

**RENN Universal Growth Investment Trust plc - in Members' Voluntary Liquidation
(the 'Company')**

Joint Liquidators' annual progress report to 9 December 2019

| | |
|--------------------------------|--|
| Name | RENN Universal Growth Investment Trust plc |
| Trading name / Former names | Renaissance US Growth Investment Trust plc (until 01/09/2010) |
| Company number | 03150876 |
| Previous registered office | Beaufort House, 51 New North Road, Exeter, Devon EX4 4EP |
| Present registered office | KPMG LLP, 15 Canada Square, London E14 5GL |
| Joint Liquidators | John Milsom and Mark Orton |
| Joint Liquidators' address | KPMG LLP, 15 Canada Square, London E14 5GL |
| Date of appointment | 10 December 2014 |
| Appointed by | Members |

Distributions to shareholders

The following distributions have been made to shareholders:

| Date of distribution | Distribution per share |
|----------------------|------------------------|
| 12 March 2015 | 72.94 pence |
| 13 January 2016 | 55.05 pence |

A further distribution will be declared and paid if satisfactory cover, for instance some form of insurance, can be put in place to fully cover the obligations detailed below and we have tax clearance for the period to 9 December 2018, or alternatively when sufficient funds are held with no obligations to make such a distribution economic. A final distribution will be made following the realisation of the Company's remaining investment.

Receipts and payments

We attach as Appendix 1 and 2 the Joint Liquidators' GBP and USD receipts and payments accounts.

Investments

The Company, together with the other shareholders, sold its interest in its principal investment, AnchorFree Inc, in May 2018 for US\$34m (£26.7m). Various undertakings and warrantees were included in the sale which if triggered could result in the clawback of the proceeds from the former shareholders including the Company. A number of those warrantees expired in May 2019 and the Company received a further \$321,278 being proceeds held in escrow. There are four remaining warrantees, the last of which will expire in 2023. We have sought the release of these however, the purchaser has declined the terms the officeholders were able to offer. We are therefore seeking to insure these potential obligations on terms acceptable to the purchaser in order that we can accelerate the distribution of funds to shareholders of the Company. Insurance brokers have been instructed and we are hoping to be able to negotiate appropriate insurance cover within the next few months.

The only remaining investment is the Company's holding in PetroHunter Energy Corporation Inc (PHEC) which is in a Chapter 7 formal insolvency process in the US. Legal proceedings were recently concluded in the US which determined that the Company's claim against PHEC was not secured on the shares held by PHEC in an Australian energy company (Falcon Oil & Gas). We are advised by the Chapter 7 Trustee of PHEC that he is in the process of selling the 53 million Falcon shares held by PHEC and seeking tax clearance in Australia. He hopes to be in a position to pay a dividend to the unsecured creditors of PHEC, including the Company, in the third quarter of 2020. The amount of that dividend is currently uncertain.

Tax

The outstanding corporation tax returns to 9 December 2018 have been submitted to HM Revenue & Customs ("HMRC"). The Joint Liquidators have requested that HMRC provide confirmation that there are no pre or post liquidation corporation tax liabilities outstanding upon the Company, and that it has no objection to the Joint Liquidators' declaring and paying a further interim distribution to shareholders. We consider that the Company has maintained its investment trust tax status for the duration of the liquidation and therefore any gains on investments realised in the liquidation are not taxable on the Company. HMRC have questioned why the liquidation has been ongoing for five years, it is a requirement in order to maintain investment trust tax status that the liquidation realisation period has not been unreasonably prolonged. We have provided HMRC with a full explanation and await their further comments.

Joint Liquidators' remuneration and expenses

A resolution was passed at the extraordinary general meeting held on 10 December 2014 that the remuneration of the Joint Liquidators be fixed at their normal charging rates according to the time properly spent by them and members of their staff in attending to matters arising in the winding up of the Company.

Attached as Appendix 3 and 4 are an analysis of the Liquidators' time costs to 9 December 2019, including grades of staff utilised and charge-out rates applied (the analysis to 9 December 2018 was omitted from our previous report and is included for the sake of completeness).

Schedule of expenses for the period from 10 December 2017 to 9 December 2019

The liquidators' fees and expenses for the period totalled £157,941. Details of the amounts paid and accrued are as follows:

| | Paid | Accrued | Total for period |
|-------------------|---------|---------|------------------|
| | £ | £ | £ |
| Liquidators' fees | 129,688 | 28,253 | 157,941 |
| | <hr/> | <hr/> | <hr/> |
| | 129,688 | 28,253 | 157,941 |
| | <hr/> | <hr/> | <hr/> |

In certain circumstances, additional information regarding the Joint Liquidators' remuneration and/or other expenses charged for the period may be requested from the Joint Liquidators within 21 days of receipt of this report, in accordance with Rule 4.49E. In addition, the quantum may be challenged by making an application to Court within eight weeks of receipt of this report, in accordance with Rule 4.148C. The full text of these rules can be provided upon request.

A handwritten signature in black ink, appearing to read 'J. Milsom', with a long horizontal flourish extending to the right.

John Milsom
Joint Liquidator

John David Thomas Milsom is authorised to act as an Insolvency Practitioner by the Institute of Chartered Accounts in England and Wales
Mark Jeremy Orton is authorised to act as an Insolvency Practitioner by the Insolvency Practitioners Association
We are bound by the Insolvency Code of Ethics

RENN Universal Growth Investment Trust plc
(In Liquidation)
Summary of Receipts & Payments
10 December 2014 to 9 December 2019

| Declaration of Solvency | 10/12/2014 to 10/8/2018 | 11/08/18 to 09/12/18 | 10/12/18 to 09/12/19 | 10/12/2014 to 09/12/2019 |
|----------------------------|--------------------------------------|-------------------------|-------------------------|--------------------------------|
| £ | £ | | £ | £ |
| | Asset Realisations | | | |
| 2,367,450 | 1,678,308 | | | 1,678,308 |
| 35,789,200 | | | | 0 |
| 2,206 | 873 | | | 873 |
| | 29,173 | | | 29,173 |
| | | | 95,498 | 95,498 |
| | 16,266,076 | | | 16,266,076 |
| | 13,762 | 1,192 | | 14,954 |
| | <u>17,988,192</u> | <u>1,192</u> | <u>95,498</u> | <u>18,084,882</u> |
| | Cost of Realisations | | | |
| | 270,886 | | | 270,886 |
| | 90,042 | | 254,908 | 344,950 |
| | 45,911 | | | 45,911 |
| | | | 274 | 274 |
| | 672 | | | 672 |
| | 1,051 | | | 1,051 |
| | 657 | | | 657 |
| | 44,759 | | 50,982 | 95,741 |
| | <u>453,978</u> | <u>0</u> | <u>306,164</u> | <u>760,142</u> |
| | Unsecured creditors | | | |
| 406,453 | 111,554 | | | 111,554 |
| | Distributions to shareholders | | | |
| | 16,707,326 | | | 16,707,326 |
| | <u>715,334</u> | <u>1,192</u> | <u>-210,666</u> | <u>505,860</u> |

RENN Universal Growth Investment Trust plc
(In Liquidation)
Summary of Receipts & Payments
10 December 2014 to 9 December 2019
US Dollar account

| Declaration of Solvency | | 10/12/2014 to 10/8/2018 | 11/08/18 to 09/12/18 | 10/12/18 to 09/12/19 | 10/12/2014 to 09/12/2019 |
|----------------------------|-----------------------------|----------------------------|-------------------------|-------------------------|-----------------------------|
| £ | Asset Realisations | \$ | \$ | \$ | \$ |
| 2,367,450 | Cash at bank | 578,586 | | | 578,586 |
| 35,789,200 | Shares and Investments | 58,866,391 | | 321,278 | 59,187,669 |
| 2,206 | Trade debtor | | | | |
| | Bank interest | 16,544 | 1,178 | 1,360,500 | 1,378,222 |
| | | <u>59,461,521</u> | <u>1,178</u> | <u>1,681,778</u> | <u>61,144,477</u> |
| | Cost of Realisations | | | | |
| | Investment manager fee | 196,598 | | | 196,598 |
| | Custodian/Broker's fees | 127,204 | | | 127,204 |
| | Legal fees | 36,592 | | 20,090 | 56,682 |
| | Bank charges | 3 | 51 | | 54 |
| | | <u>360,397</u> | <u>51</u> | <u>20,090</u> | <u>380,538</u> |
| | Unsecured creditors | | | | |
| 406,453 | Trade & expense | 0 | | | 0 |
| | Transfer to GB£ account | 24,267,775 | | | 24,267,775 |
| | Balance in hand | <u>34,833,349</u> | <u>1,127</u> | <u>1,661,688</u> | <u>36,496,164</u> |

RENN Universal Growth Investment Trust plc

Analysis of time costs incurred from 10 December 2017 to 9 December 2018

| Grade of staff | Partner / Director | Associate Director | Manager | Assistant Manager | Administrato r | Support | Total hours | Total cost (£) | Average hourly rate (£) | |
|--------------------------------------|-----------------------|-----------------------|--------------|----------------------|-------------------|-------------|----------------|-------------------|-------------------------------|-----|
| Administration & planning | | 1.00 | | 9.60 | 5.85 | | 16.45 | 16.45 | 3,676 | 223 |
| Cashiering | | 0.40 | | 3.70 | 1.30 | 0.60 | 6.00 | 6.00 | 1,296 | 216 |
| Tax | 1.50 | 9.65 | 14.20 | 0.80 | 8.50 | | 34.65 | 34.65 | 11,200 | 323 |
| Shareholders | | 42.70 | | 15.10 | 27.95 | 0.30 | 86.05 | 86.05 | 25,793 | 300 |
| Asset Realisation | 18.80 | 98.25 | | 8.50 | 0.30 | | 125.85 | 125.85 | 51,544 | 410 |
| Total | <u>20.30</u> | <u>152.00</u> | <u>14.20</u> | <u>37.70</u> | <u>43.90</u> | <u>0.90</u> | <u>269.00</u> | <u>93,509</u> | <u>348</u> | |
| Balance brought forward | | | | | | | 726.80 | 215,262 | 296 | |
| Total costs to 9 December 2018 | | | | | | | <u>995.80</u> | <u>308,771</u> | <u>310</u> | |

All staff who have worked on this assignment, including cashiers, support and secretarial staff, have charged time directly to this assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge-out rates.

Hourly charge-out rates (£) 10/12/2017 to 9/12/2018

| Grade | £/hr |
|--------------------|--------|
| Partner | 500.00 |
| Associate Director | 408.00 |
| Manager | 340.00 |
| Assistant Manager | 236.00 |
| Administrator | 172.00 |
| Support | 105.00 |

RENN Universal Growth Investment Trust plc

Analysis of time costs incurred from 10 December 2018 to 9 December 2019

| Grade of staff | Partner / Director | Associate Director | Manager | Assistant Manager | Administrator | Support | Total hours | Total cost (£) | Average hourly rate (£) |
|--------------------------------|-----------------------|-----------------------|--------------|----------------------|---------------|-------------|-----------------|----------------|-------------------------------|
| Administration & planning | | 1.75 | 0.40 | 2.70 | 11.95 | | 16.80 | 3,712 | 221 |
| Cashiering | | | | 2.70 | 6.20 | 2.60 | 11.50 | 2,077 | 181 |
| Tax | 1.60 | 27.95 | 12.00 | 3.30 | | | 44.85 | 17,674 | 394 |
| Shareholders | | 25.65 | | 3.90 | 11.60 | | 41.15 | 14,025 | 341 |
| Asset Realisation | 4.10 | 57.75 | | 0.40 | 0.50 | | 62.75 | 26,944 | 429 |
| Total | 5.70 | 113.10 | 12.40 | 13.00 | 30.25 | 2.60 | 177.05 | 64,432 | 364 |
| Balance brought forward | | | | | | | 995.80 | 308,771 | 310 |
| Total costs to 9 December 2019 | | | | | | | 1,172.85 | 373,203 | 318 |

All staff who have worked on this assignment, including cashiers, support and secretarial staff, have charged time directly to this assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge-out rates.

Hourly charge-out rates (£) 10/12/2018 to 9/12/2019

| Grade | £/hr |
|--------------------|--------|
| Partner | 525.00 |
| Associate Director | 428.00 |
| Manager | 356.00 |
| Assistant Manager | 248.00 |
| Administrator | 180.00 |
| Support | 112.00 |