

Prospectus

Offers for subscription in the 2024/25 tax year

Northern Venture Trust PLC

Northern 2 VCT PLC

Northern 3 VCT PLC



Contents	Page
Summary	5
Risk Factors	11
Letter from the Chairs of the Companies	14
Part I The Offers	16
The investment opportunity	16
Investment strategy	17
Reasons for the Offers and use of proceeds	18
Summary of current portfolio	18
Corporate objectives and investment policies	19
Consumer Duty	20
Dividend policies and Dividend Investment Schemes	20
Share buyback policies	21
Taxation benefits to Investors	22
Track record of the Companies	23
The Manager	24
Directors	30
Operation of the Companies and board practices	32
Costs	36
Other information	38
Forward-looking statements	42
Part II Financial information on Northern Venture Trust	43
Part III Financial information on Northern 2 VCT	46
Part IV Financial information on Northern 3 VCT	49
Part V General information on the Companies	52
Part VI Taxation considerations for Investors	78
Part VII Definitions	82
Part VIII Additional information	86
Part IX Terms and conditions of application	90
Annex I Terms and conditions of the Dividend Investment Schemes	95
Annex II Money Laundering Notice	103
Directors and advisers	104

Offer statistics and timetable

Gross proceeds of the Offers to raise up to £15 million for each of Northern Venture Trust and Northern 2 VCT and up to £6 million for Northern 3 VCT	£36,000,000
Minimum investment per applicant (in all or any of the three Companies – minimum £2,000 in any one Company)	£6,000
Maximum investment on which VCT tax reliefs are available	£200,000
Offers open	8.00am on 14 January 2025
Offers close* (unless fully subscribed at an earlier date)	12 noon on 31 March 2025
Share allotment	3 April 2025
*Each Board reserves the right to close its respective Offer earlier and to accept applications and issue Offer Shares at any time prior to the close of the Offers.	

Financial calendar for each of the Companies

Financial year end	31 March
Annual results announcement and annual report published	June
Annual general meeting	July / August
Dividends paid	January and August
Half-yearly results announcement and half-yearly report published	November

This document comprises a prospectus relating to Northern Venture Trust PLC, Northern 2 VCT PLC and Northern 3 VCT PLC (the “**Companies**” and each individually a “**Company**”), prepared in accordance with the prospectus regulation rules (the “**Prospectus Regulation Rules**”) of the Financial Conduct Authority (the “**FCA**”) made under section 73A of the Financial Services and Markets Act 2000 (the “**FSMA**”). The Prospectus has been approved by the FCA as competent authority under the UK version of Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”) and in accordance with section 87A of FSMA and has been made available to the public in accordance with Prospectus Regulation Rule 3.2.2. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of any Company that is, or the quality of the securities that are, the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulation.

A brief summary written in non-technical language and conveying the essential characteristics and risks associated with the Companies and the ordinary shares in the capital of the Companies (the “**Offer Shares**”) which are being offered for subscription (the “**Offers**”) is set out on pages 5 to 10 of this document. The Prospectus has been filed with the FCA in accordance with the Prospectus Regulation Rules and you are advised to read it in full.

The Companies and their Directors (whose names are set out on pages 30 to 32) each accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Companies and the Directors the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

The Companies and the Directors consent to the use of the Prospectus and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of securities by financial intermediaries, from the date of the Prospectus until the close of the Offers. The Offers open on 14 January 2025 and are expected to close no later than 31 March 2025. There are no conditions attaching to this consent. Financial 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 intermediaries at the time that the Offers are introduced to Investors. Any financial intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with this consent.

Northern Venture Trust PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 03090163)

Northern 2 VCT PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 03695071)

Northern 3 VCT PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 04280530)

**Offers for subscription in the 2024/25 tax year
to raise up to £15 million each for Northern Venture Trust and Northern
2 VCT and up to £6 million for Northern 3 VCT**

Sponsor

Howard Kennedy Corporate Services LLP

Following the Offers, assuming full subscription and based on the illustrative Offer Prices for applications through an execution only platform or broker where commission of 2.5% is waived by the intermediary, the Companies' issued and to be issued share capital will be as follows:

	Issued and to be issued fully paid	
	No. of Shares	Nominal value
Northern Venture Trust – Ordinary Shares of 25p each (ISIN GB0006450703)	223,264,832	£55,816,208.07
Northern 2 VCT – Ordinary Shares of 5p each (ISIN GB0005356430)	247,547,703	£12,377,385.17
Northern 3 VCT – Ordinary Shares of 5p each (ISIN GB0031152027)	152,499,699	£7,624,984.94

The Existing Shares issued by the Companies are listed on the Official List of the FCA and are traded on the London Stock Exchange's main market for listed securities. Applications will be made to the FCA for all of the Offer Shares to be issued pursuant to the Offers to be listed on the Official List and will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on its main market for listed securities. It is expected that Admission to the Official List will become effective and that dealings in the Offer Shares will commence three Business Days following allotment. Dealings may begin before notification of allotments is made. Revocation of the Offers cannot occur after dealings in the Offer Shares have commenced. The Offer Shares will rank *pari passu* with existing issued Ordinary Shares from the date of issue.

Howard Kennedy Corporate Services LLP ("**Howard Kennedy**"), which is authorised and regulated in the UK by the FCA, is acting as sponsor for the Companies and no-one else and will not be responsible to any other person for providing the protections afforded to customers of Howard Kennedy or for providing advice (subject to those responsibilities and liabilities arising under FSMA and the regulatory regime established thereunder).

Copies of this document are available (and any supplementary prospectus published by the Companies will be available) free of charge from the offices of Mercia Fund Management Limited at Forward House, 17 High Street, Henley-in-Arden B95 5AA (website: www.mercia.co.uk) and from the offices of Howard Kennedy Corporate Services LLP at 1 London Bridge, London SE1 9BG.

This document is not a KID (key information document) for the purposes of the UK PRIIPS Laws ("**PRIIPS**").

Your attention is drawn to the risk factors set out on pages 11 to 14 of this document. An investment in any of the Companies is only suitable for investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which might arise. If you are in doubt as to the action you should take, you should consult an independent financial intermediary authorised under FSMA.

Summary

Summaries are made up of disclosure requirements found in the UK Prospectus Regulation. This summary contains all of the requirements to be included in a summary for this type of security and issuer.

Introduction, containing Warnings	
Name and ISIN of the Securities	Northern Venture Trust PLC: Ordinary Shares of 25p each (ISIN GB0006450703) Northern 2 VCT PLC: Ordinary Shares of 5p each (ISIN GB0005356430) Northern 3 VCT PLC: Ordinary Shares of 5p each (ISIN GB0031152027) (the “Companies” and each individually a “Company”).
Identity and Contact Details of Issuers	The issuers are: Northern Venture Trust PLC (registered number 03090163 and legal entity identifier 213800HR3R4WFICYFN46); Northern 2 VCT PLC (registered number 03695071 and legal entity identifier 213800K2EJ4CM6G9K687); and Northern 3 VCT PLC (with registered number 04280530 and legal entity identifier 213800MWOA6W221PI432) and their principal place of business and registered offices are at Forward House, 17 High Street, Henley-in-Arden B95 5AA (telephone no: 0330 223 1430).
Competent Authority approving the Prospectus	The Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.
Date of Approval of the Prospectus	9 January 2025
Warnings	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Investors could lose all or part of their invested capital. Civil liability attaches to those persons who have tabled the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus or it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
Key information on the Issuers	
Who are the Issuers of the Securities?	
Domicile and legal form	Each of the Companies is domiciled in England. The Companies are public limited liability companies which are registered in England and Wales with registered numbers 03090163 (Northern Venture Trust PLC), 03695071 (Northern 2 VCT PLC) and 04280530 (Northern 3 VCT PLC) respectively. The principal legislation under which the Companies operate is the Companies Act 2006 (the “2006 Act”) and the regulations made thereunder. The Companies have the following legal entity identifiers: Northern Venture Trust PLC-213800HR3R4WFICYFN46; Northern 2 VCT PLC-213800K2EJ4CM6G9K687; and Northern 3 VCT PLC-213800MWOA6W221PI432.
Principal activities	The Companies are Venture Capital Trusts and as such seek to invest in VCT-qualifying investments in accordance with their stated investment policy.
Major shareholders, including whether they are directly or indirectly owned or controlled, and by whom	As at 8 January 2025 (this being the latest practicable date prior to publication of this document), none of the Companies is aware of any person who directly or indirectly is interested in 3% or more of the capital of any of the Companies or who, directly or indirectly, jointly or severally, exercises or could exercise control over any of the Companies.

Identity of key Directors	<p>The directors of the Companies ("Directors") all of whom are non-executive are:</p> <p>Northern Venture Trust PLC</p> <ul style="list-style-type: none"> • Deborah Hudson • David Mayes • John E Milad • Brigid Sutcliffe <p>Northern 2 VCT PLC</p> <ul style="list-style-type: none"> • David Gravells • Thomas Chambers • Simon Devonshire • Cecilia McAnulty • Ranjan Ramparia <p>Northern 3 VCT PLC</p> <ul style="list-style-type: none"> • James Ferguson • Anna Brown • Christopher Fleetwood • Tim Levett • John Waddell
Identity of statutory auditor	The statutory auditor of all of the Companies is Forvis Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF.

What is the key financial information regarding the issuers?				
Northern Venture Trust PLC				
Additional information relevant to closed end funds (as at 30 September 2024 (unaudited) except where otherwise stated)				
Share Class	Net Assets (£'000)	No of Ordinary Shares	NAV per Ordinary Share	Latest NAV per Ordinary Share
Ordinary	119,304	199,158,435	59.9 pence	59.9 pence (unaudited as at 30 September 2024)
Income statement for closed end funds				
		Unaudited at 30 September 2024	Audited at 31 March 2024	Unaudited at 30 September 2023
Total income before operating expenses (£'000)		3,679	5,922	3,629
Net profit/(loss) on ordinary activities before taxation (£'000)		2,238	3,216	2,244
Investment management fee (accrued/paid) (£'000)		1,121	2,065	1,040
Performance fee (accrued/paid) (£'000)		-	-	-
Any other material fees (accrued/paid) to service providers (£'000)		320	641	345
Earnings per Ordinary Share (pence)		1.2	1.8	1.3
Dividends per Ordinary Share (in the period) (pence)		1.6	3.2	1.6
NAV per Ordinary Share (pence)		59.9	60.3	61.4
Balance sheet for closed end funds				
		Unaudited at 30 September 2024	Audited at 31 March 2024	Unaudited at 30 September 2023
Total net assets (£'000)		119,304	114,831	106,647

Northern 2 VCT PLC				
Additional information relevant to closed end funds (as at 30 September 2024 (unaudited) except where otherwise stated)				
Share Class	Net Assets (£'000)	No of Ordinary Shares	NAV per Ordinary Share	Latest NAV per Ordinary Share
Ordinary	127,545	223,175,719	57.2 pence	57.2 pence (unaudited as at 30 September 2024)
Income statement for closed end funds				
	Unaudited at 30 September 2024	Audited at 31 March 2024	Unaudited at 30 September 2023	
Total income before operating expenses (£'000)	3,702	5,510	3,174	
Net profit/(loss) on ordinary activities before taxation (£'000)	2,261	2,848	1,819	
Investment management fee (accrued/paid) (£'000)	1,109	2,060	1,033	
Performance fee (accrued/paid) (£'000)	-	-	-	
Any other material fees (accrued/paid) to service providers (£'000)	332	602	322	
Earnings per Ordinary Share (pence)	1.0	1.4	0.9	
Dividends per Ordinary Share (in the period) (pence)	1.7	3.0	1.8	
NAV per Ordinary Share (pence)	57.2	57.3	58.6	
Balance sheet for closed end funds				
	Unaudited at 30 September 2024	Audited at 31 March 2024	Unaudited at 30 September 2023	
Total net assets (£'000)	127,545	119,526	113,887	
Northern 3 VCT PLC				
Additional information relevant to closed end funds (as at 30 September 2024 (unaudited) except where otherwise stated)				
Share Class	Net Assets (£'000)	No of Ordinary Shares	NAV per Ordinary Share	Latest NAV per Ordinary Share
Ordinary	129,656	146,458,027	88.5 pence	88.5 pence (unaudited as at 30 September 2024)
Income statement for closed end funds				
	Unaudited at 30 September 2024	Audited at 31 March 2024	Unaudited at 30 September 2023	
Total income before operating expenses (£'000)	3,355	5,757	2,622	
Net profit/(loss) on ordinary activities before taxation (£'000)	1,935	3,038	1,244	
Investment management fee (accrued/paid) (£'000)	1,136	2,113	1,063	
Performance fee (accrued/paid) (£'000)	-	-	-	
Any other material fees (accrued/paid) to service providers (£'000)	284	606	315	
Earnings per Ordinary Share (pence)	1.3	2.2	0.9	
Dividends per Ordinary Share (in the period) (pence)	2.0	4.2	2.0	
NAV per Ordinary Share (pence)	88.5	89.3	90.0	
Balance sheet for closed end funds				
	Unaudited at 30 September 2024	Audited at 31 March 2024	Unaudited at 30 September 2023	
Total net assets (£'000)	129,656	122,496	116,021	

What are the key risks that are specific to the issuers?	
Set out opposite is a summary of the most material risk factors specific to the issuers	<ul style="list-style-type: none"> The Companies invest in early stage companies which may be pre-revenue at the point of investment. Portfolio companies may also require significant funds, through multiple funding rounds to develop their technology or the products being developed may be subject to regulatory approvals before they can be launched into the market. Investment in smaller and unquoted companies, such as those in which the Companies will invest, involves a higher degree of risk than investment in larger listed companies because they generally have limited product lines, markets and financial resources and may be more dependent on their management or key individuals. Any failure or non-performance by such companies would have an adverse effect on investor returns. Economic and geopolitical uncertainty resulting from events such as economic recession or general fluctuation in stock markets, exchange rates and interest rates, notwithstanding recent lower inflation and falling interest rates, may have an adverse effect on investee companies and therefore the overall performance of the portfolio. Such factors may have an impact on the number or quality of investment opportunities available to the Companies and the ability of Mercia Fund Management Limited ("the Manager") to realise the Companies' investments. There can be no assurances that the Companies will meet their objectives, identify suitable investment opportunities or be able to diversify their portfolios. Failure to do so could have an adverse effect on investor returns. There can be no guarantee that the Companies will retain their status as VCTs, the loss of which could lead to adverse tax consequences for Investors, including a requirement to repay the 30% income tax relief. The tax rules, or their interpretation, in relation to an investment in the Companies and/or the rates of tax may change during the life of the Companies and may apply retrospectively which could affect tax reliefs obtained by Shareholders and the VCT status of the Companies. The Companies do not have any employees and the Directors rely on a number of third party providers, including the Manager/Adviser, registrar and custodian, sponsor, receiving agent, lawyers and tax advisers, to provide them with the necessary services to operate. Non-performance or failure by any of those providers could have an adverse effect on investor returns. The successful implementation of each Company's investment policy is dependent on the expertise of the Manager and its ability to attract and retain suitable staff. If it fails to do so this could have an adverse effect on investor returns. Although the Companies may receive customary venture capital rights in connection with their investments, as a minority investor they may not be in a position to protect their interests fully. If they fail to do so this could have an adverse effect on investor returns.
Key Information on the Securities	
What are the main features of the Securities?	
Types, class and ISIN of securities	The securities being offered pursuant to the Companies' proposed offers for subscription (" Offers ") are Northern Venture Trust PLC ordinary shares of 25 pence each (" NVT Shares ") (ISIN: GB0006450703), Northern 2 VCT PLC ordinary shares of 5 pence each (" N2 Shares ") (ISIN: GB0005356430) and Northern 3 VCT PLC ordinary shares of 5 pence each (" N3 Shares ") (ISIN: GB0031152027) (collectively known as the " Offer Shares ").
Currency, denomination, par value and number to be issued	<p>The Companies' share capital currently comprises Northern Venture Trust Shares of 25 pence each, Northern 2 VCT Shares of 5 pence each and Northern 3 VCT Shares of 5 pence each (GBP). As at the date of this document, Northern Venture Trust has 198,179,069 Ordinary Shares in issue, Northern 2 VCT has 221,196,352 Ordinary Shares in issue and Northern 3 VCT has 145,736,693 Ordinary Shares in issue (all fully paid up).</p> <p>The maximum number of Offer Shares to be issued pursuant to the Offers are 28,000,000 for Northern Venture Trust, 29,000,000 for Northern 2 VCT and 8,000,000 for Northern 3 VCT.</p>
Rights attaching to the securities, and restrictions on their free transferability	The Offer Shares in each Company will rank equally in all respects with each other and with the existing shares in that Company. The Offer Shares will be listed on the Official List and will be freely transferable.

Seniority of securities	The Offer Shares will rank equally with the existing ordinary shares in the relevant Company in the event of an insolvency of the relevant issuer.
Dividend policy	The Companies each have a medium term aim to generate a return on ordinary activities sufficient to support their target annual dividend yield, whilst avoiding as far as possible erosion of net asset value ("NAV") per share. The level of future dividends is not guaranteed and will have regard to the level of returns generated by each Company, the availability of distributable reserves and ongoing compliance with the VCT rules.
Where will the securities be traded?	Applications will be made to the FCA for the Offer Shares to be listed on the Official List 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 dealings in the Offer Shares will commence three business days following allotment.
What are the key risks that are specific to the securities?	<p>Set out below is a summary of the most material risk factors specific to the securities:</p> <ul style="list-style-type: none"> Investors may find it difficult to realise their investment in Offer Shares and the price at which Northern Venture Trust, Northern 2 VCT or Northern 3 VCT Shares are traded may not fully reflect their net asset value and therefore any disposal of such shares may be at a price below their respective net asset value. If an investor who has claimed VCT relief disposes of their shares within five years of issue, they will be subject to clawback by HM Revenue & Customs of any income tax reliefs originally claimed. Investments in smaller unquoted companies, such as those in which the Companies invest, involves a higher degree of risk than investments in larger listed companies, because they generally have limited product lines, markets and financial resources and may be more dependent on their management teams or key individuals. Any failure or non-performance by such companies would have an adverse effect on investor returns. It is the intention of the Directors that each Company be managed so as to qualify as a VCT, but there can be no guarantee that such status will be maintained. If any of the Companies fails to meet the qualifying requirements for VCTs, this could result in adverse tax consequences for Investors, including being required to repay the 30% income tax relief. Although the Companies' existing Ordinary Shares have been (and it is expected that the Offer Shares will be) admitted to the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities, there may not be a liquid market and Investors may find it difficult to realise their investments. The securities of smaller companies in which the Companies invest are typically unlisted and illiquid, which may cause difficulties in valuing and divesting the securities.
Key information on the offer of securities to the public and/or the admission to trading on a regulated market	
Under which conditions and timetable can I invest in this security?	<p>Pursuant to the Offers, the Companies are proposing to raise up to £36 million (£15 million for each of Northern Venture Trust and Northern 2 VCT and £6 million for Northern 3 VCT). The total initial expenses of the Offers (assuming full subscription by execution-only investors and/or professional client investors only) will be 5.0% of the gross proceeds and the total net proceeds are, therefore, estimated to be £14.2 million for each of Northern Venture Trust and Northern 2 VCT and £5.7 million for Northern 3 VCT, if their Offers are fully subscribed.</p> <p>The number of Shares to be issued to each applicant will be calculated based on the following pricing formula (rounded down to the nearest whole Share):</p> $\text{Number of Offer Shares} = \left[\begin{array}{l} \text{Amount subscribed, plus} \\ \text{interest}^1, \text{ less:} \\ \text{(i) promoter's fee}^2 \text{ and} \\ \text{(ii) adviser charge (if any)} \end{array} \right] \div \left[\begin{array}{l} \text{Latest published NAV} \\ \text{per Offer Share}^3 \end{array} \right]$ <p>¹ To the extent possible, applicants will receive additional Offer Shares equivalent to receiving the prevailing interest rate offered by the interest-bearing Bank of Scotland segregated account on funds awaiting allotment, equivalent to 3.35 per cent per annum return as of the date of publication of the prospectus. The number of shares will be calculated by reference to the number of days between the acceptance of an application (including full receipt of cleared funds and up to five working days to process) and the date of allotment. This rate is subject to change.</p> <p>² less any reduction for commission waived by intermediaries (where applicable) and any reduction for investors (or their spouse or civil partner) on the register of members of any of the Northern VCTs as at close of business on 20 September 2024</p> <p>³ after deducting any dividends declared but not receivable by investors and not already deducted from the NAV</p>

	<p>The proceeds of the Offers will be invested in accordance with each Company's investment policy.</p> <p>The subscription for the Offers will open on 14 January 2025 and may close at any time thereafter but, in any event, not later than 12 noon on 31 March 2025 (unless, in any case, the relevant Offer has been fully subscribed by an earlier date). The closing date of each Offer, and the deadline for receipt of applications for the final allotment with respect to that Offer, may be extended by the Directors at their absolute discretion. It is expected that the admission to trading on the London Stock Exchange's main market for listed securities of the Shares that are the subject of the Offer will become effective within three business days of their allotment.</p> <p>For applications received from execution-only investors and/or professional client investors only, the cost of the Offers will be 5.0% of the total amount of the subscription (save for permissible trail commission of which the Manager will pay 0.2% and the Companies will pay 0.2% for five years).</p> <p>For applications received from retail client investors and/or direct investors, the cost of the Offers will be 2.5% of the total amount of the subscription and the Company may facilitate any agreed adviser charge, up to maximum of 4.5%, which the Investor has negotiated with their financial intermediary through a reduction in the number of Offer Shares the Investor will receive, calculated in accordance with the pricing formula. The total amount of the subscription in this case will be the application proceeds gross of any applicable adviser charge.</p> <p>If the Investor is an existing shareholder in any of the Northern VCTs, they will be entitled to a discount of 0.5% of the total amount of the subscription, provided they (or their spouse or civil partner) were a registered shareholder on 20 September 2024, by way of a reduction in the promoter's fee applicable to their application.</p>
<p>Why is this Prospectus being produced?</p>	<p>In deciding to launch the Offers, the directors of the Companies have taken the following factors into account:</p> <ul style="list-style-type: none"> • The UK has a large population of entrepreneurial companies and has consistently been identified as one of the best environments in the world for entrepreneurs to form businesses to commercialise their ideas. • The Northern VCTs have a strong pipeline of investment opportunities from which it is expected that companies with high growth potential will be identified and supported through to realisation. • VCTs are well placed to support the scale-up of high growth companies. Under the VCT rules, £5 million can be invested in a company in a twelve month period (£10 million for a knowledge intensive company), with a limit of £12 million overall (£20 million for a knowledge intensive company). This provides scope for VCTs to follow their money and attract other investors in later rounds. • High growth early stage companies sometimes take 5-10 years or more to mature and need investors that are aligned to this timescale. VCTs are closed-ended funds, typically subject to periodic continuation votes by the shareholders (as is the case for each of the Companies), and are well placed to be patient and supportive. • The additional funds raised will allow the Companies to pursue their investment strategies of investing in a diverse range of companies and allow them to provide follow-on funding rounds to their existing portfolio, while enhancing the Companies' financial flexibility, when determining future policy as to dividend payments, tender offers and share buy-backs. • An increase in the size of each of the Companies will enable the fixed element of each of the Companies' running costs to be spread over a wider capital base. <p>Pursuant to the Offers, the Companies are proposing to raise up to £36 million (£15 million for each of Northern Venture Trust and Northern 2 VCT and £6 million for Northern 3 VCT). The total expenses of the Offers (assuming full subscription by execution-only investors and/or professional client investors only) will be 5.0% of the gross proceeds and the total net proceeds are therefore estimated to be £14.2 million for each of Northern Venture Trust and Northern 2 VCT and £5.7 million for Northern 3 VCT, if their Offers are fully subscribed.</p> <p>The Offers are not subject to an underwriting agreement.</p> <p>No conflict of interest is material to either the Offers or the admission to trading.</p>

Risk factors

Prospective Investors should carefully consider the following risk factors in addition to the other information presented in this document. If any of the risks described below were to materialise, they could have a material effect on the respective businesses, financial condition, results or operations of any of the Companies. The risks and uncertainties described below are not the only ones that the Companies or Investors may face. Additional risks which are not currently known to the Companies or their Directors, or that the Companies or their Directors currently believe are not material, may also adversely affect the respective business, financial condition and results or operations of the Companies. The value of the Offer Shares could decline due to any of these risk factors. Investors who are in any doubt as to the action that they should take are advised to obtain advice from an Intermediary who specialises in advising on the acquisition of shares. The attention of prospective Investors is drawn to the following risks.

Risks material to the Companies:

- Economic and geopolitical uncertainty resulting from events such as economic recession or general fluctuation in stock markets, exchange rates and interest rates, notwithstanding recent lower inflation and falling interest rates, may affect the valuation of investee companies and their ability to access adequate financial resources, as well as affecting the Company's own share price and discount to net asset value. In addition, hostilities in the Middle East and Ukraine (and sanctions on the Russian Federation) may have further economic consequences as a result of market volatility and the restricted access to certain commodities and energy supplies. Such conditions may adversely affect the performance of companies in which the Companies have invested (or may invest), which in turn may adversely affect the performance of the Companies, and may have an impact on the number or quality of investment opportunities available to the Companies and the ability of the Manager to realise the Companies' investments. Any of these factors could have an adverse effect on Investor returns.
- The Companies invest in early stage companies which may be pre-revenue at the point of investment. Portfolio companies may also require significant funds, through multiple funding rounds to develop their technology or the products being developed may be subject to regulatory approvals before they can be launched into the market. Both these factors involve a higher degree of risk and company failure than compared to investment in larger companies with established business models. Early stage companies generally have limited product lines, markets and financial resources and may be more dependent on key individuals. The securities of companies in which the Companies invest are typically unlisted, making them particularly illiquid and may represent minority stakes, which may cause difficulties in valuing and disposing of the securities. The Companies may invest in businesses whose shares are quoted on AIM however, this may not mean that they can be readily traded and the spread between the buying and selling prices of such shares may be wide. The proposed reduction in business relief under the Inheritance Tax Act 1984 available to certain investors in shares quoted on AIM, announced in the 2024 Autumn Budget, may impact demand for AIM quoted shares which could impact the Companies' returns on their AIM quoted investments, however each Company's exposure to these investments is currently minimal.
- There can be no guarantee that suitable investment opportunities will be identified in order to meet the Companies' objectives. If they fail to do so this could have an adverse effect on Investor returns. Additionally, the Companies' ability to obtain maximum value from their investments may be limited by the requirements of the relevant VCT Rules in order to maintain the VCT status of the Companies.
- While it is the intention of the Directors of each of the Companies that each will be managed so as to continue to qualify as a VCT, there can be no guarantee that this status will be maintained. A failure to continue meeting the qualifying requirements could result in the loss of VCT tax relief, the Companies losing their exemption from corporation tax on capital gains, Investors being liable to pay income tax on dividends received from the Companies and, in certain circumstances, Investors being required to repay the initial income tax relief on their investment.
- The information, including tax rules, contained in this document is based on the existing VCT Rules. The tax rules or their interpretation in relation to an investment in the Companies and/or the rates of tax, or other statutory provisions to which the Companies are subject, may change during the life of the Companies and such changes could be retrospective. The Government introduced changes to the VCT Rules effective from November 2015 which, *inter alia*, imposed an age limit for companies receiving investment from VCTs, a cap on cumulative investment received and new restrictions on the uses to which investments by VCTs may be put. These changes may mean that fewer investment opportunities are open to the Companies, that the Companies may not be able to make additional investments in companies already within their

portfolios, and that future investment returns and dividends may be less than those which would otherwise have been achievable. There can be no guarantee that the Government will not implement further changes to the VCT Rules. Any of these factors could have an adverse effect on Investor returns.

- The Companies do not have any employees and the Directors rely on a number of third party providers, including the Investment Manager / Adviser, registrar and custodian, sponsor, receiving agent, lawyers and tax advisers, to provide them with the necessary services to operate. The risk of cyber-attack or failure of the systems and controls at any of the Companies' third party providers may lead to an inability to service shareholder needs adequately, to provide accurate reporting and accounting and to ensure adherence to all VCT legislation rules. In addition, non-performance or failure by any of those providers could have an adverse effect on investor returns.
- The successful implementation of each Company's investment policy is dependent on the expertise of the Manager and its ability to attract and retain suitable staff. Each Company's ability to achieve its investment objectives is largely dependent on the performance of the Manager in the acquisition and disposal of assets and the management of such assets. Each Board has broad discretion to monitor the performance of the Manager and the power to appoint a replacement, but the Manager's performance or that of any replacement cannot be guaranteed. Although the Companies may receive customary venture capital rights in connection with their investments, as a minority investor they may not be in a position to protect their interests fully. Each of these factors could have an adverse effect on Investor returns.
- 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 trust schemes could materially affect, directly or indirectly, the operation and performance of the Companies and/or investee companies and/or the value of and returns from, the ordinary shares and the Companies' ability to achieve or maintain their VCT status.
- The Companies hold a number of financial instruments and cash deposits and are dependent on the counterparties discharging their commitments. A failure to honour such commitments could affect the returns to Investors.

Risks material to the Shares:

- Investors may find it difficult to realise their investment in Offer Shares and the price at which Northern Venture Trust, Northern 2 VCT or Northern 3 VCT shares are traded may not fully reflect their Net Asset Value and therefore any disposal of such shares may be at a price below its Net Asset Value.
- Investors who subscribe for Offer Shares and subsequently dispose of them within five years may be subject to clawback by HM Revenue & Customs of any income tax relief obtained on subscription. Income tax relief is restricted if, within six months of a subscription for shares in a VCT (before or after), an investor disposes of any shares in that VCT (or a VCT which at any time merges with that VCT). Shareholders should note that if they have sold, or if they sell, any shares in the Companies within six months either side of their subscription for Offer Shares, then for the purposes of calculating tax relief on the Offer Shares the subscribed amount must be reduced by the amount received.
- Investments in smaller unquoted companies, such as those in which the Companies invest, involves a higher degree of risk than investments in larger listed companies, because they generally have limited product lines, markets and financial resources and may be more dependent on their management teams or key individuals. The failure or non-performance of any such companies could have an adverse effect on Investor returns.
- It is the intention of the Directors that each of the Companies will be managed so as to qualify as a VCT, but there can be no guarantee that such status will be maintained. If any of the Companies fails to meet the qualifying requirements for VCTs, this could result in adverse tax consequences for Investors, including being required to repay the 30% income tax relief.
- Although the Offer Shares will be admitted to the Official List of the FCA and traded on the London Stock Exchange's main market for listed securities, it is unlikely that there will be a liquid market as there is a limited secondary market for shares in VCTs and Investors may find it difficult to realise their investments. The market price of the Offer Shares may not fully reflect, and will usually be at a discount to, their underlying Net Asset Values. Such a discount may be exacerbated if the Companies lack sufficient cash reserves, and during prohibited periods, when the Companies are unable to purchase their own Shares.
- The securities of smaller companies in which the Companies invest are typically unlisted and illiquid, which

may cause difficulties in valuing and divesting the securities.

- The Companies' continuing status and operation as VCTs is subject to approval by shareholders at a continuation vote to be tabled at the AGM of each Company to be held in 2029, at which (if each Company has not been liquidated, unitised or reconstructed) the Directors shall propose a resolution that each Company should continue as a venture capital trust for a further five year period. In the event that shareholders voted not to continue as a venture capital trust, then this could result in adverse tax consequences for investors, including being liable to pay income tax on dividends received from each Company and, in certain circumstances, being required to repay the 30% income tax relief on their investment.
- The changes to the VCT Rules introduced in November 2015 mean that the Companies are required to invest mainly in relatively young businesses and that such investment will consist largely of equity rather than income-yielding debt instruments, which may impact the level of future dividends paid by the Companies.
- Changes in legislation concerning VCTs may limit the number of qualifying investment opportunities, reduce the level of returns which would otherwise have been achievable or result in a Company not being able to meet its investment objective.
- The Companies' ability to make market purchases of their own Shares may be limited by the liquidity of the relevant Company, the rules of the FCA, the 2006 Act and the VCT Rules.
- Events such as economic recession or general fluctuation in stock markets and interest rates may affect the valuation of investee companies and their ability to access adequate financial resources, as well as affecting the Companies' own share price and discount to Net Asset Value.

Letter from the Chairs of the Companies

9 January 2025

Dear Investor

Northern Venture Trust PLC, Northern 2 VCT PLC and Northern 3 VCT PLC (**“the Northern VCTs”** or **“the Companies”**) announced in September 2024 that they intended to launch linked offers for subscription in the 2024/25 tax year (**“the Offers”**). We intend to raise up to £36 million (£15 million for each of Northern Venture Trust PLC and Northern 2 VCT PLC and £6 million for Northern 3 VCT PLC). The Offers will be open from 14 January 2025 and we are pleased to invite you to subscribe for Offer Shares in the Companies. Employees of Mercia Fund Management Limited (**“Mercia”**), and the wider Mercia Asset Management PLC group of companies (**“Mercia Group”**) including the investment executives, intend to invest an aggregate of £65,000 in the Offers and certain directors of the Northern VCTs intend to invest an aggregate of £263,000 in the Offers.

Background to the Offers

As at 30 September 2024, the three Northern VCTs had combined net assets of £376.5 million (unaudited). Following the far-reaching changes to the VCT investment rules in 2015, the Companies’ investment focus is on providing growth capital to young, fast-growing companies. The Companies together aim to invest around £55 million per year in VCT-qualifying holdings, not only by finding new investment opportunities but also by providing additional rounds of funding for existing investee companies. This approach requires the Companies to maintain a strong reserve of liquid assets, so that sufficient cash resources are available to meet expected future requirements over an extended period.

The present fundraising follows on from the £60 million prospectus issue in September 2023, the £18 million “top-up” share issue in January 2023 and the £40 million prospectus issue in January 2022.

Investment performance and returns to shareholders

The Northern VCTs are among the longest-established VCTs. As at 30 September 2024, the total return on a net asset basis over ten years for each of the Companies was between 71.9% and 72.4% assuming dividends were reinvested throughout the period (*source: Association of Investment Companies*). These returns are stated on the basis that shares were acquired at the NAV of each Company ten years ago. In addition, newly allotted shares acquired through an Offer or through the Companies’ dividend investment schemes benefit from up to 30% income tax relief, significantly enhancing the potential returns available when combined with the underlying Company performance.

Investment manager and investment strategy

The Mercia Group is an AIM-quoted specialist asset management group, focused on making UK-wide high-growth investments. As at 30 September 2024, the Mercia Group had £1.8 billion of assets under management (*source: Mercia Group’s unaudited interim results for the six months ended 30 September 2024*) of which approximately £1.7 billion is represented by third-party funds, including the Northern VCTs’ net assets, totalling £377 million. Mercia has become one of the leading UK venture fund management groups. As part of Mercia’s managed funds, the Northern VCTs have the opportunity to invest alongside other funds managed by the Mercia Group that are able to satisfy larger investment rounds and also provide replacement capital.

Mercia has managed the Northern VCTs since December 2019. The VCT investment team, led by Peter Dines, comprises 16 investment professionals and 13 dedicated support staff. Since Mercia took over the management function, the Northern VCTs have invested £196 million in a diversified portfolio of 34 high-growth companies and supported 39 existing portfolio companies, in fields ranging from software and technology to leisure and healthcare. Since 1 January 2020, 39 realised or partially realised venture investments have generated £255 million (unaudited) in cash proceeds.

Tax benefits

VCTs continue to offer attractive tax reliefs to qualifying investors. 30% income tax relief is available on up to £200,000 subscribed in any one tax year, under the Offers or any other VCT share offers, so long as the shares are held for at least five years, and dividends and capital gains from VCTs are tax free.

Investing in the Offers

The Offers allow investors to select which of the Northern VCTs they wish to invest in. The minimum individual subscription for Offer Shares under the Offers is £6,000. Applicants may apply for Offer Shares in one, two or all of the Companies provided that the total subscribed is not less than £6,000 and the amount subscribed in each Company is not less than £2,000.

Existing Shareholders, and their spouse or civil partner, in any of the Northern VCTs as at 20 September 2024 will be entitled to a 0.5% reduction in the cost of Shares subscribed by them under the Offers.

The Offers are available only for the 2024/25 tax year, and will close on 31 March 2025, or earlier if fully subscribed before then or for any other reason at the discretion of the Directors. Applications for Shares will be dealt with on a 'first-come, first-served' basis.

We look forward to welcoming new investors to the Northern VCTs, and we thank them and our existing shareholders for their support.

Yours sincerely

Deborah Hudson
Chair, Northern Venture Trust PLC

David Gravells
Chair, Northern 2 VCT PLC

James Ferguson
Chairman, Northern 3 VCT PLC

Part I – The Offers

The investment opportunity

The Offers represent an opportunity to subscribe for new shares in the Northern VCTs, which are managed or, in the case of Northern Venture Trust, advised by Mercia through their VCT investment and management team. The Companies will invest in a portfolio mainly comprising VCT-qualifying investments in smaller UK unquoted companies, with a view to long-term capital growth. Eligible Investors will be able to benefit from the tax reliefs available to VCT subscribers, including initial income tax relief at 30%, exemption from income tax on dividends and exemption from capital gains tax on the disposal of VCT shares.

Track record

The Northern VCTs were established between 1995 and 2001 and are among the longest established VCTs in the market. Since inception to 30 September 2024 they invested over £585 million in more than 190 companies, achieving an unaudited total return (net asset value plus cumulative dividends) of between 197.5p and 253.6p per share.

Well-resourced Manager

The Mercia Group is an AIM-quoted specialist asset management group, focused on making high-growth investments throughout the UK. As at 30 September 2024, the Mercia Group had £1.8 billion of assets under management (*source: Mercia Group's unaudited interim results for the six months ended 30 September 2024*) of which approximately £1.7 billion is represented by third-party funds, including the Northern VCTs' net assets totalling £377 million. The combination of the Northern VCT's long-established position as a successful investor and Mercia's venture credentials has created one of the leading UK venture fund management groups. In being managed by Mercia, the Northern VCTs have the opportunity to invest alongside other Mercia Group funds that are able to satisfy larger investment rounds and also provide replacement capital. This combined experience aligns with the published investment policy of the Companies.

The Mercia Group is a leading provider of complete, connected capital throughout the UK. Including the VCT team, the Mercia Group employs approximately 140 people working from a network of 11 locations nationwide as well as a team of value creating specialists from various disciplines including talent management, in-house legal counsel and operating partners.

Building on existing scale

As at 30 September 2024, the three Northern VCTs had venture capital investment portfolios valued (unaudited) at £244 million, of which £212 million was represented by venture investments made after the introduction of the 2015 VCT Rules. The return on these investments comes mainly from capital received upon realisation. 19 'post-2015' investments have been realised since 1 January 2020, returning £152 million on an investment cost of £84 million. Since becoming part of Mercia, the Northern VCTs have benefitted from an enhanced deal flow of investments and from the ability to co-invest alongside Mercia Group's other funds.

Diversification

Diversification is critical to successful risk management and over the next five years the funds raised in the Offers will be used to continue to build and support a portfolio of growing companies across a wide range of intentionally selected industry sectors.

Liquidity

Shareholders may, from time to time, wish to sell some of their shares to assist with personal and financial estate planning. It is currently the policy of each Company to maintain the capability to buy back its shares in the market, at a discount of 5% to the most recently announced Net Asset Value (see page 21 for further details).

Investment strategy

The Companies' strategy is to:

- **Have a UK-wide reach.** The Mercia Group is an asset manager providing capital to UK high-growth SMEs. It has 11 locations with nationwide coverage. By operating as part of the Mercia Group, the VCT investment team has access to a proprietary deal flow, and has local teams in the Mercia Group's network of offices who can build long-term relationships in these regions.
- **Be diversified.** Investment in smaller and unquoted companies under VCT Rules carries increased risk compared with investments in more mature businesses. The Companies' strategy is to mitigate these risks for Shareholders by investing in a diversified portfolio. The Companies are generalist investors with large allocations in software/electronics, healthcare/biotechnology and consumer sectors, and they will also look at other opportunities on a case by case basis.
- **Build value.** The VCT investment team are focused on value creation, with a team member dedicated to initiatives aimed to improve growth and support recruitment of board and senior positions in the Companies' portfolio companies.
- **Be growth focused, providing scale-up development capital.** The Companies typically make equity investments of up to £10 million in aggregate (of which £3-6 million is the typical target investment) into companies that have high growth potential. The Northern VCTs will seek to back both experienced and new management teams who demonstrate a capability and potential to grow their businesses. These are companies which, in the majority of cases, have demonstrated initial validation of their product, market or otherwise demonstrated the viability of their business plan in their chosen market sector. The Northern VCTs also back earlier stage businesses that can demonstrate significant compensating risk mitigation, such as proven technology, or barriers to entry such as intellectual property, established contracts or embedded market relationships.
- **Be long-term and supportive.** The Companies have a growing portfolio of high-growth businesses, many of which will require further rounds of follow-on capital investment to achieve the scale and returns targeted. The Companies are committed to holding sufficient liquidity to support these businesses through their capital growth requirements. VCTs are well placed to support the scale-up of high-growth companies. Under the VCT Rules, up to £5 million can be invested in a company in a twelve-month period (£10 million for a knowledge intensive company) with a limit of £12 million overall (£20 million for a knowledge intensive company).

This provides scope for VCTs to follow their money and attract other investors in later financing rounds. High-growth companies sometimes take seven to twelve years or longer to mature and need investors that are aligned to this timescale, recognising that in many cases these companies may require follow-on funding. VCTs are closed-ended funds, typically subject to periodic continuation votes by the shareholders (as is the case with each of the Companies), and are well placed to be patient and supportive. As the VCT portfolio develops there may be incidences of needing to provide replacement capital to facilitate management change and to fund acquisitions. This is precluded under the VCT Rules and has previously necessitated raising external funding. The Mercia Group has funds under management, that are not governed by the rules that bind the Northern VCTs, which may provide replacement funding to companies in the Northern VCT portfolio.

- **Syndicate.** The Companies' intention is to grow the value of the portfolios of high-growth businesses by adopting a lead investor role, where feasible, and bringing in additional capital from syndicate partners.

Reasons for the Offers and use of proceeds

The Northern VCTs are building a portfolio of growth capital investments in companies in which they expect to provide both initial scale-up funding and follow-on investment. Over the next five years and in line with the Companies' investment policies, the objective is to invest in a diversified portfolio of companies in which the Companies are expecting to commit around £55 million per year in both new and follow-on investments. The Companies are now seeking to raise an aggregate of £36 million, to provide additional liquidity and flexibility to capitalise on investment opportunities.

In deciding to launch the Offers, the Directors of the Companies have taken the following factors into account:

- The UK has a large population of entrepreneurial companies and has consistently been identified as one of the best environments in the world for entrepreneurs to form businesses to commercialise their ideas.
- The Northern VCTs have a strong pipeline of investment opportunities from which companies with high growth potential will be identified and supported through to realisation. The Directors and Mercia see the investment rate growing, driven by an increasing number of companies in the portfolio and an expectation that the fast growth companies in which the Companies invest will require multiple rounds of investment.
- The Companies have a growing portfolio of high-growth businesses, many of which will require further rounds of follow-on capital investment to scale-up and achieve target returns. The Companies are committed to holding sufficient liquidity to support these businesses through their capital growth requirements where the VCT Rules permit this.
- The Northern VCTs are well placed to support the scale-up of high-growth companies. Under the VCT Rules, up to £5 million can be invested in a company in a twelve month period (£10 million for a knowledge intensive company) with a limit of £12 million overall (£20 million for a knowledge intensive company). This provides scope for the Northern VCTs to follow their money and attract other investors in later rounds. High-growth companies sometimes take seven to twelve years or more to mature and need investors that are aligned to this dynamic, recognising that in many cases these companies may require follow-on funding.
- The additional funds raised will allow the Companies to pursue their investment strategy of investing in a diverse range of companies and allow them to provide follow-on funding rounds to their existing portfolio, while enhancing the Companies' flexibility when determining future policy as to dividend payments, tender offers and share buy-backs.

Summary of current portfolio

As at 30 September 2024, the Northern VCTs had 55 unquoted investee companies, which together had a combined unaudited valuation of £236 million, with a further 10 quoted companies valued at £8 million in aggregate (unaudited). There were 50 qualifying investments (including 2 quoted) under the new VCT Rules valued at £212 million and 15 investments made prior to 2015, predominantly in management buy-outs but also including 8 quoted companies, valued at £32 million (all values unaudited). All investments are held with a view to generating a capital gain on disposal; however, the structure of the pre-November 2015 investments also gives rise in many cases to dividend and interest income as well.

The following information is included by way of summary information of the Northern VCTs' combined portfolio. Additional information relating to each Company's investment portfolio is included in Part II, Part III and Part IV of this Prospectus.

The Portfolio

The portfolio comprises 65 companies valued at a combined £244 million, spread across a diverse range of industry sectors and regions:

Industry sector	Number of companies	Directors' valuation £ million
Consumer	8	45.9
Healthcare / biotechnology	15	61.3
Industrial / manufacturing	3	9.7
Services	9	26.8
Software / electronics	29	99.4
Other	1	0.9
Total	65	244.0

Locations	Number of companies
Scotland	5
North	18
Midlands	9
Wales	1
South	32

Information and valuations in this section as at 30 September 2024 (unaudited).

Investment Realisations

Exits over the past five financial years to 31 March are set out below:

Year	Number of exits	Investment cost £ million	Proceeds £ million
2020	7	15.0	18.1
2021	5	12.4	49.7
2022	7	35.3	79.2
2023	6	18.8	39.8
2024	4	28.8	42.4
Total	29	110.3	229.2

Since March 2024, the Northern VCTs have also realised their investments in the following companies: Gentrionix, The Climbing Hangar and Nutshell Software with a combined investment of £16.3 million for combined proceeds of £22.9 million and the remaining holding in musicMagpie for a lifetime return of £29.0 million on an investment cost of £4.5 million.

Corporate objectives and investment policies

The net proceeds of the Offers will be invested by the Companies in accordance with their respective published investment policies, initially in a portfolio of cash and liquid assets. The Companies are entitled to participate in each qualifying investment opportunity identified by the Manager *pro rata* to their respective Net Assets.

Corporate objective: The objective of each of the Companies is to provide long-term tax-free returns to Investors through a combination of dividend yield and capital growth, by investing primarily in unquoted UK software/electronics, healthcare/biotechnology and consumer businesses which meet the Manager's key criteria of good growth potential, strong management and ability to generate cash in the medium to long term.

Investment policy: The investment policy of each of the Companies has been designed to enable the relevant Company to achieve its objective whilst complying with the qualifying conditions set out in the VCT Rules, as amended by the Government from time to time. The Directors of each Company intend that the long-term disposition of each of the Companies' assets will be approximately 80% in a portfolio of VCT-qualifying unquoted and AIM-quoted investments, and 20% in other investments and cash / cash equivalents selected with a view to producing an enhanced return while avoiding undue capital volatility, and to provide a reserve of liquidity which will maximise the relevant Company's flexibility as to the timing of investment acquisitions and disposals, dividend payments and share buybacks. Within the VCT-qualifying portfolio, investments will be structured using various investment instruments, including ordinary and preference shares, loan stocks and convertible

securities, to achieve an appropriate balance of income and capital growth. The selection of new investments will necessarily have regard to the VCT Rules, which are designed to focus investment on earlier stage development capital opportunities. The portfolio will be diversified by investing in a broad range of VCT-qualifying industry sectors and by holding investments in companies at different stages of maturity in the corporate development cycle. The normal investment holding period will be in the range from three to ten years. No single investment will normally represent in excess of 3% of the relevant Company's total assets at the time of initial investment. As investments are held with a view to long-term capital growth as well as income, it is possible that individual holdings may grow in value to the point where they represent a significantly higher proportion of total assets prior to a realisation opportunity being available. Investments will normally be made using the relevant Company's equity shareholders' funds and it is not intended that any of the Companies will take on any long-term borrowings.

The Companies each operate a co-investment scheme under which the Manager's investment executives are required to co-invest with them in all VCT-qualifying investments.

Any material change to any of the Companies' investment policies in any event will only be made with the approval of that Company's shareholders by ordinary resolution.

Consumer Duty

Each of the Boards is aware of the Manager's obligations to comply with the FCA's Consumer Duty rules and principles that came into force on 31 July 2023. Firms subject to the Consumer Duty must ensure they are acting to deliver good outcomes and that this is reflected in their strategies, governance, leadership and policies. The Companies are not directly affected by the Consumer Duty. However, the Boards each receive updates from the Manager as to how it is meeting its obligations under the Consumer Duty.

Dividend policies and Dividend Investment Schemes

The Companies each have a medium term aim to generate a return on ordinary activities sufficient to support their target annual dividend yield, whilst avoiding as far as possible erosion of NAV per share. In respect of the financial year ended 31 March 2024, Northern Venture Trust declared dividends of 3.2p per share (representing an annualised yield of 5.2% of opening NAV), Northern 2 VCT declared dividends of 3.0p per share (representing a yield of 5.1% of opening NAV) and Northern 3 VCT declared dividends of 4.2p per share (representing a yield of 4.6% of opening NAV), with the objective of enabling Shareholders to benefit from tax-free income. Following the changes in the VCT Rules which took effect in November 2015, the Companies are required to invest mainly in relatively young businesses which need funding for growth and development. Typically, this funding has consisted, and will continue to consist, largely of equity rather than income-yielding debt instruments, which has made and (the Directors believe) will in future make returns to the Companies more dependent on the timing of exits and capital gains. As a result, future dividend payments by the Companies will be subject to fluctuation. The dividends payable by the Companies in respect of any financial year cannot be guaranteed and will be subject to the availability of distributable reserves, cash and ongoing compliance with the VCT Rules.

Set out below is a table illustrating the income yields to Investors, assuming the target yield of 5% of opening net assets for Northern Venture Trust and Northern 2 VCT and 4.5% of opening net assets for Northern 3 VCT continues to be paid. These yields are based on an illustrative Offer Price net of 30% income tax relief and the costs of the Offers but before any Adviser Charges. Investors should note that the target base annual dividends are objectives and are not guaranteed and no forecast or projection is implied or should be inferred.

Illustrative Annual Yield per Offer Share (after 30% income tax relief)						
Company	NAV at 30 September 2024 (adjusted for dividend paid subsequently) ⁴	Illustrative Offer Price after 30% tax relief ²	Target yield on opening NAV ¹	Equivalent tax-free yield	Gross equivalent yield ³	
					Higher rate taxpayer ²	Additional rate taxpayer ²
Northern Venture Trust	58.3p	41.9p	5.0%	7.0% pa	10.6% pa	11.5% pa
Northern 2 VCT	55.5p	39.8p	5.0%	7.0% pa	10.6% pa	11.5% pa
Northern 3 VCT	86.5p	62.1p	4.5%	6.3% pa	9.5% pa	10.4% pa

¹ The target dividend yields are expressed as a percentage of NAV per annum, are not guaranteed and are subject to regular review by the Directors of each Company.

² The returns listed are based on an illustrative Offer Price of 59.8p for Northern Venture Trust, 56.9p for Northern 2 VCT and 88.7p for Northern 3 VCT, multiplied by 70%, to reflect initial income tax relief of 30%. Investors should note that they will be required to pay the full Offer Price and claim the income tax relief separately. The Offer Price may differ as it depends on the level of Promoter's Fee payable and will be based on the most recently published NAV per share at the point of allotment.

³ The gross equivalent yield is the yield on a non-VCT UK dividend that would result in a net yield of 7.0% for Northern Venture Trust, 7.0% for Northern 2 VCT and 6.3% for Northern 3 VCT, assuming a higher rate taxpayer and an additional rate taxpayer respectively with at least £500 of other dividend income from 6 April 2024.

⁴ The stated NAV is unaudited.

The above table is an illustration of yields and no forecast or projection is implied or should be inferred.

Investors will be eligible for the next dividend payments after their Shares have been allotted, subject to allotment having taken place prior to the relevant dividend record date. Following the dividend paid in January 2025, the next dividends are expected to be paid in August 2025 for each of the Companies. The Companies all intend to pay dividends bi-annually, usually in January and August.

The Companies' medium-term aim is to set a sustainable level of base annual dividend, having regard to investment returns, distributable reserves and compliance with the VCT Rules. The Directors may from time to time consider higher dividends or the payment of special dividends where investment gains permit. The Directors remain conscious of the importance that Shareholders attach to a reliable flow of tax-free income.

The Companies have adopted Dividend Investment Schemes under which Shareholders are given the opportunity to reinvest dividend payments by way of subscription for new Shares. Subject to a Shareholder's personal circumstances, Shares subscribed for under the Dividend Investment Schemes should obtain the usual VCT tax benefits as set out on page 22.

Share buyback policies

The Companies wish to ensure that there is liquidity in their Shares and, accordingly, it is the present intention of each of the Companies to continue to pursue an active discount management buy-back policy. Each Company will endeavour to buy back in the market those Shares which its Shareholders wish to sell, currently at a discount of 5% to the latest published NAV, subject to applicable legislation governing the relevant Company, authority from Shareholders (currently each Company has authority to purchase up to 20% of its issued share capital annually), market conditions at the time and the relevant Company having both cash resources and distributable reserves available for the purpose. Shares which are bought back by any of the Companies may be cancelled or held in treasury and later sold in the market (although at the date of this document each of the Companies does not hold shares in treasury and all shares bought back have been cancelled). The buyback policy of each of the Companies aims to support the share price of that Company by limiting the discount to the NAV at which its Shares trade. The making and timing of any share buybacks will remain at the absolute discretion of the Board of each Company.

Taxation benefits to Investors (see Part VI for further details)

The principal UK tax reliefs, which are available on a maximum investment in VCTs of £200,000 per individual in the 2024/25 tax year, are set out below:

- **income tax relief at 30%** of the amount subscribed provided that the Offer Shares are held for at least five years. Income tax relief is restricted to the amount which reduces the Investor's income tax liability to nil;
- **tax-free dividends, which may include capital distributions**, from a VCT; and
- **capital gains tax exemption** on the disposal of ordinary shares in a VCT.

The table below shows the effect of the initial 30% income tax relief (based on a notional investment of £10,000).

Illustration of the effect of the initial income tax relief	
Gross investment	£10,000
30% income tax relief	£(3,000)
Net investment	£7,000
Assumed costs of 2.5%	£(250)
Initial value of holding*	£9,750
Initial uplift on the net investment (£)	+£2,750
Initial uplift on the net investment (%)	+39%

*Based on Net Asset Value

The above table shows that, based on an illustrative investment of £10,000 and income tax relief at 30%, an Investor's net of tax cost of investment is £7,000.

Investors should note that they are required to hold the Offer Shares for at least five years in order to retain the income tax relief and not to have sold any shares in the Company for at least six months before or after the issue of the Offer Shares.

The tax legislation of an investor's country of domicile and the Companies' country of incorporation may have an impact on the income received from the Offer Shares.

The above is only a very brief summary of the UK tax position of investors in VCTs and is based on the Companies' understanding of current law and practice. Further details are set out in Part VI of this document. Potential Investors are recommended to consult a financial adviser who specialises in advising on the taxation consequences of investing in a VCT before investing.

Track record of the Companies

Northern Venture Trust was incorporated in 1995, Northern 2 VCT was incorporated in 1999 and Northern 3 VCT was incorporated in 2001. The financial performance of the Companies over their last five financial periods is summarised below (*source: announcements made by the relevant Company through an RNS*). Unless otherwise indicated, all information is audited.

Northern Venture Trust

Period ended	30 September 2024 (six month period)*	31 March 2024	31 March 2023 (eighteen month period)	30 September 2021	30 September 2020	30 September 2019
Dividends per Share	1.6p	3.2p	6.0p	10.0p	4.0p	4.0p
Cumulative dividends per Share paid since inception†	193.7p	192.1p	188.5p	182.5p	172.0p	168.5p
NAV per Share	59.9p	60.3p	62.1p	74.1p	70.7p	68.9p
Total Return per Share	253.6p	252.4p	250.6p	256.6p	242.7p	237.4p

Northern 2 VCT

Period ended	30 September 2024 (six month period)*	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020
Dividends per Share	1.7p	3.0p	3.3p	3.6p	7.5p	3.5p
Cumulative dividends per Share paid since inception†	140.3p	139.1p	136.0p	132.4p	124.9p	121.4p
NAV per Share	57.2p	57.3p	59.0p	64.4p	71.3p	53.5p
Total Return per Share	197.5p	196.4p	195.0p	196.8p	196.2p	174.9p

Northern 3 VCT

Period ended	30 September 2024 (six month period)*	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020
Dividends per Share	2.0p	4.2p	4.5p	5.0p	9.0p	4.0p
Cumulative dividends per Share paid since inception†	120.1p	117.9p	113.4p	108.4p	99.4p	95.4p
NAV per Share	88.5p	89.3p	91.6p	97.9p	107.0p	78.1p
Total Return per Share	208.6p	207.2p	205.0p	206.3p	206.4p	173.5p

† Excluding dividends declared but not yet paid at the balance sheet date.

* Unaudited

The most recently published NAV per Share as at 30 September 2024 is unaudited.

AIFM

Northern Venture Trust is registered with the FCA as a Small Alternative Investment Fund Manager. Northern 2 VCT and Northern 3 VCT have each appointed Mercia as their Alternative Investment Fund Manager.

The Manager

Mercia Fund Management Limited

The Northern VCTs are managed by Mercia Fund Management Limited ("**Mercia**"), which is a wholly-owned subsidiary of Mercia Asset Management PLC. The Mercia Group is a specialist asset manager group with over 15 years' experience of providing capital to high-growth UK SMEs, meeting a large, growing and under-served need for long-term investment capital. The Mercia Group offers high-growth UK SMEs a complete capital solution including private equity, debt, seed and venture capital (the latter category accounting for the majority of its investment activity). The Mercia Group currently manages 64 funds, which it is managing under delegation.

Mercia's approach

The dedicated VCT investment team of 16 within Mercia is responsible for deploying capital and delivering returns. Investment opportunities are sourced both externally and from existing Mercia Group investee companies in other funds wishing to scale up. Mercia pursues an active investment strategy on behalf of the Companies. The expectation is that the Northern VCTs will invest around £55 million each year.

The benefits of operating alongside the other Mercia Group funds are threefold.

First, the Mercia Group has a long track record of managing both EIS and regional funds in companies which are at an earlier stage than those in the VCT portfolio. As at 30 September 2024, Mercia's VCT, EIS and regional funds have £951 million invested. Each year a number of promising companies within these funds seek scale-up capital, providing valuable proprietary deal flow for the Northern VCTs.

Secondly, some Mercia Group managed funds are able to provide money for scale-up capital and to purchase existing shares. There can be demand from some business owners for some cash realisation as well as new investment in those businesses looking to grow quickly. As VCTs are precluded from purchasing existing shares themselves, the ability to co-invest with Mercia Group managed funds gives the Northern VCTs a competitive advantage.

Thirdly, scale. The combination of the Northern VCTs and other Mercia Group managed funds provides the opportunity for the first funding round to be around £10 million, and follow-on rounds in which the combination of all the Mercia funds could exceed the individual ceiling for VCT investment of £12 million (or £20 million for a knowledge intensive company).

Mercia added value

Mercia seeks to create value for shareholders by active management of the portfolio. To deliver this the Mercia Group invests heavily in the following areas:

Talent management

A dedicated team has created an extensive network of suitable people to act as both non-executive and executive chairs and non-executive directors for the Mercia Group's investee companies. The talent team is involved in deals at an early stage identifying the right people to add value to the companies that the Mercia Group backs through its managed funds.

Operating partners

The VCT talent team maintains a database of people focussed on taking executive positions in companies looking to accelerate growth or to help investee companies meet expectations. The Mercia Group's practice is to put operating partners in place, initially funded by the Mercia Group, with a view to long term employment by the investee companies if the operating partner is successful in driving change.

In house legal support

It is the nature of the growth capital market that there are multiple rounds of investment and complicated preference structures. Having an in-house team to negotiate on behalf of the Companies facilitates consistent structuring across the portfolio and speedy resolution of negotiations.

Deal flow

The Boards consider a strong deal flow to be of vital importance to the future performance of the Companies. The venture teams typically focus on earlier, smaller deals. The Mercia Group sources deals throughout the UK, working across a number of locations including Newcastle upon Tyne, Hull, Leeds, Preston, Manchester, Sheffield, Nottingham, Birmingham, Henley-in-Arden, Bristol and London.

Mercia's Northern VCT team deal statistics:

- In an average year, Mercia's VCT team generates around 400 investment opportunities and over the past five years has invested over £195 million (unaudited) in 60 companies; and
- The VCT team completed six new deals totalling £21.8 million in the year to 31 March 2024 which, combined with follow-on investments into existing portfolio companies of £22.3 million (unaudited), totalled £44.1 million.

Track record of the Manager

The Mercia Group has a track record of managing third-party funds across venture and private equity investment and lending to SMEs over the period from 2002 to date.

Recent investments

Set out below are the new investments made by the Northern VCTs since 1 April 2023:

Investee company	Date	Activity	Invested £ million
Camena Bioscience	April 2023	Provider of synthetic DNA	5.0
Risk Ledger	August 2023	Cyber-security business focused on supply chain risk	4.5
Wobble Genomics	December 2023	Development of processes to identify, extract and sequence RNA	3.1
iOpt	December 2023	Platform to remotely monitor property assets	3.0
Tozaro (formerly MIP Discovery)*	February 2024	Development of molecular imprinted polymers as alternative to antibodies	3.2
Warwick Acoustics*	March 2024	Development of flat and flexible electrostatic speakers	3.0
Ski Zoom (t/a Heidi)**	June 2024	Booking platform for flexible winter mountain breaks	4.3
Culture AI**	June 2024	Cyber security – employee training and monitoring platform	4.1
Promethean Particles**	July 2024	Global supplier of cost-effective, industrial-scale nanoparticles and metalorganic frameworks (MOFs) for CO2 capture	4.0
Semble**	October 2024	Practice management software for healthcare clinicians/clinics	6.1
Scalpel**	October 2024	Enterprise AI for automated surgical tray validation	3.1
Napo**	December 2024	Pet insurance provider with a focus on preventative care and customer experience	6.1

*existing Mercia investment

** unaudited

Follow-on investment

Since 1 April 2023, £31.0 million of follow-on funding was invested. The top five portfolio companies receiving follow-on funding over the period were:

Investee company	Activity	Invested £ million
Forensic Analytics	Call data communications analytics software	3.5
LMC Software	Social care management software	3.0
Pimberly	Product information management software	3.0
Naitive Technologies	AI healthcare focused on osteoporosis	3.0
Locate Bio	Regenerative medicine developer	2.5

Recent exits

Since 1 April 2023, the Northern VCTs have fully exited from nine portfolio companies, including the following:

Gentronix	The Northern VCTs invested £3.3m development capital between February 2007 and November 2021 in Cheshire-based Gentronix. Gentronix has developed technology for carcinogenic drug identification. The Northern VCTs exited in September 2024 for £14.8m proceeds, representing a lifetime return of 4.5x including interest received during the life of the investment (unaudited).
Evotix	The Northern VCTs invested £7.8m development capital between February 2018 and March 2022. Glasgow-based Evotix (formerly SHE Software) provides a digital platform to enable companies to manage health and safety efficiently and proactively. The company was sold to SAI360 Inc (a subsidiary of Symphony Technology Group) in May 2023, providing a 4.9x return for the Northern VCTs.
musicMagpie	The Northern VCTs invested £4.5m development capital in September 2015. Stockport-based musicMagpie is an e-commerce business enabling customers to buy and sell used technology. In 2021 the company was admitted to AIM, and the Northern VCTs realised 50% of their equity stake along with repayment of £3.2m of debt. The remaining equity holding was sold in December 2024 for a 1.7x return on initial cost. The blended lifetime total return on investment was 6.5x (unaudited).

The Northern VCTs also exited The Climbing Hangar, Haystack Dryers, Medovate, Weldex, and Nutshell Software for aggregate proceeds of £15.5m, a combined return of 0.7x (unaudited) on an aggregate investment of £23.0m (unaudited).

VCT Investment team

The Manager's VCT investment team has grown from a dedicated team of 9 in 2019 to now comprise 16 investment executives and 13 supporting staff. The background and experience of the current team is as follows:

Peter Dines, MD of Mercia Ventures joined Mercia in 2015 as Head of Life Sciences & Biosciences, with over 20 years' experience in this sector. He is managing director of Mercia Ventures with responsibility for the VCT division. He has been involved with a number of turnarounds and exits within the sector, including the acquisition of Surgicraft's loss-making business where, while he was managing director, sales quadrupled within three years and the business was subsequently sold to a private equity backed business; and Diagnostic World, a fast-growing diagnostic provider to the NHS which later re-branded as C7 Health and successfully exited in 2022.

Martijn Kleiberger, Portfolio Director joined the VCT team in 2022. Martijn graduated from Erasmus University Rotterdam where he holds a Masters degree in Economics. Having been trained as a banker originally, Martijn spent most of his career at Octopus Investments where he held a number of board positions with various early stage companies and was a member of the investment committee. Prior to joining Mercia, Martijn worked at

Pollen Street Capital as a Senior Originator as part of its Private Credit strategy focussing on Speciality Finance transactions in the Electric Vehicle, SME lending and Renewable Energy sectors.

Nigel Owens, Portfolio Director joined the VCT team in 2023 from the Mercia Group's Direct Investment team. Nigel has over 17 years' experience in venture capital and private equity. He started his career at Deloitte advising investors, and prior to joining Mercia, was a partner at YFM Equity Partners where he worked at originating and completing new investments, as well as managing acquisitions, realisations and fundraisings. He trained as an engineer, holds an MBA and has experience in investments in software, engineering, telecoms, support services and technology businesses.

Victoria Wiesener, Portfolio Director joined the VCT team in 2024. Victoria graduated from Heriot-Watt University with a degree in International Business with Languages before moving into Investment Banking at Morgan Stanley and then Private Equity with Apax Partners. She has since held senior operational roles across various industries, including that of CFO within several Venture-backed businesses. Prior to joining Mercia, Victoria was a Portfolio Director at ScaleUp Capital in London.

Lisa Ward, Head of Portfolio Resourcing joined Mercia in 2011 from the business growth services team at Grant Thornton. She leads Mercia's portfolio resourcing functions and its non-executive director networks. Lisa has a science and technology background, with a BSc (Hons) in Human Bioscience from Sheffield Hallam University.

Stephen Johnson, Investment Director joined the VCT team in 2019 after a career in IT consulting with Capgemini and as a senior consultant with Agile Solutions. He focuses on sourcing, transaction and managing investments in B2B software and the broader technology sector. Stephen has a BSc degree in Information Management with Business Studies from Loughborough University.

Hugo Lough, Investment Director joined the VCT team in 2021, following four years working in the growth capital team at finnCap, advising private UK businesses on their funding options. During this time Hugo advised numerous companies across the consumer and technology sectors on funding for both organic and acquisitive growth. He has a BSc degree in Economics from Warwick University.

Alex Gwyther, Investment Manager joined the VCT team in 2021 after seven years in the world of science and technology: first as a science policy adviser for the Government, and then as a consultant and client manager at IBM. He specialises in supporting on life science opportunities. Alex has a first-class undergraduate degree in Biological Sciences from the University of Oxford and an MSc in Science Communication from Imperial College London.

Jan Oosthuizen, Investment Manager joined the VCT team in 2022 after spending four years as an investor in Mercia's North East Venture Fund. Jan is a Chartered Accountant, qualifying with EY, Bristol before moving to PwC, Newcastle and working in their audit and advisory teams. Prior to that he completed a legal conversion course at the College of Law York and holds a Masters in International Politics and BA in Economics and Philosophy from Queen's University Belfast. He has a range of experience from working with owner-managed businesses, equity-backed and large listed businesses across the north of England, the UK and internationally.

Henry Hamilton, Investment Manager joined the VCT team in 2023. Prior to Mercia, Henry worked in venture capital as an investor at Sustainable Ventures, an early-stage climate technology VC where he made numerous investments across a variety of sectors. Prior to working in venture capital, he worked in investment management for over five years in the investment teams at Wellington Management and Ruffer. Henry also did an alternative MBA in technology at Founders Academy.

Lee Lindley, Investment Manager joined the VCT team in 2021 after seven years working in corporate finance at PwC; firstly advising public and private sector bodies across the healthcare, telecoms and transport sectors, and then as an assistant director advising digital infrastructure and energy businesses on growth equity fundraising and M&A transactions. He holds a BA in Natural Sciences from the University of Cambridge and a Masters (Distinction) in Research Methods from the University of Manchester.

Adam Lovell, Investment Manager joined the VCT team in 2021, following three years working at Rickitt Mitchell & Partners, advising UK businesses and private equity clients on strategic acquisitions and disposals. Based in Manchester, he now focuses on sourcing, transacting and managing investments through to broader roles with

portfolio companies. He holds an undergraduate degree in Accounting and Financial Management from Loughborough University.

Adam Watts, Investment Manager joined the VCT team in 2021, following two and a half years working in the investment team at Wealth Club. Based in Bristol, he now focuses on sourcing, transacting, and managing investments in B2B software and the broader technology sector. Previously, Adam trained at EY in Bristol as a chartered accountant, working in financial services audit before spending two years with Deloitte's financial advisory team in restructuring. Adam graduated from the University of Southampton with a BSc in Economics.

Dr Marina Fuentes, Investment Manager joined the VCT team in 2022 and is involved in identifying new investment opportunities, completing transactions and supporting Mercia's portfolio companies. Previously, she worked at Oxford University Innovation, where she helped create spinouts, raised investment for these companies and supported them through Board roles. After 8 years in the world of science and tech transfer, Marina has experience in commercialising technologies from various disciplines such as biotech, renewable fuels, energy storage, materials, software, and drug development, among others. She holds a PhD in Chemistry from the University of Nottingham.

Jonathan Kruger, Investment Associate joined the VCT team in 2023. Prior to joining Mercia, Jonathan spent 3 years working at Google in the UK and Ireland, supporting high-growth seed stage businesses with go-to-market strategy and execution – covering product, digital marketing channels and branding. Prior to that, he founded and scaled his own VC-backed direct-to-consumer business, The Drop, which aimed to address the many problems of fast fashion with a new and disruptive made-to-order model.

Sue Bromham, Research Manager joined Mercia in 2021 after 16 years working for NVM. Before joining NVM in 2005 she worked for The Go-Ahead Group PLC for a number of years as group financial controller. Sue is a qualified accountant who carries out market research and financial analysis projects as well as helping other members of the VCT team on portfolio matters.

Mercia VCT wider team

The wider Mercia team working with the Northern VCTs consists of:

Julian Viggars, Chief Investment Officer, Mercia Asset Management PLC joined the Mercia Group through the acquisition in 2016 of Enterprise Ventures, where he was head of technology investments. He has over 25 years' venture capital experience, including the successful listings of Blue Prism Group plc and OptiBiotix Health plc. Julian leads the equity investment team as well as managing the pipeline of Mercia's direct investments. He has a Geology with Chemistry degree from the University of Southampton and qualified as a chartered accountant with Smith & Williamson.

James Sly, Finance Director joined Mercia in 2021 and was previously Finance Director, Housing at Gresham House plc, where he was responsible for several listed and limited partnership vehicles. Prior to Gresham House, he led the team responsible for financial control and reporting at United Trust Bank. James has an MA in Economics and Management from the University of Oxford and qualified as a chartered accountant with PricewaterhouseCoopers.

Sarah Williams, Company Secretary and Group General Counsel joined the Mercia Group in October 2018 and, through Mercia's corporate company secretarial vehicle, took responsibility as Company Secretary to the Northern VCTs in September 2022. She works closely with the VCT team to provide legal advice, and manages the Group's relationships with external legal advisers. Sarah qualified as a solicitor in 2007 and has a LLB (Hons) Law from Liverpool University.

Gina Hood, EIS/VCT Operations Manager and Assistant Company Secretary joined Mercia in 2016. She is responsible for overseeing the operations and investor services for our tax-efficient products, alongside being the Assistant to the VCT Company Secretary. Gina was Senior Investment Administrator at NFU Mutual and holds an Advanced Certificate in Global Securities Operations from the Chartered Institute for Securities and Investment, as well as a BSc from the Open University.

Dr Paul Mattick, Head of Sales and Private Investor Relations works directly with private clients and advisers to build the EIS and VCT fund raising capacity of Mercia. Paul has a variety of experience in early-stage businesses

(including being a founder), and formerly worked at another leading EIS fund manager, where he built close relationships with top tier clients, and significantly grew both fund and single company assets under management. Paul has a PhD and Post-Doctorate from the University of Oxford and a 1st Class Bachelor of Science from the University of Leeds.

Ben Carless, Financial Controller joined Mercia in 2021 from Hall Bros Estate Management Ltd, where he led the team in all aspects of financial control and reporting. Prior to Hall Bros, Ben was assistant Finance Director at Redevco UK with responsibilities for corporate reporting and also has extensive experience at Chelsfield plc and PwC. Ben has a BA in Economics from Leeds University, and is a Chartered Accountant.

Grace Drohan, Senior Legal Counsel joined Mercia in 2021 from Gowling WLG LLP, where she trained and qualified as a corporate solicitor in 2017. Grace has experience of advising clients (from large corporates and private equity investors to individual business owners) on a wide range of corporate transactional matters, including investments, acquisitions, disposals and restructurings. Prior to joining Gowling WLG, Grace began her legal career at Eversheds LLP. Grace has an LLB in Law with Politics from the University of Manchester.

Russell Fryer, Business Development Manager joined Mercia in 2017. His role is to help financial advisers develop their businesses and provide technical support on tax-efficient investing for their clients. This often involves working closely with other professionals such as accountants and solicitors across the country.

Clare Houghton, Business Development Manager joined Mercia in 2021. Clare is an experienced Business Development Manager whom also had an extensive career as an Independent Financial Adviser. She has worked for HSBC for many years as an IFA and then Lighthouse Group. In more recent years she has turned her hand to Business Development within the EIS arena, and having offered these solutions to her own clients as an IFA, she is well positioned to support others to do the same.

Stefan Helm, Business Development Manager joined Mercia in 2021. Stefan previously worked for AFH Wealth Management, as well as tax consultancy Gateley Capitus. Stefan has an MSc from Manchester Metropolitan University and studied Politics with International Relations at Lancaster University.

Jack Atkins, VCT/EIS Operations Associate joined Mercia in 2022 and is responsible for providing support for the operations and investor services for Mercia's tax-efficient products. Jack has worked in the financial sector for over 15 years.

Zara Alexandra, VCT/EIS Client Services Administrator joined Mercia in 2024 and supports in handling client data, requests and queries for individuals and financial advisors, focusing on Mercia's tax efficient products. Prior to joining Mercia, Zara spent three years working in client services at Gresham House Asset Management.

Joanna Bayes, Fund Administrator joined Mercia in 2021 as Fund Administrator, working within the VCT Funds. She supports the Investment Team with deal preparation and completion, the maintenance of records, and the development, coordination and production of both external and internal reports.

Directors

The Directors of the Companies are as follows:

^A Member of the Audit and Risk Committee

^M Member of the Management Engagement Committee

^N Member of the Nomination Committee

Northern Venture Trust PLC

Deborah Hudson M.Eng MBA (Chair) ^{A M N} has considerable operational and investment experience in technology and software businesses. Deborah is a founding director of Shackleton Ventures, which specialises in secondary venture and development capital investments and has served on the boards of a number of their investments and other earlier stage companies. She was appointed to the Northern Venture Trust Board on 1 January 2022 and became chair on 30 July 2024. She is also chair of the Nomination Committee and Management Engagement Committee.

David Mayes ^{A M N} is an experienced investment professional and investor with a long-standing involvement in financial markets. He previously managed an emerging markets investment team for Credit Suisse Securities (Europe) Limited. He was formerly a trustee director of a major pension fund and vice chair of its investment committee, and is a member of the Salvation Army International Trust Investment Board. He was appointed to the Board in 2014 and will not stand for re-election at the 2025 Annual General Meeting.

John E Milad BA ^{A M N} has over 25 years' experience as an executive leader, board member, venture capital investor and investment banker focussed on the life sciences and medical technology sectors. He is currently the CEO of ERS Genomics, a licenser of the Nobel Prize-winning CRISPR/Cas9 gene editing technology. Previously, John was co-founder and CEO of Quanta Dialysis Technologies, leading the development and commercial launch of a portable hemodialysis system. John currently serves as a Trustee on the Board of Kidney Research UK and is a business mentor at the Royal Academy of Engineering's accelerator program. He was appointed to the Board in August 2024.

Brigid Sutcliffe MA MBA ACA ^{A M N} has been a non-executive director for a variety of organisations in the public, private and third sectors over the past 20 years and has extensive audit committee chair experience. The value she adds to a board is financial, audit and risk management governance expertise, combined with strategy, marketing and change management skills. Brigid also serves as a non-executive director and audit chair of Strategic Equity Capital plc and as a non-executive director of STS Global Income & Growth Trust plc. She is also a member of the finance committee of Newnham College, Cambridge and a trustee of Muscular Dystrophy UK. She was appointed to the Board in April 2024 and became chair of the Audit and Risk Committee in July 2024.

The Directors of Northern Venture Trust have indicated that they intend to invest a total of £220,000 in Northern Venture Trust under the Offers.

Northern 2 VCT PLC

David Gravells MSc JP (Chair) ^{A M N} is an experienced entrepreneur who has been involved in a wide range of private equity financed businesses. He is a portfolio consultant to a number of developing companies and has interests in the public sector. He was appointed to the Board in 2007 and became chair in 2008. He is also chair of the Nomination Committee and the Management Engagement Committee.

Thomas Chambers BA DUniv FCA AMCT FIET ^{A M N} has had a range of industry and venture capital roles giving insight into, in particular, the technology and communications sectors. He is currently chair of Propel London (recruitment), and an adviser to several private companies. Until 5 June 2024 he was a director of Kings Arms Yard VCT and was formerly chair of First Utility (Shell Energy) and a trustee of UCAS (Universities and Colleges Admissions Services). He was appointed to the Board in June 2024.

Simon Devonshire OBE ^{A M N} has extensive business experience in corporate leadership, financial governance, strategy, communications and sales and marketing. He is currently entrepreneur in residence at the National Physical Laboratory and the Institute of Cancer Research, and a non-executive director at Ashford and St Peter's NHS Trust. He is a serial entrepreneur and angel investor whose venture portfolio has raised more than £0.5 billion in capital finance. Simon was previously an entrepreneur in residence at the Department for Business, Energy and Industrial Strategy. He was appointed to the Board in 2017.

Cecilia McNulty CA^{AMN} is an experienced board director and audit chair. She is currently a non-executive director of RIT Capital Partners plc, Polar Capital Financials Trust plc and Eurobank Cyprus, an EU regulated bank. She held senior investing roles at Centaurus Capital, a London based hedge fund, Barclays Capital and Royal Bank of Scotland. She is a chartered accountant and was appointed to the Board in 2014 and became the senior independent non-executive director in September 2023.

Ranjan Ramparia BA CA^{AMN} is a qualified chartered accountant and experienced business professional. She started her career in audit assurance with PricewaterhouseCoopers in the audit, valuations and corporate finance divisions. Her early career was as a fund manager and she has experience of investing in listed and unlisted equities. She brings significant experience of regulatory and compliance matters and has served on the boards of regulated companies. Ranjan also serves as a non-executive director of JPMorgan Global Emerging Markets Income Trust PLC and Schroder BSC Social Impact Trust PLC. She was appointed to the Board in May 2022 and became chair of the Audit and Risk Committee in September 2023.

The Directors of Northern 2 VCT have indicated that they intend to invest a total of £37,000 in Northern 2 VCT under the Offers.

Northern 3 VCT PLC

James Ferguson BA (Chairman)^{AMN} was chairman and managing director of Stewart Ivory Limited from 1989 until 2000. He was formerly chairman of The Scottish Oriental Smaller Companies Trust PLC and a non-executive director of The Independent Investment Trust PLC. He is the former deputy chairman of The Association of Investment Companies and former chairman of Value & Income Trust PLC and North American Income Trust PLC. He was appointed to the Board in 2001 and became chairman in 2009. He is also chairman of the Nomination Committee and the Management Engagement Committee.

Anna Brown LLB (Hons) Dip LP^{AMN} is a partner with international law firm Addleshaw Goddard LLP specialising in mergers and acquisitions, investments and equity capital markets work. Prior to that she was a partner at Pinsent Masons LLP and McGrigors LLP (until its merger with Pinsent Masons). She was appointed to the Board in 2020.

Chris Fleetwood BA BFP FCA^{AMN} was managing partner of io solutions (e-business strategy advisers). He was also formerly chairman of Darlington Building Society, group chief executive of Whesoe plc, a governor of Teesside University and a non-executive director of NCFE Limited. He was appointed to the Board in 2001 and is chairman of the Audit and Risk Committee.

Tim Levett MBA^{AMN} is non-executive chairman of NVM Private Equity LLP, which he co-founded in 1988. He is a non-executive director of several unquoted companies and a member of the Association of Investment Companies' VCT Forum. He ceased to be a consultant to Mercia Fund Management Limited on 31 March 2022 and non-executive director of Northern Venture Trust PLC on 21 July 2023. He was appointed to the Board in 2001.

John Waddell LLB FRSE^{AMN} was until 2015 chief executive of Archangel Investors Limited, a Scottish-based syndicate of individual private investors, and sits on the boards of numerous unquoted companies. He also advises two early-stage funds and was previously a director of Noble Grossart Limited. He was appointed to the Board in 2007.

The Directors of Northern 3 VCT have indicated that they intend to invest a total of £6,000 in Northern 3 VCT under the Offers.

Operation of the Companies and board practices

(a) Board of Directors

As at the date of this document the Companies comply with The Association of Investment Companies (the "AIC") Code of Corporate Governance ("AIC Code") and the relevant provisions of the UK Corporate Governance Code, save as described below:

- (i) the UK Corporate Governance Code includes provisions relating to the role of the chief executive, executive directors' remuneration and the need for an internal audit function. For the reasons set out in the AIC Code, and in the preamble to the UK Corporate Governance Code, the Boards consider these provisions are not relevant to the position of the Companies, which are externally managed venture capital trusts. Accordingly, the Companies do not report further in respect of these provisions.
- (ii) the Boards do not have separate remuneration committees, as the Companies have no employees or executive directors.
- (iii) in the year to 31 March 2024, Northern Venture Trust did not comply with provisions 13, 14, 24 and 25 of the AIC Code. Provision 13 recommends that where a director has served for more than nine years, the board should state its reasons for believing that the individual remains independent. The Northern Venture Trust Board is of the view that a term of service in excess of nine years is not in itself prejudicial to a director's or chair's ability to carry out their duties effectively and from an independence perspective; the nature of Northern Venture Trust's business is such that individual Directors' experience and continuity of Board membership can significantly enhance the effectiveness of the Board as a whole. Provision 14 recommends the appointment of a senior independent non-executive director to provide a sounding Board for the chair and serve as an intermediary for the other directors and shareholders. The Northern Venture Trust Board has concluded that given the size and composition of the Board (consisting entirely of experienced non-executive Directors), the appointment of a senior independent non-executive director is not appropriate. Provision 24 recommends determining and disclosing a policy on the tenure of the chair. Northern Venture Trust does not have a set limit on the tenure of the members of the board or the Chair, however the Chair does follow provision 12 of the AIC Code, namely that they avoid relationships which might compromise independence throughout their tenure. The Northern Venture Trust Board has, as a matter of good practice, adopted the AIC Code recommendation that all directors should seek annual re-election, and acknowledges that regular refreshment of its membership is desirable. Provision 25 states that open advertising and / or an external search consultancy should generally be used for the appointment of non-executive directors. The appointment of Brigid Sutcliffe to the Northern Venture Trust Board resulted from a search process carried out by the Investment Adviser. The Northern Venture Trust Nomination Committee was satisfied that the search process was sufficiently broad and delivered an exceptional pool of candidates, such that it was acceptable not to comply with the AIC Code on this occasion.
- (iv) in the year to 31 March 2024, Northern 2 VCT did not comply with provisions 13 and 24 of the AIC Code. With regard to provision 13, the Northern 2 VCT 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 independence perspective; the nature of the Company's business is such that individual Directors' experience and continuity of Board membership can significantly enhance the effectiveness of the Board as a whole. With regard to provision 24, Northern 2 VCT does not have a set limit on the tenure of the members of the board and the Chair, however the Northern 2 VCT Board has, as a matter of good practice, adopted the AIC Code recommendation that all directors should seek annual re-election and acknowledges that regular refreshment of its membership is desirable.

In the year to 31 March 2024, Northern 3 VCT did not comply with provisions 13, 14 and 24 of the AIC Code. With regard to provision 14, the Northern 3 VCT Board has opted not to appoint a senior independent director and does not comply with this AIC Code provision. The Northern 3 VCT Board has concluded that given the size and composition of the Board (consisting entirely of experienced non-executive directors), the appointment of a senior independent non-executive director is not appropriate. With regard to provision 13, the 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 independence perspective; the nature of the Company's business is such that individual Directors'

experience and continuity of Board membership can significantly enhance the effectiveness of the Board as a whole. With regard to provision 24, Northern 3 VCT does not have a set limit on the tenure of the members of the Board and the Chairman and therefore does not comply with this provision. However, the Northern 3 VCT Board has, as a matter of good practice, adopted the AIC Code recommendation that all Directors should seek annual re-election, and acknowledges that regular refreshment of its membership is desirable.

The Board of Northern Venture Trust comprises four members and of each of Northern 2 VCT and Northern 3 VCT comprises five members, all of whom are non-executive Directors. The Companies consider that each of their Directors is independent for the purposes of the UK Corporate Governance Code.

The Boards meet regularly throughout the year (normally at least quarterly), and all necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively. Additionally, special meetings take place or other arrangements are made when Board decisions are required in advance of regular meetings. The Boards are responsible for leading and controlling each Company.

Investment decisions for Northern 2 VCT and Northern 3 VCT are fully delegated to the Manager in line with its investment and conflicts procedures, overseen by a dedicated VCT investment committee comprised of Mercia Group employees. Northern Venture Trust is advised by the Manager, and therefore is responsible for its own investment decisions utilising its own investment committee, comprised of all of its non-executive directors (as presented on page 30). To assist Northern Venture Trust's investment committee, the Manager pre-circulates and, if necessary, presents investment, follow-on, and divestment proposals, with notes from the Manager's own investment committee. In some circumstances investment matters are addressed under delegated authority by the Chair of the Board. In all cases the Manager receives a decision and, if appropriate, additional observations. Minutes of formal board discussions are duly recorded and reviewed. Following approval by the respective investment committees, the Manager will then execute the transaction on behalf of the Companies.

Each Board delegates specific responsibilities to the Committees described below.

(b) Northern Venture Trust

(i) The Audit and Risk Committee

The Audit and Risk Committee is chaired by Brigid Sutcliffe and its other members are Deborah Hudson, David Mayes and John E Milad. It normally meets four times a year. Northern Venture Trust's auditor and senior executives of the Manager may attend and speak at meetings of the Audit and Risk Committee. A summary of the terms of reference of the Audit and Risk Committee is as follows: the Committee has responsibility for, among other things, the planning and reviewing of Northern Venture Trust's annual financial statements, half-yearly results and periodic NAV announcements, monitoring of its internal control framework and the supervision of its auditor in the review of such financial statements. The Audit and Risk Committee will focus particularly on Northern Venture Trust's compliance with accounting standards, financial and regulatory reporting requirements, reviewing the Manager's whistleblowing and fraud avoidance procedures, ensuring compliance with the UK Listing Rules and the Prospectus Regulation Rules and on ensuring that effective systems for internal financial control and for reporting non-financial operating data are maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly financial report remains with the Board.

(ii) The Nomination Committee

The Nomination Committee, which meets on an ad hoc basis but at least once a year, is chaired by Deborah Hudson and its other members are David Mayes, John E Milad and Brigid Sutcliffe. This Committee has responsibility for considering the size, structure and composition of the Board, the retirement and appointment of Directors and the level of fees paid to Directors, and makes appropriate recommendations to the Board in relation to these matters.

(iii) The Management Engagement Committee

The Management Engagement Committee is chaired by Deborah Hudson and its other members are David Mayes, John E Milad and Brigid Sutcliffe. The Committee undertakes a periodic review of the performance of the Manager and of the terms of the management agreement and performance incentive arrangements.

(c) Northern 2 VCT

(i) The Audit and Risk Committee

The Audit and Risk Committee is chaired by Ranjan Ramparia and its other members are Thomas Chambers, David Gravells, Cecilia McAnulty and Simon Devonshire. It normally meets three times a year. Northern 2 VCT's auditor and senior executives of the Manager may attend and speak at meetings of the Audit and Risk Committee. A summary of the terms of reference of the Audit and Risk Committee is as follows: the Committee has responsibility for, among other things, the planning and reviewing of Northern 2 VCT's annual financial statements, half-yearly results and periodic NAV announcements, and the supervision of its auditor in the review of such financial statements. The Audit and Risk Committee will focus particularly on Northern 2 VCT's compliance with legal requirements, accounting standards, financial and regulatory reporting requirements, reviewing the Manager's whistleblowing and fraud avoidance procedures, ensuring compliance with the UK Listing Rules and the Prospectus Regulation Rules and on ensuring that effective systems for internal financial control and for reporting non-financial operating data are maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly financial report remains with the Board.

(ii) The Nomination Committee

The Nomination Committee, which meets on an ad hoc basis but at least once per year, is chaired by David Gravells and its other members are Thomas Chambers, Simon Devonshire, Cecilia McAnulty and Ranjan Ramparia. This Committee has responsibility for considering the size, structure and composition of the Board, the retirement and appointment of Directors and the level of fees paid to Directors, and makes appropriate recommendations to the Board in relation to these matters.

(iii) The Management Engagement Committee

The Management Engagement Committee is chaired by David Gravells and its other members are Thomas Chambers, Simon Devonshire, Cecilia McAnulty and Ranjan Ramparia. The Committee undertakes a periodic review of the performance of the Manager and of the terms of the management agreement and performance incentive arrangements.

(d) Northern 3 VCT

(i) The Audit and Risk Committee

The Audit and Risk Committee is chaired by Chris Fleetwood and its other members are Anna Brown, James Ferguson, Tim Levett and John Waddell. It normally meets three times a year. Northern 3 VCT's auditor and senior executives of the Manager may attend and speak at meetings of the Audit and Risk Committee. A summary of the terms of reference of the Audit and Risk Committee is as follows: the Committee has responsibility for, among other things, the planning and reviewing of Northern 3 VCT's annual financial statements, half-yearly results and periodic NAV announcements, and the supervision of its auditor in the review of such financial statements. The Audit and Risk Committee will focus particularly on Northern 3 VCT's compliance with legal requirements, accounting standards, financial and regulatory reporting requirements, reviewing the Manager's whistleblowing and fraud avoidance procedures, ensuring compliance with the UK Listing Rules and the Prospectus Regulation Rules and on ensuring that effective systems for internal financial control and for reporting non-financial operating data are maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly financial report remains with the Board.

(ii) The Nomination Committee

The Nomination Committee, which meets on an ad hoc basis but at least once per year, is chaired by James Ferguson and its other members are Anna Brown, Chris Fleetwood, Tim Levett and John Waddell. This Committee has responsibility for considering the size, structure and composition of the Board, the retirement and appointment of Directors and the level of fees paid to Directors, and makes appropriate recommendations to the Board in relation to these matters.

(iii) The Management Engagement Committee

The Management Engagement Committee is chaired by James Ferguson and its other members are Anna Brown, Chris Fleetwood, Tim Levett and John Waddell. The Committee undertakes a periodic review of the performance of the Manager and of the terms of the management agreement and performance incentive arrangements.

(e) Dividend Policy

The Companies each have a medium term aim to generate a return on ordinary activities sufficient to support their target annual dividend yield, whilst avoiding as far as possible erosion of NAV per share. Northern Venture Trust and Northern 2 VCT both have a target dividend yield of 5% of opening NAV

for each financial year and Northern 3 VCT a target dividend yield of 4.5% of opening NAV for each financial year. Since targets were introduced in 2018, each of the Northern VCTs has achieved its target dividend yield in each financial year, with additional special dividends paid in 2021 as a result of successful realisations during the year. The level of future dividends is not guaranteed and will have regard to the level of returns generated by each Company, the availability of distributable reserves and ongoing compliance with the VCT Rules.

(f) Dividend Investment Schemes

It is expected that the first applicable dividend in relation to which the Dividend Investment Schemes will operate for the Offer Shares will be the final dividends for the financial year ending 31 March 2025, which are expected to be paid in August 2025. Under the Dividend Investment Schemes, participants may apply to have all or a specified part of their dividends invested in new Shares. New Shares will be issued at a price equivalent to the greatest of (a) the latest published Net Asset Value per Share (net of all dividends declared on or before the relevant investment day (being a day on which a special dividend or an annual dividend on Ordinary Shares is credited to the account of Shareholders or, if such day is not a dealing day on the London Stock Exchange, the next dealing day thereafter) but not yet paid), (b) the nominal value per Share and (c) the mid-market price per Share as quoted on the London Stock Exchange, each as at the close of business on the tenth Business Day preceding the date of issue of such Shares. On the basis of current law and subject to the limits set out below, Scheme participants should qualify for income tax relief on the amount applied in acquiring new Shares, provided they hold the Shares for the five year VCT qualifying period applicable to new subscriptions. Shareholders should note that Shares acquired first will be treated as being disposed of first, whether or not income tax relief was obtained on those Shares. The tax consequences of a Shareholder choosing to participate in the relevant Dividend Investment Scheme will depend upon his or her personal circumstances. Shares subscribed through the Dividend Investment Schemes will form part of each Shareholder's annual qualifying limit of £200,000 for new subscriptions in VCTs. Dividends paid by each Company are tax free, provided that the Shareholder's holding is acquired within the current annual qualifying limit of £200,000, and need not be reported in the Shareholder's annual tax return. Any loss or gain accruing to a Shareholder on a disposal of the Shares acquired within the current annual qualifying limit of £200,000 will neither be a chargeable gain, nor an allowable tax loss, for the purposes of capital gains tax. Shareholders should consult an independent Intermediary authorised under FSMA before participating in the Scheme.

Costs

Offer costs

The Promoter will, in respect of the services provided pursuant to the Offers, receive a fee of 2.5% of the gross proceeds of the Offers in respect of subscriptions received either direct or through a financial adviser, or 5.0% of the gross proceeds of the Offers for subscriptions received through an execution only platform or broker. Out of this fee, the Promoter will pay all upfront costs associated with the Offers. Assuming the costs of the Offers are 5.0% of the gross proceeds of the Offers, the net proceeds of the Offers would be approximately £14.2 million for each of Northern Venture Trust and Northern 2 VCT and £5.7 million for Northern 3 VCT, if their Offers are fully subscribed.

Investors who are an existing shareholder in any of the Northern VCTs will be entitled to a 0.5% (of the amount invested) reduction in the offer costs applicable to their subscription, providing they (or their spouse or civil partner) were a shareholder on 20 September 2024. This discount will apply for any of the Northern VCTs and not just the VCT to which the shareholder is already subscribed.

Commissions

Initial commissions may be payable by the Companies in respect of subscriptions received through execution only brokers, or in respect of subscriptions where the Applicant is a Professional Client Investor who has received restricted advice from an Intermediary. Those Intermediaries that are permitted to receive commission will receive an initial commission of 2.5% of the amount invested by their clients under the Offers. Where initial commission is payable the Intermediary may agree to waive all or part of the initial commission in respect of a subscription. If this is the case, the commission waived will be added to the amount subscribed and additional Offer Shares will be allotted to the Investor at the relevant Offer Price. Such Intermediaries must indicate on the Application Form the basis on which they wish to receive their commission. The cost of such commissions will ultimately be paid by the Promoter on behalf of the Companies.

Additionally, for execution only brokers, provided that the Intermediary continues to act for the Investor and the Investor continues to be the beneficial owner of the Offer Shares, and subject to applicable regulations, the Intermediary will usually be paid an annual trail commission for five years, of which the Companies will pay 0.2% and 0.2% will be paid by the Promoter. Trail commission will be paid annually in April (commencing in 2026).

Adviser Charges

The Companies have agreed to facilitate the payment of one-off Adviser Charges by accepting instructions from an Investor to deduct the amount of the fee agreed by them with their Intermediary (up to 4.5% of the amount invested), from the amount they send to the Companies. Ongoing fees to Intermediaries will not be facilitated by the Companies. Investors who wish the Companies to facilitate the payment of a fee in this manner are required to specify the amount of the charge in Part A of section 8 of the Application Form, and the Adviser Charge will be paid to the relevant Intermediary, on behalf of the Investor from an equivalent amount due to the Investor from the Companies. The Investor will be issued fewer Offer Shares (to the equivalent value of the Adviser Charge) as set out in the Pricing Formula. The Adviser Charge stated on the Application Form is deemed to be inclusive of VAT. If, however, VAT remains payable then the Investor is liable for that payment of VAT.

The total amount subscribed will be the application proceeds gross of the Adviser Charges. Income tax relief should be available on the total amount subscribed, before deduction of Adviser Charges, subject to VCT Rules and personal circumstances.

Management and administration costs

The Manager will receive from each Company an annual management fee, payable quarterly in advance, at the rate of 2.06% of Net Assets, calculated at half-yearly intervals. The fee due on the value of liquid assets above a threshold of £20 million in each of the Companies is reduced to the rate of 1% per annum. The Manager also provides secretarial and administration services to each of the Companies for annual fees of £95,700, £78,700 and £73,200 for Northern Venture Trust, Northern 2 VCT and Northern 3 VCT respectively (rising annually with any increase in the UK Index of Consumer Prices).

The Manager is also entitled to receive a performance-related management fee from each of the Companies equivalent to 14.0% of the amount, if any, by which the Total Return in each financial year (expressed as a percentage of opening NAV) exceeds the greater of i) a 5.0% performance hurdle based on opening NAV, or ii) the return required to return performance to the previous “high water mark”. Following a year in which the NAV declines, a “high water mark” will apply to the calculation of the performance-related fee, based on the highest total return ever recorded at 31 March. The performance-related fee payable by each of the Companies is subject to an overall annual cap of 2.25% of net assets, with any fee above this being held in reserve until the next time the high water mark is met.

The Annual Running Costs of the Companies (excluding performance-related management fees) are each capped at 2.9% of average Net Assets during the relevant financial year, with any excess being borne by the Manager by way of a reduction of its fees.

Each of the Companies has established a co-investment scheme under which the Manager’s executives are required to invest personally in the ordinary share capital of investee companies in which the Companies invest, on the same terms as the Companies and other funds managed by the Manager. The Directors review the operation of the scheme annually. Please see paragraph 7(a) of the Material Contracts section on page 71 for more details.

Other information

The Offers and minimum and maximum subscription

The Offers are open to existing Shareholders and new investors. You may complete and submit your Application Form online (please refer to the instructions at www.mercia.co.uk/vcts/). If you have any administrative questions regarding the completion and return of the Application Form, please contact the Receiving Agent on 01484 240 910 (Monday to Friday, excluding English public holidays, 9.00 am - 5.30 pm) or by email at northernvcts@city.uk.com.

Alternatively, once the Offers are open to applications, you can complete and submit the Application Form which may be downloaded from www.mercia.co.uk/vcts and post/email it to the Receiving Agent. If you email a copy of your Application Form to the Receiving Agent, please do not send a hard copy in the post. The Companies encourage investors to use the online Application facility and bank transfers to reduce their carbon footprint and from a speed of processing perspective.

The Offers open on 14 January 2025 and will close for applications at 12 noon on 31 March 2025 (or, if earlier, as soon as each Offer is fully subscribed or otherwise at the Directors' discretion).

Minimum subscription

The minimum individual subscription for Offer Shares under the Offers is £6,000. Applicants may apply for Offer Shares in one, two or all of the Companies provided that the total subscribed is not less than £6,000 and the amount subscribed in each Company is not less than £2,000.

Application acceptance

If you post your Application Form, you are recommended to send it first class, use recorded delivery and to allow at least two Business Days for delivery. Applications submitted (in particular with a cheque) should allow at least three Business Days for funds to clear (in particular in relation to ensuring the Receiving Agent is in receipt of cleared funds prior to the Offer being closed).

Applications under the Offers will otherwise normally 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 Form, subject to receipt of application monies (in full, including those making multiple payments) in cleared funds within five Business Days thereafter (or, if earlier, before an Offer deadline or close of the Offer) to retain the Applicant's position of priority. If application monies are not received within such time, the relevant date and time shall be when the Applicant's actual application monies (in full) are received in cleared funds. An application may not be considered eligible for allotment until identity verification is complete and/or, where relevant, information or supporting evidence required for the application is no longer outstanding.

Please note: If there is a query over an Application Form there is no guarantee that it will be resolved in the order of receipt or before any subsequent Subscriptions are received/processed. Also, if the Applicant is investing directly through the Manager, further identification and verification checks will need to be carried out. This may delay processing.

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 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.

Application acknowledgement

All Applications, whether made online or submitted by email or post, will be acknowledged by the Receiving Agent. Where an email address has been provided an automatic acknowledgement of application will be sent via email to the investor (and their associated Intermediary if applicable), which will include a link to the application tracking service where they can also download a PDF copy of the completed Application Form.

Where an email address has not been provided, an acknowledgment letter will be sent to the Applicant at their address as stated in Section 2 of the Application Form.

An acknowledgement is only issued when an Application Form is valid in all respects. Where applicable, the Receiving Agent will attempt to contact the Applicant (or intermediary) to resolve any missing or invalid information. The Receiving Agent will attempt to resolve any issues via telephone or email. If an Applicant's email address has not been provided, the Receiving Agent will send a letter.

Funding the subscription

Once a payment has been matched to the Application Form, the Receiving Agent will update the status of the application on the tracking service and send a further acknowledgement via email to the Applicant (and their associated Intermediary if applicable) to confirm funds have been received. Please note that, in respect of a cheque payment, an acknowledgement is only issued when the cheque has cleared.

Where an email address has not been provided, a letter will be sent to the investors at their address as stated in Section 2 of the application form.

Please note that an Applicant or Intermediary will not receive any further communications from the Receiving Agent after the acknowledgement email/letter correspondence noted above, other than where the Receiving Agent needs to request additional information (including to verify the Applicant's identity) or monies to process the application. However, the tracking service can be referred to throughout the Offer to track the status of the application.

To access the tracking service, an Applicant or Intermediary will need to provide (i) the unique application reference number (starting "NRT-2425-"), which will be noted on the Receiving Agent's correspondence, (ii) the Applicant's date of birth, and (iii) the Applicant's National Insurance number or Unique Taxpayer Reference, as provided within the Application Form.

Share certificates and other information

For any Offer Shares for which an application is accepted, the Receiving Agent will issue an email notification concerning the availability of the associated allotment letter and income tax relief certificate(s) for download via the online tracking service within 3 Business Days following the allotment.

For Applicants who do not provide an email address, the Receiving Agent will issue the associated allotment correspondence by post within 10 Business Days following the allotment.

The Registrar will issue the related share certificate(s) (where applicable) by post within 10 Business Days following the relevant allotment.

The Offers are separate share offers being made by each Company. The result of the Offers will be announced through a regulatory information service provider authorised by the FCA.

Allocation of Offer Shares

In accordance with the information contained in the Application Form, subscription monies received under the Offers will be allocated to the Company or Companies in which the Applicant wishes to invest. If a particular Company's Offer is fully subscribed, and providing that the Applicant has provided authorisation in section 3 of the Application Form, the subscription monies will be allocated to the other Offers which are not fully subscribed in accordance with the Applicant's authorisation. If the Offers in which the Applicant wishes to invest are fully subscribed, and section 3 has not been completed, then the application monies in respect of the closed Offers will be returned to the Applicant without interest to the remitting bank account as provided in Section 4 of the Application Form.

Fractions of Offer Shares will not be issued and the number of Offer Shares allocated to Applicants will be rounded down to the nearest whole number. After any allotment, the results of the allotment (including details of the Offer Shares allotted and issued and the Offer Price paid) will be announced through an RIS announcement.

Pricing of the Offers

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

$$\text{Number of Offer Shares} = \left[\begin{array}{l} \text{Amount subscribed, plus} \\ \text{interest}^1, \text{ less:} \\ \text{(i) promoter's fee}^2 \text{ and} \\ \text{(ii) adviser charge (if any)} \end{array} \right] \div \left[\begin{array}{l} \text{Latest published} \\ \text{NAV} \\ \text{per Offer Share}^3 \end{array} \right]$$

¹ To the extent possible, applicants will receive additional Offer Shares equivalent to receiving the prevailing interest rate offered by the interest-bearing Bank of Scotland segregated account on funds awaiting allotment, equivalent to 3.35 per cent per annum return as of the date of publication of the prospectus. The number of shares will be calculated by reference to the number of days between the acceptance of an application (including full receipt of cleared funds and up to five working days to process) and the date of allotment. This rate is subject to change.

² less any reduction for commission waived by intermediaries (where applicable) and any reduction for investors (or their spouse or civil partner) on the register of members of any of the Northern VCTs as at close of business on 20 September 2024

³ after deducting any dividends declared but not receivable by investors and not already deducted from the NAV

Illustrative Offer Prices

An illustration of the application of the Pricing Formula based on the most recently published NAVs as at 30 September 2024 is set out below:

NAV per Share as at 30 September 2024 (adjusted for dividend paid subsequently)	Illustrative Offer Price* Direct or through a financial adviser (no Adviser Charge)	Illustrative Offer Price* Through a financial adviser (Adviser Charge of 4.5%)	Illustrative Offer Price* Execution only platform or broker - no commission waived by an intermediary	Illustrative Offer Price* Execution only platform or broker 2.50% commission waived by an Intermediary
Northern Venture Trust – 58.3p (unaudited)	59.8p	62.7p	61.4p	59.8p
Northern 2 VCT – 55.5p (unaudited)	56.9p	59.7p	58.4p	56.9p
Northern 3 VCT – 86.5p (unaudited)	88.7p	93.0p	91.1p	88.7p

*The illustrative Offer Prices shown above may differ from the prices at which Offer Shares are actually allotted under the Offers as the NAV may be different for the purpose of calculating the actual Offer Prices applicable to the allotment of Offer Shares under the Offer (which may be higher or lower than in the examples above). The NAV which will be used to calculate the Offer Price will be latest NAV published by the relevant Company.

Illustrative Share allotments

Set out below is an illustration of the number of Offer Shares that would be allotted for a subscription of £10,000 in each of the three Companies, based on the illustrative Offer Prices above. Where applicable these examples assume an Adviser Charge (to an Intermediary) of 2.0%, 4.5% or commission waived by an execution only broker of 2.5%.

Northern Venture Trust

	Direct or through a financial adviser (no Adviser Charge)	Through a financial adviser (Adviser Charge of 2.0%)	Through a financial adviser (Adviser Charge of 4.5%)	Execution only platform or broker – no commission waived by an Intermediary	Execution only platform or broker – 2.50% commission waived by an Intermediary
Amount subscribed	£10,000	£10,000	£10,000	£10,000	£10,000
Promoter's Fee	(£250)	(£250)	(£250)	(£500)	(£500)
Adviser Charge	-	(£200)	(£450)	-	-
Commission waived by the Intermediary	-	-	-	-	£250
Amount invested in Shares	£9,750	£9,550	£9,300	£9,500	£9,750
Number of Offer Shares to be allotted	16,723	16,380	15,951	16,295	16,723

Northern 2 VCT

	Direct or through a financial adviser (no Adviser Charge)	Through a financial adviser (Adviser Charge of 2.0%)	Through a financial adviser (Adviser Charge of 4.5%)	Execution only platform or broker – no commission waived by an Intermediary	Execution only platform or broker – 2.50% commission waived by an Intermediary
Amount subscribed	£10,000	£10,000	£10,000	£10,000	£10,000
Promoter's Fee	(£250)	(£250)	(£250)	(£500)	(£500)
Adviser Charge	-	(£200)	(£450)	-	-
Commission waived by the Intermediary	-	-	-	-	£250
Amount invested in Shares	£9,750	£9,550	£9,300	£9,500	£9,750
Number of Offer Shares to be allotted	17,567	17,207	16,756	17,117	17,567

Northern 3 VCT

	Direct or through a financial adviser (no Adviser Charge)	Through a financial adviser (Adviser Charge of 2.0%)	Through a financial adviser (Adviser Charge of 4.5%)	Execution only platform or broker – no commission waived by an Intermediary	Execution only platform or broker – 2.50% commission waived by an Intermediary
Amount subscribed	£10,000	£10,000	£10,000	£10,000	£10,000
Promoter's Fee	(£250)	(£250)	(£250)	(£500)	(£500)
Adviser Charge	-	(£200)	(£450)	-	-
Commission waived by the Intermediary	-	-	-	-	£250
Amount invested in Shares	£9,750	£9,550	£9,300	£9,500	£9,750
Number of Offer Shares to be allotted	11,271	11,040	10,751	10,982	11,271

Forward-Looking Statements

You should not place undue reliance on forward-looking statements. This Prospectus includes statements that are (or may be deemed to be) “forward-looking statements”, which can be identified by the use of forward-looking terminology including the terms “believes”, “continues”, “expects”, “intends”, “may”, “will”, “would”, “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements contained in this Prospectus or based on past trends or activities and should not be taken as a representation that such trends or activities will continue in the future. Any such statements do not, nor are intended to, qualify the Companies’ working capital statements.

The information contained in this document will be updated if required by the Prospectus Regulation Rules, the UK Listing Rules and the Disclosure Guidance and Transparency Rules, as appropriate.

Governing Law

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

Non-Mainstream Pooled Investment Status and UK MIFID Laws

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

Websites

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

Withdrawal

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

Part II – Financial information on Northern Venture Trust (“NVT”)

1. Introduction

Audited statutory accounts of NVT for the financial period ended 31 March 2024, in respect of which NVT's auditor, Forvis Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes MK9 1FF, registered auditors under the Statutory Audit Directive (2006/43/EC) and registered by the Institute of Chartered Accountants in England and Wales, made an unqualified report under section 495 of the 2006 Act, have been delivered to the Registrar of Companies and such report did not contain any statement under section 498(2) or (3) of the 2006 Act. Copies of these audited statutory accounts are available at the registered office of NVT at Forward House, 17 High Street, Henley-in-Arden B95 5AA.

The audited statutory accounts of NVT for the year ended 31 March 2024 were prepared under FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. These financial statements also contain a description of NVT's financial condition, changes in financial condition and results of operations for the financial year.

The most recent announced unaudited NAV was 59.9p per Ordinary Share as at 30 September 2024.

2. Historical Financial Information

Historical financial information relating to NVT on the matters referred to below is included in the published annual report and audited statutory accounts and half-yearly unaudited report of NVT for the periods stated below (which are hereby incorporated by reference) as follows:

	Annual report and audited accounts for year ended 31 March 2024	Half-yearly report and unaudited accounts for year ended 30 September 2024
<i>Nature of information</i>	<i>Page No.</i>	<i>Page No.</i>
Income statement	56	6
Dividend per share	65	1
Balance sheet	57	7
Statement of cash flows	59	9
Notes to the financial statements	60	10
Accounting policies	60	N/A
Independent auditors' report	51	N/A

3. Operating and Financial Review

A description of the changes in the performance of NVT, both capital and revenue, and changes to NVT's portfolio of investments is set out in the sections headed "Chair's Statement", "Strategic Report" and "Investment Portfolio" in the published annual report and audited statutory accounts and half-yearly unaudited report of NVT for the periods stated below.

	Annual report and audited accounts for year ended 31 March 2024	Half-yearly report and unaudited accounts for year ended 30 September 2024
<i>Nature of Information</i>	<i>Page No.</i>	<i>Page No.</i>
Chair's statement	8	N/A
Strategic report/Half-yearly management report	16	2
Investment portfolio	24	5

The only information incorporated by reference in this document is that set out in this paragraph 3 and in paragraph 2 above.

4. Significant Change

Since 30 September 2024, being the date of the last published financial information of NVT there have been no significant changes in the financial position of NVT.

5. Historical Financial Information Incorporated by Reference

The audited statutory accounts of NVT for the year ended 31 March 2024 and the half-yearly unaudited report for the period to 30 September 2024 are being incorporated by reference in this Prospectus and are available at NVT's registered office address set out in paragraph 11 of Part V and which can be accessed at the following website: www.mercia.co.uk/vcts/nvt/. Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. Those parts of the annual statutory accounts and the half-yearly unaudited report for the period to 30 September 2024 referred to above which are not being incorporated into this Prospectus by reference are either not relevant for Investors or are covered elsewhere in this Prospectus.

6. Investment portfolio

Information on NVT's investment portfolio is set out below. Of the 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.

Significant venture capital investments

The 26 largest venture capital investments by value held by NVT, representing in aggregate just over 50% of NVT's total net assets, are set out below. The valuations are as at 30 September 2024 (unaudited) with additions to the portfolio since that date shown at cost.

	Year of original investme nt	Cost £'000	Value £'000	% net assets by value	Sector
Pure Pet Food <i>Production of organic pet food</i>	2019	1,662	4,208	3.5%	Consumer
Project Glow Topco (t/a Currentbody.com) <i>Online marketplace for home-use beauty products</i>	2021	1,686	3,854	3.2%	Consumer
Pimberly <i>Product information management software</i>	2021	2,060	3,500	2.9%	Software/electronics
Rockar <i>E-commerce and fulfilment platform for new car sales</i>	2016	1,877	3,448	2.9%	Software/electronics
Tutura (t/a Tutorful) <i>Website to help parents and students find private tutors</i>	2019	3,305	3,305	2.8%	Services
Newcells Biotech <i>Assay products for drug and chemical development markets</i>	2018	3,011	3,011	2.5%	Healthcare/biotechnology
Grip-UK (t/a Climbing Hangar) – realised in October 2024 <i>Indoor climbing wall facility operator</i>	2018	3,885	2,821	2.4%	Consumer
Netacea <i>AI-powered cyber security consultancy</i>	2021	2,631	2,631	2.2%	Software/electronics
Ridge Pharma <i>Sale of pharmaceuticals (branded, generics, specials)</i>	2018	1,497	2,585	2.2%	Healthcare/biotechnology
Biological Preparations Group <i>Environmental biotechnology products</i>	2013	2,366	2,222	1.9%	Healthcare/biotechnology
Broker Insights <i>Platform connecting insurers and brokers</i>	2021	2,076	2,118	1.8%	Software/electronics
Administrate <i>SAAS training management and LMS platform</i>	2018	2,906	2,050	1.7%	Software/electronics
Forensic Analytics <i>Call data communications analytics software</i>	2021	2,016	2,016	1.7%	Software/electronics
Clarilis <i>Automated document preparation software</i>	2018	1,972	1,972	1.7%	Services
Semble <i>Practice management software for healthcare clinicians/clinics</i>	2024	1,951	1,951	1.6%	Software/electronics

LMC Software <i>Social Care Management Software (for care homes for the elderly or disabled)</i>	2022	1,950	1,950	1.6%	Healthcare/biotechnology
IDOX* <i>Document content software</i>	2007	238	1,945	1.6%	Software/electronics
Napo <i>Pet insurance provider with a focus on preventative care and customer experience</i>	2024	1,933	1,933	1.6%	Consumer
Moonshot <i>Analyses social media activity to counter extremist activity</i>	2021	1,329	1,906	1.6%	Services
Naitive Technologies <i>Platform to detect undiagnosed chronic disease with image machine learning</i>	2021	1,836	1,887	1.6%	Healthcare/biotechnology
Volumatic Holdings <i>Manufacturer of intelligent cash handling equipment</i>	2010	216	1,869	1.6%	Industrial/manufacturing
Locate Bio <i>Diversified orthobiologics company focused on delivering solutions for surgeons</i>	2021	1,753	1,753	1.5%	Healthcare/biotechnology
VoxPopMe <i>Video analytics for market research, customer and internal</i>	2019	1,660	1,660	1.4%	Software/electronics
Turbine Simulated Cell Technologies <i>Simulation of cell reaction to treatment of complex disease</i>	2022	1,433	1,626	1.4%	Healthcare/biotechnology
Buoyant Upholstery <i>Design and manufacturer of upholstered furniture</i>	2013	923	1,624	1.4%	Consumer
26 largest venture capital investments		48,168	59,845	50.3%	
Net assets			119,305	100.0%	

Part III – Financial information on Northern 2 VCT (“N2”)

1. Introduction

Audited statutory accounts of N2 for the financial year ended 31 March 2024, in respect of which N2's auditor, Forvis Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes MK9 1FF, registered auditors under the Statutory Audit Directive (2006/43/EC) and registered by the Institute of Chartered Accountants in England and Wales, made an unqualified report under section 495 of the 2006 Act, have been delivered to the Registrar of Companies and such report did not contain any statements under section 498(2) or (3) of the 2006 Act. Copies of these audited statutory accounts are available at the registered office of N2 at Forward House, 17 High Street, Henley-in-Arden B95 5AA.

The audited statutory accounts of N2 for the year ended 31 March 2024 were prepared under FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

These financial statements also contain a description of N2's financial condition, changes in financial condition and results of operations for the financial period.

The most recent announced unaudited NAV was 57.2p per Ordinary Share as at 30 September 2024.

2. Historical Financial Information

Historical financial information relating to N2 on the matters referred to below is included in the published annual report and audited statutory accounts and half-yearly unaudited report of N2 for the periods stated below (which are hereby incorporated by reference) as follows:

	Annual report and audited accounts for year ended 31 March 2024	Half-yearly report and unaudited accounts for year ended 30 September 2024
<i>Nature of information</i>	<i>Page No.</i>	<i>Page No.</i>
Income statement	56	6
Dividend per share	65	1
Balance sheet	57	7
Statement of cash flows	59	9
Notes to the financial statements	60	10
Accounting policies	60	N/A
Independent auditors' report	51	N/A

3. Operating and Financial Review

A description of the changes in the performance of N2, both capital and revenue, and changes to N2's portfolio of investments is set out in the sections headed "Chair's Statement", "Strategic Report" and "Investment Portfolio" in the published annual report and audited statutory accounts and half-yearly unaudited report of N2 for the periods stated below.

	Annual report and audited accounts for year ended 31 March 2024	Half-yearly report and unaudited accounts for year ended 30 September 2024
<i>Nature of Information</i>	<i>Page No.</i>	<i>Page No.</i>
Chair's statement	8	N/A
Strategic report/Half-yearly management report	16	2
Investment portfolio	24	5

The only information incorporated by reference in this document is that set out in this paragraph 3 and in paragraph 2 above.

4. Significant Change

Since 30 September 2024, being the date of the last published financial information of N2, there have been no significant changes in the financial position of N2.

5. Historical Financial Information Incorporated by Reference

The audited statutory accounts of N2 for the year ended 31 March 2024 and the half-yearly unaudited report for the period to 30 September 2024 are being incorporated by reference in this Prospectus and are available at N2's registered office address set out in paragraph 11 of Part V and which can be accessed at the following website: www.mercia.co.uk/vcts/n2vct/. Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. Those parts of the annual statutory accounts and the half-yearly unaudited report for the period to 30 September 2024 referred to above which are not being incorporated into this Prospectus by reference are either not relevant for Investors or are covered elsewhere in this Prospectus.

6. Investment portfolio

Information on N2's investment portfolio is set out below. Of the 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.

Significant venture capital investments

The 31 largest venture capital investments by value held by N2, representing in aggregate just over 50% of N2's total net assets, are set out below. The valuations are as at 30 September 2024 (unaudited) with additions to the portfolio since that date shown at cost.

	Year of original investment	Cost £'000	Value £'000	% net assets by value	Sector
Pure Pet Food <i>Production of organic pet food</i>	2019	1,504	3,807	3.0%	Consumer
Project Glow Topco (t/a Currentbody.com) <i>Online marketplace for home-use beauty products</i>	2021	1,544	3,530	2.8%	Consumer
Rockar <i>E-commerce and fulfilment platform for new car sales</i>	2016	1,766	3,244	2.5%	Software/electronics
Pimberly <i>Product information management software</i>	2021	1,876	3,188	2.5%	Software/electronics
Tutora (t/a Tutorful) <i>Website to help parents and students find private tutors</i>	2019	3,023	3,023	2.4%	Services
Newcells Biotech <i>Assay products for drug and chemical development markets</i>	2018	2,741	2,741	2.1%	Healthcare/biotechnology
Grip-UK (t/a Climbing Hangar) – realised in October 2024 <i>Indoor climbing wall facility operator</i>	2018	3,536	2,568	2.0%	Consumer
Netacea <i>AI-powered cyber security consultancy</i>	2021	2,486	2,486	1.9%	Software/electronics
Ridge Pharma <i>Sale of pharmaceuticals (branded, generics, specials)</i>	2018	1,387	2,396	1.9%	Healthcare/biotechnology
Semble <i>Practice management software for healthcare clinicians/clinics</i>	2024	2,072	2,072	1.6%	Software/electronics
Napo <i>Pet insurance provider with a focus on preventative care and customer experience</i>	2024	2,052	2,052	1.6%	Consumer
Biological Preparations Group <i>Environmental biotechnology products</i>	2013	2,166	2,028	1.6%	Healthcare/biotechnology
Broker Insights <i>Platform connecting insurers and brokers</i>	2021	1,961	2,001	1.6%	Software/electronics
Volumatic Holdings <i>Manufacturer of intelligent cash handling equipment</i>	2010	216	1,869	1.5%	Industrial/manufacturing

Administrate <i>SAAS training management and LMS platform</i>	2018	2,629	1,855	1.5%	Software/electronics
LMC Software <i>Social Care Management Software (for care homes for the elderly or disabled)</i>	2022	1,842	1,842	1.4%	Healthcare/biotechnology
Forensic Analytics <i>Call data communications analytics software</i>	2021	1,836	1,836	1.4%	Software/electronics
Clarilis <i>Automated document preparation software</i>	2018	1,828	1,828	1.4%	Services
Moonshot <i>Analyses social media activity to counter extremist activity</i>	2021	1,235	1,771	1.4%	Services
Naitive Technologies <i>Platform to detect undiagnosed chronic disease with image machine learning</i>	2021	1,706	1,754	1.4%	Healthcare/biotechnology
Turbine Simulated Cell Technologies <i>Simulation of cell reaction to treatment of complex disease</i>	2022	1,503	1,706	1.3%	Healthcare/biotechnology
Camena Bioscience <i>Provider of synthetic DNA</i>	2023	1,702	1,702	1.3%	Healthcare/biotechnology
Social Value Portal <i>Platform to report, measure and enhance social value</i>	2023	1,680	1,680	1.3%	Software/electronics
Locate Bio <i>Diversified orthobiologics company focused on delivering solutions for surgeons</i>	2021	1,597	1,597	1.3%	Healthcare/biotechnology
VoxPopMe <i>Video analytics for market research, customer and internal</i>	2019	1,518	1,518	1.2%	Software/electronics
Risk Ledger <i>Cyber security focused on supply chain risk</i>	2023	1,509	1,509	1.2%	Software/electronics
Buoyant Upholstery <i>Design and manufacturer of upholstered furniture</i>	2013	831	1,463	1.1%	Consumer
Ski Zoom (t/a Heidi Ski) <i>Booking platform for flexible winter mountain breaks</i>	2024	1,459	1,459	1.1%	Consumer
Enate <i>Human and digital workforce management software</i>	2020	1,394	1,394	1.1%	Software/electronics
Culture AI <i>Cyber security training and monitoring platform</i>	2024	1,376	1,376	1.1%	Software/electronics
Intuitive Holding <i>Travel systems software</i>	2012	1,508	1,352	1.1%	Software/electronics
31 largest venture capital investments		55,484	64,648	50.6%	
Net assets			127,545	100.0%	

Part IV – Financial information on Northern 3 VCT (“N3”)

1. Introduction

Audited statutory accounts of N3 for the financial year ended 31 March 2024, in respect of which N3's auditor, Forvis Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes MK9 1FF, registered auditors under the Statutory Audit Directive (2006/43/EC) and registered by the Institute of Chartered Accountants in England and Wales, made an unqualified report under section 495 of the 2006 Act, have been delivered to the Registrar of Companies and such report did not contain any statements under section 498(2) or (3) of the 2006 Act. Copies of these audited statutory accounts are available at the registered office of the Company at Forward House, 17 High Street, Henley-in-Arden B95 5AA.

The audited statutory accounts of N3 for the year ended 31 March 2024 were prepared under FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

These financial statements also contain a description of N3's financial condition, changes in financial condition and results of operations for the financial period.

The most recent announced unaudited NAV was 88.5p per Ordinary Share as at 30 September 2024.

2. Historical Financial Information

Historical financial information relating to N3 on the matters referred to below is included in the published annual report and audited statutory accounts of N3 and half-yearly unaudited report for the periods stated below (which are hereby incorporated by reference) as follows:

	Annual report and audited accounts for year ended 31 March 2024	Half-yearly report and unaudited accounts for year ended 30 September 2024
<i>Nature of information</i>	<i>Page No.</i>	<i>Page No.</i>
Income statement	54	6
Dividend per share	63	1
Balance sheet	55	7
Statement of cash flows	57	9
Notes to the financial statements	58	10
Accounting policies	58	N/A
Independent auditors' report	49	N/A

3. Operating and Financial Review

A description of the changes in the performance of N3, both capital and revenue, and changes to N3's portfolio of investments is set out in the sections headed "Chairman's Statement", "Strategic Report" and "Investment Portfolio" in the published annual report and audited statutory accounts of N3 and half-yearly unaudited report for the periods stated below.

	Annual report and audited accounts for year ended 31 March 2024	Half-yearly report and unaudited accounts for year ended 30 September 2024
<i>Nature of Information</i>	<i>Page No.</i>	<i>Page No.</i>
Chairman's statement	8	N/A
Strategic report/Half-yearly management report	14	2
Investment portfolio	22	5

The only information incorporated by reference in this document is that set out in this paragraph 3 and in paragraph 2 above.

4. Significant Change

Since 30 September 2024, being the date of the last published financial information of N3, there have been no significant changes in the financial position of N3.

5. Historical Financial Information Incorporated by Reference

The audited statutory accounts of N3 for the year ended 31 March 2024 and the half-yearly unaudited report for the period to 30 September 2024 are being incorporated by reference in this Prospectus and are available at N3's registered office address set out in paragraph 11 of Part V and which can be accessed at the following website: www.mercia.co.uk/vcts/n3vct/. Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. Those parts of the annual statutory accounts and the half-yearly unaudited report for the period to 30 September 2024 referred to above which are not being incorporated into this Prospectus by reference are either not relevant for Investors or are covered elsewhere in this Prospectus.

6. Investment portfolio

Information on N3's investment portfolio is set out below. Of the 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.

Significant venture capital investments

The 31 largest venture capital investments by value held by N3, representing in aggregate just over 50% of the Company's total net assets, are set out below. The valuations are as at 30 September 2024 (unaudited) with additions to the portfolio since that date shown at cost.

	Year of original investment	Cost £'000	Value £'000	% net assets by value	Sector
Pure Pet Food <i>Production of organic pet food</i>	2019	1,500	3,798	2.9%	Consumer
Project Glow Topco (t/a Currentbody.com) <i>Online marketplace for home-use beauty products</i>	2021	1,519	3,474	2.7%	Consumer
Pimberly <i>Product information management software</i>	2021	1,910	3,245	2.5%	Software/electronics
Rockar <i>E-commerce and fulfilment platform for new car sales</i>	2016	1,660	3,049	2.4%	Software/electronics
Tutora (t/a Tutorful) <i>Website to help parents and students find private tutors</i>	2019	2,973	2,973	2.3%	Services
Newcells Biotech <i>Assay products for drug and chemical development markets</i>	2018	2,707	2,707	2.1%	Healthcare/biotechnology
IDOX* <i>Document content software</i>	2007	530	2,632	2.0%	Software/electronics
Netacea <i>AI-powered cyber security consultancy</i>	2021	2,577	2,577	2.0%	Software/electronics
Grip-UK (t/a Climbing Hangar) – realised in October 2024 <i>Indoor climbing wall facility operator</i>	2018	3,492	2,536	2.0%	Consumer
Ridge Pharma <i>Sale of pharmaceuticals (branded, generics, specials)</i>	2018	1,345	2,322	1.8%	Healthcare/biotechnology
Semble <i>Practice management software for healthcare clinicians/clinics</i>	2024	2,126	2,126	1.6%	Software/electronics
Napo <i>Pet insurance provider with a focus on preventative care and customer experience</i>	2024	2,107	2,107	1.6%	Consumer
Broker Insights <i>Platform connecting insurers and brokers</i>	2021	2,032	2,074	1.6%	Software/electronics
LMC Software <i>Social Care Management Software (for care homes for the elderly or disabled)</i>	2022	1,909	1,909	1.5%	Healthcare/biotechnology

Forensic Analytics <i>Call data communications analytics software</i>	2021	1,869	1,869	1.4%	Software/electronics
Volumatic Holdings <i>Manufacturer of intelligent cash handling equipment</i>	2010	216	1,869	1.4%	Industrial/manufacturing
Administrate <i>SAAS training management and LMS platform</i>	2018	2,623	1,851	1.4%	Software/electronics
Biological Preparations Group <i>Environmental biotechnology products</i>	2013	1,915	1,784	1.4%	Healthcare/biotechnology
Clarilis <i>Automated document preparation software</i>	2018	1,772	1,772	1.4%	Services
Turbine Simulated Cell Technologies <i>Simulation of cell reaction to treatment of complex disease</i>	2022	1,542	1,750	1.3%	Healthcare/biotechnology
Moonshot <i>Analyses social media activity to counter extremist activity</i>	2021	1,217	1,746	1.3%	Services
Camena Bioscience <i>Provider of synthetic DNA</i>	2023	1,744	1,744	1.3%	Healthcare/biotechnology
Naitive Technologies <i>Platform to detect undiagnosed chronic disease with image machine learning</i>	2021	1,682	1,729	1.3%	Healthcare/biotechnology
Social Value Portal <i>Platform to report, measure and enhance social value</i>	2023	1,722	1,722	1.3%	Software/electronics
Locate Bio <i>Diversified orthobiologics company focused on delivering solutions for surgeons</i>	2021	1,625	1,625	1.3%	Healthcare/biotechnology
Risk Ledger <i>Cyber security focused on supply chain risk</i>	2023	1,556	1,556	1.2%	Software/electronics
VoxPopMe <i>Video analytics for market research, customer and internal</i>	2019	1,493	1,493	1.2%	Software/electronics
Ski Zoom (t/a Heidi Ski) <i>Booking platform for flexible winter mountain breaks</i>	2024	1,485	1,485	1.1%	Consumer
Culture AI <i>Cyber security training and monitoring platform</i>	2024	1,400	1,400	1.1%	Software/electronics
Enate <i>Human and digital workforce management software</i>	2020	1,373	1,373	1.1%	Software/electronics
Promethean <i>Developer of carbon capture and storage technologies</i>	2024	1,366	1,366	1.1%	Industrial/manufacturing
31 largest venture capital investments		54,989	65,664	50.6%	
Net assets			129,654	100.0%	

Part V – General information on the Companies

1. Listing

This Prospectus relating to the Companies has been prepared in accordance with the Prospectus Regulation Rules made under section 73A and in accordance with section 84 of FSMA. Copies of the Prospectus are available from Mercia Fund Management Limited, at Forward House, 17 High Street, Henley-in-Arden B95 5AA and from the offices of Howard Kennedy Corporate Services LLP at No. 1 London Bridge, London SE1 9BG.

Northern Venture Trust PLC (“NVT”)

2. Incorporation and Administration

- (a) NVT was incorporated and registered in England and Wales on 11 August 1995 with limited liability as a public limited company under the Companies Act 1985 with the name Northern Venture Trust PLC and with registered number 03090163.
- (b) There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which NVT is aware) in the 12 months prior to the date of this document which may have or have had in the recent past a significant effect on NVT’s financial position or profitability.
- (c) The principal legislation under which NVT operates is the 2006 Act, the AIFMD, FSMA and the regulations made thereunder (including the UK Listing Rules, the Prospectus Regulation Rules and the Disclosure Guidance and Transparency Rules). The City Code on Takeovers and Mergers applies to NVT. NVT is registered with the FCA as its own Alternative Investment Fund Manager under the AIFMD. Northern Venture Trust is not otherwise regulated.
- (d) The principal activity of NVT is to operate as a VCT.
- (e) NVT’s Articles require that the Directors shall procure that at the annual general meeting in 2029 and at every fifth annual general meeting thereafter an ordinary resolution will be proposed to the effect that NVT shall continue in being as a VCT for a further five year period. Further information on this requirement is given in paragraph (h) of the summary of the Articles on page 56. A resolution will be proposed at the annual general meeting in 2025 to extend the date to 2030.
- (f) NVT was launched in August 1995 and raised over £14 million in its initial offer for subscription. By way of further offers for subscription between 1996 and 2024, NVT raised an additional £178 million.

3. Share Capital

3.1 The following resolutions, *inter alia*, were passed at the annual general meeting held on 30 July 2024:

- (a) That, the Directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the “Act”) to allot shares in NVT and to grant rights to subscribe for or to convert any security into shares in NVT up to a maximum nominal amount of £10,134,759.20 for a period expiring (unless previously renewed, varied or revoked by NVT in general meeting) on the earlier of the date falling 15 months after the date of this Resolution and the next annual general meeting of NVT, save that NVT may before expiry of this authority make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of that offer or agreement as if this authority had not expired.
- (b) That, subject to the passing of the resolution referred to in paragraph 3.1(a) above, the Directors may:
 - a. allot equity securities (as defined in Section 560 of the Act) pursuant to the authorisation for the purposes of Section 551 of the Act conferred by the resolution referred to in paragraph 3.1 (b) above; and
 - b. sell equity securities which immediately before the sale are held by NVT as treasury shares, in each case as if Section 561(1) of the Act (existing shareholders’ right of pre-emption) did not apply to the allotment or sale, provided that the power conferred by this Resolution shall be limited to the allotment or sale of equity securities up to an aggregate nominal value of £10,134,759.20 and shall expire on the earlier of the date falling 15 months after the date of this Resolution and the next annual general meeting of NVT, save that NVT may before this power expires make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after the power expires.
- (c) That NVT be and is hereby generally and unconditionally authorised in accordance with Section 701 of

the Act to make one or more market purchases (within the meaning of Section 693(4) of the Act) of its ordinary shares of 25p each provided that: (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 20,269,518; (b) the minimum price (excluding expenses) which may be paid for an ordinary share shall be 25p per share; (c) the maximum price (excluding expenses) which may be paid for an ordinary share shall not be more than 105% of the average market value of the ordinary shares of NVT for the five business days prior to the date the purchase is made; and (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire on the conclusion of the next annual general meeting of NVT after the passing of this Resolution or, if earlier, the date falling 15 months after the date of this Resolution, save that NVT may execute a contract of purchase before this authority expires that would or might be concluded wholly or partly after this authority expires.

- 3.2 NVT will be subject to the continuing obligations of the UK Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of the 2006 Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to the balance of the share capital of NVT which is not subject to the disapplication referred to in paragraphs 3.1(b) above.
- 3.3 No share or loan capital of NVT is under option or has been agreed, conditionally or unconditionally, to be put under option. No shares of NVT represent anything other than capital. There are no convertible securities, exchangeable securities or securities with warrants attached to them currently in issue by NVT.
- 3.4 The Directors are not aware of any person who directly or indirectly is interested in 3% or more of the capital of NVT or who, directly or indirectly, jointly or severally, exercises or could exercise control over NVT.
- 3.5 As at 8 January 2025, the last practicable date prior to the publication of this document, the issued share capital of NVT was 198,179,069 Ordinary Shares.

4. The Company

- (a) No share or loan capital of NVT is under option or has been agreed, conditionally or unconditionally, to be put under option. Other than pursuant to the Offers and the authorities referred to above in sub-paragraph 3.1 above, no material issue of shares (other than where offered to Shareholders *pro rata* to existing holdings) will be made within one year without the prior approval of Shareholders at a general meeting.
- (b) The Ordinary Shares will be in registered form. NVT's share register will be kept by the Registrar. Evidence of title to Shares will be through possession of a Share certificate in the Shareholder's name; alternatively, Shares may be held in an account through the CREST system.

Northern 2 VCT PLC ("N2")

2. Incorporation and Administration

- (a) N2 was incorporated and registered in England and Wales on 8 January 1999 with limited liability as a public limited company under the Companies Act 1985 with the name Northern 2 VCT PLC and with registered number 03695071.
- (b) There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which N2 is aware) in the 12 months prior to the date of this document which may have or have had in the recent past a significant effect on N2's financial position or profitability.
- (c) The principal legislation under which N2 operates is the 2006 Act, the AIFMD, FSMA and the regulations made thereunder (including the UK Listing Rules, the Prospectus Regulation Rules and the Disclosure Guidance and Transparency Rules). The City Code on Takeovers and Mergers applies to N2. N2 is not otherwise regulated.
- (d) The principal activity of N2 is to operate as a VCT.
- (e) N2's Articles require that the Directors shall procure that at the annual general meeting in 2029 and at every fifth annual general meeting thereafter an ordinary resolution will be proposed to the effect that N2 shall continue in being as a VCT for a further five year period. Further information on this requirement is given in paragraph (h) of the summary of the Articles on page 56. A resolution will be proposed at the annual general meeting in 2025 to extend the date to 2030.

- (f) N2 was launched in February 1999 and raised over £22 million in its initial offer for subscription. By way of further offers for subscription between 2000 and 2024, N2 raised an additional £177 million.

3. Share Capital

3.1 The following resolutions, *inter alia*, were passed at the annual general meeting held on 31 July 2024:

- (a) That, the Directors be generally and unconditionally authorised pursuant to Section 551 of the Act to allot shares in N2 and to grant rights to subscribe for or to convert any security into shares in N2 up to a maximum nominal amount of £2,260,517.75 for a period expiring (unless previously renewed, varied or revoked by N2 in general meeting) on the earlier of the date falling 15 months after the date of this Resolution and the next annual general meeting of N2, save that N2 may before expiry of this authority make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of that offer or agreement as if this authority had not expired.
- (b) That, subject to the passing of the resolution referred to in paragraph 3.1 (a) above, the Directors may:
 - a. allot equity securities (as defined in Section 560 of the Act) pursuant to the authorisation for the purposes of Section 551 of the Act conferred by the resolution referred to in paragraph 3.1 (a) above; and
 - b. sell equity securities which immediately before the sale are held by N2 as treasury shares, in each case as if Section 561(1) of the Act (existing shareholders' right of pre-emption) did not apply to the allotment or sale, provided that the power conferred by this Resolution shall be limited to the allotment or sale of equity securities up to an aggregate nominal value of £2,260,517.75 and shall expire on the earlier of the date falling 15 months after the date of this Resolution and the next annual general meeting of N2, save that N2 may before this power expires make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after the power expires.
- (c) That, N2 be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Act to make one or more market purchases (within the meaning of Section 693(4) of the Act) of its ordinary shares of 5p each provided that: (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 22,605,177; (b) the minimum price (excluding expenses) which may be paid for an ordinary share shall be 5p per share; (c) the maximum price (excluding expenses) which may be paid for an ordinary share shall not be more than 105% of the average market value of the ordinary shares of N2 for the five business days prior to the date the purchase is made; and (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire on the conclusion of the next annual general meeting of N2 after the passing of this Resolution or, if earlier, the date falling 15 months after the date of this Resolution, save that N2 may execute a contract of purchase before this authority expires that would or might be concluded wholly or partly after this authority expires.

3.2 N2 will be subject to the continuing obligations of the UK Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of the 2006 Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to the balance of the share capital of N2 which is not subject to the disapplication referred to in paragraphs 3.1(b).

3.3 No share or loan capital of N2 is under option or has been agreed, conditionally or unconditionally, to be put under option. No shares of N2 represent anything other than capital. There are no convertible securities, exchangeable securities or securities with warrants attached to them currently in issue by N2.

3.4 The Directors are not aware of any person who directly or indirectly is interested in 3% or more of the capital of N2 or who, directly or indirectly, jointly or severally, exercises or could exercise control over N2.

3.5 As at 8 January 2025 being the last practicable date prior to the publication of this document, the issued share capital of N2 was 221,196,352 Ordinary Shares.

4. The Company

- (a) N2 is not regulated to conduct investment business under the FSMA. N2 is a small AIF for the purposes of the AIFMD.
- (b) No share or loan capital of N2 is under option or has been agreed, conditionally or unconditionally, to be put under option. Other than pursuant to the Offers and the authorities referred to above in sub-paragraph

- 3.1 above, no material issue of shares (other than where offered to Shareholders *pro rata* to existing holdings) will be made within one year without the prior approval of Shareholders in general meeting.
- (c) The Ordinary Shares will be in registered form. N2's share register will be kept by the Registrar. Evidence of title to Shares will be through possession of a Share certificate in the Shareholder's name; alternatively, Shares may be held in an account through the CREST system.

Northern 3 VCT PLC ("N3")

2. Incorporation and Administration

- (a) N3 was incorporated and registered in England and Wales on 3 September 2001 with limited liability as a public limited company under the Companies Act 1985 with the name Northern 3 VCT PLC and with registered number 04280530.
- (b) There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which N3 is aware) in the 12 months prior to the date of this document which may have or have had in the recent past a significant effect on N3's financial position or profitability.
- (c) The principal legislation under which N3 operates is the 2006 Act, the AIFMD, FSMA and the regulations made thereunder (including the UK Listing Rules, the Prospectus Regulation Rules and the Disclosure Guidance and Transparency Rules). The City Code on Takeovers and Mergers applies to N3. N3 is not otherwise regulated.
- (d) The principal activity of N3 is to operate as a VCT.
- (e) N3's Articles require that the Directors shall procure that at the annual general meeting in 2029 and at every fifth annual general meeting thereafter an ordinary resolution will be proposed to the effect that N3 shall continue in being as a VCT for a further five year period. Further information on this requirement is given in paragraph (h) of the summary of the Articles on page 56. A resolution will be proposed at the annual general meeting in 2025 to extend the date to 2030.
- (f) N3 was launched in September 2001 and raised almost £14 million in its initial offer for subscription. By way of further offers for subscription between 2002 and 2024, Northern 3 VCT raised an additional £157 million.

3. Share Capital

3.1 The following resolutions, *inter alia*, were passed at the general meeting held on 1 August 2024:

- (a) That, the Directors be generally and unconditionally authorised pursuant to Section 551 of the Act to allot shares in N3 and to grant rights to subscribe for or to convert any security into shares in N3 up to a maximum nominal amount of £1,488,666.67 for a period expiring (unless previously renewed, varied or revoked by N3 in general meeting) on the earlier of the date falling 15 months after the date of this Resolution and the next annual general meeting of N3, save that N3 may before expiry of this authority make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of that offer or agreement as if this authority had not expired.
- (b) That, subject to the passing of the resolution referred to in paragraph 3.1 (a) above, the Directors may:
 - a. allot equity securities (as defined in Section 560 of the Act) pursuant to the authorisation for the purposes of Section 551 of the Act conferred by the resolution referred to in paragraph 3.1 (a) above; and
 - b. sell equity securities which immediately before the sale are held by N3 as treasury shares, in each case as if Section 561(1) of the Act (existing shareholders' right of pre-emption) did not apply to the allotment or sale, provided that the power conferred by this Resolution shall be limited to the allotment or sale of equity securities up to an aggregate nominal value of £1,488,666.67 and shall expire on the earlier of the date falling 15 months after the date of this Resolution and end of the next annual general meeting of N3, save that N3 may before this power expires make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after the power expires.
- (c) That, N3 be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Act to make one or more market purchases (within the meaning of Section 693(4) of the Act) of its ordinary shares of 5p each provided that: (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 14,886,666; (b) the minimum price (excluding expenses) which may be paid for an ordinary share shall be 5p per share; (c) the maximum price (excluding expenses) which may be paid for an ordinary share shall not be more than 105% of the average market value of

the ordinary shares of N3 for the five business days prior to the date the purchase is made; and (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire on the conclusion of the next annual general meeting of N3 after the passing of this Resolution or, if earlier, the date falling 15 months after the date of this Resolution, save that N3 may execute a contract of purchase before this authority expires that would or might be concluded wholly or partly after this authority expires.

- 3.2 N3 will be subject to the continuing obligations of the UK Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of the 2006 Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to the balance of the share capital of N3 which is not subject to the disapplication referred to in paragraphs 3.1(b) above.
- 3.3 No share or loan capital of N3 is under option or has been agreed, conditionally or unconditionally, to be put under option. No shares of N3 represent anything other than capital. There are no convertible securities, exchangeable securities or securities with warrants attached to them currently in issue by N3.
- 3.4 The Directors are not aware of any person who directly or indirectly is interested in 3% or more of the capital of N3 or who, directly or indirectly, jointly or severally, exercises or could exercise control over N3.
- 3.5 As at 8 January 2025, the last practicable date prior to the publication of this document, the issued share capital of N3 was 145,736,693 Ordinary Shares.

4. The Company

- (a) N3 is not regulated to conduct investment business under the FSMA. N3 is a small AIF for the purposes of the AIFMD.
- (b) No share or loan capital of N3 is under option or has been agreed, conditionally or unconditionally, to be put under option. Other than pursuant to the Offers and the authorities referred to above in sub-paragraph 3.1 above, no material issue of shares (other than where offered to Shareholders *pro rata* to existing holdings) will be made within one year without the prior approval of Shareholders in general meeting.
- (c) The Ordinary Shares will be in registered form. N3's share register will be kept by the Registrar. Evidence of title to Shares will be through possession of a Share certificate in the Shareholder's name; alternatively, Shares may be held in an account through the CREST system.

5. Articles of Association

The Articles of each of the Companies, copies of which are available for inspection as stated in the 'Documents For Inspection' section of this Part V, set out details of the rights attaching to the Shares. The objects of the Companies are unrestricted. The Articles, and the rights of the holders of the Shares set out therein, may be changed by the respective members of each Company by special resolution (requiring a majority of at least 75% of the persons voting on the relevant resolution). The following is a summary of the rights attaching to the Shares and applies to all Companies unless otherwise stated.

- (a) Dividends and distributions
 - (i) The Company may in general meeting from time to time declare dividends to be paid to members not exceeding the amount recommended by the Board. If, in the Board's opinion, the Company's profits justify such payments, the Board may pay interim dividends on any class of Shares of such amounts and on such dates as they see fit. Provided that the Directors act in good faith, they shall not be liable for any loss the holders of such Shares may suffer as a consequence of such a payment.
 - (ii) Unless otherwise provided all dividends shall be declared and paid *pro rata* to the nominal amounts of the Shares in respect of which the dividend is paid. Dividends shall be paid only from profits available for distribution. Subject to the provisions of the 2006 Act the profits and losses of the Company on a purchase of any asset, business or property previously bought by the Company (before or after the date of incorporation of the Company) may be treated for all purposes as profits and losses of the Company. Any dividend or interest payable in shares or securities purchased by the Company may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalise the same. No dividend or other monies payable on Shares shall bear interest against the Company.

- (iii) The Directors may retain the dividends payable upon Shares in respect of which any person is entitled to become a member, or which any person is entitled to transfer, until such person shall become a member or shall transfer the Shares. A waiver of any dividend shall be effective only if such waiver document is signed by the Shareholder and delivered to the Company and if, or to the extent that, the same is accepted as such or acted upon by the Company. Payment by the Directors of any unclaimed dividend into a separate account shall not constitute the Company as a trustee in respect of the unclaimed amount. Any unclaimed dividend shall revert to the Company after a period of 12 years.
- (iv) Upon the recommendation of the Directors the Company may, in a general meeting declaring a dividend, direct payment of a dividend by distribution of specific assets. The Directors may settle any difficulty in this respect in a manner they think expedient and in particular may issue fractional certificates, may fix the value for distribution, may determine that cash payments shall be made in order to adjust the rights of all parties and may vest any such specific assets in trustees.
- (v) Any dividend or other distribution payable in respect of a Share may be paid by cheque sent by post to the registered address of the member, or such address as the member directs in writing. Every such cheque should be made payable to the member or the person the member directs in writing. Dividends may also be paid by transfer to a bank or building society or any other method the Directors consider appropriate. Every such cheque is sent at the risk of the person entitled to the money. If on two consecutive occasions cheques sent are returned undelivered or left uncashed the Company need not despatch further cheques until the member has notified the Company of the correct address or appropriate address. If two or more people are registered as joint holders of any Share any one of them may give effectual receipts for any dividend or other monies payable or properly distributable on or in respect of the Shares.
- (vi) The Directors, if so authorised by ordinary resolution, may offer the holders of Shares the right to receive further Shares instead of cash in respect of any dividend payment. The following provisions apply:
 - the resolution may specify a particular dividend, or all or any dividends declared or resolved in a specified period (such period may not end later than the next annual general meeting after the meeting at which such ordinary resolution is passed);
 - the value of the entitlement of each holder to new Shares shall be as nearly as possible equal to (but not in excess of) such cash amount of the dividend that such holder elects to forgo;
 - if the Directors intend to offer an election in respect of a dividend, they shall announce that intention, and shall notify the holders in writing and specify the procedure;
 - the first 0.1 pence per share of the first dividend to be declared in each year shall not be subject to such election right but shall be payable in cash;
 - the Directors may specify a minimum number of Shares to which such election right may apply, no member may receive a fraction of a share and the Directors have discretion to deal with fractional entitlements as they think fit;
 - the Directors may exclude or restrict such election rights of any holders of Shares if they believe that this is necessary to comply with applicable laws or the requirement of any regulatory body or stock exchange;
 - a dividend shall not be payable on the Shares on which an election has been made and instead additional Shares shall be allotted to the holders of these Shares but the additional Shares when allotted shall rank *pari passu* in all other respects with the fully paid Shares; and
 - the Directors may do all things necessary or expedient to give effect to such capitalisation.

(b) Voting rights

- (i) Subject to the provisions of the 2006 Act, to any special terms as to voting in accordance with the Articles or certain legislation relating to uncertificated securities, on a show of hands every member who is present in person or by proxy at any general meeting of the Company shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every Share of which they are the holder.

- (ii) The instrument appointing a proxy shall be in writing. The proxy instrument shall be delivered to such address specified in the notice of the meeting not less than 48 hours before the time appointed for holding the meeting (or adjourned meeting). Any proxy instrument that is not properly delivered shall be invalid. The proxy instrument shall be valid for any adjournment of the meeting for which the original proxy was intended. On a vote on a resolution on a show of hands, where a proxy has been appointed by more than one member, if the proxy has been instructed by one member to vote in favour and by another to vote against, the proxy has one vote for and one vote against. If the proxy has been instructed by more than one member to vote in one direction and by another to vote in accordance with his or her discretion, the proxy has one vote in one direction and may, at his or her discretion, cast another vote in the other direction.
 - (iii) No member shall, unless the Board otherwise determines, be entitled to receive any dividend or to be present and to vote, either personally or by proxy, or to be reckoned in a quorum at any general meeting unless all calls or other sums payable by them in respect of Shares have been paid.
- (c) Variation of rights

The special rights attached to any class of Shares having preferential rights shall not, unless otherwise expressly stated, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with them but in no respect in priority to them.
- (d) Alteration of capital
 - (i) Any fractions of Shares as a result of a consolidation or division of Shares may be sold to any person (including the Company) and the net proceeds of sale shall be distributed among those members or the Company (as appropriate).
 - (ii) Where the Company may purchase its own shares, neither the Company nor the Directors are required to select the shares to be purchased rateably or in any other particular manner as between the holders of the same class or as between them and the holders of another class or in accordance with rights as to dividends or capital conferred by any class of shares.
- (e) Transfer of Shares
 - (i) The instrument of transfer of a Share may be in any usual or common form or in any other form that the Board may approve and may be under hand only and such instruments shall be signed by or on behalf of the transferor and in the case of a partly paid Share, the transferee. The transferor shall remain the holder of the Shares until the name of the transferee is entered in the register of members.
 - (ii) The Directors may refuse to register a transfer of Shares in favour of more than four persons jointly.
 - (iii) The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of one class of Share and has been lodged at the transfer office accompanied by the relevant share certificate and such other evidence as the Directors may reasonably require. In the case of a transfer by a recognised clearing house or certain nominees, the lodgement of a share certificate may not be necessary. All instruments of transfer that are registered may be retained by the Company.
 - (iv) No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or other such documentation relating to or affecting title to shares.
 - (v) The Company shall be entitled to destroy instruments of transfer which have been registered after six years from the date of registration.
- (f) Borrowing powers
 - (i) The Board may exercise all powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the provisions of the 2006 Act, to create and issue debenture and other loan stock and debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
 - (ii) The Directors are required to restrict the borrowings of the Company so as to secure that the aggregate amount at any one time owing or deemed to be owing by the Company in respect of moneys borrowed by it shall not at any time, without the previous sanction of an ordinary

resolution of the Company, exceed an amount equal to the aggregate of the amount paid on the issued share capital of the Company and the amount standing to the credit of the reserves of the Company (all as shown by the latest published audited balance sheet of the Company) subject to certain adjustments and deductions as set out in the Articles.

(g) Directors

- (i) Unless and until otherwise determined by ordinary resolution of the Company, the number of Directors shall not be subject to any maximum but shall not be less than three.
- (ii) At every annual general meeting, any Director who has been appointed by the Directors since the last annual general meeting and any Director who was not appointed or re-appointed at one of the preceding two annual general meetings must retire from office. A retiring Director shall be eligible for re-election.
- (iii) If the Company does not fill the vacancy left by a retiring Director and that Director is willing to act he or she shall be deemed to be reappointed unless it was resolved not to fill the vacancy or unless a resolution for the reappointment of the Director was put to the meeting and lost, or if the Director is unwilling to be re-elected. Retirement by rotation shall not have effect until the conclusion of the meeting unless some other person has been re-elected in place of the retired Director or he or she has not been reappointed.
- (iv) A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved without a prior resolution that it shall be so moved. A notice must be served not less than seven and no more than forty two days before a general meeting signed by a member duly qualified to attend and vote at the meeting of his or her intention to propose a person for election as a Director including the relevant particulars together with notice in writing signed by the person to be proposed of his or her willingness to be appointed or re-appointed. The Company may by ordinary resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A Director shall not be required to hold any shares in the Company.
- (v) The office of a Director shall be vacated if the Director ceases to be a Director by virtue of any provision of the 2006 Act or otherwise becomes prohibited by law from becoming a Director, or he or she becomes bankrupt or makes any arrangement or composition with his or her creditors generally, or he or she is certified as physically or mentally incapable of acting as a director and may remain so for over three months, or he or she shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Board, or he or she resigned his or her office by notice in writing to the Company, or he or she offers in writing to resign and the Directors accept, or he or she has been requested in writing by all the other Directors to resign.
- (vi) The Directors shall be entitled to such remuneration as the Directors shall determine. Such ordinary remuneration shall not exceed a maximum of £200,000 in the case of each of NVT and N3 and £150,000 in the case of N2, unless otherwise approved by ordinary resolution. However, such remuneration shall be divisible among the Directors as they agree or, failing agreement, equally. Any executive Director or any Director who performs duties outside the scope of the ordinary duties of a Director may be paid such extra remuneration by way of salary or otherwise as the Directors may determine.
- (vii) A Director notwithstanding his or her office may be a member of or otherwise interested in the Company or be a party to or otherwise interested in any transaction or arrangement with which the Company is otherwise interested, may be a Director or other officer of or employed by a member or another body corporate in which the Company is interested or that in acting as investment manager and may be a party to any transaction or arrangement with any other such body corporate. A Director may act in a professional capacity for the Company or any body corporate in which the Company is interested. The Directors are authorised to permit individual matters which are or may be in breach of that Director's duty under the 2006 Act to avoid conflicts of interest.
- (viii) The Company may provide benefits for any Director or former Director and for any member of his or her family or any other person or any other dependant.
- (ix) The business and affairs of the Company shall be managed by the Directors who shall exercise all powers of the Company as are not by the 2006 Act or Articles required to be exercised by the Company in general meeting. Such management by the Directors shall be subject to the Articles, the provisions of the 2006 Act and to such regulations as may be prescribed by special

resolution of the Company but no regulation made by the Company shall invalidate any prior act of the Directors which would have been valid had such regulation not been made.

- (x) The Directors may establish any local, group or divisional boards or agencies for managing any part of the affairs of the Company. They may appoint any persons to such boards or agencies and may fix their remuneration and may, subject to the provisions of the Articles, delegate to such groups any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate and may authorise the members of any such boards or agencies to fill any vacancies therein. The Directors may, from time to time, appoint any company, firm or person to be agent or agents or attorneys of the Company for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as they may think fit. The Directors may delegate any of their powers and discretions to committees consisting of one or more members of their body. Meetings and proceedings of any such committee shall be governed by the provisions of the Articles.
- (xi) Subject to the provisions of the Articles the Directors may regulate their proceedings as they think fit. A Director may and the secretary shall at the request of the Director call a meeting of the Directors. Notice of a Directors' meeting must be given to each Director but need not be in writing. Any Director may waive notice of any meeting and such waiver may be retroactive. Questions arising at the meeting shall be decided by a majority of votes. Each participating Director shall have one vote. The chair shall have a casting vote. A Director may participate in a meeting by means of conference telephone or other suitable communication equipment. A quorum is necessary for the transaction of business. The quorum may be fixed by the Directors. If not so fixed the quorum shall be two.
- (xii) The subsequent discovery of a defect in the appointment of a Director or committee of Directors or any person acting as Directors or any disqualification shall not invalidate any acts done by such Directors, or committee of Directors.
- (xiii) Save as otherwise provided by the Articles, a Director shall not vote in respect of any contract or arrangement in which he has a material interest otherwise than by virtue of an interest in shares or debentures or other securities of or otherwise in or through the Company. A Director with such interests shall not be counted in the quorum at a meeting in relation to any resolution on which he cannot vote.
- (xiv) Subject to the provisions of the 2006 Act a Director shall be entitled to vote and be counted in the quorum in respect of any resolution concerning the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred at the request of or for the benefit of the Company or any subsidiary; the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any subsidiary for which he himself has assumed responsibility under a guarantee or indemnity or by the giving of security; any proposal concerning an offer for shares or debentures or other securities of the Company or any subsidiary for subscription or purchase in which offer he is or may be entitled to participate; any proposal concerning any other company in which he is interested directly or indirectly, has a material interest except where he or she is beneficially interested (directly or indirectly) in 1% or more of the issued shares of any class of such company or of the voting rights available to members of the relevant company; any proposal concerning an arrangement for the benefit of employees of the Company or any subsidiary or which does not award him any privilege or benefit not generally awarded to employees; or any proposal concerning any insurance which the Company has the power to purchase or maintain for the benefit of any Directors or indemnities in favour of Directors or funding or defending proceedings against Directors. Any investment proposal in which the investment manager or Director is required to co-invest with the Company at the same time and on substantially similar terms or made in accordance with a pre-existing agreement between the Company and the investment manager; any investment proposal in which a company who has the same investment manager co-invests with the Company at the same time and on substantially similar terms.
- (xv) A proposal under consideration concerning the appointment or termination of two or more Directors in relation to any company in which the Company is interested, may be divided and considered in relation to each Director separately thus allowing Directors to vote in respect of each resolution except that concerning his or her own appointment or termination.
- (xvi) If a question of materiality of a Director's interest or his or her entitlement to vote and/or count in the quorum is not resolved by his or her voluntarily agreeing to abstain from voting,

the question shall be referred to the chair and his or her ruling shall be final and conclusive except in a case where the nature/extent of the Director's interest has not been disclosed.

(h) Duration and winding-up

The Board shall procure that at the Company's annual general meeting in 2029 and at every fifth annual general meeting thereafter, a resolution will be proposed to the effect that the Company shall continue as a VCT for a further five year period. The resolution that the Company should continue as a VCT shall not be passed only where there is a poll vote and the majority vote against the resolution and such votes represent not less than 25% of votes exercisable on that resolution. If any such resolution is not passed the Board shall, within nine months of such meeting, convene an extraordinary general meeting to consider proposals for the liquidation, reorganisation or unitisation of the Company. The Directors shall use all reasonable endeavours to ensure that such proposals for liquidation, unitisation or reorganisation of the Company are approved by special resolution or implemented as soon as reasonably practicable.

(i) Uncertificated Shares

The Articles are consistent with CREST membership and allow for the holding and transfer of Shares in uncertificated form pursuant to the Uncertificated Securities Regulations 2001 (SI 2001/3755).

(j) Proceedings at general meetings

- (i) No business other than the appointment of a chair of the meeting shall be transacted at any general meeting unless a quorum is present. If a quorum is not present within 15 minutes from the appointed start time, or if a quorum ceases to be present during the meeting, the meeting shall be adjourned to the same day in the following week at the same time and place or such other time and place as may have been specified in the original meeting notice or (if not so specified) as the meeting's chair determines.
- (ii) An ordinary resolution to be proposed to a meeting may be amended by ordinary resolution if notice of the proposed amendment is given to the company secretary in writing by a person entitled to vote at the general meeting no less than 48 hours before the meeting (or such later time as the meeting's chair may determine) and the proposed amendment does not materially alter the scope of the resolution.
- (iii) A special resolution to be proposed to a meeting may be amended by ordinary resolution if the meeting's chair proposes the amendment at the relevant general meeting and the amendment does not go beyond correcting grammatical or other non-substantive errors in the resolution.
- (iv) A resolution put to the vote at any general meeting shall be decided on a show of hands unless, either in advance of the meeting or at the meeting either before a show of hands on the relevant resolution or immediately after the show of hands is declared, a poll is duly demanded or if the Directors have decided in advance of the meeting that there should be a poll.
- (v) Subject to the 2006 Act, a poll may be demanded by a chair of the meeting; by not less than three members having the right to vote on the relevant resolution; by a member or members representing at least one-tenth of the total voting rights of all members entitled to vote on the resolution; or by a member or members holding shares that confer 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.
- (vi) The demand for a poll may be withdrawn before the poll is taken but only with the consent of the meeting's chair and a demand so withdrawn shall not invalidate the result of a show of hands taken before the demand was made.
- (vii) A poll shall be taken in such manner as the meeting's chair directs. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The meeting's chair may adjourn the meeting to a place and time of his or her decision for purposes of declaring the results of the poll.
- (viii) A poll demanded on the election of a chair of the meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time and place as the meeting's chair shall direct but cannot be more than 30 days from the date of the meeting at which the poll was demanded. The demand for a poll shall not prevent the continuance of a meeting other than the question on which the

poll was demanded. If a poll is demanded before the declaration of a result of a show of hands and the demand was withdrawn, the meeting shall continue as if the demand had not been made.

6. Directors' and Others' Interests in NVT

- (a) NVT is not aware of any person, not being a member of its administrative, management or supervisory bodies, who, as at the date of this document, is directly or indirectly interested in 3% or more of the issued share capital of NVT and is required to notify such interest in accordance with the Disclosure Guidance and Transparency Rules.
- (b) As at 8 January 2025 (being the latest practicable date prior to the publication of this document), the interests (all of which are beneficial) of the Directors and their immediate families in the share capital of NVT which: (i) have been notified by each Director to NVT; (ii) are required pursuant to section 809 of the 2006 Act to be entered in the register referred to therein; or (iii) are interests of a connected person of the Director which would, if the connected person, within the meaning of section 252 of the 2006 Act, were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known to or could with reasonable diligence be ascertained by that Director, were as follows:

Director	Number of Shares	Percentage of issued share capital
Deborah Hudson	121,890	0.06%
David Mayes	1,937,663	0.98%
John E Milad	-	0.00%
Brigid Sutcliffe	-	0.00%

The Directors of NVT have given undertakings to invest a total of £220,000 in NVT under the Offers.

Following the Offers, assuming full subscription and based on an Offer Price of 59.8p per Offer Share adjusted for a Promoter's Fee of 2.5%, the shareholdings of the Directors will be not less than as follows:

Director	Number of Shares	Percentage of issued share capital assuming full subscription of the Offers*
Deborah Hudson	155,334	0.07%
David Mayes	2,272,111	1.02%
John E Milad	-	0.0%
Brigid Sutcliffe	-	0.0%

*Based on an initial Offer Price of 59.8p

Save as disclosed in this paragraph, no Director nor any person (to the extent the same is known to, or could with reasonable diligence be ascertained by, that Director) connected with any Director (within the meaning of the Disclosure Guidance and Transparency Rules) has any interest in the share capital of NVT which is required to be notified pursuant to the Disclosure Guidance and Transparency Rules or which is required to be entered in the register maintained under section 809 of the 2006 Act.

- (c) None of the Directors has a service contract. Directors' appointments are subject to 3 months' notice and all Directors are subject to retirement by rotation. Their appointment does not confer any right to hold office for any period or any right to compensation if they cease to be Directors. The office of non-executive director is also not pensionable. Aggregate Directors' emoluments for the year ended 31 March 2024 amounted to £144,231 (plus applicable employer's National Insurance contributions). Each Director is currently entitled to receive during the year ending 31 March 2025 the fees listed below:

Director	Annual remuneration £
Deborah Hudson (Chair) ¹	36,846
David Mayes	30,000
John E Milad ²	18,346
Brigid Sutcliffe (Chair of the Audit and Risk Committee) ³	33,481
	<hr/> 118,673

¹Appointed Chair of the Board on 30 July 2024

²Appointed to the Board on 21 August 2024

³Appointed chair of the Audit and Risk Committee on 30 July 2024

- (d) No loan or guarantee has been granted or provided by NVT to any Director.
- (e) Save as disclosed in paragraph (c) above and paragraph (m) below, no Director has an interest in any transaction effected by NVT since its incorporation which is or was unusual in its nature or conditions or significant to the business of NVT.
- (f) NVT has taken out directors' and officers' liability insurance for the benefit of its Directors and the Company Secretary.
- (g) The following are directorships (unless otherwise stated) and partnership interests held by the Directors in the five years prior to the date of this document:

Director	Current	Past 5 Years
Deborah Hudson	B & S Bailiff Services Limited Cheerful People Limited CIO Connect Limited Connectorly Limited FinLeap GmbH HEERO Technologies Limited Mathern Limited Paninsight Limited Shackleton Finance Limited Shackleton FP Limited Shackleton Return #5 GP Limited Shackleton Return #5 FP LP Shackleton Secondaries 3 GP Limited Shackleton Secondaries General Partner Limited Shackleton Secondaries II General Partner Limited Shackleton Secondaries II LP Shackleton Secondaries LP Shackleton Ventures Limited SS3 FP LP SSV FP LP SSVGP Limited Warwick Cranes Limited	Buy IT Sell IT Limited IRT Surveys Limited Sigma GP No 3 Limited (Dissolved*) Trutac Limited KERS Australia Pty
David Mayes	Cumberland House BPRA Property Fund LLP D & M No. 1 LLP Docklands 2007 Plan, L.P. Fenkle Street BPRA Property Fund LLP Inside Track LLP Inside Track 1 LLP Inside Track 2 LLP Inside Track Productions LLP Maven Capital (Maidenhead) LP Maven Co-invest Academy LP Maven Co-invest Analytics LP Maven Co-invest Bright LP Maven Co-invest Design LP Maven Co-invest Design 2 LP Maven Co-invest DPP LP Maven Co-Invest Energy A2 LP Maven Co-invest Equinox LP	Airbeem Limited (Dissolved **) British Country Inns PLC British Country Inns 2 PLC British Country Inns 3 Limited British Country Inns 4 PLC Coutts Middle East & North Africa Private Equity LP Credit Suisse First Boston Trustees Limited Docklands 2001 Plan, L.P. Docklands 2002 Plan, L.P. Docklands 2004 Plan, L.P. Docklands 2005 Plan, L.P. Docklands 2006 Plan, L.P. Maven Capital (Ambassador Homes) LP Maven Capital (Courthouse Apartments Dundee) LP

	Maven Co-invest Fibre LP Maven Co-invest Fibre2 LP Maven Co-invest Galileo LP Maven Co-invest Griffin LP Maven Co-invest HCS LP Maven Co-invest Helium LP Maven Co-invest Horizon LP Maven Co-invest Illume LP Maven Co-invest Iris LP Maven Co-invest Lima Finance LP Maven Co-invest Lima LP Maven Co-invest Mansfield (Finance) LP Maven Co-invest Network LP Maven Co-invest North Finance LP Maven Co-invest Orchid 2 LP Maven Co-invest Precursive LP Maven Co-invest Proof LP Maven Co-invest Proof2 LP Maven Co-Invest Pura LP Maven Co-invest RHO 1 LP Maven Co-invest Soc LP Maven Co-invest Sorrento LP Maven Co-invest Speed LP Maven Co-invest Sport A1 LP Maven Co-invest Sputnik LP Maven Co-invest Sputnik 3 LP Maven Co-invest Vienna LP Maven Co-invest Vienna 2 LP Maven Co-invest Vodat LP Maven Co-invest XK LP Maven Co-invest 55 Group LP Maven MIP Regional Buyout Co-invest LP Maven MIP Regional Buyout II Co-invest LP Maven Property (Carters Yard) LP Maven Property (Dalian Finance) LP Maven Property (HBH Manchester) LP Maven Property (Mansfield) LP Maven Property (Middleton St George) LP Maven Property (Nottingham) LP The 2010/11 Brookfields Thetford LP The 2010/11 Cortonwood Retail LP PB China Harvest II Offshore Feeder LP Valere Capital Partners LLP	Maven Capital (Westerhill Road) LP Maven Co-invest CBT LP Maven Co-invest DEF LP Maven Co-invest DMack LP Maven Co-invest Endeavour LP Maven Co-invest Fathom LP Maven Co-invest Fletcher LP Maven Co-invest Geneva LP Maven Co-invest Incremental LP Maven Co-invest Lambert LP Maven Co-invest Platinum LP Maven Co-invest Prime LP Maven Co-invest R&M LP Maven Co-invest RMEC LP Maven Co-invest Rock LP Maven Co-invest Ropley LP Maven Co-invest Space LP Maven Co-invest (Ouseburn) LP Maven Property (Barrow HIEX) LP Maven Property (Greenock) LP MCP Co-invest Grouse LP Oriental Club (1824) Limited Osprey Income & Growth 2 LP Osprey Income & Growth 9 LP Osprey Supermarket Income & Growth 1 LP Tritax Aberdeen HQ Office LP
John E Milad	Insight Capital & Advisory Ltd Kidney Research UK ERS Genomics Ltd ERS Genomics, Inc	Downing LLP Downing Ventures LLP Downing Group LLP Invizius Limited Open Bionics Ltd Quanta Dialysis Technologies Limited Quanta Fluid Solutions Limited Otvio AS Quanta Dialysis Technologies Inc
Brigid Sutcliffe	Muscular Dystrophy Group of Great Britain and Northern Ireland Strategic Equity Capital PLC STS Global Income & Growth Trust PLC Troy Income & Growth Trust PLC***	BRE Group Limited NPL Management Limited Forbes Kemlo Ltd (Dissolved****) The Co-operative Development Society Limited

* The company was dissolved on 22 March 2022 after a voluntary strike-off.

** The company was dissolved on 7 November 2021 after a voluntary strike off.

*** The company was placed into members voluntary liquidation on 27 March 2024 and is still in liquidation

**** The company was dissolved on 29 October 2024 after a voluntary strike-off

- (h) None of the Directors nor any director of the Manager in the five years prior to the date of this document:
- (i) has any convictions in relation to fraudulent offences; or
 - (ii) save as set out in paragraph 6(g) above, been associated with bankruptcies, receiverships, liquidations (save for members' voluntary liquidations) or administrations in relation to an entity for which they have been acting as members of the administrative, management or supervisory bodies or senior management who was relevant to establishing that the entity had the appropriate expertise and experience for the management of its business; or
 - (iii) has been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or been disqualified by a Court from acting as a director or member of the administrative, management or supervisory bodies of a company or firm or acting in the management or conduct of the affairs of any company or firm.
- (i) NVT is not aware of any persons who, directly or indirectly, exercises or could exercise control over NVT.
- (j) There are no potential conflicts of interest between any duties carried out on behalf of NVT by any Director or any member of NVT's administrative, management or supervisory bodies and the private interests and/or other duties he may also have. All of NVT's Directors are independent of the Manager.
- (k) None of NVT's major holders of Shares have voting rights different from other holders of Shares.
- (l) No amounts have been set aside by NVT or Manager for pensions, retirement or similar benefits for Directors.
- (m) Other than with respect to the shareholdings in NVT held by the Directors and subscriptions in NVT by the Directors, as set out in paragraph 6(b) of this Part V, and the agreements referred to in paragraph 7(a), (b) and (e) below, NVT has not entered into any related party transactions since the date of its incorporation and up to the date of this document.
- (n) There are no service contracts with NVT providing for benefits upon termination of employment.
- (o) The Disclosure Guidance and Transparency Rules require a Shareholder to notify NVT of the percentage of its Shares he holds if such percentage reaches, exceeds or falls below 3% or subsequent 1% thresholds.

6. Directors' and Others' Interests in N2

- (a) N2 is not aware of any person, not being a member of its administrative, management or supervisory bodies, who, as at the date of this document, is directly or indirectly interested in 3% or more of the issued share capital of N2 and is required to notify such interest in accordance with the Disclosure Guidance and Transparency Rules.
- (b) As at 8 January 2025 (being the latest practicable date prior to the publication of this document), the interests (all of which are beneficial) of the Directors and their immediate families in the share capital of N2 which: (i) have been notified by each Director to N2; (ii) are required pursuant to section 809 of the 2006 Act to be entered in the register referred to therein; or (iii) are interests of a connected person of the Director which would, if the connected person, within the meaning of section 252 of the 2006 Act, were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known to or could with reasonable diligence be ascertained by that Director, were as follows:

Director	Number of Shares	Percentage of issued share capital
David Gravells	64,089	0.03%
Thomas Chambers	26,187	0.01%
Simon Devonshire	-	0.00%
Cecilia McAnulty	162,268	0.07%
Ranjan Ramparia	16,638	0.01%

The Directors of N2 have given undertakings to invest a total of £37,000 in N2 under the Offers.

Following the Offers, assuming full subscription and based on an Offer Price of 56.9p per Offer Share adjusted for a Promoter's Fee of 2.5% being paid, the shareholdings of the Directors will be not less than as follows:

Director	Number of Shares	Percentage of issued share capital assuming full subscription of the Offers*
David Gravells (Chair)	64,089	0.03%
Thomas Chambers	47,276	0.02%
Simon Devonshire	-	0.00%
Cecilia McAnulty	188,630	0.08%
Ranjan Ramparia	34,212	0.01%

*Based on an initial Offer Price of 56.9p

Save as disclosed in this paragraph, no Director nor any person (to the extent the same is known to, or could with reasonable diligence be ascertained by, that Director) connected with any Director (within the meaning of the Disclosure Guidance and Transparency Rules) has any interest in the share capital of N2 which is required to be notified pursuant to the Disclosure Guidance and Transparency Rules or which is required to be entered in the register maintained under section 809 of the 2006 Act.

- (c) None of the Directors has a service contract. Directors' appointments are subject to 3 months' notice and all Directors are subject to retirement by rotation. Their appointment does not confer any right to hold office for any period or any right to compensation if they cease to be Directors. The office of non-executive director is also not pensionable. Aggregate Directors' emoluments for the year ended 31 March 2024 amounted to £113,600 (plus applicable employer's National Insurance contributions). Each Director is currently entitled to receive during the year ending 31 March 2025 the fees listed below:

Director	Annual remuneration £
David Gravells (Chair)	34,000
Thomas Chambers ¹	21,081
Simon Devonshire	27,000
Cecilia McAnulty (Senior independent director)	29,000
Ranjan Ramparia (Chair of Audit and Risk Committee)	29,000
	<u>140,081</u>

¹appointed to the Board on 19 June 2024

- (d) No loan or guarantee has been granted or provided by N2 to any Director.
- (e) Save as disclosed in paragraph 6(b) above and paragraph (m) below, no Director has an interest in any transaction effected by N2 since its incorporation which is or was unusual in its nature or conditions or significant to the business of N2.
- (f) N2 has taken out directors' and officers' liability insurance for the benefit of its Directors and the Company Secretary.
- (g) The following are directorships (unless otherwise stated) and partnership interests held by the Directors in the five years prior to the date of this document:

Director	Current	Past five years
David Gravells		In-Home Health Group Ltd Student Loans Company Limited
Thomas Chambers	Amadeus III Affiliates Fund LP GP Bullhound Fund IV SCSp Gresham House Sustainable Timber & Energy LP Honeystone Ventures Fund LP Honeystone Ventures Fund II LP Moonfare Feeder A49 SCSp Moonfare Feeder A50 SCSp Moonfare Feeder A41 SCSp Propel London Limited Tadsum Ltd University of Gloucestershire Wine Equals Friends Limited	Albion KAY VCT PLC*** Compare The Market Limited The Universities and Colleges Admissions Service
Simon Devonshire	Intelesant Limited Thermology Health Ltd Ashford and St Peter's Hospital Trust	Celsius Health Limited** Talent Cupboard Limited (Dissolved *) Ploughshare Innovations Limited RHP Home (Repairs) Limited RHP Develop Limited Student Loans Company Limited
Cecilia McAnulty	Celtica Investments LLP Eurobank Cyprus Ltd Polar Capital Global Financials Trust plc RIT Capital Partners plc	Alcentra Limited
Ranjan Ramparia	Holly Village Freeholders Ltd JPMorgan Global Emerging Markets Income Trust PLC Rocca Advisory Limited Schroder BSC Social Impact Trust plc	

* The company was dissolved on 17 August 2021 after a voluntary strike off.

** The company was dissolved on 31 October 2023 after a voluntary strike off.

*** The company was placed into members voluntary liquidation on 19 December 2024.

- (h) None of the Directors nor any director of the Manager has for at least the five years prior to the date of this document:
- (i) had any convictions in relation to fraudulent offences; or
 - (ii) save as set out above, been associated with bankruptcies, receiverships, liquidations (save for members' voluntary liquidations) or administrations in relation to an entity for which they have been acting as members of the administrative, management or supervisory bodies or senior management who was relevant to establishing that the entity had the appropriate expertise and experience for the management of its business; or
 - (iii) has been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or been disqualified by a Court from acting as a director or member of the administrative, management or supervisory bodies of a company or firm or acting in the management or conduct of the affairs of any a company or firm.
- (i) N2 is not aware of any persons who, directly or indirectly, exercises or could exercise control over N2.
- (j) There are no potential conflicts of interest between any duties carried out on behalf of N2 by any Director or any member of N2's administrative, management or supervisory bodies and the private interests and/or other duties he/she may also have. All of N2's Directors are independent of the Manager.
- (k) None of N2's major holders of Shares have voting rights different from other holders of Shares.

- (l) No amounts have been set aside by N2 or Manager for pensions, retirement or similar benefits for Directors.
- (m) Other than with respect to the shareholdings in N2 held by the Directors and subscriptions in N2 by the Directors, as set out in paragraph 6(b) of this Part V, and the agreements referred to in paragraph 7(a),(c) and (f) below N2 has not entered into any related party transactions since the date of its incorporation and up to the date of this document.
- (n) There are no service contracts with N2 providing for benefits upon termination of employment.
- (o) The Disclosure Guidance and Transparency Rules require a Shareholder to notify N2 of the percentage of its Shares he holds if such percentage reaches, exceeds or falls below 3% or subsequent 1% thresholds.

6. Directors' and Others' Interests in N3

- (a) N3 is not aware of any person, not being a member of its administrative, management or supervisory bodies, who, as at the date of this document, is directly or indirectly interested in 3% or more of the issued share capital of N3 and is required to notify such interest in accordance with the Disclosure Guidance and Transparency Rules.
- (b) As at 8 January 2025 (being the latest practicable date prior to the publication of this document), the interests (all of which are beneficial) of the Directors and their immediate families in the share capital of N3 which: (i) have been notified by each Director to N3; (ii) are required pursuant to section 809 of the 2006 Act to be entered in the register referred to therein; or (iii) are interests of a connected person of the Director which would, if the connected person, within the meaning of section 252 of the 2006 Act, were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known to or could with reasonable diligence be ascertained by that Director, were as follows:

Director	Number of Shares	Percentage of issued share capital
James Ferguson	929,290	0.64%
Anna Brown	23,944	0.02%
Chris Fleetwood	113,451	0.08%
Tim Levett	361,695	0.25%
John Waddell	44,058	0.03%

The Directors of N3 have given undertakings to invest a total of £6,000 in N3 under the Offers.

Following the Offers, assuming full subscription and based on an Offer Price of 88.7p per Offer Share adjusted for a Promoter's Fee of 2.5% being paid, the shareholdings of the Directors will be not less than as follows:

Director	Number of Shares	Percentage of issued share capital assuming full subscription of the Offers*
James Ferguson	929,290	0.61%
Anna Brown	23,944	0.02%
Chris Fleetwood	120,215	0.08%
Tim Levett	361,695	0.24%
John Waddell	44,058	0.03%

*Based on an initial Offer Price of 88.7p

Save as disclosed in this paragraph, no Director nor any person (to the extent the same is known to, or could with reasonable diligence be ascertained by, that Director) connected with any Director (within the meaning of the Disclosure Guidance and Transparency Rules) has any interest in the share capital of N3 which is required to be notified pursuant to the Disclosure Guidance and Transparency Rules or which is required to be entered in the register maintained under section 809 of the 2006 Act.

- (c) None of the Directors has a service contract. Directors' appointments are subject to 3 months' notice and all Directors are subject to retirement by rotation. Their appointment does not confer any right to hold office for any period or any right to compensation if they cease to be Directors. The office of non-executive director is also not pensionable. Aggregate Directors' emoluments for the year ended 31 March 2024 amounted to £134,400 (plus applicable employer's National Insurance Contributions). Each Director is currently entitled to receive during the year ending 31 March 2025 the fees listed below.

Director	Annual remuneration £
James Ferguson (Chairman)	31,500
Anna Brown	25,200
Chris Fleetwood (Chairman of Audit and Risk Committee)	27,300
Tim Levett	25,200
John Waddell	25,200
	<hr/> 134,400

- (d) No loan or guarantee has been granted or provided by N3 to any Director.
- (e) Save as disclosed in paragraph 6(b) above and paragraph (m) below, no Director has an interest in any transaction effected by N3 since its incorporation which is or was unusual in its nature or conditions or significant to the business of N3.
- (f) N3 has taken out directors' and officers' liability insurance for the benefit of its Directors and the Company Secretary.
- (g) The following are directorships (unless otherwise stated) and partnership interests held by the Directors in the five years prior to the date of this document:

Director	Current	Past five years
James Ferguson	Amadeus & Angels Seed Fund Amadeus III Affiliates Fund LP Amadeus V Technology Fund LP Penicuik House Preservation Trust	Monks Investment Trust Public Limited Company (The) National Galleries of Scotland Foundation The North American Income Trust PLC The Independent Investment Trust PLC* The Scottish Oriental Smaller Companies Trust PLC Value And Indexed Property Income Trust PLC Value And Indexed Property Income Services Limited
Anna Brown	Addleshaw Goddard (Scotland) Secretarial Limited Addleshaw Goddard (Scotland) Services Limited Addleshaw Goddard LLP	426 West Limited Aghoco 5021 Limited (Dissolved **)
Chris Fleetwood		Digitalcity Business Trading Limited (Dissolved ***)
Tim Levett	14 Belsize Square Management Limited Cuppies N Cream Limited Form Ventures II LP Levett Ventures LLP Minerva's Virtual Academy Ltd	Acuant UK Limited Clarilis Limited Customs Connect Group Limited Gentronix Limited Graza Limited GRIP-UK Limited Intuitive Holding Limited Newcells Biotech Limited

		Northern VCT Managers Limited (Dissolved****) Northern Venture Managers Limited Northern Venture Trust PLC NV1 CP Limited NV1 GP Limited NV2 CP Limited NV2 Nominee Limited NVM Group Limited NVM Nominees Limited NVM PE Limited NVM Private Equity LLP Project NVM Limited Rockar 2016 Limited Sorted Holdings Limited The Beauty Tech Group Limited
John Waddell	Amadeus III Affiliates Fund LP Amadeus IV Early Stage Fund A LP Amadeus V Technology Fund LP Amadeus VI Technology Fund LP Amadeus & Angels Seed Fund Assure APM Limited City Health Clinic Group Limited Forrit Holdings Limited Forrit Technology Limited Global Surface Intelligence Ltd Indigo Lighthouse Group Limited Indigo Lighthouse Solutions Limited Indigo Lighthouse Solutions (Europe) Limited Infix Support Limited JWEB Limited Revive ECO Limited The Abbotsford Trading Company Limited The Abbotsford Trust The Map Magazine Limited	City Health Clinic Edinburgh Limited MGB Biopharma Limited Terry Trim Limited***** Ulpian Systems Limited Biogelx Limited***** Qorex Limited*****

* The company has been placed into a members' voluntary liquidation.

** The company was dissolved on 16 August 2022 after a voluntary strike off.

*** The company was dissolved on 18 July 2023 after a voluntary strike off.

**** The company was dissolved on 30 November 2021 after a voluntary strike off.

***** The company was dissolved on 22 September 2022 after a voluntary strike off.

***** The company has been placed into a members' voluntary liquidation.

***** The company has been placed into a creditors' voluntary liquidation.

(h) None of the Directors nor any director of the Manager has for at least the five years prior to the date of this document:

- (i) had any convictions in relation to fraudulent offences; or
- (ii) save as set out in paragraph 6(g) above, been associated with bankruptcies, receiverships, liquidations (save for members' voluntary liquidations) or administrations in relation to an entity for which they have been acting as members of the administrative, management or supervisory bodies or senior management who was relevant to establishing that the entity had the appropriate expertise and experience for the management of its business; or
- (iii) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or been disqualified by a Court from acting as a director or member of the administrative, management or supervisory bodies of a company or firm or acting in the management or conduct of the affairs of any company or firm.

(i) N3 is not aware of any persons who, directly or indirectly, exercises or could exercise control over N3.

- (j) There are no potential conflicts of interest between any Director or any member of N3's administrative, management or supervisory bodies and his or her duties to N3 and the private interests and/or duties he or she may also have. With the exception of Tim Levett, all of N3's Directors are independent of the Manager.
- (k) None of N3's major holders of Shares have voting rights different from other holders of Shares.
- (l) No amounts have been set aside by N3 or Manager for pensions, retirement or similar benefits for Directors.
- (m) Other than with respect to the shareholdings in N3 held by the Directors and subscriptions in N3 by the Directors, as set out in paragraph 6(b) of this Part V, and the agreements referred to in paragraph 7(a), (d) and (g) below N3 has not entered into any related party transactions since the date of its incorporation and up to the date of this document.
- (n) There are no service contracts with N3 providing for benefits upon termination of employment.
- (o) The Disclosure Guidance and Transparency Rules require a Shareholder to notify N3 of the percentage of its Shares he holds if such percentage reaches, exceeds or falls below 3% or subsequent 1% thresholds.

7. Material contracts

The following are (i) the only contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Companies for the two years immediately preceding publication of this document and which are or may be material to the Companies, and (ii) the only contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Companies at any time and contain any provisions under which each Company has any obligation or entitlement which is material to the Companies as at the date of this document:

- (a) Co-investment agreements dated 3 December 2019 between each of the Companies and Mercia, pursuant to which investment executives employed or engaged (whether as consultants or sub-contractors) by Mercia who have been nominated by Mercia (in its absolute discretion) to participate in a co-investment (the "Co-Investors") are required to invest directly (on the same terms as the Companies) in the ordinary shares of the investee companies in which the Companies invest, whether from the proceeds of the Offers or from the funds attributable to the Existing Shares. Co-Investors are required to subscribe as follows, subject to an annual cap set by Mercia for each Co-Investor:
 - where the investment comprises a mixture of ordinary shares and loans or redeemable preference shares, for 5% of the aggregate amounts invested in ordinary shares at the same time as the Company; or
 - where the investment is structured entirely as shares in an unquoted company, for 5% of the aggregate investment in ordinary shares at the same time as the company, subject to not less than 70% of the company's investment being in shares with preferential rights.

All investments in unquoted entities made by Co-Investors under the co-investment scheme will be realised at the same time as, and on the same terms as, the corresponding investments made by the Companies. Co-Investors under the scheme will not necessarily be required to realise investments at the same time as or on the same terms as the corresponding investments made by the Companies in respect of investments in quoted entities.

- (b) A Management and Investment Advisory Deed ("Northern Venture Trust IMA") dated 26 January 2015, as amended on 15 December 2016 (made between Northern Venture Trust and NVM) pursuant to which NVM was originally responsible for managing Northern Venture Trust and advising on its investment portfolio in line with the investment policy determined by the Board of Northern Venture Trust, and a deed of novation ("Deed of Novation") and amendment of the Northern Venture Trust IMA, dated 3 December 2019, under the terms of which Mercia has assumed, with effect from 23 December 2019, all responsibility for managing Northern Venture Trust and advising on its investment portfolio in line with the investment policy determined by the Board of Northern Venture Trust and subject to the terms of the Northern Venture Trust IMA, as subsequently amended by a deed of variation dated 21 July 2023. Northern Venture Trust is registered with the FCA as a small Alternative Investment Fund Manager and retains full discretion over matters relating to the investment portfolio. The Board retains overall responsibility for the conduct of

Northern Venture Trust's affairs. Mercia has agreed to offer investment opportunities to Northern Venture Trust, the Companies and the certain other funds it manages, *pro rata* to the Net Assets of each fund at the time of investment. The Northern Venture Trust IMA continues without limitation in point of time unless terminated by either party on giving one year's notice.

Mercia receives: (1) a basic management fee, payable quarterly in advance, at the rate of 2.06% per annum of Net Assets less current liabilities calculated at half-yearly intervals as at 31 March and 30 September; provided that the annual fee for cash balances in excess of £20 million shall be 1%; and (2) a performance-related management fee equivalent to 14.0% of the amount, if any, by which the Total Return in each financial year (expressed as a percentage of opening NAV) exceeds the greater of i) a 5.0% performance hurdle based on opening NAV, or ii) the return required to return performance to the previous "high water mark". Following a year in which the NAV declines, a "high water mark" will apply to the calculation of the performance-related fee, based on the highest total return ever recorded at 31 March. The performance-related fee payable by Northern Venture Trust is subject to an overall annual cap of 2.25% of net assets, with any fee above this being held in reserves until the next time the high water mark is met.

Mercia also provides secretarial and administration services to Northern Venture Trust, for which it receives an annual fee of £93,000 (plus VAT) payable quarterly in advance. The secretarial and administration fee is adjusted annually in line with changes in the UK Index of Consumer Prices.

The Annual Running Costs of Northern Venture Trust are capped at 2.9% of its net assets, any excess being borne by the Manager by way of a reduction of its fees. Annual Running Costs include, inter alia, Directors' fees, fees for audit and taxation advice, registrars' fees, costs of communicating with Shareholders, the basic annual fees payable to the Manager and annual trail commission payments, but exclude performance-related management fees. The total Annual Running Costs (excluding performance-related fees) for the most recently completed financial year for Northern Venture Trust was 2.45% of its average net assets.

Mercia is entitled to receive arrangement fees (i.e. fees to cover costs of due diligence and implementing investments – typically 3% of the amount invested) and monitoring/directors' fees from companies in which Northern Venture Trust invests. Costs incurred on abortive investment proposals are the responsibility of Mercia.

- (c) A Management and Administration Deed dated 30 July 2014, as amended on 8 November 2016, made between Northern 2 VCT and NVM ("Northern 2 IMA"), pursuant to which NVM was originally responsible for managing Northern 2 VCT and its investment portfolio in line with the investment policy determined by the Board of Northern 2 VCT; and a deed of novation ("Deed of Novation") and amendment of the Northern 2 IMA, dated 3 December 2019, under the terms of which Mercia has assumed, with effect from 23 December 2019, all responsibility for managing Northern 2 and advising on its investment portfolio in line with the investment policy determined by the Board of Northern 2 VCT and subject to the terms of the Northern 2 IMA, as subsequently amended by a deed of variation dated 28 July 2023. The Board retains overall responsibility for the conduct of Northern 2 VCT's affairs. Mercia has agreed to offer investment opportunities to Northern 2 VCT and to the Companies and to certain other funds it manages *pro rata* to the Net Assets of each fund at the time of investment. The Management and Administration Deed continues without limitation in point of time unless terminated by either party on giving one year's notice.

Mercia receives: (1) a basic management fee, payable quarterly in advance, at the rate of 2.06% per annum of Net Assets less current liabilities calculated at half-yearly intervals as at 31 March and 30 September, provided that the annual fee for cash balances in excess of £20 million shall be 1%; and (2) a performance-related management fee equivalent to 14.0% of the amount, if any, by which the Total Return in each financial year (expressed as a percentage of opening NAV) exceeds the greater of i) a 5.0% performance hurdle based on opening NAV, or ii) the return required to return performance to the previous "high water mark". Following a year in which the NAV declines, a "high water mark" will apply to the calculation of the performance-related fee, based on the highest total return ever recorded at 31 March. The performance-related fee payable by Northern 2 is subject to an overall annual cap of 2.25% of net assets, with any fee above this being held in reserves until the next time the high water mark is met.

Mercia also provides secretarial and administration services to Northern 2 VCT, for which it receives an annual fee of £78,700 (plus VAT) payable quarterly in advance. The secretarial and administration fee is adjusted annually in line with changes in the UK Index of Consumer Prices.

The Annual Running Costs of Northern 2 VCT are capped at 2.9% of its net assets, any excess being borne by the Manager by way of a reduction of its fees. Annual Running Costs include, inter alia, Directors' fees, fees for audit and taxation advice, registrars' fees, costs of communicating with Shareholders, the basic annual fees payable to the Manager and annual trail commission payments, but exclude performance-related management fees. The total Annual Running Costs (excluding performance-related fees) for the most recently completed financial year for Northern 2 VCT was 2.27% of its average net assets.

Mercia is entitled to receive arrangement fees (i.e. fees to cover costs of due diligence and implementing investments – typically 3% of the amount invested) and monitoring/directors' fees from companies in which Northern 2 VCT invests. Costs incurred on abortive investment proposals are the responsibility of Mercia.

- (d) A Management and Administration Deed dated 21 May 2014 made between Northern 3 VCT and NVM, as amended on 10 November 2016 ("Northern 3 IMA"), pursuant to which NVM was originally responsible for managing Northern 3 VCT and its investment portfolio in line with the investment policy determined by the Board of Northern 3 VCT; and a deed of novation ("Deed of Novation") and amendment of the Northern 3 IMA, dated 3 December 2019, under the terms of which Mercia has assumed, with effect from 23 December 2019, all responsibility for managing Northern 3 VCT and advising on its investment portfolio in line with the investment policy determined by the Board of Northern 3 VCT and subject to the terms of the Northern 3 IMA, as subsequently amended by a deed of variation dated 27 July 2023. The Board retains overall responsibility for the conduct of Northern 3 VCT's affairs. Mercia has agreed to offer investment opportunities to Northern 3 VCT and to the Companies and the certain other funds it manages *pro rata* to the Net Assets of each fund at the time of investment. The Management and Administration Deed continues without limitation in point of time unless terminated by either party on giving one year's notice.

Mercia receives: (1) a basic management fee, payable quarterly in advance, at the rate of 2.06% per annum of Net Assets less current liabilities calculated at half-yearly intervals as at 31 March and 30 September; provided that the annual fee for cash balances in excess of £20 million shall be 1%; and (2) a performance-related management fee equivalent to 14.0% of the amount, if any, by which the Total Return in each financial year (expressed as a percentage of opening NAV) exceeds the greater of i) a 5.0% performance hurdle based on opening NAV, or ii) the return required to return performance to the previous "high water mark". Following a year in which the NAV declines, a "high water mark" will apply to the calculation of the performance-related fee, based on the highest total return ever recorded at 31 March. The performance-related fee payable by Northern VCT 3 is subject to an overall annual cap of 2.25% of net assets, with any fee above this being held in reserves until the next time the high water mark is met.

Out of such fees Mercia will pay the fees of Brewin Dolphin Limited, who manage the Northern 3 VCT's non-VCT qualifying listed investments. Mercia also provides secretarial and administration services to Northern 3 VCT, for which it receives an annual fee of £75,000 (plus VAT) payable quarterly in advance. The secretarial and administration fee is adjusted annually in line with changes in the UK Index of Consumer Prices.

The Annual Running Costs of Northern 3 VCT are capped at 2.9% of its net assets, any excess being borne by the Manager by way of a reduction of its fees. Annual Running Costs include, inter alia, Directors' fees, fees for audit and taxation advice, registrars' fees, costs of communicating with Shareholders, the basic annual fees payable to the Manager and annual trail commission payments, but exclude performance-related management fees. The total Annual Running Costs (excluding performance-related fees) for the most recently completed financial year for Northern 3 VCT was 2.27% of its average net assets.

Mercia is entitled to receive arrangement fees (i.e. fees to cover costs of due diligence and implementing investments – typically 3% of the amount invested) and monitoring/directors' fees from companies in which Northern 3 VCT invests. Costs incurred on abortive investment proposals are the responsibility of Mercia.

- (e) Each of the Directors of Northern Venture Trust has entered into a letter of appointment with Northern Venture Trust for a period of up to three years from the dates set out against their names below and each letter of engagement is terminable on three months' notice given by either side.

Director	Date of appointment or reappointment	Annual general meeting at which current appointment terminates
Deborah Hudson	30 July 2024	July 2025
David Mayes	30 July 2024	July 2025
John E Milad	21 August 2024	July 2025
Brigid Sutcliffe	30 July 2024	July 2025

Pursuant to the terms of each letter of engagement, a Director is required to devote such time to the affairs of Northern Venture Trust as the Board reasonably requires consistent with his or her role as a non-executive Director. Each Director is entitled to receive the fees set out in paragraph 6 (c) under the heading Directors' and Others' Interests in Northern Venture Trust in this Part V. Each Director is entitled to be reimbursed for expenses properly incurred. There are no specific provisions for compensation in the event of early termination of the letters of engagement. In such event, the Director will be entitled to remuneration *pro-rata* to the proportion of the accounting period for which he or she has served. None of the Directors has entered into any service contract with Northern Venture Trust.

- (f) Each of the Directors of Northern 2 VCT has entered into a letter of appointment with Northern 2 VCT for a period of up to three years from the dates set out against their names below and each letter of engagement is terminable on three months' notice given by either side.

Director	Date of appointment or reappointment	Annual general meeting at which current appointment terminates
David Gravells	31 July 2024	July 2025
Thomas Chambers	31 July 2024	July 2025
Simon Devonshire	31 July 2024	July 2025
Cecilia McAnulty	31 July 2024	July 2025
Ranjan Ramparia	31 July 2024	July 2025

Pursuant to the terms of each letter of engagement, a Director is required to devote such time to the affairs of Northern 2 VCT as the Board reasonably requires consistent with his or her role as a non-executive Director. Each Director is entitled to receive the fees set out in paragraph 6 (c) under the heading Directors' and Others' Interests in Northern 2 VCT in this Part V. Each Director is entitled to be reimbursed for expenses properly incurred. There are no specific provisions for compensation in the event of early termination of the letters of engagement. In such event, the Director will be entitled to remuneration *pro-rata* to the proportion of the accounting period for which he or she has served. None of the Directors has entered into any service contract with Northern 2 VCT.

- (g) Each of the Directors of Northern 3 VCT has entered into a letter of appointment with Northern 3 VCT for a period of up to three years from the dates set out against their names below and each letter of engagement is terminable on three months' notice given by either side.

Director	Date of appointment or reappointment	Annual general meeting at which current appointment terminates
James Ferguson	1 August 2024	July 2025
Anna Brown	1 August 2024	July 2025
Chris Fleetwood	1 August 2024	July 2025
Tim Levett	1 August 2024	July 2025
John Waddell	1 August 2024	July 2025

Pursuant to the terms of each letter of engagement, a Director is required to devote such time to the affairs of Northern 3 VCT as the Board reasonably requires consistent with his or her role as a non-executive Director. Each Director is entitled to receive the fees set out in paragraph 6 (c) under the heading Directors' and Others' Interests in Northern 3 VCT in this Part V. Each Director is entitled to be reimbursed for expenses properly incurred. There are no specific provisions for compensation in the event of early termination of the letters of engagement. In such event, the Director will be entitled to remuneration *pro-rata* to the

proportion of the accounting period for which he or she has served. None of the Directors has entered into any service contract with Northern 3 VCT.

- (h) Under the Offer Agreement dated 9 January 2025 between the Companies, the Directors, Mercia and the Sponsor, the Sponsor has agreed to act as sponsor to the Offers and Mercia has undertaken, as agent of the Companies, to use its reasonable endeavours to procure subscribers for up to £15 million in Northern Venture Trust's offer under the Offers, £15 million in Northern 2 VCT's offer under the Offers and £6 million in Northern 3 VCT's offer under the Offers. Neither the Sponsor nor Mercia is obliged to subscribe for Offer Shares.

Under the Offer Agreement the Companies are obliged to pay Mercia an amount equal to 5.0% (or 2.5% where no commission is payable) of the aggregate amounts of the subscription monies as received by the Companies pursuant to the Offers together with an annual commission of 0.2% for five years of the gross funds subscribed under the Offers in respect of which trail commission is payable. Pursuant to this agreement, Mercia agrees that it will pay all costs, charges, fees and expenses payable by the Companies or the Manager in connection with, or incidental to, the Offers and the Admission.

Assuming the Offers are fully subscribed, and a Promoter's Fee of 2.5% applies to all subscriptions in the Offers, under the Offer Agreement Mercia will be entitled to a Promoters Fee of £375,000 in respect of NVT, £375,000 in respect of N2 and £150,000 in respect of N3 (being 0.33%, 0.31% and 0.12% respectively of each Company's net assets as shown in its respective audited financial statements for the financial period ended 31 March 2024).

Under the Offer Agreement, which may be terminated by the Sponsor and Mercia in certain circumstances, certain warranties have been given by each Company and the Directors to each other and to the Sponsor and Mercia, subject to certain limitations, and Mercia has given certain warranties to each Company and to the Sponsor. Each Company has also agreed to indemnify the Sponsor and Mercia. The warranties and indemnity are in usual form for a contract of this type. The Offer Agreement may be terminated by the Sponsor and/or Mercia if any statement in the Prospectus is untrue, any material omission from the Prospectus arises or any breach of warranty occurs.

8. General

- (a) The legal names of the Companies are Northern Venture Trust PLC, Northern 2 VCT PLC and Northern 3 VCT PLC and their principal place of business and registered offices are at Forward House, 17 High Street, Henley-in-Arden, B95 5AA (telephone no: 0330 223 1430) and their websites are www.mercia.co.uk/vcts/nvt/, www.mercia.co.uk/vcts/n2vct/ and www.mercia.co.uk/vcts/n3vct/ respectively. Information on those websites does not form part of this Prospectus unless that information is incorporated by reference into the Prospectus. The Companies have not, nor have had since incorporation, any employees other than their current and former Directors. The Companies do not have any subsidiaries or associated companies. Northern Venture Trust PLC is domiciled in England and has the legal entity identifier 213800HR3R4WFICYFN46. Northern 2 VCT PLC is domiciled in England and has the legal entity identifier 213800K2EJ4CM6G9K687. Northern 3 VCT PLC is domiciled in England and has the legal entity identifier 213800MWOA6W221PI432.
- (b) The principal place of business and registered office of Mercia Fund Management Limited is at Forward House, 17 High Street, Henley-in-Arden B95 5AA. The Manager is UK domiciled and was incorporated in England and Wales on 27 July 2009 with registered number 06973399. Telephone number: 0330 223 1430.
- (c) Forvis Mazars LLP of 160 Midsummer Boulevard, Milton Keynes, United Kingdom, MK9 1FF has been the registered auditor of Northern Venture Trust since 2021. From incorporation until 2021 KPMG LLP (formerly KPMG Audit Plc) of Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG was the registered auditor of Northern Venture Trust.

Forvis Mazars LLP of 160 Midsummer Boulevard, Milton Keynes, United Kingdom, MK9 1FF has been the registered auditor of Northern 2 VCT since 2021. KPMG LLP (formerly KPMG Audit Plc) of Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG was the registered auditor of Northern 2 VCT from 2003 to 2021. From incorporation until 2003, PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH was the registered auditor of Northern 2 VCT.

Forvis Mazars LLP of 160 Midsummer Boulevard, Milton Keynes, United Kingdom, MK9 1FF has been the registered auditor of Northern 3 VCT since 2021. KPMG LLP (formerly KPMG Audit Plc) of Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG was the registered auditor of Northern 3 VCT from 2003 to 2021. From incorporation until 2003, PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH was the registered auditor of Northern 3 VCT.

- (d) Directors of the Companies or the Manager may, from time to time, become interested in transactions with or in certain companies in which the Companies have invested or propose to invest, subject to full disclosure, the relevant Board approval and compliance with the UK Listing Rules.
- (e) The Boards are responsible for the determination and calculation of the Companies' Net Asset Values and announce them at least quarterly, through a regulatory information service. The Boards believe that, by announcing their Companies' financial results on a regular basis, this should help to provide a fairer market price for their Shares. The Boards do not envisage any circumstances in which such calculations would be suspended but, were this to occur, such suspension would be communicated to shareholders in a similar manner.
- (d) The Companies each hold their unquoted assets at their registered offices at Forward House, 17 High Street, Henley-in-Arden B95 5AA. The custodian of the Companies' quoted venture capital assets and non-VCT qualifying listed investments is Brewin Dolphin Limited, which is authorised and regulated by the FCA and whose registered office is at Time Central, 32 Gallowgate, Newcastle NE1 4SR and whose telephone number is 0203 2013900. Brewin Dolphin Limited was incorporated in England and Wales on 1 June 1987 with registered number 02135876.
- (e) Valuation of investments: In relation to each valuation period, the NAV of a Company's investments are proposed by the valuations team within Mercia (the "Valuations Team"). Great care has been taken in designing a valuation process which promotes independence, builds in adequate controls and mitigates any potential conflict of interests that may arise insofar as the fees payable to Mercia for providing investment advisory / management services (pursuant to the Management and Investment Advisory Deed (NVT) and the Management and Administration Deeds (N2 and N3) (the "Agreements") detailed in the Material Contracts section of this prospectus) are determined by the NAV of the relevant Company and insofar as the performance-related management fee payable to Mercia pursuant to the Agreements is determined by the Company's NAV plus cumulative dividends paid. This process, the relevant valuation policy and the prescribed valuation methodology is documented by the Company. The value of investments are determined on a fair value basis. In the case of quoted securities, fair value is established by reference to the closing bid price on the relevant date or the last traded price, depending on convention of the exchange on which the investment is quoted. In the case of unquoted investments, fair value is established by using measures of value such as the price of recent transactions, multiples and net assets. This is consistent with International Private Equity and Venture Capital valuation guidelines. Prior to their review and approval by the Boards of the Companies, valuations are also reviewed by a senior investment professional with adequate experience and valuations are also reviewed at least annually by the Companies' auditors. No part of the remuneration that the members of the Boards of the Companies receive is linked to NAV performance.
- (h) Reporting to Shareholders - the annual report and accounts are made up to 31 March in each year for each of Northern Venture Trust, Northern 2 VCT and Northern 3 VCT and are normally sent to Shareholders in June. The unaudited half yearly reports are made up to 30 September in each year for each of Northern Venture Trust, Northern 2 VCT and Northern 3 VCT and are published in November.
- (i) Save for payments made under the agreements described in paragraphs (b) to (d) of the Material Contracts section on pages 71 to 73 above and investments in which Co-Investors have invested (as described on page 71) and the amendments to the Northern Venture Trust IMA and Northern 3 IMA and Northern 2 IMA which were approved by ordinary resolutions of the shareholders of the Companies on 21 July 2023, 27 July 2023 and 28 July 2023 respectively, there have been no related party transactions since 31 March 2022.

- (j) All material contracts of the Companies will be in English and the Companies and/or their Manager will communicate with Investors and/or Shareholders in English.
- (k) Complaints about any of the Companies or the Manager should be referred to the chair of the relevant board at Forward House, 17 High Street, Henley-in-Arden B95 5AA. Any such complaint may subsequently be referred to the Financial Ombudsman Service. Compensation will not be available from the Financial Services Compensation Scheme in the event of default by the Manager.
- (l) A typical investor in the Companies will be a UK higher-rate income tax payer, over 18 years of age and with an investment range of between £6,000 and £200,000 who is capable of understanding and is comfortable with the risks of VCT investment.
- (m) As at the date of this document, other than those disclosed, there are no governmental, economic, monetary, political or fiscal policies and factors identified which have affected or could affect the Companies' operations.
- (n) The Companies have to satisfy a number of tests to qualify as VCTs and will be subject to various rules and regulations in order to continue to qualify as VCTs, as set out under paragraph 5 of Part VI of this document ("**Taxation Considerations for Investors**"). In addition, under the rules relating to Admission, the Companies must manage and invest their assets in accordance with the investment policy set out in the section headed "corporate objectives and investment policies" on page 19, which contains information about the policies which they will follow relating to asset allocation, risk diversification and gearing and which includes a maximum exposure. Investors will be informed through a regulatory information service of the action that the Boards propose to take in the event that any of these investment restrictions are breached.
- (o) All third-party information in this document has been identified as such by reference to its source and has been accurately reproduced and, so far as the Companies are aware and are able to ascertain from information published by the relevant party, no facts have been omitted which would render such information inaccurate or misleading.
- (p) The total initial expenses of the Offers (assuming full subscription by Execution-Only Investors and/or Professional Client Investors only) will be 5.0% of the gross proceeds and the total net proceeds are therefore estimated to be £14.2 million for each of NVT and N2, and £5.7 million for N3.

9. Stamp Duty, Stamp Duty Reserve Tax and Close Company Status

The Companies have been advised that no stamp duty or stamp duty reserve tax ("SDRT") will be payable on the issue of the Shares issued under the Offers.

The transfer on sale of any Shares will be liable to *ad valorem* stamp duty normally at the rate of 0.5% of the amount or value of the consideration (rounded up to the nearest £5). An unconditional agreement to transfer Shares also gives rise to an obligation to account for SDRT, which is payable within seven days of the start of the month following that in which the agreement was entered into. The payment of stamp duty gives rise to a right to repayment of any SDRT paid. There will be no stamp duty or SDRT on the transfer of the Shares into CREST unless such a transfer is made for consideration in money or money's worth, in which case a liability to SDRT will arise usually at a rate of 0.5%. A transfer of Shares effected on a paperless basis through CREST will generally be subject to SDRT at a rate of 0.5% of the value of the consideration. Following the issue of the Shares pursuant to the Offers, the Companies are not likely to be a close company for tax purposes.

10. Consents

The Sponsor and the Manager have given and have not withdrawn their written consents to the issue of this document with the references to them in the form and context in which they appear.

11. Documents for Inspection

Copies of the Memorandum of Association and Articles of the Companies are available for inspection at the offices of Howard Kennedy Corporate Services LLP at No. 1 London Bridge, London SE1 9BG and at the registered office of the Companies at Forward House, 17 High Street, Henley-in-Arden B95 5AA during normal business hours on any weekday (public holidays excepted) and on www.mercia.co.uk from the date of this document until the closing date of the Offers.

Part VI – Taxation considerations for Investors

VCTs: Summary of the applicable legislation in respect of Investors

1. Taxation of a VCT

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

2. Tax reliefs for Individual investors

Individuals who subscribe for Offer Shares must be aged 18 or over to qualify for the tax reliefs outlined below.

Relief from income tax

An Investor subscribing up to £200,000 in the 2024/25 tax year for eligible shares in a VCT will be entitled to claim income tax relief, at the rate of 30%, although this relief will be withdrawn if either the shares are sold within five years or the Investor takes out a loan which would not have been made, or would not have been made on the same terms, save for the acquisition of such shares. If an Investor has sold, or if they sell, any shares in one or more of the Companies within six months either side of the subscription for the Offer Shares, then for the purposes of calculating income tax relief on the Offer Shares in that Company or Companies, the subscribed amount must be reduced by the amount received from the sale. Relief is also restricted to the amount which reduces the investor's income tax liability to nil.

Dividend relief

An investor who subscribes for or acquires eligible shares in a VCT (up to a maximum of £200,000 in the 2024/25 tax year) will not be liable for UK income tax on dividends paid by the VCT. The income received by the VCT will usually constitute either interest (on which the VCT may be subject to tax) or a dividend from a UK company (on which the VCT would not be subject to tax). The VCT's income, reduced by the payment of tax (if applicable), can then be distributed tax-free to Investors who benefit from this dividend relief. There is no withholding tax on dividends paid by a UK company and, consequently, the Companies do not assume responsibility for the withholding of tax at source.

Capital gains tax relief

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

Loss of tax reliefs

- (i) If a company which has been granted approval or provisional approval as a VCT subsequently fails to comply with the conditions for approval, VCT status may be withdrawn or treated as never having been given. The exemptions from corporation tax on capital gains will not apply to any gain realised after VCT status is lost (and on any gain realised by the VCT if approval is deemed never to have been given).
- (ii) For Investors, the withdrawal of VCT status may (depending upon the timing of such withdrawal) result in:
 - repayment of the 30% income tax relief on subscription for new VCT shares;
 - income tax becoming payable on subsequent payments of dividends by the company; and
 - a liability to tax on capital gains being suffered in the normal way on the disposal of shares in the company, except that any part of the gain attributable to the period for which the VCT was approved would be exempt.
- (iii) The consequences for Investors in a company which never obtains full unconditional approval as a VCT are as follows:
 - repayment of the 30% income tax relief on subscriptions for new VCT shares and interest on overdue tax may arise;
 - income tax becoming payable on all payments of dividends by the company; and
 - any gain arising on a disposal of the shares would be liable to capital gains tax and losses on the shares would be allowable losses for capital gains tax purposes.

The Offer Shares are eligible VCT shares for the purposes of this section.

3. Consequences of an Investor dying or a transfer of shares between spouses

- (i) *Initial income tax*
If an Investor dies at any time after making an investment in a VCT, the transfer of shares on death is not treated as a disposal and, therefore, the initial income tax relief is not withdrawn. However, the shares will become part of the deceased's estate for inheritance tax purposes.
- (ii) *Tax implications for the beneficiary*
Provided a number of conditions are met, the beneficiary of any VCT shares will be entitled to tax-free dividends and will not pay capital gains tax on any disposal within the £200,000 limit described above, but will not be entitled to any initial income tax relief.
- (iii) *Transfer of shares between spouses*
Transfers of shares in a VCT between spouses is not deemed to be a disposal and, therefore, all tax reliefs will be retained.

4. General

- (i) *Investors who are not resident in the UK*
Non-resident Investors, or Investors who may become non-resident, should seek their own professional advice as to the consequences of making an investment in a VCT, because they may be subject to tax in other jurisdictions.
- (ii) *Stamp duty and stamp duty reserve tax*
No stamp duty or (unless shares in a VCT are issued to a nominee for a clearing system or a provider of depository receipts) stamp duty reserve tax will be payable on the issue of VCT shares. The transfer on the sale of shares would normally be subject to ad valorem stamp duty or (if an unconditional agreement to transfer such shares is not completed by a duly stamped transfer within two months) stamp duty reserve tax generally, in each case at the rate of 0.5% (rounded up to the nearest £5) of the consideration paid where the total consideration exceeds £1,000 or if it forms part of a series of transactions where the total consideration exceeds £1,000. Such duties would be payable by a person who purchases such shares from the original subscriber.
- (iii) *Purchases in the market after listing*
Any subsequent purchaser of existing VCT shares, as opposed to a subscriber for new VCT shares, will not qualify for income tax relief on investment but may benefit from dividend relief and from capital gains tax relief on the disposal of their VCT shares.
- (iv) *The VCT Regulations 2004*
Under the VCT Regulations, monies raised by any further issue of shares by an existing VCT are subject to a grace period of three years before they must be applied in making investments which meet the VCT qualifying thresholds. However, to the extent any of the money raised (save for an insignificant amount in the context of the whole issued ordinary share capital of the VCT) is used by the VCT to purchase its own shares then this grace period shall not apply.

5. Tax Position of the Companies

To obtain VCT status a company must be approved by HM Revenue & Customs as a VCT. HM Revenue & Customs has granted the Companies approval under Section 274 ITA as a VCT and the Companies intend to continue complying with the requirements of such section.

For a VCT to obtain full unconditional approval, the conditions summarised below must be satisfied in relation to the accounting period of the company which is current when the application for approval is made, or in any event must be satisfied by no later than the beginning of the VCT's next accounting period and must continue to be satisfied throughout the life of the VCT:

- (i) the VCT's income must have been derived wholly or mainly from shares and securities (in the case of securities issued by a company, meaning loans with a five-year or greater maturity period);
- (ii) no holding in a company (other than a VCT or a company which would, if its shares were listed, qualify as a VCT) by the VCT may represent more than 15% by value of the VCT's total investments at the time of investment;
- (iii) the VCT must not have retained more than 15% of the income derived from shares or securities in any accounting period; and
- (iv) the VCT must not make an investment into a company which causes that company to have received more than £5 million of State Aid Risk Finance in a rolling 12 month period (£10 million for a

- knowledge intensive company), or more than £12 million in total (£20 million for a knowledge intensive company);
- (v) no investment can be made by the VCT in a company whose first commercial sale was more than 7 years prior to date of investment, except where previous State Aid Risk Finance was received by the company within 7 years (10 years for a knowledge intensive company) or where a turnover test is satisfied;
 - (vi) no funds received from an investment by the VCT into a company can be used to acquire another existing business or trade;
 - (vii) at least 30% of the funds raised by a VCT must be invested in qualifying holdings by the anniversary of the end of the accounting period in which those funds are raised; and
 - (viii) the VCT must not make a non-qualifying investment other than those specified in section 274 ITA 2007.

The VCT must not be a close company. Its ordinary share capital must be quoted on the London Stock Exchange or any regulated market in the EU or European Economic Area.

The VCT must not in respect of any share capital or share premium account and any reserves created from the cancellation thereof, make any payment or distribution 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.

The following conditions also have to be satisfied by no later than the beginning of the VCT's accounting period which commences no later than three years after provisional approval takes effect and must continue to be satisfied throughout the life of the VCT:

- (i) at least 80% by value of its investments is represented by shares or securities comprising qualifying investments;
- (ii) at least 70% by value of its qualifying investments is represented by "eligible shares" which are shares which carry no present or future preferential rights to a return of capital on a winding up or any redemption rights, but may have certain preferential rights to dividends (investments made prior to 6 April 2018 from funds raised before 6 April 2011 are excluded from this requirement).

Disposals of Qualifying Companies, which have been a qualifying holding throughout the twelve months prior to disposal, are disregarded for the purposes of the 80% test for a period of twelve months.

"Qualifying investments" comprise shares or securities (these are unsecured loans with a five year or greater maturity period and which do not have a rate of return which exceeds a commercial rate of return, but excluding guaranteed loans) issued by unquoted trading companies which exist wholly or mainly for the purpose of carrying on one or more qualifying trades. The trade must be carried on by, or be intended to be carried on by, the investee company or a 90% held qualifying subsidiary (directly held or in the third tier within the group) at the time of the issue of the shares or securities to the VCT and at all times thereafter). The Qualifying Company must have a permanent establishment in the UK, and must meet a financial health requirement.

A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter. The definition of a qualifying trade excludes certain activities, including dealing in property, shares, securities, commodities or futures. It also excludes banking, insurance, receiving royalties or licence fees in certain circumstances, leasing, the provision of legal and accounting services, farming and market gardening, forestry and timber production, property development and operating or managing hotels, guest houses, nursing and residential care homes, coal production, steel production, ship building, the production of fuel or power, the generation or export of heat or electricity or making reserve electricity generation capacity available. The funds raised by the investment must be used for the purposes of the qualifying trade within certain time limits.

A qualifying investment can be made in a company which is a parent company of a trading group where the activities of the group, taken as a whole, consist of carrying on one or more qualifying trades. The subsidiary carrying on the qualifying trade in question must be at least 90% owned by the parent company. The investee company's gross assets must not exceed £15 million immediately prior to the investment, nor £16 million immediately after the investment. Neither the VCT nor any other company may control the investee company. At least 10% of the VCT's total investment in the investee company must be in ordinary non-preferential shares. Qualifying Companies or groups must have fewer than 250 employees (500 for a

knowledge intensive company). Companies are permitted to receive a maximum of £5 million from all State Aid investments sources in the 12 months ending on the date of the VCT's investment (£10 million for a knowledge intensive company). There is also a disqualifying purpose test designed to exclude companies set up for the purpose of accessing the tax reliefs, and investments must meet a risk-to-capital requirement. VCT funds may not be used by investee companies to acquire shares, another business or intangible assets in use in a trade.

Companies whose shares are traded on AIM are treated as unquoted companies for the purposes of calculating qualifying investments. Shares in an unquoted company which subsequently become listed may still be regarded as a qualifying investment for a further five years following listing, provided all other conditions are met.

The Companies will notify an RIS as to any action that the Manager takes in the event of a breach of any of the conditions to remaining a VCT.

The above is only a summary of the tax position of individual investors in VCTs, based on the Companies' understanding of current law and practice. Investors are recommended to consult a professional adviser as to the taxation consequences of investing in a VCT. Tax reliefs referred to in this document are UK tax reliefs and are dependent on the Companies maintaining their VCT qualifying status.

Part VII – Definitions

2006 Act	Companies Act 2006, as amended from time to time
Admission	admission of the Offer Shares to the Official List and to trading on the London Stock Exchange's main market for listed securities
Adviser Charge	a fee, payable to an Intermediary, agreed with the Investor for the provision of a personal recommendation and/or related services in relation to an investment in the Offer Shares, and detailed on the Application Form
AIF	an alternative investment fund
AIFM(s) or Alternative Investment Fund Manager	manager(s) of AIF(s) for the purposes of the AIFMD
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (as it forms part of domestic law by virtue of the European (Withdrawal) Act 2018)
AIM	a sub market of the London Stock Exchange established in 1995 to provide a market for small, growing companies with greater regulatory flexibility than applies to the main market
Annual Running Costs	annual running costs incurred by the relevant Company in the ordinary course of its business (including irrecoverable VAT)
Applicant	person who applies for Offer Shares under the Offers through means of completing an Application Form
Application Form(s)	form of application for Offer Shares
Articles	articles of association of the Companies as at the date of this document
Board or Directors	board of directors of one or more of the Companies, as applicable
Business Day	any day (other than a Saturday or Sunday) on which clearing banks in London are open for normal banking business in Sterling
Closing Date	31 March 2025 (or earlier at the discretion of the Directors)
Company or Companies or Northern VCTs	either individually, or any combination of Northern Venture Trust, Northern 2 VCT and/or Northern 3 VCT, as applicable
CREST	relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) for the paperless settlement of transfers and the holding of Shares in uncertificated form which is administered by Euroclear UK & International Limited (registered number 02878738)
Direct Investor	an Investor with no adviser
Disclosure Guidance and Transparency Rules or DGTR	the Disclosure Guidance and Transparency Rules, made by the FCA under Part VI of FSMA and relating to the disclosure of information in respect of financial instruments
Dividend Investment Scheme(s) or Scheme(s)	the respective dividend investment scheme for each Company as detailed in Annex I of this document, as amended from time to time
Execution-Only Investor	an Investor who has not sought advice from an independent financial adviser
Existing Shares	the Ordinary Shares in issue at the date of this Prospectus
FCA	Financial Conduct Authority or its successor
FSMA	Financial Services and Markets Act 2000, as amended from time to time
ITA	Income Tax Act 2007, as amended from time to time

Intermediary	financial intermediary or adviser, authorised under FSMA, who signs the Application Form and whose details are set out in Section 6 on the Application Form
Investor	individual who subscribes for Offer Shares pursuant to the Offers
London Stock Exchange or LSE	London Stock Exchange plc
Mandate Form	the form that enables shareholders in each of the Companies to participate in the Dividend Investment Scheme, available on Mercia's website at www.mercia.co.uk/vct/
Mercia or the Manager or Adviser	Mercia Fund Management Limited which is authorised and regulated by the FCA
Mercia Group	Mercia Asset Management PLC and any of its direct or indirect subsidiary companies
ML Regulations	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
Net Assets	gross assets less all liabilities (excluding contingent liabilities) of the Companies calculated in accordance with the Companies' normal accounting policies in force at the date of calculation
NAV or Net Asset Value	net asset value in pence per Share
Northern 2 VCT or N2	Northern 2 VCT PLC (registered number 03695071)
Northern 3 VCT or N3	Northern 3 VCT PLC (registered number 04280530)
Northern Venture Trust or NVT	Northern Venture Trust PLC (registered number 03090163)
NVM or NVM Private Equity	NVM Private Equity LLP which is authorised and regulated by the FCA
Offers	offer for subscription to raise up to £36 million (£15 million for each of Northern Venture Trust and Northern 2 VCT and £6 million for Northern 3 VCT) by issues of Ordinary Shares by the Companies pursuant to the Prospectus
Offer Price	price paid by an Investor for Offer Shares
Offer Shares	ordinary shares of 25p each in the capital of Northern Venture Trust (ISIN: GB0006450703), ordinary shares of 5p each in the capital of Northern 2 VCT (ISIN: GB0005356430) or ordinary shares of 5p each in the capital of Northern 3 VCT (ISIN: GB0031152027) individually or collectively as appropriate, in each case subscribed for under the terms of the Offers (as the context dictates)
Official List	official list of the FCA maintained in accordance with section 74(1) FSMA
Ordinary Shares or Shares	ordinary shares of 25 pence each in the capital of Northern Venture Trust (ISIN: GB0006450703), ordinary shares of 5 pence each in the capital of Northern 2 VCT (ISIN: GB0005356430) or ordinary shares of 5 pence each in the capital of Northern 3 VCT (ISIN: GB0031152027)
Ordinary Shareholders or Shareholders	holders of Ordinary Shares
Pricing Formula	the pricing formula by which the number of Offer Shares issued under the Offers is determined for each investor
Professional Client Investor	an investor who is either a professional client or an elective professional client under rule 3.5 of the conduct of business sourcebook as published in the FCA's handbook.
Promoter	the Manager

Promoter's Fee	2.5% or 5.0% of the gross proceeds of the Offers
Prospectus	this document
Qualifying Company	unquoted (including an AIM-quoted) company which satisfies the requirements of Part 4 of Chapter 6 of the ITA
Qualifying Investments	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the ITA
Receiving Agent	The City Partnership (UK) Limited
Registrar	The City Partnership (UK) Limited
Retail Client Investor	Investors who apply for Offer Shares through their Intermediary where the Intermediary has classified the Investor as a retail client for the purposes of the FCA rules
RIS	regulatory information service
SME	small to medium sized enterprise
Sponsor	Howard Kennedy Corporate Services LLP
Total Return	NAV, plus cumulative dividends paid, including tax credits where reclaimable
UK Corporate Governance Code	the UK Corporate Governance Code issued by the Financial Reporting Council in July 2018
UK Listing Rules	the UK Listing Rules issued by the Financial Conduct Authority and made under Part VI of the FSMA
UK MiFID Laws	(i) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701), The Data Reporting Services Regulations 2017 (SI 2017/699) and the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (SI 2017/488), and any other implementing measure which operated to transpose EU MiFID II in to UK law before 31 January 2020 (as amended and supplemented from time to time including by: (1) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (2) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (3) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (4) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019; and (ii) the UK version of Regulation (EU) No 600/2014 of the European Parliament, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by: (a) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (b) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (c) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (d) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019
UK PRIIPs Laws	the UK version of the EU Packaged Retail Investment and Insurance Products Regulations which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Packaged Retail and Insurance-based Investment Products (Amendment)(EU Exit) Regulations 2019 (February 2019) and the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019
UK Prospectus Regulation	the UK version of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including by but not limited to, The Prospectus (Amendment etc.) (EU Exit)

	Regulations 2019/1234 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019))
VCT Regulations 2004	Venture Capital Trust (Winding Up and Mergers) (Tax) Regulations SI 2004 No. 2199
VCT Rules	legislation, rules and HM Revenue & Customs interpretation and practice regulating the establishment and operation of venture capital trusts
Venture Capital Trust or VCT	venture capital trust as defined in section 259 of the ITA.

Part VIII – Additional information

1. The Companies

1.1 Borrowing policy

The Directors may exercise all the powers of the Companies to borrow money and to mortgage or charge their undertakings, property and uncalled capital. The Directors shall restrict the borrowings of the Companies and exercise all voting and other rights or powers of control exercisable by the Companies in relation to their subsidiaries (if any) so as to secure (so far, as regards the subsidiaries, as by such exercise they can secure) that the aggregate amount at any one time owing or deemed to be owing by the Companies and/or any subsidiaries, determined as hereinafter mentioned, in respect of moneys borrowed by them or any of them shall not at any time, without the previous sanction of an ordinary resolution of the Companies, exceed an amount equal to the aggregate amount paid up on the issued share capital of the Companies and the amounts standing to the credit of the consolidated reserves of the Companies as shown in the latest audited balance sheet, adjusted where appropriate to take account of movements since that date.

1.2 Cancellation of the share premium account

The Directors are aware of the possibility that the Companies' Shares may trade at a discount to their NAV. The Directors consider that the Companies should have the ability to purchase their Shares in the market (such Shares to be automatically cancelled) with the aim of reducing any discount and increasing the NAV of the remaining Shares. In the view of the Directors, the awareness of Investors that the Companies have such a capability may tend to moderate the scale of any discount which may emerge and the action of buying in shares should enable any such discount to be narrowed.

The 2006 Act provides that a public company may only purchase its own shares out of distributable profits or out of the proceeds of a fresh issue of Shares made for the purpose of the purchase. Subject to confirmation from HM Revenue & Customs that such proposals will not adversely affect the Companies' VCT status and Court approval and subject to the Boards of the Companies resolving that to do so is in the best interests of shareholders, the Companies propose to obtain shareholder approval at their respective annual general meetings in 2025 to cancel the share premium account (after the issue of the Offer Shares) and to transfer the balance to a special reserve which may be treated as a distributable profit, out of which purchases of Shares can be made, subject to regulations, VCT Rules and company legislation. Distributions will not be made from such a reserve to the extent it is attributable to share capital raised after 5 April 2025 for a minimum of three years following the end of the accounting period in which the relevant shares are issued.

1.3 The Offer Shares

Shareholders' authorities to create, allot and issue Shares, as if applicable statutory pre-emption rights do not apply, up to the following aggregate maximum nominal values were obtained at the following general meetings of the Companies:

Company	Aggregate nominal value of Shares	Date of general meeting
Northern Venture Trust	£10,134,759.20	30 July 2024
Northern 2 VCT	£2,260,517.75	31 July 2024
Northern 3 VCT	£1,488,666.67	1 August 2024

All Shareholders will have the same voting rights in respect of the existing share capital of the Companies. An existing holder of Ordinary Shares who does not subscribe for Offer Shares pursuant to the Offers would experience no dilution in terms of NAV per share (as the assets of the Companies will be increased by the proceeds of the Offers and the upfront costs of the Offers are borne by subscribers). The maximum number of Offer Shares which are subject of this Prospectus are (i) 28,000,000 ordinary shares of 25 pence each in the capital of Northern Venture Trust (ISIN: GB0006450703), (ii) 29,000,000 ordinary shares of 5 pence each in the capital of Northern 2 VCT (ISIN: GB0005356430); and (iii) 8,000,000 ordinary shares of 5 pence each in the capital of Northern 3 VCT (ISIN: GB0031152027). All Offer Shares are created under the 2006 Act and are freely transferable.

2. Working capital and capitalisation and indebtedness statements

2.1 Working capital

Northern Venture Trust, Northern 2 VCT and Northern 3 VCT are each of the opinion that they individually have sufficient working capital for their present requirements (that is, for at least 12 months from the date of this document). When calculating the working capital available to it, each of Northern Venture Trust, Northern 2 VCT and Northern 3 VCT has assessed whether it is able to access cash and other available liquid resources in order to meet its liabilities as they fall due. No account has been taken of the proceeds of the Offers in calculating the working capital available to each of the Companies. When calculating their present requirements, each Company has taken into account the terms of their respective investment strategy and investment policy.

2.2 Statement of capitalisation and indebtedness of Northern Venture Trust

The table below shows the capitalisation of Northern Venture Trust as at 30 September 2024, the most recent date in respect of which unaudited financial information of Northern Venture Trust has been published.

30 September 2024	
	Audited
	£000
Total current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Total non-current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Shareholders' equity	
Share capital	49,790
Other reserves	69,514
	<hr/>
	119,304

There has been no material change in the capitalisation of Northern Venture Trust since 30 September 2024.

As at 8 January 2025 (the latest practicable date prior to publication of this document), Northern Venture Trust has no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, direct and/or contingent.

2.3 Statement of capitalisation and indebtedness of Northern 2 VCT

The table below shows the capitalisation of Northern 2 VCT as at 30 September 2024, the most recent date in respect of which unaudited financial information of Northern 2 VCT has been published.

30 September 2024	
Unaudited	
£000	
Total current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Total non-current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Shareholders' equity	
Share capital	11,159
Other reserves	116,386
	<hr/>
	127,545

There has been no material change in the capitalisation of Northern 2 VCT since 30 September 2024.

As at 8 January 2025 (the latest practicable date prior to publication of this document), Northern 2 VCT has no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, direct and/or contingent.

2.4 Statement of capitalisation and indebtedness of Northern 3 VCT

The table below shows the capitalisation of Northern 3 VCT as at 30 September 2024, the most recent date in respect of which unaudited financial information of Northern 3 VCT has been published.

30 September 2024	
Unaudited	
£000	
Total current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Total non-current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Shareholders' equity	
Share capital	7,323
Other reserves	122,333
	<hr/>
	129,656

There has been no material change in the capitalisation of Northern 3 VCT since 30 September 2024.

As at 8 January 2025 (the latest practicable date prior to publication of this document), Northern 3 VCT has no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, direct and/or contingent.

3. Overseas Investors

- (a) No person receiving a copy of this document or an Application Form in any territory other than the UK may treat the same as constituting an offer or invitation to him/her to subscribe for or purchase Shares unless, in such territory, such offer or invitation could lawfully be made.
- (b) No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. All Applicants will be required to warrant that they are not a US person as defined in paragraph 7(y) of Part IX of this document or a resident of Canada.

4. General Information

The Companies and their Shareholders are subject to the provisions of the Takeover Code and 2006 Act, which require shares to be acquired/transferred in certain circumstances.

As at 8 January 2025, being the latest practicable date prior to the publication of this document, the Companies are not aware of any person who, directly or indirectly, has or will have an interest in the capital of the Companies or voting rights which is notifiable under UK law (under which, pursuant to 2006 Act and the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA, a holding of 3% or more will be notified to the Companies).

9 January 2025

Part IX - Terms and conditions of application

1. In these Terms and Conditions of Application, the expression “Prospectus” means this document. The expression “Application Form” means the application form for use in accordance with these Terms and Conditions of Application. Save where the content otherwise requires, the terms used in the Application Form bear the same meaning as in the Prospectus.
2. The right is reserved to reject any application or to accept any application in part only. Multiple applications are permitted. If any application is not accepted, or if any contract created by acceptance does not become unconditional, or if any application is accepted for fewer Offer Shares than the number applied for, or if in any other circumstances there is an excess payment in relation to an application, the application monies or the balance of the amount paid or the excess paid on application will be returned without interest by electronic transfer, at the risk of the Applicant, to the remitting bank account as provided in Section 4 of the Application Form. In the meantime, application monies will be retained in a separate bank account with Bank of Scotland PLC.
3. You may pay for your application for Offer Shares by cheque or banker’s draft submitted with the Application Form, or by electronic payment to the bank account for which details are given in the Application Form.
4. The contract created by the acceptance of applications under the Offers will be conditional on the receipt of cleared funds into the relevant bank account and on the completion of relevant anti-money laundering and identification checks, by one of the means set out in this Prospectus and the Application Form.
5. Offer Shares will be allotted on a “first-come, first-served” basis, subject 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 Form, subject to receipt of application monies (in full, including those making multiple payments) in cleared funds within five Business Days thereafter (or, if earlier, before an Offer deadline or close of the Offer) to retain the Applicant’s position or priority. If application monies are not received within such time, the relevant date and time shall be when the Applicant’s application monies (in full) are received in cleared funds. An application may not be considered eligible for allotment until identity verification is complete and/or, where relevant, information or supporting evidence required for the application is no longer outstanding. The right is reserved in the absolute discretion of the Companies to reject any such application or to accept any application in whole or part only. The Offers open at 8 a.m. on 14 January 2025 and will remain open until 12 noon on 31 March 2025, unless fully subscribed at an earlier date and subject to the Directors' right to close, or extend, the Offers at any time (in which case the Companies will publish notification of such closure or extension), but not to a date later than 3 April 2025.
6. The Promoter's Fee payable in respect of a valid application for Shares from an Investor who is (or whose spouse or civil partner is) a shareholder in any of the Northern VCTs on the register of members at close of business on 20 September 2024 will be reduced by 0.5% of the total amount of the subscription. If the shareholder (or spouse or civil partner) is the beneficial holder of Shares which are registered in the name of a nominee and wishes to take advantage of the 0.5% discount for existing shareholders, evidence may be required to prove entitlement (e.g. a letter of confirmation from the nominee or a statement from your nominee confirming your holding as at 20 September 2024).
7. By completing and delivering an Application Form, you:
 - (a) offer to subscribe for the amount specified on your Application Form plus any commission waived for extra shares or any smaller sum for which such application is accepted at the Offer Price;
 - (b) acknowledge that, if your subscription is accepted, you will be allocated such number of Offer Shares as determined by the Pricing Formula;
 - (c) authorise the Receiving Agent and/or the Promoter (or its designated sub-contractor) to carry out such anti-money laundering checks and procedures as it requires or deems reasonably necessary, including an on-line identification check with a provider of credit referencing;
 - (d) authorise your financial adviser (or whoever he or she may direct), the Receiving Agent, the Registrar or the Companies to send (i) a document of title for the number of Offer Shares for which your application is accepted, and/or (ii) remit any monies returnable to the Applicant without interest to the remitting bank account as provided in Section 4 of the Application Form. An Investor applying for Offer Shares under the Offers may subsequently hold Shares in CREST by making arrangements with a system-member (as defined

in the CREST regulations) in relation to converting their shareholding represented by a share certificate into CREST;

- (e) in consideration of the Companies agreeing that they will not, prior to the closing date of the Offers, offer any Offer Shares to any persons other than by means of the procedures set out or referred to in this document, agree that your application may not be revoked once made and that this paragraph constitutes a collateral contract between you and the applicable Company which will become binding upon despatch by post or delivery of your duly completed Application Form to the applicable Company or to your financial adviser;
- (f) warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive share certificates for the Offer Shares applied for 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 the Companies (such acceptance shall be in their absolute discretion and may be on the basis that you indemnify them 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 that at any time prior to unconditional acceptance by the Companies of such late payment in respect of such Offer Shares, the Companies may (without prejudice to their other rights) treat the agreement to allot such Offer Shares as void and may allot such Offer Shares to some other person, in which case you will not be entitled to any refund or payment in respect of such Offer Shares (other than return of such late payment at your risk and without interest);
- (g) agree that all cheques and banker's drafts may be presented for payment on the due dates and any definitive documents of title and any monies returnable to you may be retained pending clearance of your remittance and the verification of identity required by the ML Regulations and that such monies will not bear interest;
- (h) undertake to provide satisfactory evidence of identity within such reasonable time (in each case to be determined in the absolute discretion of the Companies, the Receiving Agent and (if required) the Promoter) to ensure compliance with the ML Regulations;
- (i) agree that, in respect of those Offer Shares for which your application has been received and processed and not rejected, acceptance of your application shall be constituted by the relevant Company instructing the Receiving Agent or the Registrar to enter your name on the share register;
- (j) agree that all documents in connection with the Offers and any returned monies will be sent at your risk and may be sent to you at your postal or email address, each as set out in the Application Form;
- (k) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations including the risk factors contained therein;
- (l) confirm that (save for advice received from your financial adviser) in making such application you are not relying on any information and representation other than those contained in the Prospectus, or any supplementary prospectus, and you accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof will have any liability for any such other information or representation;
- (m) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offers shall be governed by and construed in accordance with English Law and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Companies to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (n) irrevocably authorise the Companies, the Registrar, the Manager or the Receiving Agent, or any other 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 and authorise any representatives of the Companies, the Registrar, the Manager or the Receiving Agent to execute any documents required therefore and to enter your name on the registers of members of the relevant Company;
- (o) agree to provide the Companies with any information which they may request in connection with your application or to comply with the VCT Regulations or other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the ML Regulations;
- (p) warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Companies, the Manager, the Receiving Agent or the Sponsor (or any of their designated agents or sub-contractors) acting in breach of the regulatory or legal requirements of any territory in connection with the Offers or your application;
- (q) confirm that you have read and complied with paragraph 4 above;
- (r) confirm that you have reviewed the restrictions contained in paragraphs 8 and 9 below;

- (s) warrant that you are not under the age of 18 years;
 - (t) warrant that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, you have complied with all such laws and none of the Companies, the Manager, the Receiving Agent or the Sponsor or any of their respective agents will infringe any laws of any such territory or jurisdiction directly or indirectly as a result or in consequence of any acceptance of your application;
 - (u) agree that the Manager, the Receiving Agent and the Sponsor are acting for the Companies in connection with the Offers and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Offer Shares or concerning the suitability of Offer Shares for you or be responsible to you for the protections afforded to their customers;
 - (v) warrant that if you sign the Application Form on behalf of somebody else or yourself and another or others jointly or a corporation you have the requisite power to make such investments as well as the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application and undertake (save in the case of signature by an authorised financial adviser on behalf of the Investor) to post a power of attorney or a copy thereof duly certified in ink by a solicitor or bank to the Receiving Agent to accompany the Application Form;
 - (w) warrant that you are not subscribing for the Offer Shares using a loan which would not have been given to you or any associate, or not given to you on such favourable terms, if you had not been proposing to subscribe for the Offer Shares;
 - (x) warrant that the Offer Shares are being acquired by you for *bona fide* investment purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax. Obtaining tax reliefs given under the applicable VCT Rules is not of itself tax avoidance;
 - (y) warrant that you are not a “US person” as defined in the United States Securities Act of 1933 (as amended) nor a resident of Canada and that you are not applying for any Offer Shares on behalf of or with a view to their offer, sale or delivery, directly or indirectly, to or for the benefit of any US person or resident of Canada;
 - (z) warrant that the information contained in the Application Form is accurate;
 - (aa) agree that if you request that Offer Shares are issued to you on a date other than the date on which the Offer Shares are issued to you that none of the Companies, their respective agents or Directors will have any liability to you arising from the issue of such Offer Shares on a different date; and
 - (ab) 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, the Receiving Agent and the Registrar immediately of any circumstances or changes whilst you are an applicant or a Shareholder that could impact this warranty.
8. No person receiving a copy of the Prospectus, or an Application Form, in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any of the formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
9. The Offer Shares have not been and will not be registered under the United States Securities Act 1933, as amended, or under the securities laws of any state or other political subdivision of the United States, and may not be offered or sold in the United States of America, its territories or possessions or other areas subject to its jurisdiction (the “USA”). In addition, the Companies have not been and will not be registered under the United States Investment Company Act of 1940, as amended. Neither the Manager or the Receiving Agent will be registered under the United States Investment Adviser Act of 1940 (as amended). No application will be accepted if it bears an address in the USA.
10. The application is addressed to the Companies, the Manager, the Receiving Agent and the Sponsor. The rights and remedies of the Companies, the Manager, the Receiving Agent and the Sponsor under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to either of them, and the exercise or partial exercise of one will not prevent the exercise of others.

11. The dates and times referred to in these Terms and Conditions of Application may be altered by the Companies with the agreement of the Sponsor.
12. Shareholders can register to receive information by email. In order to opt-in to e-communications, please visit the following website: www.mercia.co.uk/vct/. If you have holdings in more than one Company, you will only need to register once and once registered you will be able to elect to receive e-communications for all of the Companies. For any queries regarding e-communications, please telephone the Registrar. By default, the Companies will send any shareholder communications in paper form unless Shareholders have opted in to e-communications.
13. Authorised Intermediaries whose client has agreed an Adviser Charge and requested the Companies to facilitate the payment of that Adviser Charge out of his or her subscription monies and who return valid Application Forms signed and bearing their FCA Number will be entitled to payment of the Adviser Charge specified on the Application Form. Intermediaries should keep a record of Application Forms submitted by them or their firm to substantiate any claim for their Adviser Charge.
14. Intermediaries who have not provided personal recommendations or advice to UK retail clients in respect of the Offer Shares and who, acting on behalf of their clients, return valid Application Forms bearing their stamp and FCA number may be entitled to commission on the amount payable in respect of the Offer Shares allocated for each such Application Form at the rates specified in the paragraph headed "Commissions" in Part I of this document. Intermediaries may agree to waive part or all of their initial commission in respect of an application for Offer Shares. If this is the case, then the offer charges will be adjusted, in accordance with the Pricing Formula. Intermediaries should keep a record of Application Forms submitted by them or their firm to substantiate any claim for their commission.
15. The document entitled "Application Form and Guidance Notes", including the sections headed "Guidance notes on the Application Form" forms part of these Terms and Conditions of Application.
16. It is a condition of the Offers that each Applicant complies with the ML Regulations. The Companies, the Manager, the Receiving Agent or Sponsor are each therefore entitled to require, at its absolute discretion, verification of identity from any Applicant including, without limitation, any person who either (i) tenders payment by way of a cheque or banker's draft drawn on an account in the name of a person or persons other than the Applicant; (ii) electronic transfer or (iii) appears to the Manager to be acting on behalf of some other person. Pending the provision of evidence satisfactory to the Manager as to the identity of the Applicant and/or any person on whose behalf the Applicant appears to be acting, the Manager may, in its absolute discretion, retain an Application Form lodged by an Applicant and/or the cheque or other remittance relating thereto and/or the Registrar may not enter the Applicant on the register of members or issue any share certificates in respect of such application. If verification of identity is required, this may result in delay in dealing with an application and in rejection of the application. The Companies reserve the right, in their absolute discretion, for them or the Manager to reject any application in respect of which the Manager considers that, having requested verification of identity, it has not received evidence of such identity satisfactory to it by such time as was specified in the request for verification of identity or in any event within a reasonable period. In the event of an application being rejected in any such circumstances, the Companies reserve the right in their absolute discretion, but shall have no obligation, to terminate any contract of allotment relating to or constituted by such Application Form (in which event the money payable or paid in respect of the application will be returned (without interest) to the account of the drawee bank from which such sums were originally debited) and/or to endeavour to procure other subscribers for the Offer Shares in question (but in each case without prejudice to any rights the Companies may have to take proceedings to recover in respect of loss or damage suffered or incurred by them as a result of the failure to produce satisfactory evidence as aforesaid). The submission of an Application Form will constitute an undertaking by the Applicant to provide promptly to the Manager such information as may be specified by it as being required for the purpose of the ML Regulations.
17. The Applicant acknowledges and agrees that the information contained in the Application Form will constitute Personal Data for the purposes of the EU General Data Protection Regulation 2-16/697 ("GDPR") and that the Manager and the Companies will act as "controllers" and "processors" of that data for the purposes of discharging their obligations under these terms and conditions. Copies of data protection and privacy policies are available from the Manager on request. The Companies and/or the Manager or the

Receiving Agent may use the information you give for administration, research and/or statistical purposes. Your details may be used by the Companies and/or the Manager and/or the Receiving Agent (but will not be transferred to or used by any third parties other than contracted sub-processors of data).

18. The right is reserved to treat as valid and binding any application not complying fully with these Terms and Conditions of Application or not in all respects complying with the Notes on the Application Form. 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 acceptable to the Companies to apply in accordance with these Terms and Conditions of Application.
19. The minimum subscription is £6,000 across all three Companies and at least £2,000 in any one Company subject to the Board's discretion. Applications must be made in whole pounds for any one Company.
20. The application of the subscription proceeds is subject to the absolute discretion of the Directors.

Annex I – Terms and conditions of the Dividend Investment Schemes

INTRODUCTION

Each of the Companies is offering to its Shareholders the opportunity to participate in a Dividend Investment Scheme ("the Dividend Investment Scheme" or "the DRIS") whereby they may elect to receive Shares, credited as fully paid, instead of receiving dividends in cash. This is a simple, cost effective method for Shareholders to increase the value of their investment in the Companies and to benefit from additional VCT income tax relief.

These terms and conditions of the Dividend Investment Schemes are applicable for those Offer Shares allotted under the Offers.

To participate in the Dividend Investment Scheme(s), Shareholders must download and complete the relevant Mandate Form from www.mercia.co.uk/vcts/ and return to:

The Registrar

The Mandate Form must be received by close of business no later than 10 Business Days before an Investment Day (as defined below).

A Shareholder's membership of the Dividend Investment Scheme will continue until such a time as that Shareholder cancels their membership. Participation in the Dividend Investment Scheme can be cancelled at any time subject to the cancellation request being received by the Registrar, the Scheme Administrator, by close of business no later than 10 Business Days before an Investment Day for the relevant dividend.

The Companies retain the right to suspend or terminate the DRIS at any time.

PART A - DRIS TERMS AND CONDITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

Admission	admission of the Ordinary Shares to the "closed-ended investment funds" category of the Official List and to trading on the London Stock Exchange's main market for listed securities becoming effective, and "Admitted" shall be construed accordingly
Applicant	a Shareholder participating in the DRIS or, where a Shareholder holds Ordinary Shares as a Nominee Shareholder, the person, being the Beneficial Shareholder
Beneficial Shareholder	an individual entitled to the economic benefit of any Ordinary Shares which are held by a Nominee Shareholder
Board or Directors	the directors of the relevant Company
Business Day	a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in the City of London
Company	as appropriate, Northern Venture Trust PLC, Northern 2 VCT PLC and/or Northern 3 VCT PLC
CREST	the computerised settlement system to facilitate the transfer of title to securities in uncertificated form operated by Euroclear UK & Ireland Limited
Dividend Investment Scheme or DRIS	as appropriate, the Northern Venture Trust PLC, Northern 2 VCT PLC and/or Northern 3 VCT PLC Dividend Investment Scheme established in 2004
DRIS Manager	the Registrar, or such other person or persons who may from time to time be appointed by the Companies to manage the DRIS

DRIS Terms and Conditions	the terms and conditions relating to the DRIS as amended from time to time, the latest version of which is set out in this document
Investment Day	a day on which a special dividend or an annual dividend on Ordinary Shares is credited to the account of Shareholders or, if such day is not a dealing day on the London Stock Exchange, the next dealing day thereafter
ITA	Income Tax Act 2007
London Stock Exchange	London Stock Exchange plc
Mandate Form	the form to be completed by a Shareholder in respect of his or her application for participation in or withdrawal from the DRIS
Nominee Shareholder	the registered owner of any Ordinary Shares as appointed by the Beneficial Shareholder
Nominee Shareholding	Ordinary Shares held by a Beneficial Shareholder but registered in the name of a Nominee Shareholder
Official List	the Official List maintained by the Financial Conduct Authority in accordance with Part VI of the Financial Services and Markets Act 2000 (as amended from time to time)
Ordinary Shares	ordinary shares of 25p each in the capital of Northern Venture Trust PLC, and ordinary shares of 5p each in the capital of Northern 2 VCT PLC and/or Northern 3 VCT PLC
Qualifying Companies	has the meaning set out in the ITA
Qualifying Investments	has the meaning set out in the ITA
Shareholders	registered holders of Ordinary Shares
venture capital trust or VCT	a venture capital trust as defined in Section 259 of ITA

- 1 The Company shall apply the monies held within the DRIS (being dividends paid, or to be paid, on Ordinary Shares held by, or on behalf of, Applicants participating in the DRIS) in the subscription of Ordinary Shares. The DRIS Manager shall not have the discretion, and Applicants may not instruct the DRIS Manager, to apply such monies towards any investments other than investments in further Ordinary Shares. Applicants may join the DRIS by giving notice in writing to the DRIS Manager. The Company, acting through the DRIS Manager, shall have absolute discretion to accept or reject applications to participate in the DRIS. An Applicant shall become a member of the DRIS upon acceptance of his or her application by the DRIS Manager on the Company's behalf. The DRIS Manager will provide written notification if an application is rejected. Only Shareholders or their applicable Nominee Shareholder may join the DRIS. Where an Applicant joins the DRIS, it is in respect of all Shares registered in his or her name and the number of Ordinary Shares held by any such Applicant which are mandated to the DRIS shall be altered immediately following any change to the number of Ordinary Shares in respect of which such Shareholder is the registered holder as entered onto the share register of the Company from time to time. Applicants who are not Shareholders may join the DRIS in respect of the number of Ordinary Shares of the Company specified as Nominee Shareholdings and notified to the DRIS Manager by the Applicant and the Shareholder in whose name the Ordinary Shares are held. The right to participate in the DRIS in respect of any Investment Day shall only be available to those Applicants who have notified the DRIS Manager of their wish to participate in the DRIS, and have not withdrawn or cancelled such notification, by close of business at least 10 Business Days prior to the relevant Investment Day.

- 2 On or as soon as practicable after an Investment Day, the funds held within the DRIS on behalf of an Applicant shall, subject to the conditions at paragraphs 18 and 20 below and the Company having the requisite Shareholder authorities to allot Ordinary Shares and to the Ordinary Shares falling within an exception to Section 85(2) of the Financial Services and Markets Act 2000, be applied on behalf of that Applicant in the subscription for the maximum number of whole new Ordinary Shares as can be acquired with those funds.
- 3 The number of new Ordinary Shares to be allotted to an Applicant pursuant to the condition at paragraph 2 shall be calculated by dividing the funds held within the DRIS on behalf of the Applicant by the greatest of (a) the latest published net asset value per Ordinary Share (net of all unpaid dividends declared on or before an Investment Day), (b) the nominal value per Ordinary Share and (c) the mid-market price per Ordinary Share as quoted on the London Stock Exchange, each at the close of business on the tenth Business Day preceding the date of issue of such Ordinary Shares. Fractions of new Ordinary Shares will not be allotted to Applicants and their entitlement will be rounded down to the nearest whole number of new Ordinary Shares. The new Ordinary Shares will rank equally with all existing Ordinary Shares.
- 4 Any balance of cash remaining within the DRIS for the account of an Applicant after a subscription is made pursuant to the condition at paragraph 2 shall be held by the Company on behalf of the relevant Applicant and added to the cash available in respect of that Applicant for the subscription of Ordinary Shares on the next Investment Day. No interest shall accrue or be payable in favour of any Applicant on any such cash balances carried forward. All cash balances held by the Company will be held as banker and not trustee and as a result will not be held in accordance with any client money rules made by the Financial Conduct Authority from time to time.
- 5 The Company shall immediately after the subscription of Ordinary Shares in accordance with the condition at paragraph 2 above take all necessary steps to ensure that those Ordinary Shares shall be admitted to the “closed-ended investment funds” category of the Official List and to trading on the main market of the London Stock Exchange, provided that at the time of such subscription the existing Ordinary Shares in issue are so admitted to the “closed-ended investment funds” category of Official List and to trading on the main market of the London Stock Exchange. The DRIS Manager shall as soon as practicable after the subscription of Ordinary Shares in accordance with the condition at paragraph 2 take all necessary steps to ensure that the Applicants (or, where an Applicant is not a Shareholder, the Shareholder on whose behalf the Ordinary Shares mandated to the DRIS are held) are entered onto the share register of the Company as the registered holders of the Ordinary Shares issued to them in accordance with the condition at paragraph 3 above, and that share certificates (unless such Ordinary Shares are to be uncertificated in which case the new Ordinary Shares will be credited to the Applicant’s CREST account) in respect of such Ordinary Shares are issued and delivered to Applicants at their own risk. Shareholders (or such other person as aforesaid) will receive with their share certificates (if any) a statement detailing:
 - (a) the total number of Ordinary Shares held at the Investment Day in respect of which a valid election to participate in the DRIS was made;
 - (b) the dividend available for investment and participation in the DRIS;
 - (c) the price per Ordinary Share subscribed pursuant to the condition at paragraph 2;
 - (d) the number of Ordinary Shares issued and the date of issue; and
 - (e) the amount of cash to be carried forward for investment on the next Investment Day.
- 6 All costs and expenses incurred by the DRIS Manager and the Company in administering the DRIS will be borne by the Company.
- 7 By completing and delivering a Mandate Form, each Applicant (and in the case of (b) and (c) below the Shareholder in whose name the Ordinary Shares are mandated to the DRIS are held, if not the Applicant) warrants to the Company and the DRIS Manager that:
 - (a) during the continuance of his or her participation in the DRIS, he or she will remain the sole Beneficial Shareholder of the Ordinary Shares mandated to the DRIS free from encumbrances or security interests;

- (b) all information set out in the Mandate Form to participate in the DRIS is correct and to the extent any of the information changes, he or she will notify the DRIS Manager of such changes; and
- (c) during the continuance of his or her participation in the DRIS, he or she will comply with the provisions of paragraph 8 below.

Mandate forms current at the time the DRIS Terms and Conditions are amended shall apply in respect of the DRIS. Each Shareholder or other person to whom such a mandate form relates shall be deemed to have given the warranties set out in this paragraph 7.

- 8 The right to participate in the DRIS will not be available to any person who is a citizen, resident or national of, or has a registered address in, any jurisdiction outside the United Kingdom, unless such right could properly be made available to such person. It is the responsibility of any Applicant wishing to participate in the DRIS to be satisfied as to the full observance of the laws of the relevant jurisdiction(s) in connection therewith, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in any such jurisdiction(s).
- 9 Each Applicant acknowledges that neither the DRIS Manager nor the Company is providing a discretionary management service to him or her. Neither the DRIS Manager nor the Company shall be responsible for any loss or damage suffered by any Applicant as a result of his or her participation in the DRIS unless due to the negligence or wilful default of the DRIS Manager or the Company (respectively), or their employees or their respective agents.
- 10 An Applicant may at any time by completing a Mandate Form and sending it to the DRIS Manager, terminate his or her participation in the DRIS and withdraw any monies held by the Company on his or her behalf in relation thereto, subject to point 11 below.

If an Applicant who is a Shareholder shall at any time cease to hold Ordinary Shares, he or she shall be deemed to have submitted a Mandate Form under this paragraph 10 in respect of his or her participation in the DRIS. Whenever a Nominee Shareholder sells Ordinary Shares on behalf of the Beneficial Shareholder, the Nominee Shareholder agrees to notify the DRIS Manager of the full details of the sale as soon as practicable. Neither the Company nor the DRIS Manager shall be responsible for any loss or damage as a result directly or indirectly of a failure by a Nominee Shareholder to comply with such obligation. If a Shareholder in whose name Ordinary Shares are held on behalf of an Applicant shall at any time cease to hold any Ordinary Shares on behalf of that Applicant, he or she shall be deemed to have submitted a Mandate Form under this paragraph 10 in respect of his or her participation in the DRIS. If notice of termination is served or deemed to have been served, all of the monies held by the Company on the Applicant's behalf shall be delivered to the Applicant as soon as reasonably practicable at the address set out in the Mandate Form, subject to any deductions which the Company may be entitled or bound to make hereunder. Any Mandate Form submitted or deemed to have been submitted under the condition at this paragraph 10 shall not be effective in respect of the next forthcoming Investment Day unless it is received by the DRIS Manager by close of business at least 10 Business Days prior to such Investment Day.

- 11 Cash balances of less than £1 held on behalf of Applicants who have withdrawn from, or otherwise cease to participate in, the DRIS will not be repaid, but will be donated to a recognised registered charity at the discretion of the Company.
- 12 The Company and the DRIS Manager shall be entitled, at their absolute discretion at any time and from time to time, to suspend the operation of the DRIS and/or to terminate the DRIS without notice to the Applicants and/or to resolve to pay dividends to Applicants partly by way of cash and partly by way of new Ordinary Shares and/or to refuse to invest dividends due on Ordinary Shares held by a Nominee Shareholder where the DRIS Manager is unable to obtain confirmation of the identity and shareholdings of the relevant Beneficial Shareholder. In the event of termination, the Company shall, subject to the condition at paragraph 11 above, pay to each Applicant all of the monies held by the Company on his or her behalf under the DRIS.
- 13 All Mandate Forms and any other notices and instructions to be given to the DRIS Manager shall be in writing and delivered or posted to the Registrar.
- 14 The Company and the DRIS Manager shall be entitled to amend the DRIS Terms and Conditions on giving one month's notice in writing to all Applicants. If such amendments have arisen as a result of

any change in statutory or other regulatory requirements, notice of such amendment will not be given to Applicants unless in the Company's and the DRIS Manager's opinion, the change materially affects the interests of Applicants. Amendments to the DRIS Terms and Conditions which are of a formal, minor or technical nature or made to correct a manifest error and which do not adversely affect the interests of Applicants may be effected without notice.

- 15 By completing and delivering the Mandate Form, the Applicant:
- (a) agrees to provide the Company and the DRIS Manager with any information which they may request in connection with such application and to comply with the applicable legislation relating to venture capital trusts or other relevant legislation (as the same may be amended from time to time); and
 - (b) declares that a loan has not been made to the Applicant or, where the Applicant is not a Shareholder, the Shareholder on whose behalf the Ordinary Shares mandated to the DRIS are held, or any associate of either of them, which would not have been made, or would not have been made on the same terms, but for the Applicant offering to subscribe for, or acquiring, Ordinary Shares pursuant to the DRIS and that the Ordinary 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 avoidance of tax.
- 16 Subscriptions by individuals or their nominees for eligible shares in a venture capital trust should (depending on individual circumstances) attract applicable VCT tax reliefs for the tax year in which the new shares are allotted provided that such subscriptions for eligible shares do not exceed £200,000 (including subscriptions pursuant to dividend reinvestment schemes) in any tax year. Where Ordinary Shares are registered in the name of a Nominee Shareholder, the Nominee Shareholder shall notify the Beneficial Shareholder of the amount of the dividend to which he or she is entitled and which is eligible for participation in the DRIS. Each of the Nominee Shareholder and the Beneficial Shareholder shall complete the Mandate Form and the Beneficial Shareholder shall further confirm that the dividends attributable to the Ordinary Shares held on behalf of such individual shall be applied towards participation in the DRIS and indicate in whose name the Ordinary Shares should be registered.
- 17 Applicants will be treated as having received a cash dividend. Shareholders qualifying for VCT tax relief should not be liable to income tax on new Ordinary Shares allotted in respect of dividends from qualifying VCT shares (subject to the terms of the VCT legislation). Applicants are responsible for ascertaining their own tax status and liabilities and neither the DRIS Manager nor the Company accepts any liability in the event that tax reliefs are not obtained.
- 18 Since dividends on Ordinary Shares acquired in excess of £200,000 in any tax year will not be exempt from income tax in the same way as Ordinary Shares acquired within this limit, Applicants will generally be liable to tax on such dividends. The Company will nevertheless invest the whole of such dividends unless the DRIS Manager is notified to the contrary in writing by close of business at least 10 Business Days before an Investment Day.
- 19 For capital gains tax purposes, Shareholders who elect to receive new Ordinary Shares instead of a cash dividend are not treated as having made a capital disposal of their existing Ordinary Shares. The new Ordinary Shares will be treated as a separate asset for capital gains purposes.
- 20 The Company will, subject to the conditions at paragraphs 2, 3, 4, and 10, issue such number of Ordinary Shares in the manner specified in the Mandate Form completed by the Applicant (for the avoidance of doubt in the case of an allotment of further Ordinary Shares irrespective of whether the amount of allotment is greater than any maximum investment limits imposed from time to time to be able to benefit from any applicable VCT tax reliefs) unless notified to the contrary in writing by close of business at least 10 Business Days before an Investment Day.
- 21 The Company shall not be obliged to accept any application or issue Ordinary Shares hereunder if the Directors so decide in their absolute discretion. The Company may do or refrain from doing anything which, in the reasonable opinion of the Directors, is necessary to comply with the law of any jurisdiction or any rules, regulations or requirement of any regulatory authority or other body which is binding upon the Company or the DRIS Manager.

- 22 The amount of any claim or claims an Applicant has against the Company or the DRIS Manager shall not exceed the value of such Applicant's Ordinary Shares in the DRIS. Neither the Company nor the DRIS Manager will be responsible for:
- (a) acting or failing to act in accordance with a court order of which the DRIS Manager has not been notified (regardless of the jurisdiction which may govern the relevant court order);
 - (b) forged or fraudulent instructions from or on behalf of a Shareholder (the Company and the DRIS Manager will be entitled to assume that instructions purporting to be from a Shareholder (or, where relevant, a Nominee Shareholder), are genuine);
 - (c) losses, costs, damages or expenses sustained or incurred by a Shareholder (or, where relevant, a Nominee Shareholder) by reason of industrial action or any cause beyond the control of the Company or the DRIS Manager, including (without limitation) any failure, interruption or delay in performance of the obligations pursuant to these DRIS Terms and Conditions resulting from breakdown, failure or malfunction of any telecommunications or computer service or electronic payment system or CREST; or
 - (d) any indirect or consequential loss.
- Nothing in these DRIS Terms and Conditions shall exclude the Company or the DRIS Manager from any liability caused by fraud, wilful default or negligence.
- 23 Notwithstanding any other provision of the DRIS Terms and Conditions:
- (a) a separate offer of Ordinary Shares is made in respect of dividends announced and paid in each period of 12 months commencing 1 July annually for Northern Venture Trust PLC, Northern 2 VCT PLC and/or Northern 3 VCT PLC (irrespective of the number of dividends announced or paid in each such period);
 - (b) the offer for each period of 12 months shall be made on the date the first dividend to be paid within the relevant period is announced except if it is announced at the same time that the DRIS is not to apply in respect of that dividend;
 - (c) the total nominal value of Ordinary Shares for each offer shall not exceed 10% of the Company's issued ordinary share capital at the date of the most recent notice convening an annual general meeting of the Company prior to 1 July annually for Northern Venture Trust PLC, Northern 2 VCT PLC and/or Northern 3 VCT PLC;
 - (d) upon payment of a dividend and application of the dividend in subscribing Ordinary Shares under the DRIS the offer shall be closed to the extent of the Ordinary Shares issued; and
 - (e) if in relation to any dividend which is announced the amount to be applied in subscribing Ordinary Shares under the DRIS would result in the relevant limit being exceeded, then all the applications utilising the monies arising on that dividend (or carried forward in accordance with these DRIS Terms and Conditions) shall be reduced pro rata so that the total subscription monies then used arising from that particular dividend (but not any previous dividend) together with the amount of all monies already applied in the relevant period in subscribing Ordinary Shares under the DRIS is an amount not exceeding the relevant limit, and the balance shall be paid in cash to the Applicants.
- 24 The provision and implementation of the DRIS should not be taken as a recommendation by the Company or the DRIS Manager to any Shareholder to acquire or hold Ordinary Shares in the Company; the value of Ordinary Shares can go down as well as up and the Shareholder may not get back the full value of his or her investment. It may be difficult to sell Ordinary Shares and investment in the Company involves a higher degree of risk than certain other investments. It is the responsibility of Shareholders to decide whether to participate in the DRIS; if the Shareholder has any doubts, he or she should ask for advice from an appropriately qualified financial adviser. On acceptance of an application for participation in the DRIS from an Applicant, the DRIS Terms and Conditions and the instruction set out in the Mandate Form shall constitute an agreement between the Applicant and the Company.
- 25 These DRIS Terms and Conditions shall be governed by, and construed in accordance with, English law and each Applicant submits to the jurisdiction of the English courts and agrees that nothing shall limit the right of the Company or the DRIS Manager to bring any action, suit or proceeding arising out of

or in connection with the DRIS in any other manner permitted by law or in any court or competent jurisdiction.

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

PART B - RISK FACTORS

The Company's business, financial condition or results could be materially and adversely affected by any of the risks described below, which are in no particular order. In such cases, the market price of the Ordinary Shares may decline due to any of these risks and investors may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the Company. The Directors consider the following to be all the material risks for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority:

- * Although it is intended that the Company will be managed so as to continue qualifying as a VCT, there is no guarantee that such status will be maintained. Failure to do so could result in adverse tax consequences for investors, including being liable to pay income tax on dividends received from the Company and, in certain circumstances, being required to repay the 30% income tax relief on their investment, and any such change could affect the net return to Shareholders.
- * The levels and bases of reliefs from taxation may change and could apply retrospectively. The value of the tax reliefs depends on the individual circumstances of investors.
- * Although the Ordinary Shares will be admitted to the Official List, there may not be a liquid market in the Ordinary Shares and there may never be two competitive market makers. It may, therefore, prove difficult for Shareholders to sell their Ordinary Shares. In addition, there is no guarantee that the market price of the Ordinary Shares will fully reflect their underlying net asset value or the ability to buy and sell at that price. It should be noted that shares held in VCTs usually trade at a discount to the VCT's Net Asset Value per share. Such a discount may be exacerbated if the Company lacks sufficient cash reserves to effect share buybacks and during prohibited periods when the Company is unable to purchase its own shares.
- * The Ordinary Shares are issued at a price calculated on the basis of a formula based on, amongst other things, the latest published Net Asset Value of the Company. Shareholders should be aware that if a revised Net Asset Value is published on or before the day 10 Business Days prior to the Investment Day, Shareholders may receive a different allocation of Ordinary Shares from that anticipated.
- * Shareholders should be aware that the sale of Ordinary Shares within five years of their subscription will be subject to clawback by HM Revenue & Customs of any or all of the 30% income tax relief obtained upon investment. Accordingly, investment in the Company is not suitable as a short or medium term investment.
- * The Company's continuing status and operation as a VCT is subject to approval by shareholders at a continuation vote to be tabled at the AGM of the Company to be held in 2029, at which (if the Company has not been liquidated, unitised or reconstructed) the Directors shall propose a resolution that the Company should continue as a venture capital trust for a further five year period. In the event that shareholders voted not to continue as a venture capital trust, then this could result in adverse tax consequences for investors, including being liable to pay income tax on dividends received from the Company and, in certain circumstances, being required to repay the 30% income tax relief on their investment.
- * The Companies do not have any employees and the Boards rely on a number of third party providers, including the Investment Manager / Adviser, registrar and custodian, sponsor, receiving agent, lawyers and tax advisers, to provide it with the necessary services to operate. The risk of cyber-attack or failure of the systems and controls at any of the Company's third party providers may lead to an inability to service shareholder needs adequately, to provide accurate reporting and accounting and to ensure adherence to all VCT legislation rules.
- * The Company invests in early stage companies which may be pre-revenue at the point of investment. Portfolio companies may also require significant funds, through multiple funding rounds to develop their technology or the products being developed may be subject to regulatory approvals before they can be launched into the market. This involves a higher degree of risk and company failure than compared to investment in larger companies with established business models. Early stage companies generally have limited product lines, markets and financial resources and may be more dependent on key individuals. The

securities of companies in which the Company invests are typically unlisted, making them particularly illiquid and may represent minority stakes, which may cause difficulties in valuing and disposing of the securities. The Company may invest in businesses whose shares are quoted on AIM however this may not mean that they can be readily traded and the spread between the buying and selling prices of such shares may be wide. The changes on reliefs available to investors in shares quoted on AIM made as part of the 2024 Autumn Budget may impact returns on such investments moving forward, however each company's exposure to these investments is currently low.

- * Any Qualifying Companies in which the Company invests the proceeds of new Ordinary Shares issued under the DRIS must comply with certain conditions imposed by VCT legislation. The Government introduced changes to the VCT legislation effective from November 2015 which, *inter alia*, imposed an age limit for companies receiving investment from VCTs, a cap on cumulative investment received and restrictions on the uses to which investments by VCTs may be put. Further changes are to be introduced following the Patient Capital Review, including the introduction of a principles based risk-to-capital test to ensure invested capital is genuinely at risk, an increase to the proportion of funds that must be held in Qualifying Investments and a new condition which requires 30% of new monies raised to be invested in qualifying holdings within 12 months of the end of the accounting period in which the relevant shares were issued. Whilst the Company has taken these legislative changes into account there remains a risk these changes may restrict or adversely affect the ability of the Company to meet its objective and/or reduce the level of returns which would otherwise have been achievable. The requirement to invest in relatively young businesses and that such investment will consist largely of equity rather than income-yielding debt instruments, may impact on the level of future dividends. In addition, these changes may make it more difficult for the Company to meet the conditions to maintain VCT status.
- * There is no guarantee that the Company's objectives will be met or that suitable investment opportunities will be identified.
- * The Company's ability to obtain maximum value from its investments (for example, through their sale) may be limited by the requirements of the relevant VCT legislation in order to maintain the VCT status of the Company (such as the obligation to have at least 70% by value of its investments in Qualifying Investments).
- * The past performance of investments made by the Company or other funds managed or advised by the Manager should not be regarded as an indication of the future performance of investments made by the Company.
- * The value of Ordinary Shares and the income derived from them may go down as well as up and Shareholders may not receive back the full amount invested.

Annex II – Money Laundering Notice

Per the Money Laundering Regulations, an Applicant's identity must be verified before allotting new Shares under the Offers. Verification of identity is a routine step associated with the application process. It ensures that Applicants (i) are who they say they are, (ii) that they have not acquired the application monies illegally, and (iii) that they are not attempting to use the Companies or the Receiving Agent as part of criminal activity.

Please note that the Companies cannot allot new Shares to an Applicant whose identity cannot be verified.

For Applications made via a financial intermediary, the intermediary should complete verification of the Applicant's identity. By signing the Application Form, the financial intermediary confirms that they have verified the identity of the Applicant to the standard required by the Money Laundering Regulations within the guidance for the UK financial sector issued by the Joint Money Laundering Steering Group, and that if the Companies, Manager and/or the Receiving Agent request additional information in connection with that verification, they will provide it 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 anti-money laundering ("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 they should be provided. Please note that failure to provide satisfactory evidence following such a request may result in a delay in processing an Application or, at the point of the Offers closing to Applications, the Application being treated as invalid. The Companies will return monies associated with an invalid Application upon satisfactory completion of any associated verification of identity checks.

Note: The Companies and the Receiving Agent may, in their absolute discretion, and regardless of the Application amount and/or the involvement of a financial intermediary, require identity verification.

Directors and advisers

Northern Venture Trust Directors (all non-executive)

Deborah Nichole Hudson
David Andrew Mayes
John Eric Milad
Brigid Ann Sutcliffe
(in each case whose business address is Forward House, 17 High Street, Henley-in-Arden B95 5AA)

Northern 2 VCT Directors (all non-executive)

David Peter Anthony Gravells
Thomas William Chambers
Simon Devonshire
Cecilia Ann McNulty
Ranjan Keshavji Ramparia
(in each case whose business address is Forward House, 17 High Street, Henley-in-Arden B95 5AA)

Northern 3 VCT Directors (all non-executive)

James Gordon Dickson Ferguson
Anna Bridgetta Brown
Christopher John Fleetwood
Timothy Roland Levett
John Maclaren Ogilvie Waddell
(in each case whose business address is Forward House, 17 High Street, Henley-In-Arden B95 5AA)

Company Secretary and Registered Office

Mercia Company Secretarial Services Limited
Forward House, 17 High Street,
Henley-in-Arden B95 5AA

Promoter and Investment Manager

Mercia Fund Management Limited
Forward House, 17 High Street
Henley-in-Arden B95 5AA

Receiving Agent

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

Sponsor

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

Solicitors to the Companies

Reed Smith LLP
Blossom Yard
1 Blossom Yard
London, England E1 6RS

Stockbrokers

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

Auditors

Forvis Mazars LLP
The Pinnacle, 160 Midsummer Boulevard
Milton Keynes MK9 1FF

Bankers

Barclays Bank PLC
1 Churchill Place
London E14 5HP

Santander UK PLC
2 Triton Square
Regent's Place
London NW1 3AN

Blackrock
Institutional Cash Series plc
200 Capital Dock
79 Sir John Rogerson's Quay
Dublin 2 D02 RK57
Ireland

Registrar

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

VCT Taxation Advisers

Philip Hare & Associates LLP
Bridge House
181 Queen Victoria Street
London EC4V 4EG