

Amati AIM VCT plc

PROSPECTUS

Offer for Subscription of New Shares
to raise up to £40,000,000 (with an
over-allotment facility to raise up to
a further £25,000,000)

Amati
Global Investors

Finely crafted investments



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This document comprises a prospectus relating to Amati AIM VCT plc (the “Company”). This document has been approved by the Financial Conduct Authority (the “FCA”), as competent authority under the UK version of Regulation (EU) 2017/1129 (the “Prospectus Regulation”). The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is, nor the quality of the Shares that are, the subject of this document. This document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the Shares. This document will be made available to the public in accordance with the Prospectus Regulation Rules by being made available at www.amatiglobal.com. Copies of this document can also be obtained by contacting Amati Global Investors by telephone on **0131 503 9115** or by email at info@amatiglobal.com.

Amati AIM VCT plc

(Incorporated in England and Wales under the Companies Act 1985 with Registered Number 04138683)

**Offer for Subscription of New Shares to raise up to £40,000,000
(with an over-allotment facility to raise up to a further £25,000,000)**

Sponsored by
Dickson Minto W.S.

The Directors of the Company, whose names appear on page 18 of this document, and the Company each accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

The minimum Subscription in respect of each tax year under the Offer is £4,000 (excluding any initial Adviser Charges facilitated by the Company). Subscriptions can be made online at www.amatiglobal.com and the conditions of subscription are set out in Part 7 of this document.

Applications will be made to the FCA and the London Stock Exchange for the New Shares to be issued pursuant to the Offer to be admitted to the premium segment of the Official List of the FCA and to trading on the premium segment of the Main Market. It is expected that such admissions will become effective and that dealings in the New Shares will commence no later than ten Business Days following the allotment of the relevant New Shares. The first allotment under the Offer is expected to take place on or around 9 August 2021.

The distribution of this document and the offering of New Shares in jurisdictions other than the United Kingdom may be restricted by law or regulation and accordingly persons into whose possession this document comes are required to inform themselves about and observe any such restrictions. No action has been taken to permit the distribution of this document and the offering of New Shares in any jurisdiction outside the United Kingdom where such action is required to be taken. This document does not constitute, and may not be used for the purposes of, an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the Sponsor, or the Investment Manager or to any person to whom it is unlawful to make such offer or solicitation. The offer and sale of the New Shares is not being made, directly or indirectly, in or into, or by the use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction. Accordingly, copies of this document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from, or to any resident of, the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction and persons receiving this document (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from such jurisdictions. The New Shares have not been, and will not be, registered under the US Securities Act or under any of the relevant securities laws of, or with any securities regulatory authority of, any state of the United States or of Canada, Australia, Japan or the Republic of South Africa. Accordingly, unless an exemption under such act or laws is applicable, the New Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of South Africa or to, or for the account or benefit of, any resident of the United States, Canada, Australia, Japan or the Republic of South Africa. The Company has not been and will not be registered under the US Investment Company Act and recipients of this document and investors will not be entitled to the benefits of that Act.

Dickson Minto W.S. which is authorised and regulated in the United Kingdom by the FCA, is acting as the sponsor to the Company in relation to the Offer. Dickson Minto W.S. is not advising any other person or treating any other person as its client in relation to the Offer or the matters referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Offer or the matters referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. under FSMA or the regulatory regime established thereunder, Dickson Minto W.S. does not make any representation, express or implied, or accept any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it or on its behalf in connection with the Company, the Investment Manager, the Ordinary Shares, the New Shares or the Offer. Accordingly Dickson Minto W.S., to the fullest extent permitted by law, disclaims all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Prospective investors should consider carefully all of the information in this document, in particular the sections headed 'Risk Factors' (on pages 9 to 11) and 'Forward looking statements' (on pages 14 to 15), before making any application for New Shares.

28 July 2021

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SUMMARY

INTRODUCTION AND WARNING

Introduction

This document relates to the issue of new ordinary shares of 5 pence each in the capital of Amati AIM VCT plc (the “**Company**”) in connection with the Offer for Subscription of New Shares to raise up to £40 million (with an over-allotment facility to raise up to a further £25 million). The ISIN for the Shares is GB00B641BB82. The Legal Entity Identifier of the Company is 213800HAEDBBK9RWCD25. The Company’s registered office is at 27-28 Eastcastle Street, London, W1W 8DH.

This prospectus was approved by the Financial Conduct Authority (the “**FCA**”) in the United Kingdom on 28 July 2021. The head office of the FCA is at 12 Endeavour Square, London E20 1JN (Tel: 020 7066 1000).

Warning

The following summary should be read as an introduction to this document. Any decision to invest in the New Shares should be based on a consideration of this document as a whole by the investor. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or where it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.

It should be remembered that the price of the Ordinary Shares and the income from the Ordinary shares (if any), may go down as well as up. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who understand the potential risk of capital loss (which may be equal to the whole amount invested).

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Amati AIM VCT plc was incorporated and registered in England and Wales on 10 January 2001 as a public company limited by shares under the Companies Act 1985 (the “**1985 Act**”) with registered number 04138683. The Ordinary Shares were first admitted to listing on 22 February 2001. The principal legislation under which the Company operates is the Companies Act 2006 (the “**2006 Act**”) and regulations made thereunder. The Legal Entity Identifier of the Company is 213800HAEDBBK9RWCD25.

The Company carries on business as a Venture Capital Trust. The investment objective of the Company is to generate tax free capital gains and regular dividend income for its Shareholders, primarily through Qualifying Investments in AIM-traded companies and through Non-Qualifying Investments as allowed by the VCT legislation.

The Company has registered as a small UK registered AIFM. The Board delegates the portfolio management activities relating to the Company to Amati Global Investors Limited (the “**Investment Manager**” or “**Amati**”). The Company’s Directors are as follows:

- Peter Lawrence (Chairman)
- Julia Henderson
- Susannah Nicklin
- Brian Scouler
- Fiona Wollocombe

All of the Directors are non-executive directors.

The auditor of the Company is BDO LLP. BDO LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

As at 26 July 2021 (being the latest practicable date prior to the publication of this document), the following party was known to be interested in 3% or more of the Company’s issued share capital (being the threshold for notification under the Disclosure Guidance and Transparency Rules):

| Shareholder | Number of Ordinary Shares | % of issued Ordinary Share Capital |
|--|---------------------------|------------------------------------|
| Hargreaves Lansdown (Nominees) Limited | 5,454,082 | 4.59 |

The Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

What is the key financial information regarding the issuer?

Selected audited financial information relating to the Company which summarises the financial condition of the Company for the financial year ended 31 January 2021 is set out in the following table.

Information relevant to closed end funds

| Share class | Total NAV (£'000) | No. of Shares (excluding treasury shares) | NAV per Share (p) | Audited NAV per Share as at 31 January 2020 (p) |
|-------------|-------------------|---|-------------------|---|
| Ordinary | 238,279 | 115,589,550 | 206.1 | 155.6 |

Income statement for closed end funds

| | Financial year ended 31 January 2021 | | |
|--|--------------------------------------|-----------------|---------------|
| | Revenue (£'000) | Capital (£'000) | Total (£'000) |
| Total income before operating expenses (£'000) | 567 | – | 567 |
| Investment management fee (attributable to revenue) (accrued/paid) (£'000) | (799) | (2,398) | (3,197) |
| Other fees (accrued/paid) to service providers (£'000) | (455) | – | (455) |
| Profit/(loss) on ordinary activities before taxation (£'000) | (687) | 67,368 | 66,681 |
| Basic and diluted (loss)/earnings per Share (p) | (0.64) | 62.76 | 62.12 |

Balance sheet for closed end funds

| | Financial year ended 31 January 2021 | |
|--------------------------|--------------------------------------|--|
| | Revenue (£'000) | |
| Total net assets (£'000) | 238,279 | |
| NAV per Share (p) | 206.1 | |

There is no pro forma financial information in the Prospectus.

There were no qualifications in the audit report for the Company in respect of the financial year ended 31 January 2021.

What are the key risks that are specific to the issuer?

The following are brief descriptions of what the Directors believe, at the time of publication of this document, to be the key material risks specific to the Company.

- There can be no guarantee that the Company's investment objectives will be achieved or that suitable investment opportunities will be available. The performance of the Company (and the ability to achieve returns for Shareholders) will be dependent on the investment opportunities sourced by the Investment Manager and the performance of those investments.
- Any change of governmental, economic, fiscal, monetary or political policy, in particular any changes to taxation, tax reliefs and changes to the VCT Rules, could materially affect, directly or indirectly, the operation and/or the performance of the Company (and the portfolio companies in which it invests), the number of Qualifying Investment opportunities available, the value of and returns from Shares and/or the ability of the Company to achieve or maintain VCT status.
- While it is the intention of the Directors that the Company will be managed so as to continue to qualify as a VCT, there can be no guarantee that the Company will maintain VCT status. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for investors, including a requirement to repay the income tax relief obtained, and could also cause the Company to lose its exemption from corporation tax on capital gains.
- The Company's investments may be difficult to realise. The fact that a share is traded on AIM or Aquis does not guarantee its liquidity. The spread between the buying and selling price of such shares may be wide and thus the price used for valuation may not be achievable. The valuation of the Company's portfolio and opportunities for realisation of the investments will vary with stock market conditions.

- The Company invests predominantly in AIM-traded companies. Investment in AIM-traded companies may, by its nature, involve a higher degree of risk than investment in companies traded on the Main Market. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Description and class of securities

The Ordinary Shares have a nominal value of 5 pence each and are denominated in Sterling. The ISIN of the Ordinary Shares is GB00B641BB82 and the SEDOL number is B641BB8. The ticker code for the Ordinary Shares is AMAT.

As at 26 July 2021 (being the latest practicable date prior to the publication of this document) the issued share capital of the Company comprised 118,842,225 Ordinary Shares and no Ordinary Shares were held in treasury.

Rights attaching to the securities

The New Shares will rank *pari passu* in all respects with the Existing Ordinary Shares (save for any dividends or other distributions declared, made or paid on the Existing Ordinary Shares by reference to a record date prior to the issue of the relevant New Shares). Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Shares, Shareholders have the right to receive notice of, attend and vote at general meetings of the Company. Each Shareholder present in person or by proxy or by a duly authorised representative (if a company) at a general meeting shall upon a show of hands have one vote and upon a poll all Shareholders have one vote for every Share held. Subject to the provisions of the 2006 Act and the VCT rules, the Company may from time to time declare dividends and make other distributions on the Shares. Shareholders are entitled to receive, and to participate in, any dividends declared in relation to the Shares that they hold. Shareholders are entitled to participate in the net assets of the Company attributable to their Shares on a winding up of the Company or other return of capital.

There are no restrictions on the transferability of the Shares, subject to compliance with applicable securities laws and the Articles.

Dividend policy

The Board aims to pay annual dividends equal to around 5% of the Company's Net Asset Value at its immediately preceding financial year end, subject to the Company's distributable reserves and cash resources, and with the authority to increase or decrease this level at the Directors' discretion.

Where will the securities be traded?

Applications will be made to the FCA and the London Stock Exchange for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the premium segment of the Main Market. It is expected that such admissions will become effective and that dealings for normal settlement in the New Shares will commence no later than ten Business Days following the allotment of the relevant New Shares. The first allotment pursuant to the Offer is expected to take place on or around 9 August 2021.

What are the key risks that are specific to the securities?

The following are brief descriptions of what the Directors believe, at the time of publication of this document, to be the key material risks specific to the Ordinary Shares.

- It is likely that the price for a Share which a Shareholder could achieve on the stock market will be significantly less than the NAV per Share or the price paid by the Shareholder to acquire that Share. The market value of, and the returns derived from, the Shares may go down as well as up and an investor may not get back the amount invested.
- The Company is a closed-ended investment company. Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Shareholders wishing to realise their investment will be required to dispose of their Shares on the stock market. Accordingly, the ability of Shareholders to realise any value in respect of their Shares is dependent on the existence of a liquid market in the Shares and the prevailing market price of such Shares. There is a limited secondary market for shares in VCTs (primarily because initial VCT income tax relief is only available to individuals who subscribe for newly issued shares rather upon the purchase of existing issued shares). The operation of the Company's Share buyback policy is intended to provide a degree of liquidity for investors but if the Company is unable to maintain its Share buyback policy, investors may find it difficult to realise their investments.

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC

Under which conditions and timetable can I invest in these securities?

Terms and conditions and expected timetable

It is proposed that the Company raises up to £40 million by way of an offer for subscription for New Shares, with an over-allotment facility providing for a further £25 million to be raised under the Offer at the Board's discretion. The over-allotment facility of £25 million may be utilised for the duration of the Offer.

The Offer will open at 9.00 a.m. on 30 July 2021 and will close at 12 noon on 4 April 2022 in relation to the tax year 2021/2022 and at 12 noon on 15 July 2022 in relation to the tax year 2022/2023 (unless fully subscribed earlier, in which case the Board may close the Offer earlier than these dates). Multiple Subscriptions under the Offer from the same investor in the same tax year will not be accepted. Initially, the Company will accept Subscriptions in respect of the 2021/2022 tax year only. If sufficient Qualifying Investments have been made from the initial proceeds of the Offer and the Investment Manager has identified further investment opportunities, the Board may use the over-allotment facility to raise up to a further £25 million under the Offer. In this event, the Company may also accept Subscriptions in respect of the 2022/2023 tax year.

The first allotment of New Shares under the Offer is expected to take place on or around 9 August 2021 and thereafter allotments will be made on a monthly basis (or at such other times as the Board, in its sole discretion, may decide).

Subscriptions under the Offer will be processed from 30 July 2021 and priority will be given to valid Subscriptions under the Offer from Existing Shareholders received by 9.00 a.m. on 4 August 2021. Subscriptions under the Offer will otherwise normally be accepted on a first-come-first-served basis (provided cheques are not post-dated and with priority being given to Subscriptions with cleared funds), subject always to the discretion of the Board. The Board cannot guarantee a specific allotment date during the relevant tax year and Subscriptions which cannot be satisfied at one allotment date will be held for processing until a later allotment date in the relevant tax year. In the event that the Offer is over-subscribed, investor allocations may be scaled back and/or investor subscription monies returned without being processed. Investors not willing to have their Subscriptions scaled back should indicate this on the Online Subscription Form, in which case their monies will be returned in full.

Online Subscription Forms and cleared funds must be received by the Receiving Agent by 12 noon on 4 April 2022 to be included in the final allotment of the 2021/2022 tax year (unless fully subscribed earlier), and not later than 12 noon on 15 July 2022 to be included in the final allotment of the 2022/2023 tax year (unless fully subscribed earlier). The Offer will close at 12 noon on 27 July 2022, unless the Offer is fully subscribed before this time or the Board decides, in its sole discretion, to close the Offer earlier. The Company reserves the right to decline to allot New Shares if an investor's funds have not cleared by the date of the relevant allotment.

Subscriptions can be made online at **www.amatiglobal.com**. The minimum subscription level under the Offer in respect of each tax year is £4,000 (excluding any initial Advisor Charges facilitated by the Company). Subscriptions are payable in full by personal cheque, building society cheque, banker's draft or electronic bank transfer.

The number of New Shares to be allotted under each allotment will be determined by the relevant Offer Price calculated on the following basis.

- (i) For Existing Shareholders and those investing through an authorised financial intermediary, the Offer Price is calculated by dividing the last published NAV per Share at the time of allotment by 0.99 to allow for issue costs of 1% (calculated in pence and rounded up to the nearest two decimal places).
- (ii) For all other investors (i.e. investors other than Existing Shareholders and those investing through an authorised financial intermediary) the Offer Price is calculated by dividing the last published NAV per Share at the time of allotment by 0.97 to allow for issue costs of 3% (calculated in pence and rounded up to the nearest two decimal places).

The relevant Offer Price in respect of each allotment will be announced through a Regulatory Information Service following the relevant allotment of New Shares.

The New Shares will be available to be issued in either registered form (i.e. certificated) or electronic form (i.e. via CREST). Where applicable, share certificates are expected to be dispatched by post within ten business days of allotment.

The Offer is not underwritten.

Dilution

In the event that the Offer is fully subscribed (but assuming that the over-allotment facility is not used) and assuming an Offer Price of 210.68p per New Share (based on the NAV per Share as at 30 June 2021 and allowing for issue costs of 1%), the percentage of the Company owned by Existing Shareholders (assuming they do not subscribe for additional Ordinary Shares under the Offer or otherwise acquire further Ordinary Shares) will decrease to 86.2% through the issue of the New Shares.

Expenses of the Offer

Investors under the Offer will indirectly bear a portion of the costs of the Offer through the application of a formula to determine the Offer Price as set out above. Upon receipt of valid acceptances, authorised 'execution only' financial intermediaries acting on behalf of clients are entitled to receive trail commission of 0.375% of the amount subscribed by an investor per annum (limited to five years), payable by the Investment Manager. Trail commission may also be paid in certain circumstances where the applicant is a Professional Client (as defined in COBS 3.5) of a financial intermediary firm. The Company reserves the right to agree trail commission of up to 0.5% per annum with particular intermediaries where the Directors believe that is in the best interests of the Company as a whole. Assuming that 100% of Subscriptions under the Offer will come through either an authorised financial intermediary and/or from Existing Shareholders, it is expected that the indirect contribution from investors to the costs of the Offer will be approximately 1% of the gross proceeds subscribed by them.

Any amount of initial Adviser Charge agreed to be facilitated (up to a maximum of 4.5% of the Subscription amount will be facilitated) is paid by the Subscriber from the monies received with the Subscriptions and is not paid by the Company.

Why is this prospectus being produced?

Reasons for the Offer and use of proceeds

The Company is seeking to raise further funds to allow it to take advantage of attractive investment opportunities over the short to medium term, in accordance with its investment policy.

The total expenses payable by the Company in connection with the Offer (assuming the Offer is fully subscribed and no New Shares are issued under the over-allotment facility) are expected to be around £283,665 (including amounts paid by way of fees and irrecoverable VAT where applicable). If the maximum of £40 million is raised by the Company under the Offer (and no New Shares are issued under the over-allotment facility), the net proceeds of the Offer will amount to £39,716,335. The net proceeds will be used in accordance with the Company's investment policy.

Conflicts of interest

The Investment Manager is also the investment manager both to the Company and a number of other funds, including an open ended investment company in which the Company invests (the TB Amati UK Smaller Companies Fund). To ensure that the Investment Manager does not receive a double payment of management fees in respect of the Company's investment in this fund, management fees in relation to the Company's investment are rebated to the Company in full.

Save as set out above, there are no material potential conflicts of interest which any of the service providers to the Company may have as between their duty to the Company and the duties owed to third parties and their other interests.

RISK FACTORS

The risk factors set out below are those which the Directors consider to be material but are not the only risks relating to the Company or the Shares. There may be additional risks that the Directors do not currently consider to be material, or which are not presently known to the Directors. Before investing in the New Shares, potential investors should consult their stockbroker, bank manager, solicitor, accountant or other suitably qualified and independent financial adviser authorised under the FSMA if they are in the United Kingdom or, in the case of a potential investor who is located outside the United Kingdom, another appropriately authorised financial adviser.

An investment in the Company should not be regarded as short-term in nature and involves risks that could lead to the loss of all or part of that investment. An investment in the Company is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to bear any loss which might result from such an investment.

The Directors believe that the risks described below are the material risks relating to an investment in the Shares at the date of this document. If any of the adverse events described below occur, the financial condition, performance and prospects of the Company and the market price of the Shares could be materially adversely affected and Shareholders may lose all or part of their investment. Additional risks which were not known to the Directors at the date of this document, or that the Directors considered to be immaterial at the date of this document, may also have an adverse effect on the financial condition, performance and prospects of the Company and the market price of the Shares. Further, as required by the Prospectus Regulation, the risks that the Directors consider to be the most material risk in each category, taking into account the negative impact on the Company and the probability of its occurrence, have been set out first. Given the forward-looking nature of the risks, there can be no guarantee that such risk is, in fact, the most material or the most likely to occur. Prospective investors should, therefore, review and consider each risk.

Potential investors should carefully consider all the information in this document, including the following material risk factors in relation to the Company and the Shares, before deciding to invest in the Company.

Risks relating to Venture Capital Trusts

Changes to governmental, economic, fiscal, monetary or political policy

Any change of governmental, economic, fiscal, monetary or political policy, in particular any changes to taxation, tax reliefs and changes to the VCT rules, could materially affect, directly or indirectly, the operation and/or the performance of the Company (and the portfolio companies in which it invests), the value of and returns from the Shares and/or the ability of the Company to achieve or maintain VCT status.

Loss of tax reliefs

The information, including references to tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective. While it is the intention of the Directors that the Company will be managed so as to continue to qualify as a VCT, there can be no guarantee that this status will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for investors, including a requirement to repay the income tax relief obtained, and could also cause the Company to lose its exemption from corporation tax on capital gains.

State aid

As a result of the tax status of VCTs, investments by VCTs in underlying portfolio companies are regarded as state aided investments. Where the European Commission believes that state aid has been provided prior to 1 January 2021 which is not in accordance with the Risk Finance Guidelines, it may require that the UK government recovers that state aid. This may have an adverse effect on Shareholder returns. From 1 January 2021, the requirements to recover unlawful state aid is the remit of the UK Government. On 30 June 2021, the Government introduced the Subsidy Control Bill to Parliament and published its response to the consultation on the topic of subsidy control in a paper entitled 'Government response to the consultation on subsidy control'. As at the date of this Prospectus, it is unclear whether and how the proposals, if made into law, will affect the Company and VCTs in general.

Discount

It is likely that the price for a Share which a Shareholder could achieve on the stock market will be less than the prevailing NAV per Share or the price paid by the Shareholder to acquire that Share. The Shares may trade at a discount to the NAV per Share for a variety of reasons, including as a consequence of general market conditions, concerns regarding the general liquidity or marketability of the Shares or the actual or expected performance of the Company. The market value of, and the returns derived from, the Shares may go down as well as up and an investor may not get back the amount invested.

Liquidity

The Company is a closed-ended investment company. Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Shareholders wishing to realise their investment will be required to dispose of their Shares on the stock market. Accordingly, the ability of Shareholders to realise the NAV per Share of, or any value in respect of, their Shares is dependent on the existence of a liquid market in the Shares and the market price of such Shares.

Although the Existing Ordinary Shares issued by the Company have been (and it is anticipated that the New Shares will be) admitted to the premium segment of the Official List of the FCA and traded on the Main Market, if the Company is unable to maintain its share buyback policy (which has been put in place in order to enhance liquidity in the Ordinary Shares), there may not be a liquid market for the Ordinary Shares. Given that there is a limited secondary market for VCT shares (primarily because initial VCT income tax relief is only available to individuals subscribing for newly issued shares), investors may find it difficult to realise their investments.

Specific risks relating to the Company

The portfolio

The Company makes investments in compliance with VCT legislation, with a strategy focused predominantly on investing in AIM-traded companies. Investment in AIM-traded and Aquis-traded companies by its nature, may involve a higher degree of risk than investment in companies traded on the Main Market. In particular, such companies are often smaller companies which may have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. The fact that a share is traded on AIM or Aquis does not guarantee its liquidity. The spread between the buying and selling price of such shares may be wide and thus the price used for valuation may not be achievable. The valuation of the Company's portfolio and opportunities for the Company to realise AIM-traded and Aquis-traded investments within the portfolio may also depend on market conditions.

Although the primary focus of the Company's qualifying portfolio is on investments in AIM-traded companies, the Company also has a number of investments in private companies and will make further investments in private companies if the Investment Manager identifies attractive investment opportunities. It is unlikely that there will be a liquid market for the shares and other securities that the Company holds in unlisted investee companies and, therefore, it may be difficult for the Company to realise such investments. The value of unlisted stock is often more difficult to predict than the value of stock in listed companies. In addition, as unlisted companies tend to have less mature businesses, less depth of management and a higher risk profile, the risk of insolvency in unlisted companies is higher than in listed investments.

In the short to medium term the returns to Shareholders will be determined by the existing portfolio of the Company, which largely consists of investments made prior to the VCT rules being amended by the Finance Act 2018. The consequence of these amendments is that VCTs are now required to invest in earlier stage companies which is resulting in a repositioning of the Company's portfolio towards the healthcare and technology sectors which tend to be associated with greater investment risks. Over time, as the Company's portfolio is brought in to line with the amended VCT rules, Shareholder returns and dividends payable by the Company may take longer to generate and the levels of those returns may be more volatile due to the nature of investing in earlier stage companies.

The past performance of the Company or other funds managed or advised by the Investment Manager is not a guide to the future performance of the Company.

Realisation of investments

Investments in AIM-traded companies are more likely to be illiquid than investments in companies traded on the Main Market. Investments may not be able to be realised within a reasonable timeframe or at all. Such illiquidity may affect the ability of the Company to vary its portfolio or dispose of investments in a timely fashion and at satisfactory prices in response to changes in economic or other conditions. This could have an adverse effect on the financial condition and operations of the Company as it could reduce the profits and proceeds expected to be realised from such investments by the Company.

Investment Manager

The Company has a board of non-executive Directors and has no employees. The Company relies upon third party service providers to perform certain functions. In particular, the Investment Manager and Registrar will perform services that are integral to the Company's operations and financial performance.

The Company is dependent on the skills of the Investment Manager to manage its investments. If the Investment Manager ceases to act as investment manager or if key personnel cease to be employed by the Investment Manager or be involved in the management of the Company's portfolio, there is no assurance that suitable replacements will be found. If this occurs, there may be an adverse effect on the performance of the Company and the value of the Shares.

The Company is also dependent on those service providers to protect against breaches of the Company's legal and regulatory obligations, including those in relation to data protection. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Company at all as a result of insolvency, fraud, breaches of cybersecurity, failures in business continuity plans or other causes, could have a material adverse effect on the Company's operations and performance and on returns to Shareholders. The termination of the Company's relationship with any third party service provider, or any delay in appointing a replacement for any such service provider, could materially disrupt the business of the Company and could have a material adverse effect on the Company's performance and returns to Shareholders.

COVID-19 pandemic

The COVID-19 pandemic and the measures taken to control the outbreak have led to volatility and a substantial downturn in the UK's economy and the economies of many overseas countries. The future development and the long-term impacts of the outbreak are unknown and it remains to be seen how and when economies will recover from the impact of the pandemic and what effect any secondary outbreaks may have on economies and financial markets. It is unknown at this time whether the COVID-19 pandemic will have a material adverse impact on the future investment returns of the Company, the price of the Shares and the ability of the Investment Manager to find and realise suitable investments.

Duration

The Articles provide the opportunity for Shareholders to consider the continuation of the Company at the annual general meeting falling after the fifth anniversary of the last allotment of Shares from time to time. The allotment and issue of New Shares pursuant to the Offer will defer the opportunity for Shareholders to consider the continuation of the Company and, as a result, both existing and new Shareholders may have to wait longer, if there are no buyers in the market, to realise their investments.

IMPORTANT INFORMATION

General

No person has been authorised to give any information or make any representations in connection with the Offer other than the information contained in, or incorporated by reference into, this document and, if given or made, such information or representations must not be relied on as having been authorised by or on behalf of the Company, the Investment Manager, the Sponsor or any of their respective affiliates, officers, directors, members, employees or agents.

Without prejudice to the obligations of the Company under applicable law and regulations, neither the delivery of this document nor any subscription for or purchase of New Shares made pursuant to the Offer shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this document or that the information contained in this document, including any forward looking statements, is correct as at any time subsequent to the date of this document.

The Ordinary Shares are designed to be held over the long-term and are not suitable as a short-term investment. The value of an investment in the Company and any income derived from it, if any, may go down as well as up. An investment in the Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which might result from such an investment (which may be equal to the whole amount invested). There can be no guarantee that any appreciation in the value of the investments held by the Company will occur and investors may not get back the full value of their investment. There can be no guarantee that the investment objective of the Company will be achieved or provide the returns sought by the Company. The past performance of the Company and the Investment Manager is not a guarantee of the future performance of the Company. No assurance can be given that any sale of the investments held by the Company would realise proceeds which would be sufficient to repay any borrowings or provide funds for any capital repayment to Shareholders. Shareholders will bear the rewards and risks of the success or otherwise of the investments made by the Company. Although the Ordinary Shares are, and the New Shares will be, listed on the premium segment of the Official List and admitted to trading on the Main Market, it is unlikely that there will be a liquid market in the Ordinary Shares and Shareholders may have difficulty selling them.

Prospective investors should consider carefully all of the information contained in, or incorporated by reference into, this document before making any Subscription for New Shares and should rely only on that information when considering an investment in the Company. However, prospective investors should not treat the contents of this document or any subsequent communication from the Company, the Investment Manager, the Sponsor or any of their respective affiliates, officers, directors, members, employees or agents as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other related matters. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of New Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of New Shares which they might encounter; and
- the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of New Shares.

Prospective investors must rely on their own advisers as to legal, financial, taxation, accounting, regulatory, investment or any other related matters concerning the Company and an investment in the New Shares.

Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. by FSMA or the regulatory regime established thereunder, Dickson Minto W.S. makes no representation, express or implied, or accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it or on its behalf in connection with the Company, the Investment Manager, the New Shares or the Offer. Accordingly, Dickson Minto W.S., to the fullest extent permitted by law, disclaims all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles which prospective investors should review. A summary of the Articles is contained in paragraph 3 of Part 6 of this document.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction: (i) in which such offer or solicitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other professional or financial adviser.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**Directive 2014/65/EU**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU; (c) local implementing measures; and/or (d) (where applicable to UK investors or UK firms) the relevant provisions of the UK MiFID Laws (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares to be issued pursuant to the Offer are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties each as defined in Directive 2014/65/EU or the UK MiFID Laws, as applicable; and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU or the UK MiFID Laws, as applicable (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Directive 2014/65/EU, or the UK MiFID Laws, as applicable; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

UK PRIIPS Regulation

In accordance with the UK PRIIPs Laws, a Key Information Document in respect of the Ordinary Shares has been prepared by the Company and is available to investors at www.amatiglobal.com. If you are distributing the Ordinary Shares, it is your responsibility to ensure that the relevant Key Information Document is provided to any clients that are “retail clients”. Investors should note that the procedures for calculating the risks, costs and potential returns disclosed in the KID are prescribed by the law. The figures in the KID may not reflect the expected returns for the Company and projected performance returns cannot be guaranteed.

Data protection

The information that an investor provides to the Company or its agents in relation to a subscription for or purchase of New Shares or subsequently, by whatever means, which relates to the investor (if the investor is an individual) or a third party individual (“personal data”) will be held and processed by the Company (and any third party, functionary or agent in the United Kingdom to whom the Company may delegate certain administrative or other functions in relation to the Company, including the Registrar) in compliance with (a) the relevant data protection legislation and regulatory requirements of the United Kingdom (the “Data Protection Legislation”) and (b) the Company’s privacy notice, a copy of which is available for consultation on the Company’s website at www.amatiglobal.com (“Privacy Notice”) (and if applicable any other third party delegate’s privacy notice).

Without limitation to the foregoing, each prospective investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) in accordance with and for the purposes set out in the Company’s Privacy Notice which include:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company; and
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere or of any third party, functionary or agent appointed by the Company.

Where necessary to fulfil the purposes set out above and in the Company’s Privacy Notice, the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) will:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to operate and administer the Company; and
- transfer personal data outside of the UK and the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors provided that suitable safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

The foregoing processing of personal data is required in order to perform the contract with the prospective investor, to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) discloses personal data to such a third party, functionary or agent and/or makes such a transfer of personal data it will ensure that adequate safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions. Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Company's Privacy Notice.

Presentation of information

Financial information

Certain financial and statistical information contained in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Market, economic and industry data

Market, economic and industry data used throughout this document is sourced from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

Unless otherwise indicated, all references in this document to "£", "Sterling" or "pence" are to the lawful currency of the United Kingdom.

Law and practice

Statements made in this document are based on the law and practice in force in England and Wales as at the date of this document and are subject to changes therein.

In this document, any reference to any EU directive, EU regulation, EU tertiary legislation or provision of the EEA agreement (an "EU Matter") which is to form part of UK law by application of section 3 of the European Union (Withdrawal) Act 2018 shall be read as a reference to that EU Matter as it forms (by virtue of section 3 of the European Union (Withdrawal) Act 2018) part of UK law and as modified by UK law from time to time, and the words and expressions used in this paragraph shall have the meanings given to them respectively in the European Union (Withdrawal) Act 2018.

Websites

Neither the contents of the Company's or the Manager's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the Manager's website (or any other website) is incorporated into, or forms part, of this document, or has been approved by the FCA. Prospective investors should base their decision whether or not to invest in the New Shares on the contents of this document alone.

Tax reporting, FATCA and Common Reporting Standard ("CRS")

Shareholders should furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA or CRS. Shareholders may be subject to tax reporting under applicable laws. FATCA and CRS documentation and reporting obligations can also arise in respect of Shareholders where third parties hold shares or act on their behalf.

Forward looking statements

This document includes forward looking statements concerning the Company that are based on the current expectations of the Board and are naturally subject to uncertainty and changes in circumstances. Forward looking statements include, without limitation, statements containing the words "believes", "intends", "expects", "anticipates", "targets", "estimates" or their negative or other similar expressions.

Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from future results, financial condition, performance or achievements expressed or implied by such forward looking statements. Given these risks and uncertainties, prospective investors should not place undue reliance on such forward looking statements as a prediction of actual results.

Such forward looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligation to update or revise any forward looking statement contained in this document to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Information in this document will be updated as required under the Prospectus Regulation Rules, the Listing Rules and/or the Disclosure Guidance and Transparency Rules.

Nothing in the preceding three paragraphs seeks to limit or qualify in any way the working capital statement in relation to the Company included in paragraph 2.5 of Part 4 of this document.

Selling restrictions

The distribution of this document and the offering of New Shares in jurisdictions other than the United Kingdom may be restricted by law or regulation and accordingly persons into whose possession this document comes are required to inform themselves about and observe any such restrictions. No action has been taken to permit the distribution of this document and the offering of New Shares in any jurisdiction outside the United Kingdom where such action is required to be taken.

This document does not constitute, and may not be used for the purposes of, an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the Sponsor, or the Investment Manager or to any person to whom it is unlawful to make such offer or solicitation. If you receive a copy of this document in any territory other than the United Kingdom, you may not treat it as constituting an invitation or offer to you. It is your responsibility, if you are outside the United Kingdom, to satisfy yourself that you have fully observed the laws of any relevant territory in connection with your receipt of this document and/or New Shares, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

Without limiting the above, the New Shares have not been, and will not be, registered under the US Securities Act or under any of the relevant securities laws of, or with any securities regulatory authority of, any state of the United States or of Canada, Australia, Japan, New Zealand or the Republic of South Africa. Accordingly, unless an exemption under such act or laws is applicable, the New Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa or to, or for the account or benefit of, any resident of the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa. The Company has not been and will not be registered under the US Investment Company Act and recipients of this document and investors will not be entitled to the benefits of that Act.

Latest practicable date

In this document, where the context requires, references to 26 July 2021 should be treated as being references to the latest practicable date prior to the publication of this document.

STATISTICS OF THE OFFER

| | |
|--|---|
| Number of New Shares | The number of New Shares to be allotted under the Offer will be determined by the Offer Price as set out below and the amounts applied for under the Offer by investors. |
| Offer Price | The last published NAV per Share at the time of allotment divided by: 1. (for Existing Shareholders and those investing through an authorised financial intermediary) 0.99 to allow for issue costs of 1% calculated in pence and rounded up to the nearest two decimal places; or 2. (for all other investors) 0.97 to allow for issue costs of 3% calculated in pence and rounded up to the nearest two decimal places. |
| Maximum gross proceeds of the Offer | £40 million (with an over-allotment facility to raise up to a further £25 million). |
| Minimum Subscription per investor under the Offer | In respect of each tax year, £4,000 (excluding any initial Advisor Charges facilitated by the Company). |

DEALING CODES

| | |
|--------------------|----------------------|
| ISIN | GB00B641BB82 |
| SEDOL | B641BB8 |
| Ticker code | AMAT |
| LEI | 213800HAEDBBK9RWCD25 |

EXPECTED TIMETABLE

| | |
|--|--|
| Offer opens | 9.00 a.m. on 30 July 2021 |
| Existing Shareholder Priority Period ends | 9.00 a.m. on 4 August 2021 |
| Latest time and date for receipt of Online Subscription Forms and cleared funds in respect of tax year 2021/2022 | 12.00 noon on 4 April 2022 (unless the Offer is fully subscribed or otherwise closes earlier) |
| Latest time and date for receipt of Online Subscription Forms and cleared funds in respect of tax year 2022/2023 | 12.00 noon on 15 July 2022 (unless the Offer is fully subscribed or otherwise closes earlier) |
| Allotments | On or around 9 August 2021 and thereafter monthly (or at such other times as the Board, in its sole discretion, may determine) |
| Offer closes | 12.00 noon on 27 July 2022 (unless the Offer is fully subscribed or otherwise closes earlier) |
| Dealings in New Shares commence | within ten Business Days after the relevant allotment |
| CREST accounts credited | within ten Business Days after the relevant allotment |
| Definitive share certificates and income tax relief certificates despatched | within ten Business Days after the relevant allotment |

Notes:

- (i) Priority will be given to valid Subscriptions under the Offer from Existing Shareholders received by 9.00 a.m. on 4 August 2021. Subscriptions under the Offer will otherwise normally be accepted on a first-come-first-served basis (provided cheques are not post-dated and with priority being given to Subscriptions with cleared funds), subject always to the discretion of the Board.
- (ii) Subscribers (and/or where appropriate their authorised financial intermediaries) will receive an acknowledgement email from the Receiving Agent on receipt of their Online Subscription Form.
- (iii) The Company reserves the right to decline to allot New Shares if an investor's funds have not cleared by the date of the relevant allotment. Investors should therefore make sure that Subscriptions and payment arrive at the Receiving Agent well in advance of the relevant allotment date, in order to ensure that funds have cleared in the Receiving Agent's bank account by, at the latest, the date of allotment.
- (iv) The Board may close the Offer earlier than the date stated above if it is fully subscribed by an earlier date. The Board further reserves the right to accept Subscriptions and to allot and arrange for the listing of New Shares in respect of Subscriptions received on or prior to the closing date of the Offer as the Board sees fit, which may not be on the dates stated above.
- (v) The allotment of New Shares by the Company is at the discretion of the Board and is expected to be made monthly, although there may be fewer or additional allotments (at the Board's discretion).
- (vi) The times and dates set out in the expected timetable above and mentioned throughout this document may be adjusted by the Company, in which event details of the new times and/or dates will be notified, as required, to the FCA and the London Stock Exchange and, where appropriate, to Shareholders and an announcement will be made through a Regulatory Information Service.
- (vii) All references to times in this document are to London time, unless otherwise stated.

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors

Peter Lawrence (Chairman)

Julia Henderson

Susannah Nicklin

Brian Scouler

Fiona Wollocombe

All are non-executive Directors of: Amati AIM VCT plc

27/28 Eastcastle Street London W1W 8DH

which is the Company's registered office

Investment Manager

Amati Global Investors Limited

8 Coates Crescent

Edinburgh EH3 7AL

Company Secretary

The City Partnership (UK) Limited

110 George Street

Edinburgh EH2 4LH

Sponsor and Legal Adviser

Dickson Minto W.S.

16 Charlotte Square

Edinburgh EH2 4DF

Custodian

The Bank of New York Mellon SA/NV

London Branch

One Canada Square

London

E14 5AL

Auditors

BDO LLP

55 Baker Street

London W1U 7EU

Registrar and Receiving Agents

The City Partnership (UK) Limited

The Mending Rooms

Park Valley Mills

Meltham Road

Huddersfield HD4 7BH

VCT Status Adviser

Philip Hare & Associates LLP

Hamilton House

1 Temple Avenue

London

EC4Y 0HA

PART 1: LETTER FROM THE CHAIRMAN

Amati AIM VCT plc

(a company incorporated and registered in England and Wales under the Companies Act 1985 with registered number 04138683)

Directors

Peter Lawrence (Chairman)
Julia Henderson
Susannah Nicklin
Brian Scouler
Fiona Wollocombe

Registered office:

27-28 Eastcastle Street
London
W1W 8DH

28 July 2021

Dear Investor,

Introduction

On 22 February 2021, Amati AIM VCT plc (the “**Company**”) announced that its top up offer for subscription was fully subscribed, having raised approximately £7 million. Since then, the Company has continued to identify and make new investments, with around £19.7 million of new Qualifying Investments made in the five month period to 26 July 2021.

The Company generally holds Qualifying Investments for the long-term, where they have performed well and where the investment case remains attractive, rather than taking profits purely on the basis of share price return. This is the principle of ‘running the winners’, which means remaining invested in (and taking only limited profits from) investee companies which deliver against expectations and rise significantly in value. Investments sold outright tend to be one of the following: those which have not met expectations, those subject to a takeover, or those reverting to Non-Qualifying Investments for technical reasons. These are relatively infrequent events and, accordingly, any realisations of such investments do not add significantly to the Company’s cash reserves, which as at 26 July 2021 had reduced to £5.9 million. Therefore, in order to provide funds for further Qualifying Investments, the Board is launching an offer for subscription (the “**Offer**”), providing both Existing Shareholders and potential new investors the opportunity to subscribe for New Shares in the tax years 2021/2022 and, subject to earlier demand, 2022/2023.

The Offer

The Offer is expected to be open through the course of 12 months (unless fully subscribed by an earlier date) and will seek to raise up to £40 million. There is also an over-allotment facility which will allow the Company to raise up to an additional £25 million, which will only be used to the extent that sufficient Qualifying Investments have been made from the initial proceeds of the Offer. The Board is confident that the Company can deploy the sums to be raised under the Offer effectively during or shortly after the offer period in accordance with VCT legislation. Initially, subscriptions will be accepted for the 2021/2022 tax year only. If sufficient Qualifying Investments have been made from the initial proceeds of the Offer and the Investment Manager has identified further investment opportunities, the Board may use the over-allotment facility to raise up to a further £25 million under the Offer. In this event the Company may also accept Subscriptions in respect of the 2022/2023 tax year.

The Directors have indicated that they intend to invest a total of £202,500 in the Offer.

Well-diversified portfolio of maturing companies

The Company offers investors exposure to a mature and well-diversified portfolio of small and medium sized businesses (predominantly AIM-traded companies) managed by Amati Global Investors. The companies that make up the Company’s current portfolio of Qualifying Investments vary in size from market capitalisations of £5 million to £2 billion, with a weighted average of around £509 million. Most of the investments in the portfolio originated as relatively small Qualifying Investments. Those which have matured into businesses of significant scale and profitability have risen greatly in value and dominate the portfolio as it stands, with the top 10 Qualifying Investments accounting for approximately 50% of the Company’s Net Asset Value. Due to the VCT rules and how these apply to investee companies, there were limited opportunities for VCTs to invest in these companies (often the Company had only one chance to invest). Therefore the Company’s portfolio is somewhat unique and is not able to be replicated in the future, due to the fact that portfolio holdings, once sold, cannot be bought back again by the Company and indeed cannot be bought by another VCT.

The new funds raised will enable new Qualifying Investments to be made when suitable opportunities arise. However, it should be noted that new investments carry more risk than the older established holdings which have already proven themselves. The older investments in the portfolio which were either less successful or failures are either still small holdings or have been sold. It is for this reason that investors are rewarded with the tax reliefs available to subscribers for new VCT shares. Bringing new investments into the Company's portfolio is essential for its longer term future, allowing new investments to gradually replace those of the current top holdings which are eventually sold, taken over or become Non-Qualifying. Following the introduction of the Finance Act 2018, VCTs are required to invest in earlier stage companies. Due to the nature of these investments, it may take longer to generate Shareholder returns in the future.

Other than the TB Amati UK Smaller Companies Fund (which is an open-ended investment company) all the material holdings in the Company's portfolio are traded on AIM, giving Shareholders a degree of price transparency and allowing the Investment Manager to publish a mark-to-market NAV every week.

Key reasons to invest

The Directors believe that the Company represents an attractive investment proposition for the following reasons.

1. Subscribers for New Shares will benefit from the strength and depth of the Company's portfolio of maturing investee companies built up over many years.
2. The Investment Manager has a strong track record of identifying promising early-stage growth companies on AIM and has been recognised through numerous industry awards over recent years for UK smaller company investment.
3. The Company's portfolio contains only one material Non-Qualifying Investment, TB Amati UK Smaller Companies Fund ("SMCO"), which accounts for approximately 7% of the Company's net assets as at 30 June 2021. Management fees in relation to the investment in SMCO are rebated to the Company in full, which means that the Company's cash surplus to short-term requirements can be productively employed through investment (via SMCO) in small and mid-sized UK companies in a portfolio managed by the Investment Manager.
4. The Board aims to pay annual dividends equal to around 5% of the Company's Net Asset Value at its immediately preceding financial year end, subject to the Company's distributable reserves and cash resources, and with the authority to increase or decrease this level at the Directors' discretion. For UK tax payers who have not exceeded the £200,000 annual investment limit these dividends are tax free.
5. The Company operates a share buyback programme which, subject to the availability of distributable reserves and the Company's cash requirements, provides a measure of liquidity for Shareholders who wish to sell their Shares.
6. The Investment Manager brings together an award winning team of highly experienced investment professionals focusing on smaller companies listed on AIM and the Main Market. The fund managers and staff at the Investment Manager and the Directors have significant shareholdings in the Company, aligning their interests with the interests of the other Shareholders.

Dividend Reinvestment Scheme

Information on the Dividend Reinvestment Scheme operated by the Company is set out in paragraph 9.6 of Part 2 of this document.

Key Information Document

The Company is required to publish a Key Information Document (KID), which sets out the key features, risks, potential future performance and costs associated with an investment in the Company. This document is available at the Company's website: www.amatiglobal.com.

Action to be taken

Before making a decision to invest in the Company under the Offer, it is recommended that potential investors seek advice from a financial adviser authorised under the FSMA. If you have any questions about the subscription process, please contact The City Partnership (UK) Limited on **01484 240 910** or email AmatiVCT@city.uk.com. The Investment Manager also welcomes calls from existing and prospective investors and can be contacted on **0131 503 9115**. The suitability (or otherwise) of any investment in the Company will depend on your individual circumstances and neither the Investment Manager nor City Partnership will be able to provide investment advice in connection with the Company or the Offer.

Subscriptions

Persons wishing to participate in the Offer should apply online at www.amatiglobal.com.

Yours sincerely,

Peter Lawrence, Chairman
Amati AIM VCT plc

PART 2: INFORMATION ON THE COMPANY

1. INTRODUCTION

The investment objective of the Company is to generate tax-free capital gains and regular dividend income for its Shareholders while complying with the requirements of the rules and regulations applicable to VCTs. The Company seeks to achieve this by building and maintaining a well-balanced portfolio of Qualifying Investments for the purposes of the tax legislation under which the Company operates. The Qualifying Investments are predominantly in AIM-traded companies or companies expected to be traded on AIM in the future. The Company is managed as a Venture Capital Trust in order that Shareholders may benefit from the tax reliefs available.

2. INVESTOR RETURNS

The following table shows the dividend history of the Company since its re-launch under the management of Amati Global Investors:*

| Year ended 31 January | Total dividends per Share** (pence) | Cumulative dividends per Share (pence) |
|------------------------------|--|---|
| 2011 | 4.74 | 4.74 |
| 2012 | 5.50 | 10.24 |
| 2013 | 6.00 | 16.24 |
| 2014 | 6.75 | 22.99 |
| 2015 | 6.25 | 29.24 |
| 2016 | 6.25 | 35.49 |
| 2017 | 7.00 | 42.49 |
| 2018 | 8.50 | 50.99 |
| 2019 | 7.50 | 58.49 |
| 2020 | 7.75 | 66.24 |
| 2021 | 10.50 | 76.74 |

* On 25 March 2010 Amati Global Investors was appointed as Investment Manager of ViCTory VCT. On 8 November 2011 Invesco Perpetual AIM VCT merged with ViCTory VCT and the name was changed to Amati VCT 2. On 4 May 2018 the Company merged with Amati VCT and the name was changed to Amati AIM VCT.

** Total dividends per Share are the declared dividends in respect of the relevant financial year.

The following table shows the NAV Total Return performance of the Company over certain periods to 30 June 2021 (assuming that dividends had been re-invested on the ex-dividend date), together with a comparison against the Numis Alternative Markets Total Return Index.

| Time Period | 1yr | 3yr | 5yr | Under Amati management* | Since Launch** |
|---------------------------------|------------|------------|------------|--------------------------------|-----------------------|
| NAV % Return | 50.9 | 36.8 | 154.9 | 265.0 | 84.1 |
| Index % Return | 42.2 | 20.7 | 87.5 | 90.7 | 11.8 |
| Performance Relative to Index % | 8.7 | 16.1 | 67.4 | 174.3 | 72.4 |

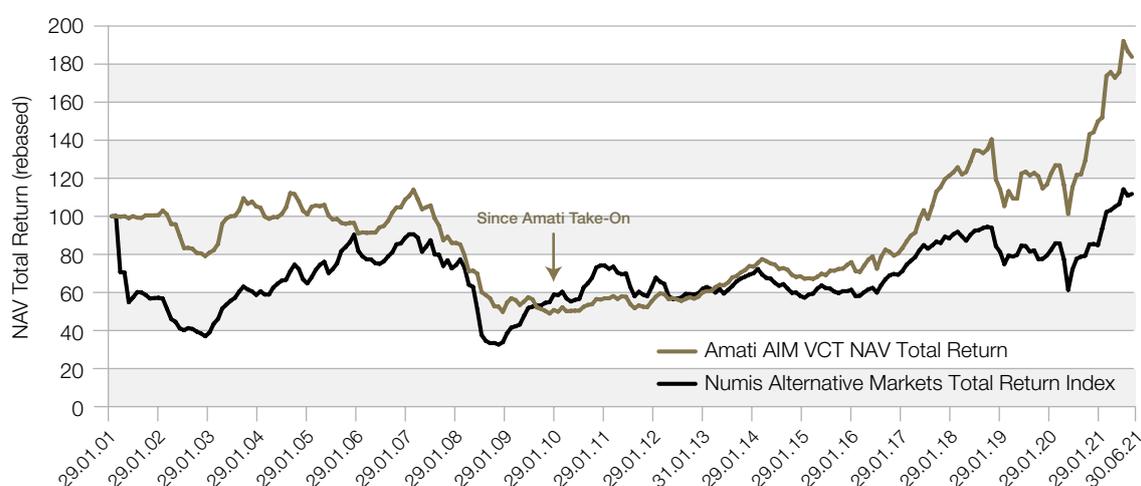
* Take-on of management contract by the Manager: 25 March 2010

** Launch: 29 January 2001

Source: Amati Global Investors Ltd and Numis Securities Ltd

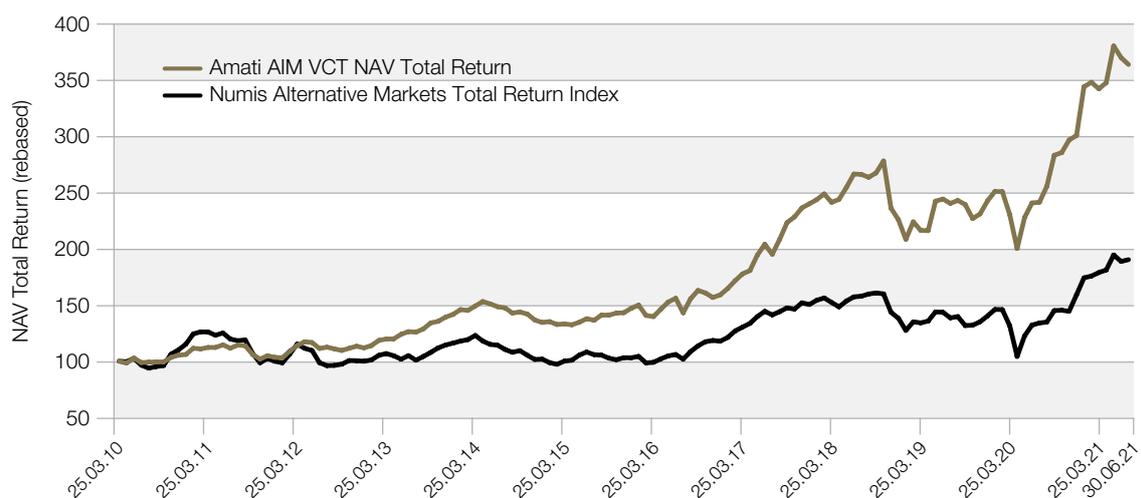
The following graphs show the NAV Total Return performance of the Company to 30 June 2021, both since its inception as Singer & Friedlander AIM VCT 3 in 2001 and since the change of manager to Amati Global Investors on 25 March 2010.

Since inception:



Source: Amati Global Investors Ltd and Numis Securities Ltd

From change of manager to Amati:



Source: Amati Global Investors Ltd and Numis Securities Ltd

The following table shows historic returns to 30 June 2021 attributable to shares issued by the original VCTs which have combined to form the Company, prior to being managed by Amati:

| | Launch date | NAV total return with dividends re-invested (%) | NAV total return with dividends not re-invested (%) | Numis Alternative Markets Total Return Index (%) |
|---|-------------------|---|---|--|
| Singer & Friedlander AIM 3 VCT ('C' shares) | 04 April 2005 | 102.0 | 51.9 | 55.7 |
| Invesco Perpetual AIM VCT | 30 July 2004 | 78.7 | 8.5 | 90.7 |
| Singer & Friedlander AIM 3 VCT* | 29 January 2001 | 84.1 | 37.0 | 11.8 |
| Singer & Friedlander AIM VCT | 28 September 1998 | -3.7 | -9.8 | 73.6 |
| Singer & Friedlander AIM 2 VCT | 29 February 2000 | 41.0 | 4.1 | -43.0 |
| Amati VCT | 24 March 2005 | 223.4 | 111.9 | 50.1 |

* Singer & Friedlander AIM 3 VCT changed its name to ViCTory VCT on 22 February 2006, to Amati VCT 2 on 8 November 2011 and to Amati AIM VCT on 4 May 2018.

Source: Amati Global Investors Ltd and Numis Securities Ltd

Shareholders should note that in the short to medium term the returns to Shareholders will be determined by the existing portfolio of the Company, which largely consists of investments made prior to the VCT rules being amended by the Finance Act 2018. The consequence of these amendments is that VCTs are now required to invest in earlier stage companies which is resulting in a repositioning of the Company's portfolio towards the healthcare and technology sectors which are, by definition, higher risk investments. Over time, as the Company's portfolio is brought in to line with the amended VCT rules, Shareholder returns and dividends payable by the Company may take longer to generate and the levels of those returns may be more volatile due to the nature of investing in earlier stage companies.

3. THE DIRECTORS

The Board comprises five Directors, all of whom are non-executive and independent of the Investment Manager. Although the management of the Company's portfolio has been delegated to the Investment Manager, the Directors retain overall responsibility for the Company's affairs. The Articles require the Directors to notify the Company of any interest they may have which may potentially conflict with their duties to the Company, and allow the independent Directors (those Directors who do not have a conflict of interest) to authorise any potential conflict which a Director may have.

A short biography on each of the Directors is set out below.

Peter Lawrence joined the Board in May 2018 and is chairman of the Company. He is also chairman of Baronsmead Venture Trust plc. In March 2019 he retired as chairman of ECO Animal Health Group plc, an AIM-traded company which he founded in 1972 and in June 2021 he retired as chairman of Anpario plc, also an AIM-traded company.

Julia Henderson joined the Board in May 2018. She has specialised in advising quoted and unquoted companies for over thirty years. Her corporate finance career began at ANZ Merchant Bank, after which she became a co-founder of Beeson Gregory Limited, a mid-market investment bank. Since 2004 she has been an independent consultant, chairman and non-executive director to companies across a broad range of sectors. Previous non-executive directorships include ECO Animal Health Group plc, GTL Resources plc, Alkane Energy plc and TP Group plc.

Susannah Nicklin joined the Board in May 2016. She is an investment and financial services professional with over 25 years of experience in executive roles at Goldman Sachs and Alliance Bernstein in the US, Australia and the UK. She has also worked in the social impact private equity sector and is now Chair of the Schroder BSC Social Impact Trust plc. She is also a non-executive director of The North American Income Trust plc, Ecofin Global Utilities and Infrastructure Trust plc, and Baronsmead Venture Trust plc. She intends to retire as the Senior Independent Director of Pantheon International plc at the upcoming AGM this autumn. She is a CFA® charterholder.

Brian Scouler joined the Board in May 2018. He spent 25 years in the private equity industry with Charterhouse, Royal Bank of Scotland and Dunedin LLP. He has wide experience of buying and selling private companies and investment portfolio management, sitting on numerous investee company boards. He was formerly manager of a quoted investment trust and a member of the steering committee of LPEQ, the listed private equity group. He is a Chartered Accountant with a number of non-executive and advisory appointments.

Fiona Wollocombe joined the Board in June 2021. She has been a non-executive director for a number of companies in the VCT sector including as chair of Artemis VCT Plc and Maven Income and Growth VCT PLC. She is currently chair of Kings Arms Yard VCT PLC and of the Trustees of the Scottish Ballet Endowment Fund. Her previous career was in equity capital markets at NatWest Markets and Deutsche Bank.

4. THE AIC CODE AND THE CORPORATE GOVERNANCE CODE

The Board recognises the importance of sound corporate governance. The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("**AIC Code**"). The AIC Code addresses the principles of the UK Corporate Governance Code (the "**UK Code**"), as well as setting out additional principles and recommendations on issues which are of specific relevance to the Company as a Venture Capital Trust. The Financial Reporting Council has confirmed that in complying with the AIC Code, the Company will meet its obligations in relation to the UK Code. The Board considers that reporting against the principles and recommendations of the AIC Code will provide the most appropriate information to Shareholders.

As at the date of this document, the Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code except where noted below. There are certain areas of the UK Code that the AIC does not consider relevant to investment companies and with which the Company does not specifically comply, for which the AIC Code provides dispensation.

The Board considers that the UK Code provisions relating to the role of chief executive, executive director's remuneration, and the need for an internal audit function, are not relevant to the Company.

As an investment company managed by third parties, the Company does not employ a chief-executive, nor any executive directors. The systems and procedures of the Investment Manager and City Partnership, the provision of VCT monitoring services by Philip Hare & Associates LLP, and the annual statutory audit as well as the size of the Company's operations, gives the Board confidence that an internal audit function is not appropriate.

The Company has not appointed a senior independent director as it does not consider it necessary given the small size of the Board. The Directors' letters of appointment provide that the Directors are subject to re-election by Shareholders at the first annual general meeting after their appointment. In accordance with the AIC Code, the Board has resolved that all Directors will stand for annual re-election by Shareholders.

The Board as a whole considers management engagement matters rather than delegating these to committees, as all of the current Directors are considered independent of the Investment Manager. Management engagement matters include an annual review of the Company's service providers, with a particular emphasis on reviewing the Investment Manager in terms of investment performance, quality of information provided to the Board and remuneration.

The Board has constituted three standing committees to make recommendations to the Board: the Audit Committee, the Remuneration Committee and the Nomination Committee. These have been established with appropriate terms of reference, and the committees' membership comprises all of the Directors of the Company.

5. THE INVESTMENT MANAGER

Amati Global Investors Limited ("**Amati**") was appointed as the investment manager of the Company in March 2010. Amati is a specialist fund management business based in Edinburgh, with assets under management of approximately £1.3 billion (as at 30 June 2021). Amati focuses on small and mid-sized companies, with a universe ranging from constituents of the FTSE Mid 250 and FTSE Small Cap indices, to stocks quoted on AIM and, more recently, to metals and mining companies listed on international markets. Amati was incorporated and registered in Scotland on 15 September 1999 as a private company with registered number SC199908. Its registered office address is 8 Coates Crescent, Edinburgh EH3 7AL and its telephone number is 0131 503 9100. Amati is 51% owned by its staff and 49% owned by Mattioli Woods plc, which invested in Amati in 2017. Amati is a Tier 1 signatory to the UK Stewardship Code, a signatory to the UN-supported Principles for Responsible Investment (PRI), and a supporter of the Task Force on Climate-related Financial Disclosures (TCFD).

In addition to the Company, Amati manages the TB Amati UK Smaller Companies Fund ("**SMCO**"), the TB Amati Strategic Metals Fund ("**ASMF**") and the Amati AIM IHT Portfolio Service. From inception in December 1998 until July 2008, SMCO was called First State British Smaller Companies Fund, being part of First State Investments OEIC. It then became CF Noble UK Smaller Companies Fund, as part of a new OEIC. It was renamed CF Amati UK Smaller Companies Fund in July 2010. In August 2012, T. Bailey Fund Services Limited replaced Capita as Authorised Corporate Director for the fund and it was renamed TB Amati UK Smaller Companies Fund. The performance of SMCO has been recognised in a number of awards and ratings.

ASMF was launched in March 2021 to provide an opportunity for investors to gain exposure to "strategic" metals, which are those associated with the global energy transition from fossil fuels to cleaner, more sustainable and less carbon-intensive energy sources.

The Amati AIM IHT Portfolio Service was launched by Amati in August 2014. The Service operates on the basis of a model portfolio of AIM-quoted stocks, which provides the template for the discretionary management of portfolios held by clients of wealth managers and other intermediaries for the purposes of inheritance tax planning.

5.1 The VCT Investment Management Team

Dr Paul Jourdan, David Stevenson, Anna Macdonald and Scott McKenzie, supported by Dr Gareth Blades, are the principal fund managers responsible for the Company's investment portfolio. Details on these individuals are set out below.

Dr Paul Jourdan is CEO and a director of Amati and has been managing UK smaller company funds for 20 years. He co-founded Amati following the management buyout of Noble Fund Managers from Noble Group in 2010, having joined Noble in 2007 as Head of Equities. His fund management career began in 1998 with Stewart Ivory where he gained experience in UK, emerging market and global equities. In 2000, Stewart Ivory was taken over by First State and Paul became manager of what is now TB Amati UK Smaller Companies Fund. In early 2005, he launched First State AIM VCT plc (which was later renamed Amati VCT plc) and then also became manager of Amati VCT 2 plc (now the Company) after the investment management contract moved to Amati in 2010. In September 2014 Amati launched the Amati AIM IHT Portfolio Service, which Paul co-manages with David Stevenson, Anna Macdonald and Scott McKenzie. Prior to 1998 Paul worked as a professional violinist, including a four year period with the City of Birmingham Symphony Orchestra. He is a member of the CFA Institute and serves as a trustee of Clean Trade, a UK registered charity.

David Stevenson is a director of Amati, which he joined in 2012. In 2005 he was a co-founding partner of investment boutique Cartesian Capital, which managed a range of retail and institutional UK equity funds in long only and long/short strategies. Prior to that he was Assistant Director at SVM, where he also managed equity products. David started his career at KPMG where he qualified as a Chartered Accountant. He latterly specialised in corporate finance, before moving into private equity with Dunedin Fund Managers. David has co-managed both the TB Amati UK Smaller Companies Fund and the Company since 2012 and the Amati AIM IHT Portfolio Service since 2014.

Anna Macdonald is an experienced fund manager specialising in UK equities. Anna began her career as an analyst and fund manager at Henderson Global Investors in London, where she co-managed the core enhanced UK equity product and the UK Equity Market Neutral Hedge Fund. After some time living in Kenya, as head of research for Old Mutual Asset Management, she returned to the UK and worked at Threadneedle Investors in London, before moving to Edinburgh. Anna joined the Amati team in 2018 from Adam & Company, where she led research for the PAM-award winning wealth manager. She brings her expertise running a successful AIM-listed portfolio service to Amati as well as a breadth of experience in managing substantial OEICs, private client and charity portfolios. Anna has co-managed the TB Amati UK Smaller Companies Fund, the Company and the Amati AIM IHT Portfolio Service since 2018. She has been a CFA® charterholder since 2003.

Scott McKenzie joined Amati in April 2021 and has over 25 years' experience managing UK equity portfolios. His career began in Glasgow at Britannia Investment Management in the early 1990's before moving to London with Aviva Investors in 1999. He returned to Scotland in 2005, joining Martin Currie where he remained until 2009. After a period running his own private businesses, he joined Saracen Fund Managers in 2014 where he launched the TB Saracen UK Income fund and also became manager of the TB Saracen UK Alpha fund. He left Saracen in March 2021 having led both funds to top quartile rankings in their sectors. Scott co-manages the TB Amati UK Smaller Companies Fund, the Company and the Amati IHT Portfolio Service.

Dr Gareth Blades joined Amati in 2019 as an Analyst supporting the fund management team. Prior to Amati, Gareth worked as an independent consultant supporting early stage life science companies in their operational and strategic decision making. In 2016, he worked for the College of Medicine and Veterinary Medicine at the University of Edinburgh building and spinning-out therapeutic, med-tech, diagnostic and e-health companies. In 2015, Gareth worked in healthcare corporate finance at PharmaVentures in Oxford. During his time at PharmaVentures he delivered expert reports, business development, licensing and due diligence projects for international clients. Prior to this he worked for White Space Strategy in Oxford, a leading market analysis and strategy consultancy serving financial services, TMT, manufacturing, energy and public sector clients. Gareth has a DPhil in Systems Biology - Biochemistry from the University of Oxford, an MPhil in Micro and Nanotechnology Enterprise from the University of Cambridge and a first in Neuroscience from Cardiff University.

6. INVESTMENT OBJECTIVE AND POLICY

6.1 Investment Objective

The investment objective of the Company is to generate tax free capital gains and regular dividend income for its Shareholders, primarily through Qualifying Investments in AIM-traded companies and through Non-Qualifying Investments as allowed by the VCT legislation. The Company will manage its portfolio to comply with the requirements of the rules and regulations applicable to VCTs from time to time. The Company's policy is to hold a diversified portfolio across a broad range of sectors to mitigate risk.

6.2 Investment Policy

Whilst the Company will make Qualifying Investments primarily in companies traded on AIM or Aquis, the Company may also make Qualifying Investments in companies likely to seek a quotation on AIM or Aquis. With regard to the Non-Qualifying portfolio, the Company makes investments which are permitted under the VCT regulations, including investment in shares or units in an Alternative Investment Fund (AIF) or Undertakings for Collective Investment in Transferable Securities (UCITS) fund, and shares in other companies which are listed on a regulated market such as the Main Market of the London Stock Exchange. For continued approval as a VCT under the ITA 2007 the Company must, within three years of raising funds, maintain at least 80% of its value (based on cost price, or last price paid per share if there is an addition to a holding) in Qualifying Investments. In addition, 30% of all monies raised in a financial accounting period must be invested in Qualifying Investments by the anniversary of that accounting period. Any investments made by the Company in shares or securities of another company must not represent more than 15% of the Company's net asset value at the time of purchase.

7. INVESTMENT STRATEGY

7.1 Qualifying Investments Strategy

The Company is likely to be a long term investor in most Qualifying Investments, with sales generally only being made where an investment case has deteriorated or been found to be flawed, or to realise profits, adjust portfolio weightings, fund new investments or pay dividends. Construction of the portfolio of Qualifying Investments is driven by the historic investments made by the Company and by the availability of suitable new investment opportunities. The Investment Manager may co-invest in companies in which other funds managed by Amati Global Investors invest.

7.2 Non-Qualifying Investments Strategy

The assets of the portfolio which are not in Qualifying Investments will be invested by the Investment Manager in investments which are allowable under the rules applicable to VCTs. Currently, cash not needed in the short term is invested in a combination of the following (though ensuring that no more than 15% of the Company's Net Asset Value is invested in any one entity at the time of purchase):

- (i) the TB Amati UK Smaller Companies Fund (which is a UCITS fund), or other UCITS funds approved by the Board;
- (ii) direct equity investments in small and mid-sized companies and debt securities, in each case listed on the Main Market; and
- (iii) cash or cash equivalents (including money market funds) which are redeemable within 7 days.

7.3 Borrowing Policy

The Company may, within the limits set out in its Articles, utilise borrowings to provide flexibility in its investment and dividend policies. The Articles allow the Company to borrow up to an amount equal to its adjusted capital and reserves (as defined in the Articles).

As at the date of this document, the Company has no borrowing facilities in place and the Board has no intention of utilising any borrowing powers.

7.4 Change in Investment Policy

A material change in the Company's Investment Objective and Investment Policy as set out in paragraphs 6.1 and 6.2 will only be effected with Shareholders' prior approval in accordance with the Listing Rules. The investment strategy outlined in paragraphs 7.1 and 7.2 of this Part 2 does not form part of the formal investment policy and as such may be changed without Shareholder consent.

8. INVESTMENT PROCESS

The following description of Amati's investment process is intended to provide a general overview of the work Amati typically carries out in performing its role as Investment Manager to the Company, and it should not be taken as providing a guarantee that any specific action will be taken in relation to an investment decision. It should be noted that the investment process may change over time. Due to the differing requirements of Qualifying Investments and Non-Qualifying Investments, the investment process adopted by Amati for each is distinct. The differences are outlined below.

8.1 Qualifying Investments

Qualifying Investment opportunities arise when a company that satisfies the qualifying tests raises new capital. This may be as part of an Initial Public Offering or a Secondary Offering on AIM, or it may be raising new capital as a private company. The primary source of AIM- traded investment opportunities is the Investment Manager's network of broker contacts. On occasion, the Investment Manager will initiate and negotiate investments directly with companies. Following the initial introduction, Amati logs the details of the investment opportunity in a proprietary database maintained for this purpose, and it will be taken up by one of the fund managers for an initial review. Normally this will be the fund manager who covers the relevant industry sector. Based on the initial review, the fund manager will accept or reject a meeting with the prospective investee company's management.

Following a meeting, the fund manager will undertake due diligence, which will include:

- review of the pathfinder document, or whatever other information is available relating to the fund raising;
- review of the introducing broker's research note and discussion with its author, as well as any relevant third party research available to the Investment Manager; and/or
- review of other information published by the company.

The review process is also likely to include some or all of the following:

- review of industry and other third party information sources;
- conversations and meetings with industry specialists known to the Investment Manager;
- financial modelling and valuation analysis; and/or
- site visit.

Notes from meetings and document reviews are stored within a proprietary database, which acts as a library of work conducted on each company by the fund managers. At the end of the process, the reviewing fund manager will write an investment conclusion on the opportunity being presented. This will be discussed with the other fund managers. For an investment to proceed, a majority of fund managers must vote in favour of the investment. The votes are recorded in the proprietary database.

If an investment is made, the Investment Manager will normally look to hold ongoing discussions with the company at least twice per year, as part of the ongoing portfolio monitoring process. The Investment Manager holds regular portfolio review meetings where all holdings are reviewed and decisions are made to retain or exit through market sales.

8.2 Non-Qualifying Investments

Beyond holdings in cash, substantially all of the Company's Non-Qualifying Investment is held through a holding in the TB Amati UK Smaller Companies Fund, which is an award winning open-ended investment company investing in companies listed in London. The team at Amati also manages this fund, which complies with the Investment Association (IA) sector classification requiring that 80% of the portfolio is invested in the bottom 10% by value of listed companies domiciled in the UK, giving a target universe ranging from AIM to fully listed constituents of the Small Cap and Mid 250 indices. In conducting their company research for this fund, the Investment Manager divides up the investment universe by sector, so as to develop particular industry expertise, and applies a range of quality filters to focus on the stocks which are likely to be of most interest. The due diligence and decision making processes are as described above for Qualifying Investments, as is ongoing portfolio monitoring.

8.3 Potential Investee Company Criteria

When analysing a company's suitability for investment, the Investment Manager looks for a number of attributes:

- high barriers to entry;
- sustainable competitive advantage;
- innovation;
- revenue visibility and growth;
- pricing power;
- balance sheet adequacy and the ability to finance growth; and
- incentivised management team with good track record.

Particular attention will also be paid to areas of the market which the Investment Manager believes are overlooked either due to size and, therefore, lack of broker coverage; or because the company is operating in an out of favour sector.

At the same time as appraising a company for its positive attributes, the Investment Manager tries to avoid a number of negative features, which could include the following:

- aggressive accounting flattering revenues, profits and finances;
- consistently reporting 'exceptional' and 'restructuring' costs;
- competitive threats from larger companies with greater operating scale, or from new technologies;
- unexpected cash calls;
- significant liabilities – debt, lease, pensions; and
- lumpy, irregular income.

When investing in loss making companies, which is often the case when making new Qualifying Investments in companies which are developing valuable intellectual property or innovative business propositions, the Investment Manager applies a number of in-house criteria which are designed to ensure that the potential returns match the risks being taken.

8.4 Environmental, Social and Governance ("ESG") considerations

The Investment Manager recognises that managing investments on behalf of clients involves taking into account a wide set of responsibilities in addition to seeking to maximise financial returns for investors. Industry practice in this area has been evolving rapidly and Amati has been an active participant in seeking to define and strengthen its principles accordingly. This involves both integrating ESG considerations into the Investment Manager's investment decision-making process as a matter of course, as well as engaging with major external bodies who are leading influencers in the formation of industry best practice. The following is an outline of the kinds of ESG considerations that the Investment Manager will take into account as part of its investment process.

- Environmental – examining issues arising from supply chains, climate change and contamination. The Investment Manager looks for management teams who are aware of the issues and are proactive in responding to them.
- Social – seeking to avoid unequivocal social negatives, such as profiting from addiction or forced labour and to support positive impacts which will more likely find support from customers and see rising demand.

- Governance – examining and, where appropriate, engaging with companies on board membership, remuneration, conflicts of interest such as related party transactions, and business leadership and culture.
- Human Rights – adopting and advocating a Clean Trade (www.cleantrade.org) approach, which means avoiding companies that tacitly support the most oppressive regimes and engaging positively with those that uphold Article 1 of the International Covenants on Civil and Political Rights, particularly in relation to the extraction of natural resources.

In terms of external validation and support, Amati is a Tier 1 signatory to the UK Stewardship Code, which aims to enhance the quality of engagement between investors and companies to help improve long-term risk-adjusted returns to shareholders. Amati is also a signatory to the UN-supported Principles for Responsible Investment (PRI), which works to support its international network of signatories in incorporating ESG factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole. In addition, Amati recently became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD), whose aim is to improve and increase the reporting of climate-related financial information.

8.5 Co-Investment and Conflicts of Interest

Amati may act as investment manager or adviser to various clients other than the Company. Investment opportunities identified as suitable for the Company may also be suitable for such other clients.

As a regulated entity, Amati has in place procedures by which it ensures compliance with FCA regulations governing equality of treatment for different clients and, subject always to the provisions of these regulations, Amati will seek to ensure that the Company is not disadvantaged in relation to any other fund or entity managed or advised by the Investment Manager. The Investment Manager's written allocation policy is reviewed at least annually and amended as appropriate.

In managing the portfolio, the Investment Manager may combine orders for the Company with those of its other clients. This procedure may operate on some occasions to the advantage of the Company and on others to its disadvantage.

8.6 Valuation Policy and Publication of NAV

Quoted investments are valued at bid price in accordance with International Financial Reporting Standards. The Company uses the London Market Maker closing bid prices for the calculation of its reported Net Asset Values. The Directors and the Investment Manager will consider the need for discounts if appropriate.

Unquoted investments are priced at the Investment Manager's valuation in accordance with International Private Equity Venture Capital Valuation Guidelines. The valuation is established by using measurements of value such as price of recent investment, earnings multiple and net assets. Where no reliable fair value can be estimated using such valuation techniques, unquoted investments are carried at cost subject to provision for impairment where necessary.

The Investment Manager values the Company's unquoted assets and Link Alternative Fund Administrators Limited calculates the Company's Net Asset Value on a weekly basis (the weekly Net Asset Value taking into account weekly changes in market prices of the listed and traded investments of the Company, together with any significant change in the value of any other investment of the Company). The Company Secretary then announces the Net Asset Value through a Regulatory Information Service announcement. The Company's valuation is considered in more detail by the Board at board meetings, which take place a minimum of four times each year. The calculation of the Company's Net Asset Value will be suspended only in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

If trading in the shares of an investee company is suspended, this will be incorporated into the Company's Net Asset Value at an amount determined by the Directors and this will be communicated to Shareholders in the Company's annual financial statements.

8.7 Realisation Strategy

One of the advantages of investing in publicly quoted companies is that an investor can realise an investment at their discretion, subject to there being liquidity (ease of buying and selling) in the stock. This means that the Investment Manager can plan to: a) exit a holding in its entirety; b) reduce the position size; or c) hold Qualifying Investments for the long-term where the Investment Manager believes that the investment case remains attractive. It is this latter course that the Investment Manager has been following since 2015. This approach, often colloquially referred to as "running the winners", advocates retaining companies that have performed well in the past into the future, rather than exiting to crystallise a profit purely on the basis that the share price has gone up (by "performing", the Investment Manager is referring to the growth in the fundamentals of the business (revenues, profits and cashflows) as well as growth in the share price). This approach has resulted in

the Company building up significant portfolio weightings in its most attractive and successful investments. Due to the success of these holdings, and the resulting valuation appreciation over time, these investments tend to be the largest businesses in the portfolio. Where the Investment Manager believes that the portfolio weighting has exceeded appropriate levels, it will seek to reduce the position size by selling a portion of the holding on the market. Just as these holdings tend to be the largest in the portfolio by market capitalisation, they tend to become the most liquid (by virtue of the higher capitalisations).

9. OTHER INFORMATION

9.1 Investment Management Arrangements

Under the investment management and administration agreement (the “IMA”) dated 30 September 2019, the Company has agreed to pay to the Investment Manager a quarterly fee of 0.4375% (i.e. 1.75% per annum) of the Net Asset Value of the Company, payable in arrears in respect of its services as investment manager of the Company’s portfolio. The Investment Manager is also paid a fee by the Company in respect of the provision of company secretarial and administration services.

The Investment Manager may make (and has made in the past) a small number of investments in private companies or unquoted convertible loan instruments in AIM-quoted companies. In these cases, a deal fee may be paid to the Investment Manager by the investee company, out of which legal expenses and other associated costs arising from the investment are covered. If such deals are aborted, the Investment Manager pays for any costs which have arisen. Where the Investment Manager appoints a non-executive director to the board of an investee company, they will generally be paid by the investee company in line with other non-executive directors. This payment may also take the form of a monitoring fee. No such arrangements are currently in place.

Any trail commissions paid to intermediaries are paid by the Investment Manager.

Either party may terminate the Investment Manager’s appointment as investment manager under the IMA on one year’s notice. The appointment of the Investment Manager as administrator and company secretary may be terminated on one year’s notice (as indicated below, the Investment Manager has delegated the company secretarial and fund administration functions). The Investment Manager’s appointment may also be terminated at any time if the Investment Manager is, inter alia, unable to pay its debts or goes into receivership or administration or an order is made or a resolution passed for the winding up of the Investment Manager; the Investment Manager becomes insolvent or stops or threatens to stop carrying on its business or payment of its debts or makes any arrangement with its creditors generally; the Investment Manager is found liable for material breach of duty or negligence or material breach of contract; Paul Jourdan ceases to work on a day-to-day business in the management of the Company’s investment portfolio; or the Investment Manager undergoes a change of control which the Company considers will have a materially adverse effect on the services to be provided.

Further details of the IMA are set out in paragraph 7(i) of Part 6 of this document.

9.2 Administration Arrangements

Under the IMA, the Investment Manager has also agreed to provide certain company secretarial and administrative services to the Company. The Investment Manager has engaged The City Partnership (UK) Limited to act as Company Secretary and Link Alternative Fund Administrators Limited to act as the Company’s fund administrator. The Company has agreed to pay to the Investment Manager a fee increased in line with the Consumer Price Index including owner occupiers’ housing costs (CPIH) annually in arrears in respect of the provision of these services and the current fee is £96,163 per annum.

As noted above, the appointment of the Investment Manager as administrator and company secretary to the Company under the IMA may be terminated on one year’s notice.

9.3 Custody Arrangements

Bank of New York Mellon (being incorporated and registered in the United States, but whose UK establishment has its registered office at One Canada Square, London E14 5AL with registered number FC005522, its telephone number being 020 3322 4806 and being authorised and regulated by the FCA) acts as custodian of the Company’s quoted assets and some of the unquoted assets and, in that capacity, is responsible for ensuring safe custody and dealing and settlement arrangements in relation to such assets.

9.4 Dividend Policy

The Board aims to pay annual dividends equal to around 5% of the Company’s Net Asset Value at its immediately preceding financial year end, subject to the Company’s distributable reserves and cash resources, and with the authority to increase or decrease this level at the Directors’ discretion.

The Board considers that the above dividend policy provides both a good level of cash return to Shareholders and underpins the ongoing strength of the Company by allowing for a level of capital growth.

The amount of the dividend per Share in respect of the period to 31 January 2021 (being the end of the Company's last financial year) was 10.5p.

Venture Capital Trusts can distribute realised capital profits from the sale of underlying investments and income by way of dividends, which are free of income tax to Qualifying Subscribers. The Directors intend that the Company will take advantage of this by distributing some or all of its realised profits from time to time. Generally, a VCT must distribute by way of dividend such amount as to ensure that it retains not more than 15% of its income from shares and securities. In the event that the Directors deem it prudent and subject to the legislation governing the Company, interim and special dividends may also be paid by the Company. Forecasts of dividends should not be treated as profit forecasts.

Shareholders electing to receive their dividends in cash will receive payments directly into their nominated bank account, and are required to complete a bank mandate form for this purpose. A dividend mandate form is provided as part of the Online Subscription Form. Further dividend mandate forms may be obtained from the Company's Registrar.

9.5 Dividend Reinvestment Scheme

The Company operates, through The City Partnership (UK) Limited, a dividend reinvestment scheme to enable Shareholders to use all or part of their dividends to subscribe for further Ordinary Shares, in lieu of cash, in a cost effective manner. Under the Dividend Reinvestment Scheme, dividends are reinvested at the last published NAV per Share prior to allotment. Dividend re-investment enables Shareholders to increase their total holding in the Company without incurring dealing costs, issue costs or stamp duty. Subject to the limits on the amount that can be invested in VCTs in any tax year, any shares issued in lieu of a cash dividend would qualify for the same tax reliefs that are applicable to shares issued under the Offer. Please note, however, that Ordinary Shares issued under the Dividend Reinvestment Scheme count towards the annual limit of £200,000 for tax reliefs granted to VCT investors.

If required, additional Shareholder authority to issue Ordinary Shares under the Dividend Reinvestment Scheme may be sought by the Company at further general meetings if deemed appropriate by the Board.

Shareholders wishing to participate in the Dividend Reinvestment Scheme in respect of New Shares issued to them under the Offer should tick the relevant boxes in Section 4 of the Online Subscription Form. The terms of the Dividend Reinvestment Scheme are available on the Investment Manager's website (www.amatiglobal.com) or you can request a copy of the terms by contacting the Investment Manager by telephone on **0131 503 9115** or by email at info@amatiglobal.com. **Please note that any instruction given in respect of the Dividend Reinvestment Scheme will also be applied to any existing holdings in the Company.**

9.6 Buyback Policy

The Company wishes to ensure that there is a degree of liquidity in the Ordinary Shares and intends to pursue an active discount management policy, subject to sufficient levels of distributable reserves, cash receipts, market conditions at the relevant time and other requirements in the relevant accounting period.

Therefore, the Directors intend that the Company buys back Ordinary Shares which Shareholders wish to sell. Subject to legislative requirements, the Directors may utilise part of the proceeds of the Offer to fund share buybacks. Ordinary Shares which are bought back by the Company will be cancelled. This buyback policy aims to support the Ordinary Share price by limiting the discount to Net Asset Value at which Ordinary Shares trade. The making and timing of any share buybacks will remain at the absolute discretion of the Board and the Board may change its policy without prior notice. Under the Listing Rules, the price payable for Ordinary Shares pursuant to a buyback undertaken by the Company under its general authority cannot be more than the higher of (i) the amount equal to 105% of the average of the middle market quotations for the five business days immediately preceding the date on which the Ordinary Shares are purchased; (ii) the price of the last independent trade; and (iii) the highest then current independent bid on the London Stock Exchange.

9.7 Duration of the Company

Investments in VCTs are of a long term nature, with the full benefit of the associated tax reliefs being available to subscribers only where they hold their investments for more than five years. As such, the Directors believe that once this period has elapsed, there should be an opportunity for Shareholders to consider the future of the Company.

The Articles contain provisions requiring the Board to propose an ordinary resolution at the annual general meeting of the Company falling after the fifth anniversary of the last share allotment carried out by the Company for the continuation of the Company as a VCT. If such resolution is not passed, the Board shall within nine months of such meeting convene a general meeting where two special resolutions shall be proposed: 1) a special resolution for the reorganisation or reconstruction of the Company; and if such resolution is not passed, 2) a special resolution requiring the Company to be wound up voluntarily. If neither resolution is passed, the Company will continue as a VCT.

9.8 Shareholder Communications

The Company's annual report and accounts are prepared as at the end of January in each year and are normally sent to Shareholders in April of each year. Shareholders also receive half yearly financial statements for the period to 31 July in each year, which are unaudited.

The Company's annual report and accounts will be presented to Shareholders for their consideration at the Company's annual general meeting. The Company's annual general meeting provides an opportunity for Shareholders to speak to the Directors and a member of the investment management team of the Investment Manager to discuss the report and accounts and other procedural matters.

9.9 Share Capital Authorities

On 9 June 2021, by ordinary resolution, the Directors were granted authority to allot up to 30,000,000 Ordinary Shares. On the same date, by special resolution, the Directors were empowered to make such allotments without application of pre-emption rights. On the same date, the Company was authorised to make market purchases of up to 17,736,314 Ordinary Shares.

9.10 HM Revenue & Customs Approval

The Directors seek to manage the Company's affairs in order that it complies with legislation applicable to VCTs (in particular, section 274 of ITA). In this regard, the Company has retained Philip Hare & Associates LLP to advise on its VCT status. HMRC has confirmed that the Company qualifies as a VCT. Approval may be lost if the Company subsequently ceases to comply with certain other requirements relating to VCT status.

Any potential investor who is in doubt as to the tax reliefs associated with investing in VCTs should consult their independent financial adviser authorised and regulated under FSMA and/or their tax adviser.

9.11 Mandatory Takeover and/or Squeeze-Out and Sell-Out Rules

The Company is subject to the City Code on Takeovers and Mergers (the "Code"). Under Rule 9 of the Code, if:

- 9.11.1 any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company; or
- 9.11.2 any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested,

then, unless that person, and where appropriate any concert parties, have obtained the consent of the Panel on Takeovers and Mergers (the "Panel"), the acquirer will be required to make a cash offer for the outstanding shares of the company at a price not less than the highest price paid by the acquirer, or a concert party, for shares in the company in the preceding 12 month period.

The Company is also subject to sections 974-991 of the 2006 Act. Under these sections, where a takeover offer is made, and the offeror acquires or contracts to acquire, not less than 90% of the shares to which the offer relates (where the 90% is both value of shares and voting rights) then the offeror is entitled to require the holders of any shares who have not accepted the offer to compulsorily transfer those shares to the offeror. The consideration offered to those who have not accepted any offer and whose shares are being compulsorily acquired must, generally, be the same as that offered under the earlier offer.

In addition to the above, under sections 983-985 of the 2006 Act, where a successful takeover offer is made, or the offeror acquires or contracts to acquire 90% of the shares (both as to value and voting rights) then a holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire those shares on the terms of the offer or on such other terms as may be agreed. The offeror is required within one month of such right arising to notify a shareholder who has not accepted the offer notice in the prescribed manner.

Other than as provided for by the 2006 Act and the Code, the Company is not subject to any other rules relating to mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the Shares.

As at the date of this document, the Company is not aware of the existence of any mandatory take-over bids or any attempt to acquire Shares under any squeeze-out or sell-out rules.

PART 3: THE OFFER

1. DETAILS OF THE OFFER

1.1 The Offer

It is proposed that the Company raises up to £40 million by way of an offer for subscription for New Shares, with an over-allotment facility providing for a further £25 million to be raised under the Offer. The over-allotment facility of £25 million may be utilised for the duration of the Offer.

The Offer will open at 9.00 a.m. on 30 July 2021 and will close at 12 noon on 4 April 2022 in relation to the tax year 2021/2022 and at 12 noon on 15 July 2022 in relation to the tax year 2022/2023 (unless the Offer is fully subscribed before these dates and/or the Board closes the Offer earlier, which it may do in its sole discretion). Subscriptions under the Offer will be processed from 9.00 a.m. on 30 July 2021 but priority will be given to Subscriptions under the Offer received from Existing Shareholders by 9.00 a.m. on 4 August 2021. Multiple Subscriptions under the Offer from the same investor in the same tax year will not be accepted.

Initially, the Company will accept Subscriptions in respect of the 2021/2022 tax year only. If sufficient Qualifying Investments have been made from the initial proceeds of the Offer, and the Investment Manager has identified further investment opportunities, the Board may use the over-allotment facility to raise up to a further £25 million under the Offer. In this event the Company may also accept Subscriptions in respect of the 2022/2023 tax year.

The first allotment of New Shares under the Offer is expected to take place on or around 9 August 2021 and thereafter allotments will be made on a monthly basis (or at such other times as the Board, in its sole discretion, may decide).

Under the terms of the Offer, New Shares are being offered to the public. Investors are invited to subscribe an amount in Sterling rather than apply for a particular number of New Shares. The Directors have agreed that, in relation to each allotment, the Offer Price at which the relevant New Shares will be allotted will be calculated by using the pricing formula set out below and will be announced through a Regulatory Information Service following the allotment.

The number of New Shares to be issued under each allotment will be determined by the relevant Offer Price calculated on the following basis.

- (i) For Existing Shareholders and those investing through an authorised financial intermediary, the Offer Price is calculated by dividing the last published NAV per Share at the time of allotment by 0.99 to allow for issue costs of 1% (calculated in pence and rounded up to the nearest two decimal places).
- (ii) For all other investors (i.e. investors other than Existing Shareholders and those investing through an authorised financial intermediary) the Offer Price is calculated by dividing the last published NAV per Share at the time of allotment by 0.97 to allow for issue costs of 3% (calculated in pence and rounded up to the nearest two decimal places).

As at 30 June 2021, the unaudited NAV per Share was 208.57p, which would have resulted in an Offer Price in respect of subscriptions from Existing Shareholders or those made via authorised financial intermediaries of 210.68p per New Share (208.57p divided by 0.99 and rounded up to two decimal places) and an Offer Price for new investors of 215.03p (208.57p divided by 0.97 and rounded up to two decimal places).

The New Shares will rank *pari passu* with the Existing Ordinary Shares (save for any dividends or other distributions declared, made or paid on the Existing Ordinary Shares by reference to a record date prior to the issue of the relevant New Shares).

The number of New Shares to be issued under each allotment will be rounded to the nearest whole number and fractions of New Shares will not be allotted. If there is a surplus of funds from an investor's subscription amount, the balance will be returned (without interest) in the form of a cheque, save where the surplus amount under the Offer is less than £3.00, in which case such surplus will be retained by the Company.

The Offer is not underwritten.

The maximum gross proceeds of the Offer (assuming the Offer is fully subscribed and the over-allotment facility is not used) will be £40 million. The net proceeds of the Offer (assuming the Offer is fully subscribed and the over-allotment facility is not used) are estimated to be £39,716,335 after the costs and expenses of the Offer as set out in more detail in paragraph 3.1 of this Part 3 below.

The net proceeds of the Offer will be invested by the Company in accordance with the Company's investment policy as set out in paragraph 6 of Part 2 of this document.

1.2 Subscription Procedure

Online Subscription Forms and cleared funds must be received by the Receiving Agent by 12 noon on 4 April 2022 to be included in the final allotment of the 2021/2022 tax year (unless fully subscribed earlier), and not later than 12 noon on 15 July 2022 to be included in the final allotment of the 2022/2023 tax year (unless fully subscribed earlier). The Offer will close at 12 noon on 27 July 2022, unless the Offer is fully subscribed before this time and/or the Board decides, in its sole discretion, to close the Offer earlier.

Priority will be given to valid Subscriptions under the Offer from Existing Shareholders received by 9.00 a.m. on 4 August 2021. Subscriptions under the Offer will otherwise normally be accepted on a first-come-first-served basis (provided cheques are not post-dated and with priority being given to Subscriptions with cleared funds), subject always to the discretion of the Board. The Board cannot guarantee a specific allotment date during the relevant tax year and Subscriptions which cannot be satisfied at one allotment date will be held for processing until a later allotment date in the relevant tax year. In the event that the Offer is over-subscribed, some investors' allocations may be scaled back and/or investor subscription monies returned without being processed. Any investors not willing to have their Subscriptions scaled back should indicate this at the relevant section of the Online Subscription Form, in which case their subscription monies will be returned in full.

Subscriptions can be made online at www.amatiglobal.com. Subscription for New Shares will be payable in full by bank transfer, personal cheque, building society cheque or banker's draft. All payments are subject to the anti-money laundering and identity verification requirements of the Receiving Agent.

Persons wishing to subscribe should complete the Online Subscription Form as soon as possible. The Receiving Agent will acknowledge receipt of each Subscription by email to each applicant (and where applicable the applicant's authorised financial intermediary).

The minimum subscription level under the Offer in respect of each tax year is £4,000 (excluding any initial Advisor Charges facilitated by the Company). Investors should note that the maximum aggregate subscription by an individual in VCTs in any tax year which will be eligible for the full tax relief is £200,000 (which includes shares in VCTs subscribed for under dividend reinvestment schemes). Accordingly, each person in a marriage or civil partnership may be eligible to obtain individual tax relief in respect of £200,000 in each tax year under the Offer.

The Company reserves the right to decline to allot New Shares if an investor's funds have not cleared by the date of the relevant allotment. Please therefore make sure that Online Subscription Forms are submitted, and payment arrives, at the Receiving Agent well in advance of the relevant allotment date, in order to ensure that funds have cleared in the Receiving Agent's bank account by, at the latest, the date of allotment. For the avoidance of doubt, the first allotment of New Shares under the Offer is expected to take place on or around 9 August 2021 and thereafter on a monthly basis (or at such other times at the discretion of the Board).

2. DILUTION

In the event that the Offer is fully subscribed (but assuming that the over-allotment facility is not used) and assuming an Offer Price of 210.68p per New Share (based on the NAV per Share as at 30 June 2021 and allowing for issue costs of 1%), the percentage of the Company owned by Existing Shareholders (assuming they do not subscribe for additional New Shares under the Offer or otherwise acquire additional Ordinary Shares) will decrease to 86.2% through the issue of the New Shares.

3. COSTS

3.1 Costs of the Offer

Investors under the Offer will indirectly bear a portion of the costs of the Offer through the application of a formula, which for Existing Shareholders and for Subscriptions made via authorised financial intermediaries determines the Offer Price paid for the New Shares as the last published NAV per Share at the time of allotment divided by 0.99 (the "Divisor") and rounded up to two decimal places to allow for issue costs of 1%. For Subscriptions received from all other investors (i.e. investors other than Existing Shareholders and those investing through an authorised financial intermediary) the Offer Price shall be determined with 0.97 as the Divisor and rounded up to two decimal places to allow for issue costs of 3%.

Assuming that 100% of Subscriptions under the Offer will come through either an authorised financial intermediary or from Existing Shareholders, it is expected that the indirect contribution from investors to the costs of the Offer will be approximately 1% of the gross proceeds subscribed by them.

3.2 Financial Intermediary Adviser Charges

Investors who receive advice from their financial intermediary can ask for an initial Adviser Charge (in whole or part) to be facilitated by the Company's Receiving Agent (subject to a maximum facilitation amount of an amount equal to 4.5% of the Subscription amount).

If facilitated, this agreed amount will be deducted from the monies received from the relevant investor and the net amount will be invested. The amount deducted will not, therefore, qualify for VCT tax relief. The Offer Price formula set out at paragraph 3.1 above will take the facilitated amount into account in determining the number of New Shares to be allotted. Any additional initial Adviser Charges in excess of the amount agreed to be facilitated, as well as any annual Adviser Charges, will need to be met by advised investors separately.

It should be noted that the maximum amount of initial Adviser Charges which may be facilitated as outlined above should not be considered as implying an appropriate level of an initial Adviser Charge. Adviser charges are for the investor and the financial intermediary to agree, depending on the level of advice and service being provided.

3.3 'Execution Only' Financial Intermediary Commissions

Upon receipt of valid acceptances, authorised 'execution only' financial intermediaries acting on behalf of clients are entitled to receive trail commission of 0.375% of the amount subscribed by an investor per annum (limited to five years), payable by the Investment Manager. Trail commission may also be paid in certain circumstances where the applicant is a Professional Client (as defined in COBS 3.5) of a financial intermediary firm. The Company reserves the right to agree trail commission of up to 0.5% per annum with particular intermediaries where the Directors believe that is in the best interests of the Company as a whole.

Commissions will only be paid if, and to the extent, they are permitted under legislation and regulations. Annual trail commission will be paid annually by the Investment Manager in respect of the Company's prior financial year.

Should an 'execution only' investor subsequently decide to seek financial advice from their 'execution only' financial intermediary in respect of their holding in the Company, any annual trail commission in respect of an investment under the Offer must cease and either the Company or the Investment Manager must be notified accordingly.

3.4 Annual Running Costs

Annual running costs, being the Directors', Investment Manager's, Custodian's and Registrar's fees, other professional advisers' fees and the costs incurred by the Company in the ordinary course of its business (including travel, printing, insurance costs, audit, finance costs, legal fees, annual London Stock Exchange fees and AIC membership fees, but excluding irrecoverable VAT and exceptional costs), are capped at 3.5% of the Company's Net Asset Value, any excess being met by the Investment Manager by way of a reduction in future management fees.

The investment management fee is the largest element of the annual running costs. 75% of this fee is charged to capital on the basis that this is incurred in connection with the maintenance or enhancement of the value of the Company's assets. The remaining 25% of the investment management fee is charged to the revenue account, along with the other expenses, unless it is considered that these too are incurred in connection with the maintenance or enhancement of the value of the Company's assets, when they are charged through the capital account.

As at the end of the Company's last financial year, being 31 January 2021, the Company's annual running costs were £3,652,090 which represented on an annualised basis 2.1% of the average Net Asset Value for the financial year.

4. TIMETABLE

The first allotment of New Shares under the Offer is expected to take place on or around 9 August 2021 and thereafter on a monthly basis (or at such other times at the discretion of the Board). Subscriptions (whether online or paper) and cleared funds must be received by the Receiving Agent by 12 noon on 4 April 2022 to be included in the final allotment of the 2021/2022 tax year (unless fully subscribed earlier), and no later than 12 noon on 15 July 2022 to be included in the final allotment of the 2022/2023 tax year (unless fully subscribed earlier). The Offer will close at 12 noon on 27 July 2022, unless the Offer is fully subscribed and/or the Board closes the Offer earlier.

Priority will be given to valid Subscriptions under the Offer from Existing Shareholders received by 9.00 a.m. on 4 August 2021.

The allotment of New Shares under the Offer is at the discretion of the Directors of the Company.

Following each allotment, an announcement will be released through a Regulatory Information Service, including details of the relevant Offer Price and total number of New Shares allotted. The Directors reserve the right to accept Subscriptions and to allot and arrange for the listing of New Shares in respect of Subscriptions received under the Offer on or prior to the closing date of the Offer as the Directors see fit. An announcement will be released stating that the Offer has closed and with a summary of the results of the Offer.

A timetable is set out in tabular form under "Expected Timetable" on page 17 of this document.

5. SETTLEMENTS AND DEALINGS

Definitive share certificates and income tax certificates are expected to be despatched by post and email respectively within 10 Business Days of each allotment of New Shares. Temporary documents of title will not be issued in connection with the Offer.

New Shares will be capable of being transferred by means of the CREST system. Those successful applicants who wish to take advantage of the ability to trade in Ordinary Shares in uncertificated form, and who have access to a CREST account, may arrange with their CREST operator to convert their holdings into dematerialised form. Shareholders should be aware that New Shares delivered in certificated form are likely to incur higher dealing costs than those in respect of New Shares held in CREST.

Application has been made to the FCA and the London Stock Exchange for the New Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities. The New Shares will be in registered form and will be transferable. The ISIN code of the Ordinary Shares is GB00B641BB82, the SEDOL number is B641BB8 and the LEI code for the Company is 213800HAEDBBK9RWCD25.

The terms and conditions of subscription are set out in Part 7 of this document.

6. TYPICAL INVESTOR

A typical investor in the Company is an individual (not a corporate entity): who is aged 18 or over and pays UK income tax; who already owns a portfolio of non-VCT investments such as unit trusts/OEICs, investment trusts and shareholdings in listed companies; whose investment range is between £4,000 and £200,000; and who is looking for exposure principally to AIM-traded companies whilst receiving tax-free income from dividends. The individual should be willing to invest over the long term and be comfortable with higher risk investments, such as unquoted and smaller company shares. Such an individual is often classified as "retail" and may also be "sophisticated". The investor should either have experience of such investments and/or seek advice from an appropriate financial adviser.

7. TAX

Investors should be aware of the tax implications of investing under the Offer. Further information in relation to taxation is set out in Part 5 of this document.

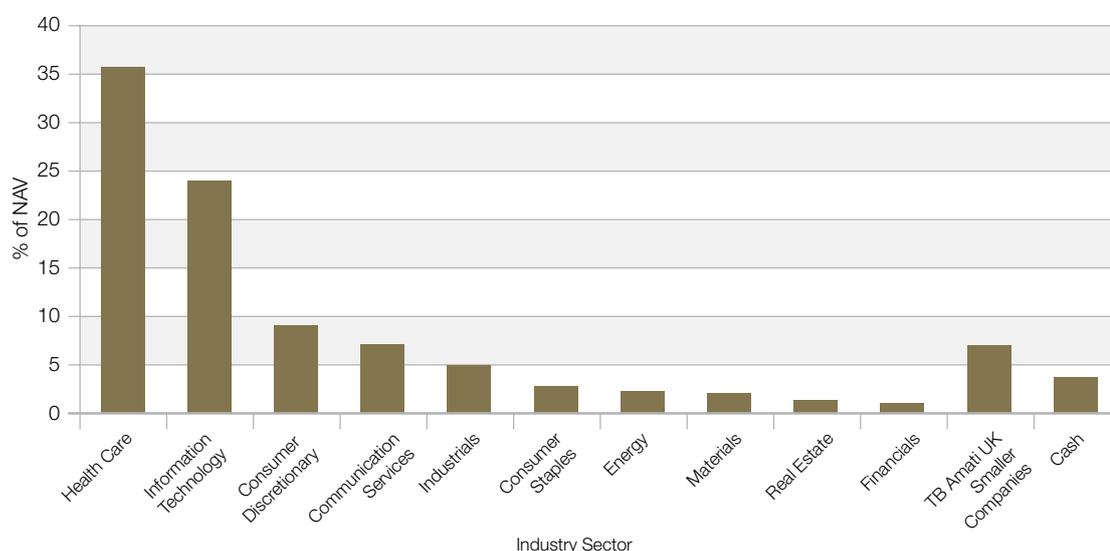
PART 4: FINANCIAL INFORMATION ON THE COMPANY

1. INVESTMENT PORTFOLIO

As at 26 July 2021 (being the latest practicable date prior to the publication of this document), the investment portfolio of the Company consisted of equities and convertible loans in 73 companies (see pages 40 to 42 of this document for the full list of holdings) which, as at 30 June 2021, had a combined unaudited value of approximately £237.8 million, together with certain other cash holdings. Given that the Company, as advised by the Investment Manager, follows an active investment style, the constituent investments and the weightings between the sectors within the portfolio are constantly under review and may change at any time in the event that the Investment Manager considers it necessary or prudent. The unaudited net asset value of an Ordinary Share as at 30 June 2021 was 208.57p.

1.1 Sector Analysis

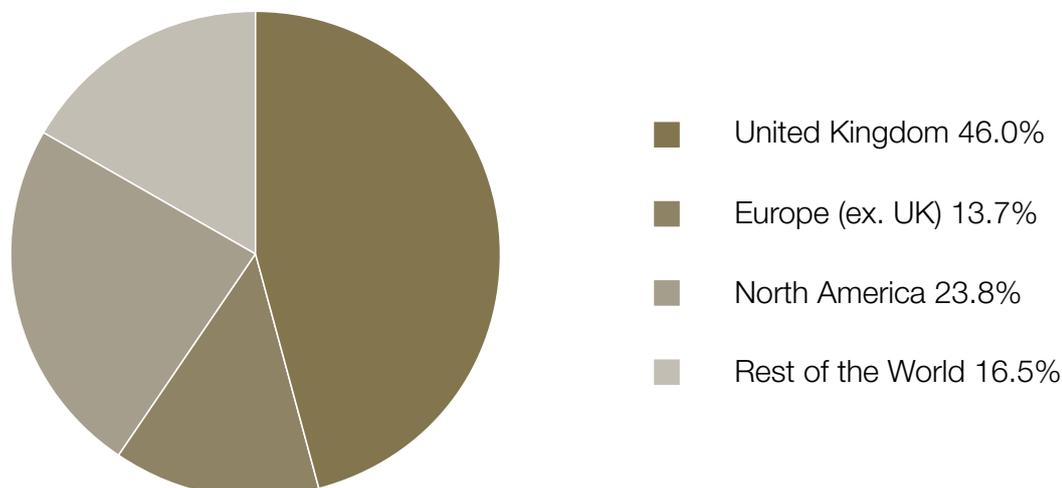
The portfolio of investments of the Company, as at 30 June 2021, is analysed in the graph below by sector. The graph also shows the percentage of the Company's Net Asset Value represented by its investment in the TB Amati UK Smaller Companies Fund:



Source: Refinitiv and Amati Global Investors Ltd

1.2 Geographical exposure by revenues

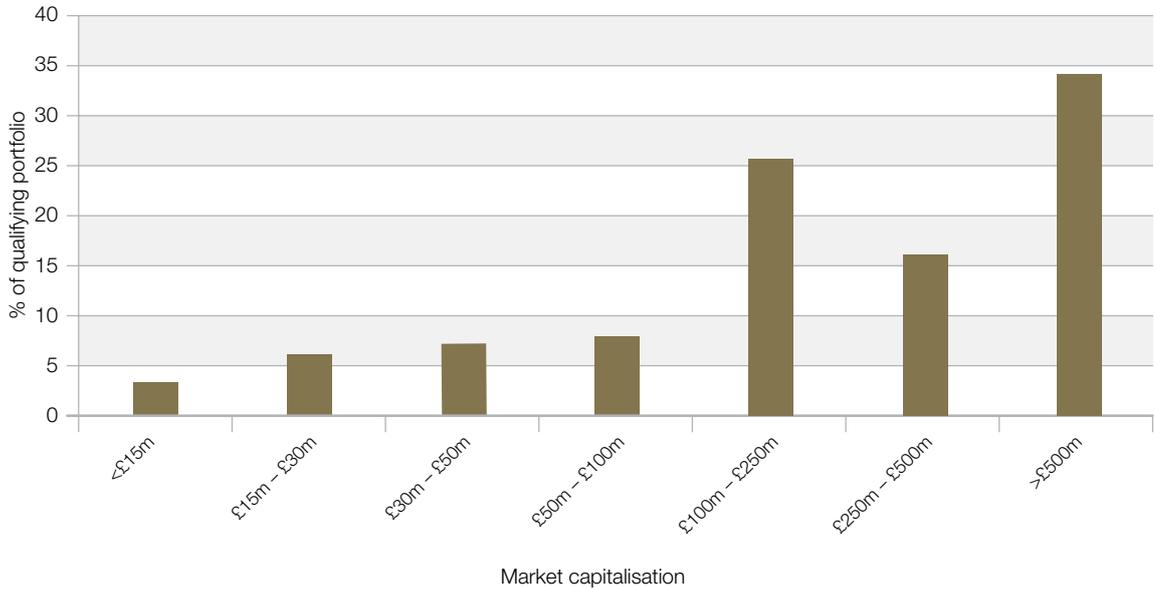
The portfolio of investments of the Company, as at 30 June 2021, is analysed in the chart below by the geographical distribution of revenues. The data is derived from investee company accounts and then weighted according to the size of each portfolio holding.



Source: Refinitiv and Amati Global Investors Ltd

1.3 Qualifying Portfolio - Market Capitalisation Analysis

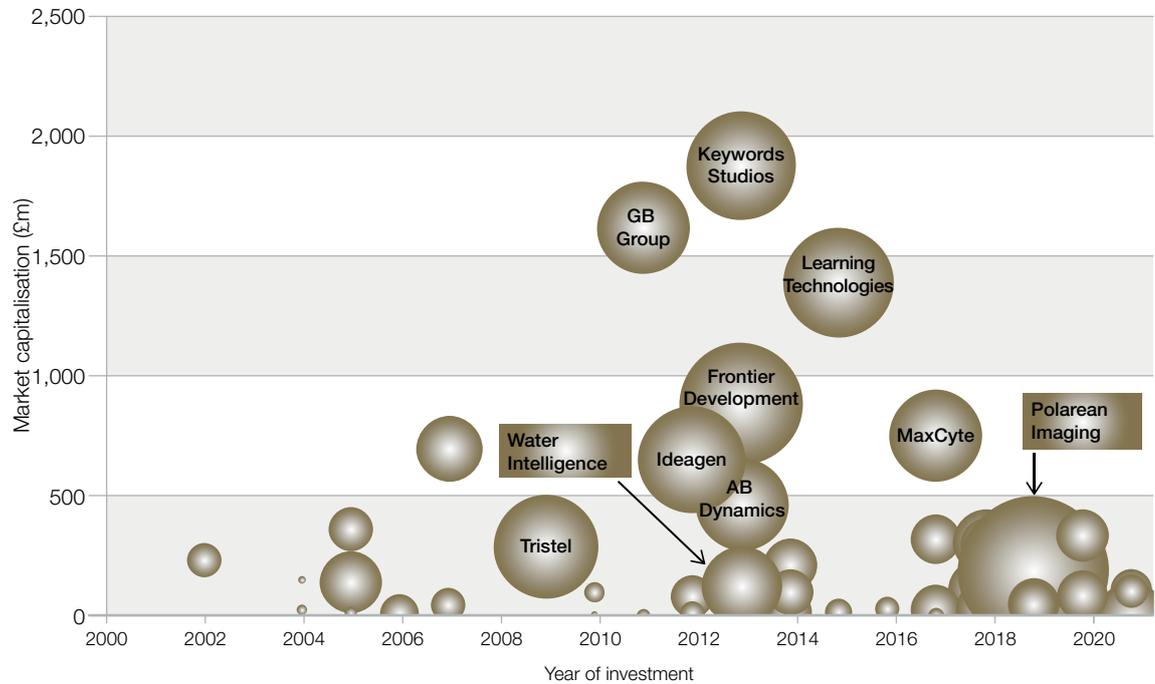
As at 30 June 2021, the weighted average market capitalisation of the Company's Qualifying Investments was £509 million. The portfolio of Qualifying Investments of the Company as at 30 June 2021 is analysed in the graph below by market capitalisation.



Source: Refinitiv and Amati Global Investors Ltd

1.4 Qualifying Portfolio – Time, Size and Weight Analysis

The Company's portfolio of Qualifying Investments as at 30 June 2021 is analysed in the graph below by date of initial investment and market capitalisation. The size of the circles represents the relative size of the holdings in the portfolio by value. The top 10 Qualifying Investments are labelled.



Source: Amati Global Investors Ltd

1.5 Non-Qualifying Portfolio – TB Amati UK Smaller Companies Fund

The TB Amati UK Smaller Companies Fund (the “Fund”) is a multi-award winning fund which is managed by the investment team at Amati Global Investors. The Fund aims to achieve long-term capital growth through investment in a diversified portfolio of UK smaller companies. The Fund has a long track record as well as continuity of tenure, with Dr Paul Jourdan having managed the Fund since August 2000. As at 30 June 2021, the size of the Fund was £987.3 million and its portfolio comprised of 83 companies with a weighted average market capitalisation of £1.0 billion. Since the initial investment by the Company in December 2014, the Fund (B Share Class) has returned 114.4%, making a significant contribution to the investment returns of the Company. The performance of the Fund has been recognised in a number of awards and ratings.

The following table shows the NAV Total Return performance of the TB Amati UK Smaller Companies Fund (B Share Class) over certain periods to 30 June 2021, together with a comparison against the Numis Smaller Companies Index (plus AIM, excluding Investment Companies), Total Return and the average Total Return of the Fund’s peer group (with quartile ranking) in the Investment Association UK Smaller Companies sector.

| Time Period | Fund Return* % | Benchmark Return** % | Avg Sector Return*** % | Quartile Ranking |
|-------------|-------------------|----------------------------|------------------------------|---------------------|
| 3 mths | 5.34 | 5.96 | 9.98 | 4 |
| 6 mths | 14.91 | 16.45 | 19.91 | 4 |
| 1 yr | 46.21 | 52.32 | 53.07 | 3 |
| 3 yrs | 36.83 | 26.14 | 34.21 | 2 |
| 5 yrs | 156.78 | 80.89 | 114.42 | 1 |
| 10 yrs | 306.91 | 141.34 | 220.43 | 1 |

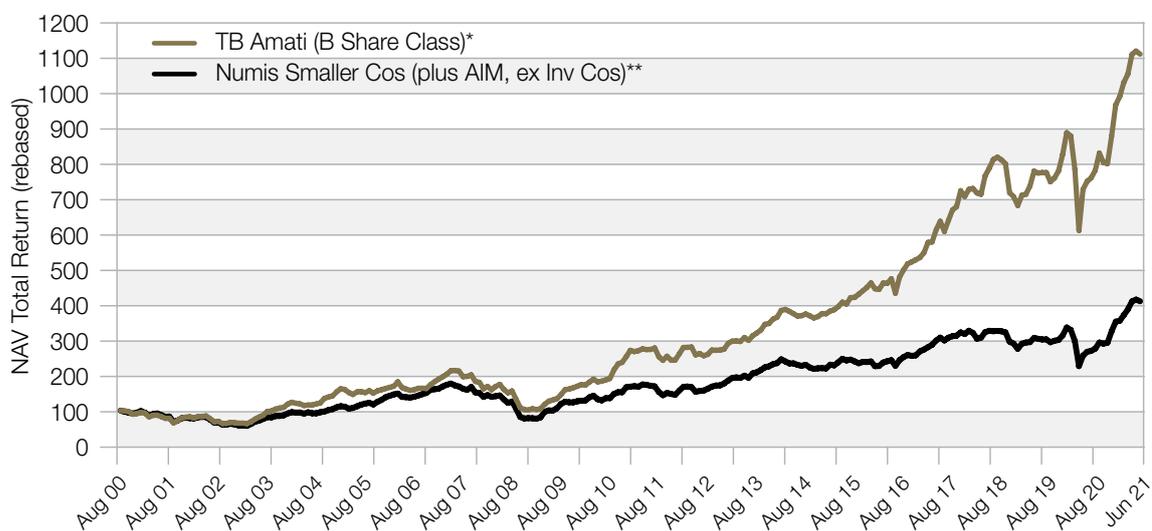
Source: Amati Global Investors Ltd, T Bailey Fund Services Ltd and Numis Securities Ltd.

* Total Return, after all charges, net of UK tax (B Share Class)

** Numis Smaller Companies Index (plus AIM, excluding Investment Companies), Total Return.

*** IA UK Smaller Companies Sector, Total Return.

The following graph shows the NAV Total Return performance of the TB Amati UK Smaller Companies Fund since take-on of the predecessor fund by Dr Paul Jourdan on 31 August 2000 to 30 June 2021, together with a comparison against the Numis Smaller Companies Index (plus AIM, excluding Investment Companies), Total Return:



* TB Amati UK Smaller Companies Fund, Total Return, since take-on of predecessor fund by Dr Paul Jourdan (31 August 2000).

** Numis Smaller Companies Index (plus AIM, excluding Investment Companies), Total Return. The stocks comprising the index are aligned with the Fund’s objectives, and on that basis, the index is considered an appropriate performance comparator for the Fund. Please note the Fund is not constrained by or managed to this or any other index.

Source: Amati Global Investors Ltd, T Bailey Fund Services Ltd and Numis Securities Ltd.

1.6 Top investments

As at 30 June 2021, approximately 54% of the Company's net assets was invested in 10 companies with a total unaudited market value of £132.9 million. The information below provides the unaudited market value of these holdings as at 30 June 2021, together with a summary of the activities of each portfolio company. This information has been compiled by the Investment Manager from publicly available information and from the Company's internal records. An asterisk in the information below indicates that the holding is a Qualifying Holding.

| No. | Company | Market value of holding (£) | % of NAV | Activities |
|-----|------------------------------------|-----------------------------|----------|---|
| 1. | Polarean Imaging* | £24,025,311 | 9.7% | Polarean Imaging plc designs and manufactures equipment for production of hyperpolarised xenon or helium gas, which are used in conjunction with magnetic resonance imaging (MRI). |
| 2. | TB Amati UK Smaller Companies Fund | £17,102,451 | 6.9% | The TB Amati UK Smaller Companies Fund is an open ended investment company (OEIC) which aims to provide medium to long term capital growth through investment in a diversified portfolio of UK smaller companies. The Fund is managed by the investment team at Amati Global Investors. |
| 3. | Frontier Developments* | £14,400,540 | 5.8% | Frontier Developments plc is a developer of video games based in Cambridge, UK. Having worked with many of the world's major entertainment companies it now self-publishes its own video games in a variety of genres across all the major gaming formats. |
| 4. | Learning Technologies Group* | £12,978,900 | 5.3% | Learning Technologies Group plc is a provider of e-learning services and technologies to corporate and government clients. |
| 5. | Keywords Studios* | £12,655,350 | 5.1% | Keywords Studios plc is a provider of technical services such as localisation and testing to the global video games industry. |
| 6. | Ideagen* | £12,469,088 | 5.1% | Ideagen plc is a global supplier of compliance, safety and risk management software to organisations across a range of regulated industries. |
| 7. | Tristel* | £11,617,490 | 4.7% | Tristel plc is a manufacturer of chlorine dioxide-based infection control, contamination control and hygiene products. |
| 8. | AB Dynamics* | £9,431,709 | 3.8% | AB Dynamics plc is a supplier of advanced testing systems to the global motor industry for research and development and production quality control. |
| 9. | GB Group* | £9,302,560 | 3.8% | GB Group plc is a global provider of identity data management services. |
| 10. | Maxcyte* | £8,924,591 | 3.6% | Maxcyte Inc is the leading provider of flow electroporation pharmaceutical grade equipment and expertise, which is a method for editing the genetic material in cells. |

Top Qualifying Investments

The weighted average market capitalisation of the Company's portfolio of Qualifying Investments, as at 30 June 2021, was £509 million. The top ten of these investments represent approximately 50% of the Company's net assets, providing a strong set of core holdings.

Notable features of the top ten Qualifying Investments, as at 30 June 2021, are as follows.

- Six of the ten are dividend paying.
- Six of the ten have market capitalisations in excess of £500 million.
- The unweighted average holding period is 7.9 years.
- The unweighted average share price return since initial investment by the Company is 1,164%

The date of first investment, the total investment, the total realisations to date and the investment return of each top ten Qualifying Investment as at 30 June 2021, are given in the table below.

| No. | Company | Date of first investment | Total investment (£) | Total realisations to date (£) | Investment return* (%) |
|-----|-----------------------------|--------------------------|----------------------|--------------------------------|------------------------|
| 1. | Polarean Imaging | 07/12/2018 | 5,425,824 | – | 343% |
| 2. | Frontier Developments | 05/06/2013 | 1,253,870 | 5,375,680 | 1,477% |
| 3. | Learning Technologies Group | 31/07/2015 | 1,617,000 | 997,996 | 764% |
| 4. | Keywords Studios | 09/07/2013 | 924,586 | 3,629,622 | 1,661% |
| 5. | Ideagen | 14/12/2012 | 1,221,390 | 344,783 | 949% |
| 6. | Tristel | 27/05/2005 | 1,968,891 | 790,991 | 530% |
| 7. | AB Dynamics | 10/05/2013 | 624,036 | 4,403,109 | 2,117% |
| 8. | GB Group | 02/11/2011 | 453,564 | – | 1,951% |
| 9. | Maxcyte | 28/11/2018 | 1,697,276 | – | 426% |
| 10. | Water Intelligence | 30/03/2016 | 448,457 | – | 1,426% |

* excluding dividends

Source: Amati Global Investors Ltd.

Note: Investment and portfolio information in this section 1.6 and in section 1.7 has been derived from the Company's internal accounting records (taken from its portfolio valuation to 30 June 2021) and, in respect of the information on investee companies' sector and activities, from the latest financial year end accounts published by those investee companies. Such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by the Company and the investee companies, no facts have been omitted which would render the information inaccurate or misleading.

The information set out in this section 1.6 and in section 1.7 has not been audited. Information on the Company's portfolio is updated monthly on Amati Global Investors' website and recent activity is summarised in monthly factsheets, which are available at www.amatiglobal.com.

1.7 Investment portfolio

The following table shows the investment portfolio of the Company as at the date of this document, with unaudited values shown as at 30 June 2021.

| Security Description | Sector | Type | Book Cost* £ | Market Value £ | % of NAV |
|----------------------------|------------------------|----------------------------|--------------|----------------|----------|
| AB DYNAMICS | Consumer Discretionary | Equity | £2,578,903 | £9,431,709 | 3.8% |
| ACCESSO TECHNOLOGY | Information Technology | Equity | £221,122 | £1,282,508 | 0.5% |
| ALLERGY THERAPEUTICS | Health Care | Equity | £28,536 | £65,036 | 0.0% |
| AMRYT PHARMA | Health Care | Equity | £1,562,912 | £2,578,332 | 1.0% |
| AMRYT PHARMA | Health Care | Contingent Value Rights #1 | – | £193,899 | 0.1% |
| AMRYT PHARMA | Health Care | Contingent Value Rights #2 | – | £452,398 | 0.2% |
| AMRYT PHARMA | Health Care | Contingent Value Rights #3 | – | £151,551 | 0.1% |
| ANGLE | Health Care | Equity | £1,615,385 | £4,361,540 | 1.8% |
| ANPARIO | Consumer Staples | Equity | £1,828,755 | £4,177,197 | 1.7% |
| ANTENOVA ORD SHS GBP0.0 | Communication Services | Equity | – | £80,713 | 0.0% |
| ANTENOVA LTD PREF GBP0.001 | Communication Services | Preference Shares | £100,117 | £47,181 | 0.0% |
| ARECOR THERAPEUTICS | Health Care | Equity | £1,900,000 | £1,975,664 | 0.8% |
| BELVOIR LETTINGS | Real Estate | Equity | £782,826 | £1,910,400 | 0.8% |

| Security Description | Sector | Type | Book Cost* £ | Market Value £ | % of NAV |
|---------------------------------------|------------------------|------------------|-----------------|-------------------|----------|
| BLOCK ENERGY | Energy | Equity | £2,999,960 | £1,329,536 | 0.5% |
| BONHILL | Communication Services | Equity | £670,000 | £92,125 | 0.0% |
| BRIGHTON PIER | Consumer Discretionary | Equity | £488,618 | £219,820 | 0.1% |
| BROOKS MACDONALD | Financials | Equity | £1,153,823 | £2,059,471 | 0.8% |
| BYOTROL | Materials | Equity | £859,339 | £1,600,000 | 0.6% |
| CELOXICA | Information Technology | Equity | – | – | 0.0% |
| CHINA FOOD COMPANY PLC 15% LOAN NOTES | Consumer Staples | Convertible Loan | – | – | 0.0% |
| CLOUDCALL | Communication Services | Equity | £1,853,565 | £1,448,611 | 0.6% |
| CRANEWARE | Health Care | Equity | £3,899,074 | £4,575,773 | 1.9% |
| CREO MEDICAL | Health Care | Equity | £1,612,500 | £2,528,400 | 1.0% |
| DIACEUTICS | Health Care | Equity | £1,557,240 | £2,561,250 | 1.0% |
| DIURNAL | Health Care | Equity | £4,240,400 | £6,042,000 | 2.5% |
| EDEN RESEARCH | Materials | Equity | £928,595 | £1,470,275 | 0.6% |
| EQUALS | Information Technology | Equity | £1,136,641 | £699,062 | 0.3% |
| FALANX | Industrials | Equity | £1,750,000 | £850,000 | 0.3% |
| FIREANGEL SAFETY TECHNOLOGY | Consumer Discretionary | Equity | £689,535 | £112,833 | 0.0% |
| FRONTIER DEVELOPMENTS | Communication Services | Equity | £4,698,017 | £14,400,539 | 5.8% |
| FUSION ANTIBODIES | Health Care | Equity | £2,344,418 | £2,809,756 | 1.1% |
| GB GROUP | Information Technology | Equity | £3,202,976 | £9,302,560 | 3.8% |
| GETECH GROUP | Energy | Equity | £1,699,940 | £1,854,480 | 0.8% |
| GLANTUS HOLDINGS | Information Technology | Equity | £3,000,000 | £2,647,058 | 1.1% |
| HARDIDE | Materials | Equity | £2,361,374 | £1,582,687 | 0.6% |
| IDEAGEN | Information Technology | Equity | £3,302,727 | £12,469,088 | 5.1% |
| ILIKA | Industrials | Equity | £792,222 | £3,091,494 | 1.3% |
| IN THE STYLE | Consumer Discretionary | Equity | £1,666,668 | £1,833,335 | 0.7% |
| INTELLIGENT ULTRASOUND | Health Care | Equity | £1,624,995 | £2,443,826 | 1.0% |
| IXICO | Health Care | Equity | £1,408,763 | £3,773,475 | 1.5% |
| KEYWORDS STUDIOS | Information Technology | Equity | £5,174,379 | £12,655,350 | 5.1% |
| KINOVO | Industrials | Equity | £1,681,256 | £775,804 | 0.3% |
| LEARNING TECHNOLOGIES | Information Technology | Equity | £4,550,746 | £12,978,900 | 5.3% |
| LOOPUP | Information Technology | Equity | £2,502,640 | £624,640 | 0.3% |
| MAXCYTE | Health Care | Equity | £1,984,445 | £8,924,591 | 3.6% |
| MERIT GROUP ORD SHS | Communication Services | Equity | £595,868 | £44,285 | 0.0% |
| MYCELX TECHNOLOGIES | Industrials | Equity | £645,201 | £181,872 | 0.1% |
| NETCALL | Information Technology | Equity | £110,217 | £434,387 | 0.2% |

| Security Description | Sector | Type | Book Cost* £ | Market Value £ | % of NAV |
|------------------------------------|------------------------|-------------------|---------------------|---------------------|---------------|
| ONE MEDIA IP | Communication Services | Equity | £1,239,980 | £1,417,120 | 0.6% |
| POLAREAN IMAGING | Health Care | Equity | £5,425,824 | £24,025,310 | 9.7% |
| POLYHEDRA | Information Technology | Equity | £309,813 | – | 0.0% |
| POLYHEDRA | Information Technology | Convertible Loan | £953,272 | – | 0.0% |
| PROPERTY FRANCHISE | Real Estate | Equity | £352,296 | £873,200 | 0.4% |
| QUIXANT | Consumer Discretionary | Equity | £4,196,344 | £2,718,659 | 1.1% |
| RATED PEOPLE | Communication Services | Equity | £92,587 | – | 0.0% |
| ROSSLYN DATA TECHNOLOGIES | Information Technology | Equity | £1,922,006 | £2,028,295 | 0.8% |
| RUA LIFE SCIENCES | Health Care | Equity | £2,149,200 | £2,238,750 | 0.9% |
| SAIETTA | Consumer Discretionary | Equity | £5,100,000 | £5,100,000 | 2.1% |
| SCIENCE IN SPORT | Consumer Staples | Equity | £1,955,538 | £2,309,059 | 0.9% |
| SOLID STATE | Information Technology | Equity | £520,206 | £2,119,813 | 0.9% |
| SORBIC INTERNATIONAL 10% 2014 | Consumer Staples | Convertible Loan | £246,560 | – | 0.0% |
| SOSANDAR | Consumer Discretionary | Equity | £1,872,000 | £2,932,800 | 1.2% |
| SPORTSWEB | Industrials | Equity | £352,128 | – | 0.0% |
| SRT MARINE SYSTEMS | Information Technology | Equity | £1,174,266 | £1,270,517 | 0.5% |
| SYNAIRGEN | Health Care | Equity | £582,876 | £2,846,100 | 1.2% |
| SYNECTICS | Information Technology | Equity | £341,953 | £161,292 | 0.1% |
| TB AMATI UK SMALLER COMPANIES FUND | Financials | Equity | £9,559,390 | £17,102,451 | 6.9% |
| TCOM | Information Technology | Equity | – | – | 0.0% |
| TCOM | Information Technology | Preference Shares | – | – | 0.0% |
| TRELLUS HEALTH | Health Care | Equity | £700,000 | £1,190,000 | 0.5% |
| TRISTEL | Health Care | Equity | £3,289,703 | £11,617,490 | 4.7% |
| UNIVERSE | Information Technology | Equity | £488,031 | £657,591 | 0.3% |
| VELOCITY COMPOSITES | Industrials | Equity | £802,548 | £264,568 | 0.1% |
| VELOCYS | Energy | Equity | £1,304,898 | £2,294,448 | 0.9% |
| VERICI DX | Health Care | Equity | £800,000 | £2,680,000 | 1.1% |
| VITEC GLOBAL | Materials | Equity | – | – | 0.0% |
| WATER INTELLIGENCE | Industrials | Equity | £1,218,392 | £6,843,144 | 2.8% |
| Total Investments | | | £124,754,509 | £237,816,018 | 96.4% |
| Net Current Assets | | | | £8,740,457 | 3.6% |
| NET ASSET VALUE | | | | £246,556,475 | 100.0% |

* Book cost reflects either market trades or events, or, for investments acquired from Amati VCT plc pursuant to the merger on 4 May 2018, the value of the investments at that date. In most cases, therefore, book costs do not reflect the sums initially invested in the relevant companies, due to the merger accounting.

1.8 Capital resources and cash flows

The Company's short and long term capital resources result from the Ordinary Shares issued by the Company and which the Company is able to issue in the future. The cash flows of the Company result from dividends and/or interest or other revenues from underlying investments and from realisations of underlying investments. Further details are contained in the Company's accounts as referenced below.

2. FINANCIAL INFORMATION

2.1 Introduction

The Company's auditors are BDO LLP, 55 Baker Street, London W1U 7EU. BDO LLP is regulated by the Institute of Chartered Accountants in England and Wales.

The financial information contained in this Part 4 has been extracted without material adjustment from the audited statutory accounts of the Company for the financial year ended 31 January 2021, in respect of which the Company's auditors made an unqualified report under sections 495 to 497 of the 2006 Act, and which have been delivered to the Registrar of Companies. The report did not contain any statements under section 498(2) or (3) of the 2006 Act.

2.2 Published Annual Report and Accounts for the financial year ended 31 January 2021

Historical Financial Information

The published audited annual report and accounts for the financial year ended 31 January 2021 contained certain historical financial information identified in the table below which is expressly incorporated into this document by reference. The non-incorporated parts of those reports and accounts of the Company are either not relevant to investors or covered elsewhere in this document.

| Nature of information | Audited annual report for the year ended 31 January 2021 |
|--------------------------------|---|
| Income Statement | Page 45 |
| Statement of Changes in Equity | Pages 46-47 |
| Balance Sheet | Page 48 |
| Statement of Cash Flows | Page 49 |
| Accounting Policies | Pages 50-53 |
| Notes to the Accounts | Pages 50-64 |
| Independent Auditor's Report | Pages 40-44 |

Copies of the annual reports of the Company referred to above are available at www.amatiglobal.com.

Operating and Financial Review

The Strategic Report (including the Chairman's Statement and the Fund Manager's Review) and the Report from the Directors, in respect of the Company for the financial year ended 31 January 2021 are set out on those pages (specified in the table below) of the historical financial information referred to in paragraph 2.1 of this Part 4, such statement and report being expressly incorporated into this document by reference:

| Nature of information | Audited annual report for the year ended 31 January 2021 |
|------------------------------|---|
| Chairman's Statement | Pages 4-6 |
| Fund Manager's Review | Pages 7-11 |
| Strategic Report | Pages 4-25 |
| Reports from the Directors | Pages 27-39 |

The treasury activities of the Company are controlled by the Investment Manager, subject always to the direction and supervision of the Board. Cash and cash equivalents are held only in Sterling and no other currencies. The Company does not have any borrowing and does not use any financial instruments for hedging purposes. The Company requires liquidity in order to meet its operating costs of which the most significant is the investment management fee. The Company maintains cash reserves suitable to meet its operating commitments.

2.3 Selected financial information

The information in this paragraph 2.3 has been extracted directly from the financial information referred to in paragraph 2.2 of this Part 4. Selected historical financial information relating to the Company which summarises the financial condition of the Company for the financial year ended 31 January 2021 is set out in the following table:

| Audited financial results for the year ended 31 January 2021 | |
|---|-------------|
| Net asset value | |
| Number of Ordinary Shares in issue | 115,589,550 |
| Net assets (£'000) | 238,279 |
| Net asset value per Ordinary Share (p) | 206.1 |
| Ordinary Share price (p) | 190.5 |
| Income | |
| Total income before operating expenses (£'000) | 567 |
| Net profit/(loss) (£'000) | 66,681 |
| Investment Manager fee charged to revenue (accrued/paid) (£'000) | (799) |
| Any other material fees (accrued/paid) to service providers (£'000) | 455 |
| Revenue return per Ordinary Share (p) | (0.64) |
| Dividend per Ordinary Share (p) | 10.5 |
| Ongoing charges | |
| As a percentage of average total Shareholders' funds (%) | 2.1 |
| Portfolio summary | |
| Shareholders' funds (£'000) | 238,279 |

2.4 No Significant Change

There has been no significant change in the financial position of the Company since 31 January 2021 (being the end of the last financial period of the Company for which audited financial information has been published).

2.5 Working Capital

The Company is of the opinion that it has sufficient working capital for its present requirements, that is for at least 12 months from the date of this document.

2.6 Net Asset Value

The unaudited NAV per Share as at 22 July 2021 (being the latest date in respect of which the Company has published its NAV per Share) was 208.03 pence.

2.7 Statement of capitalisation and indebtedness

The following table shows the capitalisation of the Company as at 30 June 2021.

| Shareholders' equity | £ |
|---|--------------------|
| Called up share capital | 5,910,549 |
| Legal reserve (share premium account) | 68,244,549 |
| Other reserves (excludes revenue reserve) | 174,050,596 |
| Total | 248,205,694 |

Save as disclosed below, there has been no material change in the capitalisation of the Company since 30 June 2021.

The following table shows the gross indebtedness of the Company (distinguishing between guaranteed, secured and unguaranteed and unsecured indebtedness) as at 30 June 2021.

| | £ |
|------------------------|----------|
| Total current debt | |
| Guaranteed | 0 |
| Secured | 0 |
| Unguaranteed/unsecured | 0 |
| Total | 0 |
| | £ |
| Total non-current debt | |
| Guaranteed | 0 |
| Secured | 0 |
| Unguaranteed/unsecured | 0 |
| Total | 0 |

As at 30 June 2021, the Company had no indirect or contingent indebtedness or future investment commitments. The information in the gross indebtedness table above and net indebtedness table below is unaudited information of the Company and has been extracted from internal management accounting records of the Company as at 30 June 2021 and has not been reported on by an accountant.

The following table shows the Company's net indebtedness as at 30 June 2021.

| | £ |
|--|--------------------|
| A. Cash | 19,979,948 |
| B. Cash equivalent | 0 |
| C. Trading securities | 0 |
| D. Liquidity (A+B+C) | 19,979,948 |
| E. Current financial receivable | 0 |
| F. Current bank debt | 0 |
| G. Current portion of non-current debt | 0 |
| H. Other current financial debt | 0 |
| I. Current financial debt (F+G+H) | 0 |
| J. Net current financial indebtedness (I-E-D) | -19,979,948 |
| K. Non-current bank loans | 0 |
| L. Bonds issued | 0 |
| M. Other non-current loans | 0 |
| N. Non-current financial indebtedness (K+L+M) | 0 |
| O. Net financial indebtedness (J+N) | -19,979,948 |

Where references are made above to certain parts of documents being incorporated by reference, the parts of those documents which are not being incorporated by reference are either not relevant for investors or are covered elsewhere in this document.

2.8 Capital resources

The Company had 118,842,225 Ordinary Shares in issue as at 26 July 2021 (the latest practicable date prior to publication of this document). The Company does not hold any Ordinary Shares in treasury.

The Company's source of funds is its income from its investment portfolio which was approximately £567,000 for the 12 months to 31 January 2021. The Company's principal expenditure is the fees payable to the Investment Manager, the Custodian, the Company's other advisers and the Directors. Its total expenditure for the 12 month period to 31 January 2021 was £3,652,000. These annual operating expenses are denominated in Sterling.

Further information on liquidity arrangements can be found in the audited annual report and accounts of the Company for the financial year ended 31 January 2021 in Note 18 to the Company's financial statements within the Liquidity Risk subsection.

PART 5: TAXATION CONSIDERATIONS

The Company has to satisfy a number of tests in order to qualify as a VCT and therefore to obtain the tax benefits available to VCTs and their individual shareholders. A summary of the tax benefits available to VCTs and their individual Shareholders, and the consequences of losing VCT status, is set out in Section 1 below. A summary of those tests is set out in Section 2 below.

The following paragraphs, which are intended as a general guide only and are based on current legislation and HMRC practice, summarise advice received by the Directors as to the position of the Shareholders who hold shares other than for trading purposes. Any person who is in any doubt as to their taxation position or is subject to taxation in any jurisdiction other than the United Kingdom should consult their professional advisers. Investors should note that the tax legislation of an investor's country of residence for tax purposes (if not the UK, being the Company's country of incorporation) may have an impact on the income received from the securities.

1. TAXATION BENEFITS

The following is a general guide to the tax benefits available to VCTs and their Shareholders. It does not set out any of the legislative provisions in full and investors should seek their own independent taxation advice.

1.1 VCTs

For each accounting period in respect of which a company is approved by HMRC as a VCT, the company is exempt from corporation tax on chargeable gains. The company continues to be liable to corporation tax on income in the usual way.

1.2 Tax reliefs for Investors

The tax reliefs set out below are available to individuals aged 18 or over who invest in shares in a VCT. There is no specific limit on the amount an individual can invest in a VCT, but tax reliefs will only be given to the extent that the total of an individual's subscription or other acquisitions of shares in VCTs in any tax year does not exceed £200,000. Investors who intend to invest more than £200,000 in VCTs in any one tax year should take independent advice on this. Each person in a marriage or civil partnership may be eligible to obtain individual tax relief in respect of £200,000 in each tax year under the Offer.

(i) **Income Tax**

- Subscription relief

A UK taxpayer subscribing for shares in a VCT will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 in any tax year. The current taxation legislation applicable to individual investors provides for income tax relief of up to 30% of the amount subscribed up to investor limits (subject to an amount that reduces the investor's income tax liability to nil). Tax relief on subscriptions for shares in a VCT is restricted where, within six months (before or after) that subscription, the investor had disposed of shares in the same VCT or a VCT which is known to be seeking a merger with that VCT.

- Dividend relief

An investor who acquires, whether by subscription for new shares, a purchase of secondary shares in the market or otherwise, VCT shares up to a maximum of £200,000 in any tax year, will not be liable to income tax on dividends paid by the VCT on those shares.

- Withdrawal of relief

Relief from all or some income tax on subscription for shares in a VCT is withdrawn if the shares are disposed of (other than between spouses or civil partners if they are living together at the time) within five years of issue or if the VCT loses its approval within this period.

(ii) **Capital Gains Tax**

- Relief from capital gains tax on the disposal of shares in the market

Any gains made on shares held in a VCT are not subject to capital gains tax (subject to a maximum investment by an individual of £200,000 in any one tax year in either newly issued shares or shares purchased in the market). Similarly, any loss on such shares held in a VCT will not be treated as an allowable loss. Each person in a marriage or civil partnership may be eligible to obtain individual tax relief in respect of £200,000 in each tax year under the Offer.

- Withdrawal of relief

If a VCT which has been granted approval subsequently fails to comply with the conditions for approval, any gains on the shares after the date on which loss of VCT status takes effect will be taxable. Where VCT status is treated as never having been given, all gains are taxable.

(iii) Share Buybacks

Notwithstanding a clear intention that VCTs are intended to be a tax free investment, investors can be subject to income tax when their shares are purchased by the Company. Where an investor sells shares back directly to the Company any gain made on those shares could be treated as a taxable distribution, and become subject to income tax. However, the Directors have been advised that this does not apply in respect of shares sold to a third party, such as a market maker, through the market, having been held for the requisite holding period. Whilst it is hoped that this anomaly will at some point be ironed out in the legislation, investors who consider selling shares directly to the Company for a higher price than they paid originally, should seek advice in this regard. The Company will also seek to inform investors of any developments on this point.

(iv) Obtaining Tax Reliefs

- Income tax relief

A VCT issues each investor with a certificate which should be used to claim the income tax relief, either by obtaining from HMRC an adjustment to his/her tax coding under the PAYE system, or by waiting until the end of the tax year and using his/her Self Assessment Tax Return to claim relief.

Dividends received on shares acquired in VCTs up to the qualifying maximum of £200,000 per tax year need not be shown in the investor's Self Assessment Tax Return.

- Investors not resident in the UK

Investors not resident in the UK should seek their own professional advice as to the consequences of making an investment in a VCT as they may be subject to tax in other jurisdictions as well as in the UK.

VCT reliefs may not be available if the investor takes out a loan specifically to subscribe for New Shares in the VCT.

(v) Future changes to the tax regime applicable to the Company

The tax rules set out in this Part 5 are a summary of certain applicable rules as at the date of this document. The taxation rules and their interpretation and/or any applicable rates of tax and tax reliefs may change at any time.

Investors should consult their own tax adviser before making an investment.

2. VCT STATUS

2.1 Qualifying as a VCT

The Company has to satisfy a number of tests in order to qualify as a VCT and, therefore, to obtain the tax benefits available to VCTs and their individual shareholders. A summary of these tests is set out below. Where these tests refer to "value", this means according to the valuation methodology set out in S.278-9 of Chapter 3 of Part 6 to ITA 2007.

In order to qualify as a VCT, the Company must satisfy the following conditions in each accounting period:

- (i) it must be approved as a VCT by HMRC;
- (ii) it must not be a close company;
- (iii) throughout the period each class of its equity share capital must be quoted on any regulated market in the EU or European Economic Area;
- (iv) it must derive its income in that period wholly or mainly from shares or securities;
- (v) it must have at least 80% by VCT Value of its investments throughout the period in newly issued shares or securities (where the securities are not redeemable within five years of issue) comprising Qualifying Investments, where VCT Value covers all investments arising from share subscriptions more than two years prior to the Company's most recent financial year end and is calculated on the basis of the market value at the date of the last acquisition of the shares or securities. The VCT must have at least 70% by VCT Value of its Qualifying Holdings in shares which carry no prohibited preferential rights to dividends, no preferential rights to assets on winding up and no rights to be redeemed;
- (vi) 30% of all monies raised in a financial accounting period must be invested in Qualifying Investments by the anniversary of the end of that accounting period;

- (vii) it must have at least 10% by VCT Value of its Qualifying Holdings in shares which carry no prohibited preferential rights to dividends, no preferential rights to assets on winding up and no rights to be redeemed;
- (viii) it must have not more than 15% by value of its investments throughout that period in a single company or group;
- (ix) it must generally not retain more than 15% of the income which it derives from shares and securities in that period;
- (x) it should not make an investment in a company which causes that company to receive more than £5 million (£10 million for a Knowledge Intensive Company) of state aid investment funding, including from VCTs in the 12 months ending on the date of the investment;
- (xi) it should not make an investment in a company which causes that company to receive more than £12 million (£20 million for a Knowledge Intensive Company) of state aid investment funding;
- (xii) it should not make an investment in a company where the company's first commercial sale was more than 7 years (10 years for a Knowledge Intensive Company) prior to the Company's investment, unless the amount raised meets a turnover test, and proceeds of the investment are enabling the company to enter a new product market or new geographic market (having the meaning as in Commission Regulation (EU) No. 651/2014 (General block exemption Regulation); and
- (xiii) it must only make Qualifying Investments or certain Non-Qualifying Investments permitted by section 274 ITA 2007.

2.2 Qualifying Holdings

In order to qualify as a Qualifying Holding, each company in which the Company makes an investment must satisfy the following tests:

- (i) it must be unquoted (which will, in the case of a company which was unquoted at the time of the VCT's investment, be deemed to be the case for a further five years after the company ceases to be unquoted). Companies whose shares are traded on AIM, or are traded or quoted on Aquis, are treated as unquoted;
- (ii) it must be a Qualifying Company (see below under section 2.3 "Qualifying Companies and qualifying subsidiaries");
- (iii) it must have gross assets of £15 million or less immediately pre-investment and £16 million or less immediately post-investment (in the case of companies which have qualifying subsidiaries (see below), the test is applied on a group basis);
- (iv) it (or a relevant qualifying subsidiary of the Qualifying Company) must apply the money invested for the purposes of a qualifying trade;
- (v) the Qualifying Company must have a permanent establishment in the UK at all times while the VCT is an investor in the company;
- (vi) it must not be able to control (whether on its own or together with a connected person) any company which is not a qualifying subsidiary;
- (vii) it must not be controlled by another company (on its own or together with a connected person);
- (viii) the Qualifying Company (or group) must have fewer than 250 full-time (or equivalent) employees (500 full-time (or equivalent) employees for a Knowledge Intensive Company) at the time of investment;
- (ix) it must not receive more than £5 million (£10 million for a Knowledge Intensive Company) of state aid investment funding, including from VCTs, in the 12 months ending on the date of the investment, nor a total of more than £12 million (£20 million for a Knowledge Intensive Company) in its lifetime;
- (x) its first commercial sale must be no more than 7 years (10 years for a Knowledge Intensive Company) prior to the date of the VCT's investment, except where previous Risk Finance state aid was received by the company within 7 years (10 years for a Knowledge Intensive Company) of the company's first commercial sale or where a turnover test is satisfied and the company is entering a new product market or geographic market;
- (xi) funds received from an investment by a VCT cannot be used to acquire shares in another company nor another existing business or trade; and
- (xii) funds must be invested for the purposes of the growth and development of qualifying business activity, and satisfying a "risk to capital" condition.

2.3 Qualifying Companies and qualifying subsidiaries

A Qualifying Company is a company which exists to carry on one or more qualifying trades (see below) or is the parent of a trading group, where all of its subsidiaries are qualifying subsidiaries and the group as a whole is not engaged in Non-Qualifying activities.

For the purposes of the test in (iv) under the heading “Qualifying Holdings” above, a subsidiary will be a relevant qualifying subsidiary if at least 90% of its issued share capital and its voting power is owned by the Qualifying Company or its wholly owned subsidiary. Certain other tests as to the distribution of the subsidiary’s profits and assets on a winding-up must also be satisfied.

In the case of the test in (vi) under the heading “Qualifying Holdings” above, a subsidiary will be a qualifying subsidiary if the majority of its issued share capital is owned by the Qualifying Company and the other tests are also satisfied.

A trade will be a qualifying trade only if it does not to a substantial extent include Non-Qualifying activities (Non-Qualifying activities include, but are not limited to, dealing in land or shares, providing financial services or activities which are largely land-based, such as farming, hotels and nursing homes). In the case of a company which is preparing to carry on a qualifying trade, the qualifying trade must begin within two years of the issue to the VCT of the shares or securities, and must continue thereafter.

In order for a company to be counted as a Qualifying Company, all of the money raised must be employed for the purpose of the qualifying activity within two years of the “trading time” (being the date of issue of the shares and securities or, where the money is raised for use in preparing to trade, the date when that trade starts to be carried on).

2.4 Approval as a VCT

A VCT must be approved as such at all times by HMRC. Approval has effect from the time specified in the approval, which cannot be earlier than the time at which the application for approval is made.

A VCT cannot be approved until the relevant tests (see above under the heading, “Qualifying as a VCT”) have been satisfied throughout the most recent complete accounting period of the VCT and HMRC is satisfied that the tests will be satisfied in relation to the accounting period of the VCT which is current at the time the application is made.

However, in order to facilitate the launch of VCTs, HMRC may grant provisional approval to a VCT, notwithstanding that not all the relevant tests are satisfied at the time of the application, provided that HMRC is satisfied that the tests will be satisfied within a certain period. In particular, HMRC may grant provisional approval if it is satisfied that:

- (i) the relevant tests in (iii), (iv), (vii) and (xiii) under section 2.1 “Qualifying as a VCT” above will either be satisfied in the accounting period during which the application for approval is made or the following accounting period;
- (ii) the relevant tests in (v) and (vi) under section 2.1 “Qualifying as a VCT” above will be satisfied in relation to any accounting period beginning not more than three years after the time when approval is given, or if earlier, when it has effect; and
- (iii) the relevant tests in (iii) to (xiii) under section 2.1 “Qualifying as a VCT” above will continue to be satisfied in all subsequent accounting periods.

The Company has full approval as a VCT.

2.5 Withdrawal of approval

Approval of a VCT may be withdrawn by HMRC if the relevant tests (see above under section 2.1 “Qualifying as a VCT”) are not satisfied. Withdrawal of approval generally has effect from the time when notice of withdrawal is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all the tests were satisfied.

Approval may also be withdrawn if a VCT has issued shares and, within a period of three years of the date of that issue, makes a payment to its shareholders of an amount representing a repayment of share capital, other than for the purpose of redeeming or repurchasing any of those shares. Such a payment may also include the payment of any dividend or distribution.

The above is only a summary of the conditions to be satisfied for a company to be treated as a VCT. For comprehensive clarification, investors are recommended to consult a professional adviser.

2.6 Loss of VCT status

The following is a summary of the tax consequences for VCTs and their shareholders resulting from a loss of VCT Status.

(i) For the VCT

The exemption from corporation tax on capital gains will not apply to any gain realised after the time from which VCT status is lost. Where provisional approval is lost, all gains realised over the period during which provisional approval was in force will be subject to corporation tax. Should tax status be lost under section 274 of ITA 2007 the FCA will be notified as soon as possible.

(ii) For Qualifying Subscribers Income tax relief on investment

If VCT approval is treated as never having been given, or if it is withdrawn before the shares have been held for five years, the relief will be withdrawn by the making of an assessment for the year of assessment for which the relief was originally given on an amount equal to that relief. Interest on overdue tax may arise.

(iii) For Qualifying Subscribers and Qualifying Purchasers Dividend income

Dividend income will not be exempt from tax in respect of profits or gains arising or accruing in any accounting period at a time when VCT status has been lost.

(iv) Capital Gains

If provisional VCT approval is withdrawn, approval is treated as never having been given. Gains and losses on shares in the VCT will be taxable and allowable in the ordinary way. If full VCT approval is withdrawn, the individual is treated as having disposed of his shares immediately before the status is lost. Thus, any capital gains realised up to that date will be exempt from tax, but gains after that date will be taxable in the ordinary way.

2.7 Withholding Taxation

No taxation will be withheld at source on any income arising from the New Shares and the Company assumes no responsibility for such withholding.

3. Linked Sales

An investor may have their tax relief on a subscription for shares in a VCT restricted where they have disposed of shares in that VCT within the previous or subsequent six month period. This restriction on relief may also apply where an individual has subscribed for shares in a VCT which has merged (or which is known to be merging) with the VCT in which they disposed of shares. Please note that these restrictions do not apply to shares issued under dividend reinvestment schemes.

PART 6: GENERAL INFORMATION ABOUT THE COMPANY

1. Incorporation and General

- 1.1 The Company was incorporated and registered in England and Wales on 10 January 2001 with limited liability as a public limited company under the 1985 Act with the name Singer & Friedlander AIM 3 VCT plc and with registered number 04138683. Its registered office and principal place of business is at 27-28 Eastcastle Street, London, W1W 8DH. On 29 January 2001, the Company gave notice to the Registrar of Companies of its intention to carry on business as an investment company under section 266 of the 1985 Act. The Company revoked this status on 22 August 2006. The Company changed its name to ViCTory VCT PLC on 16 June 2009. The Company changed its name to Amati VCT 2 plc on 9 November 2011. The Company merged with Amati VCT plc and changed its name to Amati AIM VCT plc on 4 May 2018.
- 1.2 The Company, as a closed-ended investment company and VCT, is not required to be, and is therefore not, regulated by the FCA although it has registered with the FCA as a small UK registered AIFM. The Company is also required to manage its affairs to obtain and maintain approval as a VCT from HMRC under the provisions of section 274 of ITA 2007. The Company operates, and the New Shares will be created, under the 2006 Act and the regulations made under the 2006 Act. The Company's principal object is to carry on the business of a holding company, a VCT and an investment company. The objects of the Company are set out in clause 3 of its memorandum of association (now incorporated into its articles of association by virtue of section 28 of the 2006 Act), a copy of which is available for inspection at the address set out on page 62 below.
- 1.3 The Company was issued with a certificate of entitlement to do business and to borrow under section 117 of the 1985 Act by the Registrar of Companies on 16 January 2001.
- 1.4 The Company's Ordinary Shares are admitted to the Official List and to trading on the premium segment of the Main Market.
- 1.5 The Company's website is at www.amatiglobal.com. Information on the website does not form part of this document unless that information is incorporated by reference into this document.

2. Share Capital

- 2.1 The issued share capital of the Company (all of which issued Ordinary Shares are fully paid-up) as at 26 July 2021 (being the latest practicable date prior to the publication of this document) is as follows:

| | Issued Share Capital | |
|-----------------|----------------------|---------------|
| | No. | Nominal Value |
| Ordinary Shares | 118,842,225 | £5,942,111.25 |

- 2.2 As at the date of this document, no Ordinary Shares are held by the Company in treasury. The Company has no authorised share capital.
- 2.3 As at the date of this document, no convertible securities, exchangeable securities or securities with warrants have been issued by the Company and remain outstanding.
- 2.4 At the annual general meeting held on 9 June 2021, the Directors were authorised as follows:
 - 2.4.1 in substitution for any existing authorities, generally and unconditionally, pursuant to section 551 of the 2006 Act, to allot Ordinary Shares of 5p each in the capital of the Company and to grant rights to subscribe for or to convert any security into Ordinary Shares up to an aggregate nominal amount of £1,500,000, such authority to expire (unless previously renewed, varied or revoked by the Company in general meeting) on the earlier of the date of the annual general meeting of the Company to be held in 2022 and the date which is 15 months after the date on which the resolution granting this authority was passed;
 - 2.4.2 in substitution for any existing authorities, pursuant to sections 570 and 573 of the 2006 Act, to allot Ordinary Shares for cash and to sell Ordinary Shares from treasury for cash as if section 561 of the 2006 Act did not apply to any such allotment or sale provided that this authority: (i) shall be limited to the allotment of Ordinary Shares and the sale of Ordinary Shares from treasury for cash up to an aggregate nominal amount of £1,500,000; and (ii) shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the earlier of the date of the annual general meeting of the Company to be held in 2022 and the date which is 15 months after the date on which the resolution granting this authority was passed; and

- 2.4.3 in substitution for any existing authorities, to make one or more market purchases within the meaning of Section 701 of the 2006 Act, of up to 17,736,314 Ordinary Shares (either for cancellation or for the retention of treasury shares for future re-issue or transfer) such authority to expire on the earlier of the annual general meeting of the Company to be held in 2022 and the date which is 15 months after the date on which the resolution granting this authority was passed.
- 2.5 The disapplication of statutory pre-emption rights in the terms provided under the special resolution noted at paragraph 2.4.2 above gives the Company the flexibility to allot and issue Ordinary Shares or resell any Ordinary Shares which it holds in treasury for cash without first being required to offer such Ordinary Shares to existing Shareholders in proportion to their existing holdings.
- 2.6 The provisions of section 561 of the 2006 Act, which confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities which are to be paid up in cash, apply to the unissued capital of the Company except as referred to in paragraph 2.4.2 above.
- 2.7 Immediately following the Offer, the issued share capital of the Company will be as follows (assuming that the Offer is subscribed in full at an assumed Offer Price of 210.68 per New Share (based on the NAV as at 30 June 2021) and that no New Shares are issued under the over-allotment facility):

| Nature of information | Issued No. | Nominal Value |
|------------------------------|-------------------|----------------------|
| Ordinary Shares | 132,450,585 | £6,622,529 |

- 2.8 There have been the following changes to the issued share capital of the Company since 31 January 2021:

| Date | No. of Shares allotted | No. of Shares bought back | Resulting issued Share capital |
|------------------|-------------------------------|----------------------------------|---------------------------------------|
| 19 February 2021 | – | 282,000 | 115,307,550 |
| 23 February 2021 | – | 42,000 | 115,265,550 |
| 5 March 2021 | – | 25,487 | 115,240,063 |
| 8 March 2021 | 3,331,689 | – | 118,571,752 |
| 7 April 2021 | – | 26,571 | 118,545,181 |
| 19 April 2021 | – | 96,000 | 118,449,181 |
| 22 April 2021 | – | 79,512 | 118,369,669 |
| 11 May 2021 | – | 48,689 | 118,320,980 |
| 11 June 2021 | – | 64,000 | 118,256,980 |
| 18 June 2021 | – | 34,000 | 118,222,980 |
| 21 June 2021 | – | 12,000 | 118,210,980 |
| 16 July 2021 | – | 63,000 | 118,147,980 |
| 19 July 2021 | – | 8,000 | 118,139,980 |
| 23 July 2021 | 702,245 | – | 118,842,225 |

- 2.9 Save as disclosed in this paragraph 2:
- (i) no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, for cash or any other consideration, and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital; and
 - (ii) no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.10 Subject to any special rights or restrictions attaching to any shares or any class of shares issued by the Company in the future, the holders of fully paid Ordinary Shares are entitled pari passu amongst themselves, but in proportion to the number of Ordinary Shares held by them, to share in the whole of the profits of the Company paid out as dividends and the whole of any surplus in the event of the liquidation of the Company.

3. Articles of Association

The Articles provide that the Company's principal object is to carry on the business of a holding company, a VCT and an investment company. The objects of the Company are set out in full in Article 3.2 of the Articles which are available for inspection at the address specified on page 62 below.

The Articles, contain, inter alia, provisions to the following effect:

3.1 Dividends

The Company may in general meeting by ordinary resolution declare dividends in accordance with the respective rights of the members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. The Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of a share shall bear interest as against the Company. All dividends unclaimed for a period of twelve years after being declared or becoming due for payment shall be forfeited and shall revert to the Company.

3.2 Voting

Subject to any disenfranchisement as provided in the Articles and subject to any special terms as to voting on which any shares may be issued, on a show of hands every member present in person or by proxy (or, being a corporation present by a duly authorised representative) shall have one vote and, on a poll, every member present in person or by proxy shall have one vote for every share of which he is the holder.

3.3 General Meetings

An annual general meeting shall be held once a year (and specified as such in the notice convening the meeting) at such time and place and/or electronic platform as may be determined by the Directors. An annual general meeting and any general meeting at which it is proposed to pass a special resolution or (except as provided by statute) a resolution of which special notice has been given to the Company, shall be called by at least 21 clear days' notice in writing. Any other general meeting shall be called by at least 14 clear days' notice given by the Company. Notice shall be given to all members, other than those who are not entitled under the Articles to receive notice. Every notice calling a general meeting shall specify the place and/or electronic platform, day and time of the meeting. Every notice must include a prominent statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.

3.4 Variation of rights

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal amount of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of such holders.

3.5 Borrowing powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets and uncalled capital. The Directors shall restrict the borrowings of the Company and, by the exercise of the Company's voting and other rights or powers of control over its subsidiary undertakings (if any), secure that they restrict their borrowings, so that the aggregate amount at any time outstanding in respect of money borrowed by the group, being the Company and its subsidiary undertakings for the time being, shall not, without the previous sanction of an ordinary resolution of the Company, exceed the amount standing to the credit of the reserves of the Company (all as shown by the latest published audited balance sheet of the Company) subject to certain adjustments and deductions as set out in the Articles.

3.6 Alteration of capital

Without prejudice to any rights attached to any existing shares, any shares may be issued with such rights or conditions as the Company may by ordinary resolution determine or, in the absence of such determination, as the Directors may determine. Subject to the 2006 Act, the Company may issue shares which are, or at the option of the Company or the holder are, liable to be redeemed. The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger amount, sub-divide its shares or any of them into shares of smaller amounts, cancel or reduce the nominal value of any shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount so cancelled or the amount of the reduction. Subject to the 2006 Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account and may also, subject to the 2006 Act, purchase its own shares (excluding any redeemable shares).

3.7 Transfer of shares

All transfers of shares must be effected by a transfer in writing in any usual form or any other form approved by the Directors. The instrument of transfer of a share shall be executed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The Directors may refuse to register any transfer of a partly paid share, provided that such refusal does not prevent dealings taking place on an open and proper basis, and may also refuse to register any instrument of transfer unless:

- 3.7.1 it is duly stamped (if so required), is lodged with the Company's registrars or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer,
- 3.7.2 it is in respect of only one class of share; and in the case of a transfer of joint holders the transferees do not exceed four in number.

3.8 Disclosure of interests in Shares and restrictions on Shares

If any member or other person appearing to be interested in shares of the Company is in default in supplying within 14 days after the date of service of a notice requiring such member or other person to supply to the Company in writing all or any such information as is referred to in section 793 of the 2006 Act, the Directors may, for such period as the default shall continue, impose restrictions upon the relevant shares. The restrictions available are the suspension of voting and rights of attendance at meetings of the Company in respect of the relevant shares and, additionally, in the case of a shareholder representing at least 0.25% by nominal value of any class of shares of the Company then in issue, the withholding of payment of any dividends on and the restriction of transfer of the relevant shares.

3.9 Directors' interest

- 3.9.1 A Director who is in any way, directly or indirectly, interested in any transaction or arrangement with the Company shall, at a meeting of the Directors, declare, in accordance with the 2006 Act, the nature of his interest.
- 3.9.2 Provided that he has declared his interest in accordance with the Articles a Director may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested. No Director so interested shall be accountable to the Company, by reason of his being a Director, for any benefit or remuneration which he derives from such office, interest, any such action or arrangement.
- 3.9.3 A Director shall not vote at a meeting of the Directors in respect of a matter in which he has any direct/indirect interest otherwise than by virtue of his interest in shares, debentures or other securities of, or otherwise in or through, the Company unless the Director has made a declaration disclosing the nature and extent of such interests and has obtained from the other Directors their authorisation for the above in accordance with the provisions of the statutes, and unless his interest arises only because the case falls within one or more of the following paragraphs:
 - (a) the giving to him of any guarantee, security or indemnity in respect of money lent or an obligation incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (b) the giving to a third party of any guarantee, security or indemnity in respect of a debt or an obligation of the Company or any of its subsidiary undertakings for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; any proposal concerning the subscription by him of shares, debentures or other securities of the Company or any of its subsidiary undertakings or by virtue of his participating in the underwriting or sub-underwriting of an offer of such shares, debentures or other securities for subscription, purchase or exchange;
 - (c) any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he and any persons connected with him do not to his knowledge hold an interest in shares representing 1% or more of any class of the equity share capital of such company or of the voting rights available to members of the relevant company;
 - (d) any proposal relating to an arrangement for the benefit of the employees of the Company or any subsidiary undertaking which does not award to any Director as such any privilege or advantage not generally awarded to the employees to whom such arrangement relates;
 - (e) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of directors of the Company or for the benefit of persons including directors of the Company.

Where proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company or any company in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and (if not otherwise precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

3.10 Retirement of Directors

At the annual general meeting of the Company next following the appointment of a Director he shall retire from office. A Director shall also retire from office at or before the third annual general meeting following the annual general meeting at which he last retired and was re-elected. A retiring Director shall be eligible for re-election. A Director shall be capable of being appointed or reappointed a Director.

3.11 Remuneration of directors

The ordinary remuneration of the Directors (other than an executive director appointed under the Articles) shall be such amount as the Directors shall from time to time determine (provided that unless otherwise approved by the Company in general meeting, the aggregate of the ordinary remuneration of such Directors shall not exceed £150,000 per annum. The Directors shall also be paid by the Company all travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties. Any Director who, by request of the Directors, performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration as the Directors may determine.

The emoluments and benefits of any executive director for his services as such shall be determined by the Directors and may be of any description, including membership of any pension or life assurance scheme for employees or their dependants or, apart from membership of any such scheme, the payment of a pension or other benefits to him or his dependant on or after retirement or death.

3.12 Distribution of realised capital profits

The Company may, after the recommendation by the Board, resolve by ordinary resolution that is desirable to capitalise all or any part of the profits of the Company.

Subject to the 2006 Act and the regulations made thereunder, any sum standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to any revenue reserve may be applied, including without limitation by way of payment of dividends or the redemption or purchase by the Company of its own shares.

3.13 Duration and winding-up

The Articles contain provisions requiring the Board to propose an ordinary resolution at the annual general meeting of the Company falling after the fifth anniversary of the last share allotment carried out by the Company for the continuation of the Company as a VCT. If such resolution is not passed, the Board shall within nine months of such meeting convene a general meeting where two special resolutions shall be proposed: 1) a special resolution for the reorganisation or reconstruction of the Company; and if such resolution is not passed, 2) a special resolution requiring the Company to be wound up voluntarily. If neither resolution is passed, the Company shall continue as a VCT.

3.14 Changes to the Articles

In accordance with the 2006 Act, the Articles can be amended by means of a special resolution of shareholders which requires 75% of the votes cast at a general meeting to be in favour, provided that in relation to any amendment which would affect class rights, the appropriate class must approve the amendment in accordance with the Articles.

4. Directors', Investment Managers' and Others' Interests

- 4.1 Other than as set out in paragraph 4.9 below, the Company is not aware of any person, not being a member of its administrative, management or supervisory bodies, who, as at the date of this document, is directly interested in 3% or more of the issued share capital of the Company and is required to notify such interest in accordance with the Disclosure Guidance and Transparency Rules.
- 4.2 The Directors do not have any options over Ordinary Shares. The number of Ordinary Shares held by the Directors and their respective immediate families (all of which are held beneficially) as at 26 July 2021 (being the latest practicable date prior to the publication of this document) are set out below, together with the number of Ordinary Shares currently intended to be held by them following the closing of the Offer (provided such Subscriptions are met in full).

| Directors | As at 26 July 2021 | | Following the Offer* | |
|---------------------------|------------------------|---------------------------|------------------------|---------------------------|
| | No. of Ordinary Shares | % of issued share capital | No. of Ordinary Shares | % of issued share capital |
| Peter Lawrence (Chairman) | 859,130 | 0.72 | 930,328 | 0.68 |
| Julia Henderson | 17,068 | 0.01 | 19,441 | 0.01 |
| Susannah Nicklin | 22,339 | 0.02 | 25,898 | 0.02 |
| Brian Scouler | 52,669 | 0.04 | 57,415 | 0.04 |
| Fiona Wollocombe | – | – | 14,239 | 0.01 |

* Assuming New Shares are allotted at an Offer Price of 210.68p per New Share (based on the NAV as at 30 June 2021) and assuming the Offer is fully subscribed and that no New Shares are issued under the over-allotment facility.

- 4.3 Each of the Directors has entered into a letter of appointment with the Company, a copy of which is available for inspection at the address set out in paragraph 10 of this Part 6, for the provision of their services as a Director for the fees disclosed in paragraph 4.8 below. These agreements entered into between the Company and Peter Lawrence, Julia Henderson, Susannah Nicklin, Brian Scouler and Fiona Wollocombe took effect from 16 June 2018, 29 June 2018, 4 May 2016, 4 May 2018 and 10 June 2021 respectively. There are no commission or profit sharing arrangements and no compensation is payable on termination of the agreements. The agreements are terminable by either party as prescribed by law and/or the Articles. No amounts have been put aside to provide pensions, retirement or similar benefits to any Director. Save as disclosed in this paragraph, none of the Directors has entered into any service contract with the Company. With effect from 26 July 2021, the Company also entered into qualifying third party deeds of indemnity in favour of each of the Directors.
- 4.4 The letters of appointment provide that Directors are appointed for an initial period of up to three years and are subject to re-election by Shareholders at the first annual general meeting after their appointment. In accordance with the AIC Code, the Board has resolved that all Directors will stand for re-election on an annual basis. Their re-election is subject to Shareholder approval. The letters of appointment are available for inspection on request. There is no period of notice to be given to terminate the letters of appointment and no provision for compensation upon early termination of appointment.
- 4.5 None of the Directors has or has had any direct or indirect interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of the Company and which has been effected by the Company since its incorporation.
- 4.6 For each of the financial periods ended 31 January 2021, 31 January 2020 and for the current financial period up to the date of this document, the Company has not entered into any related party transactions for the purposes of Regulation (EC) No. 1606/2002 other than the contract referred to in paragraph 7(i) below.
- 4.7 No loan or guarantee has been granted or provided by the Company to or for the benefit of any Director.
- 4.8 It is estimated that the aggregate amount to be paid to the Directors for the financial year ending 31 January 2022 under the arrangements in force as at the date of this document will not exceed £150,000 (plus out of pocket expenses). During the financial year ended 31 January 2021 the Directors received the following remuneration (including any contingent or deferred compensation, and benefits in kind granted by the Company for services in all capacities to the Company, plus out of pocket expenses):

| | |
|---------------------------|----------------|
| Peter Lawrence (Chairman) | £24,960 |
| Julia Henderson | £22,575 |
| Susannah Nicklin | £22,575 |
| Brian Scouler | £22,575 |
| Fiona Wollocombe* | – |
| Total | £92,685 |

* Fiona Wollocombe's appointment as a Director of the Company became effective on 10 June 2021.

No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits to any of the Directors.

- 4.9 Other than as set out below and insofar as is known to the Company, as at 26 July 2021 (the latest practicable date prior to the publication of this document), there is no party who is interested, directly or indirectly in 3% or more of the capital of the Company. The Company is not aware, as at 26 July 2021 (the latest practicable date prior to the publication of this document), of any person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company or any arrangement, the operation of which may at a subsequent date result in a change of control of the Company. All Shareholders have the same voting rights.

| Shareholder | Number of Ordinary Shares | % of issued Ordinary Share Capital |
|--|----------------------------------|---|
| Hargreaves Lansdown (Nominees) Limited | 5,454,082 | 4.59 |

- 4.10 The Company maintains directors' and officers' liability insurance for the protection of the Directors, renewable on an annual basis.

- 4.11 Details of those companies (other than the Company) and partnerships of which the Directors have been a member of the administrative, management or supervisory body or a partner at any time in the five years preceding the date of this document are as follows:

| Director | Current directorships/partnerships | Past directorships/partnerships |
|------------------|--|--|
| Peter Lawrence | Baronsmead Venture Trust plc | 7 Springfield Road Management Company Limited |
| | Ell Investments Ltd | Algatechnologies Limited |
| | Emmelle Construction Limited | Amati VCT plc |
| | Emmelle Developments Limited | Anpario plc |
| | ICA in Israel | Aquatice Limited |
| | | Baronsmead VCT plc |
| | | C-Corp Limited |
| | | Dynamic Design UK Holdings Ltd |
| | | Eco Animal Health Group plc |
| | | Eco Animal Health Ltd |
| | | Higher Nature Limited |
| | | JCA Charitable Foundation |
| | | Kiotech Limited |
| Director | Current directorships/partnerships | Past directorships/partnerships |
| Julia Henderson | – | Amati VCT plc |
| Director | Current directorships/partnerships | Past directorships/partnerships |
| Susannah Nicklin | Baronsmead Venture Trust plc | Apprecie Limited |
| | Ecofin Global Utilities and Infrastructure Trust plc | City of London Investment Group plc |
| | Pantheon International plc | City of London Investment Management Company Limited |
| | Schroder BSC Social Impact Trust plc | |
| | The North American Income Trust plc | |

| Director | Current directorships/partnerships | Past directorships/partnerships |
|------------------|---|---|
| Brian Scouler | TAG Travel UK Limited | Amati VCT plc |
| | | Garvald Community Enterprises Limited |
| | | Tentel Limited |
| Director | Current directorships/partnerships | Past directorships/partnerships |
| Fiona Wollocombe | Kings Arms Yard VCT PLC | Artemis VCT PLC (in member's voluntary liquidation) |
| | | Maven Income and Growth VCT PLC |

4.12 As at the date of this document, there are no potential conflicts of interest between any of the Directors' duties to the Company and their private interests and/or other duties.

4.13 No Director has any convictions in relation to fraudulent offences during the previous five years.

4.14 Save as disclosed below, there were no bankruptcies, receiverships, liquidations or administrations of any companies or partnerships where any of the Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years or (iv) a senior manager, during the previous five years.

4.15 Mr Scouler was a director of Tentel Limited from 27 April 2016 until 13 October 2017. Tentel Limited was an angel-backed business which entered administration on 9 June 2017 and was dissolved on 31 August 2018.

4.16 Ms Wollocombe is a director of Artemis VCT PLC, which has been placed into voluntary liquidation approved by shareholders on 30 September 2020.

4.17 Mr Lawrence, Ms Henderson and Mr Scouler were directors of Amati VCT plc when it was placed into voluntary liquidation approved by shareholders on 4 May 2018.

4.18 Ms Nicklin was a director of Apprecie Limited from 3 February 2012 until it entered voluntary liquidation on 9 September 2016 and was dissolved on 16 November 2017.

4.19 Ms Nicklin and Mr Lawrence were directors of Baronsmead VCT plc when it was placed into voluntary liquidation approved by shareholders on 8 February 2016 and was dissolved on 19 July 2018.

4.20 There has been no official public incrimination and/or sanction of any Director by statutory or regulatory authorities (including designated professional bodies) and no Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

4.21 The Audit Committee

The Audit Committee comprises each member of the Board, and Brian Scouler presides as Chairman. It meets at least twice per year.

The main responsibilities of the Audit Committee include reviewing the accounting policies and significant financial reporting judgments, monitoring the integrity of the Company's financial statements, reviewing the internal control systems and the risks to which the Company is exposed including the Company's risk management systems, which allows the Company to identify, measure, manage and monitor all risks on a continuous basis. It is also responsible for making recommendations to the Board regarding the appointment and independence of the Auditors, the objectivity and effectiveness of the audit process, monitoring the non-audit services provided to the Company by its Auditors and approving the financial statements and confirming to the Board that they are fair, balanced and understandable. The Audit Committee also provides a forum through which the Auditors report to the Board. The Audit Committee reviews its terms of reference and its effectiveness twice per year and recommends to the Board any changes required as a result of the review and also meets privately with the auditors at least annually.

4.22 There is no conflict of interest between the Company, the duties of the Directors and their interests.

4.23 Investment Manager's interests in the Company

The number of Ordinary Shares (all of which are held beneficially) held by the Investment Manager, certain members of the management team and their respective immediate families as at 26 July 2021 (being the latest practicable date prior to publication of this document) are set out below, together with the number of Ordinary Shares currently intended to be held following the Offer (providing such Subscriptions are met in full).

| Management team member | As at 26 July 2021 | | Following the Offer* | |
|------------------------|------------------------|---------------------------|------------------------|---------------------------|
| | No. of Ordinary Shares | % of issued share capital | No. of Ordinary Shares | % of issued share capital |
| Paul Jourdan | 631,470 | 0.53 | 712,161 | 0.52 |
| David Stevenson | 17,583 | 0.02 | 27,076 | 0.02 |
| Anna Macdonald | 2,993 | 0.00 | 5,366 | 0.00 |

* Assuming New Shares are allotted at an Offer Price of 210.68p per New Share (based on the NAV as at 30 June 2021) and assuming the Offer is fully subscribed and that no New Shares are issued under the over-allotment facility.

5. Investment Policy, Listing Requirements and Investment Restrictions

The Company's income is derived wholly or mainly from shares or other securities. The Company intends to manage its own affairs in respect of each accounting period so as to maintain approval from HMRC as a VCT under the provisions of section 274 of ITA. Accordingly, none of the Company's investments, other than in a Venture Capital Trust or a company which would qualify as a Venture Capital Trust if it were listed, will represent more than 15% by value of its investments.

Not more than 20% of the Company's gross assets are invested in the securities of property companies, that is, in any companies primarily engaged in property activities which include:

- (i) the holding of properties or the development of properties for letting and retention as investments; or
- (ii) the purchase or development of properties for subsequent sale.

It is intended that the following conditions will continue to be met:

- (i) that the Directors, and any investment manager of the Company, will have sufficient and satisfactory experience in the management of investments of the type in which the Company intends to invest;
- (ii) that the Directors of the Company will act independently of the investment manager of the investments, and, in particular, a majority of the Board will not be directors or employees of, or former directors or employees of, or professional advisers to such investment manager or any other company in the same group as such investment manager
- (iii) that the Company will not control the companies in which it invests in such a way as to render them subsidiary undertakings; and
- (iv) that the Company will adhere to the restrictions on investments set out in this paragraph 5.

The Company is also subject to the investment restrictions in the Listing Rules of the FCA which specify that:

- (i) the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;
- (ii) the Company must not conduct any trading activity which is significant in the context of its group as a whole;
- (iii) the Company may not invest more than 10%, in aggregate, of the value of its total assets at the time an investment is made in other listed closed-ended investment funds; and
- (iv) any material change to the investment policy of the Company will require the approval of Shareholders.

6. Overseas Investors

No person receiving a copy of this document or accessing the Online Subscription Form in any territory other than the UK may treat the same as constituting an invitation or offer to him/her nor should he/she in any event complete and/or submit such Online Subscription Form unless, in the relevant territory, such an invitation or offer could be lawfully made to him/her or such Online Subscription Form could be lawfully submitted without contravention of any registration or other legal requirements. It is the responsibility of any person outside the UK wishing to make a Subscription under the Offer to satisfy himself/herself as to the full observance of the laws of the relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. All applicants under the Offer will be required to warrant that they are not a US person as defined under the United States Securities Act of 1933 nor a resident of Canada, Australia, Japan, New Zealand or the Republic of South Africa as set out in the terms and conditions of the Offer contained in Part 7 of this document.

7. Material Contracts

Save for the following contracts, as at the date of this document, there were no contracts (being contracts entered into otherwise than in the ordinary course of business) entered into by the Company (i) within two years immediately preceding the date of this document which are or may be material or (ii) which contain any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this document:

(i) Investment Management Agreement

An investment management and administration agreement (the "IMA") dated 30 September 2019 between the Company and the Investment Manager whereby the Investment Manager agreed to manage the investments and other assets of the Company on a discretionary basis subject to the overall policy of the Directors. The Company will pay to the Investment Manager under the terms of the IMA a quarterly fee of 0.4375% of the net asset value of the Company in arrears (i.e. 1.75% per annum). Under the terms of the IMA, the Investment Manager has also agreed to provide certain company secretarial and administrative services to the Company. The Company agreed to pay to the Investment Manager a fee of £96,163 (subject to an annual increase in line with the retail prices index) annually in arrears in respect of the provision of these services. The appointment of the Investment Manager as investment manager and/or administrator and company secretary may be terminated on one year's notice. Where the Investment Manager negotiates and structures an investment directly with a company, most commonly as a convertible loan, the Investment Manager retains the right to charge the investee company a fee. Any legal expenses incurred by the Investment Manager will be paid out of this fee.

(ii) Registrar agreement with City Partnership (UK) Limited

A Registrar agreement between the Company and City Partnership under which the Registrar has agreed to act as the Company's registrar and perform various duties including the maintenance of the register of members of the Company and the processing of any transfer of Ordinary Shares. The Company has agreed a fixed fee in respect of the maintenance of its register with other ad hoc services charged in addition to this.

(iii) Custody agreement with The Bank of New York Mellon SA/NV

A custody agreement between the Company and The Bank of New York Mellon SA/NV dated 10 May 2010 under which the Custodian has agreed to act as custodian of the Company's quoted assets and some of the unquoted assets and, in that capacity, is responsible for ensuring safe custody and dealing and settlement arrangements in relation to such assets. Under the terms of the Custody Agreement, the Custodian is entitled to customary fees.

8. Disclosures under the Market Abuse Regulation

The table below sets out a summary of the information disclosed by the Company under the Market Abuse Regulation in the 12 months preceding the date of this document and which is relevant as at the date of this document.

| Date | Title of Announcement | Disclosure |
|---------------|---|---|
| 22 June 2021 | Update on offer for subscription | The Company announced that the offer for subscription would be seeking to raise £30 million over a 12 month period, with an over-allotment facility of up to an additional £30 million. |
| 12 April 2021 | Intention to launch an offer for subscription | The Company announced its intention to launch an offer for subscription later in 2021. |

9. Miscellaneous

- 9.1 The total expenses payable by the Company in connection with the Offer (assuming the Offer is fully subscribed and no New Shares are issued under the over-allotment facility) are expected to be around £283,665 (including amounts paid by way of fees and irrecoverable VAT where applicable). If the maximum of £40 million is raised by the Company under the Offer (and no New Shares are issued under the over-allotment facility), the net proceeds of the Offer will amount to £39,716,335. The net proceeds will be used in accordance with the Company's investment policy.
- 9.2 The principal place of business and registered office of the Company is 27/28 Eastcastle Street, London, W1W 8DH. The Company does not have, nor has it had since its incorporation, any subsidiaries, subsidiary undertakings or employees and it neither owns nor occupies any premises except that the Company had a subsidiary, Singer & Friedlander AIM 3 VCT Limited which was dissolved on 10 January 2012.
- 9.3 The Company is not regulated to conduct investment business under the FSMA, nor authorised by the FCA, although it is registered with the FCA as a small UK registered AIFM.
- 9.4 DTR 5 of the Disclosure Guidance and Transparency Rules requires a Shareholder to notify the Company of the percentage of its shares they hold if such percentage reaches, exceeds or falls below 3%, or subsequent 1% thresholds above 3%. The Company will make such information public, through a Regulatory Information Service.
- 9.5 Amati Global Investors is the Investment Manager of the Company. The principal place of business and registered office of Amati Global Investors is at 8 Coates Crescent, Edinburgh, EH3 7AL (Tel: 0131 503 9100). The Investment Manager is regulated to conduct investment business under the FSMA, and is authorised by the FCA.
- 9.6 Where information set out in this document has been sourced from a third party, the source has been identified at the relevant place in the document and the Company confirms that this information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by the relevant third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 9.7 The Investment Manager and Dickson Minto W.S., as sponsor, have given and not withdrawn their consent to the issue of this document with references to their names in the form and context in which such references appear.
- 9.8 The Company's registrars are The City Partnership (UK) Limited.
- 9.9 In the 12 months preceding the date of this document there has been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.
- 9.10 The Company and its Directors consent to the use of this document, and accept responsibility for the content of this document, with respect to subsequent resale or final placement of Shares by financial intermediaries. The offer period within which subsequent resale or final placement of Shares by financial intermediaries can be made and for which consent to use this document is given is from the date of this document until 27 July 2022. There are no conditions attaching to this consent. This document can only be used within the United Kingdom.

Financial intermediaries must give investors information on the terms and conditions of the offer being made by the financial intermediaries at the time they introduce such offer to investors. In the event of an offer being made by a financial intermediary, any financial intermediary using this document has to state on its website that it uses this document in accordance with the consent and the terms and conditions of the Offer at the time they introduce the Offer to investors. Any application made by investors to any intermediary is subject to the terms and conditions imposed by each intermediary.

10. Documents available for inspection

Copies of the following documents will be available for inspection at any time on the Company's website at www.amatiglobal.com or in person during normal business hours on any Business Day at the registered office of the Company, the offices of Amati Global Investors, 8 Coates Crescent, Edinburgh EH3 7AL and at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW from the date of this document until 27 July 2022.

10.1 the memorandum and articles of association of the Company;

10.2 the audited accounts for the financial year ended 31 January 2021;

10.3 the letter of appointment for each Director; and

10.4 this document.

11. Availability of this Prospectus

This document is available at www.amatiglobal.com and <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> and, until 27 July 2022, copies are available for collection, free of charge, from the offices of Amati Global Investors and the offices of Dickson Minto W.S. on any Business Day.

28 July 2021

PART 7: TERMS AND CONDITIONS OF SUBSCRIPTION

The following terms and conditions of subscription apply to the Offer.

Save where the context otherwise requires, words and expressions defined in this document have the same meanings when used in these terms and conditions of subscription and in the Online Subscription Form which is available at **www.amatiglobal.com**. Words importing one gender (where appropriate) include any other gender and words importing the singular shall (where appropriate) include the plural and vice versa.

The Online Subscription Form forms part of these terms and conditions of subscription.

1. The maximum amount to be raised under the Offer is £40 million with an over-allotment facility (which can be used at any time during the Offer) of a further £25 million. If the Board (in consultation with the Investment Manager) decides to utilise the over-allotment facility, the Company will make a Regulatory Information Service announcement as soon as reasonably practicable.
2. The contract created by the acceptance of a Subscription (in whole or in part) in the manner set out herein will be conditional on Admission of the New Shares conditionally allotted pursuant to the Subscription becoming effective.
3. Where payment is being made by cheque, or banker's draft, the right is reserved by the Company to present all cheques and bankers' drafts for payment on receipt by the Receiving Agent and to retain share certificates and subscription monies, pending clearance of successful subscribers' cheques and bankers' drafts. The Company and its agents may treat Subscriptions as valid and binding even if not made in all respects in accordance with the prescribed instructions or not complying fully with these terms and conditions of subscription and the Company and its agents may, at their discretion, accept a Subscription in respect of which payment is not received by the Company prior to the closing of the Offer. The Company and its agents reserve the right to waive in whole or in part any of the provisions of these terms and conditions of subscription, either generally or in respect of one or more Subscriptions. In particular, but without limitation, the Company may accept a Subscription made otherwise than by way of Online Subscription Form where the Subscriber has agreed in some other manner satisfactory to the Company and its agents to subscribe in accordance with these terms and conditions of subscription. If any Subscription is not accepted in full or any contract created by acceptance does not become unconditional, the subscription monies or, as the case may be, the balance thereof will (save where the amount is less than £3.00, in which case you authorise such amount to be paid to the Company and used for its own purpose) be returned (without interest) in Sterling by returning each relevant Subscriber's cheque or bankers' draft or by crossed cheque in favour of the subscriber, through the post at the risk of the person(s) entitled thereto or by bank transfer, at the risk of the person entitled thereto, to the same bank account from which the monies were received as identified in the Online Subscription Form. In the meantime, Subscription monies will be retained by the Receiving Agent in a separate account. The Company may require the Subscriber to pay interest or its other resulting costs (or both) if the cheque or bankers' draft accompanying his or her Subscription is not honoured on first presentation. If the Subscriber is required to pay interest he or she will be obliged to pay the full amount determined by the Company to be the interest on the amount of the cheque or bankers' draft from the date on which such remittance is not honoured until the date of receipt of cleared funds. The rate of interest will be 3% per annum.
4. The Company reserves the following rights.
 - (i) To change the basis of allocation under the Offer at the discretion of the Directors after consultation with the Investment Manager and Dickson Minto W.S., and to reject in whole or in part and scale down and/or ballot any Subscription or any part thereof. Subscriptions which are not accompanied by cheques available for immediate presentation or by other valid payment means will be dealt with at the Directors' discretion. If any dispute arises as to the date or time on or at which a Subscription is received, the Directors' determination shall be final and binding.
 - (ii) To scale down the number of New Shares available for subscription under the Offer at any time prior to the closing of the Offer.
 - (iii) To close the Offer earlier than the closing date if fully subscribed.
 - (iv) To accept Online Subscriptions and to allot and arrange for the listing of New Shares in respect of Subscriptions received under the Offer on or prior to the stated closing date of the Offer as the Directors see fit.
5. By submitting an Online Subscription Form, you as the Subscriber (and, if you complete the Online Subscription Form on behalf of somebody else, that person, except as referred to in paragraph (5) (xx) below) acknowledge that your Subscription is addressed to the Company, the Investment Manager and the Receiving Agent in respect of acceptance of these terms and conditions of subscription and further that you, in respect of the Offer:
 - (i) irrevocably offer to subscribe for such number of New Shares as will be determined by the amount specified in your Online Subscription Form (or such lesser number for which your Subscription is accepted) divided by the Offer Price of the New Shares resulting from the application of the pricing formula on the terms, and subject to the conditions set out in the Prospectus including these terms and conditions of subscription, and subject to the Memorandum and Articles of Association of the Company;

- (ii) agree that, in consideration of the Company and its agents agreeing to process your Subscription, your Subscription may not be revoked (save in accordance with 'withdrawal rights' under section 87Q of FSMA and Prospectus Regulation Rule 3.4.1 where a supplementary prospectus to the Prospectus is issued by the Company), and that this paragraph constitutes a collateral contract between you and the Company, the Investment Manager and the Receiving Agent which will become binding upon receipt by the Receiving Agent of your Online Subscription Form;
- (iii) unless you are paying by electronic transfer, agree and warrant that your cheque or bankers' draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to the New Shares applied for or to enjoy or receive any rights or distributions in respect of such New Shares until you make payment in cleared funds for such New Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify the Company and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to allocate New Shares to you, without liability to you, and may issue or allot such New Shares to some other person, in which case you will not be entitled to any refund or payment in respect of such New Shares, other than the refund to you, at your risk, of the proceeds (if any) of the cheque or bankers' draft accompanying your Online Subscription Form without interest;
- (iv) agree that in respect of those New Shares for which your Subscription has been received and is not rejected, your Subscription may be accepted at the election of the Company either by notification to the Financial Conduct Authority of the basis of allocation or by notification of acceptance thereof to the Receiving Agent;
- (v) agree that the Receiving Agent will hold any monies in respect of your Subscription together with other monies received in respect of all Subscriptions on trust for the payment of New Shares for which you have subscribed or failing such payment to be returned to you without interest and that any interest earned in respect of such monies will be paid to the Company and used for its own purposes;
- (vi) agree that any share certificate to which you may become entitled and any monies refundable to you may be retained by the Company pending clearance of your remittance and any investigation of any suspected breach of these terms and conditions of subscription and pending any verification of identity which is, or which the Company or the Receiving Agent may consider to be, required for the purposes of (i) the UK Money Laundering Regulations 2017, (ii) the Common Reporting Standard and/or (iii) FATCA, and that such monies will not bear interest;
- (vii) authorise The City Partnership (UK) Limited as Registrar on behalf of the Company to send share certificate(s) in respect of the New Shares for which your Subscription is accepted and/or to make a bank transfer for any monies returnable without interest to your nominated bank account as set out in the Online Subscription Form and to procure that your name is placed on the register of members of the Company in respect of such New Shares;
- (viii) agree that all Subscriptions, acceptances of Subscriptions and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law, and that, for the benefit of the Company and the Receiving Agent, you submit to the non-exclusive jurisdiction of the English Courts and agree that nothing shall limit the right of the Company or the Receiving Agent to bring any action, suit or proceeding arising out of or in connection with any such Subscriptions, acceptances of Subscriptions and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (ix) confirm that, in making such Subscription, you are not relying on any information or representation in relation to the Company and the New Shares other than the information contained in the Prospectus (as may be supplemented by a supplementary prospectus), or any part thereof and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof shall have any liability for any such other information or representation and you acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in the Prospectus (as may be supplemented by a supplementary prospectus) and, if given or made, any information or representation must not be relied upon as having been authorised by the Company or any of its agents;
- (x) irrevocably authorise the Receiving Agent or any person authorised by it, as your agent, to do all things necessary to effect registration of any New Shares subscribed by or issued to you into your name and authorise any representative of the Receiving Agent to execute and/or complete any document required therefor;
- (xi) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and statements concerning the Company and the New Shares contained therein;

- (xii) confirm that you have reviewed the restrictions contained in paragraphs 7 and 8 below and warrant that you are not a "US Person" as defined in the United States Securities Act of 1933, as amended, nor a resident of Canada, Australia, Japan, New Zealand or the Republic of South Africa and that you are not applying for any New Shares with a view to their offer, sale or delivery to or for the benefit of any US person or a resident of Canada, Australia, Japan, New Zealand or the Republic of South Africa; nor will you offer, sell, renounce, transfer or deliver directly or indirectly any of the New Shares to any such person;
- (xiii) agree that all documents and cheques sent by post, by or on behalf of the Company or the Receiving Agent will be sent at the risk of the person entitled thereto;
- (xiv) agree on request by the Company or the Receiving Agent on behalf of the Company to disclose promptly in writing to any of them such information as the Company or the Receiving Agent may reasonably request in connection with your Subscription including, without limitation, any information which either may request in order to comply with Venture Capital Trust or other relevant legislation, satisfactory evidence of identity to ensure compliance with the UK Money Laundering Regulations 2017 and information required under the Common Reporting Standard and/or FATCA, and authorise the Company and the Receiving Agent to retain and disclose any information relating to your Subscription as it considers appropriate;
- (xv) agree that Dickson Minto W.S. will neither treat you as its customer by virtue of your Subscription being accepted nor owe you any duties or responsibilities concerning the price of the New Shares or the suitability for you of New Shares or be responsible to you for providing the protections afforded to its customers;
- (xvi) declare that the Online Subscription Form has been completed to the best of your knowledge and that the details relating to you as set out in your Online Subscription Form are correct;
- (xvii) undertake that you will notify the Company if you are not, or cease to be, either a Qualifying Subscriber or beneficially entitled to the New Shares;
- (xviii) declare that a loan has not been made to you or any associate of you, which would not have been made, or would not have been made on the same terms, but for you offering to subscribe for, or acquiring, New Shares and that the New Shares are being acquired for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax;
- (xix) declare that you are aged 18 or over on the date of your Subscription;
- (xx) warrant that, if you complete the Online Subscription Form on behalf of somebody else, you have due authority to do so on behalf of that other person, and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authorities contained herein and undertake to submit your power of attorney (or a copy thereof duly certified by a solicitor or bank) with the Online Subscription Form;
- (xxi) agree that a failure to receive, process or accept your Subscription for New Shares does not give rise to any right of action by any person against the Company, the Investment Manager, Dickson Minto W.S., the Receiving Agent or any other person;
- (xxii) agree that any error in the register of members of the Company arising as a result of your remittance not being honoured on first presentation or as a result of any other error in connection with your Subscription for New Shares, or as a result of termination or avoidance of any agreement to allocate New Shares pursuant to these terms and conditions of subscription may be rectified and, in addition and without prejudice to the foregoing, you hereby irrevocably authorise the Company, or any person appointed by it for this purpose, to execute on your behalf any instrument of transfer which may be necessary to effect any re-allocation or sale of New Shares to any other person arising as a result of the foregoing. The right to rectify the register of members of the Company and/or the power to re-allocate or sell New Shares contained in this paragraph are in addition to any other rights, powers and remedies which would otherwise be available to the Company in the event of a breach by you of these terms and conditions of subscription;
- (xxiii) agree that you are not applying on behalf of a person engaged in money laundering, drug crimes, terrorist financing or terrorism;
- (xxiv) undertake to pay interest at the rate prescribed in paragraph 3 above if the remittance accompanying your Subscription is not honoured on first presentation;
- (xxv) acknowledge that the information provided in connection with your Subscription will be provided to the Receiving Agent, the Investment Manager (and its delegates) and the Registrars to process Subscriptions and shareholding details and send notifications to you;
- (xxvi) agree that you will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your Subscription (provided that this does not affect any other right you may have);
- (xxvii) acknowledge that the Receiving Agent and/or the Investment Manager and/or the Company (or their delegates and agents) may, if necessary, disclose information to HMRC and the IRS to satisfy their FATCA or CRS obligations or to other regulatory bodies if required, or considered obliged, to do so in accordance with any statute or regulation or by governmental, judicial and law enforcement bodies;

- (xxviii) authorise the Company, the Receiving Agent and the Investment Manager (and its delegates) to provide information as provided by you or to you in connection with your Subscription to your financial intermediary; and
- (xxix) where you have received advice in respect of your Subscription from a financial intermediary, you (i) authorise the Company and the Investment Manager (and their delegates and agents) to provide any information in relation to your ongoing investment in the Company, to such financial intermediary detailed on your Subscription Form (or other authorised financial intermediary who may subsequently be engaged by you to provide advice in connection with your investment in the Company as notified to the Company and/or the Investment Manager from time to time), (ii) acknowledge that any such communication may be sent to your financial intermediary prior to or, where requested, in place of, being sent to you in such form as may be agreed with such financial intermediary and that such information may also be provided more frequently where agreed and (iii) you also authorise the Company and the Investment Manager (and their delegates and agents) to accept instructions relating to your investment in the Company and changes to your personal details as provided by such financial intermediary (subject to such evidence and/or verification as the Company and/or the Investment Manager and/or their delegates and agents may request).

6. The Company reserves the absolute right to inspect (either itself, through the Receiving Agent and/or the Investment Manager or through other agents) all Online Subscription Forms, and may consider void and reject an Online Subscription Form that does not in the sole judgement of the Company satisfy the terms and conditions of the Offer. If an Online Subscription Form is not completed or in the Company's determination (in its absolute discretion) has not been validly completed, provided that the Online Subscription Form is otherwise in order and is accompanied by the appropriate Subscription monies, the Subscription may be accepted as a valid Subscription in whole or in part at the Company's discretion.
7. No person receiving a copy of the Prospectus or accessing the Online Subscription Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event subscribe for New Shares unless in the relevant territory such an invitation or offer could lawfully be made to him or an Online Subscription Form could lawfully be completed and/or submitted without contravention of any regulation or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make a subscription to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The Company reserves the right, in its absolute discretion, to reject any Subscription received from outside the United Kingdom.
8. The New Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States of America, its territories or possessions or other areas subject to its jurisdiction (the "US"). In addition, the Company has not been and will not be registered under the United States Investment Advisers Act of 1940, as amended. No subscription will be accepted if it bears an address or post mark in the US.
9. The basis of allocation will be determined by the Board (after consultation with the Investment Manager and the Receiving Agent) in its absolute discretion. Priority will be given to Subscriptions received from Existing Shareholders by 9.00 a.m. on 4 August 2021. The determination as to whether an applicant is an Existing Shareholder will be at the Board's discretion and, if the applicant is a beneficial shareholder, whilst the Board shall be entitled to request additional supporting information to confirm that the applicant is a beneficial shareholder, the Board shall be entitled to rely on the applicant's confirmation on the Online Subscription Form. Subscriptions are otherwise intended to be accepted in the order in which they are received (provided cheques are not post-dated and with priority being given to Subscriptions with cleared funds), but subject always to the discretion of the Board.

The right is reserved, notwithstanding the basis so determined, to reject in whole or in part and/or scale down any Subscription, in particular multiple and suspected multiple Subscriptions which may otherwise be accepted. Subscriptions will not (unless otherwise agreed by the Company) be regarded as valid unless cleared funds are received in respect of the Subscription. Subscriptions with cleared funds will also be given priority.

The first allotment of New Shares under the Offer is expected to take place on or around 9 August 2021 and thereafter allotments will be made on a monthly basis (or at such other times as the Board, in its sole discretion, may decide).

The Offer is not underwritten. The allotment of New Shares will be subject to having the requisite authorities from Shareholders from time to time. The Offer will be suspended if at any time the Company is prohibited by statute or other regulations from issuing New Shares or to the extent that the Company has insufficient Shareholder authority to issue New Shares.

10. The Investment Manager may (on behalf of the Company) agree with financial intermediaries who provide 'execution only' services to a UK retail client, in respect of Subscriptions accepted from such clients, to pay an annual trail commission of 0.375% (limited to five years) based on the amount paid in respect of the New Shares allocated for each Subscription. Trail commission may also be paid in certain circumstances where the applicant is a Professional Client (as defined in COBS 3.5) of a financial intermediary firm. The Company reserves the right to agree trail commission of up to 0.5% per annum with particular intermediaries where the Directors believe that is in the best interests of the Company as a whole.

Such annual commission will only be paid if, and to the extent, it is permitted under legislation and regulations and will be paid by the Investment Manager on behalf of the Company. 'Execution only' financial intermediaries should keep a record of Online Subscription Forms submitted bearing their FCA number to substantiate any claim for commission.

Annual trail commission will be paid annually by the Investment Manager in respect of the Company's prior financial year and further provided that no personal recommendation or financial advice is provided by the financial intermediary to the client (where the client is a UK retail investor). The administration of annual trail commission will be managed by the Investment Manager which will maintain a register of financial intermediaries entitled to trail commission.

For the avoidance of doubt, should an Existing Shareholder decide to seek financial advice from their existing 'execution only' financial intermediary in respect of participating in the Offer, any trail commission which is currently being paid to that Shareholder's financial intermediary pursuant to an existing holding in the Company must cease and either the Company or the Investment Manager must be notified accordingly.

11. Applicants and 'execution only' financial intermediaries should note that annual trail commission will not be payable if the relevant financial intermediary subsequently gives personal recommendations or advice in respect of a holding to a UK retail client. Either the Company or the Investment Manager must be immediately notified that annual trail commission payments should cease. It is the responsibility of the investor and the financial intermediary to notify the Company if a personal recommendation or advice is given and payments for this (or for any other reason) must cease (though the Company also reserves the right to cease payments if it believes advice may have been given or for any other reason in its absolute discretion).

In respect of existing trail commission arrangements to financial intermediaries, such payments will continue (to the extent permitted under legislation and regulations), but not if (in the case of UK retail clients) subsequent financial advice or personal recommendations in respect of the holding is given. As a result, should an existing Shareholder decide to seek financial advice from their existing 'execution only' financial intermediary in respect of participating in the Offer, any annual trail commission which is currently being paid to that financial intermediary in respect of an existing holding by that Shareholder in the Company must cease and either the Company or the Investment Manager should be notified accordingly (though the Company also reserves the right to cease payments if it believes advice may have been given or for any other reason in its absolute discretion).

If a Shareholder ceases to be a client of an 'execution only' intermediary and becomes a client of another 'execution only' intermediary, the new 'execution only' intermediary firm will not be entitled to receive trail commission in respect of the client's shareholding, except where the new intermediary has undertaken a business acquisition of the original intermediary firm and a novation agreement (or agreement of similar effect) is in place in respect of the client.

12. Where Online Subscription Forms are returned by a Subscriber or on a Subscriber's behalf by a financial intermediary who has provided a personal recommendation or advice in respect of the Subscription, the Company can, through the Receiving Agent, facilitate the payment of any initial Adviser Charges (in whole or part) agreed between the Subscriber and the financial intermediary. Ongoing Adviser Charges will need to be settled directly by the Subscriber to their financial intermediary

The maximum amount that will be facilitated in respect of initial Adviser Charges is an amount equal to 4.5% of the Subscription amount accepted. Any additional initial Adviser Charges in excess of this amount will need to be settled directly by the Subscriber to their financial intermediary. Initial Adviser Charges will only be paid following the allotment of New Shares to the financial intermediary's client.

If the Subscriber and the financial intermediary agree that a charge is to be facilitated, the Online Subscription Form must be countersigned by the financial intermediary to confirm (i) that the facilitation amount has been agreed and (ii) that the financial intermediary has read and agrees to be bound by the terms and conditions of the Offer. The charging of VAT on an initial Adviser Charge is the sole responsibility of the financial intermediary. Should any facilitated charge undertaken by the Company exclude the payment of any such VAT, the Subscriber will, at all times, remain solely responsible to make up such VAT deficit (if any) to the financial intermediary. If the maximum amount to be facilitated stated on the Online Subscription Form would be greater than 4.5% of the Subscription amount accepted, the amount of the initial Adviser Charge to be facilitated will be reduced.

The maximum amount of initial Adviser Charges stated above that will be facilitated should not be taken as implying an appropriate level of initial Adviser Charges.

13. The arrangements described in paragraphs 10 to 12 above are based on the relevant applicable rules of the FCA as they apply at the date of this document. In the event that there is a change in these rules that affect the way advisers are permitted to charge investors and the arrangements described in paragraphs 10 to 12 above, the Directors reserve the right to make amendments to those arrangements.
14. Pursuant to the UK version of Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of Personal Data and on the free movement of such data (the "UK General Data Protection Regulation") and any equivalent legislation in force from time to time in the United Kingdom (the "data protection laws"), the Company and/or the Registrar may hold "personal data" (as defined in the data protection laws) relating to past and present Shareholders.

Personal data held by the Registrar may be used to process basic changes to shareholder records, process bank account information for processing dividend payments, and to carry out other ancillary processing functions in order to ensure that the Registrar is able to discharge its obligations under the Registrar Agreement; and may be disclosed to any person with legal, administrative or regulatory power over the Registrar in respect of the services provided by the Registrar under the Registrar Agreement, the Registrar's affiliates, including such affiliates which are outside of the UK and the EEA in countries which do not have similar protections in place regarding the information and its use (provided that the Registrar shall ensure that any affiliates outside the UK and the EEA to whom personal data is disclosed have put in place proper security measures to ensure at least the same level of protection of the personal data as is required under the data protection laws) and to any third parties who are involved in carrying out functions related to the services provided under the Registrar Agreement.

By becoming registered as a holder of Shares, a person becomes a data subject (as defined in the data protection laws) and acknowledges that the processing by the Registrar of any personal data relating to them will take place in the manner described above. Processing by the Company of any personal data relating to such data subjects will be undertaken in accordance with the Company's privacy policy. Please refer to the Company's website (<https://amatiglobal.com/page/privacy-policy>) for a copy of the privacy policy. You have certain rights in relation to your personal information, including the right to receive a copy of the information that is held about you. For more details, please see the privacy notice referred to above.

15. Dealings prior to the issue of certificates for New Shares will be at the risk of Subscribers. A person so dealing must recognise the risk that a Subscription may not have been accepted to the extent anticipated or at all.
16. To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the New Shares and the Offer.
17. The rights and remedies of the Company and its agents under these terms and conditions of subscription are in addition to any rights and remedies which would otherwise be available to them and the exercise or partial exercise of one will not prevent the exercise of others.
18. The application of the subscription proceeds is subject to the absolute discretion of the Directors.
19. Online Subscription Forms, together with payment, must be submitted and received by the Receiving Agent by 12 noon on 4 April 2022 to be included in the final allotment of the 2021/2022 tax year (unless fully subscribed earlier), and no later than 12 noon on 15 July 2022 to be included in the final allotment of the 2022/2023 tax year (unless the Offer is closed earlier). Multiple Subscriptions under the Offer from the same investor in the same tax year will not be accepted.
20. The dates and times referred to in these terms and conditions of subscription may be altered by the Company with the agreement of the Investment Manager and the Sponsor.
21. Without prejudice to any of the foregoing terms set out in this part 7, the Company may make non-material amendments to these terms and conditions of subscription for the purpose of expedient processing of Subscriptions.

DEFINITIONS

In this document, the following words and expressions have the following meanings:

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| 1985 Act | the Companies Act 1985 (as amended) |
| 2006 Act | the Companies Act 2006 (as amended) |
| Admission | the admission of any New Shares to the premium listing segment of the Official List of the FCA and to trading on the Main Market becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange respectively |
| Adviser Charges | a charge due to a financial intermediary from an investor in relation to the provision of advice and/or related services provided or to be provided by the financial intermediary to such investor in connection with an investment in the Company which is agreed between the financial intermediary and the investor in accordance with applicable laws |
| AIC | the Association of Investment Companies |
| AIC Code | the Code of Corporate Governance published by the AIC from time to time |
| AIFM | an alternative investment fund manager |
| AIM | the AIM market of the London Stock Exchange |
| Aquis | the Aquis Stock Exchange (previously NEX Exchange), a prescribed market for the purposes of section 118 of FSMA |
| Articles or Articles of Association | the articles of association of the Company, as amended from time to time |
| ASFM | TB Amati Strategic Metals Fund |
| Audit Committee | the audit committee of the Board, as further described in Part 6 of this document |
| Australia | the Commonwealth of Australia, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof |
| Board | the board of directors of the Company |
| Business Day | a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business |
| Canada | Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof |
| certificated or in certificated form | a share or other security which is not in uncertificated form |
| City Partnership | The City Partnership (UK) Limited of 110 George Street, Edinburgh, Scotland, EH2 4LH and The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH |
| Code | the City Code on Takeovers and Mergers |
| Common Reporting Standard or CRS | the global standard for the automatic exchange of financial information between tax authorities developed by the Organisation for Economic Co-operation and Development |
| Company | Amati AIM VCT plc |
| Company Secretary | City Partnership |
| Covid-19 | a novel coronavirus disease, which originally surfaced in Wuhan, China in late 2019 |
| CREST | the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended) in respect of which Euroclear is the operator in accordance with which securities may be held in uncertificated form |
| Directors | the directors of the Company from time to time, and "Director" shall be construed accordingly |
| Disclosure Guidance and Transparency Rules | the disclosure guidance and transparency rules made by the FCA, pursuant to FSMA as amended from time to time |

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| Dividend Reinvestment Scheme | the Company's dividend reinvestment scheme established in accordance with the Scheme Terms and Conditions |
| EEA | the European Economic Area |
| EPIC | Exchange Price Information Code |
| EU MiFID II | Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MiFID) and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MiFIR), and together with MiFID, MiFID II) |
| EU PRIIPs Regulation | Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) and its implementing and delegated acts |
| Euroclear | Euroclear UK and Ireland Limited, the operator of CREST |
| European Union or EU | the European Union first established by the treaty made at Maastricht on 7 February 1992 |
| Existing Ordinary Shares | the Ordinary Shares currently in issue as at the date of this document |
| Existing Shareholder | a holder of Ordinary Shares as at the date of this document |
| Existing Shareholder Priority Period | Subscriptions received from Existing Shareholders by 9.00 a.m. on 4 August 2021 |
| FATCA | sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act of 2010 (together with any regulations, rules and other guidance implementing such US Tax Code sections and any applicable intergovernmental agreement or information exchange agreement and related statutes, regulations, rules and other guidance thereunder) |
| FCA | the Financial Conduct Authority and any successor body or bodies |
| FSMA | the Financial Services and Markets Act 2000, as amended from time to time |
| HMRC | HM Revenue & Customs |
| IFRS | International Financial Reporting Standards |
| IMA | the investment management and administration agreement entered into between the Company and Amati Global Investors dated 30 September 2019 |
| Investment Manager or Amati Global Investors or Amati | Amati Global Investors Limited of 8 Coates Crescent, Edinburgh, Scotland, EH3 7AL |
| ISIN | International Securities Identification Number |
| ITA 2007 | the Income Tax Act 2007, as amended from time to time |
| Japan | Japan, its cities, prefectures, territories and possessions |
| Knowledge Intensive Company | a company satisfying the conditions in section 331(A) of Part 6 ITA |
| Linked Sale or Linked Sales | a sale and subscription within 6 months of each other as described in section 264A of ITA 2007 |
| Listing Rules | the listing rules made by the FCA under Part VI of FSMA, as amended from time to time |
| London Market Maker | a market maker registered with the London Stock Exchange |
| London Stock Exchange | London Stock Exchange plc |
| Main Market | the main market for listed securities operated by the London Stock Exchange |
| Market Abuse Regulation | the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended |

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| MiFID II Product Governance Requirements | has the definition given in the section entitled “Information to Distributors” in the Part entitled “Important Information” of this document |
| NAV per Share | the aggregate of the gross assets of the Company less its total liabilities calculated in accordance with the Company’s accounting policies on a per Share basis |
| NAV Total Return | (as defined by the AIC) a measure showing how the net asset value per share has performed over time, taking into account both capital returns and dividends paid to shareholders and assuming that dividends paid to shareholders are re-invested at net asset value at the time the shares are quoted ex-dividend |
| Net Asset Value or NAV | the aggregate of the gross assets of the Company less its total liabilities calculated in accordance with the Company’s accounting policies, unless otherwise stated |
| New Shares | Ordinary Shares to be issued pursuant to the Offer |
| Non-Qualifying Investment | an investment which is not a Qualifying Investment |
| Offer | the offer for subscription by the Company as described in this document |
| Offer Price(s) | the offer price per New Share as described in Part 3 of this document |
| Official List | the official list maintained by the FCA |
| Online Subscriptions | Subscriptions made by applying online at www.amatiglobal.com |
| Online Subscription Form | the online subscription form for use in respect of the Offer |
| Ordinary Shares or Shares | ordinary shares of 5 pence each in the capital of the Company, including, where the context requires, the New Shares |
| Prospectus | this document dated 28 July 2021 |
| Prospectus Regulation | the UK version of Regulation (EU) 2017/1129 as amended from time to time and any successor or replacement regulation, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended |
| Prospectus Regulation Rules | the Prospectus Regulation Rules made by the FCA under Part VI of FSMA, as amended from time to time |
| Qualifying Company | an unquoted (including AIM-quoted or Aquis market-traded) company or group carrying on a qualifying trade wholly or mainly in the UK satisfying the conditions in Chapter 4 of Part 6 of ITA 2007 |
| Qualifying Holding | shares in, or securities of, a Qualifying Company held by a VCT which meets the requirements described in Part 6 of ITA 2007 |
| Qualifying Investment | an investment in a Qualifying Holding |
| Qualifying Limit | an investor’s investment limit of £200,000 per tax year that is eligible for the income tax relief associated with investment in a VCT |
| Qualifying Purchaser | an individual, aged 18 or over, who purchases Ordinary Shares within the Qualifying Limit, otherwise by way of subscription |
| Qualifying Subscriber | an individual, aged 18 or over, who subscribes for Ordinary Shares within the Qualifying Limit |
| Receiving Agent | City Partnership in its capacity as receiving agent under the Offer |
| Registrar | City Partnership |
| Registrar Agreement | the registrar agreement entered into between the Company and the Registrar |
| Regulation S | Regulation S under the US Securities Act |
| Regulatory Information Service or RIS | a regulatory information service approved by the FCA to release regulatory announcements |
| Republic of South Africa | the Republic of South Africa, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof |
| Restricted Jurisdiction | any jurisdiction where local law or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if information or documentation concerning the Offer (including this document) is sent or made available to a person in that jurisdiction |

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| Risk Finance Guidelines | Guidance on state aid to promote risk finance investments (2014/C19/04) |
| Scheme Terms and Conditions | the terms and conditions relating to the Dividend Reinvestment Scheme available on the Company's website at www.amatiglobal.com |
| Shareholder | a registered holder of one or more Ordinary Shares |
| SMCO | TB Amati UK Smaller Companies Fund |
| Sponsor | Dickson Minto W.S. |
| state aid | any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the UK or EU |
| Sterling or £ | pound sterling, being the lawful currency of the United Kingdom |
| Subscriber | a person whose name appears as such in an Online Subscription Form for use in connection with the Offer |
| Subscriptions | offers by Subscribers pursuant to the Offer and made by applying online at www.amatiglobal.com |
| UCITS | Undertakings for Collective Investments in Transferable Securities |
| UK or United Kingdom | the United Kingdom of Great Britain and Northern Ireland |
| UK Code | the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time |
| UK GDPR | the UK version of the EU GDPR (2016/679) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 |
| “UK MiFID Laws” | <p>(i) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701), The Data Reporting Services Regulations 2017 (SI 2017/699) and the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (SI 2017/488), and any other implementing measure which operated to transpose EU MiFID II in to UK law before 31 January 2020 (as amended and supplemented from time to time including by: (a) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (b) The Financial Regulators’ Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (c) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (d) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019; and</p> <p>(ii) the UK version of Regulation (EU) No 600/2014 of the European Parliament, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by: (a) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (b) The Financial Regulators’ Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (c) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (d) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019</p> |
| UK Money Laundering Regulations 2017 | The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692) as amended and supplemented from time to time including by the Money Laundering and Transfer of Funds (Information) (Amendment) (EU Exit) Regulations 2019 |
| UK PRIIPS Laws | the UK version of the EU PRIIPs Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Packaged Retail and Insurance-based Investment Products (Amendment)(EU Exit) Regulations 2019 (February 2019); and the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019 |

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| uncertificated or in uncertificated form | a share or other security title to which is recorded in the register of the share or other security concerned as being held in uncertificated form (i.e. in CREST) and title to which may be transferred by using CREST |
| United States or US | the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction |
| US Investment Company Act | the United States Investment Company Act of 1940, as amended |
| US Persons | a US Person within the meaning of Regulation S |
| US Securities Act | the United States Securities Act of 1933, as amended |
| US Tax Code | the US Internal Revenue Code of 1986, as amended |
| VAT | value added tax |
| VCT Value | the value of an investment held by a VCT calculated in accordance with section 278 of ITA 2007 |
| Venture Capital Trust or VCT | a company approved as a venture capital trust under section 274 ITA 2007 by the board of HMRC |



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