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If you have sold or otherwise transferred all of your shares in Oxford Technology 3 Venture Capital Trust Plc (the **Company**), please send this document and accompanying documents, as soon as possible, to the purchaser or transferee or to the stockbroker, independent financial adviser or other person through whom the sale or transfer was effected for delivery to the purchaser or transferee.

Hill Dickinson LLP, which is regulated in the United Kingdom by the Solicitors Regulation Authority, is acting as legal adviser to the Company, Oxford Technology Venture Capital Trust Plc (**OT1**), Oxford Technology 2 Venture Capital Trust Plc (**OT2**) and Oxford Technology 4 Venture Capital Trust Plc (**OT4**) and no-one else and will not be responsible to any other person for providing advice in connection with any matters referred to in this document.

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## **OXFORD TECHNOLOGY 3 VENTURE CAPITAL TRUST PLC**

*(Registered in England and Wales with registered number 04351474)*

### **Circular and Notice of General Meeting**

**in connection with recommended proposals for**

**a merger with Oxford Technology 2 Venture Capital Trust Plc  
by way of a scheme of reconstruction of the Company and  
cancellation of the listing of the Company's shares**

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Your attention is drawn to the letter from the Chairman of the Company set out in Part I of this document which contains a recommendation to vote in favour of the resolutions to be proposed at the general meetings of the Company referred to below. Your attention is also drawn to the risk factors set out in Part III of this document.

You will find set out at the end of this document notices of the First General Meeting to be held at 2.30 p.m. on 20 June 2022 to approve the OT3 Scheme and of the Second General Meeting to be held at 10.15 a.m. on 30 June 2022 to place the Company into members' voluntary liquidation. Both Meetings will be held at the Magdalen Centre, Oxford Science Park, Oxford, Oxfordshire, OX4 4GA.

To be valid, the applicable Form of Proxy enclosed with or accompanying this document should be returned not less than 48 hours (ignoring non-working days) before the applicable Meeting (or any adjournment thereof) (as applicable), either by post or by hand (during normal business hours only) to the Company's registrar, Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, B62 8HD.

For further information on the Meetings or the completion and return of a Form of Proxy, please telephone the Company's registrar on 0121 585 1131. For legal reasons, the Company's registrar will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice.

No person has been authorised to give any information or representation other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. Neither the delivery of this document hereunder nor any subsequent receipt of, subscription for, or sale of Shares shall, under any circumstances, create any implication that the information contained in this document is correct as of any time subsequent to the date of this document.

**Shareholders are also recommended to read the prospectus issued by Oxford Technology 2 Venture Capital Trust Plc dated 18 May 2022 which has been published on OT2's website at [www.oxfordtechnologyvct.com/vct2.html](http://www.oxfordtechnologyvct.com/vct2.html) (other than in respect of Shareholders with a registered address in an overseas jurisdiction) for information purposes.**

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## **FORWARD LOOKING STATEMENTS**

Investors should not place undue reliance on forward-looking statements. This Circular 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 various terms “believes”, “continues”, “expects”, “intends”, “aims” “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 Circular, based on past trends or activities, should not be taken as a representation that such trends or activities will continue in the future. These statements will be updated as and when required by the Prospectus Regulation Rules, Prospectus Regulation, the Listing Rules, MAR and the Disclosure Guidance & Transparency Rules, as appropriate.

## EXPECTED TIMETABLES

### EXPECTED TIMETABLE FOR THE COMPANY\*

|   |                            |
|---|----------------------------|
| Date from which it is advised that dealings in OT3 Shares should only be for cash settlement and immediate delivery of documents of title                 | 15 June 2022               |
| Latest time for receipt of forms of proxy for the First General Meeting   | 2.30 p.m. on 16 June 2022  |
| First General Meeting   | 2.30 p.m. on 20 June 2022  |
| Latest time for receipt of forms of proxy for the Second General Meeting  | 10.15 a.m. on 28 June 2022 |
| OT3 register of members closed and Record Date for OT3 Shareholders' entitlements under the OT3 Scheme  | 6.00 p.m. on 29 June 2022  |
| Dealings in OT3 Shares suspended  | 7.30 a.m. on 30 June 2022  |
| Second General Meeting  | 10.15 a.m. on 30 June 2022 |
| Effective Date for the transfer of the assets and liabilities of the Company to OT2 and the issue of New OT3 Ordinary Shares pursuant to the OT3 Scheme** | 30 June 2022               |
| Announcement of the results of the OT3 Scheme   | 30 June 2022               |
| Cancellation of the OT3 Shares' listing   | 8.00 a.m. on 29 July 2022  |

(\*OT3 Shareholders can separately, should they so wish, participate in the OT2 Offer.)

(\*\* See the timetable for OT2 with regard to admission, CREST accounts being credited and certificates being dispatched. Note that the OT3 Scheme is not conditional on the other Schemes that form part of the proposed Merger.)

## EXPECTED TIMETABLE FOR OT2

### Merger with Target VCTs

|   |                           |
|---|---------------------------|
| Latest time for receipt of forms of proxy for the OT2 General Meeting   | 3.00 p.m. on 16 June 2022 |
| OT2 General Meeting   | 3.00 p.m. on 20 June 2022 |
| Effective Date for the transfer of the assets and liabilities of the Target VCTs to OT2 and the issue of Consideration Shares pursuant to Schemes | 30 June 2022              |
| Announcement of the results of the Schemes  | 30 June 2022              |
| Admission of and dealings in Consideration Shares issued pursuant to the Schemes to commence  | 1 July 2022               |
| CREST accounts credited with Consideration Shares issued pursuant to the Schemes  | 1 July 2022               |
| Certificates for Consideration Shares issued pursuant to the Schemes dispatched   | 15 July 2022              |

### OT2 Offer

|  |                                      |
|--|--------------------------------------|
| OT2 Offer opens  | 18 May 2022                          |
| Applications to be received for the Early Bird Discount of 2%    | 12.00 noon on 30 September 2022      |
| Applications to be received for the Early Bird Discount of 1%    | 12.00 noon on 31 December 2022       |
| First allotment of Leisure Shares*                               | autumn 2022                          |
| Subsequent allotments of Leisure Shares**                        | no less frequently than quarterly    |
| Deadline for receipt of applications for the 2022/23 tax year*** | 5.00 p.m. on 3 April 2023            |
| Deadline for receipt of applications for the 2023/24 tax year    | 12.00 noon on 12 May 2023            |
| Admission of, and dealings in, Leisure Shares to commence        | 3 Business Days following allotment  |
| Share certificates and tax certificates to be dispatched         | 10 Business Days following allotment |
| OT2 Offer Closes***  | 12.00 noon on 16 May 2023            |

(\* The OT2 Offer is not conditional on the Merger and will open immediately. The first allotment of Leisure Shares is expected to be during autumn 2022.)

(\*\* The OT2 Board reserves the right to close the OT2 Offer earlier than the date stated or extend the OT2 Offer but not longer than 12 months following publication of the Prospectus. The OT2 Board further reserves the right to accept applications and allot and arrange for listing of Leisure Shares as they see fit.)

(\*\*\* The OT2 Board reserves the right to extend this deadline at its sole discretion.)

## DEFINITIONS

|                               |   |
|-------------------------------|---|
| <b>“Admission”</b>            | the admission of (i) the Leisure Shares allotted pursuant to the OT2 Offer; and (ii) the Consideration Shares allotted pursuant to the Schemes, in each case to the premium segment on the Official List and to trading on the London Stock Exchange’s main market for listed securities  |
| <b>“AIF Regulations”</b>      | the Alternative Investment Fund Managers Regulations 2013 (as amended)  |
| <b>“Amended IMA”</b>          | the amended investment management agreement between OT2 and OT2M dated 18 May 2022  |
| <b>“Annual Running Costs”</b> | the annual running costs and expenses, including administrative fees and expenses and any trail commissions, incurred, accrued or payable (as the case may be) by OT2 in its business including irrecoverable VAT (but excluding (a) exceptional and extraordinary costs; (b) any annual management fees, portfolio monitoring fees or performance fees in relation to any OT2 Shares; and (c) any costs relating solely to the making, holding or realisation of investments by OT2) |
| <b>“AIM”</b>                  | the Alternative Investment Market, a market operated by the London Stock Exchange   |
| <b>“Applicant”</b>            | an applicant under the OT2 Offer  |
| <b>“Application”</b>          | a valid application by an Applicant for Leisure Shares pursuant to the OT2 Offer  |
| <b>“Board” or “OT3 Board”</b> | the board of directors of the Company   |
| <b>“Business Days”</b>        | any day (other than a Saturday, Sunday or bank holiday) on which clearing banks are open for normal banking business in sterling  |
| <b>“CA 1985”</b>              | the Companies Act 1985, as amended  |
| <b>“CA 2006”</b>              | the Companies Act 2006, as amended  |
| <b>“Circular”</b>             | this document   |
| <b>“Code”</b>                 | UK Corporate Governance Code published by the Financial Reporting Council   |
| <b>“Companies”</b>            | the Company, the other Target VCTs and OT2  |
| <b>“Company” or “OT3”</b>     | Oxford Technology 3 Venture Capital Trust Plc   |
| <b>“Consideration Shares”</b> | the New OT1 Ordinary Shares, New OT3 Ordinary Shares and New OT4 Ordinary Shares to be issued by OT2 to the shareholders of the Target VCTs in accordance with the Merger and to be listed on the premium segment of the Official List and admitted to trading on the London Stock Exchange’s main market for listed securities (and each a <b>“Consideration Share”</b> )  |
| <b>“CREST”</b>                | the computerised settlement system to facilitate the transfer of title to securities in uncertified form operated by Euroclear UK & Ireland Limited   |
| <b>“Directors”</b>            | the directors of the Company (and each a <b>“Director”</b> )  |
| <b>“Early Bird Discount”</b>  | in respect of an Application for the OT2 Offer received by 12.00 noon on 30 September 2022, where such Application is accepted, a discount of 2% and, in respect of an Application for the OT2 Offer received after 12.00   |

noon on 30 September 2022 but before 12.00 noon on 31 December 2022, where such Application is accepted, a discount of 1%, in each case to be applied as set out in the Prospectus (or such later dates to which the OT2 Board may agree to apply such discounts)

|                                    |  |
|------------------------------------|--|
| <b>“Edition”</b>                   | Edition Capital Investments Limited  |
| <b>“Edition IMA”</b>               | the new investment management agreement between OT2 and Edition dated 18 May 2022  |
| <b>“Effective Date”</b>            | the date on which the Merger will be completed, anticipated as being 30 June 2022  |
| <b>“Enlarged Company”</b>          | OT2, following implementation of the Merger  |
| <b>“Existing IMA”</b>              | the investment management agreement between OT2 and OT2M dated 30 June 2015  |
| <b>“Existing OT2 Shareholders”</b> | the holders of Ordinary Shares as 6.00 p.m. on 18 June 2022  |
| <b>“FCA”</b>                       | the Financial Conduct Authority  |
| <b>“First General Meeting”</b>     | the general meeting of the Company to be held on 20 June 2022 (or any adjournment thereof)   |
| <b>“Forms of Proxy”</b>            | the forms of proxy for use at the Meetings (and each a <b>“Form of Proxy”</b> )  |
| <b>“FSMA”</b>                      | the Financial Services and Markets Act 2000, as amended  |
| <b>“HMRC”</b>                      | Her Majesty’s Revenue & Customs  |
| <b>“IA 1986”</b>                   | the Insolvency Act 1986, as amended  |
| <b>“Independent Valuer”</b>        | James Cowper LLP (trading as James Cowper Kreston) of 2 Communications Road, Greenham Business Park, Greenham, Newbury, RG19 6AB   |
| <b>“Initial Period”</b>            | the period of three years starting immediately on the first day of the relevant quarter of OT2 in which the first Leisure Shares are issued under the OT2 Offer  |
| <b>“Investors”</b>                 | Individuals aged 18 or over who subscribe for Leisure Shares under the OT2 Offer (and <b>“Investor”</b> means any one of them)   |
| <b>“ITA 2007”</b>                  | the Income Tax Act 2007, as amended  |
| <b>“Leisure Share Pool”</b>        | the pool of assets and liabilities attributed to the Leisure Shares in accordance with the New Articles  |
| <b>“Leisure Shares”</b>            | the new “Leisure” ordinary shares of 1p each in the capital of OT2 (ISIN: GB00BN73FQ38), being offered for subscription pursuant to the OT2 Offer (and each a <b>“Leisure Share”</b> )   |
| <b>“Liquidators”</b>               | John Allan Carpenter (authorised by the Institute of Chartered Accountants of England and Wales under Insolvency Practitioner number: 16270) and Lisa Marie Moxon (authorised by the Insolvency Practitioners Association under Insolvency Practitioner number: 16370) of Dow Schofield Watts Business Recovery LLP, being the proposed liquidators of the Target VCTs |
| <b>“Listing Rules”</b>             | the listing rules of the FCA   |

|  |   |
|--|---|
| <b>“London Stock Exchange”</b>           | London Stock Exchange PLC   |
| <b>“Meetings”</b>                        | the First General Meeting and the Second General Meeting (and each being a <b>“Meeting”</b> )   |
| <b>“Merger”</b>                          | collectively the OT1 Scheme, the OT3 Scheme and the OT4 Scheme or, as the case may be, any one or more of these Schemes which become unconditional  |
| <b>“Merger Regulations”</b>              | Venture Capital Trusts (Winding-up and Mergers) (Tax) Regulations 2004  |
| <b>“NAV” or “Net Asset Value”</b>        | net asset value   |
| <b>“New Articles”</b>                    | the new articles of association to be adopted by OT2 in substitution for OT2’s existing articles of association, as more particularly detailed in the OT2 Circular  |
| <b>“New OT1 Ordinary Shares”</b>         | new “OT1” ordinary shares of 1p each in the capital of OT2 (ISIN: GB00BN73FM99), to be issued to OT1 Shareholders pursuant the OT1 Scheme (and each a <b>“New OT1 Ordinary Share”</b> )   |
| <b>“New OT1 Share Pool”</b>              | the pool of assets and liabilities attributed to the New OT1 Ordinary Shares in accordance with the New Articles  |
| <b>“New OT3 Ordinary Shares”</b>         | new “OT3” ordinary shares of 1p each in the capital of OT2 (ISIN: GB00BN73FN07), to be issued to OT3 Shareholders pursuant the OT3 Scheme (and each a <b>“New OT3 Ordinary Share”</b> )   |
| <b>“New OT3 Share Pool”</b>              | the pool of assets and liabilities attributed to the New OT3 Ordinary Shares in accordance with the New Articles  |
| <b>“New OT4 Ordinary Shares”</b>         | new “OT4” ordinary shares of 1p each in the capital of OT2 (ISIN: GB00BN73FP21), to be issued to OT4 Shareholders pursuant the OT4 Scheme (and each a <b>“New OT4 Ordinary Share”</b> )   |
| <b>“New OT4 Share Pool”</b>              | the pool of assets and liabilities attributed to the New OT4 Ordinary Shares in accordance with the New Articles  |
| <b>“New Shares”</b>                      | the Consideration Shares and/or the Leisure Shares, as applicable (and each a <b>“New Share”</b> )  |
| <b>“New Portfolio Monitor Agreement”</b> | the portfolio monitor agreement entered into between OT2, Edition and OTM dated 18 May 2022, pursuant to which OTM is appointed as OT2’s portfolio monitor with effect from the first Admission of the Leisure Shares                             |
| <b>“Official List”</b>                   | the official list of the FCA  |
| <b>“OT1”</b>                             | Oxford Technology Venture Capital Trust Plc, registered in England and Wales under number 03276063, whose registered office is at Magdalen Centre, Oxford Science Park, Oxford, Oxfordshire, OX4 4GA  |
| <b>“OT1 Board”</b>                       | the board of directors of OT1   |
| <b>“OT1 Scheme”</b>                      | the proposed merger of OT1 with OT2 by means of placing OT1 into members’ voluntary liquidation pursuant to section 110 of IA 1986 and the acquisition by OT2 of all of OT1’s assets and liabilities in consideration for New OT1 Ordinary Shares |
| <b>“OT1 Shareholders”</b>                | holders of OT1 Shares (and each an <b>“OT1 Shareholder”</b> )   |
| <b>“OT1 Shares”</b>                      | ordinary shares of 1p each in the capital of OT1 (and each an <b>“OT1 Share”</b> )  |



|   |  |
|---|--|
| <b>“OT2M” or “Investment Manager”</b>         | OT2 Managers Limited, being OT2’s appointed investment manager   |
| <b>“OT2 Board”</b>                            | the board of directors of OT2  |
| <b>“OT2 Circular”</b>                         | the circular to Existing OT2 Shareholders dated 18 May 2022  |
| <b>“OT2 Directors”</b>                        | the directors of OT2   |
| <b>“OT2 General Meeting”</b>                  | the general meeting of OT2 to be held on 20 June 2022 (or any adjournment thereof)   |
| <b>“OT2 Offer”</b>                            | the offer for subscription to raise up to £10 million, with an over-allotment facility for up to a further £10 million, through the issue of Leisure Shares as set out in the Prospectus   |
| <b>“OT2 Shares”</b>                           | shares in the capital of OT2 following the Merger  |
| <b>“OT2 Shareholders”</b>                     | the holders of shares in the capital of OT2 following the Merger   |
| <b>“OT3 Scheme” or “Scheme”</b>               | the proposed merger of OT2 with the Company by means of placing the Company into members’ voluntary liquidation pursuant to section 110 of IA 1986 and the acquisition by OT2 of all of the Company’s assets and liabilities in consideration for New OT3 Ordinary Shares, as described in this Circular |
| <b>“OT3 Transfer Agreement”</b>               | the agreement between OT2 and the Company (acting through the Liquidators) for the transfer of all of the assets and liabilities of Company by the Liquidators to OT2 pursuant to the OT3 Scheme   |
| <b>“OT3M”</b>                                 | OT3 Managers Limited, being the Company’s appointed investment manager   |
| <b>“OT4”</b>                                  | Oxford Technology 4 Venture Capital Trust Plc, registered in England and Wales under number 05038854, whose registered office is at Magdalen Centre, Oxford Science Park, Oxford, Oxfordshire, OX4 4GA   |
| <b>“OT4 Board”</b>                            | the board of directors of OT4  |
| <b>“OT4 Scheme”</b>                           | the proposed merger of OT2 with OT4 by means of placing OT4 into members’ voluntary liquidation pursuant to section 110 of IA 1986 and the acquisition by OT2 of all of OT4’s assets and liabilities in consideration for New OT4 Ordinary Shares  |
| <b>“OT4 Shareholders”</b>                     | holders of OT4 Shares (and each an <b>“OT4 Shareholder”</b> )  |
| <b>“OT4 Shares”</b>                           | ordinary shares of 1p each in the capital of OT4 (and each an <b>“OT4 Share”</b> )   |
| <b>“OTM” or “Investment Adviser”</b>          | Oxford Technology Management Ltd, being the Company’s current investment adviser   |
| <b>“Ordinary Share Pool”</b>                  | the pool of assets and liabilities attributed to the Ordinary Shares in accordance with the New Articles   |
| <b>“Ordinary Shares”</b>                      | ordinary shares of 1p each in the capital of OT2 (ISIN: GB0003105052) (which are expected to be renamed as “OT2” ordinary shares subject to completion of the Merger) (and each an <b>“Ordinary Share”</b> )   |
| <b>“Permitted Non-Qualifying Investments”</b> | an investment which falls within section 274(3A) ITA 2007  |

|   |  |
|---|--|
| <b>“Proposals”</b>                          | the proposals to effect the OT3 Scheme, the OT2 Offer and pass the Resolutions   |
| <b>“Prospectus”</b>                         | the prospectus issued by OT2 dated 18 May 2022 as published on OT2’s website at <a href="http://www.oxfordtechnology.com/vct2.html">www.oxfordtechnology.com/vct2.html</a>             |
| <b>“Qualifying Investor”</b>                | an individual aged 18 or over who is resident in the United Kingdom and who invested in the Companies or who invests in OT2 pursuant to the OT2 Offer                                  |
| <b>“Record Date”</b>                        | the record date to which Shareholders’ entitlement will be allocated pursuant to the OT3 Scheme, anticipated as being 6.00 p.m. on 29 June 2022  |
| <b>“Registrar”</b>                          | Neville Registrars Limited of Neville House, Steelpark Road, Halesowen, B62 8HD  |
| <b>“Resolutions”</b>                        | the resolutions to be proposed at the Meetings (and each a <b>“Resolution”</b> )   |
| <b>“Schemes”</b>                            | the OT1 Scheme, the OT3 Scheme and the OT4 Scheme  |
| <b>“Second General Meeting”</b>             | the general meeting of the Company to be held on 30 June 2022 (or any adjournment thereof)   |
| <b>“Section 593 Report”</b>                 | a valuation report on the assets and liabilities of each of the Target VCTs which are to be transferred to OT2 as part of the Merger, which will be prepared by the Independent Valuer |
| <b>“Shareholders” or “OT3 Shareholders”</b> | holders of Shares (and each a <b>“Shareholder”</b> or <b>“OT3 Shareholder”</b> )   |
| <b>“Shares” or “OT3 Shares”</b>             | ordinary shares of 1p each in the capital of the Company (and each a <b>“Share”</b> or <b>“OT3 Share”</b> )  |
| <b>“TCGA 1992”</b>                          | Taxation of Chargeable Gains Act 1992, as amended  |
| <b>“Target VCTs”</b>                        | each of OT1, OT3 and OT4 (and each a <b>“Target VCT”</b> )   |
| <b>“Target VCT New Share Pools”</b>         | together, the New OT1 Share Pool, the New OT3 Share Pool and the New OT4 Share Pool  |
| <b>“Target VCT Shares”</b>                  | the OT1 Shares, OT3 Shares and OT4 Shares  |
| <b>“Target VCT Shareholders”</b>            | the OT1 Shareholders, OT3 Shareholders and OT4 Shareholders  |
| <b>“UK”</b>                                 | the United Kingdom   |
| <b>“VCT” or “venture capital trust”</b>     | as defined in section 259 ITA 2007   |
| <b>“VCT Rules”</b>                          | the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts   |

## PART I

### LETTER FROM THE CHAIRMAN

#### OXFORD TECHNOLOGY 3 VENTURE CAPITAL TRUST PLC

(Registered in England and Wales with registered number 04351474)

**Directors:**

Robin Goodfellow (Chairman)  
Richard Roth  
David Livesley  
Alex Starling

**Registered Office:**

Magdalen Centre  
Oxford Science Park  
Oxford, Oxfordshire  
OX4 4GA

18 May 2022

Dear Shareholder,

**Recommended proposals for a merger with Oxford Technology 2 Venture Capital Trust Plc (OT2) by way of a scheme of reconstruction of the Company and cancellation of the listing of the Company's Shares**

**Background**

On 4 March 2022, the Board, the OT1 Board, the OT2 Board and OT4 Board announced that they had entered into discussions regarding the merger of the Companies (**Merger**) and that, concurrently with the Merger, OT2 intends to issue a new class of ordinary share by way of an offer for subscription to raise up to £10 million to invest in investments focussed on leisure (with an overallotment facility of £10 million) (**Offer for Subscription**).

The Board and the OT2 Board consider that the interests of the Existing OT2 Shareholders and the OT3 Shareholders will each be better served by being part of a single, larger VCT with reduced annual running costs per share.

The Merger is expected to complete on 30 June 2022 and will be effected by way of a scheme of reconstruction (**Scheme**) pursuant to which each Target VCT (including the Company) will be placed into members' voluntary liquidation and all of the assets and liabilities transferred to OT2 in exchange for the issue of Consideration Shares to the Target VCT Shareholders with each Target VCT Shareholder receiving a Consideration Share of the corresponding class on a "one for one" basis for each Target VCT Share held as set out in the table below.

***Pre-Merger Shares of Target VCTs***

OT1 Shares  
OT3 Shares  
OT4 Shares

***Post-Merger Share Classes of OT2 relating to the Target VCTs***

New OT1 Ordinary Shares  
New OT3 Ordinary Shares  
New OT4 Ordinary Shares

OT3 Shareholders will, therefore, receive one New OT3 Ordinary Share for each OT3 Share held upon completion of the Merger. The Consideration shares to be issued pursuant to the Schemes are only being offered to the existing shareholders of the Target VCTs.

In connection with the Merger and OT2 Offer, OT2 has also published the Prospectus, which has been published on OT2's website at [www.oxfordtechnologyvct.com/vct2.html](http://www.oxfordtechnologyvct.com/vct2.html). The Prospectus has been produced to enable the New OT3 Ordinary Shares to be issued pursuant to the Merger and to enable the launch of the OT2 Offer to raise funds for OT2 by the issue of the Leisure Shares, to be invested by OT2 in accordance with its new investment policy (see below). It is proposed that the name of OT2 be changed to "Edition VCT Plc" immediately following the first Admission of the Leisure Shares.

The approval of OT3 Shareholders is required to approve the OT3 Scheme, to appoint the Liquidators and authorise them to implement the OT3 Scheme under IA 1986. OT3 Shareholder consent is further required under the Listing Rules to cancel the listing of the Company's Shares on the premium segment of the Official List once the OT3 Scheme has been implemented. The Enlarged Company will continue as a VCT,

with its shares, including the New OT3 Ordinary Shares issued to OT3 Shareholders, being listed on the premium segment of the Official List.

## **The Merger**

### ***Benefits and features***

The Board reviews the costs of managing the Company on a regular basis. Some costs are necessarily incurred by every VCT and cannot easily be reduced. For instance, VCTs are required to be listed on a recognised exchange, such as the premium segment of the Official List, which involves a considerable level of costs associated with the listing as well as related fees to ensure compliance with all relevant legislation and regulations. Some costs are linked to net assets and others are fixed or have a fixed element.

The Merger Regulations allow VCTs to be acquired by, or to merge with each other, without prejudicing the VCT tax reliefs obtained by their shareholders. A number of VCTs have taken advantage of these regulations to create larger VCTs for economic and administrative efficiencies. Whilst cost and administrative efficiencies are an important element, there are also wider operational benefits such as being able to further diversify the portfolio, facilitate increasing returns to shareholders and make a VCT more economically viable as an evergreen fund for investors.

In recommending the Merger, the principal benefits and features that the Board, the OT2 Board and the other Target VCTs' Boards have taken into account are set out below:

- An enlarged entity with assets immediately post Merger of approximately £11 million (or approximately £21 million assuming full subscription under the OT2 Offer, but ignoring the over-allotment facility).
- A payback period of between 9 and 36 months based on the estimated Merger costs and annual cost savings post Merger (which varies depending on whether the OT2 Offer and how many of the Schemes proceed, as described further below).
- An enlarged entity better positioned to raise further funds and implement the revised investment strategy.
- It will be easier for the Enlarged Company to maintain compliance with the VCT Rules (including, without limitation, the 15% and 80% rules (as described further in the Prospectus)) which will mean that assets which might otherwise have been realised simply to provide liquidity for the Companies can be retained until the appropriate time for realisation.
- It will enable shareholders of the Companies who invested to shelter capital gains to retain their holdings in a VCT and manage out their tax liabilities in an orderly fashion (rather than the Companies undertaking an accelerated sale of investments and liquidating as the alternative, which may provide less than optimal results).
- It will enable shareholders with holdings across OT2 and the Target VCTs to manage their investments within a single entity, thereby simplifying their portfolio administration.
- The ability to consider investment realisations and create liquidity events for all of the Companies' shareholders and support dividend payments.

### ***Rights attached to the New OT3 Ordinary Shares***

The New OT3 Ordinary Shares will have the following rights:

#### ***Income***

The holders of New OT3 Ordinary Shares shall be entitled to such profits as are attributable to the assets within their distinct share pool as the directors of the OT2 Board resolve to pay from time to time.

#### ***Capital***

Upon a return of capital or winding up, the holders of New OT3 Ordinary Shares shall be entitled to the capital and assets attributable to the assets within their distinct share pool.

#### ***Voting***

The holders of New OT3 Ordinary Shares shall be entitled to vote *pari passu* with the holders of OT2 Shares and, on a poll, each OT2 Shareholder shall be entitled to one vote for every OT2 Share held.

### *Redemption*

None of the New OT3 Ordinary Shares are redeemable.

### *Conversion*

In the event that the Net Asset Value of any of OT2's share classes should fall below 5p per share (or otherwise with OT2 Shareholder approval), the directors of the OT2 Board may resolve that such shares shall convert into any other class of share in the capital of OT2. In such circumstances, the number of shares into which a class will convert will be determined by reference to the relative Net Asset Values of the two relevant classes of shares as determined by the directors of the OT2 Board (and confirmed by OT2's auditors as being arithmetically accurate).

### *Pre-emption*

OT2 will be subject to the continuing obligations of the FCA and the London Stock Exchange with regard to the issue of securities for cash and the provisions of section 561 of the 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 OT2 to the extent any such issues are not subject to the dis-application by OT2 Shareholders from time to time.

### *Registered form*

New OT3 Ordinary Shares will be issued in registered form (and in the same form as OT3 Shareholders currently hold their shares in the Company) and will be freely transferable in both certificated and uncertificated form. Where applicable it is anticipated that definitive share certificates will be issued within 10 Business Days of allotment. New OT3 Ordinary Shares will be capable of being transferred by means of the CREST system. Investors who wish to take account of the ability to trade their Consideration Shares in uncertificated form (and who have access to a CREST account) may arrange through their professional manager to convert their holding into dematerialised form.

### *Withdrawal*

There are no rights of withdrawal applicable to the New OT3 Ordinary Shares.

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

The estimated total incremental Merger costs are circa £250,000 (including professional fees, FCA and London Stock Exchange fees, stamp duty, VAT and the costs of winding up the Target VCTs) of which Edition has agreed to pay circa £59,000. The net costs of the Merger which are not being covered by Edition will be split (together with certain other costs) equally between the Companies.

The projected Annual Running Costs of the Enlarged Company are estimated to be circa £165,000 (1.5% of the expected net assets of the Enlarged Company of £11.1 million immediately post Merger (ignoring the OT2 Offer). This compares to £248,000 in aggregate for the Companies (2.2% of their aggregate unaudited net assets as at 28 February 2022) based on the unaudited Annual Running Costs for the 12 month period ended 28 February 2022 for each of the Companies.

Whilst the OT2 Board (and as the OT3 Board has also done historically) will continue to keep a tight control on costs, the Annual Running Costs will increase following the issue of Leisure Shares. However, given a cost cap that has been agreed with Edition (see below), no Annual Running Costs will be chargeable to the Ordinary Share Pool, the New OT1 Share Pool, the New OT3 Share Pool or the New OT4 Share Pool during the Initial Period. In the year to 28 February 2022, OT2's total expense ratio was 4.5% of net assets and this ratio in respect of the Ordinary Share Pool will reduce to just 0.5% of its NAV following the first Admission of Leisure Shares (similarly, the expense ratios of OT1 will reduce from 2.6% to 0.25% of its NAV in the New OT1 Share Pool, OT3 from 3.1% to 0.5% of its NAV in the New OT3 Share Pool and OT4 from 2.9% to 0.5% of its NAV in the New OT4 Share Pool).

Pursuant to the terms of the Edition IMA, Edition has agreed to cap the Annual Running Costs such that, during the Initial Period, the Annual Running Costs shall be solely allocated to the Leisure Share Pool and shall not exceed 1% of the weighted Net Asset Value of the Leisure Share Pool (plus up to 50% of the charges for all trail commissions incurred by OT2).

Edition has agreed to indemnify OT2, with effect from the start of the quarter in which the first Admission of the Leisure Shares takes place, to give effect to these cost cap arrangements.

After the Initial Period, Edition and OTM have each agreed to cap the Annual Running Costs such that they shall not exceed 1% of the weighted average Net Asset Value of OT2 (plus up to 50% of the charges for all trail commissions incurred by OT2) and such costs will be allocated to, and borne by, the Leisure Share Pool, the Ordinary Share Pool and the Target VCT New Share Pools pro rata to their respective

Net Asset Values during the periods in question. To the extent that this cap on Annual Running Costs should be breached, Edition and OTM shall indemnify OT2 proportionately based on the investment management, portfolio monitoring and administration fees payable to them (as the case may be) in respect of the period in question.

Assuming that (i) each of the Schemes is approved and (ii) the OT2 Offer proceeds, the OT2 Board has calculated that the costs of the Merger will be recovered (through both the cap on Annual Running Costs as referred to above and the saving of costs which would otherwise have been incurred by OT2 and/or the Target VCTs) within 9 months of the first Admission of Leisure Shares.

In the event that the OT2 Offer proceeds but only one of the Schemes is approved, the OT2 Board has calculated that the costs of the Merger will still be recovered (through both the cap on Annual Running Costs as referred to above and the saving of costs which would otherwise have been incurred by OT2 and the relevant Target VCT which is the subject of the Merger) within 9 months of the first Admission of Leisure Shares. This is because the majority of the Annual Running Costs will be borne by the Leisure Shares in these circumstances, supported by the costs cap indemnity from Edition.

In the event that any of the Schemes proceed but no Leisure Shares are ever issued or allotted, the OT2 Board has calculated that the costs of the Merger will be recovered (through the saving of costs which would otherwise have been incurred by OT2 and the relevant Target VCTs) within 36 months of completion of the Merger.

In the event that none of the Schemes are approved, the Company, OT2 and the other Target VCTs will still be responsible for abort costs in the aggregate amount in the region of £100,000, which will not be recovered through any anticipated cost savings

### **OT3 Scheme terms**

The mechanism by which the Merger will be completed is as follows:

- the Company will be placed into members' voluntary liquidation pursuant to a scheme of reconstruction under section 110 of IA 1986;
- all of the assets and liabilities of the Company will be transferred to OT2 in consideration for the issue of New OT3 Ordinary Shares (which will be issued directly to the OT3 Shareholders); and
- the Company will subsequently be wound up.

The Merger will not affect the economic rights conferred on the holders of the Company's existing Shares with the assets and liabilities allocated to the Company's existing share class remaining the same. The assets and liabilities transferred to OT2 from the Company as a result of the Merger are to be allocated to the New OT3 Ordinary Shares on the same basis as they were allocated to the Company.

The OT3 Scheme is conditional upon the approval by the shareholders of the Company and of OT2 of resolutions to be proposed at the Meetings and at the OT2 General Meeting respectively, as well as the other conditions set out in paragraph 4 of Part II of this document.

As required by section 593 CA 2006, prior to the allotment of the New OT3 Ordinary Shares, OT2 will be issuing to the Company's Shareholders, and uploading on to OT2's website, a valuation report which will be prepared by the Independent Valuer (**Section 593 Report**). The Section 593 Report will confirm to OT2 that the value of the Company's assets and liabilities which are being transferred to OT2 as part of the Merger are not less than the aggregate amount treated as being paid up on the New OT3 Ordinary Shares being issued to the Company's Shareholders pursuant to the OT3 Scheme. It is expected that the Section 593 Report will be made available to the Company's Shareholders on or about 24 June 2022.

Effectively, OT3 Shareholders will be exchanging their Shares in the Company for New OT3 Ordinary Shares. For Shareholders who currently hold a Share certificate, the New OT3 Ordinary Shares will be issued in certificated form or, where Shareholders hold their Shares in uncertificated form, their CREST accounts will be credited with the holding of New OT3 Ordinary Shares. Certificates will be dispatched to a Shareholder's registered address at their own risk. Shareholders who have dividend payment mandates in respect of their holding of Shares should note that these will be automatically transferred to the holding of New OT3 Ordinary Shares (unless the Registrar is notified otherwise).

The portfolios of assets which will be transferred from the Company to OT2 as part of the OT3 Scheme are all considered to be in line with OT2's updated investment policy. The extent of the liabilities (if any) which will be transferred from the Company to OT2 as part of the OT3 Scheme will be those which have been incurred in the ordinary course of business, together with the Merger costs (which remain unpaid at

the time of transfer). Any such liabilities are expected to be nominal in comparison to the value of the assets being transferred.

Shareholders who do not vote in favour of the resolution to be proposed at the First General Meeting are entitled to dissent and have their shareholding purchased by the Liquidators. It is anticipated that the Liquidators will offer to purchase a dissenting holding at the 'break value' price of the Shares, this being an estimate of the amount a Shareholder would receive per Share in an ordinary winding-up of the Company if all of the assets of the Company had to be realised and distributed immediately. The break value cannot be known beforehand, but is expected to be less than the Net Asset Value per Share due to the nature of the underlying assets of the Company.

**In addition, Shareholders should note that a sale of Shares to the Liquidators will be regarded as a disposal of the Shares for HMRC purposes and any deferred capital gains on the original subscription of Shares will become chargeable to capital gains tax. The value received by a dissenting Shareholder may not be sufficient to cover the amount of tax due.**

If the conditions of the OT3 Scheme are not satisfied or waived, the Company will continue in its current form and the Board will continue to review all options available to it regarding the future of the Company.

Further information relating to the OT3 Scheme terms are set out in Part II of this document. Details of the risks relating to the OT3 Scheme and the Enlarged Company are set out in Part III of this document.

### ***The OT2 Offer***

The OT2 Board has decided to take the opportunity to raise further funds through an offer for subscription. This will provide OT2 Shareholders, Target VCT Shareholders and new Investors with the opportunity to invest in OT2 and benefit from the tax reliefs available to Qualifying Investors.

The OT2 Board believes that there are attractive opportunities to make further growth investments in order to generate returns for Investors as Edition (which is to be appointed as investment manager of OT2 in respect of the new class of Leisure Shares) continues to experience strong deal flow and is seeing a significant number of high quality private equity investment opportunities. Funds raised under the OT2 Offer will allow OT2 to take advantage of the continuing flow of investment opportunities being received by Edition and further increase the net assets of OT2 and portfolio diversification in line with the ongoing strategy of OT2. Funds raised will also be used in due course to fund payment of dividends, market purchases of OT2 Shares and to meet annual running costs.

Pursuant to the terms of the Offer Agreement (as described further in the Prospectus), Edition is being appointed as Promoter of the OT2 Offer and has undertaken to OT2 to use its reasonable endeavours to procure subscribers for the Leisure Shares on the terms and subject to the conditions set out in the Prospectus and in the Offer Agreement.

The OT2 Offer is conditional upon, *inter alia*, the approval of Existing OT2 Shareholders at the OT2 General Meeting. The OT2 Offer is not, however, conditional on the Merger. Full details of the OT2 Offer are set out in the Prospectus.

### **The Enlarged Company**

#### ***Investment Policy***

The new investment objective and the investment policy to be adopted by OT2, if approved by Existing OT2 Shareholders, is set out in Part IV of this document and will be the investment policy of the Enlarged Company.

#### ***Board Composition***

The Board has four Directors: Robin Goodfellow (chairman), Richard Roth, Alex Starling and David Livesley. The boards of OT1, OT2 and OT4 have the same directors (but a different chairman). It is intended that the OT2 Board will remain the same following completion of the Merger. The OT2 Board has put in place corporate governance arrangements which it believes are appropriate for a venture capital trust and that will enable OT2 to operate within the spirit of the Code. The OT2 Board regularly reviews the independence of its members and is satisfied that the OT2's Directors are independent in character and judgment and that there are no relationships or circumstances which could affect their objectivity.

#### ***Investment Management Fees***

Subject to approval of Existing OT2 Shareholders and following the Merger, under the terms of the

Amended IMA, OT2M will be entitled to an annual management fee (payable monthly in arrears), consistent with the Companies' current annual management fees, in an amount equal to:

- 1% of the Net Asset Value of the Ordinary Share Pool, the New OT3 Share Pool and the New OT4 Share Pool; and
- 0.5% of the Net Asset Value of the New OT1 Share Pool,

in each case such Net Asset Value being measured as at 28 February 2022 (in the first year of the Amended IMA) and at the end of the preceding accounting year of OT2 (in each subsequent year while the Amended IMA remains in force). This annual management fee will continue to be passed on to OTM through the applicable sub-contracting arrangements until such time as the Amended IMA is terminated and replaced by the Edition IMA.

Pursuant to the Edition IMA, Edition will be entitled to an annual management fee in an amount equal to 2% of the weighted average Net Asset Value of the Leisure Share Pool (calculated and payable quarterly in arrears) and an administration fee (to cover back-office costs) in an amount equal to 0.5% of the weighted average Net Asset Value of OT2 per annum (calculated and payable quarterly on the same basis as the annual management fee). The administration fee payable to Edition is capped at £75,000 per annum.

Pursuant to the New Portfolio Monitor Agreement (which will only come into effect once the Amended IMA is terminated upon the first Admission of the Leisure Shares), OTM will be entitled to an annual monitoring fee (calculated and payable quarterly in arrears) in an amount equal to:

- 0.5% of the weighted average Net Asset Value of the Ordinary Share Pool, the New OT3 Share Pool and the New OT4 Share Pool; and
- 0.25% of the weighted average Net Asset Value of the New OT1 Share Pool.

### **Performance Incentive Arrangements**

#### *Amended IMA*

Subject to approval of Existing OT2 Shareholders and following the Merger, under the terms of the Amended IMA, OT2M shall continue to be entitled to receive a performance incentive fee in an amount equal to 14/80 of any dividend paid by OT2 in respect of the Ordinary Shares, provided that OT2 Shareholders have received in excess of a specified return for each 100p (gross) invested in OT2 (**OT2 Performance Incentive Fee**), which will continue to be passed on to OTM through the applicable sub-contracting arrangements until such time as the Amended IMA is terminated and replaced by the Edition IMA.

This specified return of 100p has been increased by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2010, resulting in the remaining required threshold being 145.9p at 28 February 2022, corresponding to a total shareholder return of 175.2p after taking into account the 29.3p already paid out ( $29.3p + 145.9p = 175.2p$ ). The 29.3p already paid out includes an effective 6.8p (per original share) that was returned to OT2 Shareholders as part of a tender offer undertaken by OT2.

After this amount has been distributed to OT2 Shareholders, each extra 100p distributed goes 80p to the OT2 Shareholders and 20p to the beneficiaries of the performance incentive fee, of which OT2M receives 14p.

In addition to the OT2 Performance Incentive Fee, under the terms of the Amended IMA, OT2M will also be entitled to receive the following additional performance incentive fees:

- subject to, and conditional upon, the OT1 Scheme becoming effective, OT2M may be entitled to receive a performance incentive fee in an amount equal to 14/80 of any dividend paid by OT2 in respect of the New OT1 Ordinary Shares, provided that OT2 Shareholders holding New OT1 Ordinary Shares have received in excess of a specified return for each 100p (gross) invested (the **OT1 Performance Incentive Fee**). The original threshold of 125p has been increased by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2008, resulting in the remaining required threshold being 171.3p at 28 February 2022, corresponding to a total shareholder return of 226.3p after taking into account the 55p already paid out by OT1 ( $55p + 171.3p = 226.3p$ );
- subject to, and conditional upon, the OT3 Scheme becoming effective, OT2M may be entitled to receive a performance incentive fee in an amount equal to 15/80 of any dividend paid by OT2 in respect of the New OT3 Ordinary Shares, provided that OT2 Shareholders holding New OT3 Ordinary Shares have received in excess of a specified return for each 100p (gross) invested (the **OT3 Performance Incentive Fee**). The original threshold of 100p has been increased by



compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2010, resulting in the remaining required threshold being 106.3p at 28 February 2022, corresponding to a total shareholder return of 151.8p after taking into account the 45.5p already paid out by OT3 (45.5p + 106.3p = 151.8p). The 45.5p already paid out includes an effective 3.5p (per original share) that was returned to shareholders of OT3 as part of a share buyback undertaken by OT3; and

- subject to, and conditional upon, the OT4 Scheme becoming effective, OT2M may be entitled to receive a performance incentive fee in an amount equal to 15/80 of any dividend paid by OT2 in respect of the New OT4 Ordinary Shares, provided that OT2 Shareholders holding New OT4 Ordinary Shares have received in excess of a specified return for each 100p (gross) invested (the **OT4 Performance Incentive Fee**). The original threshold of 100p has been increased by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2015, resulting in the remaining required threshold being 83.4p at 28 February 2022, corresponding to a total shareholder return of 131.4p after taking into account the 48.0p already paid out by OT4 (48.0p + 83.4p = 131.4p).

As with the OT2 Performance Incentive Fee, each of the OT1 Performance Incentive Fee, the OT3 Performance Incentive Fee and the OT4 Performance Incentive Fee will continue to be passed on to OTM through the applicable sub-contracting arrangements until such time as the Amended IMA is terminated and replaced by the Edition IMA. Thereafter, once the Amended IMA is terminated, the OT2 Performance Incentive Fee, the OT1 Performance Incentive Fee, the OT3 Performance Incentive Fee and the OT4 Performance Incentive Fee may be payable to OTM pursuant to the terms of the New Portfolio Monitor Agreement.

#### *Edition IMA*

Pursuant to the terms of the Edition IMA, Edition shall be entitled to a performance incentive fee in respect of the Leisure Shares if the “total return” received by shareholders holding Leisure Shares is greater than the higher of the “high water mark” or the “minimum performance threshold”. For these purposes:

- the “total return” means the combined value (in pence per share) of i) the published NAV per Leisure Share in OT2’s last annual accounts and ii) the aggregate of all dividends paid in respect of the Leisure Shares as at the date of those last annual accounts;
- the “high water mark” means the value (in pence per share) of the “total return” from the previous year in which a performance incentive fee was paid to Edition (and, until the payment of the first performance incentive fee, the “high water mark” shall be equal to the “minimum performance threshold”); and
- the “minimum performance threshold” is 1.2 times the weighted average issue price for all of the Leisure Shares in issue.

Once payable, Edition will be entitled to receive a performance incentive fee in the sum of 20% of the amount by which the “total return” exceeds the higher of the “high water mark” or the “minimum performance threshold” but it has been agreed that no performance incentive fee shall be payable to Edition until the year ended 28 February 2025. In the event that the Edition IMA is terminated, its performance incentive fee may remain payable for up to two years following termination in certain circumstances.

#### *Director (and former director) incentives*

In addition to the performance fees payable to OT2M and/or OTM pursuant to the Existing IMA, the Amended IMA and the New Portfolio Monitor Agreement and the performance fees payable to Edition pursuant to the Edition IMA, each as summarised above, the Directors, the OT2 Directors and certain former directors are also entitled to performance fees as described further in the Prospectus.

#### **Buyback policy and Dividend policy**

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

Subject to cash availability and OT2 having sufficient distributable reserves, OT2 intends to distribute a proportion of the net proceeds it receives from realisations in respect of the assets attributable to the Ordinary Shares and Consideration Shares to the holders of such shares by way of special tax-free dividends and/or share buybacks.

It should be noted that the VCT Rules apply on a company-wide basis. Under the New Articles, OT2 will allocate the economic benefit of any distributions or realisations derived from the different asset pools to the Ordinary Shares, to the New OT1 Ordinary Shares, to the New OT3 Ordinary Shares, to the New OT4 Ordinary Shares or to the Leisure Shares respectively. Therefore, if the assets attributable to a

particular share class produce income from shares and securities, that income will not directly benefit, or be payable to, the OT2 Shareholders in the other share classes and vice versa.

The New Articles will, however, provide that reserves (whether created upon the cancellation of the share premium account arising from the issue of Ordinary Shares, Consideration Shares, Leisure Shares, the cancellation of any capital redemption reserve, through normal trading activities or otherwise) may be used for the benefit of the other share classes. While this will not transfer any Net Asset Value between the different share classes, it will permit those reserves to be treated as distributable reserves on a OT2-wide basis such that on an accounting basis dividends and share buybacks in respect of any share classes may be facilitated by the availability of those reserves.

In practice, this means that if OT2 were to declare and pay a dividend in respect of the Leisure Shares (utilising the distributable reserves which had been generated for OT2 from the assets attributable to another share class), this may impact on OT2's ability to declare and pay a dividend in respect of those other share classes in a timely manner in the event of a subsequent realisation (due to the lack of available reserve), although this timing issue would likely be resolved by approximately three years after the expected first allotment of Leisure Shares.

In order to provide a degree of protection to the holders of Ordinary Shares and Consideration Shares in this regard, OT2 and Edition have agreed that no dividend shall be declared or paid in respect of the Leisure Shares (using reserves created or derived from another share class) in the event that the Net Asset Value per Leisure Share falls below 80p. Further, subject always to compliance with the VCT Rules, OT2 and Edition have agreed that, from the proceeds of the OT2 Offer, OT2 shall always retain, in cash, a sum equal to the total amount of dividends declared in respect of the Leisure Shares for at least the duration of the Initial Period.

All distributions are expected to be free of UK income tax to individuals aged 18 or over who acquired their shares within the annual £200,000 limit.

### ***Further Details***

Further information on OT2 can be found in Part IV of this document.

### **Termination arrangements for the Company**

Subject to the OT3 Scheme becoming effective, OT3M has agreed to terminate the investment management agreement with the Company with effect from the Effective Date without notice or penalty.

In light of the above, no termination payments are expected to be made by the Company to any of its Directors or advisers pursuant to the Merger.

### **Cancellation of Listing**

The Company will apply to the FCA for cancellation of the listing of its Shares, upon the successful completion of the OT3 Scheme, which is expected to be on 30 June 2022. Cancellation of the Shares is expected to take place on 29 July 2022.

### **Taxation**

The following paragraphs and Part V of this document apply to persons holding Shares (or, as the case may be, New OT3 Ordinary Shares) as an investment in the Company (and subsequently in OT2) who are the absolute beneficial owners of such Shares (or, as the case may be, New OT3 Ordinary Shares) and are resident in the UK. They may not apply to certain classes of persons such as dealers in securities. The following information, and that contained in Part V of this document, is based on current UK law and practice, is subject to changes therein, is given by way of general summary and does not constitute legal or tax advice. Shareholders in any doubt about their position, or who might be subject to tax in a jurisdiction other than the UK, should consult their independent financial adviser.

As is more fully explained in Part V of this document, the receipt by Shareholders of New OT3 Ordinary Shares should not constitute a disposal of their Shares for UK capital gains tax purposes. Shareholders should, for UK tax purposes, effectively be able to treat the New OT3 Ordinary Shares received pursuant to the OT3 Scheme as if they had been acquired at the same date and at the same price as the original Shares. Any up-front income tax relief attaching to the original Shares will then attach to the New OT3 Ordinary Shares. As OT2 is also a VCT, the usual VCT tax reliefs should continue to apply.

However, as mentioned above, if Shareholders dissent and have their Shares purchased by the Liquidators, this will be regarded as a disposal of the Shares for HMRC purposes and any previous deferred capital gains on original subscription to become chargeable to capital gains tax.

Further details as to the taxation consequences for Shareholders are detailed in Part V of this document. Shareholders should note that clearances from HMRC have been obtained as is more particularly described in Part V of this document.

## **Meetings**

Notices of the Meetings (both to be held at the offices of Magdalen Centre, Oxford Science Park, Oxford, Oxfordshire, OX4 4GA) are set out at the end of this document as follows:

- the First General Meeting to be held at 2.30 p.m. on 20 June 2022; and
- the Second General Meeting to be held at 10.15 a.m. on 30 June 2022.

Each of the Resolutions to be proposed at the Meetings will be proposed as special resolutions requiring the approval of at least 75% of the votes cast on that resolution at the relevant meeting.

### ***First General Meeting***

The resolution to be proposed at the First General Meeting will seek Shareholder approval for the OT3 Scheme and authorise its implementation by the Liquidators.

### ***Second General Meeting***

The resolution to be proposed at the Second General Meeting will seek the following:

Paragraph (i) of the resolution will seek approval to put the Company into members' voluntary liquidation and appoint and remunerate the Liquidators for the purposes of such winding-up.

Paragraph (ii) of the resolution will seek approval to authorise the Liquidators to exercise certain powers for which the express sanction of Shareholders is required under the IA 1986, such as paying classes of creditors in full.

Paragraph (iii) of the resolution will seek approval to approve the cancellation of the listing of the Company's Shares following the successful completion of the OT3 Scheme.

## **Action to be Taken**

Before taking any action, you are recommended to read the further information set out in this document.

Shareholders will find enclosed or accompanying this document Forms of Proxy for use at the Meetings. Whether or not you propose to attend the Meetings, you are requested to complete and return the Forms of Proxy so as to be received by 2.30 p.m. on 16 June 2022 for the First General Meeting and by 10.15 a.m. on 28 June 2022 for the Second General Meeting. Completion and return of the Forms of Proxy will not prevent a Shareholder from attending and voting in person at the relevant meeting should a Shareholder wish to do so.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Please also refer to the notes to the notices of the Meetings for further information.

The Board has arranged a webinar at 10.00 a.m. on Tuesday 7 June 2022, to give Shareholders the chance to hear from OTM (as existing investment manager), Edition (as the proposed new investment manager responsible for the new class of Leisure Shares) and the Board, and provide an opportunity for Shareholders to ask questions. In order to register for this event please visit <https://tinyurl.com/mtu6s8cf>.

## **Recommendation**

The Board is of the opinion that the Proposals are in the best interests of the Shareholders as a whole and unanimously recommends you to vote in favour of the Resolutions to be proposed at the Meetings as they intend to do in respect of their own holdings of 73,149 Shares representing approximately 1.17% of the issued share capital of the Company as at 17 May 2022 (this being the latest practicable date prior to publication of this document)

Yours faithfully

**Robin Goodfellow**  
*Chairman*

## PART II

### THE OT3 SCHEME

#### 1. Definitions and Interpretation

The definitions set out on pages 6 to 10 of this document shall have the same meanings when used in the context of this Part II.

#### 2. Provision of Information

On the Effective Date, the Liquidators of the Company shall receive all the cash, undertakings and other assets and liabilities of the Company and shall deliver to OT2:

- particulars of all of the assets and liabilities of the Company;
- a list (certified by the registrars of the Company) of the names and addresses of, and the number of OT3 Shares held by, each of the OT3 Shareholders on the register at 6.00 p.m. on the Record Date;
- an estimate of the winding-up costs of the Company which will form part of the costs of the OT3 Scheme; and
- the amount estimated to be required to purchase the holdings of any dissenting OT3 Shareholders (if any).

#### 3. OT3 Transfer Agreement

On the Effective Date, OT2 and the Liquidators (on behalf of the Company) will enter into the OT3 Transfer Agreement (subject to such modifications as may be agreed between the parties thereto) pursuant to which the Liquidators will procure the transfer of all of the assets and liabilities of the Company to OT2 in exchange for the issue of New OT3 Ordinary Shares (credited as fully paid up) to the OT3 Shareholders on the basis set out below.

In further consideration of such transfer of assets and liabilities of the Company to OT2, OT2 will, pursuant to the OT3 Transfer Agreement, undertake to pay (using funds available to the Company where applicable) all liabilities incurred by the Liquidators including, but not limited to, the implementation of the OT3 Scheme, the winding up of the Company and the purchase for cash of any holdings of dissenting OT3 Shareholders.

#### **Number of New OT3 Ordinary Shares to be issued to the holders of OT3 Shares**

The number of New OT3 Ordinary Shares to be issued to the holders of OT3 Shares (save for any dissenting shareholders) will be calculated as follows:

***One New OT3 Ordinary Share for every OT3 Share held***

#### 4. Conditionality

The OT3 Scheme is dependent on:

- the relevant resolutions approving the OT3 Scheme being passed at the First General Meeting and the Second General Meeting and by Existing OT2 Shareholders at the OT2 General Meeting;
- notice of dissent not being received from shareholders who hold more than 10% in nominal value of the issued share capital of the Company (this condition may be waived by the Board and the OT2 Board);
- the Company confirming that it has received no notice of any claims, proceedings or actions of whatever nature threatened or commenced against the Company which the Board regard as material,

and so will proceed and become effective immediately after the passing of the special resolution for the winding up of the Company.

#### 5. Share Certificates, Mandates and Listing

Where OT3 Shareholders hold their OT3 Shares in certificated form, they will receive a new certificate for the New OT3 Ordinary Share issued and where OT3 Shareholders hold their OT3 Shares in

uncertificated form, their CREST accounts will be credited with the new holding in New OT3 Ordinary Share. Certificates will be dispatched to an OT3 Shareholder's registered address at their own risk.

Dividend payment mandates provided for OT3 Shares will, unless an OT3 Shareholder advises otherwise in writing to Neville Registrars Limited, be transferred to OT2.

An application has been made to the FCA for the New OT3 Ordinary Shares to be listed on the premium segment of the Official List and will be made to the London Stock Exchange for such New OT3 Ordinary Shares to be admitted to trading on its market for listed securities.

## **6. Dissenting OT3 Shareholders**

An OT3 Shareholder who does not vote in favour of the resolution to be proposed at the First General Meeting and expresses his or her dissent to the Liquidators in writing at the registered office of the Company within seven days of the passing of the resolution may require the Liquidators either to abstain from carrying into effect the resolution or to purchase their OT3 Shares at a price to be determined by agreement between the Liquidators and the OT3 Shareholder concerned (or otherwise through arbitration).

It is anticipated that the Liquidators will offer to purchase the holdings of dissenting OT3 Shareholders at the break value price of an OT3 Share, this being an estimate of the amount a holder of such shares would receive in an ordinary winding-up of the Company if all of the assets of the Company had to be immediately realised. The break value of OT3 Shares is expected to be below the unaudited Net Asset Value of such shares due to the nature of the underlying assets.

Any deferred capital gains on the original subscription of shares will become chargeable to capital gains tax. The value received by a dissenting OT3 Shareholder may not be sufficient to cover the amount of tax due.

## **7. Valuation Report**

Prior to the allotment of the New OT3 Ordinary Shares pursuant to the OT3 Scheme, OT2 will provide to OT3 Shareholders who participate in the Merger, and will upload to OT2's website, the Section 593 Report prepared by the Independent Valuer. The Section 593 Report will confirm that the value of the assets and liabilities which are being transferred from the Company to OT2 as part of the OT3 Scheme is not less than the aggregate amount treated as being paid up on the New OT3 Ordinary Shares being issued to OT3 Shareholders.

## **8. Modifications**

The provisions of the OT3 Scheme shall have effect subject to such non-material modifications or additions, which may include changes to the timetable and such modifications as may be required to deal with shareholders in overseas jurisdictions, as the parties to the OT3 Transfer Agreement may from time to time approve in writing.

## **9. Reliance on Information**

The Liquidators shall be entitled to act and rely, without enquiry, on any information furnished or made available to them or any of them, as the case may be, in connection with the OT3 Scheme and the OT3 Transfer Agreement including, for the avoidance of doubt, any certificate, opinion, advice, valuation, evidence or other information furnished or made available to them by the Company, OT2, the Board, the OT2 Board, any individual director of the Company or OT2, Edition, OT2M, OTM, the registrar or the custodians or bankers of the Company and/or OT2 or its or their other professional advisers and the Liquidators shall not be liable or responsible for any loss suffered as a result thereof.

## **10. Liquidators' Liability**

Nothing in the OT3 Scheme or in any document executed under or in connection with the OT3 Scheme shall impose any personal liability on the Liquidators or either of them save for any liability arising out of any negligence, breach of duty or wilful default by the Liquidators in the performance of their duties and this shall, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidators in accordance with the OT3 Scheme or the OT3 Transfer Agreement.

## **11. Governing Law**

The OT3 Scheme shall, in all respects, be governed by and construed in accordance with the laws of England and Wales

## PART III

### RISK FACTORS

**Shareholders (or, as the case may be, prospective OT2 Shareholders) should consider carefully the following risk factors in addition to the other information presented in this document. If any of the risks described below were to occur, it could have a material effect on the Company's (or, as the case may be, OT2's) business, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company (or, as the case may be, OT2) or Shareholders (or, as the case may be, OT2 Shareholders) will face. Additional risks not currently known to the Company or the Board, or that the Company or the Board currently believe are not material, may also adversely affect the Company's (or, as the case may be, OT2's) business, financial condition or results of operations. The value of the Shares (or, as the case may be, OT2 Shares) could decline due to any of the risk factors described below and Shareholders (or, as the case may be, prospective OT2 Shareholders) could lose part or all of their investment. Shareholders (or, as the case may be, prospective OT2 Shareholders) who are in doubt about what action to take should consult an independent financial adviser authorised under FSMA. References to OT2 should be taken as including the Enlarged Company.**

#### **Scheme Related Risks**

Completion of the Schemes is dependent upon a number of conditions precedent being fulfilled, including the approval of Existing OT2 Shareholders, OT1 Shareholders, OT3 Shareholders and OT4 Shareholders. Whilst the Board has identified a number of potential benefits for the Enlarged Company, there is no certainty that these benefits will lead to improved prospects for the Enlarged Company. Each Scheme is not conditional on the other Schemes being approved and the conditions precedent for the other Schemes being fulfilled. Provided that the relevant resolutions are approved by Existing OT2 Shareholders and the relevant Target VCT Shareholders, a Scheme will proceed independently and irrespectively of the other Schemes (but, if resolutions relating to a particular Scheme are not fully approved, that Scheme will not proceed).

If the Merger is not approved and/or effected and the benefits of the Merger not realised, the costs incurred to put forward the Merger proposals to shareholders of the Companies will nonetheless have been incurred and will be split (together with certain other costs) equally between the Companies.

Pursuant to the Merger, OT2 will indemnify the liquidators of the Target VCTs against any costs or losses arising from their liquidation and so may incur costs if creditors, or other liabilities of the Target VCTs, come to light following completion of the Merger. Where, following the completion of the Merger, a claim is brought against OT2 the cost of which would appropriately be borne by a share class which has subsequently been wound up and cancelled, the shareholders of other classes may have to bear the cost of such a claim.

#### **Risks Relating to the Shares**

Although the existing Shares have been (and it is anticipated that the New Shares will be) admitted to the premium segment of the Official List and are (or will be) traded on the London Stock Exchange's market for listed securities, the secondary market for VCT shares is generally illiquid (which may be partly attributable to the fact that initial subscription tax reliefs are not available for VCT shares bought in the secondary market and because VCT shares usually trade at a discount to NAV). There may not, therefore, be a liquid market and Shareholders may find it difficult to realise their investment. Shareholders should not rely upon any share buyback policy to offer any certainty of selling their OT2 Shares at prices that reflect the underlying NAV. An investment in OT2 should, therefore, be considered as a long-term investment.

Shareholders may be adversely affected by the performance of the investments, whether acquired from the Target VCTs or made by OT2. The performance of the investments acquired from the Target VCTs, as well as the investments of OT2, may restrict the ability of OT2 following the Merger to distribute any proceeds or returns received on the investments transferred from the Target VCTs to OT2 (as well as the investments of OT2).

Shareholders may be adversely affected by a change in the VCT status of OT2 if a number of the investments acquired from the Target VCTs, or the investments of OT2, are, or become, unable to meet VCT requirements.

The value of OT2 Shares, and the income from them, can fluctuate and Shareholders may not get back the amount they invested. In addition, there is no certainty that the market price of OT2 Shares will fully reflect their underlying NAV nor that any dividends will be paid.

### **Investment Risks**

There is no guarantee that OT2 will meet its objectives or that suitable investment opportunities will be identified to enable OT2 to meet its objective. The past performance of OT2, the Target VCTs, and/or other funds managed or advised by Edition is not an indication of the future performance of OT2. The NAV of the OT2 Shares and the return received by Shareholders will be dependent on the performance of the underlying investments. The value of such investments, and interest income and dividends therefrom, may rise or fall and Shareholders may not get back the full amount invested. The level and timing of distributions to Shareholders is not guaranteed.

There is a maximum age limit for companies receiving VCT investments (generally seven years from first commercial sale or ten years from first commercial sale or the end of the accounting period in which the company first achieved £200,000 of turnover for Knowledge Intensive Companies, subject to certain exceptions), and a maximum amount of Risk Finance State Aid which a company can receive both over a 12 month period (£5 million, or £10 million for Knowledge Intensive Companies) and over its lifetime (£12 million, or £20 million for Knowledge Intensive Companies). There are also restrictions on the use of VCT funds received by investee companies so that the funds are used for growth and development. The Finance Act 2018 introduced a new “risk-to-capital” condition for Qualifying Investments, designed to focus investments towards earlier stage, growing businesses, and away from investments which could be regarded as lower risk. OT2 may not make investments which breach the “risk-to-capital” condition, and the potential penalty for contravention of the VCT Rules can include loss of VCT status with a resultant clawback of VCT tax reliefs from Investors. The “risk-to-capital” test inherently increases the risk profile of companies in which OT2 can invest.

Full information for determining the value of OT2’s underlying investments may not always be available. Confidential or inside information which might have a bearing on the prospects of a particular investment may exist from time to time but may not yet be in the public domain. In such circumstances an individual valuation may have to be based on historic information not incorporating full disclosure which might otherwise have enabled a more precise valuation.

Although OT2 may receive customary venture capital rights in connection with some of its unquoted investments, as a minority investor it will not be in a position fully to protect its interests.

Some of OT2’s existing investments are, and OT2’s future investments will generally be, in companies whose securities are not publicly traded or freely marketed and may, therefore, be difficult, and take considerable time, to realise. There may also be constraints imposed on the realisation of investments in order to maintain the VCT tax status of OT2, which may restrict OT2’s ability to obtain maximum value from its investments.

It can take a period of years for the underlying value or quality of the businesses of smaller companies, such as those in which OT2 invests, to be fully reflected in their market values and their market values can fluctuate and are often also materially affected by general market sentiment, which can be negative for prolonged periods. The success of some investee companies may be based on their ability to develop or sustain a competitive advantage, in markets where there are much larger and better resourced companies or to establish, protect and enforce intellectual property rights.

Investment in unquoted companies (including AIM-traded) by its nature involves a higher degree of risk than investment in companies listed on the Official List. In particular, the viability and financial performance of small companies often depends on a narrow product range, small markets, limited financial resources, a small number of staff and counterparties and may be more susceptible to political, exchange rate, taxation and regulatory changes. In addition, the market for securities in smaller companies may be less regulated and is usually less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities. Full information for determining their value or the risks to which they are exposed may also not be available and investment returns will, therefore, be uncertain.

### **Risks associated with Edition and conflicts of interest**

Where more than one fund managed or advised by Edition is able to participate in an investment opportunity, allocations will generally be made in proportion to the funds available to each fund, other than where a fund has a pre-existing investment where the incumbent fund will have priority. Implementation of this policy will be subject to the availability of monies to make the investment and

other portfolio consideration, such as the portfolio diversity and the need to maintain VCT status. This may mean that OT2 may receive a greater or lesser allocation than would otherwise be the case under the normal allocation policy.

Where OT2 invests the proceeds of the OT2 Offer in companies in which other funds managed or advised by Edition have invested or are investing, conflicts of interest may arise and the OT2 Board will exercise its judgement in managing such conflicts. In such circumstances, Edition will apply its conflicts policy in order to reconcile the conflict in the first instance and thereafter, if required, the OT2 Board will exercise its independent judgement, so far as they are able, to protect the interests of OT2. It may not, in such circumstances, be possible to fully protect the interests of OT2.

### **VCT Risks**

Whilst it is the intention of the OT2 Board that OT2 will continue to be managed so as to qualify as a VCT, there can be no guarantee that such status will be maintained. In particular, should all of the Schemes be approved and become unconditional, following completion of the Merger OT2 will hold more than 50% of the shares (in terms of nominal value, voting rights, rights to dividends and rights on a return of capital) in one of its investee companies, STL Management Limited, which interest will need to be reduced below 50% within 12 months of the Merger in order to ensure ongoing compliance with the VCT Rules. Failure to do so, or otherwise to continue to meet the qualifying requirements for a VCT, could result in OT2 Shareholders losing the tax reliefs available for VCT shares, resulting in adverse tax consequences including, if the holding has not been held for the relevant holding period, a requirement to repay the initial income tax relief obtained. Furthermore, should OT2 lose its VCT status, dividends and gains arising on the disposal of OT2 Shares would become subject to tax and OT2 would also lose its exemption from corporation tax on its capital gains.

The Directors are committed to maintaining OT2's VCT status but there is a risk that OT2 may not fulfil the criteria to maintain full VCT status.

If at any time VCT status is lost for OT2, dealings in its shares will normally be suspended until such time as proposals to continue as a VCT or to be wound-up have been announced.

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

The tax rules, or their interpretation, in relation to an investment in OT2 and/or the rates of tax may change during the life of OT2 and may apply retrospectively, which may affect tax reliefs obtained by Shareholders and the VCT status of OT2. In 2015, a sunset clause for VCT income tax relief was introduced. This provides that income tax relief will no longer be given to subscriptions made on or after 6 April 2025, unless the legislation is renewed by an HM Treasury order. OT2 is monitoring this risk and the potential impact on OT2.

### **Risks associated with there being multiple share classes**

Although the New Articles will contain provisions allocating the assets and liabilities of OT2 to the various different classes of Shares which will exist following the OT2 Offer and the Merger, such allocations may not in all circumstances (for example insolvency situations) be effective in ring-fencing the assets and liabilities of one share class from the other, particularly in relation to a third party creditor or claimant against OT2.

The interests of the different classes of OT2 Shareholders may not always be aligned, for example in relation to statutory holding periods for certain tax reliefs that commence from the issue date of the relevant OT2 Share. Certain relevant tests (for example, in relation to the ability to pay dividends and/or finance the buy-back of OT2 Shares and in relation to compliance with the VCT Rules) are, however, calculated on a OT2-wide basis. In addition, certain corporate actions (such as a winding-up for example) can only be done on a OT2-wide basis. It may, therefore, occur that the interests of the different classes of Shareholders are not aligned in relation to a certain matter.

### **Geo-political and economic Risks**

The military invasion of Ukraine by Russian forces has caused various countries to announce the



imposition of sanctions on Russia. These sanctions may lead to unpredictable reactions from Russia, particularly in relation to the provision of, or access to, energy resources which may have a consequential impact on economic conditions globally, including the costs of living and the availability (and increased cost) of raw materials. Such increased costs of living and the availability (and increased cost) of raw materials may also have an indirect impact on businesses in which OT2 may seek to make investments in respect of the Leisure Shares because individuals may have less disposable income to spend on leisure activities and/or expansion plans may be delayed or suffer cost overruns, thereby hindering growth or the results of operations.

The threat of rising inflation means that individuals may have less disposable income available for discretionary spending, which may impact on the performance of businesses in the leisure sector (in which OT2 intends to make investments in respect of the Leisure Shares). In addition, such inflationary pressure may impact on the profitability of the businesses in which OT2 invests (as a result of increased costs which cannot be fully passed on to customers). Consequently, any change of governmental, economic, fiscal, monetary or political policy, and in particular any spending cuts or material increases in interest rates could affect, directly or indirectly, the operation of OT2 and/or the performance of OT2 (as a result of the performance of its underlying investments) and the value of, and returns from, the Leisure Shares.

## PART IV

### OXFORD TECHNOLOGY 2 VENTURE CAPITAL TRUST PLC

#### 1. Constitution and Status

OT2 was incorporated in 2000 as a public limited company and is listed on the Official List.

OT2 has met the requirement for VCTs pursuant to Chapter 3 of Part 6 ITA 2007 and intends to carry on its activities so as to continue qualifying as a VCT.

#### 2. Directors

The directors of OT2 are Richard Roth (Chairman), Robin Goodfellow, David Livesley and Alex Starling.

The Boards of OT1, the Company and OT4 have the same directors (but a different chairman). It is intended that that the OT2 Board will remain the same following completion of the Merger. The OT2 Board has put in place corporate governance arrangements which it believes are appropriate for a venture capital trust and that will enable OT2 to operate within the spirit of the Code. The OT2 Board regularly reviews the independence of its members and is satisfied that OT2's Directors are independent in character and judgment and that there are no relationships or circumstances which could affect their objectivity.

##### ***Richard Roth (Chairman)***

Richard Roth (aged 58) is the Chairman of OT2 and Chairman of the Audit Committee of OT2. He was appointed in July 2015. He is a Chartered Management Accountant. After 14 years at two blue chip companies he joined easyJet, where he was one of the key executives that transformed the business from private company to household name.

He has subsequently worked for a number of airlines, including as CFO of RoyalJet. Richard has also had a number of consulting assignments, in particular helping companies determine their strategy, and implementing business improvements. He has been deeply involved in growing and/or turning businesses around.

Richard is a well-informed VCT investor having followed the industry closely since inception and has extensive understanding of the sector having observed good and bad practice for 20 years. He has invested in a number of small (mainly unquoted) companies and has also advised several potential start-up businesses – mainly travel-related.

Richard is also a director of the OT1, OT2M, OT4 Managers Ltd, the Company and OT4. He is also a director of Seneca Growth Capital VCT Plc.

This combination of experience, including his directorship on another VCT outside the Oxford Technology stable, provides OT2 with valuable and detailed knowledge regarding the successful ongoing operation of a VCT.

##### ***Alex Starling***

Alex Starling (aged 44) is a director of OT2 and was appointed in July 2015. Alex runs his own corporate advisory firm, ACS Technical Limited. He has helped a number of technology companies raise venture capital and, conversely, shareholders realise their investments in such technology companies.

He is a Chartered Engineer and Member of the Institution of Mechanical Engineers, has a PhD in Engineering from Cambridge University and holds the ICAEW Diploma in Corporate Finance. Alex brings current corporate finance & early stage fundraising experience to the OT2 Board.

Alex is also a director of OT1 Managers Ltd, OT2M, the Company and OT4 and he is the Chairman of OT1.

##### ***Robin Goodfellow***

Robin Goodfellow (aged 74) is a director of OT2 and also a member of the Audit Committee of OT2. He was appointed in July 2015. Robin had 30 years of experience in senior Accounting Manager and Internal Audit Manager roles with ExxonMobil International, Esso Europe, Esso Petroleum and Esso Norway. He has particular expertise in advising on and implementing cost effective controls across total company business activities and their accounting systems.

Robin has an MA in Engineering from Cambridge University and an MBA from the London Business School.

More recently he has been an active investor and shareholder in VCTs, EISs and other small companies. He was previously a regular commentator on VCT industry performance and current VCT company

issues.

Robin's combination of experience provides OT2 with valuable and detailed knowledge of the VCT industry which contributes to the successful ongoing operation of a VCT. He also undertakes significant research about other companies within similar fields of activity as the proposed Enlarged Company's investments.

Robin is also a director of the OT1, OT1 Managers Ltd, OT3M, OT4 and is the Chairman of the Company.

### **David Livesley**

David Livesley (aged 61) is a director of OT2 and was appointed in July 2015. He worked in the life science and pharmaceutical industries before joining Cambridge Consultants Ltd in 1987, where he was involved in product and process development across a range of industrial sectors.

Between 1999 and 2012 he worked for the YFM Group, where he invested VCT money into early stage technology companies. Currently he is an independent Non-Executive director for a number of early stage technology businesses.

David brings a wealth of fund management and venture capital investment experience to the OT2 Board, as well as direct experience of VCT fund management. He has been involved with the portfolio for over 15 years, and hence has extensive historic knowledge of OT2's investments, which remains highly relevant to the ongoing success of OT2.

David is also a director of the OT1, OT3M, OT4 Managers Ltd, the Company and is the Chairman of OT4.

### **3. Investment Manager**

OT2M is appointed as investment manager to OT2 pursuant to the Existing IMA.

The services regarding the creation, management and monitoring of OT2's investment portfolio are currently subcontracted to OTM by OT2's investment manager, OT2M. OTM is OT2's manager for the purposes of the AIF Regulations.

Subject to, and conditional upon, the Merger becoming unconditional and the approval of Existing OT2 Shareholders (as a related party transaction for the purposes of Chapter 11 of the Listing Rules), the Amended IMA between OT2 and OT2M shall come into effect. Pursuant to the terms of the Amended IMA, OT2M shall continue in its capacity as investment manager for an interim period pending the first Admission of Leisure Shares.

With effect from the first Admission of Leisure Shares, Edition will replace OT2M as OT2's investment manager (being appointed pursuant to the terms of the Edition IMA) and enter into a new agreement with OTM in relation to its role as portfolio monitor in respect of the assets attributable to the Ordinary Shares and the Consideration Shares. OT2's arrangements with OT2M (pursuant to the Existing IMA or the Amended IMA (as the case may be)) and its subcontract with OTM will, therefore, be terminated with effect from the first Admission of Leisure Shares. Edition will also replace OTM as OT2's investment manager for the purposes of the AIF Regulations with effect from the first Admission of Leisure Shares.

Further details relating to Edition are set out in Part IV of the Prospectus.

### **4. Shares**

As at 17 May 2022 (being the latest practicable date prior to the publication of this document), OT2's share capital comprised 5,331,889 Ordinary Shares (all of which were fully paid and none of which were held in treasury).

### **5. Investments and Net Asset Value**

As at 28 February 2022, OT2 had audited net assets of £1.704 million (32.0p per Ordinary Share) and, in aggregate, venture capital investments in 7 companies, with a carrying value of £1.488 million. On 17 May 2022, OT2 announced that, after adjusting for movements in the share prices of its listed investments (in Scancell Holdings plc and Arecor Therapeutics plc) and the running costs of OT2 since 28 February 2022, the unaudited NAV per Ordinary Share as at 17 May 2022 had fallen by 6% to 32.3p (from the previously published figure of 34.4p as at 19 April 2022, as announced on 22 April 2022).

### **6. Investment Policy**

OT2 will seek Shareholder approval to change its investment policy at the OT2 General Meeting. The proposed change will provide for a more generic policy of investing in unquoted companies. The proposed change to the investment policy will also better encompass the investments which are intended to be acquired from the Target VCTs as part of the Merger. It will also cover the various different share class funds which will exist going forwards (each of which will be managed in accordance with the revised investment policy). This proposed change to the investment policy is not expected to adversely impact on

the risk profile of OT2, the Enlarged Company and/or its investments.

The change to the investment policy is not subject to any part of the Merger being effected. Each Scheme is, however, subject to the approval by Existing OT2 Shareholders of the change to the investment policy as it will immediately apply to the funds brought across as part of the Merger process. If Shareholders do not approve the OT3 Scheme, the existing investment policy of the Company will continue to apply.

The proposed new investment policy of OT2 is set out in full below:

### ***Proposed Investment Policy***

OT2 will target unquoted companies which meet the relevant criteria under the VCT Rules and which it believes will achieve the objective of producing attractive income and capital return for Shareholders.

#### ***Qualifying Investments***

At least the minimum required percentage of OT2's assets will be invested in Qualifying Investments as required by the VCT Rules. Compliance with required rules and regulations is to be considered with all investment decisions made. OT2 is further monitored on a continual basis to ensure such compliance.

#### ***Permitted Non-Qualifying Investments***

The funds not employed in VCT Qualifying Investments will be invested in Permitted Non-Qualifying Investments as allowed by the VCT Rules. These will typically be cash deposits and investments in quoted securities, investment trusts or OEICs.

#### ***Asset Mix***

Specific share pools of OT2 may have a focus on certain sectors according to the strategy of that specific share pool.

The share pool for the Ordinary (or OT2) Shares and the new share pools for the New OT1, OT3 and OT4 Ordinary Shares will be significantly invested in established technology sector companies. These share pools are in a period of investment realisation but with no specified timing, therefore there may be the opportunity to make additional investments.

In addition, OT2 will establish a further new share pool that intends to invest in early stage, UK leisure companies seeking an injection of growth capital to support their continued development. The funds raised for this new share pool will be invested as required by the VCT Rules.

Any uninvested funds in any of the share pools will be held in cash and a range of permitted liquidity investments.

#### ***Risk Diversification***

Risk in the share pools for the Ordinary (or OT2) Shares and the New OT1, OT3 and OT4 Ordinary Shares will be spread by their investment in a number of different established companies. Concentration risk fluctuates and at times can be fairly high given investment realisations and the change to the value of individual companies within each such share pool.

Risk in the new share pool for the Leisure Shares will be spread by investing in a number of different companies focused on the leisure sector. These companies will be at different stages of development and have different target markets.

The OT2 Directors seek to control the overall risk of the share pools by ensuring that OT2 has exposure to a range of unquoted companies.

In order to limit concentration risk in the share pools that is derived from any particular investment, at the point of investment no more than 15% of OT2 by VCT value will be in any one company, as limited by the VCT Rules. The Merger with the Company, OT1 and OT4 will not be restricted by this requirement.

#### ***Borrowing***

Whilst the OT2 Board does not intend that OT2 will borrow funds (other than to manage short term cash requirements), OT2 is entitled to do so subject to the aggregate principal amount at the time of borrowing not exceeding 25% of the asset value of OT2.

#### ***Changes to the Investment Policy***

OT2 will not make any material changes to its Investment Policy without OT2 Shareholder approval.

### ***Co-investment Policy***

OT2 may invest alongside other funds managed or advised by Edition. Where more than one fund is able to participate in an investment opportunity, allocations will generally be made in proportion to the funds

available to each fund, other than where a fund has a pre-existing investment where the incumbent fund will have priority. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio consideration, such as the portfolio diversity and the need to maintain VCT status.

## **7. Buyback Policy**

OT2 intends to adopt a buyback policy whereby, subject to adequate cash availability, it will consider repurchasing shares when they become available in order to help provide liquidity to the market.

Share buybacks will be subject to having appropriate authorities from shareholders of OT2, the Listing Rules and any applicable law, including compliance with the VCT legislation, at the relevant time. Shares may be bought back into treasury or cancelled at the OT2 Board's discretion.

The OT2 Directors do not envisage repurchasing any of the Ordinary Shares or any of the Consideration Shares unless there is a substantially large realisation of an investment in their respective share class pools sufficient to justify (in the OT2 Directors' opinion) a repurchase exercise.

## **8. Accounts and Auditors**

The accounting reference date of OT2 is 28 February and annual accounts are usually dispatched in May each year with half-yearly accounts for the six month period to 31 August being usually dispatched in October each year. The auditors of OT2 are Hazlewoods LLP.

## **9. Publication of Share Price**

The NAV of an OT2 Share is calculated quarterly and published on an appropriate Regulatory Information Service. The most recent unaudited NAV and share price of an OT2 Share are available on the website of the London Stock Exchange.

## **10. Taxation**

As a VCT, OT2 is not subject to UK taxation on capital gains on the disposals of its investments. OT2 will, however, be subject to UK taxation on income at the applicable rates.

Qualifying OT2 Shareholders will not be liable to UK taxation on dividends paid on OT2 Shares or capital gains on the disposals of such shares (although such disposal will trigger the payment of any capital gains tax deferred on subscription).

## **PART V**

### **TAXATION**

The following paragraphs apply to the Company and to persons holding Shares (or, as the case may be, New OT3 Ordinary Shares) as an investment in the Company (and subsequently in OT2) who are the absolute beneficial owners of such Shares (or, as the case may be, New OT3 Ordinary Shares) and are resident in the UK. They may not apply to certain classes of persons, such as dealers in securities. The following information is based on current UK law and practice, is subject to changes therein, is given by way of general summary and does not constitute legal or tax advice.

If you are in any doubt about your position, or if you may be subject to tax in a jurisdiction other than the UK, you should consult your independent financial adviser.

The tax reliefs set out below are available to individuals aged 18 or over who receive New OT3 Ordinary Shares under the OT3 Scheme.

#### **1. The Company**

The Company has obtained approval as a VCT under Chapter 3 of Part 6 of ITA 2007.

The Board considers that the Company has to date conducted its affairs and will continue to do so, to enable it to qualify as a VCT for the period ending on the date on which the proposed liquidation is completed. Furthermore, the proposed method of winding up the Company is such that the benefit of VCT status should be available to the Liquidators, to the extent that they effect disposals of assets to implement the OT3 Scheme that would otherwise be chargeable assets for the purpose of UK taxation of capital gains.

#### **2. Receipt by Shareholders of New OT3 Ordinary Shares under the OT3 Scheme**

The effective exchange of existing Shares in the Company for New OT3 Ordinary Shares should not constitute a disposal of the existing Shares for the purposes of UK taxation. Instead, the new holding of New OT3 Ordinary Shares should be treated as having been acquired at the same time and at the same cost as the existing Shares in the Company from which they are derived. Any initial income tax relief obtained on subscription of the existing Shares in the Company should not, therefore, be subject to clawback, but will be transferred to the New OT3 Ordinary Shares.

For Shareholders holding (together with their associates) more than 5% of the Shares in the Company, clearance has been obtained from HMRC in terms of section 138 of TCGA 1992 that the treatment described above for persons who (together with their associates) own more than 5% of the Shares in the Company should also apply to them.

Shareholders in OT2, as a VCT, should be afforded the usual tax reliefs available to shareholders in VCTs. Qualifying shareholders should continue to receive tax-free dividends and should not be subject to UK taxation on any capital gains on the disposal of New OT3 Ordinary Shares.

Although OT2 will be required to pay UK stamp duty on the transfer to it of the assets and liabilities of the Company (which form part of the Merger costs being allocated to the Companies), no UK stamp duty or stamp duty reserve tax will be payable directly by Shareholders as a result of the implementation of the OT3 Scheme.

#### **3. Dissenting Shareholders**

Dissenting Target VCT Shareholders whose holdings are purchased by the Liquidators shall be treated as having disposed of their existing Target VCT Shares. Any previous deferred capital gains on original subscription will also become chargeable to capital gains tax. The Target VCTs should still at that time retain the benefit of VCT status and the dissenting Target VCT Shareholder should not be subject to any UK taxation in respect of any capital gains arising on disposal.

#### **4. Clearances**

Clearance has been obtained from HMRC in respect of the OT3 Scheme under section 701 ITA 2007 and section 138 TCGA 1992. With regard to the former, the receipt of New OT3 Ordinary Shares should not, except in the case of dealers, fall to be regarded as an income receipt for the purposes of UK taxation. Clearance has also been obtained from HMRC that the OT3 Scheme meets the requirements of the Merger Regulations and, as such, the receipt by Shareholders of New OT3 Ordinary Shares should not prejudice tax reliefs obtained by Shareholders on existing Shares in the Company and should not be regarded as a disposal.

## PART VI

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Company and the Directors, whose names appear in paragraph 3.1 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Share Capital

2.1 As at 17 May 2022 (this being the latest practicable date prior to the publication of this document), the issued share capital of the Company was as follows:

|                  | <i>Issued and fully paid</i> |           |
|------------------|------------------------------|-----------|
|                  | <i>No. of Shares</i>         | <i>£</i>  |
| Shares (1p each) | 6,254,596                    | 62,545.96 |

2.2 As at 17 May 2022 (this being the latest practicable date prior to the publication of this document), no share or loan capital of the Company was under option or had been agreed, conditionally or unconditionally, to be put under option.

2.3 There were no Shares held by the Company in treasury.

#### 3. Directors and their Interests

3.1 The names and business addresses of the Directors, all of whom are non-executive, are as follows:

- Robin Goodfellow (Chairman)
- Richard Roth
- David Livesley
- Alex Starling

all of Magdalen Centre, Oxford Science Park, Oxford, Oxfordshire, OX4 4GA (the registered office and principal place of business of the Company).

3.2 As at 17 May 2022 (this being the latest practicable date prior to the publication of this document), the interests of the Directors (and their immediate families) and the OT2 Directors in the issued share capital of the Company and OT2 were as follows:

|                  | <b>Shares</b> | <b>Company percentage of issued share capital (%)</b> | <b>OT2 Shares</b> | <b>OT2 percentage of issued share capital (%)</b> |
|------------------|---------------|---|-------------------|---|
| Richard Roth     | 38,149        | 0.61  | 44,033            | 0.83  |
| Alex Starling    | Nil           | Nil   | Nil               | Nil   |
| David Livesley   | Nil           | Nil   | Nil               | Nil   |
| Robin Goodfellow | 35,000        | 0.56  | 14,000            | 0.26  |

3.3 Details of Directors' emoluments for the year ended 28 February 2022 are in the table below:

| <b>Director</b>  | <b>Date of appointment</b> | <b>Date of appointment letter</b> | <b>Remuneration for 12 months ended 28 February 2022 (£)</b> |
|------------------|----------------------------|-----------------------------------|--|
| Robin Goodfellow | 31 July 2014               | 26 August 2015                    | 7,000  |



|                |             |                |       |
|----------------|-------------|----------------|-------|
| Alex Starling  | 1 July 2015 | 26 August 2015 | 3,500 |
| Richard Roth   | 1 July 2015 | 26 August 2015 | 6,500 |
| David Livesley | 1 July 2015 | 26 August 2015 | 3,500 |

3.4 Each of the Directors is also a director of OT1, OT2 and OT4, which means that they have potential conflicts of interest between their duties as a director of the Company and their private interests and duties.

#### 4. Major Shareholders

As at 17 May 2022 (this being the latest practicable date prior to the publication of this document), (this being the latest practicable date prior to publication of this document), the Company has been notified of the following investors whose interest exceeds 3% of the Company's issued share capital:

- State Street Nominees Limited, 9.49% (which includes the beneficial interest of Oxfordshire County Council Pension Fund); and
- Hargreaves Lansdown (Nominees) Limited, 7.80% (which includes part of the beneficial interests of Ms Shivani Palakpari Shree Parikh, who has a declared an aggregate holding of 3.41%).

#### 5. Material Contracts

5.1 Save as disclosed in this paragraph 5.1, the Company has not entered, other than in the ordinary course of business, into any contract which is or may be material to the Company within the two years immediately preceding the publication of this document or into any contract containing provisions under which the Company has any obligation or entitlement which is material to the Company as at the date of this document:

5.1.1 An investment management agreement dated 30 June 2015 between the Company and OT3M as amended and supplemented from time to time by those parties (**OT3 IMA**).

Under the terms of the OT3 IMA, the Company appointed OT3M as its investment manager, with OT3M agreeing to provide investment management services to the Company on an advisory basis. Pursuant to this agreement, OT3M also agrees to provide investment advice and administrative services to the Company.

As consideration for the provision of services pursuant to the OT3 IMA, OT3M is entitled to an annual management fee (payable monthly in arrears) in an amount equal to 1% of the Net Asset Value of the Company at the end of the preceding accounting year.

Further, unless otherwise agreed by OT3M and the Company, all costs and expenses which are incurred by OT3M in the performance of its duties under the OT3 IMA shall be borne by the Company, provided that such costs and expenses (a) fall within the annual budgets agreed with the Board from time to time and (b) when aggregated with the annual management fee referred to above (but excluding, for the avoidance of doubt, any fees payable to Directors), do not exceed 3% of the Net Asset Value of the Company at the end of the preceding accounting year.

In addition to the above, OT3M may be entitled to receive a performance incentive fee in an amount equal to 15/80 of any dividend paid by the Company, provided that Shareholders have received in excess of a specified return for each 100p (gross) invested in the Company.

The original threshold of 100p has been increased by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2010, resulting in the remaining required threshold being 106.3p at 28 February 2022, corresponding to a total shareholder return of 151.8p after taking into account the 45.5p already paid out by the Company (45.5p + 106.3p = 151.8p). The 45.5p already paid out includes an effective 3.5p (per original share) that was returned to shareholders of the Company as part of a share buyback undertaken by the Company.

After this amount has been distributed to Shareholders, each extra 100p distributed goes 80p to the Shareholders and 20p to the beneficiaries of the performance incentive fee, of which OT3M receives 15p.

OT3M has subcontracted all of its rights, duties and obligations pursuant to the OT3 IMA to OTM as at the date of this document.

- 5.1.2 Each of the Directors has entered into a letter of appointment with the Company (each dated as set out at paragraph 3.3 of this Part VI above). Each party can terminate the relevant appointment by giving to the other not less than six months' notice in writing. Under those letters, each Director is required to perform the duties normally attendant on the office of a non-executive director, including the review of the performance of the Company's portfolio of investments and consideration of investment opportunities (which are not expected to include executive duties or responsibilities). Such appointment letters will be terminated if the OT3 Scheme is approved.
- 5.1.3 Under the terms of an agreement dated 18 May 2022 (the **Merger Agreement**) and made between the Company (1), OT1 (2), OT2 (3) and OT4 (4), the Companies have agreed, amongst other things, to certain cost sharing arrangements in connection with the proposed Schemes. The total amount of costs for which the Companies may be liable pursuant to the terms of the Merger Agreement is estimated to be in the region of £193,000 (inclusive of VAT).
- 5.2 The following contracts have been or will be entered into (or will become effective), subject, inter alia, the OT3 Scheme becoming effective:
- 5.2.1 A transfer agreement to be entered into between OT2 and the Company (acting through the Liquidators) pursuant to which all of the assets and liabilities of the Company will be transferred to OT2 (subject only to the consent required to transfer such assets and liabilities) in consideration for New OT3 Ordinary Shares in accordance with Part II of this document. The Liquidators will further agree under this agreement that all sale proceeds and/or dividends received in respect of the underlying assets and/or other rights of the Company will be transferred on receipt to OT2 as part of the OT3 Scheme. This agreement will be entered into as part of the OT3 Scheme and is subject to non-material amendments.
- 5.2.2 A termination agreement dated 18 May 2022 between the Company (1) and OT3M (2) pursuant to which the investment management agreement referred to at paragraph 5.1.1 above will be mutually terminated from the Effective Date conditional on the OT3 Scheme being implemented.

## 6. Overseas Shareholders

The issue of New OT3 Ordinary Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such Shareholders should inform themselves about and observe any legal requirements, in particular:

- 6.1 none of the New OT3 Ordinary Shares has been or will be registered under the United States Securities Act 1933, as amended, or qualify under applicable United States state statute and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia, Japan, South Africa or New Zealand;
- 6.2 OT2 is not registered under the United States Investment Company Act of 1940, as amended, and investors are not entitled to the benefits of that Act; and
- 6.3 no offer is being made, directly or indirectly, under the OT3 Scheme, in or into or by the use of mails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) of interstate or foreign commerce, or of any facility in a national securities exchange, of the United States, Canada, Australia, Japan, South Africa or New Zealand.

It is the responsibility of Shareholders with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of New OT3 Ordinary Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

## 7. General

- 7.1 The Company was incorporated and registered in England and Wales under CA 1985 as a public company with limited liability on 11 January 2002, with registered number 04351474 and the name Oxford Technology 3 Venture Capital Trust Plc. The principal legislation under which the Company operates is CA 2006 (and regulations made thereunder). The legal and commercial name of the Company is Oxford Technology 3 Venture Capital Trust Plc. The Company is domiciled in England.
- 7.2 Statutory accounts of the Company for the years ended 28 February 2019, 29 February 2020 and 28 February 2021, in respect of which the Company's previous auditors, UHY Hacker Young LLP, have made unqualified reports under section 495 of CA 2006, have been delivered to the Registrar of Companies and such reports did not contain any statements under sections 495 to 497A of CA

2006. The Company has also issued an unaudited interim report for the 12-month period ended 28 February 2022. Should the proposed Merger be effected, the Company should not need to prepare or publish final audited accounts for the current financial year to 31 August 2022.

- 7.3 Save for the directors' fees paid to the Directors (as detailed in paragraph 3.3 above) and the fees paid to OT3M in respect of its investment management and administration arrangements (as detailed in paragraph 5.1.1 above), there were no related party transactions or fees paid by the Company during the years ended 28 February 2019, 29 February 2020 and 28 February 2021 or to the date of this document in the current financial year.
- 7.4 The Company has no employees and its only subsidiary is OT3M (incorporated and registered in England and Wales with registered number 09630447), which is wholly owned.
- 7.5 On 17 May 2022, the Company announced that, after adjusting for movements in the share prices of its listed investments (in Scancell Holdings plc and Arecor Therapeutics plc), the unaudited NAV per OT3 Share as at 17 May 2022 had fallen by 10% to 42.2p (from the previously published figure of 46.8p as at 19 April 2022, as announced by the Company on 22 April 2022). Subject to this, there has been no significant change in the financial position of the Company which has occurred since the end of the last financial period for which its unaudited interim financial information has been published (being 28 February 2022) up to the date of this document.
- 7.6 The Company is not and has not at any time in the 12 months immediately preceding the date of this document been involved in any governmental, legal or arbitration proceedings (and the Company is not aware of any such proceedings being pending or threatened) which may have, or have had, a significant effect on the Company's financial position or profitability.
- 7.7 The Liquidators and Hill Dickinson LLP have given and not withdrawn their written consent to the issue of this document and the inclusion of their respective names and the references to them in this document in the form and context in which they appear.
- 7.8 If the OT3 Scheme becomes effective in accordance with the expected timetable on pages 4 and 5 of this document, it is anticipated that the listing of the Shares will be cancelled on 29 July 2022.
- 7.9 The New OT3 Ordinary Shares issued to Shareholders under the OT3 Scheme will have the rights set out in Part I of this document and will be listed on the premium segment of the Official List and admitted for trading on the main market of the London Stock Exchange.

## **8. Documents Available for Inspection**

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document until the Effective Date at the registered office of the Company and the office of Hill Dickinson LLP, 50 Fountain Street, Manchester M2 2AS and can also be accessed via the Company's website at [www.oxfordtechnologyvct.com/vct3.html](http://www.oxfordtechnologyvct.com/vct3.html):

- 8.1 the memorandum and articles of association of the Company;
- 8.2 the annual report and financial statements of the Company for the financial years ended 28 February 2019, 29 February 2020 and 28 February 2021 and the unaudited interim report for the 12-month period ended 28 February 2022;
- 8.3 the material contracts referred to in paragraph 5 above;
- 8.4 the consents referred to in paragraph 7.7 above;
- 8.5 the OT2 Circular;
- 8.6 the Prospectus; and
- 8.7 this document.

18 May 2022

# OXFORD TECHNOLOGY 3 VENTURE CAPITAL TRUST PLC

(Registered in England and Wales with registered number 04351474)

## NOTICE OF FIRST GENERAL MEETING

Notice is hereby given that a general meeting of Oxford Technology 3 Venture Capital Trust Plc (“the **Company**”) will be held at 2.30 p.m. on 20 June 2022 at the Magdalen Centre, Oxford Science Park, Oxford, Oxfordshire, OX4 4GA for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

### Special Resolution

That, subject to the conditions (other than the passing of this resolution) set out in paragraph 4 of Part II of the circular to the shareholders of the Company dated 18 May 2022 (a copy of which is produced to the meeting and initialled for the purpose of identification by the chairman of the meeting (“**Circular**”)) having been fulfilled and notwithstanding anything in the articles of association of the Company to the contrary, the OT3 Scheme, as defined and set out in Part II of the Circular, be and hereby is approved and the directors of the Company and John Allan Carpenter and Lisa Marie Moxon of Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park Daresbury, Cheshire WA4 4BS (“the **Liquidators**”) be and they hereby are authorised (insofar as they are not already authorised by the articles of association of the Company) to implement the OT3 Scheme and to execute any document and do any act or thing for the purpose of carrying the OT3 Scheme into effect and, in particular (but without prejudice to the foregoing generality):

- (i) the Company (acting by the Liquidators) be and hereby is authorised and directed to enter into, and the Liquidators be and they hereby are authorised and directed, pursuant to section 110 of the Insolvency Act 1986, to give effect to, a transfer agreement in the form of the draft which is produced to the meeting and signed for the purpose of identification by the chairman of the meeting with such non-material modifications thereto as the parties to such agreement may agree (“**OT3 Transfer Agreement**”); and
- (ii) the Liquidators be and they hereby are authorised and directed to request Oxford Technology 2 Venture Capital Trust Plc (“**OT2**”) to arrange for the issue of new OT3 ordinary shares of 1p each in the capital of OT2 on the basis described in the OT3 Transfer Agreement for distribution among the holders of the ordinary shares of 1p each in the capital of the Company by way of satisfaction and discharge of their respective interests in so much of all of the assets and liabilities of the Company as shall be transferred to OT2 in accordance therewith and with the OT3 Scheme,

and for the purposes of the resolution, words and expressions defined in the Circular shall have the same meanings in this resolution, save where the context requires otherwise.

Dated: 18 May 2022

### By order of the Board

James Gordon  
Company Secretary

### Registered Office:

Magdalen Centre  
Oxford Science Park  
Oxford, Oxfordshire  
OX4 4GA

### Notes:

1. The Resolution will be proposed as a Special Resolution.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent the appointer. Details of how to appoint the Chairman of the meeting or another person as a proxy using the proxy card accompanying this notice (“**Form of Proxy**”) are set out in the notes on the Form of Proxy. If the member wishes his or her proxy to speak on their behalf at the meeting then the member will need to appoint their own choice of proxy (not the Chairman) and give their instructions directly to the proxy. To be valid, a Form of Proxy must be lodged with the Company’s Registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, at least 48 hours (ignoring non-working days) before the meeting, being 2.30 p.m. on 16 June 2022. A Form of Proxy for use by members is enclosed or accompanies this notice. Completion of this Form of Proxy will not prevent a member from attending the meeting.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the

meeting and the number of votes which may be cast there at will be determined by reference to the Register of Members of the Company at 6pm on the day which is two business days before the day of the meeting (being 6pm on 16 June 2022) or adjourned meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA11) by 2.30 p.m. on 16 June 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
6. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. As at 17 May 2022 (being the last business day prior to the publication of this notice), the Company's issued share capital comprised 6,254,596 ordinary shares of 1p each, all of which carry one vote each. Therefore, the total voting rights in the Company as at 17 May 2022 was 6,254,596.
8. Copies of the new directors' letters of appointment with OT2, the Register of Directors' Interests in shares of the Company and copies of the existing articles of association of the Company will be available for inspection at the office of Hill Dickinson LLP, 50 Fountain Street, Manchester M2 2AS and the Company's registered office during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until the end of the First General Meeting and at the place of the First General Meeting for at least 15 minutes prior to and during the meeting.
9. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
10. At the meeting, Shareholders have the right to ask questions relating to the business of the meeting and the Company is obliged under section 319A of the CA 2006 to answer such questions, unless; to do so would interfere unduly with the preparation of the meeting or would involve the disclosure of confidential information, if the information has been given on the Company's website, [www.oxfordtechnologyvct.com/vct3.html](http://www.oxfordtechnologyvct.com/vct3.html) in the form of an answer to a question, or if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. In order for the orderly conduct of the First General Meeting, the Company has arranged a separate meeting in advance of the First General Meeting during which Shareholders can ask questions relating to the business of the First General Meeting and Second General Meeting.
11. Further information, including the information required by section 311A of the CA 2006, regarding the meeting is available on the Company's website, [www.oxfordtechnologyvct.com/vct3.html](http://www.oxfordtechnologyvct.com/vct3.html).

# OXFORD TECHNOLOGY 3 VENTURE CAPITAL TRUST PLC

(Registered in England and Wales with registered number 04351474)

## NOTICE OF SECOND GENERAL MEETING

Notice is hereby given that a general meeting of Oxford Technology 3 Venture Capital Trust Plc (“the **Company**”) will be held at 10.15 a.m. on 30 June 2022 at the Magdalen Centre, Oxford Science Park, Oxford, Oxfordshire, OX4 4GA for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

### Special Resolution

That:

- (i) subject to the conditions (other than the passing of this resolution) set out in paragraph 4 of Part II of the circular to the shareholders of the Company dated 18 May 2022 (a copy of which is produced to the meeting and initialled for the purpose of identification by the chairman of the meeting (“**Circular**”)) having been fulfilled, in each case prior to the passing of this resolution:
  - (a) the Company be wound up voluntarily under the provisions of the Insolvency Act 1986 and John Allan Carpenter and Lisa Marie Moxon of Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park Daresbury, Cheshire WA4 4BS (“the **Liquidators**”) be and they hereby are appointed liquidators for the purposes of such winding-up and any power conferred on them by law or by this resolution may be exercised, and any act required or authorised under any enactment to be done by them may be done, by them jointly or by each of them alone; and
  - (b) the Liquidators be remunerated on a fixed fee basis as agreed with the board of directors of the Company from time to time plus VAT, disbursements and expenses;
- (ii) the Liquidators of the Company appointed pursuant to paragraph (i)(a) set out in this notice be and hereby are authorised under section 165 of the Insolvency Act 1986 to exercise the powers specified in Part I of Schedule 4 of the Insolvency Act 1986; and
- (iii) the cancellation of the listing of the Company’s shares on the Official List following the implementation of the OT3 Scheme (as defined in the Circular) be and hereby is approved.

Dated: 18 May 2022

### By order of the Board

James Gordon  
Company Secretary

### Registered Office:

Magdalen Centre  
Oxford Science Park  
Oxford, Oxfordshire  
OX4 4GA

### Notes:

1. The Resolution will be proposed as a Special Resolution.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent the appointer. Details of how to appoint the Chairman of the meeting or another person as a proxy using the proxy card accompanying this notice (“**Form of Proxy**”) are set out in the notes on the Form of Proxy. If the member wishes his or her proxy to speak on their behalf at the meeting then the member will need to appoint their own choice of proxy (not the Chairman) and give their instructions directly to the proxy. To be valid, a Form of Proxy must be lodged with the Company’s Registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, at least 48 hours (ignoring non-working days) before the meeting, being 10.15 a.m. on 28 June 2022. A Form of Proxy for use by members is enclosed or accompanies this notice. Completion of this Form of Proxy will not prevent a member from attending the meeting.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast there at will be determined by reference to the Register of Members of the Company at 6pm on the day which is two business days before the day of the meeting (being 6pm on 28 June 2022) or adjourned meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service

may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

5. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA11) by 10.15 a.m. on 28 June 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
6. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. As at 17 May 2022 (being the last business day prior to the publication of this notice), the Company's issued share capital comprised 6,254,596 ordinary shares of 1p each, all of which carry one vote each. Therefore, the total voting rights in the Company as at 17 May 2022 was 6,254,596.
8. Copies of the new directors' letters of appointment with OT2, the Register of Directors' Interests in shares of the Company and copies of the existing articles of association of the Company will be available for inspection at the office of Hill Dickinson LLP, 50 Fountain Street, Manchester M2 2AS and the Company's registered office during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until the end of the Second General Meeting and at the place of the Second General Meeting for at least 15 minutes prior to and during the meeting.
9. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
10. At the meeting, Shareholders have the right to ask questions relating to the business of the meeting and the Company is obliged under section 319A of the CA 2006 to answer such questions, unless; to do so would interfere unduly with the preparation of the meeting or would involve the disclosure of confidential information, if the information has been given on the Company's website, [www.oxfordtechnologyvct.com/vct3.html](http://www.oxfordtechnologyvct.com/vct3.html) in the form of an answer to a question, or if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. In order for the orderly conduct of the Second General Meeting, the Company has arranged a separate meeting in advance of the Second General Meeting during which Shareholders can ask questions relating to the business of the First General Meeting and Second General Meeting.
11. Further information, including the information required by section 311A of the CA 2006, regarding the meeting is available on the Company's website, [www.oxfordtechnologyvct.com/vct3.html](http://www.oxfordtechnologyvct.com/vct3.html).

## CORPORATE INFORMATION

### **Directors**

Robin Goodfellow  
Alex Starling  
Richard Roth  
David Livesley

### **Company Registration Number**

04351474

### **Company Secretary**

James Gordon  
Gordons Partnership LLP  
22 Great James Street  
London WC1N 3ES

### **Investment Adviser**

Oxford Technology Management Ltd  
Magdalen Centre  
Oxford Science Park  
Oxford OX4 4GA

### **Solicitors to the Companies**

Hill Dickinson LLP  
50 Fountain Street  
Manchester  
M2 2AS

### **Liquidators**

John Allan Carpenter and Lisa Marie Moxon  
Dow Schofield Watts Business Recovery  
LLP  
7400 Daresbury Park  
Daresbury, Cheshire  
WA4 4BS

### **Registrars**

Neville Registrars Limited  
Neville House  
Steelpark Road  
Halesowen B62 8HD

### **Registered Office**

Magdalen Centre  
Oxford Science Park  
Oxford  
OX4 4GA

Tel: 01865 784 466

[www.oxfordtechnologyvct.com/vct3.html](http://www.oxfordtechnologyvct.com/vct3.html)

### **Investment Manager**

OT3 Managers Ltd  
Magdalen Centre  
Oxford Science Park  
Oxford OX4 4GA

### **Reporting Accountants**

Hazlewoods LLP  
Staverton Court  
Staverton  
Cheltenham  
GL51 0UX

### **Auditors**

Hazlewoods LLP  
Staverton Court  
Staverton  
Cheltenham  
GL51 0UX

### **Independent Valuer**

James Cowper LLP (trading as James Cowper Kreston)  
2 Communications Road  
Greenham Business Park  
Greenham  
Newbury  
RG19 6AB

### **Bankers**

Natwest Bank  
121 High Street  
Oxford OX1 4DD