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THAMES VENTURES VCT 2 PLC

(Registered in England and Wales with registered number 6789187)

Recommended merger with Thames Ventures VCT 1 plc by way of a scheme of reconstruction of the Company and cancellation of the listing of the Company’s shares

Your attention is drawn to the letter from the Chairman of the Company set out in Part 1 of this document which contains a recommendation to vote in favour of the resolutions to be proposed at the Meetings referred to below. **Your attention is also drawn to the risk factors set out in Part 2 of this document.**

You will find set out at the end of this document notices of the First General Meeting of the Company to be held at the office of Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG at 4:00 p.m. on 8 November 2024 to approve (1) the Scheme, and (2) amended articles of association of the Company, and of the Second General Meeting of the Company to be held at The Shard, 32 London Bridge Street, London SE1 9SG at 11:00 a.m. on 15 November 2024 to place the Company into members’ voluntary liquidation.

Whether or not you plan to attend the First General Meeting or the Second General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. Proxy forms must be received by 4:00 p.m. on 6 November 2024 in respect of the First General Meeting and by 11.00 a.m. on 13 November 2024 in respect of the Second General Meeting. This document should be read in conjunction with the Prospectus issued by Thames Ventures VCT 1 plc dated 11 October 2024.

For further information, Shareholders are recommended to read the Prospectus issued by Thames Ventures VCT 1 plc dated 11 October 2024. The Prospectus accompanies this document and is available in hard copy from the Company’s registered office during normal business hours and at <https://www.foresight.group/products/thames-ventures-vct-1-plc>.

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EXPECTED TIMETABLES

EXPECTED TIMETABLE FOR THE COMPANY

Date from which it is advised that dealings in Shares should only be for cash settlement and immediate delivery of documents of title	1 November 2024
Latest time for receipt of forms of proxy for the First General Meeting	4:00 p.m. on 6 November 2024
First General Meeting	4:00 p.m. on 8 November 2024
Latest time for receipt of forms of proxy for the Second General Meeting	11.00 a.m. on 13 November 2024
Register of members closed	5.00 p.m. on 14 November 2024
Record Date for Shareholders' entitlements	5.00 p.m. on 14 November 2024
Calculation Date	after 5.00 p.m. 14 November 2024
Dealings in Shares suspended	7.30 a.m. on 15 November 2024
Second General Meeting	11.00 a.m. on 15 November 2024
Effective Date for the transfer of the assets and liabilities of the Company to TV1 and the issue of Consideration Shares pursuant to the Scheme	15 November 2024
Cancellation of the listing of the Shares	7.30 a.m. on 6 December 2024

*See the timetable for Thames Ventures VCT 1 plc with regard to admission, CREST accounts being credited and certificates being dispatched.

EXPECTED TIMETABLE FOR THAMES VENTURES VCT 1 PLC

Latest time for the receipt of forms of proxy for the TV1 General Meeting	10.30 a.m. on 6 November 2024
TV1 General Meeting	10.30 a.m. on 8 November 2024
Calculation Date	14 November 2024
Effective Date for the transfer of the assets and liabilities of the Company to TV1 and the issue of Consideration Shares	15 November 2024
Announcement of the results of the TV1 General Meeting and completion of the Scheme	15 November 2024
Admission and dealings in the Consideration Shares to commence	18 November 2024
CREST accounts credited (where applicable) with the Consideration Shares issued pursuant to the Scheme	18 November 2024
Certificates for Consideration Shares dispatched by	28 November 2024

PART 1

LETTER FROM THE CHAIRMAN OF THAMES VENTURES VCT 2 PLC

(Registered in England and Wales with registered number: 06789187)

Directors

Sir Aubrey Brocklebank (Chairman)
Dr Andrew Mackintosh
Steven Clarke
Chris Allner

Registered Office

32 London Bridge Street
London
SE1 9SG

11 October 2024

Dear Shareholder

Recommended proposals for a merger of the Company with Thames Ventures VCT 1 plc ("TV1") by way of a scheme of reconstruction (the "Scheme") and cancellation of the listing of the Company's Shares

On 26 July 2024, the Board and the TV1 Board announced that they had entered into discussions regarding the merger of the Companies. The purpose of this document is to set out proposals for the Merger for consideration by Shareholders.

The Board believes that the merger is in the best interests of Shareholders as a whole as Shareholders will become shareholders in the Enlarged Company with total net assets of approximately £121 million and, in uncertain future markets, size matters.

It is further proposed that the Enlarged Company be re-branded as **FORESIGHT VENTURES VCT PLC**, reflective of a fresh start for both the Company and TV1 under the management of Foresight Group LLP ("**Foresight**").

The Merger process, which will also have the effect of consolidating the Companies' share classes, if approved by shareholders, is expected to complete in November 2024 and should bring immediate benefits as described below, in summary:

- the Enlarged Company would have a net asset base of approximately £121 million and so greater scale to raise and deploy capital in the future;
- with more capital to deploy, the Enlarged Company should have greater capacity to support its portfolio companies;
- an enhanced ability to complete investments in new opportunities;
- although the Companies have co-invested in a significant number of the same businesses (approximately 70% of the Company's investee companies also have TV1 as an investor), their portfolios are not identical and so the Merger will create some additional diversification for both sets of shareholders;
- a simplified strategy and product offering (including greater simplicity of administration and performance monitoring for those Shareholders who currently hold shares in both VCTs);
- lower running costs per share due to the spreading of fixed costs over a larger asset base;
- an enhanced ability to maintain regular and consistent dividend payments to shareholders; and
- enhanced liquidity and reserves to buy shares back in the market from those shareholders who want or need to sell their investment, subject always to shareholder authority and the availability, at the discretion of the Enlarged Company's board, of sufficient cash and distributable reserves.

Conversely, it is the opinion of the Companies' mutual manager, Foresight, that without action being taken to improve the outlook for both VCTs, they are likely instead to lose value over time due to the challenge of raising meaningful funds and therefore scale in a competitive market. A shrinking VCT is also increasingly burdened by its fixed running costs which progressively erode value for shareholders

on a per share basis as the company gets smaller. It is the view of the Board and Foresight that, if the Merger does not proceed, the likely outcome would be that the Company's ability to pay meaningful dividends and restart its buyback programme would continue to be severely restricted.

TV1 has a current net asset base of approximately £82 million. It currently seeks to provide attractive returns from a single portfolio of investments comprising almost 75 quoted and unquoted companies, across a diverse range of sectors in both growth and yield-focussed fields of action. Over 55% of its portfolio currently represents an exposure to companies trading in the enterprise software, deep tech and healthcare sectors.

A prospectus published by TV1 in relation to the Merger and the Offer is available from <https://www.foresight.group/products/thames-ventures-vct-1-plc> and contains more information relating to TV1.

Main benefits of the proposed Merger in general

Greater market scale

A larger VCT is more likely to raise fresh capital with greater ease. Analysis of recent fundraising levels undertaken by Foresight suggest that the smallest VCTs raised on average around 37% of their fundraising targets, compared with 67% being raised by the largest VCTs (rising to 88% if one discounts the skewing effect of the market's largest VCT, Octopus Titan, which set an exceptional target of £250 million for its recent raise but still raised £127 million).

Other things being equal, it seems clear that market scale matters when raising new capital, and the Merger, if approved, will see the Company move from the bottom quarter to the top half of the VCT market in terms of size. We expect the Enlarged Company will, therefore, find it easier to raise capital than the Company can do on its own. Additional capital is required so that we can continue to support the Company's portfolio of investments and invest in new opportunities sourced by Foresight.

In the opinion of the Board, it makes sense to take this opportunity to create a VCT of scale which can benefit from enhanced prospects of fundraising under the existing VCT rules in what is expected to be a highly competitive market, particularly over the next two years.

If the Company merges with TV1 the Enlarged Company will have a net asset base of approximately £121 million. The combined VCTs would be rebranded as Foresight Ventures VCT plc, helping to establish a high profile and visible market presence.

Considerations relevant to the specific classes of Shareholders in the Company

Ventures Shareholders

The investment policy of the Ventures Share class is very similar to the investment policy for the Ordinary Shares class of TV1. Accordingly, continuing Ventures Shareholders will benefit from all the general advantages described above.

Healthcare Shareholders

The Healthcare Share class was launched in order to offer investors the opportunity to invest in leading UK early-stage healthcare companies that are seeking to improve patient outcomes, increase access to cutting edge healthcare and reduce medical costs. Early-stage healthcare can be a high performing sector with a strong resilience in downturns provided the businesses have the ability to raise the capital they need to finance their growth and development until sustainable operations can be funded from trading profits. As at 30 June 2024, the Healthcare Share class held a portfolio of 12 early-stage healthcare companies with an aggregate valuation of £9.6 million.

In terms of the outlook for the Healthcare Share class, it is disappointing that the most recent fund raising for the Healthcare Share class, prior to the transfer of the management mandate for the class from Downing to Foresight, only raised approximately £1.5 million of a target £15 million. This is an insufficient amount of capital with which to support the Healthcare Shareholders' portfolio of investee companies to profitability or exit and, in the meantime, for the VCT to hold its position in their share capital tables when they raise additional capital as institutional shareholders unable to follow their money in down rounds often suffer penal dilution of their original equity stakes.

Given the failure to raise significantly more capital for the Healthcare Share class, the Board believes that it makes sense for the Healthcare Share class to be transferred to the Enlarged Company and

managed within the TV1 Ordinary Shares class. With the enhanced liquidity of the Enlarged Company, the Board considers this will allow for continued support of the current healthcare portfolio, with the investment team continuing to consider further healthcare investments which are aligned to the more generalist and technology-focussed investment policy of the Enlarged Company. An example of this is the investment by the Company and TV1 in EM Scientific Limited (trading as Inoviv) completed in October 2023. Inoviv has a long-term data play in drug discovery and trials, having developed novel precision biomarker technology which helps pharmaceutical customers run drug trials more efficiently.

In addition, Foresight, the Companies' mutual manager, has relevant experience managing healthcare investments, with over 20 portfolio companies in the healthcare space currently being managed across Foresight's Private Equity and Ventures divisions. Many of the 60+ investment professionals in these teams also have specific healthcare experience ranging from drug discovery to instrumentation and covering healthcare software and services.

AIM Shareholders

As a class which is sub-optimal in size, it is expected that the Merger will be an attractive option for AIM Shareholders, allowing them to gain immediate exposure to a diversified portfolio which includes some AIM investments but is not reliant solely on the performance of the AIM market, which has been very poor in recent years. In fact, the AIM Share class has preserved capital value due to its lack of exposure to AIM stocks but has also been prevented from making positive steps to increase that value and generate dividends. As part of the Enlarged Company, the Board anticipates that AIM Shareholders will benefit from all the general advantages of the Merger described as well as the AIM experience of Foresight's investment management team, which includes Simon Young. Simon joined Foresight in 2023 from AXA Investment Managers to manage portfolios of AIM companies on behalf of discretionary clients having previously spent over 15 years focusing on UK equities at BlackRock.

DP67 Shareholders

The Board appreciates that the DP67 Shareholders are likely to be the least interested in a merger given that their share class is in the latter stages of a planned exit strategy with a return of capital now overdue. The DP67 Share class holds a single substantive investment of value, Cadbury House Holdings Limited, the exit time horizon for which is within sight but still subject to uncertainty.

With this in mind, the Board has agreed with the TV1 Board that, if the Merger is approved, the DP67 Shareholders in the Enlarged Company will be offered an opportunity to have their Consideration Shares repurchased by the Enlarged Company at a nil discount to NAV. This option will be open to former DP67 Shareholders for the six months following the completion of the Merger to allow those persons to liquidate their holding of Consideration Shares with only brokerage costs incurred (and possibly even earlier than would have been possible if the Merger had not gone ahead).

Alternatively, former DP67 Shareholders may elect to continue to hold their Consideration Shares with a view to the receipt of a future dividend stream from the Enlarged Company's diversified portfolio.

Additional benefits of the proposed Merger

Improved running costs cap

TV1 has one of the lowest costs caps in the VCT market, at 2.6% of NAV. A recent survey of VCT market costs caps revealed that 63% of the 49 VCTs surveyed had costs caps of 3.0%, and that TV1's was the 8th lowest.

The presence of the cost cap ensures that the annual running costs of the Enlarged Company (excluding irrecoverable VAT, annual trail commission and performance incentive fees) will not exceed 2.6% of the net assets of the Enlarged Company in any financial year. This represents a significant improvement on the Company's current costs caps: Healthcare 3.3%, Ventures 3.0%, AIM 3.0% and DP67 2.9%.

More regular and consistent dividends

A VCT with a larger capital base also enhances prospects for the maintenance of regular and consistent dividend payments to shareholders.

Enhanced liquidity for buybacks

The Enlarged Company is also likely to have more cash to buy shares back in the market from those shareholders who want or need to sell their investment.

As a larger VCT, TV1 has been able to pursue a far more active buyback programme than has been possible for the Company in recent years and the Enlarged Company would look to continue this to provide some liquidity for investors when needed.

While the Company has a stated policy of buying back shares at a 0% discount to NAV, this has not been utilised in practice for more than 18 months due to various constraints, including liquidity, and the Board and the Manager do not, in any case, consider a zero discount to NAV policy to be sustainable for the Company in the long term. TV1's policy of buying its shares back at a 5% discount to NAV is market standard and the TV1 Board have also confirmed they plan to further reduce this target to 2.5% following the Merger, which would still be one of the slimmest discounts in the market (with the average VCT buyback completed in August 2024 across 16 VCTs being at a 5.6% discount to NAV).

The discount level is only relevant where an active buyback programme can be pursued and there is a clear trade-off between accepting the less generous discount that would follow a merger and having the greater liquidity with which to support buybacks as well as portfolio companies. In the Board's opinion, the greater liquidity and reserves that would flow from the Merger should take precedence and, in terms of the outlook for future buybacks, the Merger accordingly remains in the best interests of Shareholders as a whole.

It should be noted that all buyback policies are targets only and are subject to cash availability and the availability of distributable reserves.

Lower costs per share

A larger VCT is more likely, on a per share basis, to enjoy lower overall running costs.

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 significant 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.

A larger VCT is able to spread the fixed elements of running costs across a wider asset base and, as a result, can reduce these costs as a percentage of net assets. Through these economic and administrative efficiencies, there is likely to be a significant reduction in the combined annual running costs and costs per share for all shareholders of the Enlarged Company.

Timeframe to recoup the costs of the Merger via running costs savings

The estimated total costs of the Merger are £495,000. Merger costs will comprise legal, liquidator, and other professional fees, FCA vetting fees, LSE listing fees, stamp duty, the costs of winding up the Company and VAT where applicable.

Foresight Group LLP, the Companies' mutual manager, has agreed to bear 20% of the costs, with the Company and TV1 bearing 50% and 30% respectively. The agreed split of the costs of the Merger between the Companies and Foresight reflects the fact that the Company, as the smaller of the two VCTs in greater need of the increased scale that the Merger would bring, should enjoy a greater commensurate benefit from the Merger's implementation.

Entity	Costs Contribution
Foresight Group LLP	£99,000
	of the estimated remaining costs, these would be borne as follows:
The Company	£247,500 (pro rata to the net asset values of the different share classes of the Company)
TV1	£148,500
	£396,000
Total estimated costs	£495,000

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

	Pre-Merger annual running costs*	% of pre-Merger net assets**	Estimated post-Merger annual running costs***	% of post-Merger net assets****	Expected annual cost saving
The Company	£1,350,000	3.3%	£3,400,000	2.8%	£260,000
TV1	£2,310,000	2.8%			
Total	£3,660,000	3.0%			

* Based on actual running costs for the year ended 31 March 2024, including certain costs deductible under the cost cap definition in the investment services agreement.

** As at 31 March 2024.

*** Including certain costs deductible under the cost cap definition in the investment services agreement.

**** Based on the aggregated net assets of the Company and TV1 as at 31 March 2024.

Based on the amount of estimated Merger costs to be borne by the Company and TV2 of approximately £396,000 and the expected annual costs savings of £260,000, such Merger costs would be recovered in around 18 months.

If the Merger is not approved, the costs already incurred to date which would still have to borne by the Company would be approximately £135,000 and these costs would negatively impact the Company's net asset value and not be recoverable.

Management Arrangements with Foresight Group LLP

In addition to the Merger, certain changes to the arrangements between Foresight Group LLP and the Enlarged Company are proposed, primarily an increase in the level of discretion granted to Foresight in respect of the management of the Enlarged Company's portfolio and changes to the structure of the existing performance incentive arrangements. The headline economic terms of TV1's Investment Services Agreement with Foresight, detailed below, are remaining unchanged.

In summary:

Investment Management Fees

Investment management fees of 2.0% per annum, which are currently charged in respect of the TV1 Ordinary Share class, will not be amended and will continue to be charged to the Enlarged Company if the Merger is approved.

Secretarial Fee

Secretarial fees of £40,000 (increased in line with RPI and accordingly at a 2024 rate of approximately £60,000) plus 0.125% of NAV in excess of £10 million which are currently charged in respect of the TV1 Ordinary Share class, will not be amended as part of the Merger and will continue to be charged to the Enlarged Company.

Arrangement fees

When the Enlarged Company makes qualifying investments, Foresight Group LLP will charge investee companies an arrangement fee of 3.0% of amounts invested. Whilst this is a slight increase on the arrangement fees currently charged on qualifying holdings of the Company and TV1 (of 2.0%), it is typical in the market.

Monitoring/directors fees

Foresight Group LLP will be entitled to charge investee companies annual fees up to a maximum of the higher of £10,000 and 1.0% of amounts invested in respect monitoring services and/or the provision of a non-executive director.

Running Costs Cap

As noted above, shareholders in the Enlarged Company will enjoy one of the lowest costs caps in the VCT market of 2.6% of NAV per annum.

Discretion for Foresight Group LLP in terms of investment decision-making

While the current TV1 Investment Services Agreement requires the TV1 Board to approve investment decisions in a far wider range of circumstances than is typical for VCTs, this has been agreed to be amended to afford Foresight greater discretion in its management of the Enlarged Company. This arrangement is more typical in the VCT market generally, mirrors more closely the current arrangements between Foresight and the Company and ensures the investment manager remains more directly responsible for investment performance.

Performance Incentive Scheme

Since the management mandate for the Companies was acquired by Foresight in 2022, the performance incentive schemes for both Companies have been under review as they are currently proving ineffective at incentivising the management teams to deliver superior returns for shareholders being “out of the money”.

TV1's existing performance incentive scheme entitles Foresight (as Downing's successor) to a performance incentive fee equal to 20% of realised gains from investments made since 1 April 2019, subject to the achievement of an IRR hurdle and a total return per share hurdle. The IRR hurdle requires all such investments at the year-end to exceed a hurdle of 5% per annum (based on audited valuations and including realised and unrealised gains and losses and all investment income) measured from 1 April 2019. The total return per share hurdle requires the overall return to Shareholders (NAV plus dividends) to exceed 109.8p – a figure set by reference to a merger of a number of Downing-managed VCTs in 2013. As there is no realistic prospect of these hurdles being met, the performance incentive scheme provides no motivation for Foresight Group, as TV1's new investment adviser, to drive enhanced shareholder value.

Accordingly, it is proposed that the existing scheme be reset on a basis that a Performance Fee would be payable to Foresight at the end of each Performance Period, subject to the Hurdle being satisfied at the end of the relevant Performance Period, equal to the lesser of: (i) 20% of the Distributions per Share paid from available distributable profits of the Company attributable to the relevant Performance Period; or (ii) 20% of the Excess Annual Return per Ordinary Share, in each case, multiplied by the weighted average number of TV1 Ordinary Shares in issue during the relevant Performance Period. The Performance Fee would be payable by the 15th day following the expiry of the Performance Period in respect of which it has been calculated.

For these purposes:

“Distributions”	all payments of whatsoever nature including all income and capital distributions (whether in cash or in specie) made by TV1 after the Effective Date to holders of its TV1 Ordinary Shares in issue at any time and remaining in issue, stated on a per TV1 Ordinary Share in issue basis as at the date on which, from time to time, the Performance Fee is calculated;
“Excess Annual Return Per Ordinary Share”	an annual increase in the Total Return per TV1 Ordinary Share which is higher than the Hurdle;
“Hurdle”	the greater of (i) a Total Return of 110p per TV1 Ordinary Share, as increased in line with the average Bank of England Bank Rate over the relevant Performance Period; and (ii) the highest previously recorded Total Return per Share;
“Performance Period”:	the first Performance Period would begin on the Effective Date for the Merger with TV1, if this is approved by Shareholders, and would end on 31 March 2025 and each subsequent Performance Period would be a period commencing on the date immediately following the expiry of the previous Performance Period and ending 12 months later or, as the case may be, on the termination of the Investment Services Agreement; and
“Total Return”	at any particular time the sum of the Net Asset Value of the TV1 Ordinary Shares; the aggregate of all Distributions paid or made at any time to TV1 Ordinary Shareholders after the Effective Date; and the aggregate of all Performance Fees previously paid to Foresight after the Effective Date.

An illustrative worked example of the proposed revised performance incentive arrangements, showing how performance incentive fees might become payable following strong performance by the Company over a five-year period, is set out below. All figures used are illustrative only.

	Year 1	Year 2	Year 3	Year 4	Year 5
Closing NAV per Share	104.6p	107.5p	100.9p	91.8p	89.0p
Dividends paid (per Share)	4.0p	4.2p	19.3p (special dividend)	3.9p	3.7p
Illustrative Total Return in percentage increase / (decrease) ¹	8.6%	6.7%	12.3%	(2.9)%	1.0%
Illustrative Total Return in cash terms ^{1,2}	£10,454,400	£8,508,488	£15,923,244	£(3,434,600)	£1,066,100
Illustrative Total Return in pence per Share terms ^{1,2}	108.6p	115.7p	128.4p	123.2p	124.1p
Hurdle ³	110.0p	113.3p	116.7p	128.4p ⁴	128.4p ⁴
Performance Fee payable in respect of the year?	No	Yes	Yes	No	No
20% of Distributions	£968,000	£1,012,915	£665,875	£954,055	£888,416
20% of Excess Annual Return ⁵	-	£573,978	£2,821,273	-	-
Performance Fee payable	-	£573,978	£22,821,273	-	-

¹ Total Return is calculated by adding dividends paid in the year to the NAV and any performance incentive fees paid. The illustrative figures in the above example been chosen to show a range of performance throughout the five years.

² The illustrative Total Return in cash terms shows increases / decreases in the Total Return from a starting 'Company as a whole' NAV of £121 million following the Merger.

³ The Hurdle is the higher of (i) a NAV total return 110p per Share, increased each year in accordance with the base rate and (ii) the highest previous Total Return per Share.

⁴ The Hurdle in Years 4 and 5 is higher due to the 'high water mark' following the outperformance in Year 3 in respect of which a performance fee has already been paid.

⁵ The Excess Annual Return is the increase in the Total Return per Ordinary Share which is higher than the Hurdle.

VAT

VAT as applicable will be payable in addition to these fees payable to Foresight Group LLP described above.

Resetting of NAV per Share to £1.00

An additional resolution being proposed at the TV1 General Meeting is that the TV1 Board be authorised to convert a number of TV1's ordinary shares, up to 150,000,000, into deferred shares (carrying no substantive rights and which will shortly thereafter be bought back by TV1 for nominal consideration and cancelled).

The purpose of this measure is simply to increase the value per share of the remaining TV1 Ordinary Shares from the current 45.9p (as at 30 June 2024) to a round £1.00 per share. This action does not affect in any way the value of each investor's overall shareholding, but it does simplify and enhance future marketing and marks the start of a new growth phase for the Enlarged Company under the new management of Foresight.

Removal of the Management Shares

At the First General Meeting of the Company, an additional resolution is proposed which approves the redesignation of the Management Shares as deferred shares (of no value) and their immediate repurchase and cancelled for nominal consideration of 1p. These shares were originally issued to members of the Downing LLP management team pursuant to performance incentive arrangements which will naturally be discontinued as a precursor to the Merger for administrative simplicity.

The effect of the Merger based on the unaudited net asset values of TV1 and the Company as at 30 June 2024 (and assuming the removal of the Management Shares and the NAV resetting mentioned above are duly completed) can be summarised in table format as follows:

TV1	Number	£	Pence per share
TV1 Ordinary Shares in issue as at 30 June 2024	177,546,529		
Net asset value of the TV1 Ordinary Shares fund as at 30 June 2024		81,500,000	45.9
The Company			
<i>Ventures Shares</i>			
Ventures Shares in issue as at 30 June 2024	53,236,858		
Net asset value of the Ventures Shares fund as at 30 June 2024		24,551,000	46.1
Consideration Shares to be issued on Merger	53,250,187		
<i>Healthcare Shares</i>			
Healthcare Shares in issue as at 30 June 2024	23,554,915		
Net asset value of the Healthcare Shares fund as at 30 June 2024		9,624,000	40.9
Consideration Shares to be issued on Merger	20,874,090		
<i>AIM Shares</i>			
AIM Shares in issue as at 30 June 2024	2,695,803		
Net asset value of the AIM Shares fund as at 30 June 2024		2,780,000	103.1
Consideration Shares to be issued on Merger	6,029,714		
<i>DP67 Shares</i>			
DP67 Shares in issue as at 30 June 2024	11,192,136		
Net asset value of the DP67 Shares fund as at 30 June 2024		3,058,000	27.3
Consideration Shares to be issued on Merger	6,632,685		
Total Consideration Shares to be issued pursuant to the Merger	86,786,676		
Enlarged Company's share capital following the Merger	264,333,205		
Following the Enlarged Company Ordinary Share Reconstruction			
Ordinary Shares in issue in the Enlarged Company	121,117,000		
Net asset value per Enlarged Company Ordinary Share		121,117,000	100.0

The Scheme and further details

The Merger will be effected by way of a scheme of reconstruction pursuant to which the Company will be placed into members' voluntary liquidation and all of the assets and liabilities transferred to TV1 in exchange for Consideration Shares on a relative net assets basis.

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

Further details regarding the mechanics of the scheme can be found in the Appendix to this letter.

Meetings

Notices of the Meetings are set out at the end of this document as follows:

- the First General Meeting will be held at 4:00 p.m. on 8 November 2024 at 32 London Bridge Street, London, SE1 9SG; and
- the Second General Meeting will be held at 11.00 a.m. on 15 November 2024 at 32 London Bridge Street, London, SE1 9SG.

Shareholders' authority is required under IA 1986 to proceed with the Scheme and under CA 2006 to amend the Articles. The resolutions to be proposed at the First General Meeting and Second General Meeting will be proposed as special resolutions. All resolutions will require the approval of at least 75% of the votes cast on that resolution of the relevant meeting.

First General Meeting

The resolutions to be proposed at the First General Meeting will seek Shareholder approval for:

- the Scheme and authorising its implementation by the Liquidators;
- the amendment of the Company's Articles pursuant to which the Company will act as receiving agent on behalf of Shareholders for reports prepared under section 593 CA 2006 in connection with the Merger; and
- the redesignation of the Management Shares as 'deferred shares' and the repurchase (for a consideration of 1p in aggregate) and cancellation of those shares.

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 for the cancellation of the listing of the Company's Shares following the successful completion of the 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 with 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 attached.

Recommendations

The Board, with only the exception of Chris Allner who is ineligible to vote his shares and did not take part in the Board's consideration of the matters addressed in this Circular, as he is also a director of TV1, is of the opinion that the proposal to merge the Company with TV1 and all resolutions to be proposed at the Meetings are in the best interests of the Shareholders as a whole and recommends you vote in favour of the Resolutions as they intend to do in respect of their own aggregated holdings representing approximately 0.05% of the total voting rights in the Company.

I look forward to welcoming you at the Meetings and to your support for the Resolutions to be proposed at them.

Yours faithfully

Sir Aubrey Brocklebank
Chairman

APPENDIX TO THE CHAIRMAN'S LETTER

The Scheme

The Scheme for the Merger provides for the Company to be put into members' voluntary liquidation and for all of its assets and liabilities to be transferred to TV1 in exchange for Consideration Shares to be issued to Shareholders.

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

- the Company will be placed into members' voluntary liquidation pursuant to a scheme of reconstruction under section 110, IA 1986; and
- all of the assets and liabilities of the Company will be transferred to TV1 in consideration for the issue of Consideration Shares.

Shareholders should note that the Merger by way of the Scheme will be outside the provisions of the City Code on Takeovers and Mergers.

Shareholders' approval is required to approve the Scheme, appoint the Liquidators and authorise them to implement the Scheme under Insolvency Act 1986. Additionally, under the Listing Rules the Shareholders' consent is required to cancel the listing of the Company's Shares on the premium segment of the Official List once the Scheme has been implemented. The Enlarged Company will continue as a VCT with all its shares (including the Consideration Shares) being listed on the premium segment of the Official List.

Where Shareholders hold their shares in certificated form, they will receive a new certificate for the Consideration Shares issued pursuant to the Merger and existing certificates will no longer be valid. Where Shareholders hold their shares in uncertificated form, their CREST accounts will be credited with the replacement holding in Consideration Shares. Any fractions of shares will be retained for the benefit of the Enlarged Company.

The Scheme requires the prior approval of the Shareholders of TV1 and the Shareholders of the Company.

Prior to the allotment of the Consideration Shares pursuant to the Scheme, TV1 will be providing for Shareholders who participate in the Merger, and uploading on to the Foresight website, a report under section 593 CA 2006, which will be prepared by Azets Holdings Limited as Independent Valuers (the "**s593 Report**"). The section 593 Report will confirm that the value of the Company's assets and liabilities which are being transferred to TV1 as part of the Scheme is not less than the aggregate amount treated as being paid up on the Consideration Shares being issued to Shareholders. In order to reduce the costs of the Merger and maximise the value of the Enlarged Company's Shares, it is proposed that the Company's Articles be amended by the addition of a new article confirming that the Company shall act as receiving agent for the s593 Report addressed to those Shareholders who participate in the Merger.

Shareholders who do not vote in favour of the first resolution to be proposed at the First General Meeting are entitled to dissent and have their shareholding purchased by the Liquidators at the break value price of the Shares. The break value price is expected to be at a significant reduction to the net asset value of a Share. In addition, Shareholders should note that a purchase of Shares by the Liquidators will be regarded as a disposal of the Shares for HMRC purposes, thereby triggering the payment of any capital gains tax deferral received on the original subscription and any income tax rebate on Shares subscribed for in the five years prior to purchase. The break value received may not be sufficient to cover the amount of payment due as set out in paragraph 9 of Part 3 of this document. If the conditions of the Scheme are not satisfied, 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.

The Merger, which is outside the provisions of the City Code on Takeover and Mergers, will be effected on a relative net asset basis adjusted for the Merger Costs. The Board of the Company believes that the Scheme provides an efficient way of merging the Companies. As the Companies have the same objective and policy regarding qualifying investments, the same Manager and other common advisers and investments, the Merger should be achievable without significant additional costs or disruption of the Companies' portfolio of VCT qualifying investments.

Further information regarding the terms of the Scheme is set out in Part 3 of this document.

Investment Policy

The Enlarged Company will pursue an Investment Policy following the Merger which is broader than the existing policy of any individual share class in the Company, allowing each share class following the Merger to be managed in the same manner as before the Merger. It is not intended that there will be any effective changes to the management of each individual share class as a result of the Merger.

Share buyback policy

As noted above, the Company currently operates a policy of buying in shares at a nil discount to the latest published net asset value. It is proposed, conditional on the Merger, that the Enlarged Company shall adopt a policy more in line with TV1's existing policy of buying back shares at a 5% discount to NAV, which is market standard, subject that the TV1 Board will look to reduce this discount to 2.5% if the Merger is approved which is very competitive in terms of the wider VCT market.

Board of Directors of the Enlarged Company

The TV1 Board currently has three non-executive directors. It is proposed that each of Chris Allner (who sits on both Boards), Barry Dean and Atul Devani remain as directors of the Enlarged Company and Dr Andrew Mackintosh be appointed as an additional director of the Enlarged Company on completion of the Merger.

The decision on the size and composition of the Board of the Enlarged Company has been considered by the Boards. It was concluded that a Board of three or four non-executives is appropriate for a VCT of this size. I would like to take this opportunity, on behalf of the Board and Foresight, to thank Steven Clarke, who, like myself, will be stepping down following the Merger, for his services as a director over the past years.

If the Merger is not approved, the Board will remain as it is currently constituted.

Cancellation of Listing

The Company will apply to the FCA for cancellation of the listing of its Shares, upon the successful completion of the Scheme, which is anticipated to be on 15 November 2024. Cancellation of the listing of the Shares is expected to take place on or around 6 December 2024.

Consideration Shares issued under the Scheme

Once the Scheme has been approved, existing share certificates will be replaced by new share certificates relating to the Consideration Shares which remain in issue following the re-setting of NAV per TV1 Share to £1.00. Shareholders will receive certificates for their Consideration Shares replacing their existing share certificates within 15 days of admission to the Official List and commencement of dealings in the Consideration Shares. Holders of Shares in uncertificated form will have their CREST accounts credited with the relevant number of new shares within the same time frame.

Any fractions of Shares, either pursuant to the Merger or the NAV re-setting, will be retained for the benefit of the Enlarged Company. The Consideration Shares issued under the Scheme rank *pari passu* with the existing TV1 Ordinary Shares. Dealings in the Consideration Shares are expected to commence on 18 November 2024.

Taxation

The following paragraphs and Part 5 of this document apply to persons holding Shares (or, as the case may be, Consideration Shares) as an investment in the Company (and subsequently in TV1) who are the absolute beneficial owners of such Shares (or, as the case may be, Consideration 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 5 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 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 5 of this document, the receipt by Shareholders of Consideration Shares should not constitute a disposal of their Shares in the Company for UK capital gains tax purposes. Shareholders should, for UK tax purposes, effectively be able to treat the Consideration Shares received pursuant to the Scheme as if they had been acquired at the same date and at the same price as the original Shares in the Company. Any capital gains tax deferral attaching to the

original Shares in the Company will then attach to the Consideration Shares. As TV1 is also a VCT, the usual VCT tax reliefs should continue to apply.

As mentioned above, however, if a Shareholder dissents and has his or her Shares purchased by the Liquidators, this will be regarded as a disposal of the Shares for HMRC purposes, thereby triggering the payment of any upfront income tax relief obtained on subscription (assuming such Shares have not been held for the minimum five year holding period) and capital gains tax deferral received on the original subscription.

Further details as to the taxation consequences for Shareholders are detailed in Part 5 of this document. Shareholders should note that clearances from HMRC have been obtained as is more particularly described in Part 5 of this document.

PART 2

RISK FACTORS

Shareholders and prospective holders of shares in TV1 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 TV1's business, financial condition or results of operations. The risks and uncertainties described below (such as changes in legal, regulatory or tax requirements) are not the only ones TV1 or the TV1 Shareholders will face. Additional risks not currently known to the Company, the Board or the TV1 Board, or that the Company, the Board or the TV1 Board currently believe are not material, may also adversely affect TV1's business, financial condition or results of operations. The value of TV1 Shares could decline due to any of the risk factors described below and Shareholders and prospective TV1 Shareholders could lose part or all of their investment. Shareholders and prospective TV1 Shareholders should consult an independent financial adviser authorised under FSMA. References to TV1 should be taken as including the Enlarged Company.

Scheme related risk factors

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. If the creation of an Enlarged Company is not approved by all of the Companies, then the extent of costs savings forecast as a result of the Merger, detailed in Part 1 of this document, will not be realised.

Enlarged Company risk factors

TV1 and the Company are invested in a number of the same underlying investee companies and where the aggregation of these shareholding pursuant to the Merger means that the Enlarged Company would hold more than 50% of the share capital of that investee company (which is the case for one investment which is material in size), it will be necessary for the Enlarged Company to dispose of some or all of its investment within the 12 months following the Merger otherwise such investments will cease to be qualifying investments under the VCT Rules. The timing constraint on such disposals may mean they are not achievable on favourable commercial terms and could result in a diminution in the value of Shares in the Enlarged Company

Holders of TV1 Shares (existing or as may be issued pursuant to the Scheme or the Merger) may be adversely affected by the performance of the investments, whether acquired from the Company and/or other Target VCTs or made by TV1. The performance of the investments acquired from the Company, as well as the investments of TV1, may restrict the ability of the Enlarged Company following the Merger to distribute any capital gains and revenue received on the investments transferred from the Company to TV1 (as well as the investments of TV1).

Shareholders may be adversely affected by a change in the VCT status of TV1 if a number of the investments acquired from the Company or the investments of TV1, are, or become, unable to meet VCT requirements.

The value of shares in the Enlarged Company, and the income from them, can fluctuate and shareholders in the Enlarged Company may not get back the amount they invested. In addition, there is no certainty that the market price of shares in the Enlarged Company will fully reflect their underlying NAV nor that any dividends will be paid. Shareholders in the Enlarged Company should not rely upon any share buyback policy to offer any certainty of selling their shares at prices that reflect the underlying NAV.

Although the existing TV1 Shares have been (and it is anticipated that the Consideration Shares in the Enlarged Company to be issued pursuant to the Scheme will be) admitted to the closed-ended investment funds 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 tax reliefs are not available for VCT shares generally bought in the secondary market and because VCT shares usually trade at a discount to NAV) and shareholders in the Enlarged Company may find it difficult to realise their investment. An investment in the Enlarged Company should, therefore, be considered as a long-term investment.

There is no guarantee the Enlarged Company will meet its objectives. The past performance of the Company, TV1 and/or Foresight is no indication of the future performance of the Enlarged Company.

The return received by shareholders in the Enlarged Company 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 in the Enlarged Company may not get back the full amount invested when sold.

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

TVI's investments are, and the Enlarged Company's investments will generally be, in companies whose securities are not publicly traded or freely marketed and may, therefore, be difficult, and take time, to realise. There may also be constraints imposed on the realisation of investments in order to maintain the VCT tax status of the Enlarged Company.

It can take a period of years for the underlying value or quality of the businesses of smaller companies, such as those in which the Enlarged Company invests, to be fully reflected in their market values and their market values are often also materially affected by general market sentiment, which can be negative for prolonged periods.

Investment in unquoted companies, by its nature, involves a higher degree of risk than investment in companies listed on the Official List which could result in the value of such investment, and interest income and dividends therefrom, reducing. In particular, small companies often have limited financial resources and may be dependent for their management on a small number of key individuals and may not produce the hoped-for returns. In addition, the market in smaller companies is usually less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such companies. Investment returns will, therefore, be uncertain and involve a higher degree of risk than investment in a company listed on the Official List.

The success of some investments may be based on the ability of investee companies to establish, protect and enforce intellectual property rights, those rights being broad enough to protect proprietary interests and the rights not infringing third party patents.

A charge given to the Enlarged Company over an asset will not always provide full capital protection for an investment. The Enlarged Company may not, therefore, recover the full amount invested in any one investee company.

On 4 July 2024, a new Labour government was elected. Although the Labour party have previously expressed support for the VCT scheme, and recently confirmed the extension of the VCT scheme to April 2035 in a measure finalised in September 2024, the newly elected government may still yet make significant changes to the VCT Rules or VCT tax reliefs available and furthermore may make changes to the tax treatment of shares listed on AIM to which the Enlarged Company is exposed. If VCT tax reliefs were to be restricted in future, this could impact the Enlarged Company's ability to successfully raise further funds with which to support its portfolio of investee companies and this could ultimately negatively impact its value, as could changes to the treatment of AIM shares as these will form part of the Enlarged Company's portfolio.

Whilst it is the intention of the TVI Board that the Enlarged Company will continue to be managed so as to qualify as a VCT, there can be no guarantee that such status will be maintained. Failure to continue to meet the qualifying requirements could result in the shareholders in the Enlarged Company 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 tax reliefs obtained. Furthermore, should the Enlarged Company lose its VCT status, dividends and gains arising on the disposal of shares in the Enlarged Company would become subject to tax and the Enlarged Company would also lose its exemption from corporation tax on its capital gains.

Any change of governmental, economic, fiscal, monetary or political policy could materially affect, directly or indirectly, the operation of the Enlarged Company and/or the performance of the Enlarged Company and the value of and returns from shares in the Enlarged Company and/or their ability to achieve or maintain VCT status.

Economic and global political uncertainty stemming from: persistent inflation and low growth; volatile commodity prices; the conflicts in Ukraine and the Middle East; political regime change across the UK, US and Europe; and potential tariffs or government policies which hinder international trade continue to present significant challenges and are adversely affecting, and will continue to adversely affect,

the performance of companies in which the Company and TV1 has invested or in which the Enlarged Company may invest, which in turn may adversely affect the performance of the Enlarged Company. This may also negatively impact the number or quality of investment opportunities available to the Enlarged Company. It is possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the future viability of the Enlarged Company and/or the performance of companies in which the Company and TV1 has invested or in which the Enlarged Company may invest which in turn may adversely affect the performance of the Enlarged Company.

If a shareholder disposes of his or her shares in the Enlarged Company within five years of issue, he or she will be subject to clawback by HMRC of any income tax reliefs originally claimed. For these purposes, the date of issue of the Consideration Shares in the Enlarged Company issued pursuant to the Scheme will be the original date of issue of the Shares in respect of which such Consideration Shares are issued. Any realised losses on the disposal of shares in the Enlarged Company cannot be used to create an allowable loss for capital gains tax purposes.

If a Shareholder disposes of his or her shares in the Enlarged Company, he or she will be liable to pay any capital gains tax for which such shareholder obtained deferral relief on subscription.

If at any time VCT status is lost for the Enlarged Company, 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.

The tax rules, or their interpretation, in relation to an investment in the Enlarged Company and/or the rates of tax may change during the life of the Enlarged Company and may apply retrospectively, which may affect tax reliefs obtained by shareholders in the Enlarged Company and the VCT status of the Enlarged Company.

Any purchaser of existing shares in the Enlarged Company in the secondary market will not qualify for the then (if any) available tax reliefs afforded to subscribers of new VCT shares on the amount invested.

PART 3

THE SCHEME

Provision of Information

On the Effective Date, the Liquidators shall receive all the cash, undertakings and other assets and liabilities of the Company and shall deliver to TV1:

- particulars of all of the assets and liabilities of the Company;
- a list certified by the Registrars of the names and addresses of, and the number of Shares held by, each Shareholder on the register at 5.30 p.m. on the Record Date;
- an estimate of the winding-up costs of the Company; and
- the amount estimated to be required to purchase the holdings of any dissenting Shareholders.

Transfer Agreement

On the Effective Date, TV1 and the Liquidators (on behalf of the Company) will enter into the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto) pursuant to which the Liquidators will procure the transfer of all of the assets and liabilities of the Company to TV1 in exchange for the issue of Consideration Shares (credited as fully paid up) to Shareholders on the basis set out below.

In further consideration of such transfer of assets and liabilities of the Company to TV1, TV1 will, pursuant to the Transfer Agreement, undertake to pay all liabilities incurred by the Liquidators including, but not limited to, the implementation of the Scheme, the winding up of the Company and the purchase for cash of any holdings of dissenting Shareholders.

The Scheme Calculations

The number of Consideration Shares to be issued to the holders of each class of Shares (save for any dissenting Shareholders) will be calculated as follows:

The Company - Roll-Over Value

The Roll-Over Value of each share class of the Company will be calculated as:

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

where:

- A = the most recent available unaudited net asset value of the relevant share class prior to the Calculation Date calculated in accordance with the Company's normal accounting policies (including any adjustment that the Board and the TV1 Board (acting jointly) consider appropriate to reflect any other actual or contingent benefit or liability of the Company attributable to Shareholders of that class as at the Calculation Date, or to reflect any changes since the Calculation Date);
- B = the Due Share of Merger Costs attributable to each class of Share (to the extent not already reflected in "A" above);
- C = the amount estimated to be required to purchase the holdings of the relevant class of Shares from dissenting Shareholders (if any); and
- D = the number of Shares of the relevant class in issue following close of business on the Record Date (save for any held by dissenting Shareholders).

TV1 - Merger Value

The Merger Value per TV1 Ordinary Share will be calculated as follows:

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

where:

- E = the most recent available unaudited net asset value of TV1 prior to the Calculation Date, calculated in accordance with the TV1's normal accounting policies (including any adjustment that the Board and the TV1 Board (acting jointly) consider appropriate to reflect any other actual or contingent benefit or liability of the Company attributable to each TV1 Shareholder as at the Calculation Date, or to reflect any changes since the Calculation Date);
- F = the Due Share of Merger Costs attributable to TV1 (to the extent not already paid by TV1 as reflected in "E" above); and
- G = the number of the TV1 Shares in issue following close of business on the Calculation Date.

Number of Consideration Shares to be issued

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

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

Where:

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

The number of Consideration Shares to be issued pursuant to the Scheme will not be greater than 100 million and will be issued directly to Shareholders pro rata to their existing holdings (disregarding Shares held by dissenting Shareholders) on the instruction of the Liquidators by applying the Merger Ratio to Shareholders' holdings of Shares.

The Merger Ratio will be rounded down to four decimal places and entitlements will be rounded down to the nearest whole number of Consideration Shares. Any fractional entitlements of Consideration Shares in respect of each holding of Shares (which, in each case, will not exceed £1) will be retained for the benefit of the Enlarged Company.

Scheme Illustration

Ventures Shares

As at 30 June 2024, the unaudited NAV of a Ventures Share was 46.1p. The Roll-Over Value for the Ventures Shares, had the Scheme been completed on that date and calculated as set out above, would have been 45.8p (taking into account the Ventures Shares' share of Merger costs and assuming no holders of Ventures Shares dissented).

The number of Consideration Shares that would have been issued to holders of Ventures Shares, had the Scheme been completed on 30 June 2024 and calculated as set out above, would have been approximately 53,250,187 (1.00 Consideration Shares for every Ventures Share held). This number is approximate because it is calculated on a 'class as a whole' basis whereas in the final calculation it will be necessary for each individual shareholder to hold only an integer number of shares, with fractions of shares rounded down to the nearest whole share.

Healthcare Shares

As at 30 June 2024, the unaudited NAV of a Healthcare Share was 40.9p. The Roll-Over Value for the Healthcare Shares, had the Scheme been completed on that date and calculated as set out above, would have been 40.6p (taking into account the Ventures Shares share of Merger costs and assuming no holders of Healthcare Shares dissented).

The number of Consideration Shares that would have been issued to holders of Healthcare Shares, had the Scheme been completed on 30 June 2024 and calculated as set out above, would have been approximately 20,874,090 (0.89 Consideration Shares for every Healthcare Share held). This number is approximate because it is calculated on a 'class as a whole' basis whereas in the final calculation

it will be necessary for each individual shareholder to hold only an integer number of shares, with fractions of shares rounded down to the nearest whole share.

DP67 Shares

As at 30 June 2024, the unaudited NAV of a DP67 Share was 27.3p. The Roll-Over Value for the DP67 Shares, had the Scheme been completed on that date and calculated as set out above, would have been 27.2p (taking into account the DP67 Shares' share of Merger costs and assuming no holders of DP67 Shares dissented).

The number of Consideration Shares that would have been issued to holders of DP67 Shares, had the Scheme been completed on 30 June 2024 and calculated as set out above, would have been approximately 6,632,685 (0.59 Consideration Shares for every DP67 Share held). This number is approximate because it is calculated on a 'class as a whole' basis whereas in the final calculation it will be necessary for each individual shareholder to hold only an integer number of shares, with fractions of shares rounded down to the nearest whole share.

AIM Shares

As at 30 June 2024, the unaudited NAV of an AIM Share was 103.1p. The Roll-Over Value for the AIM Shares, had the Scheme been completed on that date and calculated as set out above, would have been 102.5p (taking into account the AIM Shares' share of Merger costs and assuming no holders of AIM Shares dissented).

The number of Consideration Shares that would have been issued to holders of AIM Shares, had the Scheme been completed on 30 June 2024 and calculated as set out above, would have been approximately 6,029,714 (2.24 Consideration Shares for every AIM Share held). This number is approximate because it is calculated on a 'class as a whole' basis whereas in the final calculation it will be necessary for each individual shareholder to hold only an integer number of shares, with fractions of shares rounded down to the nearest whole share.

Conditionality

The Scheme is dependent on:

- the relevant resolutions approving the Scheme being passed at the First General Meeting, the Second General Meeting and the TV1 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;
- each of the Company and TV1 confirming that it has received no notice of any claims, proceedings or actions of whatever nature threatened or commenced against the other which the relevant board of directors regard as material; and
- the Company and TV1 maintaining their VCT status,
- and so will proceed and become effective, subject to the above, immediately after the passing of the special resolution for the winding up of the Company at the Second General Meeting.

Dissenting Shareholders

Provided that a Shareholder does not vote in favour of the first resolution to be proposed at the First General Meeting, such Shareholder may, within seven days following the First General Meeting, express his/her dissent to the Liquidators in writing at the registered office of the Company and require the Liquidators to purchase that Shareholder's holding in the Company.

The Liquidators will offer to purchase the holdings of dissenting Shareholders at the break value price of a Share, 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. The break value of a Share is expected to be significantly below the unaudited NAV per Share due to the nature of the underlying assets. Shareholders should also be aware that a purchase by the Liquidators will be regarded as a disposal for HMRC purposes, thereby triggering the payment of any capital gains tax deferral received on the original subscription (the break value received may not be sufficient to cover the amount of payment due) or up-front income tax relief received on the original subscription if the Shares have not been held for the requisite holding period to maintain such relief. Further details on the taxation consequences for Shareholders are set out in Part 5 of this document.

Modifications

The provisions of the Scheme shall have effect subject to such non-material modifications or additions, which may include changes to the timetable, as the parties to the Transfer Agreement may from time to time approve in writing.

Reliance on Information

The Liquidators and TV1 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 Scheme and the 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, TV1, the Boards, any individual director of the Company or TV1, Foresight, the Registrar or the custodians or bankers of the Company and TV1 or its or their other professional advisers and the Liquidators shall not be liable or responsible for any loss suffered as a result thereof.

Liquidators' Liability

Nothing in the Scheme or in any document executed under or in connection with the 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 Scheme or the Transfer Agreement.

PART 4

INFORMATION ON THAMES VENTURES VCT 1 PLC

1. Constitution and Status

Thames Ventures VCT 1 plc (“**TV1**”) was incorporated and registered in England and Wales as a public company with limited liability on 19 January 1996 with registered number 03150868, under the name AIM Distribution Trust plc. The Company’s name was changed to Legg Mason Investors AIM Distribution Trust plc on 23 January 2002, The AIM Distribution Trust plc on 22 January 2004, Downing Distribution VCT 1 plc on 25 March 2010, Downing ONE VCT plc on 13 November 2013 and finally to Thames Ventures VCT 1 plc on 2 September 2022.

TV1 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 current directors of TV1 are Atul Devani (Chairman), Barry Dean and Chris Allner (who also serves on the Company’s board of directors).

It is proposed that following the Merger, each of the current TV1 directors will remain in situ and Dr Andrew Mackintosh, director of the Company, will be appointed to the Board of the Enlarged Company.

Biographies for the current and proposed directors of TV1 are set out below:

a) Current Directors of TV1

Atul Devani (Chair) has held a number of senior positions in software technology companies operating in various sectors including finance, mobile, telecommunications, food and drink, healthcare and pharmaceuticals. He was Chair of Maven Income and Growth VCT 3 plc for nine years and previously was the founder and CEO of AIM listed United Clearing plc, which was sold in 2006 to BSG. Atul is a mentor of entrepreneurs at the Company of Information Technologists in the City of London, a Commissioner at the Cabinet Office, an independent member of Bangor University Council and also serves on the board of M-Sparc, a science park created by the University to help to inspire people and provide support for innovations. Atul was appointed Chair of TV1 on 6 June 2024.

Chris Allner has over 35 years of venture capital and private equity experience and is currently a partner of the Company’s previous investment adviser, Downing LLP, and also chairs their investment committee. He is also a non-executive director of the Company and Pembroke VCT plc and prior to joining Downing he was the head of private equity at Octopus Investments as well as a director at Beringea and Bridgepoint with previous experience at 3i and Charterhouse. He has previously sat on the boards of a number of unquoted and quoted companies across a variety of commercial sectors.

Barry Dean is a chartered accountant and has over 30 years’ experience in the private equity industry including 14 years as managing director of Dresdner Kleinwort Benson Private Equity Limited. He is currently a non-executive director of ProVen VCT plc and was formerly a non-executive director of Downing Absolute Income VCT 2 plc. Barry was appointed Chair of the TV1 Audit Committee on 6 June 2024.

b) Proposed Additional Director of TV1

It is proposed that Dr Andrew Mackintosh of the Company’s Board will join the board of the Enlarged Company, subject to approval of the Merger.

Dr Andrew Mackintosh has had a distinguished career in industry and investment as a former CEO of FTSE 250 listed Oxford Instruments before later leading the creation of the Royal Society Enterprise Fund, a pioneering initiative in bringing together scientific expertise and early-stage investment. He has been a board member of the Intellectual Property Office, a trustee of the Design Council and chairman of Sphere Fluidics, a high-growth biotechnology tools company. He is also chair of the UK Innovation and Science Seed Fund, a £100m government-backed venture capital fund supporting companies from the UK’s scientific research base. He was the author

in 2021 of the Mackintosh Report, commissioned by HM Treasury, which led to the creation of the new Government Office for Technology Transfer. He is a Fellow of the Royal Academy of Engineering and of the Institute of Physics and was awarded a CBE in the 2024 New Years Honours for services to Science and Technology, and to Enterprise Development.

3. Investment Manager

The investment manager to TV1 is Foresight Group LLP, the same investment manager as for the Company. Foresight is authorised and regulated by the Financial Conduct Authority. In June 2022, it was announced that Downing LLP (“**Downing**”), the previous investment adviser, had agreed to sell its non-healthcare ventures division to Foresight. As part of this transaction, the Board consented to a novation of the investment advisory agreement from Downing to Foresight. The whole of the Downing non-healthcare ventures team, including support staff, moved to Foresight when the deal completed on 4 July 2022.

Foresight Group is a substantial and well-respected fund manager, and the Board continues to believe that the transaction is in the best interests of Shareholders who will benefit from the substantial resources of Foresight, as well as the continuity of the key investment executives from Downing. Foresight is a leading private equity and infrastructure investment manager with its parent company, Foresight Group Holdings Limited, listed on the London Stock Exchange. Established in 1984, Foresight is proud of its track record of 40 years of investing into and growing small companies. Foresight and companies and undertakings within the same group (together, Foresight Group) now have more than £12.1 billion of assets under management and a wide and varied investor base of private and institutional investors. Foresight strives to generate healthy returns for its investors over the long-term alongside the additional benefit to UK taxpayers of tax reliefs available through Venture Capital Trusts, the Enterprise Investment Scheme and Business Property Relief. Foresight Group’s vision is to be a leader in investing in trends ahead of the curve through its dynamic and entrepreneurial values of flexibility, innovation, problem solving and a commitment to attracting and retaining high quality and experienced staff.

Details of the management and performance incentive arrangements between TV1 and Foresight Group LLP are as set out on pages 8 to 10 above.

4. Investments

As per TV1’s published annual report and accounts to 30 June 2024, TV1 had, in aggregate, venture capital investments in 73 companies.

5. Net Asset Values

The most recently announced unaudited NAV per share for TV1 as at 30 June 2024 was 45.9p.

6. Dividend Policy

The TV1 directors target an annual dividend of at least 4.0% of net assets per annum, subject to sufficient distributable reserves and capital resources.

7. Share class

TV1 has a single class of ordinary shares.

8. Accounts and auditors

The accounting reference date of TV1 is 31 March and annual accounts are usually dispatched in July each year with half-yearly accounts for the six-month period to 30 September being usually dispatched in December each year. The auditors of TV1 are BDO LLP.

9. Publication of Share Price

The NAV of a TV1 Share is calculated quarterly and published on an appropriate Regulatory Information Service. The most recent unaudited NAV and share price of a TV1 Share is available on the website of the London Stock Exchange and on the Foresight website.

10. Taxation

As a VCT, TV1 is not subject to UK taxation on capital gains on the disposals of its investments. TV1 will, however, be subject to UK taxation on income at the usual rates.

Qualifying shareholders of TV1 will not be liable to UK taxation on dividends paid on TV1 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).

Further details relating to TV1 are set out in the Prospectus available at <https://www.foresight.group/products/thames-ventures-vct-1-plc>.

PART 5

TAXATION

The following paragraphs apply to the Company and to persons holding Shares as an investment in the Company who are the absolute beneficial owners of such Shares (or, as the case may be, Consideration 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 Consideration Shares under the Scheme.

1. The Company

The Company has obtained provisional 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 fully 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 the Liquidators effect disposals of chargeable assets for the purpose of UK taxation of capital gains to implement the Scheme.

2. Receipt by Shareholders of Consideration Shares under the Scheme

The effective exchange of existing Shares in the Company for Consideration Shares should not constitute a disposal of the existing Shares for the purposes of UK taxation. Instead, the new holding of Consideration Shares should be treated as having been acquired at the same time and at the same cost as the existing Shares in the Company from which they are derived. Any capital gains tax deferral relief obtained on subscription of the existing Shares in the Company should not, therefore, be crystallised for payment but will be transferred to the Consideration 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 TV1, 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 Consideration Shares.

Although TV1 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 both TV1 and the Company), no UK stamp duty or stamp duty reserve tax will be payable directly by Shareholders as a result of the implementation of the Scheme.

3. Dissenting Shareholders

Dissenting Shareholders whose holdings are purchased for cash at the break value price shall be treated as having disposed of their existing Shares in the Company. The Company should still be able to claim the benefit of VCT status and the dissenting Shareholder should not be subject to any UK taxation in respect of any capital gains arising on disposal. However, the purchase will constitute a disposal of the existing holding in the Company and a dissenting Shareholder will be liable to pay any capital gains tax for which such dissenting Shareholder obtained deferral relief on subscription.

If the dissenting Shareholder has disposed of Shares within the holding period required to retain upfront tax relief, income tax relief on those subscriptions will also be repayable. As the Company should still be able to claim the benefit of VCT status whilst in liquidation under the Merger

Regulations the dissenting Shareholder should not be subject to any UK taxation in respect of any capital gains arising from the disposal.

4. Clearances

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

PART 6

DEFINITIONS

In this Circular and in the notice attached the following expressions have the following meanings:

“Admission”	the date on which the Consideration Shares are listed on the Official List of the FCA and admitted to dealing on the LSE’s main market for listed securities
“AIM”	the Alternative Investment Market, a market operated by the LSE
“AIM Shares”	the AIM shares of 0.1p each in the capital of the Company
“Articles”	the articles of association of the Company, as amended from time to time
“Board” or “Directors”	the board of directors of the Company
“Boards”	the Board and the TV1 Board
“CA 2006”	Companies Act 2006, as amended
“Calculation Date”	the date on which the number of Consideration Shares to be issued is determined, this being after the close of business on 14 November 2024
“Circular”	this document
“Companies”	the Company and TV1
“Company” or “TV2”	Thames Ventures VCT 2 plc
“Consideration Shares”	the new shares in the capital of TV1 to be issued to Shareholders in accordance with the Merger (and each a “Consideration Share”)
“DP67 Share(s)”	the DP67 ordinary shares of 0.1p each in the capital of the Company
“Due Share of Merger Costs”	the proportions of the total Merger Costs to be borne by each class of Shares respectively in the Company and TV1
“Effective Date”	the date on which the Merger will be completed, anticipated as being 15 November 2024
“Enlarged Company”	TV1, following implementation of the Merger
“FCA”	the Financial Conduct Authority
“First General Meeting”	the first general meeting of the Company to be held on 8 November 2024
“Foresight” or “Foresight Group”	Foresight Group LLP
“FSMA”	the Financial Services and Markets Act 2000, as amended
“General Meeting(s)” or “Meeting(s)”	the First General Meeting and Second General Meeting
“Healthcare Share(s)”	the healthcare ordinary shares of 0.1p each in the capital of TV2
“HMRC”	HM Revenue & Customs
“IA 1986”	Insolvency Act 1986, as amended
“Independent Valuer”	Azets Holdings Limited of 2nd Floor Regis House, 45 King William Street, London, England, EC4R 9AN
“ITA 2007”	Income Tax Act 2007, as amended

“Liquidators”	David Rubin and Stephen Katz of Begbies Traynor (London) LLP of 340 Deansgate, Manchester, M3 4LY being the proposed liquidators for TV2
“Listing Rules”	the listing rules of the FCA
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“Merger”	the proposed merger of the Companies to be effected through the Scheme
“Merger Costs”	the costs of the Merger which are estimated to be £495,000, with approximately £396,000 to be borne by the Company and TV1 in aggregate
“Merger Regulations”	Venture Capital Trusts (Winding-up and Mergers) (Tax) Regulations 2004
“NAV”	net asset value
“Official List”	the official list of the FCA
“Prospectus”	the prospectus published by TV1 dated 11 October 2024
“Record Date”	the record date by reference to which entitlements will be allocated pursuant to the Merger, anticipated as being 14 November 2024
“Scheme”	the proposed merger of the Company with TV1 by means of placing the Company into members’ voluntary liquidation pursuant to Section 110 of IA 1986 and the acquisition by TV1 of all of the Company’s assets and liabilities in consideration for Consideration Shares
“Second General Meeting”	the second general meeting of the Company to be held on 15 November 2024
“Shareholder”	a holder of Shares
“Share(s)”	means the AIM Shares, DP67 Shares, Healthcare Shares and Ventures Shares
“Transfer Agreement”	the agreement between the Company (acting through the Liquidators) and TV1 for the transfer of all of the assets and liabilities of the Company by the Liquidators to TV1 pursuant to the Scheme
“TV1”	Thames Ventures VCT 1 plc
“TV1 Board”	the board of directors of TV1
“TV1 Circular”	the circular to TV1 Shareholders dated 11 October 2024
“TV1 Ordinary Share Merger Value”	the value of a TV1 Ordinary Share calculated in accordance with Part 3 of this document
“TV1 Ordinary Share(s)” or “TV1 Share(s)”	the ordinary shares of 1p each in the capital of TV1 (ISIN: GBO0BFRSVQ41)
“TV1 Shareholders”	the shareholders of TV1
“UK”	the United Kingdom of Great Britain and Northern Ireland
“VCT” or “venture capital trust”	a company satisfying the requirements of Chapter 3 of Part 6 of ITA 2007 for venture capital trusts
“VCT Rules”	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts
“Ventures Share(s)”	the ventures ordinary shares of 0.1p each in the capital of the Company

CORPORATE INFORMATION

Directors

Sir Aubrey Brocklebank (Chairman)
Chris Allner
Steven Clarke
Dr Andrew Mackintosh

Registered Office

c/o Foresight Group LLP
The Shard
32 London Bridge Street
London SE1 9SG

Investment Manager and Company Secretary

Foresight Group LLP
The Shard
32 London Bridge Street
London SE1 9SG

Company Registration Number: 03150868

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Registrar

The City Partnership (UK) Limited
Orchard Brae House
Suite 2, Ground Floor
30 Queensferry Road
Edinburgh EH4 2HS

VCT Taxation Advisers

Philip Hare & Associates LLP
Hamilton House
1 Temple Avenue
London EC4Y 0AH

Bankers

Royal Bank of Scotland
London Victoria Branch
119/121 Victoria Street
London SW1E 6RA

THAMES VENTURES VCT 2 PLC

(Registered in England and Wales with registered number 06789187)

NOTICE OF FIRST GENERAL MEETING

Notice is hereby given that a general meeting of Thames Ventures VCT 2 plc (the “**Company**”) will be held at 4:00 p.m. on 8 November 2024 at the office of Foresight, The Shard, 32 London Bridge Street, London SE1 9SG for the purposes of considering and, if thought fit, passing the following resolutions, which will be proposed as special resolutions:

Resolution 1: Approval of the Scheme

1. **THAT**, subject to the conditions (other than the passing of this resolution) set out in Part 3 of the circular to the Shareholders of the Company dated 11 October 2024 (a copy of which is produced to the meeting and initialled for the purpose of identification by the chairman of the meeting (“the **Circular**”)) having been fulfilled and notwithstanding anything in the articles of association of the Company to the contrary, the Scheme, as defined and set out in Part 3 of the Circular, be and hereby is approved and the directors of the Company and David Rubin and Stephen Katz of Begbies Traynor (London) LLP (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 Scheme and to execute any document and do any act or thing for the purpose of carrying the 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 (“**Transfer Agreement**”); and
 - (ii) the Liquidators be and they hereby are authorised and directed to request Thames Ventures VCT 1 plc (“**TV1**”) to arrange for the issue of TV1 Ordinary Shares of 0.1p each in the capital of TV1 on the basis described in the Transfer Agreement for distribution among the holders of the Ventures Shares, Healthcare Shares, AIM Shares and DP67 Shares each of 0.1p 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 TV1 in accordance therewith and with the 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.

Resolution 2: Amendment to the Company's Articles of Association

2. **THAT** the Company's articles of association be amended by the insertion of a new article 45 as follows:

In the event that the Company enters into a scheme of reconstruction under s110 of the Insolvency Act 1986 (a “Merger”), the Company at its registered office shall act as receiving agent for reports issued to Shareholders who elect to participate in the Merger under s593 CA 2006.

Resolution 3: Redesignation of Management Shares as Deferred Shares

3. **THAT**
 - 3.1 13,976,149 Venture Shares and 5,712,064 Healthcare Shares, being shares of each class held solely pursuant to a historical performance incentive arrangement, be redesignated, on such date as may be determined by the Directors, as Deferred Shares of 1 pence each (“**Deferred Shares**”) such shares having the rights and restrictions set out in the Articles;
 - 3.2 the Company, acting by its Directors, be and hereby is authorised to enter into a contract to purchase all the issued Deferred Shares for an aggregate amount of 1p in accordance with the Articles (in the form of the contract tabled as the meeting and initialled by the Chairman for the

purposes of identification and which as at the date of the meeting will have been on display at the Company's registered office and available for inspection by members for not less than 15 days); and

- 3.3 the Company shall not be obliged to issue share certificates in respect of the Deferred Shares; give any prior notice to the holders of Deferred Shares that such shares are to be purchased or account to any holder of Deferred Shares for the purchase moneys in respect of such shares.

Dated 11 October 2024

By order of the Board
Foresight Group LLP
Company Secretary

Registered Office:
The Shard
32 London Bridge Street
London SE1 9SG

THAMES VENTURES VCT 2 PLC

(Registered in England and Wales with registered number 06789187)

NOTICE OF SECOND GENERAL MEETING

Notice is hereby given that a general meeting of Thames Ventures VCT 2 plc (the "**Company**") will be held at 11.00 a.m. on 15 November 2024 at the office of Foresight, The Shard, 32 London Bridge Street, London SE1 9SG for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

That:

- (i) subject to the conditions (other than the passing of this resolution) set out in Part 3 of the circular to the Shareholders of the Company dated 11 October 2024 (a copy of which is produced to the meeting and initialled for the purpose of identification by the chairman of the meeting (the "**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 David Rubin and Stephen Katz of Begbies Traynor (London) LLP (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 time costs 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 Scheme (as defined in the Circular) be and hereby is approved.

Dated 11 October 2024

By order of the Board
Foresight Group LLP
Company Secretary

Registered Office:
The Shard
32 London Bridge Street
London SE1 9SG

Notes to the Notice of the First General Meeting and the Second General Meeting

1. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at 6.00 p.m. on 6 November 2024 in the case of the First General Meeting and at 6.00 p.m. on 13 November 2024 in the case of the Second General Meeting (or, in the event of any adjournment in either case, 48 hours before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
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 you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
3. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment (you may photocopy the proxy form), stating clearly on each proxy form how many shares the proxy is appointed in relation to. A failure to specify the number of shares to which each proxy appointment relates or specifying an aggregate number of shares in excess of those held by the member will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. All proxy forms must be signed and should be returned together in the same envelope.
4. A personalised form of proxy is enclosed with shareholders' copies of this document. To be valid, it should be lodged with the Company's registrars, The City Partnership (UK) Limited, at the address printed on the proxy form so as to be received not later than 48 hours (excluding weekends and bank holidays) before the time appointed for the meeting or any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. A member may return a proxy form in the envelope provided with the address The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH.
5. For the proxy appointment to be valid, your form must be received in such time as it can be transmitted to the Company's registrar so as to be received no later than 48 hours (excluding weekends and bank holidays) before the time appointed for the meeting or any adjourned meeting.
6. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member can only appoint a proxy using the procedures set out in these notes and the notes to the proxy card. The termination of the authority of a person to act as a proxy must be notified to the Company in writing. Amended instructions must be received by the Company's registrars by the deadline for receipt of proxies.
7. Ordinary Shares carry equal voting rights and a member present in person or by proxy shall have one vote on a show of hands and on a poll shall have one vote for every share of which he/she is the holder.
8. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person purports 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.
9. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the CA2006 (a "Nominated Person") should note that the provisions in Notes 2 and 3 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated

to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.

10. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
11. As at the date of this notice, the Company's issued share capital and total voting rights amounted to 51,288,127,167 as set out below.

	Shares in issue	Voting Rights per Share	Voting Rights
DP67 Ordinary Shares of 0.1 pence each	11,192,136	375	4,197,051,000
Ventures Shares of 0.1 pence each*	53,236,858	573	30,504,719,634
Healthcare Shares of 0.1 pence each*	23,554,915	573	13,496,966,295
AIM Shares of 0.1 pence each	2,695,803	1,146	3,089,390,238
Total voting rights			51,288,127,167

* Excluding Management Shares in respect of which voting rights are waived.

12. Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the meeting which relates to the business of the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting. You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office.
13. Members satisfying the thresholds in section 527 of the CA2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement required to be placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.
14. By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the meeting.
15. Members satisfying the thresholds in section 338 of the CA2006 may require the Company to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at that meeting. A resolution may properly be moved at the Annual General Meeting unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the Annual General Meeting.

16. Members satisfying the thresholds in section 338A of the CA2006 may request the Company to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at that meeting. A matter may properly be included in the business at an Annual General Meeting unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the Annual General Meeting.