



Northern VCTs

Newsletter

Spring 2024

This issue:

Welcome
Upcoming events
Investment update
Shareholder seminar



Welcome



I would firstly like to thank existing shareholders for their continued support and welcome new shareholders that joined us as part of the recent oversubscribed £60 million fundraise. In this edition of the Northern VCTs' newsletter, we share details of our latest investments as well as provide information on the wider team and forthcoming events.

Since I last wrote, we have continued to develop our diversified portfolio whilst managing the challenges of the economic climate, and capitalising on opportunities as they arise. Our strategy is to build and develop a diversified portfolio across a number of sectors including life sciences / health-tech, consumer and business-to-business software. This diversified approach looks to hedge against sector-specific downturns and enables us to benefit from the growth trajectories of emerging sectors and technologies. Our newest investments in Warwick Acoustics and Wobble Genomics are good examples of this strategy, positioning us at the forefront of revolutionary changes in in-car audio systems driven by demand for lighter weight components and materials in the automotive sector and RNA sequencing technologies, respectively.

The cornerstone of our investment strategy is a focus on companies that not only promise immediate growth potential but also align with future market trends and technological advancements. Our investments in MIP Discovery and Locate Bio, for example, reflect a deliberate strategy to support ventures that are likely to lead their respective fields in innovation and market application.

Looking forward, our focus is twofold: to continue identifying and investing in companies that are at the cutting edge of technology and innovation, and to ensure that our existing portfolio companies have the resources, guidance and strategic insight to thrive. Following our teams continued efforts, we have a rich new deal pipeline and a pro-active approach to portfolio management and value creation, which we will utilise to drive performance over the coming years.

Despite the challenges posed by the macro-economic climate and geopolitical events, we remain confident in the UK's potential as an ideal location for business growth. Our ongoing partnership with these companies reflects our commitment to their success and ambition. The progress of the Northern VCTs' underlying portfolio over the past year underscores our dedication to delivering shareholder value. As markets begin to recover from recent turbulence, we are optimistic about the positive outcomes for our shareholders.

Thank you for your continued trust and support. I look forward to continuing to keep you informed of our progress as well as meet many of you at the shareholder event on Tuesday 22 October this year.

Regards,

Peter Dines

Managing Director, Mercia Ventures

Upcoming events

AGMs and Dividends

AGMs for each Northern VCT typically take place in July/ August of each year, and the details of the 2024 AGMs will be provided in the upcoming Annual Report and Accounts.

Dividends are usually paid twice a year, typically in January and August. The final dividend relating to the year to 31 March 2024 will be announced alongside the upcoming Annual Report and Accounts. Dividends may be paid by cheque or directly into your bank account.

Additionally, each of the Northern VCTs offer a dividend investment scheme, which enables shareholders to have their dividends re-invested into new shares. If you wish to alter how your dividends are paid, you can either update your preferences via the Hub, download the relevant forms via our website (www.mercia.co.uk/vct), or contact the Registrar directly:

The City Partnership - The Mending Rooms
Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

01484 240 910 / registrars@city.uk.com

Annual shareholder event

The Northern VCTs' next shareholder event is scheduled for 22 October 2024—an occasion not to miss for insightful updates and networking. After last year's fully booked event we have secured a larger space for this year's event and look forward to seeing as many of you as possible there. Details on how to secure your place to this year's event can be found here:



Register your interest in attending the Shareholder Seminar

www.mercia.co.uk/15th-northern-vcts-shareholder-seminar

Monitoring your VCT investments



The Hub

The Registrar's online Hub provides on demand and up to date information on your shareholdings, transaction history, dividend details and more. It also provides a convenient way of updating personal details and managing communication preferences.

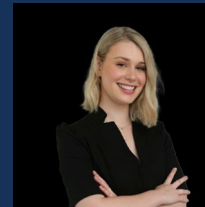
If you need any assistance in registering for the Hub, please contact The City Partnership.

northern-vcts.cityhub.uk.com/login

Here to help

Understanding that queries and concerns don't adhere to a timetable, we have established dedicated channels for you to reach us directly. Whether it's through a call or an email, rest assured that we are ready support you.

Contact us on 0330 223 1430 or
email vctshareholderenquiries@mercia.co.uk



Zara Alexandra
Client Services Administrator



Jack Atkins
Operations Associate



Gina Hood
Operations Manager &
Assistant Company Secretary

Fuelling early-stage innovation and growth

Case studies

Revolutionising EV Audio

Warwick Acoustics, an innovator in audio technology, has secured an additional £7.0 million in funding, led by Mercia Ventures with contributions from NFU Mutual and various private investors. This investment will fuel the development of a new state-of-the-art manufacturing facility, significantly boosting production capabilities. Following a landmark production contract with a premier global luxury vehicle manufacturer, Warwick Acoustics is revolutionising in-car audio with its patented electrostatic speakers. These speakers not only deliver unparalleled sound quality but also provide design flexibility thanks to their slim profile, making them an ideal choice for electric vehicles.

Remarkably lighter and more power-efficient than traditional speakers, they contribute to extended battery life and vehicle range. Committed to sustainability, their production utilises upcycled materials, avoids rare earth metals and focuses on recyclability. Originating from Warwick University's engineering department, the Nuneaton-based company extends its technological prowess from award-winning premium headphones to automotive audio systems, marking a significant leap in sound innovation.

Find out more at www.warwickacoustics.com

WARWICK 
ACOUSTICS

MIP Discovery

MIP Discovery, based in Bedford, is at the forefront of enhancing cell and gene therapy development through its innovative non-biological affinity reagents. With a successful £7.0 million Series A financing round led by Mercia Ventures and supported by Calculus Capital and angel investors, MIP Discovery is setting a new industry standard. The funding enables the company to expand its mission of improving downstream processing for cell and gene therapies, which is key to their broader adoption.

MIP Discovery's synthetic reagents are pivotal in streamlining viral vector characterisation, purification and ensuring safety and quality control by efficiently detecting and removing impurities. Addressing the critical challenges in viral vector production, MIP Discovery's technology represents a significant leap beyond current biological reagent limitations, offering a scalable, high-performance and economical solution for the cell and gene therapy sector.

Find out more at www.mipdiscovery.com



Wobble Genomics

Wobble Genomics, a groundbreaking spin-out from the University of Edinburgh, is revolutionising RNA sequencing with a novel approach that promises to transform biotechnology. Supported by Mercia Ventures and BGF, the company has raised £8.5 million to commercialise its technology, which uncovers previously invisible 'full length' RNA, critical for applications ranging from drug development to agriculture. Traditional RNA sequencing has been limited by short-read techniques that miss crucial information. Wobble's innovation enables long-read sequencing, capturing complete RNA sequences for a comprehensive understanding of cellular behaviours. This breakthrough, stemming from over a decade of research by founder Dr Richard Kuo at the Roslin Institute, positions Wobble to lead in the expanding field of synthetic biology.

Explore more at www.wobblegenomics.com



Investments



Here are details of the Northern VCTs' investment activity in the year to 31 March 2024.

New investments **£21.9m**

Follow-on investments **£22.4m**

Total investments **£44.3m**

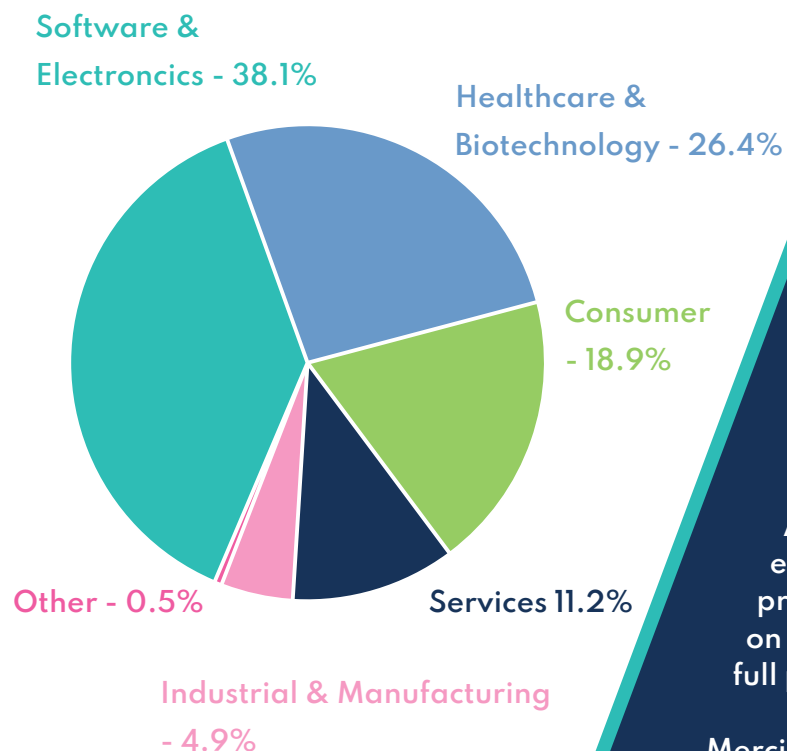
New Investment (£'m)

 camena BIOSCIENCE	Provider of synthetic DNA	5.1
RISK LEDGER	Cyber-security business focussed on vendor risk management	4.5
 Wobble GENOMICS	Transforming RNA sequencing and biomarker detection	3.1
 iOpt.	Platform for remote property monitoring	3.0
 MIP Discovery	Developer of synthetic affinity reagents	3.2
 WARWICK ACOUSTICS	Creates ground-breaking audio products	3.0
Total		21.9

Sector diversification

The Northern VCTs' portfolio showcases diversification across key sectors. This balanced approach aims to capture opportunities across multiple growing industries.

Sector analysis as at 31 December 2023



“In today's rapidly evolving investment landscape, diversification across sectors is critical to mitigating risks and capitalising on emerging opportunities for long-term growth”

- Peter Dines, MD Mercia Ventures

Your capital is at risk. Investing in early-stage businesses involves risks, including illiquidity, lack of dividends, loss of investment and dilution. Please read the full risk warnings in the documentation before applying. Past performance is not a reliable indicator of future performance. You should not rely on any past performance as a guarantee of future investment performance.

Mercia is not able to offer financial advice and this email should not be construed as advice. Before applying, we always recommend seeking advice from an independent financial adviser. Tax relief depends on an individual's circumstances and may change in the future. In addition, the availability of tax relief depends on the VCT invested in maintaining its qualifying status.

Although we provide these links for your convenience, we have no control over these external websites and they are solely responsible for their own content and information presented. Therefore, Mercia cannot be held liable or responsible for any content presented on these external websites and for any damages resulting from them. You can also view our full privacy policy at <https://www.mercia.co.uk/privacy-policy/>.

Mercia Fund Management Limited, a subsidiary of Mercia Asset Management PLC, is the manager of the Northern VCTs and is authorised and regulated by the Financial Conduct Authority (FRN: 524856).