Amati AIM VCT plc

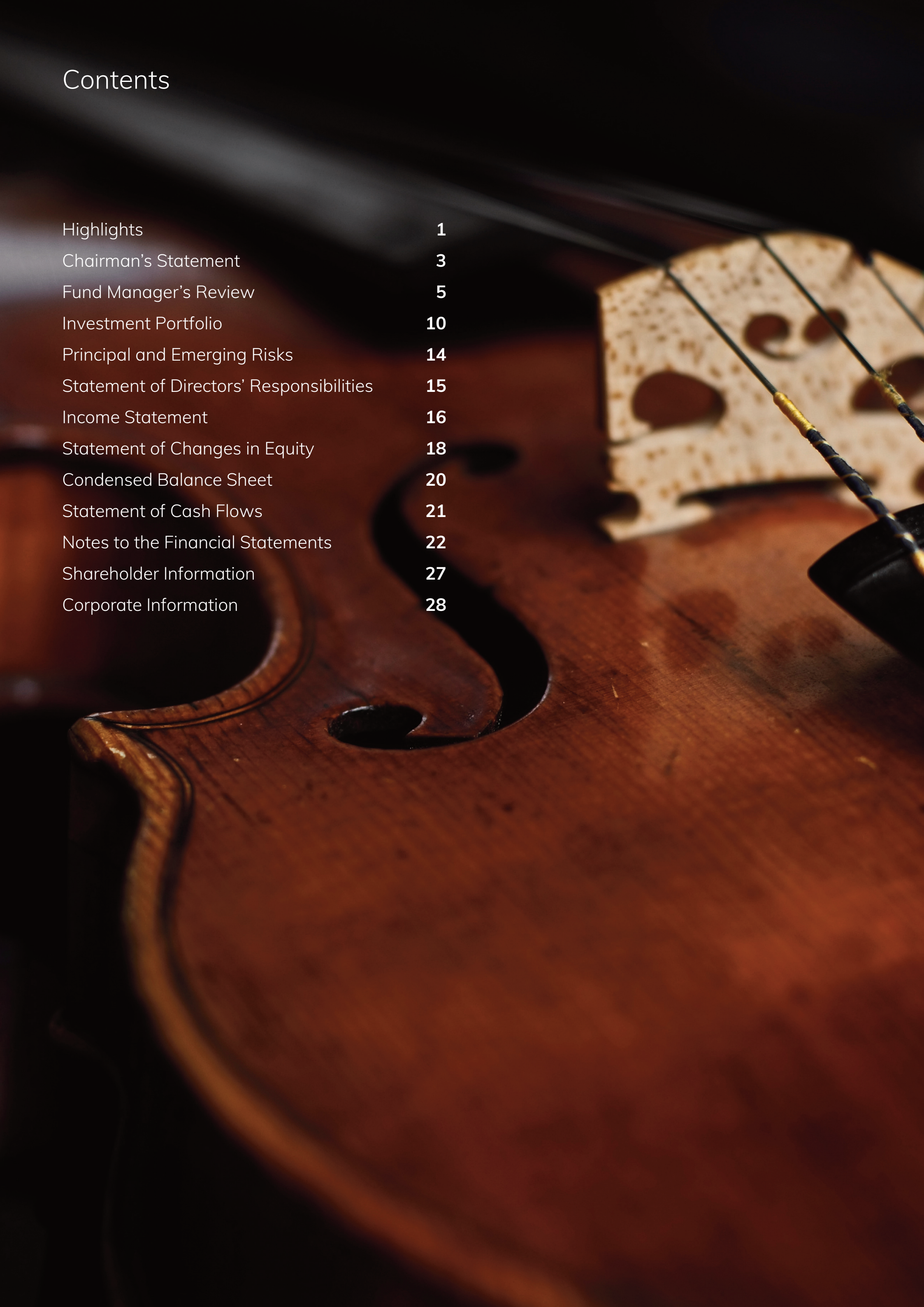
Half-yearly Report

For the six months ended 31 July 2021

Company Registration No. 04138683

Amati
Global Investors

Finely crafted investments



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Highlights

Investment Objective

The investment objective of Amati AIM VCT plc (the "Company") is to generate tax free capital gains and income on investors' funds, through investment primarily in AIM-traded companies. The Company will manage its portfolio to comply with the requirements of the rules and regulations applicable to Venture Capital Trusts. The Company's policy is to hold a diversified portfolio across a broad range of sectors to mitigate risk.

Dividend Policy

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

Key Data

	6 months ended 31/07/21 (unaudited)	6 months ended 31/07/20 (unaudited)	Year ended 31/01/21 (audited)
Net Asset Value ("NAV")	£256.0m	£162.8m	£238.3m
Shares in issue	118,842,225	105,572,643	115,589,550
NAV per share	215.4p	154.2p	206.1p
Share price	195.5p	141.5p	190.5p
Market capitalisation	£232.3m	£149.4m	£220.2m
Share price discount to NAV	9.2%	8.2%	7.6%
NAV Total Return (assuming re-invested dividends)	7.9%	1.9%	38.9%
Numis Alternative Markets Total Return Index	8.2%	-7.7%	20.5%
Ongoing charges*	2.0%	2.1%	2.1%
Dividends in respect of the period	4.5p	3.5p	10.5p

* Ongoing charges calculated in accordance with the Association of Investment Companies' ("AIC's") guidance.

Highlights (continued)

Table of investor returns to 31 July 2021

	Date	NAV Total Return with dividends re-invested	Numis Alternative Markets Total Return Index
NAV following re-launch of the VCT under management of Amati Global Investors ("Amati")	9 November 2011*	259.2%	85.4%
NAV following appointment of Amati as Manager of the VCT, which was known as ViCTory VCT at the time	25 March 2010	276.9%	90.5%

* Date of the share capital reconstruction when the NAV was re-based to approximately 100p per share.

A table of historic returns is included on page 27.

Chairman's Statement

Overview

Having seen a strongly rising NAV in the second half of last year, it is pleasing to be able to report a further increase in NAV total return growth of 7.9% in the first half of this financial year. The fact that this positive performance is coming both from the older, more mature holdings and from our newer investments is also notable and bodes well for the ongoing development of the portfolio. The period under review was also a busy period for new investments with a total of £19.7m being deployed over the period in eleven investments, seven of which are new holdings.

Other Corporate Developments

As reported in the last Annual Report, the Top Up Offer which opened in March 2021 met with very strong demand, having been fully subscribed shortly after opening. The Board was pleased to note the continued flow of high quality qualifying investments opportunities. Recognising that there was significant unsatisfied investor demand at the time of the Top Up, the Board announced in April that it intended to launch a Prospectus Offer. This opened on 30 July 2021 seeking to raise up to £40m with an over-allotment facility to raise up to a further £25m and this time offered priority to early applications from existing shareholders. This new offer also saw strong demand and the initial £40m was raised after only four business days. Whether the over-allotment facility will be used will depend upon the rate of completing further qualifying investments.

Regrettably the Annual General Meeting ("AGM") held on 9 June this year was restricted for a second year to formal statutory business. At the same time, the first online Amati AIM VCT Investor Afternoon, held via Zoom on 27 May, ahead of the AGM, was well attended and a recording of the event remains available to view on the Manager's website at https://amatiglobal.com/fund/amati-aim-vct/agm-investor-event-2021. However, with the current easing of government restrictions, combined with the changes to the way that the Company may hold its meetings passed at this year's AGM, the Board very much hopes that next year's AGM will return to a more familiar and interactive format.

Investment Performance and Dividend

The healthcare section of the portfolio has performed strongly over the past year and now represents 33% of the NAV. Two of these holdings, Polarean and MaxCyte, are now in the top ten and MaxCyte, having listed recently on Nasdaq has become the first healthcare stock in the portfolio to exceed £1bn market capitalisation. When one of our qualifying investments lists on Nasdaq, it remains VCT qualifying for a period of five years thereafter. Currently, five of our top ten holdings are now capitalised at more than £1bn and one, Keywords, now exceeds £2bn.

Almost £20m was invested in the first half of the year in a mix of IPOs, secondary fund raisings and follow-on investments in existing holdings. The Manager also made one pre-IPO investment during the period in the funding of Saietta, which is a company intending to become a worldwide force in new electric motor technology. I am pleased to say that the company floated within a few months at which stage a further investment was made. This type of investment may become a more regular feature in the future. The Manager's Review which follows contains more details of our investments during the period.

Chairman's Statement (continued)

The dividend policy of the Company has previously been stated as paying an annual dividend equal to between five and six percent of the Company's year-end net asset value at its immediately preceding financial year end. This is always subject to having sufficient distributable reserves and cash resources and the authority to increase or decrease this level at the directors' discretion. In the recent Prospectus Offer, the Board decided to modify the wording to set a dividend of around five percent of the Company's Net Asset Value, which is in practice where the dividends have been over the last few years. In line with this, the Board is declaring an interim dividend of 4.5p per share, to be paid on 26 November 2021 to shareholders on the register on 22 October 2021.

Outlook

Despite the instabilities caused by the pandemic the portfolio has continued to perform strongly through it. Significant weightings in technology and healthcare in the Company should provide access to investment opportunities that unfold over long-term horizons and are not overly influenced by shorter term trends and economic cycles. This is despite heightened levels of uncertainty, from supply chain issues to continued new waves and variants of coronavirus causing lockdowns and disruption.

Many market participants fear that the level of Central Bank liquidity easing has led to asset bubbles, most notably in fixed interest securities. Concern remains high that inflation will move from what the US Federal Reserve calls 'transitory' to something more entrenched and, whilst interest rate rises seem unlikely in the short term, data points will be even more keenly watched. We have seen volatility increase as the stakes get higher and it is clear that ongoing instability will be a feature of the investment climate in the second half and beyond. Our managers aim to mitigate this through their selective investment process and the long-term investment horizon to deliver growing shareholder value.

As shareholders will know, I have announced my intention to retire from the Board at the Company's AGM in 2022, so this is my last year as Chairman of Amati AIM VCT. Ahead of this, I am delighted that Fiona Wollocombe agreed to join the Board with effect from 10 June 2021. Fiona brings a great deal of experience as a serving VCT director and prior to that, she had corporate finance experience with smaller companies in the UK market, thus making her a welcome addition to our Board.

Peter Lawrence
Chairman

4 October 2021

For any matters relating to your shareholding in the Company, dividend payments, or the Dividend Re-investment Scheme, please contact The City Partnership on 01484 240 910, or by email at registrars@city.uk.com. For any other matters please contact Amati Global Investors ("Amati") on 0131 503 9115 or by email at info@amatiglobal.com. Amati maintains an informative website for the Company – www.amatiglobal.com – on which monthly investment updates, performance information, and past company reports can be found.

Fund Manager's Review

Market Review

The themes of 'opening up' and 'economic recovery' have dominated global market returns during the period, with the main COVID lockdown restrictions having been lifted in most countries. The vaccine rollout which began last November has been a pivotal turning point, leading to strong stock market recoveries across the board.

For once, UK equities joined the party, with our world-leading vaccine programme finally beginning to rehabilitate our markets in the eyes of global investors. For many years prior to this, sentiment towards UK shares had been dogged by the Brexit saga and our initially weak political response to the pandemic. This had left UK public companies trading on large discounts to other global markets, particularly the US. As a result, we have seen a number of opportunistic takeovers of UK businesses so far in 2021, with private equity and overseas buyers being the main beneficiaries of this value anomaly. This has been a broadly based trend across sectors, impacting large companies such as Morrisons and Meggitt as well as smaller businesses well known to us such as John Laing and Sumo.

For most of the six-month period many businesses which had suffered badly from a trading point of view – cyclical stocks and those whose trading was affected by lockdown - staged dramatic share price recoveries. This change has also been supported by significant improvements in earnings from a low base as pent-up demand from the consumer came through at pace. This meant that many of the indices that performed well in 2020, such as AIM and Nasdaq, took something of a back seat during this time, albeit most of the higher growth sectors still posted positive returns. From a global perspective, emerging markets lost some sparkle, with increased government regulation in China causing great anxiety for investors towards the end of the period. By contrast the US indices continued their inexorable rise, driven by the tech giants posting even more sparkling results and reaching new record highs.

From our perspective, it is pleasing to note that returns from smaller companies have been at the forefront of the market rallies, with the Numis Smaller Companies (plus AIM excluding Investment Companies) Index returning a very satisfactory 16.8% during the period, well ahead of rises from larger indices such as the FTSE100. We have also seen almost unprecedented levels of new equity being raised, either via placings for mergers and acquisitions and growth capital or in new businesses coming to the market via Initial Public Offerings (IPO). This has broadly compensated for the businesses which have been lost to takeover activity.

Performance

Over the first half of the year, the Amati AIM VCT rose by 7.9%, slightly lagging the benchmark, the Numis Alternative Markets Index, which rose 8.2%. The biggest contributors included three of the top ten holdings and **Sosandar**, the online clothing retailer. **MaxCyte** rose 66%. The company traded resiliently during the pandemic, continuing its record of 20% revenue compound annual growth and signed new strategic licences. MaxCyte completed a £40m strategic fundraising in January with US crossover investors who built their holdings further in the market and supported the subsequent Nasdaq listing, which completed in August raising $202m. **Learning Technologies** was a significant contributor, as the market for

Fund Manager's Review (continued)

its contents and services division recovered. The company raised funds in June in order to acquire GP Strategies, a US provider of managed learning services and workforce transformation, and this was taken well by the market given that it is significantly earnings accretive. **Polarean Imaging** is our largest holding and it gained 17% in the period. It completed a fund raising of £25m to support the build out of its commercial infrastructure. This is exactly as might be expected as the company makes the transition from research and development and experimental systems to commercial sales. The build out is in preparation for the full commercial launch of its lung imaging technology post an anticipated FDA approval in October 2021. **Water Intelligence**, the US-focused water leak and remediation services provider, rose strongly following accelerating growth across its residential, commercial and municipal markets. The new US administration has also announced a £100bn plus spending plan to rebuild water infrastructure, including replacing all of the nation's lead pipes. The company completed an oversubscribed placing in July to provide funding for future anticipated growth.

Sosandar rose more than 136%. It announced that strong growth in sales had continued into the new financial year. Pleasingly, in the full year results, it has shown an improving gross margin – it is keeping up sales momentum without having to cut prices. Third party sales are a real growth driver, as Sosandar is now on Next, Marks and Spencer and John Lewis platforms, and the company had an oversubscribed (non-qualifying) fundraise in May to support further investment in this area. Costs are finally steadying out and this means that FY23 should be EBITDA positive and in theory it should grow quite nicely from then on. The 30s plus age group, that Sosandar targets, is less exposed to competition from the likes of SHEIN, an aggressive new entrant that competes with lower end high street shops and boohoo.

The main detractors were two stocks that rolled back from exceptional gains in the prior period. For **Ilika**, the share price arguably had got ahead of the fundamentals, as the company scales up manufacturing capacity for its Stereax battery, the benefit of which will not be felt until early 2022. This led us to take some profits from this position during the period. Lockdowns impacted trading over the last financial year, which was marginally down on the prior year. In July, the company raised £24.7m to accelerate the development of its solid-state electric vehicle pouch cells under the Goliath programme. **Frontier Developments** was weak, despite recording strong revenues, without the launch of a major franchise in the period. This was driven by a technical glitch causing disappointment around the Odyssey update to Elite Dangerous, which initially led to unhappy gamers. Even although it was quickly fixed, it dented the reception of the update.

Portfolio Activity

Over the course of the period under review, we participated in several IPOs and follow-on investments in what was an extremely busy period across the whole market.

We took part in the IPO of **In the Style**, an e-commerce clothing company, investing £1.67m. In the Style works with influencers who collaborate on fashion collections, in return for around 20% of sales. The clothes are made on a test-and-repeat basis, which means that ranges are developed and ordered in small quantities to begin with, and then followed up with larger orders if they sell well. If an influencer's range sells well, then they can produce another line for the next season, and perhaps also expand into other ranges, such as homeware, maternity wear or loungewear. Sales have maintained strong momentum after lockdown, despite physical stores reopening, and third-party relationships with ASDA, ASOS and others should be accretive. The operational gearing is also starting to come through, and analysts expect that the company will turn profitable this year, which is pleasing for such a recent investment. With just 0.6% share of the womenswear market, there is a good deal of runway ahead, as long as it manages its growth well.

In March, we invested £1.7m in **GeTech** in a secondary placing. GeTech's core business is based around its geoscience and geospatial data and software products. Historically, these have been sold principally to oil and gas and mining customers. In addition to detailed geological and gravity mapping, GeTech's data can show how the geology of any given location has been formed. Over the past few years, the company has focused on diversifying its revenue streams, applying its data sets to water, transportation, nuclear, pipeline and electricity infrastructure sectors. The company has recently entered into a strategic partnership with H2 Green, a small private company which is focused on establishing a network of large-scale hydrogen generation, storage and refuelling hubs to support public and commercial transport fleets. It is the upside potential here that is both exciting and difficult to predict in terms of size and timing,

In addition, follow-on investments were made in **Cloudcall**, adding a further £1.5m to what was a small holding, and in **Polarean Imaging**, one of the standout performers in the last financial year, which was looking to raise funds mainly to progress its commercialisation as it moves from research and development and into the EU market.

March also saw the completion of a £2.6m pre-IPO investment in **Saietta**. Saietta is an engineering company founded by Lawrence Marazzi in 2014. Over the last three years Saietta has developed a new design of axial flux motor. Saietta's design combines higher torque density with greater efficiency and potentially lower cost manufacturing than rival designs. This motor design can fit inside a wheel rim if desired, saving space in the body of the vehicle and creating many new design possibilities. Saietta's aim is to provide supply into the light motorbike (125cc) market in Asia. For example, 20m of these motorbikes are new to the road each year in India and are highly polluting in their current form. The motivation to improve air quality and reduce carbon emissions is immense and Saietta appears to us to be uniquely placed in terms of customer engagements already in place. The company is already in active discussions with motorbike manufacturers in India and Vietnam and Chinese partners. At Saietta's IPO, a little over three months later, we invested a further £2.5m. The VCT owns 6.3% of Saietta following this flotation. Amati AIM VCT's pre-IPO investment gave Saietta the financial resources it needed to press ahead with an AIM IPO. This was the first pre-IPO investment we have made for a number of years, and pleasingly it floated on schedule a few months later, giving around a 50% uplift on our earlier investment at IPO, when the company raised a total of £31m after expenses. The Saietta team is led by CEO, Vicher Kist, who took the helm in 2018. His skill in both building customer relationships in Asia and leading the company through a development phase focused on addressing the design challenges around

Fund Manager's Review (continued)

opening up the largest potential opportunities, have thus far, impressed us greatly.

In May we participated in three IPOs, **Glantus**, **Trellus Health** and **Arecor Therapeutics**. **Glantus** is an acquisitive company that has built a suite of Accounts Payable (AP) software solutions, allowing for AP automation and accounts recovery services. This is a competitive area, but one in which Glantus has a broad product set and customer base, with low levels of churn. Management has a successful track record and the company has already delivered a further acquisition since the IPO to build up the customer base. **Trellus Health's** healthcare platform is built on years of clinical expertise developed at Mount Sinai Hospital, New York. It provides expert personalised care for Inflammatory Bowel Disease and other complex chronic conditions, aiming to cut healthcare costs by reducing hospital admissions and tailoring care to the individual patient to improve their resilience in the face of their symptoms. **Arecor Therapeutics**, a drug development company, uses its Arestat platform to enhance the formulation of drugs to improve their therapeutic properties. Arecor has an impressive list of pharma, generic and biotech clients as well as potential significant upside from an internally developed pipeline of clinical programmes.

In July, we bought shares at IPO in **Zenova** and **Northcoders**. **Zenova** is a UK incorporated company which has developed new fire safety, thermal insulation and temperature management technologies. These include protective paints (tested on doors especially) and fire extinguishing fluids. Issues around fire safety have been greatly heightened by the Grenfell Tower disaster. The safety failure in the tower was not just with flammable cladding, it was also with fire safety doors which failed. The fire safety door issue nationally appears to be as big as the cladding issue, as a large percentage of doors installed do not live up to their fire ratings. The company is also developing products to tackle bush and forest fires, and an insulating thermal layer that can be painted on to surfaces to retain heat in cold climates or keep heat from penetrating buildings in hot climates. Zenova has given Amati AIM VCT the right to subscribe for £1.25m of further shares at the IPO price at any point during the first nine months following the flotation.

Northcoders is a provider of training to IT novices and junior software engineers, who are usually people changing careers or looking to up-skill or re-skill if they are already in the industry. There continues to be an acute shortage of coders, programmers and developers in the UK. Recently the company has expanded into providing apprenticeship courses. As would be expected, Northcoders' student numbers and revenues took a hit in 2020 from the impact of the pandemic, but the company reacted quickly and within six months it was able to transition its onsite offering into wholly on-line courses. It can now offer a full range of onsite and hybrid-online content from its technology-based teaching platform. This operational leverage will drive EBITDA margins to more than 30%. The company raised funds towards rolling out more locations across the UK, and to fund marketing, working capital and capex. This should develop into a relatively capital-lite, cash generative business.

In addition to **Ilika**, we also took some profits in **Velocys** and **Eden Research**.

Outlook

The vaccination programme has broadly been successful in developed nations, but many emerging economies still face significant challenges in the roll out. We are now seeing COVID outbreaks again, with further waves in many parts of Asia and the US. These pose threats to already fragile global supply chains, with many businesses now reporting labour shortages, soaring raw material costs and significant transport disruptions. Inflation has already been running at high levels in 2021 and supply shortages present the risk of a further jump upwards. Recent sharp falls in government bond yields suggest that investors firmly believe this will be a temporary spike, but our own anecdotal evidence from a variety of sectors would suggest otherwise, with labour markets and global shipping capacity set to remain tight for some time.

In this complex and challenging environment, the great majority of companies in the portfolio have continued to grow and develop strongly, and we expect that this has plenty more room to continue. Notwithstanding this, these kind of growth companies are highly valued by the stock market and could be subject to significant volatility if inflation expectations change decisively. As always, we aim to remain focused on finding the best qualifying investment opportunities for the portfolio with the aim of investing in them for the long term.

Dr Paul Jourdan, David Stevenson, Anna Macdonald, Scott McKenzie and Dr Gareth Blades

Amati Global Investors

4 October 2021

Investment Portfolio

as at 31 July 2021

	Aggregate Cost* £'000	Valuation £'000	Fair Value Movement in Period £'000	Market Cap £m	Sector	Dividend Yield[NTM] %	Fund %
Polarean Imaging plc[1]	5,426	21,675	3,413	173.5	Health care	-	8.5
TB Amati UK Smaller Companies Fund	9,559	17,427	2,134	-	Financials	1.1	6.8
Frontier Developments plc[1,3]	4,698	16,551	(3,117)	1,044.7	Communication Services	-	6.5
Keywords Studios plc[1]	5,174	14,902	1,037	2,213.9	Information Technology	0.1	5.8
Learning Technologies Group plc[1]	4,551	14,807	3,464	1,687.9	Information Technology	0.4	5.8
Ideagen plc[2]	3,303	14,040	476	750.7	Information Technology	0.1	5.5
Tristel plc[2]	3,290	10,991	295	281.0	Health care	1.1	4.3
MaxCyte Inc.[1,3]	1,984	10,830	4,312	915.0	Health care	-	4.2
GB Group plc[2]	3,203	9,804	158	1,709.3	Information Technology	0.4	3.8
Water Intelligence plc[2]	1,218	9,124	5,132	182.4	Industrials	-	3.6
Top Ten	**42,406**	**140,151**					**54.8**
AB Dynamics plc[1,3]	2,579	8,174	(404)	411.7	Industrials	0.3	3.2
Saietta Group plc[1,3]	5,100	7,403	2,303	117.4	Consumer Discretionary	-	2.9
Diurnal Group plc[1]	4,240	5,605	(95)	99.7	Health care	-	2.2
Craneware plc[2,3]	3,899	4,619	(107)	763.8	Health Care	1.6	1.8
Anpario plc[2]	1,829	4,438	848	157.6	Health care	1.4	1.7
Sosandar plc[1]	1,872	4,056	2,340	71.9	Consumer Discretionary	-	1.6
Angle plc[1]	1,615	3,489	859	252.9	Health care	-	1.4
Ixico plc[1]	1,409	3,421	(704)	32.7	Health care	-	1.3
Fusion Antibodies plc[1]	2,344	2,927	351	32.3	Health care	-	1.1
Ilika plc[1]	817	2,918	(1,719)	227.2	Industrials	-	1.1
Top Twenty	**68,110**	**187,201**					**73.1**

	Aggregate Cost* £'000	Valuation £'000	Fair Value Movement in Period £'000	Market Cap £m	Sector	Dividend Yield[NTM] %	Fund %
Verici Dx Limited[1,3]	800	2,880	(120)	102.1	Health care	-	1.1
Quixant plc[2]	4,196	2,875	610	109.6	Consumer Discretionary	1.3	1.1
Synairgen plc[1]	583	2,581	(167)	309.9	Health care	-	1.0
Creo Medical Group plc[1,3]	1,613	2,580	(26)	322.0	Health care	-	1.0
Glantus Holdings plc[1]	3,000	2,412	(588)	30.5	Financials	-	0.9
Rua Life Sciences plc[1]	2,149	2,239	(358)	27.7	Health care	-	0.9
Belvoir Group plc[1]	783	2,229	876	101.8	Real Estate	2.6	0.9
Diaceutics plc[1]	1,557	2,213	(656)	90.8	Health care	-	0.9
Amryt Pharma plc Ordinary shares[1,3]	1,563	2,196	(637)	278.0	Health care	-	0.9
Amryt Pharma plc Contingent Value Rights ("CVRs")[3]	-	807	76	-	Health care	-	0.3
Brooks Macdonald Group plc[2]	1,154	2,195	527	394.0	Financials	3.0	0.9
Science in Sport plc[2]	1,956	2,189	959	98.6	Consumer Staples	-	0.9
Intelligent Ultrasound plc[1]	1,625	2,142	(79)	36.5	Health care	-	0.8
Velocys plc[1]	1,305	1,913	(1,167)	47.1	Energy	-	0.7
Arecor Therapeutics plc[1]	1,900	1,900	-	62.6	Health Care	-	0.7
In Style Group plc[1]	1,667	1,850	183	116.5	Consumer Discretionary	-	0.7
Solid State plc[2]	520	1,836	533	76.0	Industrials	1.9	0.7
Northcoders Group plc[1]	1,800	1,800	-	12.5	Consumer Discretionary	-	0.7
Rosslyn Data Technologies plc[1]	1,922	1,665	(840)	16.0	Information Technology	-	0.7
Getech Group plc[1]	1,700	1,592	(108)	13.8	Energy	-	0.6
One Media iP Group plc[1]	1,240	1,506	354	18.9	Financials	-	0.6
SRT Marine Systems plc[1]	1,174	1,501	77	64.1	Information Technology	-	0.6

Investment Portfolio (continued)

	Aggregate Cost* £'000	Valuation £'000	Fair Value Movement in Period £'000	Market Cap £m	Sector	Dividend Yield[NTM] %	Fund %
Byotrol plc[1]	859	1,495	(130)	27.1	Materials	-	0.6
Hardide plc[1]	2,361	1,447	90	17.9	Materials	-	0.6
Eden Research plc[1]	864	1,368	(612)	36.1	Materials	-	0.5
Cloudcall Group plc[1]	1,854	1,361	(451)	29.8	Communication Services	-	0.5
Accesso Technology Group plc[1,3]	221	1,349	442	251.6	Information Technology	-	0.5
Block Energy plc[1]	3,000	1,176	(307)	14.4	Energy	-	0.5
Trellus Health plc[1,3]	700	1,172	473	108.2	Health Care	-	0.5
Property Franchise Group plc (The)[2]	352	897	348	97.4	Real Estate	3.6	0.4
Falanx Group Limited[1]	1,750	892	(128)	5.5	Industrials	-	0.3
Zenova Group plc[1]	750	829	79	19.6	Materials	-	0.3
Zenova Group plc subscription rights	-	132	132	-	Materials	-	0.1
Equals Group plc[1]	1,137	714	238	86.1	Information Technology	-	0.3
Kinovo plc[2]	1,681	690	108	19.6	Industrials	-	0.3
Universe Group plc[1]	488	598	215	13.1	Information Technology	-	0.2
Netcall plc[2]	110	447	110	108.8	Information Technology	0.5	0.2
Antenova Limited Ordinary shares & A Preference Shares[1]	100	425	297	14.0	Communication Services	-	0.2
LoopUp Group plc[1]	2,503	363	(316)	21.6	Information Technology	-	0.1
Velocity Composites plc[1]	803	230	35	7.3	Industrials	-	0.1
Brighton Pier Group plc (The)[1]	489	224	121	22.0	Consumer Discretionary	-	0.1

	Aggregate Cost* £'000	Valuation £'000	Fair Value Movement in Period £'000	Market Cap £m	Sector	Dividend Yield[NTM] %	Fund %
Synectics plc[2]	342	171	21	22.2	Information Technology	-	0.1
MyCelx Technologies Corporation[1]	645	145	57	7.0	Industrials	-	0.1
FireAngel Safety Technology Group plc[1]	690	94	(25)	27.2	Consumer Discretionary	-	-
Bonhill Group plc[1]	670	84	8	9.9	Communication Services	-	-
Allergy Therapeutics plc[1]	29	69	21	166.9	Health care	-	-
Merit Group plc[1]	596	43	(11)	12.5	Communication Services	-	-
Investments held at nil value	1,954	-	119				-
Total Investments	**127,265**	**248,717**					**97.2**
Net Current Assets		**7,231**					**2.8**
Net Assets		**255,948**					**100.0**

1 Qualifying holdings.
2 Part qualifying holdings.
3 These investments are also held by other funds managed by Amati.
* This column shows the aggregate book cost to the Company either as a result of market trades and events or asset acquisition as a result of a previous merger.
NTM Next twelve months consensus estimate (Source: Refinitiv, Fidessa & Amati Global Investors).

The Manager rebates the management fee of 0.75% on the TB Amati UK Smaller Companies Fund and this is included in the yield.

All holdings are in ordinary shares unless otherwise stated.

Investments held at nil value: Celoxica Holdings plc[1], China Food Company plc, Leisurejobs.com Limited[1] (previously The Sportsweb.com Limited), Polyhedra Group Limited[1] (previously Polyhedra Group plc), Rated People Limited[1], Sorbic International plc, TCOM Limited[1], VITEC Global Limited[1].

As at the period end the percentage of the Company's portfolio held in qualifying holdings for the purposes of Section 274 of the Income and Corporation Taxes Act is 89.75%.

Principal and Emerging Risks

The Company's assets consist of equity (97%) and fixed interest investments (0%) and cash (3%). Its principal risks include investment risk, venture capital approval risk, regulatory risk, internal control risk, financial risk, economic risk and operational risk. These risks and the ways in which they are managed are described in Principal and Emerging Risks and notes 15 to 19 to the Financial Statements in the Company's Report and Financial Statements for the year ended 31 January 2021. Questions about potential inflation and governments' tightening of monetary policy continue to cause uncertainty. Despite these developments the Company's principal and emerging risks have not changed materially since the date of that report.

Statement of Directors' Responsibilities

in respect of the Half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements which has been prepared in accordance with FRS 104 "Interim Financial Reporting" gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Chairman's Statement and Fund Manager's Review (constituting the interim management report) include a true and fair review of the information required by DTR4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
- the Statement of Principal and Emerging Risks on page 14 is a fair review of the information required by DTR4.2.7R, being a description of the principal risks and uncertainties for the remaining six months of the year; and
- the financial statements include a fair review of the information required by DTR4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period, and any changes in the related party transactions described in the last annual report that could do so.

For and on behalf of the Board

Peter Lawrence
Chairman

4 October 2021

Income Statement (unaudited)

for the six months ended 31 July 2021

	Note	Six months ended 31 July 2021		
		Revenue £'000	Capital £'000	Total £'000
Gain on investments		-	21,358	21,358
Income	7	366	-	366
Investment management fees		(556)	(1,668)	(2,224)
Other expenses		(238)	-	(238)
(Loss)/profit on ordinary activities before taxation		(428)	19,690	19,262
Taxation on ordinary activities		-	-	-
(Loss)/profit and total comprehensive income attributable to shareholders		(428)	19,690	19,262
Basic and diluted (loss)/earnings per ordinary share	5	(0.36)p	16.68p	16.32p

The total column of this Income Statement represents the profit and loss account of the Company. The supplementary revenue and capital columns have been prepared in accordance with The Association of Investment Companies' Statement of Recommended Practice. There is no other comprehensive income other than the results for the period discussed above. Accordingly a Statement of Total Comprehensive Income is not required.

All the items above derive from continuing operations of the Company.

The accompanying notes are an integral part of the statement.

Six months ended 31 July 2020			Year ended 31 January 2021		
Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
-	6,241	6,241	-	69,766	69,766
197	-	197	567	-	567
(329)	(986)	(1,315)	(799)	(2,398)	(3,197)
(209)	-	(209)	(455)	-	(455)
(341)	5,255	4,914	(687)	67,368	66,681
-	-	-	-	-	-
(341)	5,255	4,914	(687)	67,368	66,681
(0.33)p	5.13p	4.80p	(0.64)p	62.76p	62.12p

Statement of Changes in Equity (unaudited)

	Share capital £'000	Share premium £'000	Merger reserve £'000
For the six months ended 31 July 2021			
Opening balance as at 1 February 2021	**5,780**	**61,635**	**425**
Profit/(loss) and total comprehensive income for the period	-	-	-
Share issues and buy backs*	162	8,033	-
Dividends paid	-	-	-
Closing balance as at 31 July 2021	**5,942**	**69,668**	**425**
For the six months ended 31 July 2020			
Opening balance as at 1 February 2020	4,703	26,084	425
Profit/(loss) and total comprehensive income for the period	-	-	-
Share issues and buy backs*	576	16,674	-
Dividends paid	-	-	-
Closing balance as at 31 July 2020	5,279	42,758	425
For the year ended 31 January 2021			
Opening balance as at 1 February 2020	4,703	26,084	425
Profit/(loss) and total comprehensive income for the period	-	-	-
Share issues and buybacks*	1,077	35,551	
Dividends paid	-	-	-
Closing balance as at 31 January 2021	5,780	61,635	425

The accompanying notes are an integral part of the statement.

* During the period to 31 July 2021, £8,319,000 was raised through share issues (31 July 2020: £17,546,000; 31 January 2021: £37,054,000).

Non-distributable reserves		Distributable reserves			
Capital redemption reserve £'000	Capital reserve (non-distributable) £'000	Special reserve £'000	Capital reserve (distributable) £'000	Revenue reserve £'000	Total reserves £'000
731	**107,450**	**75,023**	**(11,420)**	**(1,345)**	**238,279**
-	15,493	-	4,197	(428)	19,262
39	-	(1,549)	-	-	6,685
-	-	(8,278)	-	-	(8,278)
770	**122,943**	**65,196**	**(7,223)**	**(1,773)**	**255,948**
629	35,762	86,479	(7,100)	(658)	146,324
-	8,422	-	(3,167)	(341)	4,914
52	-	(1,232)	-	-	16,070
-	-	(4,472)	-	-	(4,472)
681	44,184	80,775	(10,267)	(999)	162,836
629	35,762	86,479	(7,100)	(658)	146,324
-	71,688	-	(4,320)	(687)	66,681
102	-	(2,972)	-	-	33,758
-	-	(8,484)	-	-	(8,484)
731	107,450	75,023	(11,420)	(1,345)	238,279

Condensed Balance Sheet (unaudited)

as at 31 July 2021

	Note	31 July 2021 £'000	31 July 2020 £'000	31 January 2021 £'000
Fixed assets				
Investments held at fair value	9	**248,717**	148,210	215,398
Current assets				
Debtors		**146**	26	46
Cash at bank		**8,415**	15,464	24,967
Total current assets		**8,561**	15,490	25,013
Current liabilities				
Creditors: amounts falling due within one year		**(1,330)**	(864)	(2,132)
Net current assets		**7,231**	14,626	22,881
Total assets less current liabilities		**255,948**	162,836	238,279
Capital and reserves				
Called up share capital		**5,942**	5,279	5,780
Share premium account		**69,668**	42,758	61,635
Reserves		**180,338**	114,799	170,864
Equity shareholders' funds		**255,948**	162,836	238,279
Net asset value per share	6	**215.4p**	154.2p	206.1p

The accompanying notes are an integral part of the balance sheet.

Statement of Cash Flows (unaudited)

for the six months ended 31 July 2021

	Six months ended 31 July 2021 £'000	Six months ended 31 July 2020 £'000	Year ended 31 January 2021 £'000
Cash flows from operating activities			
Investment income received	**300**	221	512
Investment management fees	**(2,152)**	(1,240)	(2,796)
Other operating costs	**(233)**	(213)	(449)
Net cash outflow from operating activities	**(2,085)**	(1,232)	(2,733)
Cash flows from investing activities			
Purchases of investments	**(19,671)**	(11,460)	(15,991)
Disposals of investments	**7,701**	1,657	2,593
Net cash outflow from investing activities	**(11,970)**	(9,803)	(13,398)
Net cash outflow before financing	**(14,055)**	(11,035)	(16,131)
Cash flows from financing activities			
Net proceeds of share issues and buybacks	**4,297**	15,880	33,007
Equity dividends paid	**(6,794)**	(4,472)	(7,000)
Net cash inflow from financing activities	**(2,497)**	11,408	26,007
(Decrease)/increase in cash	**(16,552)**	373	9,876
Reconciliation of net cash flow to movement in net cash			
(Decrease)/increase in cash during the period	**(16,552)**	373	9,876
Net cash at start of period	**24,967**	15,091	15,091
Net cash at end of period	**8,415**	15,464	24,967
Reconciliation of profit on ordinary activities before taxation to net cash outflow from operating activities			
Profit on ordinary activities before taxation	**19,262**	4,914	66,681
Net gain on investments	**(21,358)**	(6,241)	(69,766)
Less dividends reinvested	**(40)**	-	(67)
Increase in creditors, excluding corporation tax payable	**73**	61	406
Decrease/(increase) in debtors	**(22)**	34	13
Net cash outflow from operating activities	**(2,085)**	(1,232)	(2,733)

The accompanying notes are an integral part of the statement.

Notes to the Financial Statements (unaudited)
for the six months ended 31 July 2021

1. Basis of Accounting

The Half-yearly financial Report covers the six months ended 31 July 2021. The condensed financial statements for this six month period have been prepared in accordance with FRS 104 ("Interim financial reporting") and on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements for the year ended 31 January 2021.

The comparative figures for the financial year ended 31 January 2021 have been extracted from the latest published audited Annual Report and Financial Statements. Those accounts have been reported on by the Company's auditor and lodged with the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The financial information set out in this report has not been audited and does not comprise full financial statements within the meaning of Section 434 of the Companies Act 2006. No statutory accounts in respect of any period after 31 January 2021 have been reported on by the Company's auditors.

2. Going concern

The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company will continue to be met.

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future, being a period of at least 12 months from the date these financial statements were approved.

In making the assessment, the Directors have considered the likely impacts of the current COVID-19 pandemic on the Company, operations and the investment portfolio.

The Directors noted the Company's cash balance exceeds any short term liabilities, it holds a portfolio of listed investments and is able to meet the obligations of the Company as they fall due. The surplus cash enables the Company to meet any funding requirements and finance future additional investments. The Company is a closed end fund, where assets are not required to be liquidated to meet day to day redemptions.

The Directors have completed stress tests assessing the impact of changes in market value and income with associated cashflows. Whilst the economic future is uncertain, and the Directors believe it is possible the Company could experience further reductions in income and/or market value this should not be to a level which would threaten the Company's ability to continue as a going concern.

The Directors, the Manager and other service providers have put in place contingency plans to minimise disruption. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on the going concern basis.

3. Segmental reporting

The directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

4. Copies of the Half-yearly Report are being made available to all shareholders. Further copies are available free of charge from Amati Global Investors by telephoning 0131 503 9115 or by email to info@amatiglobal.com.

5. Earnings per share

Earnings per share is based on the gain attributable to shareholders for the six months ended 31 July 2021 of £19,262,000 (six months ended 31 July 2020: £4,914,000, year ended 31 January 2021: £66,681,000) and the weighted average number of shares in issue during the period of 118,054,860 (31 July 2020: 102,488,189, 31 January 2021: 107,332,617). There is no difference between basic and diluted earnings per share.

6. Net Asset Value

The net asset value per share at 31 July 2021 is based on net assets of £255,948,000 (31 July 2020: £162,836,000, 31 January 2021: £238,279,000) and the number of shares in issue on 31 July 2021 of 118,842,225 (31 July 2020: 105,572,643, 31 January 2021: 115,589,550). There is no difference between basic and diluted net asset value per share.

Notes to the Financial Statements (continued)

7. Income

	Six months ended 31 July 2021 (unaudited) £'000	Six months ended 31 July 2020 (unaudited) £'000	Year ended 31 January 2021 (audited) £'000
Income:			
Dividends from UK companies	**366**	185	554
Interest from deposits	**-**	12	13
	366	197	567

8. Dividends paid

	Six months ended 31 July 2021 (unaudited) £'000	Six months ended 31 July 2020 (unaudited) £'000	Year ended 31 January 2021 (audited) £'000
Final dividend for the year ended 31 January 2021 of 7.0p per share paid on 23 July 2021	**8,278**	-	-
Interim dividend for the year ended 31 January 2021 of 3.5p per share paid on 27 November 2020	**-**	-	4,012
Second interim dividend for the year ended 31 January 2020 of 4.25p per share paid on 24 July 2020*	**-**	4,472	4,472
	8,278	4,472	8,484

* The Company usually pays an interim dividend and a final dividend. In the year ended 31 January 2020 the Directors chose to declare a second interim dividend which was paid in July, rather than a final dividend, due to uncertainties surrounding the holding of the AGM caused by the COVID-19 pandemic.

9. Investments

	Level 1 Traded on AIM £'000	Level 3 Unquoted investments £'000	Total £'000
Opening cost as at 1 February 2021	107,385	2,054	109,439
Opening investment holding gain	107,381	69	107,450
Opening unrealised loss recognised in realised reserve	(228)	(1,263)	(1,491)
Opening fair value as at 1 February 2021	214,538	860	215,398
Analysis of transactions during the period:			
Purchases at cost	19,711	-	19,711
Sales proceeds received	(7,630)	(119)	(7,749)
Realised (loss)/gain on sales	(458)	119	(339)
Unrealised gain on investments	21,193	503	21,696
Closing fair value as at 31 July 2021	**247,354**	**1,363**	**248,717**
Closing cost at 31 July 2021	125,211	2,054	127,265
Closing investment holding gain as at 31 July 2021	122,371	572	122,943
Closing unrealised loss recognised in realised reserve	(228)	(1,263)	(1,491)
Closing fair value as at 31 July 2021	**247,354**	**1,363**	**248,717**
Equity shares	247,354	267	247,621
Preference shares	-	157	157
CVRs	-	807	807
Right to subscribe	-	132	132
Closing fair value as at 31 July 2021	**247,354**	**1,363**	**248,717**

There have been no level 2 investments during the period.

Notes to the Financial Statements (continued)

9. Investments (continued)

The Company measures fair values using the following fair value hierarchy into which the fair value measurements are categorised. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

The Company's level 1 investments are AIM traded companies and fully listed companies.

Level 2 – inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

The Company's level 2 assets are valued using models with significant observable market parameters.

Level 3 – inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Level 3 fair values are measured using a valuation technique that is based on data from an unobservable market. Discussions are held with management, statutory accounts, management accounts and cashflow forecasts are obtained, and fair value is based on multiples of sales and earnings.

The valuation techniques used by the Company are explained in the Annual Report and Financial Statements for the year ended 31 January 2021.

10. Related parties

The Company retains Amati Global Investors as its Manager. The number of ordinary shares in the Company (all of which are held beneficially) by certain members of the management team are:

	31 July 2021 shares held
Paul Jourdan	652,719
David Stevenson	17,583
Anna Macdonald	3,093

Save as disclosed above there is no conflict of interest between the Company, the duties of the directors, the duties of the directors of the Manager and their private interests and other duties.

11. Post balance sheet events

Since the period end the Company has issued 18,259,149 ordinary shares, raising a total of £39,889,314 after expenses. In addition the Company has bought back 252,328 ordinary shares with a nominal value of £12,616.40 at a total cost of £524,346, which have been cancelled.

Shareholder Information

Share price

The Company's shares are listed on the London Stock Exchange. The bid price of the Company's shares can be found on Amati Global Investors' website: https://www.amatiglobal.com/fund/amati-aim-vct/fund-overview

Net Asset Value per Share

The Company normally announces its net asset value on a weekly basis. Net asset value per share information can be found on Amati Global Investors' website: https://www.amatiglobal.com/fund/amati-aim-vct/fund-overview

Financial calendar

31 January 2022	Year end
April 2022	Announcement of final results for the year ended 31 January 2022
June 2022	Annual General Meeting

Dividends

Shareholders who wish to have future dividends re-invested in the Company's shares or wish to have dividends paid directly into their bank account rather than sent by cheque to their registered address should contact the City Partnership (UK) Limited on 01484 240910 or email registrars@city.uk.com.

Table of Historic Returns from launch to 31 July 2021 attributable to shares issued by VCTs which have made up Amati AIM VCT

	Launch date	Merger 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)	4 April 2005	8 December 2005	108.6%	55.3%	55.5%
Amati VCT plc	24 March 2005	4 May 2018	233.9%	116.2%	49.9%
Invesco Perpetual AIM VCT	30 July 2004	8 November 2011	84.6%	10.3%	90.5%
Singer & Friedlander AIM 3 VCT*	29 January 2001	n/a	90.1%	40.1%	11.7%
Singer & Friedlander AIM 2 VCT	29 February 2000	22 February 2006	45.7%	6.4%	-43%
Singer & Friedlander AIM VCT	28 September 1998	22 February 2006	-0.6%	-8.5%	73.5%

* 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.

Corporate Information

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Julia Henderson
Susannah Nicklin
Brian Scouler
Fiona Wollocombe

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For enquiries relating to share certificates, share holdings, dividends or the Dividend Re-investment Scheme, please contact:

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