3 VCT plc, which merged into MIG in May 2010.

***Ian Blackburn (Proposed Director)***

Ian is currently the chair of MIG 2.

Ian is a Chartered Accountant who specialised in corporate finance at KPMG before building and selling two listed food groups. He has extensive UK and European strategic, operations and finance experience as chief executive officer and finance director of Perkins Foods plc and Zetar plc.

Ian is currently an active investor in a number of SMEs, including chair and non-executive roles with Mood Foods Ltd and Slimline Wine Limited. He is also the treasurer of The Thomas Fryer Charity and a trustee of The Rutland Learning Trust (Multi Academy Trust).

***Sarah Clark (Proposed Director)***

Sarah has broad international commercial experience in a variety of industries including travel, retail, financial services, fintech and e-commerce in markets spanning Europe, the USA, and the Middle East and Africa combined with a particular expertise in digital technologies.

Sarah's experience ranges from running the Central Europe, the Middle East and Africa divisions of PayPal to setting up and running European subsidiaries of North American start-ups, LootCrate and Clearco, one of the largest providers of revenue-based finance to e-commerce businesses. She is also a non-executive Director of Trilium Services Limited and of the Gynaecology Cancer Research Fund.

**I&G Directors**

***Maurice Helfgott (Current Director and Chair)***

Maurice is an experienced chairperson and independent director in e-commerce, technology and consumer businesses with a proven track record of value creation in private, venture capital and public environments, following a successful corporate career culminating in being executive director on the main board at Marks and Spencer plc.

Maurice is currently chair of Me and Em Limited and Oliver Sweeney Licensing Limited, and non-executive director at First Wave I Limited.

***Justin Ward (Current Director)***

Justin is a qualified chartered accountant with extensive financial, investing and private equity experience across a number of sectors. Between 1995 and 2010 he worked for CVC Capital Partners Limited, Hermes Private Equity Limited and Bridgepoint Development Capital Limited leading growth equity and private equity buyout transactions and has subsequently made a number of angel investments in technology businesses.

Justin has served on the board of a number of private companies as non-executive director and is currently a non-executive director at School Explained Limited. On 1 November 2020, he joined the board of Hargreave Hale AIM VCT plc as a non-executive director and assumed the role of chair of the audit committee in February 2021.

***Nemone Wynn-Evans (Current Director)***

Nemone's background is in the equity capital markets sector of the City of London, including as Finance Director on the main board of a stock exchange, having begun her career in corporate finance. As a professional portfolio chair and non-executive director, she currently chairs the boards of the Shepherds Friendly Society and the Hinckley & Rugby Building Society, both of which are mutual organisations providing retail financial services.

Nemone is also on the board of AIM-listed Good Energy Group plc, a renewable energy services business, where she chairs the audit and risk committee. She has a particular interest in the impact of the Consumer Duty obligations now placed on UK financial services firms, and also in sustainability.

### **Graham Paterson (Proposed Director)**

Graham is currently the chair of MIG 4.

Graham is an investment and financial services professional with over 20 years' experience in the private equity industry. A chartered accountant, Graham was one of the founding partners of SL Capital Partners LLP, (formerly Standard Life Investments (Private Equity) Limited) where he was a partner and board member until 2010. During his 13 years at SL Capital, he was one of the managers of Standard Life Private Equity Trust plc and was a member of the advisory boards to a number of leading private equity fund managers.

In 2013, Graham co-founded TopQ Software Limited, a technology company which develops software for the private equity industry. TopQ Software was acquired by eVestment Inc (now part of NASDAQ Inc) in 2015, where until early 2018, Graham was a director of their private markets data and analytics business. Graham was chair of Octopus VCT 4 plc until 2018 and is currently a non-executive director of Baillie Gifford US Growth Trust plc, Invesco Perpetual UK Smaller Companies Investment Trust plc and Diaceutics plc and chair of Datactics Ltd.

### **Objectives**

Each Company's objective (which it is not proposed to change post-Merger) is set out below.

#### **MIG**

The objective of MIG is to provide investors with a regular income stream, by way of tax-free dividends generated from income and capital returns, while continuing, at all times, to qualify as a VCT.

#### **I&G**

The objective of I&G is to provide investors with an attractive return by maximising the stream of tax-free dividend distributions from the income and capital gains generated by a diverse and carefully selected portfolio of investments, while continuing at all times to qualify as a VCT.

### **Investment Policies**

Each Company's investment policy (which it is not proposed to change post-Merger) is set out below.

#### **MIG**

MIG invests primarily in a diverse portfolio of UK unquoted companies.

Investments are made selectively across a number of sectors, principally in established companies. Investments are usually structured as part loan stock and part equity in order to produce a regular income stream and to generate capital gains from realisations.

There are a number of conditions within the VCT legislation which need to be met by MIG and which may change from time to time. MIG will seek to make investments in accordance with the requirements of prevailing VCT legislation.

Asset allocation and risk diversification policies, including the size and type of investments MIG makes, are determined in part by the requirements of prevailing VCT legislation. No single investment may represent more than 15% (by VCT tax value) of MIG's total investments at the date of investment.

#### *Liquidity*

MIG's cash and liquid funds are held in a portfolio of readily realisable interest bearing investments, deposit and current accounts, of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

#### *Borrowing*

MIG's Articles permit borrowings of amounts up to 10% of the adjusted capital and reserves (as defined therein). However, MIG has never borrowed and the Board would only consider doing so in exceptional circumstances.

#### **I&G**

I&G's policy is to invest primarily in a diverse portfolio of UK unquoted companies.

#### *Asset mix and diversification*

I&G will seek to make investments in UK unquoted companies in accordance with the requirements of prevailing VCT legislation. Investments are made selectively across a wide variety of sectors, principally in established companies.

Investments are generally structured as part loan and part equity in order to receive regular income and to generate capital gain from realisations.



There are a number of conditions within the VCT legislation which need to be met by I&G and which may change from time to time.

No single investment may represent more than 15% (by VCT tax value) of I&G's total investments at the date of investment.

Save as set out above, I&G's other investments are held in cash and liquid funds.

#### *Liquidity*

I&G's cash and liquid funds are held in a portfolio of readily realisable interest bearing investments, deposit and current accounts, of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

#### *Borrowing*

I&G's Articles permit borrowing of up to 10% of the adjusted capital and reserves (as defined therein). However, I&G has never borrowed and the I&G Board would only consider doing so in exceptional circumstances.

### **Liquid Investments**

Each Company's liquid investments are held in Money Market Funds and bank deposits, which, since 5 April 2016, must not exceed seven days' notice, with the objective of generating income whilst maintaining that Company's capital, pending investment in UK unquoted companies. Money Market Funds invest their assets in money market instruments (i.e. cash and near cash, such as bank deposits, very short term fixed interest securities or floating rate notes).

The main objective for existing funds held in Money Market Funds and funds held in bank deposits, now and in the future, will be the protection of capital. Priority is, and will be, given to the credit rating of the funds or banks used rather than the rates of interest offered, which are currently at historically low levels.

### **Valuation Policies**

Investments are valued in accordance with the IPEV Valuation Guidelines under which investments are valued at fair value as defined in those guidelines. Any AIM or other quoted investment will be valued at the closing bid price of its shares as at the relevant reporting date, in accordance with generally accepted accounting practice.

### **Dividend Policies**

The Companies normally pay income dividends each year. Subject to fulfilling certain regulatory requirements, the Companies also seek to pay capital dividends following portfolio realisations. The ability to pay a dividend is considered at each quarterly meeting.

The current annual dividend target of MIG is 4.0p per MIG Share and that of I&G is 6.0p per I&G Share, although, in recent years, both Companies have paid significantly higher dividends.

As the NAV per share of each Company is expected to continue to vary, both Boards consider it appropriate for the Companies, post-Merger, to adopt an annual dividend target set as a percentage rather than a fixed pence per share amount. Accordingly, the new annual dividend target, subject to the implementation of the Merger, for both Acquirer VCTs will be 7% of the NAV per Share at the start of the relevant financial year. If the Merger is not implemented, the existing annual dividend targets will continue to apply.

Each Board intends to continue to maximise the stream of dividend distributions to its Company's shareholders from the income and capital gains generated by their respective portfolios or from other distributable reserves. There is, however, no guarantee that dividends will continue to be paid by the Companies or that the dividend targets stated will be met and no forecast or estimate is implied or inferred.

### **Dividend Investment Schemes**

I&G operates, through City Partnership, a dividend investment scheme whereby its Shareholders can elect to have their dividends reinvested in further I&G Shares. Under the terms of the dividend investment scheme, dividends are reinvested at the last published NAV per I&G Share (adjusted for dividends) prior to allotment. The terms of the I&G scheme are available from its website.

Subject to the Merger being implemented, the MIG Board has decided to implement an equivalent dividend investment scheme to that of I&G in respect of MIG post-Merger. The MIG dividend investment scheme will, subject to the Merger being implemented, be made available post-Merger on its website for MIG Shareholders and will be available under its Offer.

Please also note the information in paragraph 1.3 on page 97 of this document in relation to the acquisitions and disposals of shares in the same VCT.

## **Buyback Policies**

The Boards are aware that, due to limited secondary market liquidity, investors may not be able to sell VCT shares in the market at or close to net asset value. Each Board aims to provide Shareholders who wish to sell their Shares with an opportunity to do so by operating an active policy of buying back Shares through the Companies' broker, thereby seeking, inter alia, to manage the level of discount to net asset value at which Shares may trade in the market.

Each Board is currently operating its buyback policy with the objective of maintaining the discount to NAV at which its Company's Shares trade at approximately 5% or less.

The target discount will generally be against the Company's latest published NAV, adjusted for the right to any dividends. However, if a Board, in consultation with Gresham House, considers that there has been a material movement in the Company's NAV from the latest announced figure, that Board will apply this target discount to its best estimate of the current NAV and announce this NAV before such buybacks are undertaken.

In pursuing this policy, each Board's priority will be to ensure that it is acting prudently and in the interests of remaining Shareholders of the relevant Company. Share buybacks will be entirely at each Board's discretion and are subject to the relevant Company having both sufficient funds and distributable reserves available for such a purpose. Share buybacks will also be subject to the Listing Rules, market conditions and any applicable law and regulatory restrictions at the relevant time. Shares bought back in the market will ordinarily be cancelled.

## **Allocation Policy**

Subject to the requirements of their respective investment policies, the Companies, together with the Target VCTs, aim to invest in relatively larger unquoted companies through investing alongside each other (and, as relevant, the Baronsmead VCTs, being venture capital trusts also managed by Gresham House) compared to what might otherwise be the case individually.

The allocation of such investment opportunities is governed by a VCT allocation policy approved by the Boards and adopted by Gresham House as part of the Gresham House Group's overall allocation policy which governs all funds advised/managed by Gresham House Group.

In accordance with the policy, all new early stage and development capital investment opportunities received by the Gresham House Group in SMEs which would (or should in the reasonable opinion of Gresham House) qualify for VCT investment shall be directed firstly to the Mobeus VCTs and the Baronsmead VCTs. This does not apply to opportunities which relate to a Gresham House Group specialist sector fund. Allocations will generally be made in proportion to the relative quarterly net asset values (but excluding the value of any investments directly held in companies listed/traded on AIM or Aquis). If any such allocation is not taken up (in full or part), it will be offered firstly to the others who do take up their allocation and, thereafter, to other Gresham House Group funds.

The exception to this is follow-on investment opportunities. These will be allocated to the Mobeus VCTs and the Baronsmead VCTs which already hold an investment in the investee company based on their relative existing investments in that company (by cost). If any such allocation is not taken up (in full or part), it will then be offered firstly to the others who do take up their allocation, then to the other Mobeus VCTs and the Baronsmead VCTs that do not have an existing holding and, thereafter, to other Gresham House Group funds.

Any variation from this policy insofar as it affects a Company may only be made with the prior approval of the relevant Board.

Subject to the implementation of the Merger, the allocation policy will be amended to reflect the Companies being the ongoing two enlarged Mobeus VCTs.

## **Management and Administration Arrangements**

Gresham House acts as the investment adviser, company secretary and administrator to the Companies.

The Investment Adviser is a subsidiary of Gresham House Holdings Limited, which itself is a subsidiary of Gresham House Limited.

The Investment Adviser was incorporated and registered in England and Wales on 18 February 2015 as a private limited liability company with registered number 09447087. The Investment Adviser's registered office is at 5 New Street Square, London EC4A 3TW and its principal place of business is at 80 Cheapside, London EC2V 6EE (telephone 020 3837 6270). The Investment Adviser is authorised and regulated by the FCA to provide investment management services with registered number 682776. The principal legislation under which the Investment Adviser operates is CA 2006 (and regulations made thereunder).

The terms on which the Investment Adviser provides management and administration services is similar across the Mobeus VCTs.

The management and administration fee arrangements which currently apply to the relevant Acquirer VCT and Target VCT, as well as those proposed for the relevant Enlarged Acquirer VCT are set out below.

<b>MIG and MIG 2</b>	<b>Current MIG</b>	<b>Current MIG 2</b>	<b>Post-Merger MIG</b>
Annual management and administration fees	Amount equal to 2.0% per annum of net assets, plus an annual fixed fee of £120,000, subject to annual RPI increases* (currently £134,168)	Amount equal to 2.0% per annum of net assets, plus an annual fixed fee of £104,432, subject to annual RPI increases* (currently £113,589)	Amount equal to 2.0% per annum of net assets**, plus an annual fixed fee of £185,818, subject to annual RPI increases*
Annual expenses cap***	3.60% of net assets (excluding irrecoverable VAT, exceptional items and performance incentive fees)	3.60% of net assets (excluding irrecoverable VAT, exceptional items and performance incentive fees)	3.0% of net assets (excluding exceptional items, performance incentive fees and trail commission)

<b>I&amp;G and MIG 4</b>	<b>Current I&amp;G</b>	<b>Current MIG 4</b>	<b>Post-Merger I&amp;G</b>
Annual management and administration fees	Amount equal to 2.4% per annum of net assets, 0.4% of such fee being subject to an annual maximum payment of £170,000 (currently fixed at £170,000 as the cap is in operation)	Amount equal to 2.0% per annum of net assets, plus an annual fixed fee of £107,827, subject to annual RPI increases* (currently £115,440)	Amount equal to 2.0% per annum of net assets**, plus an annual fixed fee of £214,080, subject to annual RPI increases*
Annual expenses cap***	3.25% of net assets (excluding exceptional items, performance incentive fees and trail commission)	3.40% of net assets (excluding irrecoverable VAT, exceptional items and performance incentive fees)	3.0% of net assets (excluding exceptional items, performance incentive fees and trail commission)

\* Further RPI increases were waived in 2013 (and post-Merger will remain waived) until otherwise agreed with the relevant Board.

\*\* In the event that a Company utilises its over-allotment facility, Gresham House has agreed to reduce its management fees for the relevant Company for the 12 month period commencing on the start of the first calendar quarter following the close of the Company's Offer by an amount equal to 1.0% of any net funds raised by that Company under its over-allotment facility. If a Company's over-allotment facility is fully subscribed, and assuming the maximum amount of Offer costs of 3.0% on such funds raised applies, the net proceeds would be £9.7 million. The amount of the reduction to Gresham House's management fee of an amount equal to 2.0% per annum of net assets of the relevant Company would be £97,000 (i.e. 1.0% of £9.7 million) for that 12 month period.

\*\*\* Any excess over these caps will be rebated by the Investment Adviser.

The fixed element of the annual management and administration fee for the Acquirer VCT post-Merger will increase to reflect the Enlarged Acquirer VCTs, but represents a reduction from the pre-Merger fees of £133,299 in aggregate across the Mobeus VCTs (£61,939 in respect of MIG and MIG 2, and £71,360 in respect of I&G and MIG 4). In addition, the annual expenses cap in respect of each Acquirer VCT post-Merger will be reduced to 3.0% of net assets, with the items currently excluded from the calculation across the Mobeus VCTs rationalised for the enlarged Acquirer VCTs.

In addition, and in consideration of Gresham House having agreed to take responsibility for the payment of annual trail commission in respect of the Offers (and any future offers), as well as absorbing some of the costs in putting proposals to Shareholders through its responsibility for the costs of the Offers (and thereby reducing the Merger costs), it is proposed that the appointment of Gresham House under the investment advisers' agreement is subject to a new initial period to 30 September 2025, which coincides with the accounting date for I&G and that proposed for MIG post-Merger.

The above changes will be effected through amendments to each Acquirer VCT's investment advisers' agreement with Gresham House (**IAA Amendments**).

The IAA Amendments have been entered into by each of MIG and I&G, conditional on Resolution 2 being approved at their respective General Meetings and further subject to the Merger being implemented.

#### **Performance Incentive Fee Arrangements**

The Mobeus VCTs each have different performance incentive fee arrangements as described in Part XI of this document, some of which have historically paid a performance incentive fee, but others of which have not and seem unlikely to do so as the parameters under which they were established over a decade ago are unlikely to be met.

Having reviewed the existing arrangements across the four Mobeus VCTs, the Mobeus VCT Boards have concluded that it would be better to replace the existing performance incentive arrangements with revised, and common, performance incentive fee arrangements for the Enlarged Acquirer VCTs (**Revised PIF**).

The Mobeus VCT Boards are of the view that appropriate performance incentive fee arrangements should align the interests of an investment adviser with those of shareholders. Equally, the Mobeus VCT Boards also believe that performance incentive fee arrangements should properly incentivise an investment adviser to generate enhanced returns for shareholders by being achievable, with appropriate reward for such enhanced performance.

The Mobeus VCT Boards also recognise that, in the context of a highly competitive market for attracting and retaining investment professionals, well-constructed performance incentive fee arrangements enable an investment adviser to hire and retain appropriately experienced and skilled staff to continue to deliver above average shareholder returns.

All of the Mobeus VCT Boards have been involved in the construction of the proposed Revised PIF and support it replacing the existing arrangements of the Enlarged Acquirer VCTs.

Under the Revised PIF, a performance incentive fee would be payable by the Enlarged Acquirer VCT to Gresham House in respect of each Financial Period commencing on or after 1 October 2024 where the Enlarged Acquirer VCT has achieved an average annual NAV total return per Share over a five year period (Average Total Return) in excess of an average annual hurdle over that five year period (Average Annual Hurdle).

If the Average Annual Hurdle is met in respect of a Financial Period, Gresham House would be entitled to an amount equal to 15% of the amount by which the Average Total Return exceeds the Average Annual Hurdle on a Per Share Basis, but subject to the Annual PIF Cap.

For these purposes:

*'Financial Period'* means each financial period of the Enlarged Acquirer VCT (save that, for the purposes of MIG, a financial period prior to the Financial Period commencing on 1 October 2024 will be assumed to be a 12 month period ended on 30 September in each year reflecting the proposed change to its accounting reference date).

*'Average Total Return'* means the movement in NAV per Share over a period covering the relevant Financial Period and the four preceding Financial Periods (Five Year Period), plus cumulative dividends per Share paid during that Five Year Period, divided by five.

*'Average Annual Hurdle'* means an average annual return across the Five Year Period on the NAV per Share at the beginning of the Five Year Period of the higher of (i) 6% per annum and (ii) the weighted average of the Bank of England base rate plus 2% at the end of each month during the Five Year Period.

*'Per Share Basis'* means the average number of Shares in issue during the Five Year Period (mean average of the Financial Year-end positions during the relevant Five Year Period), and, in respect of Financial Periods prior to the Merger having taken place, taking into account the Target VCT's share capital on an equivalent basis and the number of Consideration Shares that would have been in issue based on the Merger Ratio (so as to give an average historic Enlarged Acquirer VCT position).

*'Annual PIF Cap'* means an amount equal to a cap of 1.25% of the Enlarged Acquirer VCT's net assets as at the end of the relevant Financial Period.

Any performance incentive fee shall be calculated and paid in cash within 30 Business Days following the date of publication by the Enlarged Acquirer VCT of its annual report and financial statements for the relevant Financial Period.

The Revised PIF is designed to provide an incentive to Gresham House to deliver long-term over-performance in alignment with the interests of Shareholders. An annual capped payment, which is measured against a rolling five year period, requires consistent performance and smooths out any individual payments.

The five year rolling period is consistent and aligns with the minimum VCT holding period for Shareholders to benefit from the income tax reliefs on VCT share subscriptions, as well as being considered by the Boards to be a reasonable period against which to benchmark performance.

Any amount in excess of the PIF Cap will not, for the avoidance of doubt, be carried forward to any subsequent calculation period.

The first Financial Period to which the Revised PIF will apply will be the financial period starting on 1 October 2024. The performance would be measured from 1 October 2020 to 30 September 2025 and, if a payment is due, would be paid following the publication of the Enlarged Acquirer VCT's annual report and financial statements for the year ending 30 September 2025.

The revised arrangements will apply for an initial period of 12 months and are thereafter terminable by the Enlarged Acquirer VCT on 12 months' notice. It is the intention that the Enlarged Acquirer VCT Boards will keep the Revised PIF under ongoing review to ensure both continued alignment with the interests of Shareholders and that intended performance outcomes are achieved.

An illustrative example of the proposed revised arrangements is set out below:

<b>Detail</b>	<b>Value</b>	<b>Basis</b>
Year 1 opening NAV per share	65.00p	1 October 2020
Year 5 closing NAV per share	59.00p	30 September 2025
Cumulative dividends paid per share	31.00p	During the above period
Five year total return	25.00p	$((59.00p + 31.00p) - 65.00p)$
Average Total Return*	5.00p	$25.00p / 5$
Average Annual Hurdle per share*	3.90p	$(65.00p \times 6\%)$
Excess over Average Annual Hurdle per share	1.10p	$5.00p - 3.90p$
Five year average number of shares	300,000,000 shares	
Total excess	£3,300,000	$1.10p \times 300,000,000$
Gresham House's performance incentive fee**	£495,000	$£3,300,000 \times 15\%$
Closing net assets in year 5	£177,000,000	
PIF Cap	£2,212,500	$£177,000,000 \times 1.25\%$

\* In the illustrative example, it is assumed that: (i) there is a positive total return per share over the five year period (i.e. in respect of year five, the closing NAV per share plus dividends paid over the five years per share is greater than the opening NAV per share) and (ii) the weighted average of the Bank of England base rate plus 2% is less than 6%, and, therefore, the applicable annual hurdle rate is 6%.

\*\* In the illustrative example, a payment is due to Gresham House, which is below the PIF Cap (based on illustrative net assets of £177 million).

The Boards believe that the revised arrangements will better align the interests of Gresham House and Shareholders, and are in line with market practice.

The Revised PIF arrangements have been entered into by each of MIG and I&G, conditional on Resolution 2 being approved at their respective General Meetings and further subject to the Merger being implemented.

#### **VAT**

The Companies currently do not pay VAT on the management fees or performance incentive fees above. Future legislation or interpretation could change each Company's position in respect of VAT.

#### **VCT Status Monitoring**

Philip Hare & Associates LLP is the Companies' VCT status adviser. It carries out reviews of the Companies' investment portfolios to ensure compliance and, when requested to do so by a Board or the Investment Adviser, reviews prospective investments to ensure that they are qualifying investments. Reviews of prospective investments are carried out by advisers assisting on the relevant investment transaction.

Shakespeare Martineau LLP has advised the Companies in relation to the VCT tax implications of the Merger and the Offers.

#### **Custody Arrangements**

All assets are held in the name of the relevant Company. Apex Fund and Corporate Services (Guernsey) Limited (being incorporated and registered in the Bailiwick of Guernsey with registered number 33475, its telephone number being +44 (0)1481 706999 and being authorised and regulated by the Guernsey Financial Services Commission) acts as the safekeeper of each Company's title documents to investment assets.

#### **Investor Communications**

The Boards recognise the importance of maintaining regular communications with Shareholders. In addition to the announcement and publication of the annual report and accounts and the half-yearly report for the Companies as detailed below, the Companies also publish quarterly statements of net asset value.

Each Company has a website on which details of fund performance and dividends, publicly available information on that Company's portfolio and copies of its annual and half-yearly reports are published. Gresham House publishes information on new investments and the progress of companies within the Companies' portfolio on its website: <https://greshamhouseventures.com/>.\*

In addition, a shareholder event is usually (depending on the prevailing circumstances) held annually.

	<b>Website address**</b>	<b>Year end</b>	<b>Announcement and publication of annual report</b>	<b>Announcement and publication of half-yearly report</b>
<b>MIG</b>	www.migvct.co.uk	31 December*	April	September
<b>I&amp;G</b>	www.incomeandgrowthvct.co.uk	30 September	December	June

\* Subject to implementation of the Merger, the accounting reference date of MIG will be changed to 30 September (for consistency with I&G and to remove calendar year-end administration and audit inefficiencies).

\*\*These websites do not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

## PART IX: THE PORTFOLIOS AND PRINCIPAL INVESTMENTS

### PART A: INVESTMENT PORTFOLIOS

The tables below provide a summary of the portfolios of the relevant Acquirer VCT and Target VCT as at 31 March 2024 and shows the percentages each investment is expected to represent in the Enlarged Acquirer VCT should the Merger be completed. Of the investee companies below, all are incorporated in the UK and are valued in sterling, and (except where noted below) none of them are admitted to trading on a regulated market.

Save as set out in the notes below the tables, there have been no material changes in the investments held and their valuations since 31 March 2024.

#### MIG/MIG 2

Investee Company	MIG			MIG 2			Enlarged Acquirer VCT
	Cost (£'000)	Value (£'000)	Percentage of net assets (%)*	Cost (£'000)	Value (£'000)	Percentage of net assets (%)*	Percentage of net assets (%)**
Arkk Consulting Ltd	2,069	2,583	2.9	1,300	1,623	2.9	2.9
Azarc.io	452	452	0.5	325	325	0.6	0.5
Bella & Duke Limited	-	-	-	2,062	5,023	8.9	3.4
Bleach London Holdings Limited	1,244	-	0.0	823	-	0.0	0.0
BookingTek Limited	691	-	0.0	452	-	0.0	0.0
Branchspace Limited	482	674	0.7	316	443	0.8	0.8
Caledonian Leisure Ltd	681	1,414	1.6	523	1,085	1.9	1.7
CGI Creative Graphics International Limited	1,808	829	0.9	1,000	459	0.8	0.9
Cognassist UK Limited	592	640	0.7	438	474	0.8	0.8
Connect Childcare Group Ltd	1,168	584	0.6	828	414	0.7	0.7
Connect Earth Limited	296	222	0.2	219	164	0.3	0.3
Data Discovery Solutions Ltd (trading as ActiveNav)	1,809	3,094	3.4	1,207	2,065	3.7	3.5
Dayrize B.V.	549	412	0.5	390	293	0.5	0.5
End Ordinary Group Limited (trading as Buster and Punch)	1,885	2,277	2.5	1,232	1,488	2.6	2.6
EOTH Limited (trading as Equip Outdoor Technologies)	1,167	1,270	1.4	735	800	1.4	1.4
Focal Point Positioning Ltd	751	751	0.8	524	524	0.9	0.9
Huddl Mobility Limited (trading as CitySwift)	654	659	0.7	470	473	0.8	0.8
IPV Limited	890	890	1.0	535	535	1.0	1.0
Lads Store Limited (trading as Bidnamic)	582	578	0.6	429	426	0.8	0.7
Legatics Holding Limited	1,233	1,314	1.5	908	968	1.7	1.6
Kudos Innovations Limited	421	-	0.0	278	-	0.0	0.0
Mable Therapy Ltd	490	490	0.5	322	322	0.6	0.6
Manufacturing Services Investment Limited (trading as Wetsuit Outlet)	2,745	787	0.9	1,717	493	0.9	0.9
Master Removers Group 2019 Ltd	50	422	0.5	30	254	0.5	0.5
MPB Group Limited	1,405	9,432	10.4	870	5,840	10.4	10.4
My TutorWeb Limited (trading as MyTutor)	3,522	2,983	3.3	2,249	1,905	3.4	3.3
Northern Bloc Ice Cream Limited	588	59	0.1	424	42	0.1	0.1
Orri Ltd	751	976	1.1	524	681	1.2	1.1

Ozone Financial Technology Limited	1,282	1,282	1.4	920	920	1.6	1.5
Parsley Box Group Limited	807	23	0.0	521	15	0.0	0.0
Pets' Kitchen Limited (trading as Vet's Klinik)	763	382	0.4	562	281	0.5	0.5
Preservica Ltd	4,498	19,796	21.9	2,429	10,689	19.0	20.8
Proximity Insight Holdings Limited	730	730	0.8	555	555	1.0	0.9
Racoon International Group Limited	1,664	-	0.0	1,046	-	0.0	0.0
Rapunzel Newco Limited (trading as Virgin Wines UK plc)	58	2,338	2.6	31	1,231	2.2	2.4
SEC Group Limited	273	-	0.0	175	-	0.0	0.0
Rota Geek Limited	1,642	1,638	1.8	1,054	1,052	1.9	1.8
Scileads Ltd	707	707	0.8	502	502	0.9	0.8
Veritek Global Holdings Limited	1,122	790	0.9	531	374	0.7	0.8
Vivacity Labs Limited	1,938	1,730	1.9	1,467	1,309	2.3	2.1
Net current assets***		<u>27,278</u>	<u>30.2</u>		<u>12,283</u>	<u>21.7</u>	<u>26.5</u>
<b>Net assets</b>		90,486	100.0		56,330	100.0	100.0

\* Unaudited as at 31 March 2024 and adjusted for dividends paid (actual) and declared (estimated) after that date.

\*\* Based on the aggregate net assets of MIG and MIG 2 as at 31 March 2024, adjusted for dividends paid (actual) and declared (estimated) after 31 March 2024 and MIG and MIG 2's expected proportion of the Merger costs.

\*\*\* Net current assets includes other investments, money market funds, cash, receivables and payables.

The following movements have occurred since 31 March 2024 in MIG:

- (i) A follow on investment of £1.79 million was made in Data Discovery Solutions Limited (trading as ActiveNav).
- (ii) A new investment of £0.84 million was made in OnSecurity Technology Limited.
- (iii) A dividend payment totalling £6.51 million (4.0p per MIG Share).
- (iv) A follow on investment of £0.08 million was made in Dayrize B.V.

The following movements have occurred since 31 March 2024 in MIG 2:

- (i) A follow on investment of £1.19 million was made in Data Discovery Solutions Limited (trading as ActiveNav).
- (ii) A new investment of £0.59 million was made in OnSecurity Technology Limited.
- (iii) A dividend payment totalling £4.83 million (5.0p per MIG 2 Share).
- (iv) A follow on investment of £0.06 million was made in Dayrize B.V.



**I&G/MIG 4**

Investee Company	I&G			MIG 4			Enlarged Acquirer VCT
	Cost (£)	Value (£)	Percentage of net assets (%)	Cost (£)	Value (£)	Percentage of net assets (%)*	Percentage of net assets (%)**
Aquasium Technology Limited	167	2,786	2.5	-	-	-	1.5
Arkk Consulting Ltd	2,182	2,725	2.4	1,599	1,997	2.5	2.5
Azarc.io	531	531	0.5	381	381	0.5	0.5
Bella & Duke Limited	1,324	3,224	2.9	877	2,137	2.7	2.8
Biomer Technology Ltd	137	-	0.0	-	-	-	0.0
Bleach London Holdings Limited	1,333	-	0.0	960	-	0.0	0.0
BookingTek Limited	782	-	0.0	585	-	0.0	0.0
Branchspace Limited	538	753	0.7	394	552	0.7	0.7
Caledonian Leisure Ltd	749	1,554	1.4	548	1,137	1.4	1.4
Cashfac plc	-	-	0.0	260	699	0.9	0.4
CGI Creative Graphics International Limited	1,944	893	0.8	1,450	666	0.8	0.8
Cognassist UK Limited	670	725	0.7	501	542	0.7	0.7
Connect Childcare Group Limited	1,157	579	0.5	846	423	0.5	0.5
Connect Earth Limited	335	251	0.2	251	188	0.2	0.2
Corero Network Security plc	600	8	0.0	-	-	-	0.0
Data Discovery Solutions Ltd (trading as ActiveNav)	1,976	3,380	3.0	1,409	2,410	3.0	3.0
Dayrize B.V.	626	470	0.4	459	345	0.4	0.4
End Ordinary Group Limited (trading as Buster and Punch)	2,047	2,472	2.2	1,497	1,808	2.3	2.2
EOTH Limited (trading as Equip Outdoor Technologies)	1,243	1,354	1.2	855	931	1.2	1.2
Focal Point Positioning Ltd	831	831	0.7	626	626	0.8	0.8
Huddl Mobility Limited (trading as CitySwift)	767	773	0.7	550	554	0.7	0.7
IDOX plc	45	2,558	2.3	-	-	-	1.3
IPV Limited	955	955	0.9	619	619	0.8	0.8
Lads Store Limited (trading as Bidnamic)	637	633	0.6	481	477	0.6	0.6
Legatics Holding Limited	1,364	1,454	1.3	995	1,060	1.3	1.3
Kudos Innovations Limited	473	-	0.0	329	-	0.0	0.0
Mable Therapy Ltd	547	547	0.5	401	401	0.5	0.5
Manufacturing Services Investment Limited (trading as Wetsuit Outlet)	3,205	920	0.8	2,333	669	0.8	0.8
Master Removers Group 2019 Ltd	55	469	0.4	41	352	0.4	0.4
MPB Group Limited	1,511	10,144	9.1	1,095	7,353	9.2	9.1
My TutorWeb Limited (trading as MyTutor)	4,094	3,468	3.1	3,002	2,543	3.2	3.1
Nexxtdrive Limited	487	-	0.0	-	-	0.0	0.0
Northern Bloc Ice Cream Limited	662	66	0.1	426	43	0.1	0.1
Orri Ltd	831	1,080	1.0	626	813	1.0	1.0
Oxonica Limited	2,525	-	0.0	-	-	-	0.0
Ozone Financial Technology Limited	1,504	1,504	1.3	1,079	1,079	1.3	1.4
Parsley Box Group Limited	874	25	0.0	631	18	0.0	0.0

Pets' Kitchen Limited (trading as Vet's Klinik)	844	422	0.4	631	316	0.4	0.4
Preservica Ltd	4,675	20,574	18.5	3,398	14,954	18.6	18.6
Proximity Insight Holdings Limited	807	807	0.7	608	608	0.8	0.7
Racoon International Group Limited	656	-	0.0	484	-	0.0	0.0
Rapunzel Newco Limited (trading as Virgin Wines UK plc)	65	2,632	2.4	46	1,851	2.3	2.3
SEC Group Limited	252	-	0.0	175	-	0.0	0.0
Rota Geek Limited	1,798	1,794	1.6	1,256	1,254	1.6	1.6
Scileads Ltd	826	826	0.7	596	596	0.7	0.7
Sift Limited	-	-	-	135	-	0.0	0.0
Veritek Global Holdings Limited	1,256	885	0.8	889	626	0.8	0.8
Vivacity Labs Limited	2,094	1,868	1.7	1,531	1,366	1.7	1.7
<b>Net current assets***</b>		<u>34,557</u>	<u>31.0</u>		<u>27,792</u>	<u>34.6</u>	<u>32.5</u>
<b>Net assets</b>		111,497	100.0		80,186	100.0	100.0

\* Unaudited as at 31 March 2024 and adjusted for dividends paid (actual) and declared (estimated) after that date.

\*\* Based on the aggregate net assets of I&G and MIG 4 as at 31 March 2024, adjusted for dividends paid (actual) after 31 March 2024 and I&G and MIG 4's expected proportion of the Merger costs.

\*\*\* Net current assets includes other investments, money market funds, cash, receivables and payables.

The following movements have occurred since 31 March 2024 in I&G:

- (i) A follow on investment of £1.95 million was made in Data Discovery Solutions Limited (trading as ActiveNav).
- (ii) A new investment of £0.99 million was made in OnSecurity Technology Limited.
- (iii) A dividend payment totalling £3.80 million (3.0p per I&G Share).
- (iv) A follow on investment of £0.09 million was made in Dayrize B.V.

The following movements have occurred since 31 March 2024 in MIG 4:

- (i) A follow on investment of £1.39 million was made in Data Discovery Solutions Limited (trading as ActiveNav).
- (ii) A new investment of £0.71 million was made in OnSecurity Technology Limited.
- (iii) A follow on investment of £0.06 million was made in Dayrize B.V.

## PART B: LARGEST INVESTMENTS

The investments set out below represent the Mobeus VCTs' ten largest investments (ignoring liquidity funds and cash balances, which are shown in the tables above in Part A above) across the combined portfolio, comprising approximately 49.7% of the aggregate net assets of the Mobeus VCTs (unaudited as at 31 March 2024, adjusted for dividends paid (actual) and declared (estimated) after that date).

The information on investee companies' sales, profits and losses and net assets shown in the tables below has been sourced from the latest financial year end accounts published (unless stated otherwise) by those investee companies, not all of which are audited. All such third party information has been accurately reproduced and, as far as the Companies are aware and are able to ascertain from information published by the investee companies, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The 'retained profit/(loss)' figures are in respect of the stated financial year for the relevant investee company as opposed to a cumulative amount (that would have included profits or losses carried forward from previous financial years).

<b>Preservica Limited</b>		Original Growth Capital Investment in December 2015				
<b>Total cost:</b>	£15.0 million					
<b>Total valuation:</b>	£66.0 million					
	<b>MIG</b>	<b>MIG 2</b>	<b>MIG 4</b>	<b>I&amp;G</b>	<b>Year ended 31 March 2023 (£ million)</b>	
<b>Current cost (£ million)</b>	4.5	2.4	3.4	4.7	<b>Sales</b> 11.5	
<b>Valuation (£ million)</b>	19.8	10.7	15.0	20.6	<b>EBITDA</b> (4.3)	
<b>Valuation methodology</b>	Revenue multiple				<b>Profit/(loss) before tax</b> (4.7)	
<b>Equity/voting rights</b>	17.3%	9.4%	13.1%	18.0%	<b>Retained profit/(loss)</b> (3.7)	
<b>Percentage of net assets</b>	21.9%	19.0%	18.6%	18.5%	<b>Net assets</b> (4.2)	

Activity: Seller of proprietary digital archiving software  
Location: Abingdon

<b>MPB Group Limited</b>		Original Growth Capital Investment in June 2016				
<b>Total cost:</b>	£4.9 million					
<b>Total valuation:</b>	£32.8 million					
	<b>MIG</b>	<b>MIG 2</b>	<b>MIG 4</b>	<b>I&amp;G</b>	<b>Year ended 31 March 2023 (£ million)</b>	
<b>Current cost (£ million)</b>	1.4	0.9	1.1	1.5	<b>Sales</b> 136.7	
<b>Valuation (£ million)</b>	9.4	5.8	7.4	10.1	<b>EBITDA</b> (4.1)	
<b>Valuation methodology</b>	Revenue multiple				<b>Profit/(loss) before tax</b> (9.0)	
<b>Equity/voting rights</b>	3.9%	2.4%	3.1%	4.2%	<b>Retained profit/(loss)</b> (8.2)	
<b>Percentage of net assets</b>	10.4%	10.4%	9.2%	9.1%	<b>Net assets</b> 19.9	

Activity: Online marketplace for used photographic equipment  
Location: Brighton

<b>Data Discovery Solution Ltd (trading as ActiveNav)</b>		Original Growth Capital Investment in November 2019				
<b>Total cost:</b>	£6.4 million					
<b>Total valuation:</b>	£10.9 million					
	<b>MIG</b>	<b>MIG 2</b>	<b>MIG 4</b>	<b>I&amp;G</b>	<b>Year ended 29 June 2023 (£ million)</b>	
<b>Current cost (£ million)</b>	1.8	1.2	1.4	2.0	<b>Sales</b> 12.1	
<b>Valuation (£ million)</b>	3.1	2.1	2.4	3.4	<b>EBITDA</b> 1.6	
<b>Valuation methodology</b>	Revenue multiple				<b>Profit/(loss) before tax</b> 1.0	
<b>Equity/voting rights</b>	9.1%	6.1%	7.1%	10.0%	<b>Retained profit/(loss)</b> 1.4	
<b>Percentage of net assets</b>	3.4%	3.7%	3.0%	3.0%	<b>Net assets</b> 5.9	

Activity: Provider of global market leading file analysis software for information governance, security and compliance  
Location: Winchester

My TutorWeb Limited (trading as MyTutor)		Original Growth Capital Investment in May 2017				
<b>Total cost:</b>	£12.9 million					
<b>Total valuation:</b>	£10.9 million					
	<b>MIG</b>	<b>MIG 2</b>	<b>MIG 4</b>	<b>I&amp;G</b>	<b>Year ended 31 December 2022 (£ million)</b>	
<b>Current cost (£ million)</b>	3.5	2.2	3.0	4.1	<b>Sales</b> 27.0	
<b>Valuation (£ million)</b>	3.0	1.9	2.5	3.5	<b>EBITDA</b> (7.5)	
<b>Valuation methodology</b>	Revenue multiple				<b>Profit/(loss) before tax</b> (7.6)	
<b>Equity/voting rights</b>	6.6%	4.2%	5.6%	7.7%	<b>Retained profit/(loss)</b> (7.1)	
<b>Percentage of net assets</b>	3.3%	3.4%	3.2%	3.1%	<b>Net assets</b> 5.9	

Activity: Digital marketplace connecting school pupils seeking one-to-one online tutoring  
Location: London

Bella & Duke Limited		Original Growth Capital Investment in February 2020				
<b>Total cost:</b>	£4.3 million					
<b>Total valuation:</b>	£10.4 million					
	<b>MIG</b>	<b>MIG 2</b>	<b>MIG 4</b>	<b>I&amp;G</b>	<b>Year ended 31 March 2023 (£ million)</b>	
<b>Current cost (£ million)</b>	-	2.1	0.9	1.3	<b>Sales</b> 22.9	
<b>Valuation (£ million)</b>	-	5.0	2.1	3.2	<b>EBITDA</b> 0.9	
<b>Valuation methodology</b>	EBITDA multiple				<b>Profit/(loss) before tax</b> (0.6)	
<b>Equity/voting rights</b>	-	10.3%	4.4%	6.6%	<b>Retained profit/(loss)</b> (0.6)	
<b>Percentage of net assets</b>	-	8.9%	2.7%	2.9%	<b>Net assets</b> 2.4	

Activity: A premium frozen raw dog food provider  
Location: Edinburgh

Arkk Consulting Limited (trading as Arkk Solutions)		Original Growth Capital Investment in March 2017				
<b>Total cost:</b>	£7.2 million					
<b>Total valuation:</b>	£8.9 million					
	<b>MIG</b>	<b>MIG 2</b>	<b>MIG 4</b>	<b>I&amp;G</b>	<b>Year ended 31 December 2022 (£ million)</b>	
<b>Current cost (£ million)</b>	2.1	1.3	1.6	2.2	<b>Sales</b> 6.4	
<b>Valuation (£ million)</b>	2.6	1.6	2.0	2.7	<b>EBITDA</b> 1.2	
<b>Valuation methodology</b>	Revenue multiple				<b>Profit/(loss) before tax</b> (0.5)	
<b>Equity/voting rights</b>	8.7%	5.5%	6.7%	9.2%	<b>Retained profit/(loss)</b> (0.3)	
<b>Percentage of net assets</b>	2.9%	2.9%	2.5%	2.4%	<b>Net assets</b> (1.2)	

Activity: Provides financial automation platforms for businesses  
Location: London

Rapunzel Newco Limited (trading as Virgin Wines UK plc)		Original MBO Investment in November 2013				
<b>Total cost:</b>	£0.2 million					
<b>Total valuation:</b>	£8.1 million					
	<b>MIG</b>	<b>MIG 2</b>	<b>MIG 4</b>	<b>I&amp;G</b>	<b>Year ended 30 June 2023<sup>(1)</sup> (£ million)</b>	
<b>Current cost (£ million)</b>	0.1	0.0	0.0	0.1	<b>Sales</b> 59.0	
<b>Valuation (£ million)</b>	2.3	1.2	1.9	2.6	<b>EBITDA</b> 0.5	
<b>Valuation methodology</b>	Bid price (AIM-quoted)				<b>Profit/(loss) before tax</b> (0.7)	
<b>Equity/voting rights</b>	10.5%	5.5%	8.3%	11.8%	<b>Retained profit/(loss)</b> (0.6)	
<b>Percentage of net assets</b>	2.6%	2.2%	2.3%	2.4%	<b>Net assets</b> 21.8	

Activity: Online wine retailer  
Location: Norwich

<sup>(1)</sup> Financial information reflects that of the trading entity Virgin Wines UK plc. Rapunzel Newco Limited holds a beneficial holding in Virgin Wines UK plc

End Ordinary Group Limited (trading as Buster and Punch)		Original Growth Capital Investment in March 2017					
<b>Total cost:</b>	£6.7 million						
<b>Total valuation:</b>	£8.0 million						
	MIG	MIG 2	MIG 4	I&G	Year ended 31 March 2023 (£ million)		
<b>Current cost (£ million)</b>	1.9	1.2	1.5	2.0	<b>Sales</b>	23.8	
<b>Valuation (£ million)</b>	2.3	1.5	1.8	2.5	<b>EBITDA</b>	2.2	
<b>Valuation methodology</b>	Earnings multiple				<b>Profit/(loss) before tax</b>	1.5	
<b>Equity/voting rights</b>	9.8%	6.4%	7.8%	10.6%	<b>Retained profit/(loss)</b>	1.1	
<b>Percentage of net assets</b>	2.5%	2.6%	2.3%	2.2%	<b>Net assets</b>	13.0	

Activity: Industrial inspired lighting and interiors retailer  
Location: Peterborough

Vivacity Labs Limited		Original Growth Capital Investment in February 2021					
<b>Total cost:</b>	£7.0 million						
<b>Total valuation:</b>	£6.3 million						
	MIG	MIG 2	MIG 4	I&G	Year ended 31 December 2022 (£ million)		
<b>Current cost (£ million)</b>	1.9	1.5	1.5	2.1	<b>Sales</b>	5.9	
<b>Valuation (£ million)</b>	1.7	1.3	1.4	1.9	<b>EBITDA</b>	(6.1)	
<b>Valuation methodology</b>	Revenue multiple				<b>Profit/(loss) before tax</b>	(6.4)	
<b>Equity/voting rights</b>	6.6%	5.0%	5.2%	7.1%	<b>Retained profit/(loss)</b>	(5.7)	
<b>Percentage of net assets</b>	1.9%	2.3%	1.7%	1.7%	<b>Net assets</b>	3.4	

Activity: Provider of artificial intelligence and urban traffic control systems  
Location: London

Rota Geek Limited		Original Growth Capital Investment in August 2018					
<b>Total cost:</b>	£5.7 million						
<b>Total valuation:</b>	£5.7 million						
	MIG	MIG 2	MIG 4	I&G	Year ended 31 December 2023 (£ million)		
<b>Current cost (£ million)</b>	1.6	1.1	1.3	1.8	<b>Sales</b>	Not disclosed	
<b>Valuation (£ million)</b>	1.6	1.1	1.3	1.8	<b>EBITDA</b>	Not disclosed	
<b>Valuation methodology</b>	Revenue multiple				<b>Profit/(loss) before tax</b>	Not disclosed	
<b>Equity/voting rights</b>	5.4%	3.5%	4.1%	5.9%	<b>Retained profit/(loss)</b>	Not disclosed	
<b>Percentage of net assets</b>	1.8%	1.9%	1.6%	1.6%	<b>Net assets</b>	(4.1)	

Activity: Workforce management software developer  
Location: London

## PART X: FINANCIAL INFORMATION

### PART A: LATEST FINANCIAL INFORMATION

#### Financial Reports

##### MIG

MIG has produced annual statutory accounts for the financial year ended 31 December 2023 (MIG 2023 Annual Report). The MIG 2023 Annual Report was audited by BDO LLP of 55 Baker Street, London W1U 7EU, and was reported on without qualification and contained no statements under section 495 to section 497A of CA 2006. BDO LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

The MIG Annual Report was prepared in accordance with UK generally accepted accounting practice (GAAP), the requirements of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The MIG 2023 Annual Report contains a description of MIG's financial condition, changes in financial condition and results of operation and is being incorporated by reference and can be accessed at MIG's website ([www.migvct.co.uk](http://www.migvct.co.uk)) through the national storage mechanism: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Where the MIG Annual Report makes reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. The two tables below comprise a cross-referenced list of information incorporated by reference. The parts of the MIG Annual Report which are not being incorporated by reference are either not relevant for an investor or are covered elsewhere in the Prospectus.

The MIG 2023 Annual Report includes the following information:

Description	MIG 2023 Annual Report
Balance Sheet (or equivalent)	Page 54
Income Statement (or equivalent)	Page 53
Statement showing all changes in equity (or equivalent note)	Pages 55 and 56
Cash Flow Statement	Page 57
Accounting Policies and Notes	Pages 58 to 76
Auditor's Report	Pages 48 to 52

This information has been prepared in a form consistent with that which will be adopted in MIG's next published annual financial statements having regard to accounting standards and policies and legislation applicable to those financial statements.

The MIG 2023 Annual Report also includes operating/financial reviews as follows:

Description	MIG 2023 Annual Report
Objective	Page 21
Performance Summary	Page 1
Results and Dividend	Page 1
Investment Policy	Page 26
Chairman's Statement	Pages 2 to 5
Investment Review	Pages 6 to 13
Portfolio Summary	Pages 18 to 20
Valuation Policy	Page 64

Certain financial information of MIG is also set out below:

	Year ended 31 December 2023 (audited)
Investment income	£2,612,424
Total income before operating expenses	£2,655,018
Investment management fee (accrued/paid)	£(2,189,106)
Other fees (accrued/paid to service providers)	£(243,553)
Profit on ordinary activities before taxation	£6,352,594
Net profit on ordinary activities before taxation	£6,352,594
Earnings per MIG Share	3.84p
Dividends paid per MIG Share (in the period)	9.50p
Dividends paid/declared per MIG Share (in respect of the period)	9.50p
Total net assets	£95,993,811
NAV per MIG Share	58.43p

## MIG 2

MIG 2 has produced annual statutory accounts for the financial year ended 31 March 2023 (MIG 2 2023 Annual Report) and a half-yearly report for the six month period ended 30 September 2023 (MIG 2 2023 Half-Yearly Report) (together the MIG 2 Financial Statements). The MIG 2 2023 Annual Report was audited by BDO LLP of 55 Baker Street, London W1U 7EU, and was reported on without qualification and contained no statements under section 495 to section 497A of CA 2006. BDO LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

The MIG 2 Financial Statements were each prepared in accordance with UK generally accepted accounting practice (GAAP), the requirements of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The MIG 2 Financial Statements contain a description of MIG 2's financial condition, changes in financial condition and results of operation and is being incorporated by reference and can be accessed at MIG 2's website ([www.mig2vct.co.uk](http://www.mig2vct.co.uk)) and through the national storage mechanism: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Where the MIG 2 Financial Statements make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. The two tables below comprise a cross-referenced list of information incorporated by reference. The parts of the MIG 2 Financial Statements which are not being incorporated by reference are either not relevant for an investor or are covered elsewhere in the Prospectus.

The MIG 2 Financial Statements include the following information:

Description	MIG 2 2023 Annual Report	MIG 2 2023 Half-Yearly Report
Balance Sheet (or equivalent)	Page 53	Page 16
Income Statement (or equivalent)	Page 54	Pages 14 and 15
Statement showing all changes in equity (or equivalent note)	Pages 55 and 56	Pages 17 and 18
Cash Flow Statement	Page 57	Page 20
Accounting Policies and Notes	Pages 58 to 76	Pages 21 to 26
Auditor's Report	Pages 48 to 52	N/A

This information has been prepared in a form consistent with that which will be adopted in MIG 2's next published annual financial statements having regard to accounting standards and policies and legislation applicable to those financial statements.

The MIG 2 Financial Statements also include operating/financial reviews as follows:

Description	MIG 2 2023 Annual Report	MIG 2 2023 Half-Yearly Report
Objective	Page 7	Contents Page
Performance Summary	Page 2	Page 1
Results and Dividend	Page 2	Page 1
Investment Policy	Page 27	Page 5
Chairman's Statement	Pages 3 to 6	Pages 2 to 4
Investment Review	Pages 13 to 18	Pages 6 to 9
Portfolio Summary	Pages 24 to 26	Pages 10 to 11
Valuation Policy	Page 64	Page 24

Certain financial information of MIG 2 is also set out below:

	Year ended 31 March 2023 (audited)	Six months ended 30 September 2023 (unaudited)
Investment income	£1,818,188	£865,421
Total income before operating expenses	£1,841,863	£887,835
Investment management fee (accrued/paid)	£(1,582,438)	£(753,149)
Other fees (accrued/paid to service providers)	£(207,671)	£(122,048)
Profit/(loss) on ordinary activities before taxation	£(9,638,410)	£2,609,090
Net profit/(loss) on ordinary activities before taxation	£(9,638,410)	£2,609,090
Earnings per MIG 2 Share	(11.38)p	2.65p
Dividends paid per MIG 2 Share (in the period)	13.00p	-
Dividends paid/declared per MIG 2 Share (in respect of the period)	13.00p	6.00p
Total net assets	£70,426,557	£72,522,568
NAV per MIG 2 Share	71.54p	74.26p

## I&G

I&G has produced annual statutory accounts for the financial year ended 30 September 2023 (I&G 2023 Annual Report) and a half-yearly report for the six month period ended 31 March 2024 (I&G 2024 Half-Yearly Report) (together the I&G Financial Statements). The I&G 2023 Annual Report was audited by BDO LLP of 55 Baker Street, London W1U 7EU, and was reported on without qualification and contained no statements under section 495 to section 497A of CA 2006. BDO LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

The I&G Financial Statements were each prepared in accordance with UK generally accepted accounting practice (GAAP), the requirements of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The I&G Financial Statements contain a description of I&G's financial condition, changes in financial condition and results of operation and is being incorporated by reference and can be accessed at I&G website ([www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk)) and through the national storage mechanism: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Where the I&G Financial Statements make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. The two tables below comprise a cross-referenced list of information incorporated by reference. The parts of the I&G Financial Statements which are not being incorporated by reference are either not relevant for an investor or are covered elsewhere in the Prospectus.

The I&G Financial Statements includes the following information:

Description	I&G 2023 Annual Report	I&G 2024 Half-Yearly Report
Balance Sheet (or equivalent)	Page 53	Page 16
Income Statement (or equivalent)	Page 52	Pages 14 and 15
Statement showing all changes in equity (or equivalent note)	Pages 54 and 55	Pages 17 and 18
Cash Flow Statement	Page 56	Page 19
Accounting Policies and Notes	Pages 57 to 77	Pages 20 to 25
Auditor's Report	Pages 47 to 51	N/A

This information has been prepared in a form consistent with that which will be adopted in I&G's next published annual financial statements having regard to accounting standards and policies and legislation applicable to those financial statements.

The I&G 2023 Annual Report also includes operating/financial reviews as follows:

Description	I&G 2023 Annual Report	I&G 2024 Half-Yearly Report
Objective	Page 6	Contents Page
Performance Summary	Page 1	Page 1
Results and Dividend	Page 1	Page 1
Investment Policy	Page 26	Page 5
Chairman's Statement	Pages 2 to 5	Pages 2 to 4
Investment Review	Pages 12 to 17	Pages 6 to 10
Portfolio Summary	Pages 22 to 25	Pages 11 and 12
Valuation Policy	Page 64	Page 23

Certain financial information of I&G is also set out below:

	Six months ended 31 March 2023 (unaudited)	Year ended 30 September 2023 (audited)	Six months ended 31 March 2024 (unaudited)
Investment income	£1,551,444	£3,053,963	£1,247,575
Total income before operating expenses	£1,587,517	£3,196,634	£1,371,200
Investment management fee (accrued/paid)	£(1,240,154)	£(2,534,723)	£(1,240,103)
Other fees (accrued/paid to service providers)	£(114,818)	£(245,050)	£(250,437)
Profit/(loss) on ordinary activities before taxation	£(587,304)	£5,485,564	£3,035,779
Net profit/(loss) on ordinary activities before taxation	£(587,304)	£5,485,564	£3,035,779
Earnings per I&G Share	(0.41)p	3.66p	1.94p
Dividends paid per I&G Share (in the period)	4.00p	8.00p	7.00p
Dividends paid/declared per I&G Share (in respect of the period)	4.00p	11.00p	3.00p
Total net assets	£122,928,699	£122,777,786	£115,292,676
NAV per I&G Share	79.38p	79.33p	74.29p



## MIG 4

MIG 4 has produced annual statutory accounts for the financial year ended 31 December 2023 (MIG 4 2023 Annual Report). The MIG 4 2023 Annual Report was audited by BDO LLP of 55 Baker Street, London W1U 7EU, and was reported on without qualification and contained no statements under section 495 to section 497A of CA 2006. BDO LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

The MIG 4 Annual Report was prepared in accordance with UK generally accepted accounting practice (GAAP), the requirements of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The MIG 4 2023 Annual Report contains a description of MIG's financial condition, changes in financial condition and results of operation and is being incorporated by reference and can be accessed at MIG 4's website ([www.mig4vct.co.uk](http://www.mig4vct.co.uk)) through the national storage mechanism: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Where the MIG 4 Annual Report make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. The two tables below comprise a cross-referenced list of information incorporated by reference. The parts of the MIG 4 Annual Report which are not being incorporated by reference are either not relevant for an investor or are covered elsewhere in the Prospectus.

The MIG 4 2023 Annual Report includes the following information:

Description	MIG 4 2023 Annual Report
Balance Sheet (or equivalent)	Page 56
Income Statement (or equivalent)	Page 55
Statement showing all changes in equity (or equivalent note)	Pages 57 and 58
Cash Flow Statement	Page 59
Accounting Policies and Notes	Pages 60 to 76
Auditor's Report	Pages 50 to 54

This information has been prepared in a form consistent with that which will be adopted in MIG 4's next published annual financial statements having regard to accounting standards and policies and legislation applicable to those financial statements.

The MIG 4 2023 Annual Report also includes operating/financial reviews as follows:

Description	MIG 4 2023 Annual Report
Objective	Page 6
Performance Summary	Page 1
Results and Dividend	Page 1
Investment Policy	Page 28
Chairman's Statement	Pages 2 to 5
Investment Review	Pages 12 to 18
Portfolio Summary	Pages 24 to 27
Valuation Policy	Page 65

Certain financial information of MIG 4 is also set out below:

	Year ended 31 December 2023 (audited)
Investment income	£2,010,131
Total income before operating expenses	£2,155,540
Investment management fee (accrued/paid)	£(1,832,586)
Other fees (accrued/paid to service providers)	£(240,601)
Profit on ordinary activities before taxation	£4,445,769
Net profit on ordinary activities before taxation	£4,445,769
Earnings per MIG 4 Share	4.04p
Dividends paid per MIG 4 Share (in the period)	11.00p
Dividends paid/declared per MIG 4 Share (in respect of the period)	11.00p
Total net assets	£81,236,043
NAV per MIG 4 Share	73.09p

## Most recently published NAV

### MIG

As at 31 March 2024, the date to which the most recent unaudited financial information on MIG has been published, MIG had unaudited net assets of £97,000,955 (NAV per MIG Share of 59.04p).

A dividend of 4.0p per MIG Share was paid on 31 May 2024 to MIG Shareholders on the register on 3 May 2024. The unaudited net assets and NAV per MIG Share as at 31 March 2024 adjusted for this dividend would be £90,486,252 and 55.04p respectively.

### I&G

As at 31 March 2024, the date to which the I&G 2024 Half-Yearly Report was made up to, I&G had unaudited net assets of £115,292,676 (NAV per I&G Share of 74.29p).

A dividend of 3.0p per I&G Share was paid on 7 June 2024 to I&G Shareholders on the register on 17 May 2024. The unaudited net assets and NAV per I&G Share as at 31 March 2024 adjusted for this dividend would be £111,496,757 and 71.29p respectively.

## Capitalisation

### MIG

The capitalisation of MIG as at 31 December 2023, is set out below:

Shareholders' Equity	£'000
Called-up share capital	1,643
Capital redemption reserve	30
Share premium account	-
Revaluation reserve	23,361
Special distributable reserve	44,587
Profit and loss account	26,373
<b>Total</b>	<b>95,994</b>

Other than the payment of £1.0 million in respect of buy backs of 1,878,131 MIG Shares and the payment of £6.5 million in respect of the payment of a dividend of 4.0p per MIG Share (which reduces the amount of reserves, the profit and loss account and called-up share capital by a corresponding amount), there has been no material change in the capitalisation of MIG between 31 December 2023, the date to which the MIG 2023 Annual Report was made up to, and 17 June 2024, the latest practicable date before the date of publication of this document.

### I&G

The capitalisation of I&G as at 31 March 2024, is set out below.

Shareholders' Equity	£'000
Called-up share capital	1,552
Capital redemption reserve	39
Share premium account	1,917
Revaluation reserve	29,046
Special distributable reserve	69,722
Profit and loss account	13,017
<b>Total</b>	<b>115,293</b>

Other than the payment of £4.6 million in respect of the payment of dividends of 3.0p per I&G Share (which reduces the amount of reserves, the profit and loss account and called-up share capital by a corresponding amount) and the issue of 1,205,889 I&G Shares pursuant to its dividend investment scheme for an aggregate issue price of £0.9 million (which increases the called-up share capital and share premium account by a corresponding amount), there has been no material change in the capitalisation of I&G between 31 March 2024, the date to which the I&G Half-Yearly Report was made up to, and 17 June 2024, the latest practicable date before the date of publication of this document.

## Indebtedness

### MIG

As at 17 June 2024 (the latest practicable date prior to publication of this document), MIG has no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, direct and/or contingent and there is no current intention of incurring any such indebtedness during the twelve month period from the date of this document.

## **I&G**

As at 17 June 2024 (the latest practicable date prior to publication of this document), I&G has no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, direct and/or contingent and there is no current intention of incurring any such indebtedness during the twelve month period from the date of this document.

### **Recent material investments**

#### **MIG**

The following material investments have been made by MIG since 31 December 2023:

- A follow on investment of £0.55 million was made in Mytutorweb Limited (trading as MyTutor).
- A new investment of £0.71 million was made in Scileads Limited.
- A follow on investment of £0.08 million was made in Orri Limited.
- A follow on investment of £1.79 million was made in Data Discovery Solutions Limited (trading as ActiveNav).
- A new investment of £0.84 million was made in OnSecurity Technology Limited.
- A follow on investment of £0.08 million was made in Dayrize B.V.

Save as set out above, there have been no material investments made by MIG since 31 December 2023. In the ordinary course, there are a number of potential investments which are in progress, but no firm commitments have been made in respect of these.

#### **I&G**

The following material investments have been made by I&G since 31 March 2024:

- A follow on investment of £1.95 million was made in Data Discovery Solutions Limited (trading as ActiveNAV).
- A new investment of £0.99 million was made in OnSecurity Technology Limited.
- A follow on investment of £0.09 million was made in Dayrize B.V.

Save as set out above, there have been no material investments made by I&G since 31 March 2024. In the ordinary course, there are a number of potential investments which are in progress, but no firm commitments have been made in respect of these.

### **Working capital statements**

#### **MIG**

MIG is of the opinion that its working capital is sufficient for its present requirements, that is for at least the twelve month period from the date of this document.

#### **I&G**

I&G is of the opinion that its working capital is sufficient for its present requirements, that is for at least the twelve month period from the date of this document.

### **Significant change statement**

#### **MIG**

Save for the payment of £7.5 million in respect of buy backs and the payment of dividends, there has been no significant change in the financial position of MIG since 31 December 2023, the date to which the MIG 2023 Annual Report was made up to.

#### **I&G**

Save for the payment of £3.8 million in respect of the payment of dividends (net of the amount reinvested pursuant to the dividend investment scheme), there has been no significant change in the financial position of I&G since 31 March 2024, the date to which the I&G 2024 Half-Yearly Report was made up to.

## **PART B: PRO-FORMA FINANCIAL INFORMATION**

### **Accountant's Report on the Pro Forma Financial Information**

The following is the full text of the report from Azets Holdings Limited to the Directors, Proposed Directors and Howard Kennedy:

The Directors and Proposed Directors  
Mobeus Income & Growth VCT plc and The Income & Growth VCT plc  
5 New Street Square  
London  
EC4A 3TW

and

Howard Kennedy Corporate Services LLP  
1 London Bridge  
London  
SE1 9BG

18 June 2024

Dear Sirs

### **Mobeus Income & Growth VCT plc (MIG) and The Income & Growth VCT plc (I&G) (together the Companies and each a Company)**

### **Acquisition by MIG of Mobeus Income and Growth 2 VCT plc (MIG 2) and the acquisition by I&G of Mobeus Income and Growth 4 VCT plc (MIG 4) (MIG/MIG 2 and I&G/MIG 4 each a Group and together the Groups)**

We report on the pro forma financial information (the Pro Forma Financial Information) set out in Part B of Part X of the prospectus dated 18 June 2024 (the Prospectus) of the Companies, which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the Merger (as defined in the Prospectus), taking into account the Offers, might have affected the financial information presented on the basis of the accounting policies adopted by each Company in preparing the financial statements for the year ended 31 December 2023 in respect of MIG (in respect of the Pro Forma Statement of Net Assets and the Pro Forma Statement of Earnings), and in respect of I&G as at 31 March 2024 (in respect of the Pro Forma Statement of Net Assets) and the year ended 30 September 2023 (in respect of the Pro Forma Statement of Earnings). This report is required by item 11.5 of Annex 3 of the UK version of the EU Commission Delegated Regulation (2019/980) as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the UK Prospectus Delegated Regulation or PD Regulation) and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under item 11.5 of Annex 3 of the PD Regulation to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with, this report or our statement, given solely for the purposes of complying with item 11.5 of Annex 3 of the PD Regulation, or consenting to its inclusion in the Prospectus.

### **Responsibilities**

It is the responsibility of the directors and the proposed directors of the Companies (the Directors) to prepare the Pro Forma Financial Information in accordance with item 11.5 of Annex 3 of the PD Regulation.

It is our responsibility to form an opinion, as required by section 3 of Annex 20 of the PD Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under PD Regulation to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with, this report or our statement, which are included, in the form and context in which they are included, with our consent, and with our having authorised the contents of this Part B of Part X, as required by, and given solely for the purposes of complying with, item 11.5 of Annex 3 of the PD Regulation.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

## **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Companies.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

## **Opinion**

In our opinion:

- a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- b) such basis is consistent with the accounting policies of the Companies.

## **Consent**

This report has been produced, and included in the Prospectus, at the request of the Companies. We hereby confirm that we have authorised the contents of, and consent to, the inclusion of this report in the Prospectus. This consent is included in the Prospectus in accordance with item 1.3 of Annex 3 of the PD Regulation.

## **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 3 of the PD Regulation.

Yours faithfully

**Azets Holdings Limited**

## PRO FORMA FINANCIAL INFORMATION

### MIG

The following pro forma financial information on MIG has been prepared, to illustrate the effect of the Merger and the MIG Offer on MIG's (i) audited net assets as at 31 December 2023 on the basis that the Merger and the acquisition by MIG of the investment portfolio and all of the other assets and liabilities of MIG 2 had been completed and the MIG Offer had been fully subscribed on 31 December 2023 and (ii) income statement for the year ended 31 December 2023 on the basis that the Merger and the acquisition by MIG of the investment portfolio and all of the other assets and liabilities of MIG 2 had been completed, and the MIG Offer had been fully subscribed, on 1 January 2023. This pro forma financial information has been prepared in a manner consistent with the accounting policies of MIG and MIG 2 as adopted in their last published accounts.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent MIG's actual financial position or results nor is it indicative of the results that may or may not be achieved in the future.

### Pro Forma Statement of Net Assets

	MIG (£) (Note 1)		Adjustments			Enlarged MIG pro forma (£) (Note 5)	
			Acquisition of the assets and liabilities of MIG 2 (£) (Note 2)	Expenses of the Merger (£) (Note 3)	Other adjustments (£) (Note 4)		
Investments (at fair value)		64,143,695		42,166,255			106,309,950
Debtors and prepayments	172,465		194,236			366,701	
Other current assets	31,141,939		28,611,496			59,753,435	
Cash at bank and in hand	847,342		1,822,504		45,000,000	47,669,846	
Creditors: amounts falling due within one year	(311,630)		(271,923)	(504,894)	(1,350,000)	(2,438,447)	
Net current assets		31,850,116		30,356,313	(504,894)	43,650,000	105,351,535
<b>Net assets</b>		<b>95,993,811</b>		<b>72,522,568</b>	<b>(504,894)</b>	<b>43,650,000</b>	<b>211,661,485</b>

#### Notes:

- The financial information on MIG has been extracted without material adjustment from MIG's audited annual report for the year ended 31 December 2023 as incorporated into this document in Part A of Part X of this document.
- The acquired assets and liabilities of MIG are the assets and liabilities of MIG 2 as extracted without material adjustment from MIG 2's half-yearly report for the six month period ended 30 September 2023 as incorporated into this document in Part A of Part X of this document.
- Expected Merger costs of approximately £504,894 (inclusive of VAT) are expected to be incurred and borne by MIG and MIG 2 by their respective Merger net assets (ignoring Merger costs). No account has been taken of any potential irrecoverable VAT.
- The gross proceeds (assuming full subscription and utilisation in full of the over-allotment facility) expected to be raised under the MIG Offer is £45 million. On the same basis, the MIG Offer costs payable by MIG are expected to be a maximum of £1.35 million. Adjustments have been made to reflect the MIG Offer on this basis.
- The pro forma statement of net assets of MIG does not take account of any transactions of MIG or MIG 2, other changes in the value of the assets and liabilities or trading performance of MIG since 31 December 2023 or MIG 2 since 30 September 2023.

## Pro Forma Statement of Earnings

	MIG (£) (Note 1)		Adjustments		Enlarged MIG pro forma (£) (Notes 5 and 6)	
			Acquisition of the assets and liabilities of MIG 2 (£) (Note 2)	Expenses of the Merger (£) (Note 3 and Note 4)		
Net investment portfolio gains/ (losses)	6,428,051		(9,412,604)		(2,984,553)	
Investment income	2,612,424		1,818,188		4,430,612	
Other income	42,594		23,675		66,269	
Investment management fees (accrued/ paid)	(2,189,106)		(1,582,438)		(3,771,544)	
Other expenses	(541,369)		(485,231)	(504,894)	(1,531,494)	
Profit on ordinary activities before taxation	6,352,594		(9,638,410)	(504,894)	(3,790,710)	
Tax on return of ordinary activities	-		-		-	
Net profit on ordinary activities before taxation	6,352,594		(9,638,410)	(504,894)	(3,790,710)	
<b>Return on ordinary activities after tax</b>	<b>6,352,594</b>		<b>(9,638,410)</b>	<b>(504,894)</b>	<b>(3,790,710)</b>	

### Notes:

1. The financial information on MIG has been extracted without material adjustment from MIG's audited annual report for the year ended 31 December 2023 as incorporated into this document in Part A of Part X of this document.
2. The acquired assets and liabilities of MIG are the assets and liabilities of MIG 2 as extracted without material adjustment from MIG 2's annual report for the year ended 31 March 2023 as incorporated into this document in Part A of Part X of this document. The continuing impact of the acquisition of the assets and liabilities of MIG 2 is expected to be accretive to earnings (see further note 6 below).
3. Expected Merger costs of approximately £504,894 (inclusive of VAT) are expected to be incurred and borne by MIG and MIG 2 by their respective Merger net assets (ignoring Merger costs). No account has been taken of any potential irrecoverable VAT. The Merger costs are one-off in nature and are not expected to have a continuing impact on MIG (see further note 6 below).
4. No account has been taken of the effects of any synergies, and of the costs or measures taken to achieve these synergies, that may have arisen had the Merger occurred on 1 January 2023 and that may subsequently have affected the results of MIG in the financial year ended 31 December 2023. The MIG Offer costs are not expected to have any impact on MIG's income statement as these will be charged against MIG's share premium account. No account has been taken of any income which might be earned on the net proceeds of the MIG Offer.
5. The pro forma statement of earnings of MIG does not take account of any transactions of MIG or MIG 2, other changes in the value of the assets and liabilities or trading performance of MIG since 31 December 2023 or MIG 2 since 30 September 2023.
6. The short-term impact on MIG's earnings will be dilutive as the initial costs of the Merger will take time to recover though cost savings and any MIG Offer costs will initially be greater than interest earned on cash balances raised. Once the Merger costs have been recovered (a payback period of under 18 months expected) and the net funds raised have been successfully invested, the impact on MIG of the Merger and the MIG Offer will, in due course, be accretive to earnings.

## I&G

The following pro forma financial information on I&G has been prepared, to illustrate the effect of the Merger and the I&G Offer on I&G's (i) unaudited net assets as at 31 March 2024 on the basis that the Merger and the acquisition by I&G of the investment portfolio and all of the other assets and liabilities of MIG 4 had been completed and the I&G Offer had been fully subscribed on 31 March 2024 and (ii) income statement for the year ended 30 September 2023 on the basis that the Merger and the acquisition by I&G of the investment portfolio and all of the other assets and liabilities of MIG 4 had been completed and the I&G Offer had been fully subscribed on 1 October 2022. This pro forma financial information has been prepared in a manner consistent with the accounting policies of I&G and MIG 4 as adopted in their last published accounts.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent I&G's actual financial position or results nor is it indicative of the results that may or may not be achieved in the future.

### Pro Forma Statement of Net Assets

	I&G (£) (Note 1)		Adjustments			Enlarged I&G pro forma (£) (Note 5)	
			Acquisition of the assets and liabilities of MIG 4 (£) (Note 2)	Expenses of the Merger (£) (Note 3)	Other adjustments (£) (Note 4)		
Investments (at fair value)		76,942,410		53,206,747			130,149,157
Debtors and prepayments	497,652		184,890				682,542
Other current assets	37,557,181		25,922,727				63,479,908
Cash at bank and in hand	751,937		2,159,734			45,000,000	47,911,671
Creditors: amounts falling due within one year	(456,504)		(238,055)		(614,229)	(1,350,000)	(2,658,788)
Net current assets		38,350,266		28,029,296	(614,229)	43,650,000	109,415,333
<b>Net assets</b>		<b>115,292,676</b>		<b>81,236,043</b>	<b>(614,229)</b>	<b>43,650,000</b>	<b>239,564,490</b>

#### Notes:

1. The financial information on I&G has been extracted without material adjustment from I&G's half-yearly report for the six months ended 31 March 2024 as incorporated into this document in Part A of Part X of this document.
2. The acquired assets and liabilities of MIG 4 are the assets and liabilities of MIG 4 as extracted without material adjustment from MIG 4's audited annual report for the year ended 31 December 2023 as incorporated into this document in Part A of Part X of this document.
3. Expected Merger costs of approximately £614,229 (inclusive of VAT) are expected to be incurred and borne by I&G and MIG 4 by their respective Merger net assets (ignoring Merger costs). No account has been taken of any potential irrecoverable VAT.
4. The gross proceeds (assuming full subscription and utilisation in full of the over-allotment facility) expected to be raised under the I&G Offer is £45 million. On the same basis, the I&G Offer costs payable by I&G are expected to be a maximum of £1.35 million. Adjustments have been made to reflect the I&G Offer on this basis.
5. The pro forma statement of net assets of I&G does not take account of any transactions of I&G or MIG 4, other changes in the value of the assets and liabilities or trading performance of I&G since 31 March 2024 or MIG 4 since 31 December 2023.



## Pro Forma Statement of Earnings

	I&G (£) (Note 1)		Adjustments		Enlarged I&G pro forma (£) (Notes 5 and 6)	
			Acquisition of the assets and liabilities of MIG 4 (£) (Note 2)	Expenses of the Merger (£) (Note 3 and Note 4)		
Investment portfolio gains/ (losses)	5,432,092		4,632,572			10,064,664
Investment income	3,053,963		2,010,131			5,064,094
Other income	142,671		145,409			288,080
Investment management fees (accrued/ paid)	(2,534,723)		(1,832,586)			(4,367,309)
Other expenses	(608,439)		(509,757)		(614,229)	(1,732,425)
Profit on ordinary activities before taxation	5,485,564		4,445,769		(614,229)	9,317,104
Tax on return of ordinary activities	-		-			-
Net profit on ordinary activities before taxation	5,485,564		4,445,769		(614,229)	9,317,104
<b>Return on ordinary activities after tax</b>	<b>5,485,564</b>		<b>4,445,769</b>		<b>(614,229)</b>	<b>9,317,104</b>

### Notes:

1. The financial information on I&G has been extracted without material adjustment from I&G's audited annual report for the year ended 30 September 2023 as incorporated into this document in Part A of Part X of this document.
2. The acquired assets and liabilities of I&G are the assets and liabilities of MIG 4 as extracted without material adjustment from MIG 4's audited annual report for the year ended 31 December 2023 as incorporated into this document in Part A of Part X of this document. The continuing impact of the acquisition of the assets and liabilities of MIG 4 is expected to be accretive to earnings (see further note 6 below).
3. Merger costs of approximately £614,229 (inclusive of VAT) are expected to be incurred and borne by I&G and MIG 4 by their respective Merger net assets (ignoring Merger costs). No account has been taken of any potential irrecoverable VAT. The Merger costs are one-off in nature and are not expected to have a continuing impact on I&G (see further note 6 below).
4. No account has been taken of the effects of any synergies, and of the costs or measures taken to achieve these synergies, that may have arisen had the Merger occurred on 1 October 2022 and that may subsequently have affected the results of I&G in the financial year ended 30 September 2023. The I&G Offer costs are not expected to have any impact on I&G's income statement as these will be charged against I&G's share premium account. No account has been taken of any income which might be earned on the net proceeds of the I&G Offer.
5. The pro forma statement of earnings of I&G does not take account of any transactions of I&G or MIG 4, other changes in the value of the assets and liabilities or trading performance of I&G since 30 September 2023 or MIG 4 since 31 December 2023.
6. The short-term impact on I&G's earnings will be dilutive as the initial costs of the Merger will take time to recover though cost savings and any I&G Offer costs will initially be greater than interest earned on cash balances raised. Once the Merger costs have been recovered (a payback period of under 18 months expected) and the net funds raised have been successfully invested, the impact on I&G of the Merger and the I&G Offer will, in due course, be accretive to earnings.

## **PART XI: OTHER INFORMATION**

### **1. History of the Companies**

#### ***MIG***

MIG was launched in July 2004, with Mobeus as its investment adviser. In May 2010, MIG completed a merger with Mobeus Income & Growth 3 VCT plc which also was launched with Mobeus as its investment adviser. MIG novated its investment management arrangements to Gresham House as part of the acquisition by Gresham House Holdings Limited of Mobeus' VCT business in September 2021.

#### ***I&G***

I&G launched as TriVest VCT plc in October 2000 advised by three VCT investment advisers, Mobeus (then GLE Development Capital Limited), Foresight Group LLP and LICA Development Capital (whose portfolio was subsequently assumed by Nova Capital Management Limited). In 2007, I&G launched an S ordinary share fund, for which Mobeus was the sole investment adviser. The investment mandates for Nova and Foresight were terminated (in 2007 and 2009 respectively) and Mobeus was awarded the investment mandate as sole adviser in respect of the original ordinary share fund.

In March 2010, the S ordinary shares and the original ordinary shares were merged on a relative NAV basis, creating a single share class. I&G novated its investment management arrangements to Gresham House as part of the acquisition by Gresham House Holdings Limited of Mobeus' VCT business in September 2021.

### **2. Life of the Companies**

It is intended that each Company should have an unlimited life, but also that a Company's Shareholders should have the opportunity to review the future of that Company at appropriate intervals.

In order, therefore, for the future of a Company to be considered by its Shareholders, the Articles of each Company contain provisions requiring the directors of the relevant Company at the annual general meeting falling after the fifth anniversary of the last allotment of Shares in that Company (or, if later, the last continuation vote) to invite Shareholders in the relevant Company to consider and debate the future of that Company (including whether it should be wound up, sold or unitised).

In the case of each Company, a general meeting of the Company would be called to propose the required resolutions for decision by the Shareholders of that Company, however, as each Company has continued to allot shares on a regular basis, with the approval of its Shareholders, no such continuation vote has been triggered to date.

### **3. Share certificates and CREST**

The Offer Shares will be available to be issued in either registered form (i.e. certificated) or electronic form (i.e. through CREST). Investors who wish to have their Offer Shares issued direct to their nominee's CREST account should complete the relevant section of the Application Form.

### **4. Investor profile**

A typical investor will be a retail investor who is a UK taxpayer, aged 18 or over and who already has a portfolio of VCT and non-VCT investments (such as unit trusts, OEICs, investment trusts and direct shareholdings in listed and non-listed companies). The investor should be comfortable with the risk factors set out at the beginning of this document, understand the investment strategy and be willing to retain the investment for at least five years.

### **5. Incorporation, Registered Office and Regulatory Information**

#### ***MIG***

- 5.1. The legal and commercial name of MIG is Mobeus Income & Growth VCT plc.
- 5.2. MIG was incorporated and registered in England and Wales as a public company with limited liability on 15 June 2004 with registered number 05153931.
- 5.3. MIG was issued with a trading certificate under section 117 of CA 1985 (now section 761 of CA 2006) on 1 July 2004.
- 5.4. The principal legislation under which MIG operates is CA 2006 and regulations made thereunder.
- 5.5. MIG's registered office is at 5 New Street Square, London EC4A 3TW and its principal place of business is at 80 Cheapside, London EC2V 6EE. MIG is domiciled in England. MIG does not have, nor has it had since incorporation, any subsidiaries or employees.

- 5.6. HMRC has granted approval of MIG as a VCT under section 259 of ITA 2007. The business of MIG has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full VCT approval.
- 5.7. MIG revoked its status as an investment company under section 266 of CA 1985 (now section 833 of CA 2006) on 19 December 2007 for the purpose of paying capital dividends and does not intend to re-apply for such status.
- 5.8. MIG Shares are admitted to the Official List of the FCA and to trading on the main market of the London Stock Exchange and have an International Securities Identification Number of GB00B01WL239. MIG's Legal Entity Identity number is 213800HKOSEVWS7YPH79.
- 5.9. MIG is not regulated by the FCA, but it is an alternative investment fund for the purposes of AIFMD, has registered itself as a small alternative investment fund manager with the FCA and is subject to the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773). In addition, as a premium listed entity on the main market of the London Stock Exchange, MIG is subject to the rules and regulations issued by the FCA from time to time and is also subject to regulation by HMRC under the VCT rules in order to qualify as a VCT. MIG is not otherwise regulated.
- 5.10. MIG and the MIG Shareholders are subject to the provisions of the City Code on Takeovers and Mergers (which could frustrate a takeover of a company) and CA 2006 which require shares to be acquired/transferred in certain circumstances.

## **I&G**

- 5.11. The legal and commercial name of I&G is The Income & Growth VCT plc.
- 5.12. I&G was incorporated and registered in England and Wales as a public company with limited liability on 6 September 2000 with registered number 04069483, under the name TriVest VCT plc. The company name was changed to The Income & Growth VCT plc on 9 October 2007.
- 5.13. I&G was issued with a trading certificate under section 117 of CA 1985 (now section 761 of CA 2006) on 28 September 2000.
- 5.14. The principal legislation under which I&G operates is CA 2006 and regulations made thereunder.
- 5.15. I&G's registered office is at 5 New Street Square, London EC4A 3TW and its principal place of business is at 80 Cheapside, London EC2V 6EE. I&G is domiciled in England. I&G does not have, nor has it had since incorporation, any subsidiaries or employees.
- 5.16. HMRC has granted approval of I&G as a VCT under section 259 of ITA 2007. The business of I&G has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full VCT approval.
- 5.17. I&G revoked its status as an investment company under section 266 of CA 1985 on 30 November 2005 for the purposes of paying a capital dividend and does not intend to re-apply for such status.
- 5.18. I&G Shares are admitted to the Official List of the FCA to trading on the main market of the London Stock Exchange and have an International Securities Identification Number of GB00B29BN198. I&G's Legal Entity Identity number is 213800FPC15FNM74YD92.
- 5.19. I&G is not regulated by the FCA, but it is an alternative investment fund for the purposes of AIFMD, has registered itself as a small alternative investment fund manager with the FCA and is subject to the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773). In addition, as a premium listed entity on the main market of the London Stock Exchange, I&G is subject to the rules and regulations issued by the FCA from time to time and subject to regulation by HMRC under the VCT rules in order to qualify as a VCT. I&G is not otherwise regulated.
- 5.20. I&G and the I&G Shareholders are subject to the provisions of the City Code on Takeovers and Mergers (which could frustrate a takeover of a company) and CA 2006 which require shares to be acquired/transferred in certain circumstances.

## **6. Share Capital**

### **MIG**

- 6.1. As at 31 December 2022, the issued share capital of MIG was 156,718,602 MIG Shares (all fully paid-up and none of which are held in treasury).
- 6.2. The issued share capital history of MIG since 31 December 2022 is as follows:

- 6.2.1. During the financial year ended 31 December 2023, MIG issued 11,979,787 MIG Shares and bought back 4,413,159 MIG Shares. As at 31 December 2023, the issued share capital of MIG comprised 164,285,230 MIG Shares, none of which were held in treasury.
- 6.2.2. During the current period to 17 June 2024 (being the latest practicable date prior to the publication of this document) MIG has not issued any MIG Shares and has bought back 1,878,131 MIG Shares.
- 6.3. At the date of this document, MIG has 162,407,099 MIG Shares in issue (all fully paid up and none of which are held in treasury).
- 6.4. The following resolutions of MIG were passed at the annual general meeting of MIG held on 20 May 2024:
- a) That, in substitution for any existing authorities, the MIG Directors were generally and unconditionally authorised pursuant to section 551 of CA 2006 to exercise all the powers of MIG to allot MIG Shares and to grant rights to subscribe for, or convert any security into, MIG Shares (Rights) up to an aggregate nominal value of £547,617, provided that the authority conferred by this resolution shall (unless renewed, varied or revoked by MIG in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of MIG to be held in 2025, but so that this authority shall allow MIG to make before the expiry of this authority offers or agreements which would or might require MIG Shares to be allotted or Rights to be granted after such expiry and the MIG Directors shall be entitled to allot MIG Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.
- b) That, in substitution for any existing authorities, the MIG Directors were empowered in accordance with sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of CA 2006) for cash, pursuant to the authority conferred upon them by the resolution set out in paragraph (a) above, or by way of a sale of treasury shares, as if section 561(1) of CA 2006 did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to the allotment of equity securities:
- (i) with an aggregate nominal value of up to, but not exceeding, £164,285 in connection with offer(s) for subscription; and
- (ii) otherwise than pursuant to sub-paragraph (i) above, with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital of MIG from time to time,

in each case where the proceeds of the allotment may be used, in whole or in part, to purchase MIG's Shares in the market and provided that this authority shall (unless renewed, varied or revoked by MIG in general meeting) expire on the date falling fifteen months after the passing of the resolution or, if earlier, on the conclusion of the annual general meeting of MIG to be held in 2025, except that MIG may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the MIG Directors may allot equity securities in pursuance of such offers or agreements as if the power conferred by the resolution had not expired.

- 6.5. The following authorities will be sought pursuant to resolutions of MIG to be proposed at the MIG General Meeting:
- a) That:
- (i) the acquisition of the assets and liabilities of MIG 2 on the terms set out in the Circular (a copy of which is produced to the meeting and initialled for the purpose of identification by the chair of the meeting) be and hereby is approved; and
- (ii) in addition to existing authorities, the directors of MIG be and hereby are generally and unconditionally authorised in accordance with section 551 of CA 2006 to exercise all the powers of MIG to allot MIG Shares up to an aggregate nominal amount of £1,250,000 in connection with the MIG/MIG 2 Scheme, provided that the authority conferred by this paragraph shall expire 15 months following the date of the passing of the resolution (unless renewed, varied or revoked by MIG in general meeting).
- b) That:
- (i) the directors of MIG be and hereby are generally and unconditionally authorised pursuant to section 551 of CA 2006 to exercise all the powers of MIG to allot MIG Shares and to grant rights to subscribe for, or convert, any security into MIG Shares (**Rights**) up to an aggregate nominal value of £1,100,000, provided that the authority conferred by this paragraph shall (unless renewed, varied or revoked by MIG in general meeting) expire on the date falling 15 months after the passing of the resolution or, if earlier, at the conclusion of the annual general meeting of MIG to be held in 2025, but so that this authority shall allow MIG to make before the expiry of this authority offers or agreements which would or might require MIG Shares to be allotted or Rights to be granted after such expiry and the directors of MIG shall be entitled to allot MIG Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired; and

(ii) the directors of MIG be and hereby are empowered in accordance with sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of CA 2006) for cash, pursuant to the authority conferred upon them by paragraph (i) above, or by way of a sale of treasury shares, as if section 561(1) of CA 2006 did not apply to any such sale or allotment, provided that the power conferred by paragraph (i) above shall be limited to the allotment of equity securities with an aggregate nominal value of up to, but not exceeding, £1,100,000 in connection with offer(s) for subscription, where the proceeds of the allotment may be used, in whole or in part, to purchase the MIG Shares in the market and provided that this authority shall (unless renewed, varied or revoked by MIG in general meeting) expire on the date falling 15 months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of MIG to be held in 2025, except that MIG may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors of MIG may allot equity securities in pursuance of such offers or agreements as if the power conferred by this resolution had not expired.

6.6. There are no other shares or loan capital in MIG in issue or under option or agreed conditionally or unconditionally to be put under option nor does MIG hold shares in treasury.

6.7. Following the issue of MIG Consideration Shares and MIG Offer Shares (assuming the maximum 235 million MIG Shares) the issued share capital of MIG is expected to be as follows:

	Issued	
	Number	£
MIG Shares	397,407,099	3,974,070.99

6.8. The MIG Shares are/will be in registered form and no temporary documents of title will be issued. MIG is registered with CREST, a paperless settlement system, and those MIG Shareholders who wish to hold their MIG Shares in electronic form may do so.

6.9. MIG will be subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of 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 in cash) will apply to the balance of the share capital of MIG which is not subject to the disapplication referred to in paragraphs 6.4 and 6.5 above.

6.10. As at 17 June 2024 (this being the latest practicable date prior to publication of this document), MIG is not aware of any person who, immediately following the issue of the MIG Consideration Shares and MIG Offer Shares, directly or indirectly, has or will have an interest in the capital of MIG or voting rights which is notifiable under UK law (under which, pursuant to CA 2006, the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA, a holding of 3% or more must be notified to MIG).

## **I&G**

6.11. As at 30 September 2022 the issued share capital of I&G was 129,481,901 I&G Shares (all fully paid up and none of which are held in treasury).

6.12. The issued share capital history of I&G since 30 September 2022 is as follows:

6.12.1. During the financial year ended 30 September 2023, I&G issued 29,260,778 I&G Shares and bought back 3,975,746 I&G Shares. As at 30 September 2023, the issued share capital of I&G comprised 154,766,933 I&G Shares, none of which were held in treasury.

6.12.2. During the current period to 17 June 2024 (being the latest practicable date prior to the publication of this document) I&G has issued 3,970,532 I&G Shares and has bought back 2,344,568 I&G Shares.

6.13. At the date of this document, I&G has 156,392,897 Shares in issue (all fully paid up and none of which are held in treasury).

6.14. The following resolutions of I&G were passed at the annual general meeting of I&G held on 29 February 2024:

- a) That, in substitution for any existing authorities, the I&G Directors be generally and unconditionally authorised pursuant to section 551 of CA 2006 to exercise all the powers of I&G to allot I&G Shares and to grant rights to subscribe for, or convert any security into, I&G Shares (Rights) up to an aggregate nominal value of £525,105, provided that the authority conferred by this resolution shall (unless renewed, varied or revoked by I&G in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of I&G to be held in 2025, but so that this authority shall allow I&G to make before the expiry of this authority offers or agreements which would or might require I&G Shares to be allotted or Rights to be granted after such expiry and the I&G Directors shall be entitled to allot I&G Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.

- b) That, in substitution for any existing authorities, the I&G Directors be empowered in accordance with sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of CA 2006) for cash, pursuant to the authority conferred upon them by the resolution set out at paragraph (a) above, or by way of a sale of treasury shares, as if section 561(1) of CA 2006 did not apply to any such sale or allotment, provided that the power conferred by his resolution shall be limited to the allotment of equity securities:
- (i) with an aggregate nominal value of up to, but not exceeding, £236,297 in connection with offer(s) for subscription;
  - (ii) with an aggregate nominal value of up to, but not exceeding, 10% of the issued share capital of I&G from time to time pursuant to any dividend investment scheme operated by I&G; and
  - (iii) otherwise than pursuant to sub-paragraphs (i) and (ii) above, with an aggregate nominal value of up to, but not exceeding, 15% of the issued share capital of I&G from time to time,

in each case where the proceeds of the allotment may be used, in whole or in part, to purchase I&G's Shares in the market and provided that this authority shall (unless renewed, varied or revoked by I&G in general meeting) expire on the date falling fifteen months after the passing of the resolution or, if earlier, on the conclusion of the annual general meeting of I&G to be held in 2025, except that I&G may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the I&G Directors may allot equity securities in pursuance of such offers or agreements as if the power conferred by the resolution had not expired.

6.15. The following authorities will be sought pursuant to resolutions of I&G to be proposed at the I&G General Meeting:

a) That:

- (i) the acquisition of the assets and liabilities of MIG 4 on the terms set out in the Circular (a copy of which is produced to the meeting and initialled for the purpose of identification by the chair of the meeting) be and hereby is approved; and
- (ii) in addition to existing authorities, the directors of MIG be and hereby are generally and unconditionally authorised in accordance with section 551 of CA 2006 to exercise all the powers of I&G to allot I&G Shares up to an aggregate nominal amount of £1,400,000 in connection with the I&G/MIG 4 Scheme, provided that the authority conferred by this paragraph shall expire 15 months following the date of the passing of the resolution (unless renewed, varied or revoked by MIG in general meeting).

b) That:

- (i) the directors of I&G be and hereby are generally and unconditionally authorised pursuant to section 551 of CA 2006 to exercise all the powers of I&G to allot I&G Shares and to grant rights to subscribe for, or convert, any security into MIG Shares (**Rights**) up to an aggregate nominal value of £850,000, provided that the authority conferred by this paragraph shall (unless renewed, varied or revoked by I&G in general meeting) expire on the date falling 15 months after the passing of the resolution or, if earlier, at the conclusion of the annual general meeting of I&G to be held in 2025, but so that this authority shall allow I&G to make before the expiry of this authority offers or agreements which would or might require I&G Shares to be allotted or Rights to be granted after such expiry and the directors of MIG shall be entitled to allot I&G Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired; and
- (ii) the directors of I&G be and hereby are empowered in accordance with sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of CA 2006) for cash, pursuant to the authority conferred upon them by paragraph (i) above, or by way of a sale of treasury shares, as if section 561(1) of CA 2006 did not apply to any such sale or allotment, provided that the power conferred by paragraph (i) above shall be limited to the allotment of equity securities with an aggregate nominal value of up to, but not exceeding, £850,000 in connection with offer(s) for subscription, where the proceeds of the allotment may be used, in whole or in part, to purchase the I&G Shares in the market and provided that this authority shall (unless renewed, varied or revoked by I&G in general meeting) expire on the date falling 15 months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of I&G to be held in 2025, except that I&G may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors of I&G may allot equity securities in pursuance of such offers or agreements as if the power conferred by this resolution had not expired.

6.16. There are no other shares or loan capital in I&G in issue or under option or agreed conditionally or unconditionally to be put under option nor does I&G hold shares in treasury.

6.17. Following the issue of I&G Consideration Shares and I&G Offer Shares (assuming the maximum 225 million I&G Shares) the issued share capital of I&G is expected to be as follows:

	Issued	
	Number	£
I&G Shares	384,392,907	3,843,929.07

- 6.18. The I&G Shares are/will be in registered form and no temporary documents of title will be issued. I&G is registered with CREST, a paperless settlement system, and those I&G Shareholders who wish to hold their I&G Shares in electronic form may do so.
- 6.19. I&G will be subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of 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 in cash) will apply to the balance of the share capital of I&G which is not subject to the disapplication referred to in paragraphs 6.14 and 6.15 above.
- 6.20. As at 17 June 2024 (this being the latest practicable date prior to publication of this document), I&G is not aware of any person who, immediately following the issue of the I&G Consideration Shares and I&G Offer Shares, directly or indirectly, has or will have an interest in the capital of I&G or voting rights which is notifiable under UK law (under which, pursuant to CA 2006, the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA, a holding of 3% or more must be notified to I&G).

## 7. Issued Share Capital and Dilution

### **MIG**

The issued share capital of MIG as at the date of this document is 162,407,099 MIG Shares. If the maximum of 235 million MIG Consideration Shares and MIG Offer Shares are allotted, the existing 162,407,099 MIG Shares would represent 40.87% of the enlarged issued MIG share capital, assuming no MIG Consideration Shares would be issued to existing MIG Shareholders and no existing MIG Shareholders participate in the MIG Offer.

### **I&G**

The issued share capital of I&G as at the date of this document is 156,392,897 I&G Shares. If the maximum of 225 million I&G Consideration Shares and I&G Offer Shares are allotted, the existing 156,392,897 I&G Shares would represent 41.01% of the enlarged issued I&G share capital, assuming no I&G Consideration Shares would be issued to existing I&G Shareholders and no existing I&G Shareholders participate in the I&G Offer.

### **General**

The actual number of Consideration Shares issued by a Company will be calculated as set out in Part IV of this document and depend on the relative NAVs of the relevant Acquirer VCT and Target VCT, subject to the maximum number of 125 million MIG Consideration Shares and 140 million I&G Consideration Shares.

The actual number of Offer Shares issued by a Company will depend on the Offer Prices at which such shares are issued subject to the maximum number of 110 million MIG Offer Shares and 85 million I&G Offer Shares.

The issue premium on a Consideration Share and an Offer Share will be the difference between the issue price of that share and the nominal value thereof of 1.0p.

## 8. Directors' and other interests

### **MIG**

- 8.1. As at 17 June 2024 (this being the latest practicable date prior to publication of this document), the interests (including those of connected persons) of the MIG Directors and the MIG Proposed Directors in the issued share capital of MIG and MIG 2 are as follows:

Director	MIG Shares	% of MIG Share Capital	MIG 2 Shares	% of MIG 2 Share Capital
<b>Clive Boothman</b>	188,684*	0.12	-	-
<b>Lucy Armstrong</b>	-	-	-	-
<b>Bridget Guérin</b>	301,793**	0.19	23,250	0.02
<b>Ian Blackburn</b>	-	-	48,463	0.05
<b>Sarah Clark</b>	-	-	-	-
* including shares held indirectly by a pension scheme				
** including shares held by a connected person				

- 8.2. As at 17 June 2024 (this being the latest practicable date prior to publication of this document) save as disclosed above, no MIG Director, their family or any person connected to the MIG Director within the meaning of section 252 of CA 2006 has any interest in the share or loan capital of MIG which is or would,

immediately following the MIG Offer, be required to be notified pursuant to section 809 of CA 2006 or which is or would be required to be entered in the register maintained under section 809 of CA 2006.

- 8.3. None of the MIG Directors has a service contract, nor are any such contracts proposed. Clive Boothman was appointed as a director of MIG on 1 August 2015 under a letter of appointment dated 28 May 2015, which may be terminated on three months' notice. Bridget Guérin was appointed as a director of MIG on 1 July 2004 under a letter of appointment of even date, which may be terminated on three months' notice. Lucy Armstrong was appointed as a director of MIG on 1 March 2022 under a letter of appointment dated 31 January 2022, which may be terminated on three months' notice. The MIG Directors' appointments do not confer any right to hold office for any period nor any right to compensation if they cease to be directors. The total annual remuneration receivable by Clive Boothman as a director and as Chair of MIG is £43,000 (plus, if applicable, VAT and employers National Insurance Contributions). The total annual remuneration receivable by Bridget Guérin as a director is £31,500 (plus, if applicable, VAT and employers National Insurance Contributions). The total annual remuneration receivable by Lucy Armstrong as a director is £36,500 (plus, if applicable, VAT and employers National Insurance Contributions). The MIG Directors are entitled to reimbursement of reasonable expenses. Travel and other expenses that are recoverable from a Company may be considered benefits to its Directors. Where applicable, the associated tax liability will be settled by MIG.
- 8.4. Fees paid to the MIG Directors in respect of the financial year ended 31 December 2023 were, in aggregate, £111,000 as set out below:

<b>Director</b>	<b>Fees Paid in the Financial Year Ended 31 December 2023 (£)</b>
<b><i>Clive Boothman</i></b>	43,000
<b><i>Lucy Armstrong</i></b>	31,500
<b><i>Bridget Guérin</i></b>	36,500

Assuming the Merger is implemented, Bridget Guérin will retire as a director of MIG and Ian Blackburn and Sarah Clark will be appointed as directors of MIG. Their appointments will be pursuant to an appointment letter on similar terms as the current MIG Directors with an annual remuneration of £39,900 for Ian Blackburn and £36,750 for Sarah Clark. If the Merger is implemented, the annual remuneration receivable by Clive Boothman and Lucy Armstrong will be increased to £45,000 and £36,750 respectively.

- 8.5. Aggregate MIG Directors' emoluments for the current financial year assuming the Merger does not take place (and assuming that the accounting reference date is not changed to 30 September 2024 by way of a shortened accounting period) are expected to be £111,000 (excluding applicable employer's National Insurance Contributions and VAT). Aggregate MIG Directors' emoluments for the current financial year assuming the Merger does take place (and assuming that the accounting reference date is changed to 30 September 2024 by way of a shortened accounting period) are expected to be £95,100 (excluding applicable employer's National Insurance Contributions and VAT). None of the MIG Directors are entitled to receive pension benefits from MIG. MIG does not grant options over its share capital nor operate long-term incentive schemes for the benefit of MIG Directors.
- 8.6. Save as set out in paragraph 8.3 above, there are no potential conflicts of interest between any duties carried out on behalf of MIG by the MIG Directors and their private interests or other duties.
- 8.7. No MIG Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of MIG and which was effected by MIG in the years ended 31 December 2022 and 2023 or in the current financial year or which was effected in an earlier financial year and remains in any respect outstanding or unperformed.
- 8.8. No loan or guarantee has been granted or provided by MIG to or for the benefit of any of the MIG Directors.
- 8.9. MIG has taken out directors' and officers' liability insurance for the benefit of the MIG Directors, which is renewable on an annual basis.
- 8.10. The MIG Directors and the MIG Proposed Directors are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

<b>Director</b>	<b>Current</b>	<b>Past Five Years</b>
<b><i>Clive Boothman</i></b>	Carbooth Storage Limited	Investor Administration Solutions Limited
	D. Napier & Son Ltd	LCT Pensions Limited
	Mobeus Income & Growth VCT plc	Plato TCS Limited (dissolved)*
	Platform One Group Limited	Professional Partners Administration Limited
	Platform One Limited	Way Group Limited
	Platform One Nominee Limited	Way Investment Services Limited
	Plato Nominees Limited	Way Fund Managers Limited



		Way Trustees Limited
		Veteran Car Company Limited
<b>Lucy Armstrong</b>	Burlington Construction Materials Group Limited	Connect Health Limited
	Burlington Slate Limited	Connect Health Holdings Ltd
	Business Banking Resolution Service	Northumberland Rugby Football Union Limited
	Caspian Learning Limited (in liquidation)	Orchard Information Systems Limited
	Cyberhawk Holdings Limited	Therakind Limited
	Cyberhawk Innovations Limited	Tyneside Cinema
	Elterwater Firbank Holding Limited	
	Elterwater Firbank Limited	
	Energising Education (1) Limited	
	Everflow Telecoms Limited	
	Holker Holdings Limited	
	Inex Microtechnology Limited	
	Everflow Limited	
	Everflow Operations Limited	
	Everflow Tech Limited	
	Everflow Telecoms Limited	
	Mobeus Income and Growth VCT plc	
	North East Social Investment Community Interest Company	
	Northumberland County Rugby Ltd	
	Port of Tyne Authority	
	The Alchemists (Northern) Limited	
	The Derwent Initiative	
	The Drinkaware Trust	
<b>Bridget Guérin</b>	Beverley Race Company Limited (The)	Cantab UCITS Fund plc
	Invesco Perpetual UK Smaller Companies Investment Trust plc	Cantab Capital LTIP Limited (dissolved)*
	Mobeus Income & Growth VCT plc	Charles Stanley & Co. Limited
	STS Global Income & Growth Trust plc	Raymond James Wealth Management Limited (formerly Charles Stanley Group Limited)
	Troy Income & Growth Trust plc (in liquidation)	CCP Quantitative Fund
	York Racecourse Limited	GAM Systematic Global Equities (Cayman) Master Fund Limited
	York Racecourse Knavesmire LLP	GAM Capital (Cayman) Limited
		GAM Systematic Core Macro Master Fund
		Matrix Alternative Investment Strategies Fund Limited
		Matrix (Bermuda) Limited
		Matrix Structured Products Limited
		Miton UK Microcap Trust plc
	Schroder Income Growth Fund plc	
<b>Ian Blackburn (Proposed Director)</b>	Make It Plain Ltd (in administration)	
	Mobeus Income & Growth 2 VCT plc	
	Mood Foods Ltd	
	Slimline Wine Limited	
	The Rutland Learning Trust	
	Pink Prosecco Ltd	
<b>Sarah Clark (Proposed Director)</b>	66 Westbourne Terrace Limited	CFT Clear Finance Technology (UK) Limited (dissolved)*
	Gynaecology Cancer Research Fund	CFT UK Borrower I Limited
	Mobeus Income & Growth 2 VCT Plc	Trillium Consulting Services Ltd (dissolved)*
		Trillium Services Ltd (dissolved)*
		Trillium Strategy Ltd (dissolved)*

8.11. None of the MIG Directors or the MIG Proposed Directors have had any convictions in relation to fraudulent offences during the previous five years.

- 8.12. Save for those companies which have an asterisk next to their name in the table above, which are all companies that have voluntarily been struck off from the Register of Companies and further save as disclosed in this paragraph, there were no bankruptcies, receiverships, liquidations or administrations, of any companies where any of the MIG Directors or the MIG Proposed Directors were acting as (i) a member of the administrative, management or supervisory body, or (ii) a senior manager, for at least the previous five years:
- 8.12.1. Lucy Armstrong was appointed as a director of Caspian Learning Limited on 8 August 2015. The company was placed into members' voluntary liquidation on 28 February 2023. The commencement of the winding up began on 28 February 2023 and the declaration of solvency was sworn on 24 February 2023.
- 8.12.2. Bridget Guérin was appointed as a director of Troy Income & Growth Trust plc on 17 January 2023. The company was placed into members' voluntary liquidation on 27 March 2024 and the commencement of the winding up began on the same date.
- 8.12.3. Ian Blackburn was appointed as a director of Make it Plain Ltd on 18 December 2019. The company was placed into administration on 15 January 2024. The statement of administrators' proposals was filed on 24 January 2024 and notice of deemed approval of the administrators' proposals dated 7 February 2024 was filed on 8 February 2024. The administrators' proposals confirm that the business and assets of the company were sold shortly after the administrators' appointment and that it is anticipated that one secured preferential creditor will receive a small distribution, however, it is estimated that there will be insufficient funds available to make a distribution to secondary preferential creditors and unsecured creditors.
- 8.13. There have been no official public incriminations and/or sanctions of any MIG Director or any Proposed MIG Director by statutory or regulatory authorities (including designated professional bodies) and no MIG Director or MIG Proposed Director has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

## **I&G**

- 8.14. As at 17 June 2024 (this being the latest practicable date prior to publication of this document), the interests of the I&G Directors (including those of connected persons) are as follows:

<b>Director</b>	<b>I&amp;G Shares</b>	<b>% of I&amp;G Share Capital</b>	<b>MIG 4 Shares</b>	<b>% of MIG 4 Share Capital</b>
<b>Maurice Helfgott</b>	138,387	0.09	-	-
<b>Justin Ward</b>	102,201*	0.07	-	-
<b>Nemone Wynn-Evans</b>	24,424**	0.02	-	-
<b>Graham Paterson</b>	-	-	15,000**	0.01
* including Shares held by a connected person				
** including Shares held indirectly through a nominee				

- 8.15. As at 17 June 2024 (this being the latest practicable date prior to publication of this document) save as disclosed above, no I&G Director, their family or any person connected to the I&G Director within the meaning of section 252 of CA 2006 has any interest in the share or loan capital of I&G which is or would, immediately following the I&G Offer, be required to be notified pursuant to section 809 of CA 2006 or which is or would be required to be entered in the register maintained under section 809 of CA 2006.
- 8.16. None of the I&G Directors has a service contract, nor are any such contracts proposed. Maurice Helfgott was appointed as a director of I&G under a letter of appointment dated 3 February 2020, which may be terminated on three months' notice. Justin Ward was appointed as director of I&G on 12 November 2019 under a letter of appointment dated 25 October 2019, which may be terminated on three months' notice. Nemone Wynn-Evans was appointed as a director of I&G under a letter of appointment dated 1 November 2019, which may be terminated on three months' notice. The I&G Directors' appointments do not confer any right to hold office for any period nor any right to compensation if they cease to be directors. The total annual remuneration receivable by Maurice Helfgott as a director and as Chair of I&G is £49,000 (plus, if applicable, VAT and employers National Insurance Contributions). The total annual remuneration receivable by Justin Ward as a director is £40,000 (plus, if applicable, VAT and employers National Insurance Contributions). The total annual remuneration receivable by Nemone Wynn Evans as a director is £40,000 (plus, if applicable, VAT and employers National Insurance Contributions). The I&G Directors are entitled to reimbursement of reasonable expenses. Travel and other expenses that are recoverable from a Company may be considered benefits to its Directors. Where applicable, the associated tax liability will be settled by I&G.
- 8.17. Fees paid to the I&G Directors in respect of the financial year ended 30 September 2023 were, in aggregate, £120,758 as set out below:

<b>Director</b>	<b>Fees Paid/Payable in respect of the Financial Year Ended 30 September 2023 (£)</b>
<b>Maurice Helfgott</b>	48,500
<b>Justin Ward</b>	38,000
<b>Nemone Wynn-Evans</b>	34,258

Assuming the Merger is implemented, Graham Paterson will be appointed as a director of I&G. Such appointment will be pursuant to an appointment letter on similar terms as the current I&G Directors with an annual remuneration of £44,000.

- 8.18. Aggregate I&G Directors' emoluments for the current financial year assuming the Merger does not take place are expected to be £129,000 (excluding applicable employer's National Insurance Contributions and VAT). Aggregate I&G Directors' emoluments for the current financial year assuming the Merger takes place are expected to be £140,000 (excluding applicable employer's National Insurance Contributions and VAT). None of the I&G Directors are entitled to receive pension benefits from I&G. I&G does not grant options over share capital of I&G nor operate long-term incentive schemes for the benefit of the I&G Directors.
- 8.19. Save as set out in paragraph 8.16 above, there are no potential conflicts of interest between any duties carried out on behalf of I&G by the I&G Directors and their private interests or other duties.
- 8.20. No I&G Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of I&G and which was effected by I&G in the years ended 30 September 2022 or 30 September 2023 or in the current financial year or which was effected in an earlier financial year and remains in any respect outstanding or unperformed.
- 8.21. No loan or guarantee has been granted or provided by I&G to or for the benefit of any of the I&G Directors.
- 8.22. I&G has taken out directors' and officers' liability insurance for the benefit of the I&G Directors, which is renewable on an annual basis.
- 8.23. The I&G Directors and the Proposed I&G Director are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

<b>Director</b>	<b>Current</b>	<b>Past Five Years</b>
<b>Maurice Helfgott</b>	Amery Capital Limited	Ashworth and Parker Limited
	Me and Em Limited	B'nai B'rith Hillel Foundation
	Central British Fund For World Jewish Relief (The)	Brightpearl Limited
	First Wave I Limited	Goat Fashion Limited* (dissolved)
	Oliver Sweeney Group Limited	LTS2021 Limited
	Oliver Sweeney UK Limited	McFL Holdings Limited (dissolved)
	The Income & Growth VCT plc	Moss Bros Group Limited
		OS Realisations 2020 Limited (dissolved)
		Trismo UK Limited
		Unforgettable Trading Limited* (dissolved)
	World Jewish Relief (Trading) Limited	
<b>Justin Ward</b>	Hargreave Hale AIM VCT plc	Roehampton Club Limited
	School Explained Limited	Roehampton Club Members Limited
	The Income & Growth VCT plc	
<b>Nemone Wynn-Evans</b>	Good Energy Group plc	Coventry University Enterprises Limited
	Hinckley & Rugby Building Society	CU Services Limited
	Hinckley and Rugby Financial Services Limited	PeoplesFuture Limited
	Shepherds Friendly Society	The FutureLets Limited
	The Income & Growth VCT plc	
<b>Graham Paterson (Proposed Director)</b>	Baillie Gifford US Growth Trust plc	Berry Starquest Limited (dissolved)
	Datactics Limited	
	Diaceutics plc	
	GDP 1 Limited	
	Invesco Perpetual UK Smaller Companies Investment Trust plc	
	Plotbox Inc	
	Mobeus Income & Growth 4 VCT plc	
	Substantive Research Limited	
	Wemyss Development Company Ltd. The	

- 8.24. None of the I&G Directors or the I&G Proposed Director have had any convictions in relation to fraudulent offences during the previous five years.

- 8.25. Save for (if relevant) those companies which have an asterisk next to their name in the table above, which are all companies that have voluntarily been struck off from the Register of Companies and further save as disclosed in this paragraph, there were no bankruptcies, receiverships, liquidations or administrations, of any companies where any of the I&G Directors or the I&G Proposed Director were acting as (i) a member of the administrative, management or supervisory body, or (ii) a senior manager, for at least the previous five years:
- 8.25.1. Maurice Helfgott was appointed a director of Moss Bros Group Limited on 19 October 2010 and resigned on 11 June 2020. A corporate voluntary arrangement was approved on 15 December 2020 and completed on 31 March 2022. Maurice was also a director of OS Realisations 2020 Limited which was placed into administration on 14 July 2020. The final administrators' report for the period from 14 January 2022 to 12 July 2022 has been filed confirming that a 100p in the pound distribution was declared and paid to preferential creditors on 17 May 2022 and that a dividend of 1.42p in the pound on agreed claims was declared and paid to the non-preferential unsecured creditors on 8 July 2022. The administrators submitted a notice of move from administration to dissolution on 12 July 2022 and the company was subsequently dissolved on 20 October 2022. In addition, Maurice was a director of McFL Holdings Limited which was placed into administration on 30 November 2020. The final administrators' report for the period from 30 May 2022 to 29 July 2022 has been filed confirming that there were no preferential creditors in the company and that a distribution of the prescribed part of the company's net property (which had been ring-fenced under the relevant insolvency legislation) was paid to the unsecured creditors on 29 July 2022. There are insufficient assets to pay a dividend to the unsecured creditors other than by way of the prescribed part of the net property. The administrators submitted a notice of move from administration to dissolution on 29 July 2022 and the company was subsequently dissolved on 4 November 2022. Maurice was also appointed as a director of Goat Fashion Limited on 29 November 2018 before resigning on 25 November 2020. The company applied to the Registrar of Companies on 18 December 2023 for voluntary strike off and was subsequently struck off and dissolved on 12 March 2024. Finally, Maurice was appointed as a director of Unforgettable Trading Limited on 27 April 2017 before resigning on 7 June 2019. The Registrar of Companies gave notice of compulsory strike off on 11 January 2022. The company was struck off on 22 March 2022 and subsequently dissolved on 29 March 2022.
- 8.25.2. Graham Paterson was a director of Octopus 4 VCT plc which was placed into members' voluntary liquidation on 20 September 2018 and a declaration of solvency was sworn on 31 August 2018. A special resolution was then passed on 20 September 2018 for Octopus 4 VCT plc to be voluntarily wound-up under the IA 1986 and the company was subsequently dissolved on 10 March 2020. Graham was also a director of Berry Starquest Limited which applied to the Registrar of Companies on 2 December 2022 for voluntary strike off and was subsequently struck off and dissolved on 28 February 2023.
- 8.26. There have been no official public incriminations and/or sanctions of any I&G Director or the I&G Proposed Director by statutory or regulatory authorities (including designated professional bodies) and no I&G Director or the I&G Proposed Director has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.
- 8.27. The I&G Directors have individually entered into deeds of indemnity with I&G which indemnifies each I&G Director, subject to the provisions of CA 2006 and the limitations set out in each deed, against any liability arising out of any claim made against them in relation to the performance of their duties as I&G Directors.

## **9. Material Contracts**

### **MIG**

- 9.1. Save as disclosed in this paragraph, MIG has not entered, other than in the ordinary course of business, into any contract which is or may be material to MIG within the two years immediately preceding the publication of this document or into any contract containing provisions under which MIG has any obligation or entitlement which is material to MIG as at the date of this document.
- 9.1.1. An investment adviser's agreement dated 20 May 2010 (as first amended and restated on 9 November 2016) between MIG (1) and Mobeus (2), such agreement having been novated to Gresham House and further amended and restated pursuant to a deed of novation, adherence and amendment dated 10 September 2021 (having an effective date of 30 September 2021) between MIG (1), Mobeus (2), Gresham House (3), Gresham House Limited (formerly Gresham House plc) (4) and Gresham House Holdings Limited (5), pursuant to which Gresham House provides certain advisory investment management and administrative services to MIG. Under the agreement, Gresham House is permitted to procure services from the Gresham House Group in delivering its obligations to MIG.

The fees payable (quarterly in advance) to Gresham House are an amount equal to (i) 2% per annum of net assets plus (ii) an annual fixed fee of £120,000 subject to RPI increases (exclusive of VAT, if any). Further RPI increases were waived in 2013 until otherwise agreed with the MIG Board resulting in (ii) being an amount equal to £134,168.

The above fees are subject to an annual expenses cap of 3.6% of the net assets of MIG by way of a reduction of fees due to Gresham House in the following accounting period(s). For these purposes annual

expenses include the normal running costs of MIG (excluding irrecoverable VAT and exceptional items but including annual trail commission). The amount of any excess is borne in full by Gresham House.

Gresham House and the Gresham House Group may (subject to due disclosure to the MIG Board) retain, for their own benefit, arrangement or syndication fees, placing commissions, monitoring fees, directors' fees and/or similar sums which it receives in connection with any investment made by MIG, provided that the maximum amount of such fees and/or similar sums (other than directors' fees and monitoring fees) shall not exceed 2.5% of the funds provided for each such investment.

The agreement is terminable by either party on 12 months' notice subject to earlier termination by any party in the event of, inter alia, a party having a receiver, administrator or liquidator appointed or committing a material breach of the agreement or by MIG where Gresham House ceases to be authorised by the FCA or if there is a change in control of Gresham House and/or Gresham House Holdings Limited and/or Gresham House Limited.

The agreement contains provisions indemnifying Gresham House against any liability not due to its default, gross negligence, fraud or breach of FSMA.

Gresham House Holdings Limited (the parent company of Gresham House) and Gresham House Limited (the parent company of Gresham House Holdings Limited) have also provided a guarantee under the agreement in respect of the obligations of Gresham House.

This agreement will, subject to the approval by MIG Shareholders of Resolution 2 at the MIG General Meeting and the Merger being implemented, be amended pursuant to paragraph 9.1.6 below.

- 9.1.2. A performance incentive agreement dated 9 July 2004 between MIG (1) and Matrix Private Equity Partners Limited (2), which was novated to Mobeus pursuant to a novation agreement dated 20 October 2006 and as amended by a deed of variation dated 20 May 2010 and supplemented by a side letter dated 10 December 2014 and as further novated to Gresham House pursuant to a deed of novation, adherence and amendment dated 10 September 2021 (having an effective date of 30 September 2021) between MIG (1), Mobeus (2), Gresham House (3), Gresham House Limited (formerly Gresham House plc) (4) and Gresham House Holdings Limited (5), pursuant to which Gresham House is entitled to receive performance related incentive fees subject to achieving certain defined targets.

Gresham House is entitled to receive an annual performance-related incentive fee of 20% of the dividends paid in a year in excess of a 'Target Rate' comprising firstly, an annual dividend paid in a year target which started at 6p per MIG Share on launch (indexed each year for RPI) and secondly a requirement that any shortfall of cumulative dividends paid in each year beneath the cumulative annual dividend target is carried forward and added to the Target Rate for the next accounting period. Any excess of cumulative dividends paid above the cumulative annual dividend target is not carried forward, whether an incentive fee is payable for that year or not. Payment of a fee is also conditional upon the daily weighted average NAV per MIG Share throughout such year equaling or exceeding the daily weighted average base NAV per MIG Share throughout the same year. The performance fee is payable annually.

The agreement will terminate automatically if MIG enters into liquidation or if a receiver or administrator is appointed or if a resolution is passed that MIG is voluntarily wound up in accordance with the MIG Articles.

This agreement will, subject to the approval by MIG Shareholders of Resolution 2 at the MIG General Meeting and the Merger being implemented, be terminated and replaced pursuant to paragraph 9.1.7 below.

- 9.1.3. A brand licence dated 30 September 2021 between Mobeus (1), Gresham House Holdings Limited (2), Gresham House (3) and the Mobeus VCTs (4) pursuant to which Mobeus has granted a licence to the other parties to use the Mobeus brand (including trade marks, names, logos, branding and URLs) for a period of up to four years as transitional arrangements following the sale by Mobeus of its VCT business to Gresham House Holdings Limited. Use of the Mobeus brand is subject to compliance with the Mobeus brand guidelines.

- 9.1.4. The MIG Directors' appointment letters referred to in paragraph 8.3 above.

- 9.1.5. An offers agreement dated 18 June 2024 between MIG (1), I&G (2), the Directors (3), the Proposed Directors (4), Howard Kennedy (5) and Gresham House (6) whereby Gresham House has agreed to act as promoter in connection with the MIG Offer and Howard Kennedy has agreed to act as sponsor in connection with the MIG/MIG 2 Scheme Prospectus and the MIG Offer. The agreement contains customary warranties given by MIG, the MIG Directors and the MIG Proposed Directors, and an indemnity given by MIG to Gresham House and Howard Kennedy. The indemnities relate to any loss suffered by Gresham House or Howard Kennedy in respect of their roles as promoter and sponsor respectively which is customary in an agreement of this nature. MIG has agreed, subject to the passing of Resolution 2 to be proposed at the MIG General Meeting and the Offers being opened (which is conditional on the Merger becoming unconditional and being implemented), to pay Gresham House a fee of an amount representing 3.0% of the amount subscribed in respect of applications accepted under the MIG Offer, less an amount equal to (i) 0.5% of the amount subscribed in respect of investors who receive advice from a financial adviser other than in respect

of a Professional Client investor (and the application form is completed by the financial adviser on this basis), (ii) 0.5% of the amount subscribed where initial commission is waived by intermediaries in respect of applications from 'execution only' investors and Professional Client investors, (iii) 0.5% of the amount subscribed in respect of direct investors who are existing Shareholders in one or more of Enlarged Acquirer VCTs and (iv) any further amounts by which Gresham House agrees (at its discretion, but subject to not reducing Offer Costs to nil) to reduce its fees in respect of such applications, such amount being inclusive of VAT. In consideration of this fee, Gresham House will meet all costs, charges and expenses of or incidental to the MIG Offer (other than any amounts due from MIG to the investor in connection with the facilitation of initial financial adviser charges), including annual trail commission in respect of the MIG Offer. For these purposes 'Professional Client' means a client of a financial adviser where that adviser classifies the client as a professional client for the purposes of 3.5 of the Conduct of Business Sourcebook.

- 9.1.6. A deed of amendment dated 18 June 2024 between MIG (1) and Gresham House (2) pursuant to which, subject to the approval by MIG Shareholders of Resolution 2 at the MIG General Meeting and the Merger being implemented, the investment advisers' agreement referred to at paragraph 9.1.1 will be amended as set out below.

The appointment of Gresham House under the agreement will, subject to earlier termination as set out in paragraph 9.1.1 above, be subject to a new initial term of one year, following which it will revert to being terminable on 12 months' notice.

The part of Gresham House's fees stated as being an annual fixed fee of £120,000 subject to RPI increases and exclusive of, if any, VAT, (further RPI increases being waived in 2013 until otherwise agreed with the MIG Board resulting in this fee being an annual amount equal to £134,168) will be amended to an annual fixed fee post-Merger of £185,818 (subject to RPI increases, which will continue to be waived until otherwise agreed with the MIG Board).

The annual expenses cap of 3.6% of the net assets of MIG referred to in paragraph 9.1.1 will be reduced to 3.0% and, for these purposes, annual expenses will continue to mean the normal running costs of MIG, but excluding exceptional items, performance incentive fees and annual trail commission.

- 9.1.7. A performance incentive agreement dated 18 June 2024 between MIG (1) and Gresham House (2) pursuant to which, subject to the approval by MIG Shareholders of Resolution 2 at the MIG General Meeting and the Merger being implemented, the performance incentive agreement referred to at paragraph 9.1.2 above will be terminated and replaced with the Revised PIF, the terms of which are set out on pages 49 to 51 of this document.
- 9.1.8. A side letter dated 18 June 2024 from Gresham House to MIG pursuant to which, subject to approval by MIG Shareholders of Resolution 2 at the MIG General Meeting, Gresham House has agreed, in the event that MIG utilises its over-allotment facility, to reduce its management fees payable for the 12 month period commencing on the start of the first calendar quarter following the close of the MIG Offer under the agreement referred to at paragraph 9.1.1 above by an amount equal to 1.0% of any net funds raised by MIG under its over-allotment facility.
- 9.2. The following contracts will be entered into, subject, *inter alia*, to the approval by MIG Shareholders of Resolution 1 at the MIG General Meeting and the Merger becoming unconditional and being implemented.
- 9.2.1. A transfer agreement to be entered into between MIG (1) and MIG 2 (acting through the Liquidators) (2) pursuant to which all of the assets and liabilities of MIG 2 will be transferred to MIG (subject only to the consent required to transfer such assets and liabilities) in consideration for MIG Consideration Shares in accordance with Part IV of this document. The Liquidators will further agree under this agreement that all sale proceeds and/or dividends received in respect of the underlying assets and/or other rights of MIG 2 will be transferred on receipt to MIG as part of the MIG/MIG 2 Scheme. This agreement will be entered into as part of the MIG/MIG 2 Scheme and is subject to non-material amendments.
- 9.2.2. A deed of indemnity to be entered into between MIG (1) and the Liquidators (2) pursuant to which MIG will indemnify the Liquidators for expenses and costs incurred by them in connection with the MIG/MIG 2 Scheme. A liquidation fee has been agreed (including an amount representing contingency) and taken into account in the Merger calculations. This agreement will be entered into as part of the MIG/MIG 2 Scheme and is subject to non-material amendments.

## **I&G**

- 9.3. Save as disclosed in this paragraph, I&G has not entered, other than in the ordinary course of business, into any contract which is or may be material to MIG within the two years immediately preceding the publication of this document or into any contract containing provisions under which MIG has any obligation or entitlement which is material to MIG as at the date of this document.
- 9.3.1. An investment adviser's agreement dated 29 March 2010 (as amended and restated on 14 September 2016) between I&G (1) and Mobeus (2), such agreement having been novated to Gresham House and further amended and restated pursuant to a deed of novation, adherence and amendment dated 10 September 2021 (having an effective date of 30 September 2021) between I&G (1), Mobeus (2), Gresham House (3),

Gresham House Limited (formerly Gresham House plc) (4) and Gresham House Holdings Limited, pursuant to which Gresham House provides certain advisory investment management and administrative services to I&G. Under the agreement, Gresham House is permitted to procure services from the Gresham House Group in delivering its obligations to I&G.

The fees (payable quarterly in advance) to Gresham House are an amount equal to 2.4% of the net asset value per annum (0.4% of such fee being subject to a minimum of £150,000 and a maximum of £170,000 the remainder of such fee not being subject to any cap) of I&G (exclusive of VAT, if any).

The above fees are subject to an annual expenses cap of 3.25% of the net assets of I&G by way of a reduction of fees due to Gresham House in the following accounting period(s). For these purposes annual expenses include the normal running costs of I&G (including irrecoverable VAT but excluding exceptional items, annual trail commission and performance incentive payments). The amount of any excess is borne in full by Gresham House.

Gresham House and the Gresham House Group may (subject to due disclosure to the I&G Board) retain, for their own benefit, arrangement or syndication fees, placing commissions, monitoring fees, directors' fees and/or similar sums which it receives in connection with any investment made by I&G, provided that the maximum amount of such fees and/or similar sums (other than directors' fees and monitoring fees) shall not exceed 2.5% of the funds provided for each such investment.

The agreement is terminable by either party by 12 months' notice subject to earlier termination by any party in the event of, inter alia, a party having a receiver, administrator or liquidator appointed or committing a material breach of the agreement or by I&G where Gresham House ceases to be authorised by the FCA or if there is a change in control of Gresham House and/or Gresham House Holdings Limited and/or Gresham House Limited.

The agreement contains provisions indemnifying Gresham House against any liability not due to its default, gross negligence, fraud or breach of FSMA.

Gresham House Holdings Limited (the parent company of Gresham House) and Gresham House Limited (the parent company of Gresham House Holdings Limited) have also provided a guarantee under the agreement in respect of the obligations of Gresham House.

This agreement will, subject to the approval by I&G Shareholders of Resolution 2 at the I&G General Meeting and the Merger being implemented, be amended pursuant to paragraph 9.3.6 below.

- 9.3.2. A performance incentive agreement dated 30 September 2014 (effective from 1 October 2013 between I&G (1) and Mobeus (2), as novated to Gresham House pursuant to a deed of novation, adherence and amendment dated 10 September 2021 (having an effective date of 30 September 2021) between I&G (1), Mobeus (2), Gresham House (3), Gresham House Limited (formerly Gresham House plc) (4) and Gresham House Holdings Limited (5), pursuant to which Gresham House is entitled to receive performance related incentive fees subject to achieving certain defined targets.

Gresham House will receive a payment of amount equal to 15.0% of net realised gains for each year, payable in cash. It is payable only if cumulative NAV total return per I&G Share (this being the closing NAV per I&G Share as at a year end plus cumulative dividends paid per I&G Share to that year end, since 1 October 2013) exceeds a 'Target Return'. The Target Return is the greater of either:

- (i) compound growth of 6.0% per annum (but 5.0% per annum for the year ended 30 September 2014 only), in cumulative NAV total return per I&G Share; or
- (ii) the cumulative percentage change in the Consumer Prices Index since 1 October 2013 to the relevant financial year end, the resultant figure then being multiplied by  $(100+A)/100$ , where A is the number of full 12 month periods (or part thereof) that have passed between 1 October 2013 and the relevant financial year end (the result being that the cumulative increase in inflation is further uplifted to include a 1.0% above inflation increase per annum in the Target Return).

Both measures of Target Return are applied to the same opening base, being NAV per I&G Share as at 30 September 2013 of 113.90p. The objective of this Target Return is to enable I&G Shareholders to benefit from a cumulative NAV return of at least 6.0% per annum (5.0% in the financial year ended 30 September 2014), before any incentive fee is payable. Once a payment has been made, cumulative NAV total return is calculated after deducting past years' incentive fees paid and payable.

Under this agreement, any fee payments to Gresham House are subject to an annual cap of an amount equal to 2.0% of the net assets of I&G as at the immediately preceding year end. Any excess over 2% remains payable to Gresham House in the following year(s), subject again to the 2.0% annual cap in each subsequent year and after any payment in respect of such subsequent year(s).

This agreement will, subject to the approval by I&G Shareholders of Resolution 2 at the I&G General Meeting and the Merger being implemented, be terminated and replaced pursuant to paragraph 9.3.7 below.

- 9.3.3. A brand licence dated 30 September 2021 between Mobeus (1), Gresham House Holdings Limited (2), Gresham House (3) and the Mobeus VCTs (4) pursuant to which Mobeus has granted a licence to the other parties to use the Mobeus brand (including trade marks, names, logos, branding and URLs) for a period of up to four years as transitional arrangements following the sale by Mobeus of its VCT business to Gresham House Holdings Limited. Use of the Mobeus brand is subject to compliance with the Mobeus brand guidelines.
- 9.3.4. The I&G Directors' appointment letters referred to in paragraph 8.43 above.
- 9.3.5. An offers agreement dated 18 June 2024 between MIG (1), I&G (2), the Directors (3), the Proposed Directors (4), Howard Kennedy (5) and Gresham House (6) whereby Gresham House has agreed to act as promoter in connection with the I&G Offer and Howard Kennedy has agreed to act as sponsor in connection with the I&G/MIG 4 Scheme Prospectus and the I&G Offer. The agreement contains customary warranties given by I&G, the I&G Directors and the I&G Proposed Director, and an indemnity given by I&G to Gresham House and Howard Kennedy. The indemnities relate to any loss suffered by Gresham House or Howard Kennedy in respect of their roles as promoter and sponsor respectively which is customary in an agreement of this nature. I&G has agreed, subject to the passing of Resolution 2 to be proposed at the I&G General Meeting and the Offers being opened (which is conditional on the Merger becoming unconditional and being implemented), to pay Gresham House a fee of an amount representing 3.0% of the amount subscribed in respect of applications accepted under the I&G Offer, less an amount equal to (i) 0.5% of the amount subscribed in respect of investors who receive advice from a financial adviser other than in respect of a Professional Client investor (and the application form is completed by the financial adviser on this basis), (ii) 0.5% of the amount subscribed where initial commission is waived by intermediaries in respect of applications from 'execution only' investors and Professional Client investors, (iii) 0.5% of the amount subscribed in respect of direct investors who are existing Shareholders in one or more of the Enlarged Acquirer VCTs and (iv) any further amounts by which Gresham House agrees (at its discretion, but subject to not reducing Offer Costs to nil) to reduce its fees in respect of such applications, such amount being inclusive of VAT. In consideration of this fee, Gresham House will meet all costs, charges and expenses of or incidental to the I&G Offer (other than any amounts due from I&G to the investor in connection with the facilitation of initial financial adviser charges), including annual trail commission in respect of the I&G Offer. For these purposes 'Professional Client' means a client of a financial adviser where that adviser classifies the client as a professional client for the purposes of 3.5 of the Conduct of Business Sourcebook.
- 9.3.6. A deed of amendment dated 18 June 2024 between I&G (1) and Gresham House (2) pursuant to which, subject to the approval by I&G Shareholders of Resolution 2 at the I&G General Meeting and the Merger being implemented, the investment advisers' agreement referred to at paragraph 3.1.1 will be amended as set out below.
- The appointment of Gresham House under the agreement will, subject to earlier termination as set out in paragraph 9.3.1 above, be subject to a new initial term of one year, following which it will revert to being terminable on 12 months' notice.
- The part of Gresham House's fees stated as being an annual amount equal to 0.4% of the net assets of I&G (subject to a minimum of £150,000 and a maximum of £170,000) will be amended to an annual fixed fee post-Merger of £214,080 (subject to RPI increases, which will continue to be waived until otherwise agreed with the I&G Board).
- The annual expenses cap of 3.6% of the net assets of I&G referred to in paragraph 9.3.1 will be reduced to 3.0% and, for these purposes, annual expenses will continue to mean the normal running costs of I&G, but excluding exceptional items, performance incentive fees and annual trail commission.
- 9.3.7. A performance incentive agreement dated 18 June 2024 between I&G (1) and Gresham House (2) pursuant to which, subject to the approval by I&G Shareholders of Resolution 2 at the I&G General Meeting and the Merger being implemented, the performance incentive agreement referred to at paragraph 9.3.2 above will be terminated and replaced with the Revised PIF, the terms of which are set out on pages 49 to 51 of this document.
- 9.3.8. A side letter dated 18 June 2024 from Gresham House to I&G pursuant to which, subject to approval by I&G Shareholders of Resolution 2 at the I&G General Meeting, Gresham House has agreed, in the event that I&G utilises its over-allotment facility, to reduce its management fees payable for the 12 month period commencing on the start of the first calendar quarter following the close of the I&G Offer under the agreement referred to at paragraph 9.3.1 above by an amount equal to 1.0% of any net funds raised by I&G under its over-allotment facility.
- 9.4. The following contracts will be entered into, subject, *inter alia*, to the approval by I&G Shareholders of Resolution 1 at the I&G General Meeting and the Merger becoming unconditional and being implemented.
- 9.4.1. A transfer agreement to be entered into between I&G (1) and MIG 4 (acting through the Liquidators) (2) pursuant to which all of the assets and liabilities of MIG 4 will be transferred to I&G (subject only to the consent required to transfer such assets and liabilities) in consideration for I&G Consideration Shares in



accordance with Part IV of this document. The Liquidators will further agree under this agreement that all sale proceeds and/or dividends received in respect of the underlying assets and/or other rights of MIG 4 will be transferred on receipt to I&G as part of the I&G/MIG 4 Scheme. This agreement will be entered into as part of the I&G/MIG 4 Scheme and is subject to non-material amendments.

- 9.4.2. A deed of indemnity to be entered into between I&G (1) and the Liquidators (2) pursuant to which I&G will indemnify the Liquidators for expenses and costs incurred by them in connection with the I&G/MIG 4 Scheme. A liquidation fee has been agreed (including an amount representing contingency) and taken into account in the Merger calculations. This agreement will be entered into as part of the I&G/MIG 4 Scheme and is subject to non-material amendments.

## **10. Related Party Transactions**

### ***MIG***

Save for the entering into of (i) the offers agreement set out in paragraph 9.1.5 above (pursuant to which the maximum fee payable to the Investment Adviser thereunder of £1,350,000 would, before settlement of expenses in connection with the MIG Offer, represent 1.41% of MIG's audited net assets as at 31 December 2023 as shown in the MIG 2023 Annual Report), (ii) deed of amendment set out in set out in paragraph 9.1.6 above, (iii) the new performance incentive agreement set out in paragraph 9.1.7 above and (iv) the side letter set out in paragraph 9.1.8, each of which is subject to the passing of Resolution 2 at the MIG General Meeting, MIG has not entered into any related party transactions within the meaning of IFRS or UK GAAP since 31 December 2023 (the date to which the last financial statements published were made up to).

### ***I&G***

Save for the entering into of (i) the offers agreement set out in paragraph 9.3.5 above (pursuant to which the maximum fee payable to the Investment Adviser thereunder of £1,350,000 would, before settlement of expenses in connection with the I&G Offer, represent 1.17% of I&G's unaudited net assets as at 31 March 2024 as shown in the I&G 2024 Half-Yearly Report), (ii) deed of amendment set out in set out in paragraph 9.3.6 above, (iii) the new performance incentive agreement set out in paragraph 9.3.7 above and (iv) the side letter set out in paragraph 9.3.8, each of which is subject to the passing of Resolution 2 at the I&G General Meeting, I&G has not entered into any related party transactions within the meaning of IFRS or UK GAAP since 31 March 2024 (the date to which the I&G 2024 Half-Yearly Report was made up to).

## **11. Share Rights**

The following provisions apply to each of the Companies, mutatis mutandis, unless otherwise stated. References in this section to 'the Company' mean the relevant Company and references to 'Directors' or 'Board' mean the directors or board respectively of the relevant Company from time to time.

### **11.1. Voting**

#### **11.1.1. Method of Voting**

At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the provisions of CA 2006, a poll may be demanded by:

- (a) the chair of the meeting; or
- (b) at least five members present in person or by proxy having the right to vote on the resolution; or
- (c) a member or members present in person or by proxy representing not less than one tenth of the voting rights of all the members having the right to vote on the resolution; or
- (d) a member or members present in person or by proxy holding shares conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

### **11.2. Votes of members**

Subject to the provisions of CA 2006 and to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting every member who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall on a show of hands have one vote and on a poll shall have one vote for each share of which he is the holder.

### 11.3. Variation of class rights

#### 11.3.1. Sanction to Variation

- (a) Subject to the provisions of CA 2006, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles (but not otherwise).
- (b) The foregoing provisions shall apply also to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights of which are to be varied.

#### 11.3.2. Class meetings

All the provisions in the Articles as to general meetings shall mutatis mutandis apply to every meeting of the holders of any class of shares save that:

- (a) the quorum at every such meeting shall be not less than two persons holding or representing by proxy at least one third of the nominal amount paid up on the issued shares of the class;
- (b) every holder of shares of the class present in person or by proxy may demand a poll;
- (c) each such holder shall on a poll be entitled to one vote for every share of the class held by him; and
- (d) if at any adjourned meeting of such holders, such quorum as aforesaid is not present, not less than one person holding shares of the class who is present in person or by proxy shall be a quorum.

### 11.4. Transfer of Shares

#### 11.4.1. Form of transfer

Except as provided in paragraph 11.4.2 below, each member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board.

#### 11.4.2. Right to refuse registration

The Board may in its absolute discretion and without giving any reason refuse to register any share transfer unless:

- (a) it is in respect of a share which is fully paid up;
- (b) it is in respect of only one class of shares;
- (c) it is in favour of a single transferee or not more than four joint transferees;
- (d) it is in favour of a minor, bankrupt or person of mental ill-health;
- (e) it is duly stamped (if so required); and
- (f) it is delivered for registration to the Company's registered office, or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so, provided that such discretion may not be exercised in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

### 11.5. Dividends and other payments

#### 11.5.1. Declaration of dividends

Subject to the provisions of CA 2006 and the Articles, the Company may by ordinary resolution declare that out of profits available for distribution dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board.

### 11.5.2. *Interim dividends*

Subject to the provisions of CA 2006, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution and the position of the Company. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preference rights with regard to dividend as well as on shares conferring preferential rights unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer in consequence of the declaration or by the lawful payment of any interim dividend on any shares ranking after those with preferential rights.

### 11.5.3. *Entitlement to dividends*

- (a) Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly.
- (b) All dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.
- (c) The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

### 11.5.4. *Uncashed dividends*

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto by post are returned to the Company undelivered or left uncashed on two consecutive occasions the Company shall not be obliged to send any further dividends or other monies payable in respect of that share due to that person until they notify the Company of an address to be used for the purpose.

### 11.5.5. *Unclaimed dividends*

All dividends, interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

## 11.6. **Winding up**

On a winding-up, any surplus assets will be divided amongst the holders of each class of shares in the Company according to the respective number of shares held by them, subject to the rights of any shares which may be issued with special rights and privileges, in accordance with the Articles and/or CA 2006.

## 12. **Corporate Governance and Board Committees**

The following provisions apply to each of the Companies, mutatis mutandis, unless otherwise stated. References in this section to 'the Company' mean the relevant Company and references to 'Directors' or 'Board' mean the directors or board respectively of the relevant Company from time to time.

### **Corporate Governance**

#### ***AIC Code***

The Board adopts the Association of Investment Companies Code of Corporate Governance (AIC Code). The AIC Code addresses all principles set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Financial Reporting Council has confirmed that in complying with the AIC Code, the Company will meet its obligations in relation to the UK Code. The Board considers that reporting against the principles and recommendations of the AIC Code provides more relevant information to Shareholders.

As at the date of this document, the Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code except where noted below. There are certain areas of the UK Code that the AIC does not consider relevant to investment companies and with which the Company does not specifically comply, for which the AIC Code provides dispensation.

As an externally managed VCT, most of the Company's operations are delegated to third parties and the Company has no executive directors, employees or internal operations. The Board has therefore concluded, for the reasons set out in the AIC Guide, and explained in the UK Code, that the specific provisions of the UK Code that relate to the requirements for an internal audit function, the role of the chief executive, senior independent director and executive directors' pay are not relevant to the Company.

### ***Risk management***

The Board acknowledges that it is responsible for the Company's system of internal control and for reviewing its effectiveness. Internal control systems are designed to manage the specific needs of the Company and the risks to which it is exposed and can by their nature only provide reasonable and not absolute assurance against material misstatement or loss.

The system aims to ensure the maintenance of proper accounting records, the reliability of the financial information used for publication and upon which business decisions are made, and that the assets of the Company are safeguarded.

The financial controls operated by the Board include the authorisation of the investment strategy and regular reviews of the financial results and investment performance. The Board has put in place ongoing procedures for identifying, evaluating and managing the significant risks faced by the Company. As part of this process, an annual review of the control systems is carried out.

The review covers a consideration of the key business, operational, compliance and financial risks facing the Company and includes a review of the risks in relation to the financial reporting process. The Board reviews a schedule of key risks and the management accounts at each quarterly board meeting. Assisted by the Audit Committee, it carries out separate assessments in respect of the annual and half-yearly reports and other published financial information.

The Board has delegated, contractually to the Investment Adviser, the management of the investment portfolio, the day-to-day accounting, company secretarial and administration requirements and to City Partnership for the registration services.

### ***Board meetings and Directors' duties***

At least four formal Board meetings are scheduled every year and other meetings are held as necessary. All the Directors are equally responsible under the law for the proper conduct of the Company's affairs.

The Directors continue to have regard to the interests of the Company's Shareholders and other stakeholders, including the impact of its activities on the community, environment and the Company's reputation, when making decisions. The Directors, acting fairly and in good faith, consider what is most likely to promote the success of the Company for its members and stakeholders in the long-term.

The Board has agreed a schedule of matters specifically reserved for decision by the Board. These include compliance with the requirements of CA 2006 and ITA 2007, the FCA and the London Stock Exchange; strategy and management of the Company; changes relating to the Company's capital structure or its status as a plc; financial reporting and controls; board and committee appointments as recommended by the Nomination and Remuneration Committee and terms of reference of committees; considering Shareholder communications, material contracts of the Company and contracts of the Company not in the ordinary course of business. The Board has agreed that the Investment Adviser takes the initiative on most aspects of the Company's operations, under the guidance and formal approval of the Board.

The Board reviews annually and at other times, as and when necessary, the performance of the Investment Adviser, and the other service providers including the Auditor, VCT Status Adviser, Solicitor and Registrar. The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis and a formal review is conducted annually.

The length of service of all directors is considered on an ongoing basis, with the Nomination & Remuneration Committee giving consideration to succession and composition at its year-end meeting, in compliance with the AIC Code guidance. In accordance with the AIC Code, all Directors will offer themselves for re-election annually and the Board's succession planning is continual.

The AIC Code recommends that a company should have a policy on the tenure of the chairperson. The I&G Board have adopted compliance with the recommended nine year maximum tenure policy. The MIG Board is of the view that a term of service in excess of nine years is not in itself prejudicial to a director's ability to carry out their duties effectively, and from an independent perspective, the nature of each of their Company's business is such that an

individual director's experience and continuity of non-executive board membership can significantly enhance the effectiveness of their Company's Board as a whole. Each Board aims to include a balance of skills and experience that its Directors believe to be appropriate to the management of its Company.

### Board Committees

The membership of each Company's Board Committees and (where relevant) their key responsibilities are as set out below, including current arrangements and post-Merger arrangements.

#### MIG

Committee	Current Arrangements		Post-Merger	
	Chair	Other Members	Chair	Other Members
Audit Committee	Lucy Armstrong	Clive Boothman Bridget Guérin	Lucy Armstrong	Ian Blackburn Sarah Clark
Investment Committee*	N/A	N/A	Sarah Clark	Clive Boothman Lucy Armstrong Ian Blackburn
Nomination and Remuneration Committee	Bridget Guérin	Clive Boothman Lucy Armstrong	Ian Blackburn	Clive Boothman Lucy Armstrong Sarah Clark
Management Engagement Committee	Bridget Guérin	Clive Boothman Lucy Armstrong	Ian Blackburn	Clive Boothman Lucy Armstrong Sarah Clark

\* Will be established post-Merger.

Subject to implementation of the Merger, Ian Blackburn will also be appointed as the senior independent director.

#### I&G

Committee	Current Arrangements		Post-Merger	
	Chair	Other Members	Chair	Other Members
Audit Committee	Nemone Wynn-Evans	Maurice Helfgott Justin Ward	Nemone Wynn-Evans	Graham Paterson Justin Ward
Investment Committee	Justin Ward	Maurice Helfgott Nemone Wynn-Evans	Justin Ward	Maurice Helfgott Graham Paterson Nemone Wynn-Evans
Nomination and Remuneration Committee	Justin Ward	Maurice Helfgott Nemone Wynn-Evans	Graham Paterson	Maurice Helfgott Justin Ward Nemone Wynn-Evans
Management Engagement Committee*	N/A	N/A	Graham Paterson	Maurice Helfgott Justin Ward Nemone Wynn-Evans

\* Will be established post-Merger.

Subject to implementation of the Merger, Graham Paterson will also be appointed as the senior independent director.

#### Audit Committee

The key responsibilities of the Audit Committee are to review the valuation of investments, review the Company's internal control and risk management systems (including compliance with the VCT tests), review and monitor the integrity of the annual and half-yearly reports of the Company, and oversee the relationship with the external auditor (including appointment, terms, supply of non-legal services and independence). The committee meets bi-annually.

#### Investment Committee

The Investment Committee's key responsibilities are to consider and approve investment and divestment recommendations from the Investment Adviser. The committee meets frequently on an ad hoc basis as necessary to discuss and, if appropriate, to approve recommendations from the Investment Adviser. Where a Company does not currently have an Investment Committee, this review is carried out by its Board.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for making recommendations to the Board concerning new appointments of Directors to the Board and its committees; the periodic review of the composition of the Board

and its committees; and the annual performance review of the Board, the Directors and the Chair. The committee meets at least once a year.

### **Management Engagement Committee**

The Management Engagement Committee has responsibility for carrying out a review of the performance of the Investment Adviser and other key service providers on an annual basis. The committee meets at least once a year. Where a Company does not currently have a Management Engagement Committee, this review is carried out by its Board.

### **13. General Taxation**

The following paragraphs, which are intended as a general guide only and are based on current legislation and HMRC practice, summarise advice received by the Boards as to the position of the Companies' Shareholders who hold Shares other than for trading purposes. Any persons who are in any doubt as to their taxation position or may be subject to taxation in any jurisdiction other than the United Kingdom should consult their professional advisers.

- 13.1. Stamp duty and stamp duty reserve tax – the Companies have been advised that no stamp duty or stamp duty reserve tax will be payable on the issue of the Shares. The Companies have also been advised that the transfer of Shares will, subject to any applicable exemptions, be liable to ad valorem stamp duty at the rate of 0.5% of the consideration paid. An unconditional agreement to transfer such shares if not completed by a duly stamped stock transfer will be subject to stamp duty reserve tax generally at the rate of 50p per £100 (or part thereof) of the consideration paid.
- 13.2. Taxation of dividends – under current law, no tax will be withheld by the Companies when they pay a dividend.
- 13.3. Close company – each Board believes that its Company is not, and expects that following completion of the Merger and its Offer it will not be, a close company within the meaning of ITA 2007. If a Company was a close company in any accounting period, approval as a VCT for that Company would be withdrawn.

### **14. Overseas Investors**

The issue of Consideration Shares and/or Offer Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such Shareholders and potential investors should inform themselves about and observe any legal requirements, in particular:

- 14.1. None of the Consideration Shares or the Offer Shares have been or will be registered under the United States Securities Act 1933, as amended, or qualify under applicable United States state statute and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia or Japan.
- 14.2. None of the Companies are registered under the United States Investment Company Act of 1940, as amended and investors are not entitled to the benefits of that Act.
- 14.3. No offer is being made, directly or indirectly, in or into the United States, Canada or Japan, by the use of emails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) or interstate or foreign commerce, or of any facility in a national securities exchange. It is the responsibility of investors with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of Consideration Shares and/or Offer Shares including the obtaining of any government or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

### **15. Announcements**

Each Company regularly publishes announcements via the Regulatory Information Service and its website. Below is a summary of the information disclosed in accordance with its obligations under the Market Abuse Regulation (Regulation (EU) 596/2014 and as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019 over the last 12 months which are relevant as at the date of this Prospectus:

<b>MIG</b>	<b>I&amp;G</b>
On 18 September 2023, MIG announced its half-yearly results for the six month period ended 30 June 2023.	On 14 June 2023, I&G announced its half-yearly results for the six month period ended 31 March 2023.
On 28 February 2024, MIG, together with the other Mobeus VCTs, announced that they were in discussions to merge the four Mobeus VCTs into two.	On 8 November 2023, I&G announced that Justin Ward (an I&G Director) and his spouse had acquired 4,663 I&G Shares pursuant to the I&G dividend investment scheme.

On 15 April 2024, MIG announced its audited results for the financial year ended 31 December 2023.	On 15 January 2024, I&G announced its audited results for the financial year ended 30 September 2023.
On 20 May 2024, MIG announced its interim management statement for the quarter ended 31 March 2024.	On 28 February 2024, I&G, together with the other Mobeus VCTs, announced that they were in discussions to merge the four Mobeus VCTs into two.
	On 7 June 2024, I&G announced that Justin Ward (an I&G Director) and his spouse had acquired 4,127 I&G Shares pursuant to the I&G dividend investment scheme.
	On 12 June 2024, I&G announced its half-yearly results for the six month period ended 31 March 2024.

## 16. Other

- 16.1. Each Board acts, and will continue to act, independently of the Investment Adviser. No majority of the Board will be directors or employees of, or former directors or employees of, or professional advisers to, the Investment Adviser or any other company in the same group as the Investment Adviser.
- 16.2. None of the Companies have any employees or subsidiaries.
- 16.3. The Investment Adviser has and will have sufficient and satisfactory relevant experience in advising on investments of the size and type which the Companies propose to make. Each Board will also ensure that it and any additional or replacement investment adviser(s) have, and will continue to have, sufficient and satisfactory experience in advising on such investments.
- 16.4. Save as set out in this paragraph 16.4, there are no material potential conflicts of interest which any of the service providers to the Company may have as between their duty to the Company and their duties owed to third parties and/or their other interests.
- 16.4.1. The Investment Adviser's fees are based on a percentage of net assets and, therefore, there is an inherent potential conflict in the valuations it proposes in relation to investments. This conflict is managed by the valuation of investments being reviewed and approved by the relevant Board.
- 16.4.2. The Investment Adviser and the wider Gresham House Group is the investment adviser/manager both to each of the Companies and a number of other funds, including the Baronsmead VCTs with which the Companies co-invest. Allocation conflicts are managed by having an agreed allocation policy, further details of which are set out on page 48. The Investment Adviser currently manages 86 funds/sub-funds, which it is managing under delegation.
- 16.5. There are no governmental, legal or arbitration proceedings (including any such proceedings which are or were pending or threatened of which either Company is aware) during the 12 months immediately preceding the date of this document, in each case which may have, or have had, in the recent past, a significant effect on the relevant Company's financial position or profitability.
- 16.6. Save as set out in the first two risk factors under the heading 'Other Risks' on pages 12 and 13 of this document, there are no governmental, economic, monetary, political or fiscal policies and factors which have or could affect a Company's operations.
- 16.7. A Company's capital resources are restricted insofar as they may be used only in putting into effect the investment policy of the Company (the current investment policies being as set out on pages 46 and 47 of this document).
- 16.8. Each Company is subject to the investment restrictions relating to a Venture Capital Trust in ITA 2007 (as amended and supplemented from time to time), as more particularly detailed in Part B of Part XII of this document, and in the Listing Rules which specify that (a) a Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy (the current investment policies being as set out on pages 46 and 47 of this document); (b) a Company must not conduct any trading activity which is significant in the context of its group as a whole; and (c) a Company may not invest more than 10%, in aggregate, of the value of the total assets of that Company (at the time an investment is made) in other listed closed-ended investment funds.

Any material change to the investment policy of a Company will require the approval of that Company's Shareholders pursuant to the Listing Rules.

Each Company intends to direct its affairs in respect of each of its accounting periods so as to qualify as a venture capital trust and accordingly:

- (i) each Company's income is intended to be derived wholly or mainly from shares or other securities, as this phrase is interpreted by HMRC;
  - (ii) a Company will not control the companies in which it invests in such a way as to render them subsidiary undertakings;
  - (iii) none of a Company's investments, at the time of investment, will represent more than 15% by VCT Value of that Company's investments by VCT Value (including cash); and
  - (iv) not more than 20% of a Company's gross assets will at any time be invested in the securities of property companies.
- 16.9. Shareholders of a Company will be informed, by means of the half-yearly and/or annual report or through a Regulatory Information Service announcement, if the investment restrictions as described in paragraph 16.8 above are breached by that Company.
- 16.10. If, at any time, a Company's VCT status is lost, dealing in its shares and valuation of that Company's net asset value will normally be suspended, which will be communicated to its Shareholders through a Regulatory Information Service announcement until such time as proposals to continue as a VCT or to be wound up have been further announced. The Boards do not anticipate any other circumstance under which valuations may be suspended.
- 16.11. All Shareholders in a Company have the same voting rights in respect of the share capital of that Company. Each Company is not aware of any person who, directly or indirectly, exercises or could exercise control over the relevant Company, nor of any arrangements, the operation of which, may be at a subsequent date result in a change of control of that Company. No Company has any material Shareholders with different voting rights.
- 16.12. BDO LLP (a member of the Institute of Chartered Accountants in England and Wales) is the current auditor of the Companies. BDO LLP was appointed when the previous auditor of the Companies, PKF (UK) LLP, merged with BDO LLP. BDO LLP (and PKF (UK) LLP prior to its merger with BDO LLP) have been auditors of the Companies since launch. BDO LLP has been the auditor of MIG for 20 years (the maximum permitted without FRC dispensation). MIG has secured FRC dispensation to retain BDO LLP as its auditor for an additional year.
- 16.13. Howard Kennedy has given and not withdrawn its written consent to the issue of this document and the inclusion of its name and the references to it in this document in the form and context in which it appears.
- 16.14. In considering whether to make an investment in one or more of the Companies, prospective investors under the Offers should have regard to the following:

For the purposes of the Product Governance Requirements, the 'Target Market' is advised retail investors or investors who have prior knowledge and/or experience of VCTs or other tax-efficient investment products (such as the Enterprise Investment Scheme) who may be suitable to purchase direct or on an 'execution-only' basis, and in each case who may be seeking VCT reliefs and capable of bearing financial loss. Experience of direct investments in smaller quoted (for example FTSE 350) or AIM quoted or unquoted companies may also be relevant. An investment in one or more of the Companies may not be suitable for prospective investors who fall within the 'negative-target market'. For these purposes, please also note the following:

- Knowledge and experience: investing in listed investment funds, investing in single company shares, investing in high-risk or volatile assets, owning, running or holding a senior management position in business, previous investment in VCTs or (S)EIS or inheritance tax products, understanding of VCT rules and reliefs and understanding of limited liquidity products.
- Financial position and ability to bear loss: have an income tax liability, have utilised other tax-efficient vehicles (pensions and ISAs), is able to bear the loss of the entire capital invested and reduced liquidity and is willing to invest for the medium to long-term.
- Negative-target market: investors who are looking for capital protection and cannot afford, or have a low risk tolerance/capacity for significant investment loss, lack the requisite knowledge of, and are unable to comprehend the risks associated with, investing in VCTs or comparable products, have an investment horizon of less than five years and have not made full use of other tax-efficient ways of investing (for example making use of pensions and ISA allowances).
- Distribution channels: financial advisers and execution-only intermediaries who have previous experience of investing in VCTs or other tax-efficient products.



## **17. Use of the Prospectus**

The Companies, the Directors and the Proposed Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to the subsequent resale or final placement of securities by financial advisers and intermediaries, from the date of the Prospectus until the close or withdrawal of the Offers. Assuming the Offer opened, which is conditional on the Merger being implemented, each Offer will close for Applications on or before 26 March 2025. There are no conditions attaching to this consent. Financial advisers and intermediaries may only use the Prospectus in the UK.

**Information on the terms and conditions of the Offers will be given to investors by financial advisers and intermediaries at the time that the offer is introduced to investors. Any financial adviser or intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent and the conditions attached thereto set out in the above paragraph.**

## **18. Documents Available for Inspection**

Copies of the following documents will be available for inspection during normal business hours on Mondays, Wednesdays and Thursdays (public holidays excepted) from the date of this document until the offer closes at the offices of Gresham House, 80 Cheapside, London EC2V 6EE:

- 18.1. the articles of association of each of MIG and I&G;
- 18.2. the VCT Financial Statements;
- 18.3. the material contracts referred to in paragraph 9 above;
- 18.4. the consent referred to in paragraph 16.13 above; and
- 18.5. this document.

The documents listed above can also be accessed at the Companies' websites:

MIG: [www.migvct.co.uk](http://www.migvct.co.uk)

I&G: [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk)

18 June 2024

## PART XII: TAXATION

### PART A: TAX POSITION OF INVESTORS

#### Tax Reliefs

The following paragraphs apply to the Company and to persons holding Shares as an investment who are the absolute beneficial owners of such Shares and are resident in the UK. They may not apply to certain classes of persons, such as dealers in securities. The following information is based on current UK law and practice, is subject to changes therein, is given by way of general summary and does not constitute legal or tax advice.

If you are in any doubt about your position, or if you may be subject to a tax in a jurisdiction other than the UK, you should consult your independent financial adviser.

VCT tax reliefs in respect of an investment in Offer Shares will be dependent on personal circumstance. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000 (including shares purchased in the secondary market). Qualifying Investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.

The tax legislation of an investor's Member State and the Companies' country of incorporation may have an impact on the income received from Shares.

#### 1.1 Income Tax

##### (i) *Relief from income tax on investment*

A Qualifying Investor subscribing for VCT shares will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 invested in VCTs in any tax year.

The relief is given at the rate of 30% on the amount subscribed for VCT shares regardless of whether the Qualifying Investor is a higher rate, additional rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the Qualifying Investor's income tax liability to nil. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

##### (ii) *Dividend relief*

A Qualifying Investor, who acquires shares in VCTs (including through dividend reinvestment schemes) in any tax year costing up to a maximum of £200,000, will not be liable to income tax on dividends paid on those shares and there is no withholding tax thereon.

##### (iii) *Purchases in the market*

A Qualifying Investor who purchases existing VCT shares in the secondary market will be entitled to claim dividend relief (as described in paragraph 1.1(ii) above) but not relief from income tax on the investment (as described in paragraph 1.1(i) above).

##### (iv) *Withdrawal of relief*

Relief from income tax on a subscription for VCT shares will be withdrawn if the VCT shares are disposed of (other than between spouses or on death) within five years of issue or if the VCT loses its approval as a VCT within this period, as detailed below.

Dividend relief ceases to be available if the VCT loses its approval as a VCT within this period, as detailed below, or if shares are no longer owned by a Qualifying Investor.

#### 1.2 Capital Gains Tax

##### (i) *Relief from capital gains tax on the disposal of VCT shares*

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

##### (ii) *Purchases in the market*

An individual purchaser of existing VCT shares in the secondary market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph 1.2(i) above).

**(iii) Facilitation of adviser charges**

Where investors request an adviser charge to be facilitated, such investors will be due an entitlement from each relevant Company in which Offer Shares are allotted of an amount equal to the amount to be facilitated and this amount is then used to pay the adviser charge on behalf of the investor. HMRC's position on rebates out of sums paid by investors on subscribing for their shares for the purposes of facilitating adviser charges is that these reduce the base cost for the purposes of assessing capital gains on disposal. Since Qualifying Investors in VCTs are exempt from capital gains tax, this should not have any adverse tax effect. However, if a VCT bought back shares from the investor, the fact that the base cost is reduced could result in a larger income tax liability.

**1.3 Acquisition and Disposals of Shares in the Same VCT**

The disposal of existing shares in a VCT within six months before or after subscription (including a subscription of shares through a dividend reinvestment scheme) for new shares in the same VCT (or otherwise where the disposal and subscription is linked) will result in the amount of the investment in the new shares in the VCT to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

**1.4 Loss of VCT Approval**

For a company to be fully approved as a VCT, it must meet the various requirements as summarised on pages 99 and 100 of this document.

If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, income tax relief ceases to be available on any dividend paid in any accounting period ending after VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

**2. Illustration of the Effect of Tax Relief for Qualifying Investors**

The table below has been prepared for illustrative purposes only and does not form part of the summary of the tax reliefs contained in this section. The table shows how the initial tax reliefs available can reduce the effective cost of an investment (net of any facilitated adviser charge) of £10,000 in a VCT by a Qualifying Investor subscribing for VCT shares to £7,000:

	<b>Tax Relief</b>	<b>Effective Cost</b>
Investor unable to claim any tax reliefs	Nil	£10,000
Qualifying Investor able to claim full 30% income tax relief	£3,000	£7,000

The combined effect of the initial income tax relief, tax-free dividends and tax-free capital growth can substantially improve the net returns of an investor in a VCT.

**3. Obtaining Tax Reliefs**

The Company will provide to each Qualifying Investor a certificate which Qualifying Investors may use 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 claiming relief in their tax return.

**4. Investors not Resident in the UK**

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

**5. Tax Consequences of the Merger**

**5.1 Shareholders**

The implementation of the Merger should not affect the status of a Company as a VCT or the tax reliefs obtained by Shareholders on subscription of existing Shares. In respect of each Company, it is the intention of its Board to continue to comply with the requirements of ITA 2007 following completion of the Merger so that the Enlarged Acquirer VCT continues to qualify as a VCT.

## 5.2 Target VCT Shareholders

### **(i) Receipt by Target VCT Shareholders of Consideration Shares under the Scheme**

The effective exchange of existing Target VCT Shares for Consideration Shares should not constitute a disposal of the existing Target VCT Shares for the purposes of UK taxation. Instead, the new holding of Consideration Shares should be treated as having been acquired at the same time and at the same cost as the existing Target VCT Shares from which the Consideration Shares are derived. Any initial income tax relief obtained on subscription of the existing Target VCT Shares should not, therefore, be subject to clawback, but will be transferred to the Consideration Shares.

For Target VCT Shareholders holding (together with their associates) more than 5% of the shares in a Target VCT, clearance has been obtained from HMRC in terms of section 138 of TCGA 1992 that the treatment described above for persons who (together with their associates) own more than 5% of the shares in a Target VCT should also apply to them.

As shareholders in the Acquirer VCT post-Merger, Target VCT Shareholders should (subject to the Acquirer VCT maintaining status as a VCT) be afforded the usual tax reliefs available to qualifying shareholders in VCTs. Qualifying shareholders should continue to receive tax-free dividends and should not be subject to UK taxation on any capital gains on the disposal of Consideration Shares.

Although an Acquirer VCT will be required to pay UK stamp duty on the transfer to it of certain assets of the Target VCTs (which form part of the Merger costs being allocated to the Companies), no UK stamp duty or stamp duty reserve tax will be payable directly by Shareholders as a result of the implementation of the Merger (in particular, the issue to them of Consideration Shares).

### **(ii) Dissenting Target VCT Shareholders**

Dissenting Target VCT Shareholders whose holdings are purchased by the Liquidator shall be treated as having disposed of their existing Target VCT Shares.

If the dissenting Target VCT Shareholder disposes of the Target VCT Shares within the holding period required to retain upfront income tax relief, the income tax relief on those subscriptions will be subject to clawback. Any previous deferred capital gains on original subscription (relevant for VCT shares issued prior to 6 April 2004 only) will also become chargeable to capital gains tax.

In respect of disposal proceeds, the Target VCT should still be able to claim the benefit of VCT status whilst in liquidation under the VCT Merger Regulations and the dissenting Target VCT Shareholder should not be subject to any UK taxation in respect of any capital gains arising from the disposal.

### **(iii) Clearances**

Clearance has been obtained from HMRC in respect of the Schemes under section 701 of ITA 2007 and section 138 of TCGA 1992. With regard to the former, the receipt of Consideration Shares should not, except in the case of dealers, fall to be regarded as an income receipt for the purposes of UK taxation. Clearance has also been obtained from HMRC that the Schemes meet the requirements of the VCT Merger Regulations and, as such, the receipt by Target VCT Shareholders of Consideration Shares should not prejudice tax reliefs obtained by Target VCT Shareholders on existing Target VCT Shares and should not be regarded as a disposal (as set out above).

## **PART B: QUALIFICATION AS A VCT**

**The below is a summary only of the conditions to be satisfied for a company to be treated as a VCT.**

### **1. Qualification as a VCT**

To qualify as a VCT, a company must be approved as such by HMRC. To obtain such approval it must:

- (a) not be a close company;
- (b) have each class of its ordinary share capital listed on a regulated market;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 80% for accounting periods commencing 6 April 2019 (previously 70%) by VCT Value of its investments in shares and securities in Qualifying Investments, 70% of which must be in eligible shares (30% in respect of investments made on or before 5 April 2018 from funds raised before 6 April 2011);
- (e) have at least 10% by VCT Value of each Qualifying Investment in eligible shares;
- (f) not have more than 15% by VCT Value of its investments by VCT Value (including cash), at the time of making an investment, in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT);
- (g) not retain more than 15% of its income derived from shares and securities in any accounting period;
- (h) not make any non-Qualifying Investment other than those specified in section 274 of ITA 2007;
- (i) not, in respect of any share capital created on or after 6 April 2014 and any reserves created from the cancellation thereof, make any payment out of such share capital and reserves to shareholders within three years from the end of the accounting period in which that share capital was created;
- (j) not invest in a company or group which causes the company or group to receive more than £5 million (£10 million for 'knowledge intensive' companies) of state-aided investment in the 12 months ended on the date of that investment;
- (k) not invest in a company or group which causes that company or group to receive more than £12 million (£20 million for 'knowledge intensive' companies) of state-aided investment during its lifetime;
- (l) invest in companies where the first state-aided investment was within seven years of the first commercial sale in respect of the relevant trade (in respect of 'knowledge intensive' companies such period being ten years from the first commercial sale or, if the company so elects, ten years from the end of the accounting period in which the company revenues were greater than £200,000), save for in certain limited circumstances where the funds are to be used in connection with a new product or geographical market;
- (m) not permit the use of VCT funds by a company to acquire shares in another company, another business or trade or provide a return of capital to existing shareholders of that company; and
- (n) invest at least 30% of funds raised in an accounting period beginning on or after 6 April 2018 in Qualifying Investments within 12 months after the end of that accounting period.

Conditions (j) to (l) do not apply to investments in shares listed on a recognised stock exchange or to certain investment funds/vehicles.

### **2. Qualifying Investments**

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company, in each case satisfying the conditions set out in Chapters 3 and 4 of Part 6 of ITA 2007.

In relation to shares and securities:

- (a) for the purpose of paragraphs 1(d) and (e) above, to be 'eligible shares', the shares issued to the VCT must carry no preferential rights on a winding up and no rights to be redeemed (although they may have certain preferential non-cumulative rights to dividends, provided these are not discretionary); and
- (b) any loan made by the VCT must have a maturity period greater than five years must not be guaranteed and, in respect of loans made from 15 March 2018, may not be secured and must provide no more than a commercial rate of return on the principal.

The conditions relating to the investee company are detailed, but include the investee company:

- (i) having a permanent establishment in the UK (but the company need not be UK resident);
- (ii) being unquoted (for VCT purposes companies whose shares are traded on Aquis and AIM markets are considered to be unquoted, whilst shares in an unquoted company that subsequently becomes listed may still be regarded as a Qualifying Investment for a further five years following listing, provided all other conditions are met);
- (iii) carrying on a qualifying trade (for this purpose certain activities are excluded, such as dealing in land or shares or providing financial services);
- (iv) carrying on, or intending to carry on, the relevant trade (whether itself or by a qualifying subsidiary) at the time of the issue of shares or securities to the VCT (and at all times thereafter);
- (v) having no subsidiaries other than qualifying subsidiaries which must, in most cases, be at least 51% owned;
- (vi) commencing to trade within two years of the issue of shares or securities to the VCT and continuing to trade thereafter;
- (vii) not existing for a disqualifying purpose (e.g. for the purpose of accessing tax reliefs or being in substance a financing business);
- (viii) having objectives to grow and develop over the long-term (both generally and as referred to in the 'risk to capital condition' referred to below);
- (ix) having gross assets not exceeding £15 million immediately before and £16 million immediately after the investment;
- (x) applying the money raised for the purposes of a qualifying trade within certain time periods;
- (xi) not being controlled by another company;
- (xii) having fewer than 250 full-time (or full-time equivalent) employees (500 in the case of 'knowledge intensive' companies) at the time of the investment; and
- (xiii) meeting the conditions set out in paragraphs 1(j) to 1(m) above.

In addition, from 15 March 2018 there is a principles-based gateway test (the 'risk to capital' condition) which requires (i) the investee company having objectives to grow and develop over the long-term and (ii) the investment to carry a significant risk of losing more capital than the net return (including any tax relief).

### **3. Approval as a VCT**

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval.

A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, where a VCT raises further funds, VCTs are given grace periods to invest those funds before such further funds become subject to the tests.

Each of the Companies have obtained approval as a VCT from HMRC.

### **4. Withdrawal of Approval**

Approval of a VCT may be withdrawn by HMRC if the various tests set out above are not satisfied. The exemption from corporation tax on capital gains will not apply to any gain realised after the point at which VCT status is lost.

Withdrawal of approval generally has effect from the time when notice is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to no earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

### **5. Unlawful State Aid**

Where the European Commission believes that state aid has been provided prior to 1 January 2021 which is not in accordance with the Risk Finance Guidelines, it may require that the UK Government recovers that state aid. There is currently no definitive mechanism for this, but recovery may be from the investee company, the VCT and/or the VCT's shareholders and this may have an adverse effect on shareholder returns. From 1 January 2021, the requirement to recover unlawful state aid became within the remit of the UK Government (in compliance with its ongoing arrangements with the EU under the UK-EU Trade and Cooperation Agreement (TCA)). On 28 April 2022, the UK's Subsidy Control Bill received royal assent, becoming the Subsidy Control Act 2022, and which came fully into force on 4 January 2023. Although this now has a statutory footing, the interim regime based on the TCA remains applicable due to ongoing post-Brexit negotiations between the UK and the European Union. In

addition, certain provisions of the Subsidy Control Act 2022 are subject to the passing of further regulations and further amendment. Accordingly, it remains unclear the extent to which such new regime will affect the Company and VCTs in general.

A condition of the European Commission's State Aid approval of the UK's VCT scheme in 2015 was the introduction of a retirement date for the current scheme at midnight on 5 April 2025. This was passed into UK law through the Finance (No 2) Act 2015. If the relevant legislation is not renewed or replaced with similar or equivalent legislation before this date, investors issued with new VCT shares (whether through an offer or through a dividend reinvestment scheme) after 5 April 2025 would not be able to claim upfront VCT income tax relief in respect of such shares and further this may have an adverse impact on the continuation of a company as a VCT or it being able to raise further funds and/or meet its objectives in the future. After a series of statements by the UK Government in the course of 2022 and 2023 of its intention to extend the VCT scheme beyond 5 April 2025, it was formally announced by the Chancellor in the Autumn Statement on 22 November 2023 that the VCT scheme would be extended by secondary legislation for a further ten years to 5 April 2035. Finance Act 2024 includes provision for the VCT scheme to be extended to 5 April 2035. This will be subject to a Treasury Order being laid following EU approval being obtained for the continuation of the VCT scheme. It is not currently known whether the EU will require any changes to the VCT legislation as part of such approval and no date has been set for such approval.

## **6. Taxation of a VCT**

VCTs are exempt from corporation tax on chargeable gains. A VCT will be subject to corporation tax on its income (excluding dividends received from UK companies) after deduction of allowable expenses.

## PART XIII: OFFER TERMS AND PROCEDURES

### PART A: TERMS AND CONDITIONS OF APPLICATION

The following terms and conditions apply to all of the Offers (or each Offer as the context permits).

Save where the context otherwise requires, words and expressions defined in this document have the same meanings when used in these terms and conditions, the Application Procedures and the Application Form. Words importing one gender (where appropriate) include any other gender and words importing the singular shall (where appropriate) include the plural and vice versa. References to the Investment Adviser shall mean in its capacity as promoter to the Offers and/or in its capacity as investment adviser to the Companies (as the context requires).

The Application Procedures and the Application Form (including, for the avoidance of doubt, any revised or additional Application Form(s) made available by the Companies in connection with the Offers (including for online completion and submission)) form part of these terms and conditions.

- a) The Offers are conditional on the Merger being implemented. The Offers will be withdrawn if completion of the Merger does not occur. The amount to be raised by each Company is as follows: MIG: up to £35 million (with an over-allotment for up to a further £10 million) and I&G: up to £35 million (with an over-allotment for up to a further £10 million). A Board may utilise its Company's over-allotment facility in whole or part and at any time during the duration of its Offer depending on investor appetite and anticipated investment deployment. If a Board decides (in consultation with Gresham House) to utilise its Company's over-allotment facility, this will be advised through a RIS Announcement. The maximum number of Offer Shares to be issued by each Company in connection with its Offer is, as applicable, 110 million MIG Offer Shares and 85 million I&G Offer Shares. Each Offer will, subject to the Merger being implemented, open for Applications at 9.00 a.m. on 2 September 2024 and will close for Applications (unless fully subscribed earlier or otherwise at the discretion of the relevant Board) at 5.00 p.m. on 26 March 2025. Applications can be completed and submitted online using the online facility or using the separate Application Form which can be downloaded at <https://www.mobeusvcts.co.uk/vct-fundraising>, both of which will be only be available from 9.00 a.m. on 2 September 2024. The Companies reserve the right to make, on request, a paper Application Form available to their Shareholders prior to this time and date, however receipt (whether delivered by hand, post or email) will be deemed to be 9.00 a.m. on 2 September 2024 if received prior to this time and date.
- b) The contract created by the acceptance of an Application in respect of an Offer in the manner herein set out will (unless the Board of the relevant Company resolves otherwise) be conditional on admission to the Official List and to trading on the London Stock Exchange's market for listed securities in respect of the relevant Company's Offer Shares becoming effective. If an Offer is withdrawn or any Application in respect of an Offer is not accepted, or is accepted for a lower amount than applied for, or if there is a surplus of funds from the amount remitted or any contract created by acceptance does not become unconditional, the Application monies (or relevant balancing amount thereof) will (save where the amount is less than £1 in respect of a Company, in which case you authorise such amount to be paid to that Company and used for its own purpose) be returned (without interest) at the risk of the person(s) entitled thereto by bank transfer to the bank identified on the Application Form (subject to the completion of any identity verification requirements). In the meantime, Application monies will be retained by the Receiving Agent in a separate account.
- c) The right is reserved by each Company to retain documents of title and, if relevant, any surplus Application monies, pending clearance of successful Applicants' funds (including the minimum aggregate level of Application per Offer and the aggregate minimum level of Application(s) across all Offers).
- d) By completing and delivering an Application Form, you (as the Applicant) acknowledge that your Application is addressed to the relevant Company, the Investment Adviser and the Receiving Agent in respect of acceptance of these terms and conditions and further that you (as the Applicant), in respect of each Offer:
  - (i) irrevocably offer to subscribe for such number of Offer Shares as is determined by applying the Allotment Formula to the Application amount specified in your Application Form in respect of the relevant Company's Offer (or such lower amount for which your Application is accepted) subject to (i) the Prospectus, (ii) these terms and conditions, (iii) the Articles of the relevant Company and (iv) any document or information mentioned, and on the basis set out, in paragraph (k) below;
  - (ii) agree that, in consideration of the relevant Company agreeing to process your Application, your Application will not be revoked (save in accordance with 'withdrawal rights' under section 87Q of FSMA and Prospectus Regulation Rule 3.4.1 where a supplementary prospectus to the Prospectus is issued by the Companies), and that this paragraph constitutes a collateral contract between you and that Company, the Investment Adviser and the Receiving Agent which will become binding upon your or your agent's dispatch by post or transmission by electronic communication to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your duly completed Application Form;
  - (iii) agree that pending clearance of your Application monies transfer (i) you will not be entitled to receive documents of title in respect of the Offer Shares (nor shall your intermediary be entitled to any facilitation of any initial adviser charges or, as relevant, payment of any commission) or to enjoy or receive any rights or distributions in respect of such Offer Shares unless and until you make payment in cleared funds for such Offer Shares and such payment is accepted by a Company (which acceptance shall be in its absolute discretion and may be on the basis that you indemnify it and the Receiving Agent 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 (ii) that any documents of title, any Application monies returnable to you or monies payable to your intermediary may be retained pending clearance (and that such monies will not bear interest) and that, at any time prior to the unconditional acceptance by the relevant Company of such late payment, a Company may (without prejudice to its other rights) avoid the agreement to allot Offer Shares and facilitate



any initial adviser charges or payment of commission and may issue or allot Offer Shares to some other person, in which case you will not be entitled to any payment in respect of such Offer Shares, other than the refund of Application monies to you, at your risk, without interest;

- (iv) agree that any Application monies, together with other monies received from other Applicants, will be held on trust by the Receiving Agent for the purposes of either (i) payment for the Offer Shares allotted to you and/or (ii) the return to you (without interest) in circumstances where such payment(s) as referred to in (i) are not made (and in circumstances where (ii) applies, you acknowledge that interest earned on such monies will be paid to the relevant Company and used for its own purposes);
- (v) agree that any monies refundable to you may be retained by the Receiving Agent pending clearance of your remittance and any verification of identity which is, or which the Companies or the Receiving Agent may consider to be, required for the purposes of the Money Laundering Regulations and the Common Reporting Standard;
- (vi) agree to provide the relevant Company and/or the Receiving Agent with any information which either may request in connection with your Application and/or in order to comply with venture capital trust or other relevant legislation and/or the Money Laundering Regulations (as may be amended) and the Common Reporting Standard;
- (vii) authorise the Receiving Agent to send any monies returnable to you at your risk by way of bank transfer to the bank account identified on the Application Form (subject to the completion of any identity verification requirements);
- (viii) agree that, in respect of those Offer Shares for which your Application has been received and processed, and is not rejected, acceptance of your Application shall be constituted by inclusion in an allotment of Offer Shares to you in the relevant Company;
- (ix) authorise a Company's Registrar to send, as relevant, definitive documents of title for the number of Offer Shares for which your Application is accepted or procure that such Offer Shares are issued in uncertificated form where requested on the Application Form (at your risk) and further to procure that your name (or, where relevant, that of your nominee if requested on the Application Form) is placed on the register of members of that Company in respect of such Offer Shares;
- (x) irrevocably authorise the Receiving Agent and/or the Registrar and/or the relevant Company or any person authorised by any of them, as your agent, to do all things necessary to effect registration of any Offer Shares subscribed by or issued to you into your name (or, where relevant, the name of your nominee where requested on the Application Form) and authorise any representative of the Receiving Agent, the Registrar or the relevant Company to execute any document required;
- (xi) agree and acknowledge that, having had the opportunity to read the Prospectus, the Key Information Document relating to the relevant Company and any supplementary prospectus issued by the Companies and filed with the FCA, you are making your Application solely on the basis of the information and statements concerning the relevant Company and its Offer Shares contained in such documents and the latest publicly available financial information and RIS Announcements of the relevant Company, all of which you shall be deemed to have received and read (whether or not so read);
- (xii) confirm that in making such Application you are not relying on any information or representation in relation to the Company other than those contained in the Prospectus (including any supplementary prospectus issued by the Companies and filed with the FCA) and the Key Information Document relating to the relevant Company, and you agree that no person responsible solely or jointly for such documents or any part thereof or involved in the preparation thereof shall have any liability for any other information or representation relating to that Company or its Offer Shares or for any change in the law or regulations affecting venture capital trusts;
- (xiii) confirm and warrant that the information provided on the Application Form is true and accurate, confirm that any instructions thereon in relation to the facilitation of an initial adviser charge and irrevocably authorise the relevant Company and the Receiving Agent to make such payments from your investor entitlement;
- (xiv) confirm that you are not a US person as defined under the United States Securities Act of 1933, as amended, or a resident of Canada and that you are not applying for any Offer Shares with a view to their offer, sale, delivery to or for the benefit of any US person or a resident of Canada, and that you have reviewed the restrictions contained in paragraph (f) below and warrant compliance therewith (including that, in connection with your Application, you have observed the laws of all relevant 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 may or may result in any Company, the Investment Adviser or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offers or your Application);
- (xv) confirm and 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 Companies and Receiving Agent/Registrar immediately of any circumstances or changes whilst you are an applicant or a Shareholder that could impact this warranty;
- (xvi) confirm that you are an individual aged 18 or over;
- (xvii) declare that a loan has not been made to you or any associate which would not have been made, or would not have been made on the same terms, but for you offering to subscribe for, or acquiring, Offer Shares and

that the Offer 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;

- (xviii) warrant that, if you sign the Application Form on behalf of somebody else, you have due authority to do so on behalf of that other person, and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authority contained herein and undertake to enclose (where requested) your power of attorney or a copy thereof duly certified in ink by a solicitor or bank with the Application Form;
  - (xix) acknowledge that the information provided in connection with your Application will be provided to the Receiving Agent, the Investment Adviser (and its delegates) and the Registrar to process Applications and shareholding details and send notifications to you;
  - (xx) authorise each Company (as relevant), the Investment Adviser and the Receiving Agent (and their delegates) to provide information as provided by you or to you in connection with your Application to your intermediary detailed on your Application Form;
  - (xxi) where you have received advice in respect of your Application from a financial adviser, you (i) authorise the Company and the Investment Adviser (and their delegates and agents) to provide any information in relation to your ongoing investment in a Company, to such financial adviser (including any associated network or service provider) detailed on your Application Form (or other authorised financial intermediary, including any associated network or service provider, who may subsequently be engaged by you to provide advice in connection with your investment in a Company as notified to the relevant Company and/or the Investment Adviser from time to time), (ii) acknowledge that any such communication may be sent to your intermediary (including any associated network or service provider) prior to or, where requested, in place of, being sent to you in such form as may be agreed with such intermediary (including any associated network or service provider) and that such information may also be provided more frequently where agreed and (iii) authorise the Company and the Investment Adviser (and their delegates and agents) to accept instructions relating to your investment in a Company and changes to your personal details as provided by such intermediary (including any associated network or service provider), subject to such evidence and/or verification as the relevant Company and/or the Investment Adviser and/or their delegates and agents may request;
  - (xxii) acknowledge that the Receiving Agent and Investment Adviser are acting solely for the Companies and no-one else and will not be responsible to anyone other than the Companies for providing any advice in relation to the subject of this document and will not treat you (or, where relevant, your nominee) as its customer (and agree that neither the Receiving Agent or the Investment Adviser will regard you as its customer by virtue of you having made an Application for Offer Shares or by virtue of such Application being accepted);
  - (xxiii) acknowledge that the Companies, the Investment Adviser and/or the Receiving Agent (or their agents) may, if necessary, disclose information to HMRC and the IRS to satisfy their FATCA or CRS obligations or to other regulatory bodies if required, or considered obliged, to do so in accordance with any statute or regulation or by governmental, judicial and law enforcement bodies;
  - (xxiv) agree that these confirmations, warranties, undertakings and authority are made and given, and the Application Form is addressed, to the Companies (as relevant), the Investment Adviser and the Receiving Agent; and
  - (xxv) agree that all Applications, acceptances of Applications, instructions to facilitate any initial adviser charges, payments of commission and contracts resulting therefrom shall be governed by and construed in all respects 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 relevant Company (and its agents) to bring any action, suit or proceeding arising out of or in connection with any such Applications and acceptances of Applications, instructions to facilitate any adviser charges, any payments of initial commission and contracts in any other manner permitted by law or any court of competent jurisdiction.
- e) Each Company reserves the absolute right to inspect (either itself, through the Investment Adviser, the Receiving Agent or through other agents) all Application Forms, and may consider void and reject any Application Form that does not in the sole judgment of the relevant Company satisfy the terms and conditions of its Offer. If an Application Form is not completed or in the Company's determination (in its absolute discretion) has not been validly completed, provided that the Application Form is otherwise in order and is accompanied by the appropriate Application monies, the Application may be accepted as a valid Application in whole or in part at the Company's discretion.

The right is also reserved to treat as valid any application for Offer Shares not complying fully with these terms and conditions, or not in all respects complying with the Application Procedures. In particular, but without limitation, the Companies may accept applications made otherwise than by completion of an Application Form where the Applicant has agreed in some other manner to apply in accordance with, and be bound by, these terms and conditions and may, at its discretion, accept an Application and issue Offer Shares in respect of which payment is not received or cleared by the closing date of the Offer.

- f) No action has been, or will be, taken in any jurisdiction by, or on behalf of, a Company or the Investment Adviser which would permit a public offer of the Offer Shares in any jurisdiction where action for that purposes is required other than the UK, nor has any such action been taken with respect to the possession or distribution of the Prospectus, an Application Form or any other document of information mentioned in paragraph d) (xi) above other than in the UK. No person receiving a copy of the Prospectus, an Application Form or any other document of information mentioned in paragraph d) (xi) above in any territory other than the UK may treat the same as constituting an invitation or offer to them, nor should they in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to them or such Application Form could lawfully be used without contravention of any regulation or other legal requirements. It is the responsibility of any person outside the UK wishing to make an Application to satisfy themselves 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 required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

- g) The Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States. In addition, none of the Companies have been and will not be registered under the United States Investment Company Act of 1940, as amended. The Investment Adviser is not, and 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 United States.
- h) Multiple Applications under the Offers are permitted. Applications will be allocated as set out on pages 30 and 31 of the Prospectus. Applications under an Offer will be accepted on a 'first-come, first-served' basis, subject always to the discretion of the relevant Board. For these purposes 'first-come, first-served' shall be assessed based on the date and time of receipt of a fully completed Application, 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. If you or your financial intermediary submit a hard copy, scanned, or PDF Application, the Receiving Agent will manually enter your Application into the online facility (including recording the date/time of receipt of the offline Application) and send you a copy of the online submission by email or post for your review and written confirmation. Please note that only upon receipt of your written confirmation of the content of the online submission will the Receiving Agent process your Application. For confirmed Applications, the associated date and time of receipt shall be determined in accordance with the 'first-come, first-served' basis referred to above. An Application may not be considered as 'complete' until identity verification is completed and/or, where relevant, information or supporting evidence required for the Application remains outstanding. The right is reserved to reject in whole or in part and scale down and/or ballot any Application or any part thereof including, without limitation, Applications in respect of which any verification of identity which a Company or the Receiving Agent considers may be required for the purposes of the Money Laundering Regulations has not been satisfactorily supplied.
- i) Each Board currently envisages allotments to be undertaken in accordance with the expected allotment timetable on page 17 of the Prospectus. Allotment of Offer Shares in a Company may, however, be made more frequently at the discretion of the Board. The Board reserves the right to accept Applications and allot and arrange for the listing of Offer Shares as it sees fit. Allotments of Offer Shares will also be subject to the relevant Company having the requisite authorities from its Shareholders from time to time. An Offer shall be suspended if the issue of such Offer Shares would result in the breach of the Prospectus Regulation Rules and/or the Listing Rules of the FCA or any other statutory provision or regulation applicable to the relevant Company. Each Board in its absolute discretion may decide to close or suspend its Offer at any time.
- j) Following allotment, the Receiving Agent will send a letter to each successful Applicant showing the number of Offer Shares allotted in each relevant Company. Dealing may commence before such notification. Temporary documents of title will not be issued. Dealings prior to the issue of certificates, if applicable, for Offer Shares will be at the risk of investors. A person so dealing must recognise the risk that an Application may not have been accepted to the extent anticipated or at all. An Offer cannot be withdrawn after dealings in the Offer Shares have commenced.
- k) Initial and annual trail commission will only be paid to intermediaries by the Investment Adviser in respect of 'execution only' investors or Professional Client investors. Such intermediaries will, to the extent permitted under legislation and regulations, receive initial commission at a rate of 0.5% of their client's Investment Amount under the Offers. In addition, and to the extent permitted under legislation and regulations, such intermediaries will normally also be entitled to annual trail commission of 0.5% of the Investment Amount. Trail commission is limited to five years and subject to a cumulative trail commission cap of 2.5% of the Investment Amount, their client continuing to hold their Offer Shares and the client not subsequently receiving advice from the intermediary. Confirmation that no advice has been given to the Applicant or that the Applicant has been classified as a Professional Client must be provided on the Application Form. For the avoidance of doubt, initial and annual trail commission will not be payable where (other than in respect of a Professional Client) financial advisers have provided advice, though initial financial adviser charges may be facilitated as referred to below, or if the client disposes of his Offer Shares.

Any initial commissions will be paid out of the Offer Costs. Annual trail commission will be paid by Gresham House. Annual trail commission will be paid annually by Gresham House in January each year (the first such payment in relation thereto being in January 2025). The administration of annual trail commission will be managed by Gresham House which will maintain a register of intermediaries entitled to trail commission.

Intermediaries should keep a record of Application Forms submitted bearing their stamp or full address details to substantiate any claim for initial commission.

The Receiving Agent will process and calculate any initial commission payable which will be paid (typically within three to five Business Days) following allotment of Offer Shares to such intermediary's client.

Intermediaries may agree to waive all of the initial commission offered by the Investment Adviser in respect of an 'execution only' investor's or Professional Client investor's Application. The Investment Adviser has agreed to reduce its fee by an amount equal to the initial commission if it is waived, which will be applied through the Allotment Formula as a reduction in the amount of Offer Costs and will, therefore, increase the number of Offer Shares to be allotted to the investor.

Investors and intermediaries should note that trail commission is not payable if an 'execution only' intermediary subsequently then gives advice in respect of the investor's holding in the relevant Company or if the intermediary subsequently de-classifies the investor as a Professional Client. It is the responsibility of the investor and the intermediary to notify the relevant Company and/or Gresham House as soon as possible if trail commission payments for this (or for any other reason) must cease (though Gresham House also reserves the right to cease payments if it believes, in its absolute discretion, that payments should cease).

In respect of existing trail commission arrangements to intermediaries, such payments will continue (to the extent permitted under legislation and regulations), but not if subsequent financial advice in respect of the holding is given.

As a result, should a Shareholder in a Company decide to seek financial advice from their existing execution only intermediary in respect of participating in that Company's Offer, any trail commission which is currently being paid to that intermediary pursuant to an existing holding in that Company must cease and the Investment Adviser and/or the relevant Company should be notified accordingly.

- l) The Companies will, through the Receiving Agent, provide facilitation services in respect of any initial financial adviser charges agreed between an investor and their financial adviser. The maximum amount to be facilitated will be 4.5% of the Investment Amount (to be allocated proportionately against each Offer for which an Application is accepted unless special instructions are stated on the Application Form). Any amount to be facilitated will be applied through the Allotment Formula as an increase in the amount of Offer Costs and will, therefore, decrease the number of Offer Shares to be allotted to the investor. Initial financial advisers charges will be paid (typically within three to five Business Days) following allotment of Offer Shares to such adviser's client.

Such investors will be due an entitlement from each relevant Company in which Offer Shares are allotted up to an amount equal to the amount to be facilitated from which such adviser charge will be paid on behalf of the investor. The investor entitlement may not be taken by the investor as a cash payment and is made available solely for the purposes of facilitating the adviser charge. If the initial adviser charge agreed between the investor and the financial adviser is greater than the maximum amount agreed to be facilitated by the Companies, then the investor will need to make such additional payment direct to their financial adviser. The charging of VAT on an initial financial adviser charge is the sole responsibility of the financial adviser. Should any facilitated initial charge undertaken by the Receiving Agent exclude the payment of any such VAT, the investor will, at all times, remain solely responsible to make up such VAT deficit (if any) to the adviser.

If the investor and financial adviser agree that an initial charge is to be facilitated by the Receiving Agent, the Application Form must be countersigned by the financial adviser to confirm (i) that the facilitation amount has been agreed and (ii) that the financial adviser has read and agrees to be bound by the terms and conditions of the relevant Offers.

Initial adviser charges will only be facilitated if, and to the extent, they are permitted under legislation and regulations.

- m) The Investment Adviser may (at its discretion) agree to reduce its fee (in whole or part) of 3.0% of the Investment Amount in respect of any specific investor or group of investors for the benefit of such investors. The Investment Adviser has agreed to reduce its fees by an amount equal to (i) 0.5% of the Investment Amount in respect of investors who receive advice from a financial adviser other than Professional Client investors (and the Application Form is completed by the financial adviser on this basis), (ii) 0.5% of the Investment Amounts where initial commission is waived by intermediaries in respect of Applications from 'execution only' investors and Professional Client investors, and (iii) 0.5% of the Investment Amounts in respect of direct investors who are existing Shareholders in one or more of the Companies and less (iv) any further amounts by which Gresham House agrees (at its discretion, but subject to not reducing Offer Costs (as defined in the Prospectus) to nil) to reduce its fees in respect of such applications. The determination as to whether an Applicant is an existing Shareholder in any one or more of the Companies will be at the discretion of the relevant Board(s) and the Investment Adviser. If the Applicant is a beneficial shareholder, whilst the relevant Board(s) and Investment Adviser shall be entitled to request additional supporting information to confirm that the Applicant is a beneficial shareholder, they shall be entitled to rely on the Applicant's confirmation that they are an existing Shareholder on the Application Form. These reductions will be applied through the Allotment Formula as a reduction in the amount of Offer Costs and will, therefore, increase the number of Offer Shares to be allotted to the investor.

- n) The Companies reserve the right to publish and/or make available revised and/or additional Application Forms from time to time. Applicants and their financial intermediaries should, therefore, check when completing an Application Form that no subsequent version has been published or made available by the Companies (which will be downloadable from <https://www.mobeusvcts.co.uk/vct-fundraising>).

The Companies further reserve the right to provide editable PDF Application Forms or an Application Form which can be completed online. Such Application Forms must either include an electronic signature for the Applicant (and, if relevant, the intermediary) or have the Applicant's name (and, if relevant, the financial intermediary's name) stated in full within the signature box. The submission of such Application Forms to the Companies and/or the Receiving Agent by or on behalf of an Applicant (and, if relevant, the intermediary) shall constitute confirmation by the Applicant (and, if relevant, the intermediary) of agreement to these terms and conditions (and any additional terms and conditions stated on such PDF Application Forms or online Application Form).

The Companies reserve the right to make the Offers available via one or more platforms (subject to information being received in respect of any Applicant and the intended underlying beneficial holder of Offer Shares as may be requested by or on behalf of the Companies).

- o) The Companies, the Investment Adviser and the Receiving Agent respect your privacy and are committed to protecting your personal information. If you would like to find out more about how they use and look after your personal information, please refer to their privacy notices, which can be found at:
- The Companies and the Investment Adviser: <https://www.mobeusvcts.co.uk/gresham-house-privacy-policy>.
  - The City Partnership (UK) Limited: <https://www.city.uk.com/privacy.html>

You have certain rights in relation to your personal information, including the right to receive a copy of the information held about you. For more details, please see the privacy notices referred to above.

- p) The Companies may, in their absolute discretion, make non-material amendments to these terms and conditions without giving notice to Applicants.

## PART B: APPLICATION PROCEDURES

Before making an Application, investors should consider whether to (i) consult an independent financial adviser authorised under FSMA, (ii) submit their Application through an 'execution only' intermediary or (iii) apply directly. Further information in respect of the different ways to apply is shown in Part V of this document.

The Offers are open to existing Shareholders and new investors. The Offers are conditional on the completion of the Merger.

Applications can be completed and submitted online using the online facility (please refer to the instructions at <https://www.mobeusvcts.co.uk/vct-fundraising> or contact the Receiving Agent, The City Partnership (UK) Limited on 01484 240 910 or by email at [mobeusvcts@city.uk.com](mailto:mobeusvcts@city.uk.com)) or using the separate Application Form which can be downloaded at <https://www.mobeusvcts.co.uk/vct-fundraising>, both of which will be only be available from 9.00 a.m. on 2 September 2024.

The Companies encourage investors to use the online Application facility and bank transfers to reduce their carbon footprint and, as the Offers may fill up quickly, from a speed of processing perspective.

### Application Deadlines

The Offers will, subject to the Merger being implemented, open for Applications at 9.00 a.m. on 2 September 2024 and will close for Applications (unless fully subscribed earlier or otherwise at the discretion of the relevant Board) at 5.00 p.m. on 26 March 2025.

Each Board currently envisages four allotments of Offer Shares on or around 1 October 2024, 7 November 2024, 5 February 2025 and 2 April 2025 (or, if earlier, following full subscription). Allotment of Offer Shares may, however, be made more or less frequently at the discretion of the relevant Board.

Applications under an Offer will be accepted on a 'first-come, first-served' basis, subject always to the discretion of the relevant Board. For these purposes **'first-come, first-served' shall be assessed based on the date and time of receipt of a fully completed Application, 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 may not be considered as 'complete' until identity verification is completed and/or, where relevant, information or supporting evidence required for the Application remains outstanding.

### Offline Applications

If you or your financial intermediary submit a hard copy, scanned, or PDF Application, the Receiving Agent will manually enter your Application into the online facility (including recording the date/time of receipt of the offline Application) and send you a copy of the online submission by email or post for your review and written confirmation. Please note that only upon receipt of your written confirmation of the content of the online submission will the Receiving Agent process your Application. For confirmed Applications, the associated date and time of receipt shall be determined in accordance with the 'first-come, first-served' basis detailed above.

### Nominee Applications

If you are a nominee applying on behalf of beneficial owners, please complete and submit an Application Form for each beneficial owner with the relevant nominee details (CREST or otherwise) in Section 5.

Subject to the number of beneficial owners within the nominee, the Receiving Agent may configure an online application form pre-filled with the nominee's details to expedite the application process. Nominees should contact the Receiving Agent regarding the remittance of the associated subscription monies to ensure compliance with the Offer's Money Laundering Notice.

### Tracking the Status of Your Application Form & Application Monies

In addition to email/post communications from the Receiving Agent concerning receipt of your Application and associated monies, you may use the Receiving Agent's online tracking service to track the status of your Application Form and download a PDF copy of your Application Form.

For any Offer Shares for which your Application is accepted, the Receiving Agent will issue an email notification concerning the availability of the associated allotment letter and income tax relief certificate for download via the online tracking service within three Business Days following the allotment. The Receiving Agent will issue the associated allotment correspondence by post within ten Business Days following the allotment for Applicants who do not provide an email address. The Registrar will issue the related share certificate (where applicable) by post within ten Business Days following the allotment.

The Receiving Agent's online tracking service is at <https://cityora.uk/offers/mob-2425/tracking>.

To access the service, you need to provide (i) your unique Application reference number (starting "MOB-2425"), which will be noted on the Receiving Agent's correspondence to you, (ii) your date of birth, and (iii) your National Insurance number or Unique Taxpayer Reference, as provided in your Application Form.

### **Administrative Queries**

If you have any questions regarding the completion and return of the Application Form or any other administrative queries, please contact the Receiving Agent, The City Partnership (UK) Limited, on 01484 240 910 (Monday to Friday, excluding English public holidays, 9.00 am - 5.30 pm) or by email at [mobeusvcts@city.uk.com](mailto:mobeusvcts@city.uk.com). Calls are charged at the Standard Geographic Rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Please note that The City Partnership (UK) Limited cannot provide any financial, legal or tax advice.

**The Receiving Agent kindly asks Applicants and their financial intermediaries to refrain from ad-hoc requests to confirm the receipt of Applications or associated monies. The Receiving Agent will issue the relevant acknowledgement correspondence (by email or post) once the Application Form and monies are processed.**

HMRC may inspect this form. Please note that it is a serious offence to make a false declaration.

### **How to complete the Application Form**

**Sections 1 – 6 of the Application Form may be completed by the Applicant, the Applicant's financial intermediary, or an individual on behalf of the Applicant who is authorised to do so.**

#### **Section 1 – Financial Intermediary Firm**

Please tick the box if a financial intermediary firm is associated with the Application. If the financial intermediary firm is associated with a network or service provider/platform, please tick the relevant box, or enter the name of the network or service provider in the box provided.

#### **Section 2 – Applicant Details**

Please provide your full name, date of birth, current address, previous address (if you have been at your current address for less than three years), email address (if you have one), telephone number, National Insurance number (NINo) (if you have one), Unique Taxpayer Reference (if you do not have a NINo) and non-UK tax residency details (if any).

If you are a US Citizen please tick the associated box. A US Citizen is 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.

The Applicant must be the intended beneficial owner of the Offer Shares (please do not use a nominee name as this may jeopardise entitlement to VCT tax reliefs). If you would like Offer Shares to be issued directly to a nominee and/or into CREST, please also complete the relevant sections in Section 5.

The Companies are legally required to collect information about the tax residency and classifications of new Shareholders which may be shared with HMRC.

If you're an existing Shareholder in a Company, please provide your shareholder reference (CIN) or the name of the nominee in which you hold Shares in that Company. You can find your CIN on shareholder documentation issued by the Registrar, or by logging into your Investor Hub (Hub) account for the relevant Company. The Registrar will also use your CIN and/or other personal details to identify whether you are an existing Shareholder and, where identifiable, add your Offer Shares to your existing shareholding account in the relevant Company.

If you would like to register for the Hub, please go to <https://gresham-house-vcts.cityhub.uk.com/> and click on 'Register'. If you require any assistance, please contact the Registrar, The City Partnership (UK) Limited, on 01484 240910 (Mon – Fri, 9 am – 5.30 pm, excluding English public holidays) or at [mobeusvcts@city.uk.com](mailto:mobeusvcts@city.uk.com).

We appreciate that providing this information may require additional work on your part; however, our reason for asking is to avoid duplicate entries in the register and, thereby, avoid sending you duplicate copies of communications.

It is important that this section of the Application Form is completed clearly and accurately, as the Receiving Agent will send Application acknowledgement correspondence (by email or post) to the address details in this section. If the Application is successful, the Registrar will enter the name and address from this section onto the relevant Company's register and on the associated tax and share certificates.

#### **Section 3 – Application Amount**

Please insert the amount of money (whole pounds sterling) you wish to subscribe for Offer Shares in each Company. The total Application amount must be for a minimum value of £6,000 (**including** any initial adviser charge to be

facilitated) and the amount you subscribe to each Company's individual Offer must be for a minimum of £3,000. Applications must be for a whole amount of pounds. Income tax relief is available on the total Application Amount **including** any initial adviser charge to be facilitated.

**If the Offer for the Company for which you have applied has closed, or is deemed closed, at the time your Application Form is processed, then your Application for that Offer will automatically be allocated to the other Offer (subject to that Offer remaining open and to the extent possible).** If you do not want this to happen, please tick the box under "Re-allocation/ Return Instructions".

If both Offers have closed, or are deemed to have closed, by the time your Application Form is received, then the total amount of your Application will be returned to you.

The maximum aggregate investment in Venture Capital Trusts (including shares issued under a dividend reinvestment scheme) on which tax reliefs are available is £200,000 per tax year.

The Finance Act 2014 which came into force with effect from 6 April 2014 restricts the availability of income tax relief on a subscription for shares in a VCT issued after 5 April 2014 where it is 'linked' to a sale of shares in the same VCT or if an investor subscribes for shares in a VCT within six months before or after selling any shares in that same VCT. Consideration Shares issued to Target VCT Shareholders in respect of the Merger should be treated as having been acquired at the same time as the Target VCT Shares from which they are derived. Please refer to Part A of Part XII of the Prospectus for further details.

#### **Section 4 – Payment**

Application monies must be **sent by bank transfer** to the Bank of Scotland plc account details of which are set out in Section 4 of the Application Form. Your payment must relate solely to your Application.

Your transfer must be drawn in pounds sterling from an account with a UK-regulated credit or e-money institution, which is in your sole or joint name.

Your payment must also **include an alphanumeric reference comprising your initials and telephone number** provided in Section 2. Please detail this reference in the payment reference field on the bank transfer payment instruction. For example, the payment reference for an Applicant with the name Ms Mary Jane Bloggs and telephone number +44 (0)123 456 7891, should be MJB01234567891.

You should provide the details of your remitting bank account to allow the Receiving Agent to match, reconcile, and confirm receipt of the monies. Verification of your remitting bank account also forms part of the Companies' checks under the Money Laundering Regulations. The bank account should be a pound sterling account held at a UK-regulated credit or e-money institution in your sole/joint name.

The Companies and the Receiving Agent cannot take responsibility for correctly identifying payments without a reference nor where a payment has been received but without an accompanying Application Form. The right is reserved to reject any Application in respect of which the bank transfer has not been cleared on first presentation. Any monies will be returned by bank transfer to the remitting account subject to the satisfactory completion of any verification of identity checks, at the risk of the person(s) entitled thereto.

The Receiving Agent will acknowledge receipt of the Application Form (online, email, or post) by email (to the email address provided in Section 2, if any) or post. Further, the Receiving Agent will also issue confirmation of receipt of payment, by email or post, once the monies have been matched to the Application Form.

Any financial intermediary associated with the Application, as detailed in Section 7, will receive copies of the Receiving Agent's acknowledgement correspondence by email.

#### **Section 5 – Shareholding Preferences**

Please confirm your shareholding registration preference for any Offer Shares for which the Application is accepted.

If you wish for any Offer Shares for which the Application is accepted to be allotted to a nominee (CREST or otherwise), please enter the nominee details in the relevant boxes.

**The "Communications" and "Dividends" sections concern individual certificated holdings only. Applicants who wish to hold Offer Shares within a nominee (CREST or otherwise) should contact the nominee regarding their preferences following the relevant allotment.**

#### **Communications**

Each Company would like to communicate with you electronically in respect of your shareholding in that Company. The Articles of each Company provide authority to use electronic means to convey information to Shareholders, including, but not limited to, sending, and supplying documents or information to Shareholders by making them available on a website. This means that you will receive notifications by email (where you have provided an email address in Section 2) or by letter that information and/or documents are available on the relevant Company's website.

The relevant Company will notify you when documents and information are available to access on its website, and provide you with (i) the address of the website, (ii) the place on the website where the documents and information may be accessed; and (iii) details of how to access the documents or information.

Regarding any Offer Shares for which your Application is accepted, please confirm how you would like the relevant Company to communicate with you. If you do not confirm a communications preference above and you are a registered holder of Offer Shares, the relevant Company will send notifications to you by post to the address in Section 1.

If you are an existing Shareholder in a Company, your election will be applied to all Shares held under the shareholding account in that Company to which the Offer Shares in that Company are added. If you do not confirm a communications preference and your Offer Shares are added to an existing shareholding account in a Company, your previous election will continue to apply in respect of all Shares in that shareholding account in that Company (including the Offer Shares issued and added to that shareholding account).

You have the right to opt out of electronic communication at any time and to revert to paper format by contacting the Registrar.

### **Dividends**

In respect of any dividends which may be paid by a Company on the Offer Shares you can:

- (i) Elect to receive dividends by way of a bank transfer (the Companies only pay dividends via bank transfers to reduce their carbon footprint).
- (ii) Elect to participate in a Company's dividend investment scheme, under which any cash dividend will be used to acquire additional new Shares in that Company rather than receiving a cash payment. The full terms and conditions of the I&G dividend investment scheme is available on I&G's websites: [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk) and the full terms and conditions of the MIG dividend investment scheme will be available, post-completion of the Merger, on MIG's website: [www.migvct.co.uk](http://www.migvct.co.uk). By completing the election for the relevant Company you confirm that you have read the terms and conditions of that Company's dividend investment scheme and agree to be bound by them.

If you are an existing Shareholder in a Company, the above election will be applied to all Shares held under the shareholding account in that Company to which the Offer Shares are added.

If you have previously elected to participate in a Company's dividend investment scheme but the election above is to receive dividends by way of cash payment, this Application will constitute a notice served as at the date the Offer Shares are issued to withdraw from that Company's dividend investment scheme (and your participation in the relevant Company's dividend investment scheme will continue in the meantime). If your Application is rejected, a separate notice will need to be sent to the Registrar to withdraw from the relevant Company's dividend investment scheme.

If your dividend preference is to receive cash dividends paid directly to your bank account, you must provide the details of the bank account into which you wish the relevant Company to pay any dividends. The bank account should be a pound sterling account held at a UK-regulated credit or e-money institution in your sole/joint name.

### **Section 6 – Applicant Declaration**

Please confirm whether you will sign the Application Form or if it will be signed on your behalf.

If the signatory is not your financial intermediary, but you have given the signatory authority to sign the Application Form on your behalf, the signatory must provide the power of attorney, or a copy thereof duly certified in ink by a solicitor or bank, to the Receiving Agent at the address below and use the Applicant's initials and telephone number as the reference (i.e., the same reference as used for payment of Application monies).

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

The signatory must sign, state their name, and date the Application Form in Section 6. By signing and dating the Application Form, the Applicant agrees to subscribe for Offer Shares in the relevant Company at the Offer Price on the Terms and Conditions of the relevant Offer as set out in the Prospectus.

**If the Application Form is not signed, the Receiving Agent will not be able to process the Application and the Application monies will be returned to the remitting account by bank transfer, subject to the satisfactory completion of any verification of identity checks, at the risk of the person(s) entitled thereto.**



**IF APPLICABLE, THE REMAINDER OF THE APPLICATION FORM MUST BE COMPLETED BY AN AUTHORISED REPRESENTATIVE OF THE ASSOCIATED FINANCIAL INTERMEDIARY FIRM.**

### **Section 7 – Financial Intermediary Details**

Please detail the name of the firm, the firm's FCA number, the individual adviser's/intermediary's name, email address, and telephone number. The Receiving Agent will use these contact details to issue Application acknowledgements, or in the event of any queries in respect of this Application or financial intermediary fees/commissions. The right is reserved to reject any Application or withhold any payment of fees or commission if the relevant Company is not, at its sole discretion, satisfied that the financial intermediary (firm or individual) is authorised or is unable to identify the financial intermediary (firm or individual) based on information provided.

Please provide (if applicable) the financial intermediary relevant partner reference in the box below. Failure to provide a valid partner reference may delay the processing of this Application Form.

### **Section 8 – Financial Intermediary Remuneration**

Please confirm the nature of the service provided to the Applicant by ticking one of the boxes provided.

#### **Advised Investor**

Please tick box (A) if this is an 'advised-own' case (i.e., the individual adviser is subscribing on behalf of themselves) or if the individual adviser has provided financial advice to the Applicant and has agreed an initial adviser charge (nil or otherwise) with the Applicant which complies with COBS 6.1A.

Please enter the initial adviser charge for facilitation in whole pounds sterling in the box provided (please enter "0" if NIL or if the Application is in respect of your own investment). If the individual adviser does not want a Company to facilitate payment of the initial adviser charge, or if the individual adviser has made alternative payment arrangements with the Applicant, the please enter "0" in the box provided.

The **maximum amount which will be facilitated is 4.5% of the total Application Amount** in Section 3. Any amount agreed with your client in excess of this (including any applicable VAT falling outside the amount to be facilitated) is the responsibility of your client and will need to be settled by your client direct.

The charging of VAT on an initial adviser charge is the sole responsibility of the financial adviser. Should any charge facilitated by a Company not include the payment of any such VAT, the investor will, at all times, remain solely responsible to make up such VAT deficit (if any) to the financial adviser.

#### **Execution Only Investor or Professional Client Investor**

Please tick box (B) if the financial intermediary has acted in an execution only capacity on behalf of the Applicant or box (C) if the investor is a Professional Client and so is entitled to receive commission in accordance with COBS 2.3/2.3A and any other applicable FCA regulations.

Initial commission will be paid at a rate of 0.5% of the total Application amount. The financial intermediary may waive the initial commission for the benefit of the Applicant. Please insert the initial commission you wish to waive (0% or 0.5% of the total Application amount) in the box provided..

#### **Adviser Charges and Commission Payments**

Please confirm the bank account into which any initial adviser charges or commission payments associated with the Application should be paid by bank transfer.

Please provide (as applicable) your payment reference (e.g. AOR Number or similar). Failure to provide a valid payment reference number may delay the processing of this Application Form.

If a copy of a statement of fee/commission payment should be sent to the firm's finance department, please provide the relevant email address in the box provided. Please note that where applicable, the Receiving Agent will email a copy of the statement to the individual adviser/intermediary detailed in Section 7. Retrospective requests for additional copies of statements will be issued by the Receiving Agent in return for a £10 administration fee.

### **Section 9 – Financial Intermediary Declaration**

An individual with the authority to sign on behalf of the financial intermediary firm detailed in Section 7 must sign and date the Application Form in Section 9. By signing and dating the Application Form the individual, on behalf of the financial intermediary firm, confirms the declarations set out in Section 9.

## **MONEY LAUNDERING NOTICE**

In accordance with the Money Laundering Regulations, the identity of all Applicants must be verified before Offer Shares can be allotted. This is a routine step associated with the Application process and ensures that (i) Applicants are who they say they are and (ii) Application monies have not been acquired illegally and there is no attempt to use the Companies and/or the Receiving Agent as part of criminal activity.

**Please note that Offer Shares cannot be allotted if the Receiving Agent is unable to verify the Applicant's identity, and the Application may ultimately be treated as invalid and Application monies returned.**

**For Applications made via a financial intermediary**, the financial intermediary should complete verification of the Applicant. By signing the Application Form, the financial intermediary confirms that they have applied customer due diligence measures on a risk sensitive basis in respect of the Application to the standard required by the ML Regulations within the guidance for the UK financial sector issued by the Joint Money Laundering Steering Group.

If a Company, Gresham House and/or the Receiving Agent request additional information in connection with the financial intermediary's due diligence, the information will need to be provided within two Business Days of receiving the request.

**For direct Applications**, the Receiving Agent will use the Applicant's personal information from the Application Form to verify their identity through Veriphy, a specialist AML 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.**

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 those 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 an Offer closing to Applications, the Application in respect of the relevant Offer being treated as invalid and relevant Application monies returned (subject to an Applicant's re-allocation preference in Section 3 if the other Offer remains open).

**Note:** The Companies and/or 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.

## CORPORATE INFORMATION

### Directors (Non-executive)

#### MIG

Clive Nicholas Boothman (Chair)  
Lucy Victoria Winwood Armstrong  
Bridget Elisabeth Guérin

#### MIG Proposed Directors

Ian Marcel Blackburn  
Sarah Frances Clark

#### I&G

Maurice Harold Helfgott (Chair)  
Justin Paul Ward  
Nemone Wynn-Evans

#### I&G Proposed Director

Graham Douglas Paterson

### Registered Office

5 New Street Square  
London EC4A 3TW

### Principal Place of Business

80 Cheapside  
London EC2V 6EE

### Company Registration Numbers

MIG 05153931  
I&G 04069483

### Websites\*

[www.migvct.co.uk](http://www.migvct.co.uk)  
[www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk)

### Telephone Number

+44 (0)20 7382 0999

### Investment Adviser, Promoter, Administrator and Company Secretary

Gresham House Asset Management Limited  
80 Cheapside  
London EC2V 6EE

### Solicitors

Shakespeare Martineau LLP  
60 Gracechurch Street  
London EC3V 0HR

### Sponsor

Howard Kennedy Corporate Services LLP  
1 London Bridge  
London SE1 9BG

### Corporate Broker

Panmure Gordon (UK) Limited  
40 Gracechurch Street  
London EC3V 0BT

### Registrar

The City Partnership (UK) Limited  
The Mending Rooms  
Park Valley Mills  
Huddersfield HD4 7BH  
Telephone Number: +44 (0)1484 240910

### Liquidators

Gareth Harris and Karen Spears  
RSM UK Restructuring Advisory LLP  
5th Floor, Central Square, 29 Wellington Street  
Leeds LS1 4DL

### Reporting Accountant and Independent Valuers

Azets Holdings Limited  
Titanium 1, Kings Inch Place  
Renfrew  
Glasgow PA4 8WF

### Auditors

BDO LLP  
55 Baker Street  
London W1U 7EU

### VCT Status Adviser

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

### Distributor

Portunus Investment Solutions Limited  
Office 416  
83 Victoria Street  
London SW1H 0HW

\* These websites do not form part of the Prospectus unless that information is incorporated by reference.







**mobeus**

Promoted and advised by  
Gresham House Asset Management Limited