

**RNS: 7101H**

**19 August 2016**

**Edge Performance VCT plc (the "Company")**

## **Conversion of Shares**

### **Background**

In 2006/7, the board of directors of the Company (the "Board") resolved that each successive fundraising should be by way of an offer for a new class of share in the Company, rather than for shares in a separate venture capital trust (as was customary at that time). This use of different share classes enabled the costs of running the Company to be spread over an increasingly large pool of shares and shareholders. This worked well while the Company was growing in size.

Over the last few years, there have been numerous significant changes to the UK's tax - advantaged investment schemes. The Board and the Company's investment manager, Edge Investment Management Limited (the "Investment Manager"), are of the view that such changes have had a material impact on the Company's ability to raise further funds with a "planned exit" strategy of the type adopted for the Company's existing C, D, E, F, G and I share classes.

The combination of the Company's reduced level of fundraising since 2013 and the amount of dividends paid out by the Company to date (more than £53 million in total) means that the net asset value of the Company has now reduced to a level where the Board feels it appropriate to revisit the Company's capital structure.

The Company currently has seven classes of shares in issue, each admitted separately to the premium segment of the Official List of the UK Listing Authority and each traded separately on the Main Market of the London Stock Exchange. With the size of the Company being significantly smaller than it was at its peak, one of the Board's and Investment Manager's concerns is to ensure that the administrative burden and attendant costs and expenses do not become a disproportionate drain on the Company. Moreover, the Board recognises that having seven share classes results in additional complexity of the Company's reports to shareholders.

### **Share conversion**

The Board has consequently now resolved to invoke the share conversion mechanism contained in the Company's articles of association (the "Articles"), with the result that all C, D, E, F and G shares will be converted into I shares. The H shares will not form part of the conversion process, and will continue to be managed as a distinct investment pool, separate from the enlarged I share class.

Following conversion, therefore, the Company will have only two share classes, the single enlarged "planned exit" I share class and the "evergreen" H share class.

### **Process for conversion**

The process for conversion is as follows:

1. In accordance with the Articles, the Board has resolved that the number of I shares which C, D, E, F and G shareholders will hold following conversion will be based on the net asset value per share of each of those share classes, relative to the net asset value per I share, as at 19 August 2016 (the "Calculation Date").
2. Individual calculations of C, D, E, F and G shareholders' converted I shareholdings will be undertaken by reference to the number of C, D, E, F or G shares shown on the Company's register of members as held by them as at close of business on 26 August 2016 (the "Record Date").
3. Following the Record Date, the Company will notify each C, D, E, F and G shareholder individually of the number of I shares they will hold following conversion.
4. Conversion will take place on 16 September 2016 (the "Conversion Date"). Under the Articles, the Conversion Date is required to be no later than 30 days after the Calculation Date. On conversion, all holdings of C, D, E, F and G shares will be converted to a mix of I shares and deferred shares; the deferred shares will then immediately be repurchased by the Company and cancelled.

The Company will apply to the London Stock Exchange for trading in the C, D, E, F and G shares to be suspended temporarily in the short period between the Record Date and the Conversion Date, to enable the Company to complete the conversion on the Conversion Date.

### **Impact of conversion**

The total value of a given shareholder's current holding of C, D, E, F or G shares will be unaffected by conversion, as will the value of any existing I shareholding. The Board and the Investment Manager believe that this restructuring of the share capital of the Company will give a much simpler clarified position for all shareholders and will greatly reduce administration.

**As soon as the calculations mentioned above have been completed, Edge Performance VCT will write to each C, D, E, F and G shareholder individually, to provide details on the shareholder's position, including how many I Shares they will hold following conversion.**