

Amati AIM VCT plc

PROSPECTUS

**Offer for Subscription of New Shares
to raise up to £25,000,000 (with an
over-allotment facility to raise up to
a further £20,000,000)**

and

**Issue of up to a further £5,000,000 of New
Shares under the Dividend Re-Investment
Scheme**



Finely crafted investments



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This document comprises a prospectus relating to Amati AIM VCT plc. This document has been approved by the Financial Conduct Authority (the "**FCA**"), as competent authority under Regulation (EU) 2017/1129. The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. 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 Regulation (EU) 2017/1129. 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 £25,000,000
(with an over-allotment facility to raise up to a further £20,000,000)**

and

issue of up to a further £5,000,000 of New Shares under the Dividend Re-Investment Scheme

Sponsored by

Dickson Minto W.S.

The Directors of the Company, whose names appear on page 15 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, and thereafter in multiples of £500. Subscriptions can be made online at www.amatioffer.com. Alternatively, a Subscription Form and the procedure for completion of the Subscription Form are set out at the end of this document and the terms and conditions of subscription are set out in Part 8 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 and the Dividend Re-Investment Scheme to be admitted to the premium segment of the Official List of the FCA and to trading on the London Stock Exchange's Main Market for listed securities. It is expected that such admission 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 25 November 2019.

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 the Sponsor to the Company in relation to the Offer and is acting for the Company and 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 8 and 9) and 'Forward looking statements' (on page 11), before making any application for New Shares.

31 October 2019

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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 (i) the Offer for Subscription of New Shares to raise up to £25 million (with an over-allotment facility to raise up to a further £20 million) and (ii) the issue of up to a further £5 million of New Shares under the Dividend Re-Investment Scheme. The ISIN for the Shares is GB00B641BB82. The LEI 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 31 October 2019. 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 the Prospectus. 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 the national legislation of the EEA States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches 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 New Shares and the income from such 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 12 January 2001 as a public company limited by shares under the Companies Act 1985 (the “**1985 Act**”) with registered number 04138683. The principal legislation under which the Company operates is the Companies Act 2006 (the “**2006 Act**”).

The Company is a closed-ended investment company and 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

All of the Directors are non-executive directors.

The auditor of the Company is BDO LLP.

As at close of business on 29 October 2019 (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 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	4,602,537	5.20

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 years ended 31 January 2019 and 31 January 2018 is set out in the following table.

	Audited financial results for the year ended 31 January 2019	Audited financial results for the year ended 31 January 2018
Net asset value		
Number of Ordinary Shares in issue	85,549,682 ¹	36,057,095
Net assets (£'000)	124,989 ¹	61,551
Net asset value per Ordinary Share (p)	146.1	170.7
Ordinary Share price (p)	134.5	157.5
Income		
Total income before operating expenses (£'000)	596	403
Net profit/(loss) (£'000)	(16,671)	18,717
Performance fee (accrued/paid) (£'000)	n/a	n/a
Investment Manager fee charged to revenue (accrued/paid) (£'000)	488	227
Other expenses (£'000)	376	289
Revenue return per Ordinary Share (p)	(0.38)	(0.33)
Dividend per Ordinary Share (p)	7.50	8.50
Ongoing charges		
As a percentage of average total Shareholders' funds (%)	2.0	2.3
Portfolio summary		
Shareholders' funds (£'000)	124,989	61,551

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.

- Any change to governmental, economic, fiscal, monetary or political policy may limit the number of Qualifying Investment opportunities, reduce the value and level of returns which would otherwise have been achievable or result in the Company not being able to achieve or maintain VCT status.
- There can be no guarantee that the Company will maintain VCT status. If the Company ceases to retain approval as a VCT before Qualifying Subscribers have held their Ordinary Shares for five years, any income tax relief obtained will have to be repaid by the Qualifying Subscriber.
- The Company's investments may be difficult to realise. The fact that a share is traded on AIM 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 of the London Stock Exchange. 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.

¹ On 4 May 2018, the Company issued 41,231,436 new Ordinary Shares to the shareholders of Amati VCT plc in connection with the merger of the two companies which became effective on 4 May 2018.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

The Shares have a nominal value of 5 pence each. The ISIN for the Shares is GB00B641BB82 and the SEDOL number is B641BB8. The EPIC code for the Shares is AMAT.

As at 29 October 2019 (being the latest practicable date prior to the publication of this document) the issued share capital of the Company comprised 88,592,838 Shares. The Company does not hold any Shares in treasury.

The New Shares will rank *pari passu* in all respects with the Existing Ordinary 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. 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 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.

The Board aims to pay dividends equal to between 5% and 6% of the Company's Net Asset Value at its immediately preceding financial year end, subject to the Company having sufficient cash resources and distributable reserves available.

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 London Stock Exchange's Main Market for listed securities. 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 25 November 2019.

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 less than the NAV per Share or the price paid by the Shareholder to acquire that Share.
- 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 than 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

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

It is proposed that the Company raises up to £25 million by way of an offer for subscription for New Shares, with an over-allotment facility providing for a further £20 million to be raised under the Offer. In addition, the Company proposes to raise up to a further £5 million through the issue of New Shares under the Dividend Re-Investment Scheme. The over-allotment facility of £20 million may be utilised for the duration of the Offer. The additional £5 million in respect of the Dividend Re-Investment Scheme may be utilised until expiry of this document on 30 October 2020.

The Offer will open on 31 October 2019 and will close at 12 noon on 2 April 2020 in relation to the tax year 2019/2020 and at 12 noon on 16 October 2020 in relation to the tax year 2020/2021 (unless fully subscribed earlier, in which case the Board may close the Offer earlier than these dates). Applications under the Offer will be processed from 31 October 2019. Multiple applications under the Offer from the same investor in the same tax year will not be accepted. The Directors have set the maximum amount that can be raised under the Offer prior to 31 January 2020 at £15 million. The amount to be raised after 31 January 2020 will be £25 million less the amount already raised under the Offer (subject to any exercise of the over-allotment facility). If sufficient Qualifying Investments have been made from the initial proceeds of the Offer and the Directors believe that there is a pipeline of investments to utilise the funds raised, the Board may use the over-allotment facility to raise up to a further £20 million under the Offer.

The first allotment of New Shares under the Offer is expected to take place on or around 25 November 2019 and thereafter allotments will be made on a monthly basis (or at such other times as the Board, in its sole discretion, may decide).

Applications under the Offer will be accepted on a first-come-first-served basis (provided cheques are not post-dated), subject always to the discretion of the Board. The Board cannot guarantee a specific allotment date during the relevant tax year and applications which cannot be satisfied at one allotment date will be held for processing until a later allotment date in the relevant tax year. Any allotment prior to 31 January 2020 will be subject to the £15 million cap set by the Board on the amount that can be raised before that date. In the event that the Offer is over-subscribed, investor allocations may be scaled back and/or investor subscription monies returned without being processed.

Applications (whether online or paper) and cleared funds must be received by the Receiving Agent by 12 noon on 2 April 2020 to be included in the final allotment of the 2019/2020 tax year, and not later than 12 noon on 16 October 2020 to be included in the final allotment of the 2020/2021 tax year. The Offer will close at 12 noon on 30 October 2020, unless the Offer is fully subscribed before this time or the Board decides, in its sole discretion, to close the Offer earlier.

Applications can be made online at www.amatioffer.com. Alternatively, applications may be made by completing the Subscription Form set out at the end of this document. The Subscription monies for New Shares will be payable in full by personal cheque, building society cheque or banker's draft, to be submitted with the Subscription Form. Applications may also be payable by electronic bank transfer, by arrangement with and subject to the anti-money laundering and identity verification requirements of the Receiving Agent. Persons wishing to subscribe should complete the online application or return their completed Subscription Form as soon as possible. The Receiving Agent will acknowledge receipt of each application by letter or 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 and thereafter in multiples of £500. 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 re-investment 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. Investors should therefore make sure that Online Subscriptions or Subscription Forms, 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.

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 number of New Shares to be issued under each allotment will be rounded down 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.

Why is this prospectus being produced?

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.

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.

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 Shares and/or the ability for 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 which is unlawful, in particular if it is not in accordance with the Risk Finance Guidelines, they may require that the UK government recovers that State aid. Such recovery may be from the investee company, the VCT or the VCT's investors.

Brexit

It is intended that the UK will leave the European Union, with or without a withdrawal agreement, on or before 31 January 2020. Exiting the European Union without a withdrawal agreement being in place or the anticipation of such an exit could create uncertainty in the UK markets, which may have a material effect on the Net Asset Value and the ability of the Company to realise its investments.

Risks relating to the Shares

Discount

It is likely that the price for a Share which a Shareholder could achieve on the stock market will be less than the 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.

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 as 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) and investors may find it difficult to realise their investments.

Specific risks relating to the Company

The portfolio

In order to comply with VCT legislation, the Company invests predominantly in AIM-traded companies. Investment in AIM-traded companies, by its nature, may involve a higher degree of risk than investment in companies traded on the Main Market of the London Stock Exchange. In particular, AIM-traded 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 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 may also depend on stock market conditions.

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. 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.

Realisation of investments

Investments in AIM-traded companies are more likely to be illiquid than investments in companies traded on the Main Market of the London Stock Exchange. 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 results of 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 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.

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 or the Dividend Re-Investment Scheme 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 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. 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 application 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 the Sponsor under FSMA or the regulatory regime established thereunder, the Sponsor 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 Ordinary Shares, the Offer or the Dividend Re-Investment Scheme. Accordingly, the Sponsor, 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 7 of this document.

Regulatory information

Investors should be aware that the Packaged Retail and Insurance-based Investment Products (“PRIIPs”) Regulation requires the Company, as PRIIP manufacturer, to prepare a key information document (“KID”) in respect of the Company. This KID must be made available by the Company to retail investors prior to them making any investment decision and is available on the Company’s website. 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 the relevant data protection legislation and regulatory requirements of the United Kingdom.

Each prospective investor acknowledges that personal data provided to the Company by prospective investors will be held and processed in compliance with the Company's privacy policy. Please refer to the Company's website for a copy of the privacy policy. Investors will be notified that an updated privacy policy has been published on the Company's website via an RIS announcement.

Investors and/or other applicants are responsible for informing and obtaining any required consent of any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

Presentation of information

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

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.

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 Part 5 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 29 October 2019 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: - 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 - 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	£25 million (with an over-allotment facility to raise up to a further £20 million)
Minimum Subscription per investor under the Offer	In respect of each tax year, £4,000 (and in multiples of £500 thereafter)

STATISTICS OF THE DIVIDEND RE-INVESTMENT SCHEME

Number of New Shares	The number of New Shares to be allotted under the Dividend Re-Investment Scheme will be determined by the NAV per Share at a date (to be determined by the Directors in their sole discretion) as close as possible to the relevant dividend payment date and the value of any shareholdings included in the DRIS.
Price at which New Shares will be allotted under the Dividend Re-Investment Scheme	The NAV per Share at a date (to be determined by the Directors in their sole discretion) as close as possible to the relevant dividend payment date.
Maximum value of New Shares that can be issued under the Dividend Re-Investment Scheme (under this Prospectus)	Up to £5 million

EXPECTED TIMETABLE

Offer opens	8.00 a.m. on 31 October 2019
Latest time and date for receipt of Online Subscriptions, Subscription Forms and cleared funds in respect of tax year 2019/2020	12.00 noon on 2 April 2020
Latest time and date for receipt of Online Subscriptions, Subscription Forms and cleared funds in respect of tax year 2020/2021	12.00 noon on 16 October 2020
Allotments	On or around 25 November 2019 and thereafter monthly (or at such other times as the Board, in its sole discretion, may determine)
Offer closes	12.00 noon on 30 October 2020 (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
Dividend Re-Investment Scheme	based on dates dividends are paid and the terms and conditions of the Dividend Re-Investment Scheme

Notes:

- (i) Applications will be accepted on a first come, first served basis, subject to the discretion of the Directors of the Company. Successful subscribers (and/or where appropriate their authorised financial intermediaries) will receive an acknowledgement email or letter from the Receiving Agent on receipt of their application.
- (ii) 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.
- (iii) 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.
- (iv) 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).
- (v) 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.
- (vi) 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

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
160 Queen Victoria Street
London EC4V 4LA

Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Registrars

Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey GU9 7DR

Receiving Agents

Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey GU9 7DR

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

Registered office:

27/28 Eastcastle Street
London
W1W 8DH

31 October 2019

Dear Investor,

Introduction

On 4 March 2019 Amati AIM VCT plc (the “**Company**”) announced that its top up offer for subscription was fully subscribed, raising approximately £7 million. Since then, the Company has continued to identify and make new investments, with around £10 million of new Qualifying Investments made in the six month period to 31 July 2019.

The Company follows the principle of ‘running the winners’, which means remaining invested in, and generally taking limited profits from, the investee companies which deliver against expectations and rise significantly in value. Investments which are sold outright tend to be those which have not met expectations, or those which are either subject to a takeover or become Non-Qualifying Investments for one of a number of possible reasons. These are relatively infrequent events. As at 30 September 2019, the Company had only £9.6 million in cash and, 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 2019/2020 and, subject to earlier demand, 2020/2021.

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 £25 million. There is also an over-allotment facility which will allow the Company to raise up to an additional £20 million, and 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. It is likely that the over-allotment facility will, if exercised, only be utilised in relation to subscriptions in respect of the 2020/2021 tax year.

In order to manage the investment of the funds raised under the Offer effectively, no more than £15 million of New Shares will be allotted prior to 31 January 2020, which is the Company’s financial year end. Money raised after this date under the Offer will benefit from an additional 12 months before it must be included in the VCT tests for minimum levels of Qualifying Investments. There will be further opportunities under the Offer for investors who have not had their application accepted prior to 31 January 2020, to be allotted New Shares prior to the end of the 2019/2020 tax year.

The Directors have indicated that they intend to invest a total of £269,000 in the Offer.

Dividend re-investment scheme

In addition, the Company is seeking to raise up to a further £5 million under the Dividend Re-Investment Scheme (further details provided below) over the course of the Offer.

Mature and well-diversified portfolio

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 £2 million to £1.1 billion, with a weighted average of around £327 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 47% 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 not replicable and once sold, holdings cannot be bought back again by the Company and 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 are initially much riskier 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 of 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 maturing portfolio of 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, which accounts for approximately 9% of the Company's net assets as at 30 September 2019. Management fees in relation to the investment in the TB Amati UK Smaller Companies Fund 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 the TB Amati UK Smaller Companies Fund) in small and mid-sized UK companies in a portfolio managed by the Investment Manager.
4. The dividend policy of the Company is to pay dividends twice a year. Dividends in recent years have represented 5% to 6% of the Company's Net Asset Value at its immediately preceding financial year end (equivalent to a 6.9% to 8.3% tax free yield after taking into account the full 30% initial income tax relief available to subscribers, and adjusting for the maximum up-front costs of 3%).
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 of the London Stock Exchange. 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 Re-Investment Scheme

The Company operates a dividend re-investment scheme (the "**Dividend Re-Investment Scheme**") to enable Shareholders to use all or part of their dividends to subscribe for further New Shares, in lieu of cash, in a cost effective manner. The price at which the New Shares are issued is the NAV per Share at a date as close as possible to the relevant dividend payment date. The Company bears all the costs of operating the Dividend Re-Investment Scheme. 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 New Shares subscribed for under the Dividend Re-Investment Scheme count towards the annual limit of £200,000 for tax reliefs granted to VCT investors.**

Shareholders wishing to participate in the Dividend Re-Investment Scheme in respect of New Shares issued to them under the Offer should tick the relevant boxes in Section 8 of the Subscription Form. The terms of the Dividend Re-Investment 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 Re-Investment Scheme will also be applied to any existing holdings in the Company.

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 and/or the Dividend Re-Investment Scheme, it is recommended that potential investors seek advice from a financial adviser authorised under the FSMA. If you have any questions about the application process, please contact Share Registrars Limited on **01252 821390** or email **AmatiOffer@shareregistrars.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 Share Registrars Limited will be able to provide investment advice in connection with the Company, the Offer or the Dividend Re-Investment Scheme.

Subscriptions – online or paper

Persons wishing to participate in the Offer should either apply online at **www.amatioffer.com**, or complete the Subscription Form set out at the end of this document and return it together with any required documentation to the Receiving Agent.

Yours faithfully,

Peter Lawrence, Chairman
Amati AIM VCT plc

PART 2: INFORMATION ON THE COMPANY

1. INTRODUCTION

The objective of the Company is to provide an attractive return to Shareholders. The Company seeks to generate tax-free capital gains and income 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 (interim)	3.50	61.99

* 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 (interim dividend in respect of 2020).

The following table shows the NAV Total Return performance of the Company over certain periods to 30 September 2019 (assuming that dividends had been re-invested on the ex-dividend date), together with a comparison against the Numis Alternative Markets Total Return Index.

	1yr	3yr	5yr	Under Amati management*	Since Launch**
NAV % Return	-18.5	41.3	60.0	127.4	14.7
Index % Return	-17.5	12.6	25.5	32.1	-22.5
Performance Relative to Index %	-1.0	28.7	34.5	95.2	37.3

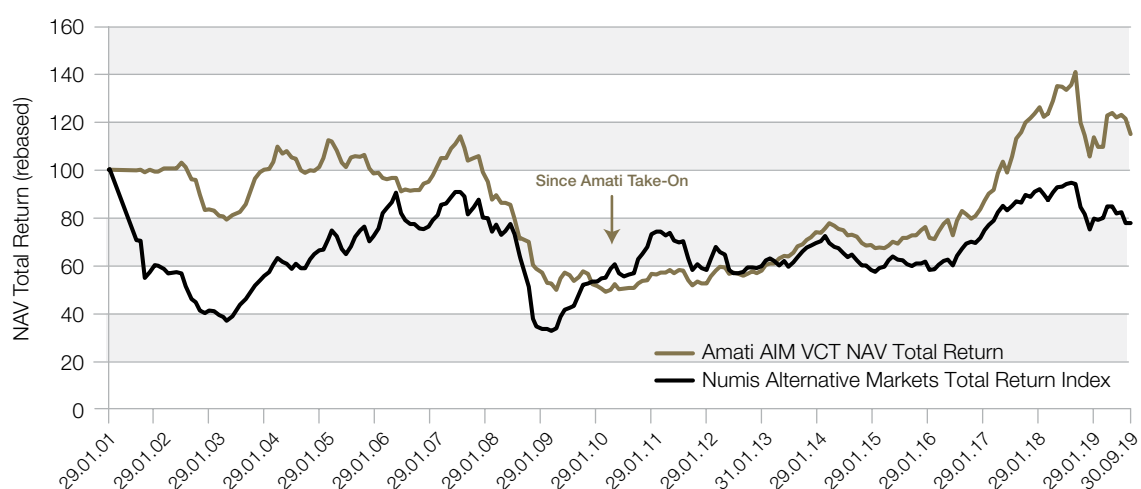
* Take-on of management contract by the Investment Manager: 25 March 2010

** Launch: 29 January 2001

Source: Amati Global Investors Ltd and Numis Securities Ltd

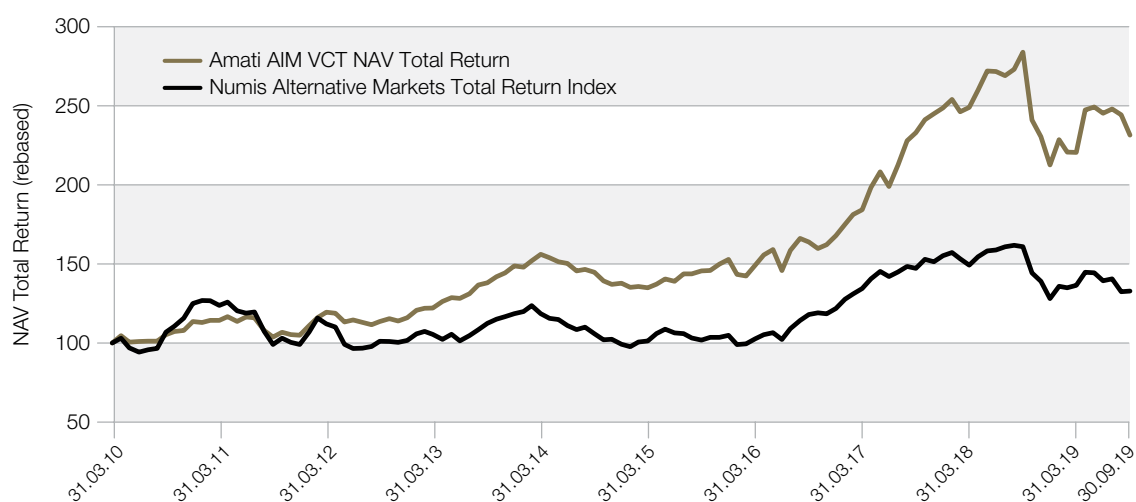
The following graphs show the NAV Total Return performance of the Company to 30 September 2019, both since its inception as Singer & Friedlander AIM VCT 3 in 2001 and since the change of manager to Amati Global Investors on 25 March 2010.

Since inception:



Source: Amati Global Investors Ltd and Numis Securities Ltd

From change of manager to Amati Global Investors:



Source: Amati Global Investors Ltd and Numis Securities Ltd

The following table shows historic returns to 30 September 2019 attributable to shares issued by the original VCTs which have combined to form the Company, prior to being managed by Amati Global Investors.

	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)	4 April 2005	25.8	10.2	7.9
Invesco Perpetual AIM VCT	30 July 2004	11.3	-14.4	32.1
Singer & Friedlander AIM 3 VCT	29 January 2001	14.7	0.3	-22.5
Singer & Friedlander AIM VCT	28 September 1998	-40.0	-25.2	20.3
Singer & Friedlander AIM 2 VCT	29 February 2000	-12.1	-23.0	-60.5
Amati VCT	24 March 2005	101.5	59.7	4.0

Source: Amati Global Investors Ltd

3. THE DIRECTORS

The Board comprises four 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 and of Anpario plc, which is also traded on AIM. Peter was chairman of Amati VCT plc prior to its merger with the Company. In March 2019 he retired as chairman of ECO Animal Health Group plc, an AIM-traded company which he founded in 1972, and in July 2019 retired as a director of Algatechnologies Limited following the sale of the 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. She was a director of Amati VCT plc prior to its merger with the Company.

Susannah Nicklin joined the Board in May 2016. She is an investment and financial services professional with 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 with Bridges Ventures and the Global Impact Investing Network. Susannah is a non-executive director and senior independent director at Pantheon International plc, a non-executive director and senior independent director of City of London Investment Group plc, a non-executive director of The North American Income Trust plc and a non-executive director of Baronsmead Venture Trust plc. She holds the Chartered Financial Analyst credential from the CFA Institute.

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. 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. He was a director of Amati VCT plc prior to its merger with the Company.

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 Corporate Governance 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 Company complies with the AIC Code and has done so during its financial year ended 31 January 2019. As at the date of this document, the Company also complies with the relevant provisions of the Corporate Governance Code except as set out below.

The Board considers that the Corporate Governance 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.

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 corporate governance best practice, the Board has resolved that all Directors will stand for annual re-election by Shareholders.

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 £439.6 million (as at 30 September 2019). 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. 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 and a signatory to the UN-supported Principles for Responsible Investment (PRI).

In addition to the Company, Amati manages the TB Amati UK Smaller Companies Fund (the “**Fund**”) and the Amati AIM IHT Portfolio Service. From inception in December 1998 until July 2008, the Fund 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 replaced Capita as Authorised Corporate Director for the Fund and it was renamed TB Amati UK Smaller Companies Fund. The performance of the Fund has been recognised in a number of awards and ratings.

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 and Anna Macdonald, 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 Global Investors and has been managing UK smaller company funds for 19 years. He co-founded Amati Global Investors 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 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 and Anna MacDonald. Prior to 1998 Paul worked as a professional violinist, including a four year period with the City of Birmingham Symphony Orchestra. He is a director of Sistema Scotland, a Scottish registered charity and also a trustee of Clean Trade, a charity registered in England and Wales.

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 joined the Amati team in 2018 from Adam & Company, where she led research for the private asset management 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. She co-managed the Adam Worldwide Fund and the Stewart Ivory Investment Markets Fund which won three Lipper awards under her stewardship.

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 on NEX, the Company may also make Qualifying Investments in companies likely to seek a quotation on AIM or NEX. 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 Alternative Investment Funds (AIF) or Undertakings for Collective Investment in Transferable Securities (UCITS) funds, as well as 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 the Company must, within three years of raising funds, maintain at least 70%* of its value (based on cost price, or last price paid per share if there is an addition to a holding) in Qualifying Investments. 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 of the London Stock Exchange; 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). However, the Board has indicated that it will restrict the borrowings of the Company to an amount which will not, without the previous sanction of an ordinary resolution by Shareholders, exceed an amount equal to 25% of the adjusted capital and reserves of the Company.

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.

* 80% for accounting periods beginning on or after 6 April 2019.

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 quoted 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 then 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. 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, and also signing up to 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 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.

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, the Investment Manager 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 its investment at its 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. No such deal fees have been earned by the Investment Manager in the last 36 months. 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(ii) of Part 7 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 retail prices index annually in arrears in respect of the provision of these services and the current fee is £92,800 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

The custodian to the Company is Bank of New York Mellon SA/NV, which is authorised and regulated by the Financial Conduct Authority and whose address is 160 Queen Victoria Street, London EC4V 4LA.

9.4 Dividend Policy

The Directors aim to pay dividends equal to between 5% and 6% of the Company's Net Asset Value at its immediately preceding financial year end, with the authority to increase or decrease this level at the Directors' discretion. The Company's ability to pay future dividends at this level will depend, *inter alia*, on the availability of sufficient distributable profits and cash resources. 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 2019 (being the end of the Company's last financial year) was 7.50p.

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 who wish to have dividends paid directly into a bank account, rather than by cheque to their registered address, may complete a mandate form for this purpose. A dividend mandate form is provided as part of the Subscription Form which accompanies this document. Further dividend mandate forms may be obtained from the Company's Registrar.

9.5 Dividend Re-Investment Scheme

Information on the Dividend Re-Investment Scheme operated by the Company is set out in Part 4 of this document.

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 will buy 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 the 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 Share buyback undertaken by the Company 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 provide currently that a continuation vote is to be proposed at the 2020 AGM and at every fifth AGM thereafter. If that vote is not passed, the Articles provide that the Company shall convene a general meeting within nine months at which two special resolutions will be proposed. The first, for the reconstruction or reorganisation of the Company, and the second, only where the aforementioned reconstruction or reorganisation resolution is not passed, for the voluntary winding up of the Company. If neither resolution is passed then the Company will continue as a VCT.

The Directors will propose a resolution at the 2020 AGM seeking Shareholder approval for an amendment to the Articles to provide that the Board must put forward, at the annual general meeting falling after the fifth anniversary after the last Share allotment, a resolution for the continuation of the Company. If this resolution is not passed at the 2020 AGM, a continuation vote will be held at the 2020 AGM.

9.8 Shareholder Communications

The Company's annual report and accounts are prepared as at the end of January in each year and these report and accounts 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 will be 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 26 June 2019, by ordinary resolution, the Directors of the Company were granted authority to allot 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 buy back 13,350,233 Ordinary Shares.

The Company therefore does not have sufficient authority at present to issue the full amount of New Shares available for issue under this document. The Directors intend to renew the authority to allot Ordinary Shares at the Annual General Meeting of the Company to be held in June 2020.

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 £25 million by way of an offer for subscription for New Shares, with an over-allotment facility providing for a further £20 million to be raised under the Offer. In addition, the Company proposes to raise up to a further £5 million through the issue of New Shares under the Dividend Re-Investment Scheme.

The over-allotment facility of £20 million may be utilised for the duration of the Offer. The additional £5 million in respect of the Dividend Re-Investment Scheme may be utilised until the expiry of this document on 30 October 2020.

The Offer will open on 31 October 2019 and will close at 12 noon on 2 April 2020 in relation to the tax year 2019/2020 and at 12 noon on 16 October 2020 in relation to the tax year 2020/2021 (unless the Offer is fully subscribed before this date and/or the Board closes the Offer earlier, which it may do in its sole discretion). Applications under the Offer will be processed from 31 October 2019. Multiple applications under the Offer from the same investor in the same tax year will not be accepted. The Directors have set the maximum amount that can be raised under the Offer prior to 31 January 2020 at £15 million. The amount to be raised after 31 January 2020 will be £25 million less the amount already raised under the Offer (subject to any exercise of the over-allotment facility). If sufficient Qualifying Investments have been made from the initial proceeds of the Offer, and the Directors believe that there is a pipeline of investments to utilise the funds raised, the Board may use the over-allotment facility to raise up to a further £20 million under the Offer.

The first allotment of New Shares under the Offer is expected to take place on or around 25 November 2019 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 September 2019, the unaudited NAV per Share was 144.20p, which would have resulted in an Offer Price in respect of subscriptions from Existing Shareholders or those made via authorised financial intermediaries of 145.66p per New Share (144.20p divided by 0.99 and rounded up to two decimal places) and an Offer Price for new investors of 148.66p (144.20p divided by 0.97 and rounded up to two decimal places).

The New Shares will rank *pari passu* with the Existing Ordinary 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 £25 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 £24,760,560 million after the costs and expenses of the Offer as set out in more detail in paragraph 2.1 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 Application Procedure

Applications (whether online or paper) and cleared funds must be received by the Receiving Agent by 12 noon on 2 April 2020 to be included in the final allotment of the 2019/2020 tax year, and not later than 12 noon on 16 October 2020 to be included in the final allotment of the 2020/2021 tax year. The Offer will close at 12 noon on 30 October 2020, unless the Offer is fully subscribed before this time and/or the Board decides, in its sole discretion, to close the Offer earlier.

Applications under the Offer will be accepted on a first-come-first-served basis (provided cheques are not post-dated), subject always to the discretion of the Board. The Board cannot guarantee a specific allotment date during the relevant tax year and applications which cannot be satisfied at one allotment date will be held for processing until a later allotment date in the relevant tax year. Any allotment prior to 31 January 2020 will be subject to the £15 million cap set by the Board on the amount that can be raised before that date. 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.

Applications can be made online at **www.amatioffer.com**. Alternatively, applications may be made by completing the Subscription Form set out at the end of this document. Applications for New Shares will be payable in full by personal cheque, building society cheque or banker's draft, to be submitted with the Subscription Form. Applications may also be payable by electronic bank transfer, by arrangement with and subject to the anti-money laundering and identity verification requirements of the Receiving Agent. Persons wishing to subscribe should complete the online application or return their completed Subscription Form as soon as possible. The Receiving Agent will acknowledge receipt of each Subscription by letter or email to each applicant (and where applicable the applicant's authorised financial intermediary).

The minimum application level under the Offer in respect of each tax year is £4,000 and thereafter in multiples of £500. 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 re-investment 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 Subscriptions or Subscription Forms 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.

1.3 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 145.66p per New Share, the percentage of the Company owned by Existing Shareholders (assuming they do not subscribe for additional New Shares under the Offer or through the Dividend Re-Investment Scheme) will decrease to 83.8% through the issue of the New Shares.

2. COSTS

2.1 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 applications 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 applications from new 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%.

Upon receipt of valid acceptances, authorised execution only off platform 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. The Company reserves the right to agree trail commission of up to 0.5% per annum with particular intermediaries where the Directors believe that it is in the best interests of the Company as a whole.

Assuming that 100% of applications 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.

2.2 Annual Running Costs

Annual running costs, being the Directors' and Investment Manager's fees, professional fees and the costs incurred by the Company in the ordinary course of its business (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.

Expenses are charged through the revenue account except where incurred in connection with the maintenance or enhancement of the value of the Company's assets when they are charged through the capital account.

In the first half of the Company's current financial year, being the six months to 31 July 2019, the Company's running costs were £1,382,476 (excluding irrecoverable VAT), which represented on an annualised basis 2.0% of the period end Net Asset Value.

3. TIMETABLE

The first allotment of New Shares under the Offer is expected to take place on or around 25 November 2019 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 2 April 2019 to be included in the final allotment of the 2019/2020 tax year, and no later than 12 noon on 16 October 2020 to be included in the final allotment of the 2020/2021 tax year. The Offer will close at 12 noon on 30 October 2020, unless the Offer is fully subscribed and/or the Board closes the Offer earlier.

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 Online Subscriptions and Subscription Forms and to allot and arrange for the listing of New Shares in respect of applications 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 the results of the Offer.

A timetable is set out in tabular form under "Expected Timetable" on page 14 of this document.

4. SETTLEMENTS AND DEALINGS

Definitive share certificates are expected to be despatched, together with income tax certificates, by post 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 is B641BB8 and the LEI code for the Company is 213800HAEDBBK9RWCD25.

The terms and conditions of subscription are set out in Part 8 of this document.

5. 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.

6. TAX

Investors should be aware of the tax implications of investing under the Offer and/or the Dividend Re-Investment Scheme. Details are set out in the Risk Factors on pages 8 and 9.

PART 4: THE DIVIDEND RE-INVESTMENT SCHEME

The Company operates a Dividend Re-Investment Scheme to enable Shareholders to use all or part of their dividends to subscribe for further Ordinary Shares. Such Ordinary Shares will not be allotted at less than the prevailing NAV per Share at the time of the relevant 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 limit on investments in VCTs, these Ordinary Shares should qualify for the tax reliefs that are applicable to subscriptions for new VCT shares. The Dividend Re-Investment Scheme may be appropriate for those Shareholders who are investing primarily for capital growth.

The Board has decided to issue up to £5,000,000 of New Shares under the Dividend Re-Investment Scheme. Additional authority, if required, to issue further New Shares under the Dividend Re-Investment Scheme may be sought by the Company at further general meetings if deemed appropriate by the Board.

Ordinary Shares subscribed for via the Dividend Re-Investment Scheme will form part of the relevant Shareholder's annual limit for investing in Venture Capital Trusts. Shareholders wishing to join the Dividend Re-Investment Scheme should tick the relevant box on the Subscription Form set out at the end of this document. The terms and conditions of the Dividend Re-Investment Scheme are available on the Company's website at www.amatiglobal.com.

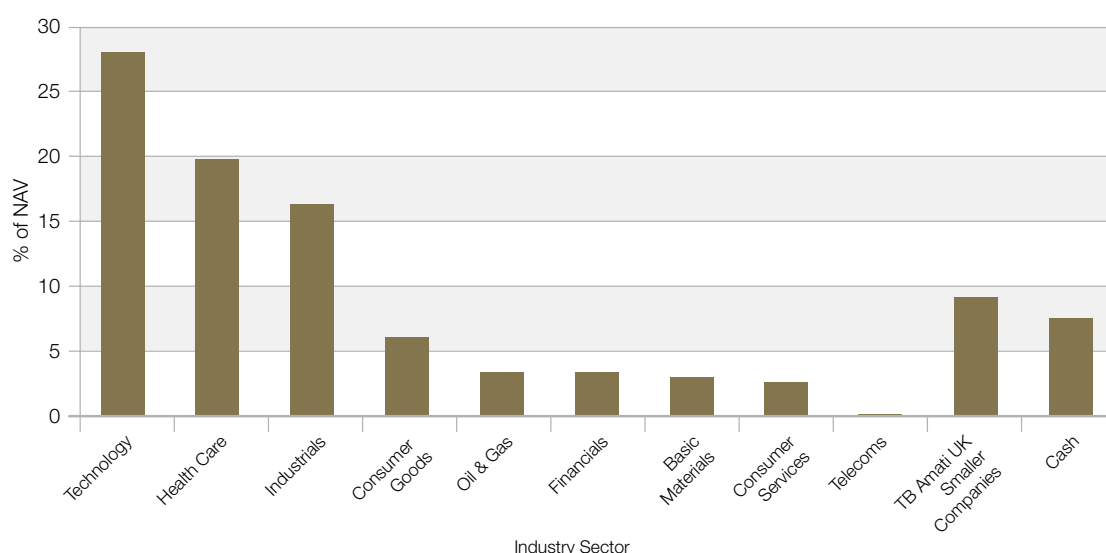
PART 5: FINANCIAL INFORMATION ON THE COMPANY

1. INVESTMENT PORTFOLIO

As at 29 October 2019 (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 66 companies (see pages 38 to 40 for the full list of holdings) which, as at 30 September 2019, had a combined unaudited value of approximately £118.3 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 September 2019 was 144.20p.

1.1 Sector Analysis

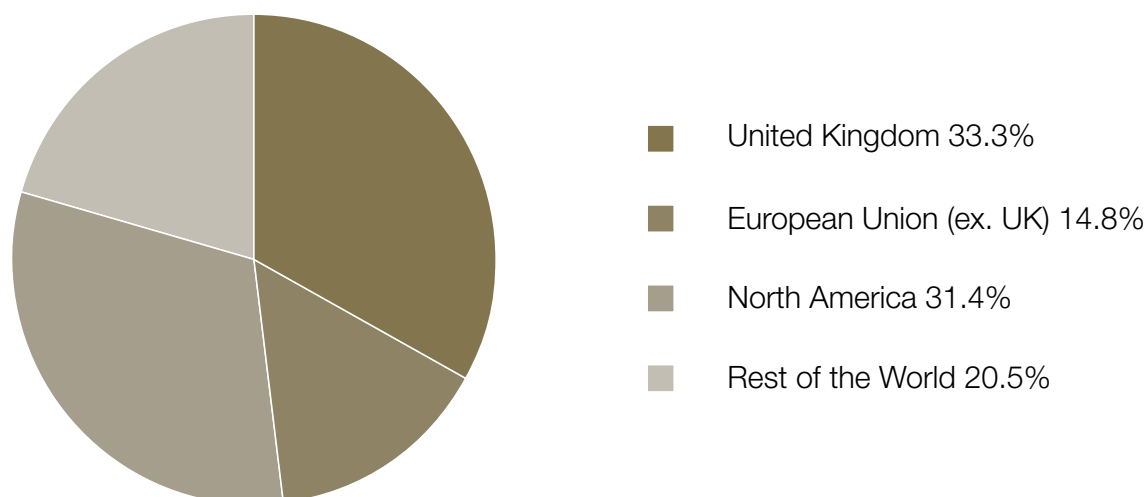
The portfolio of investments of the Company, as at 30 September 2019, is analysed in the graph below by sector. The graph also shows the percentage of the Company's Net Asset Value represented by its investment in the TB Amati UK Smaller Companies Fund:



Source: Amati Global Investors Ltd

1.2 Geographical exposure by revenues

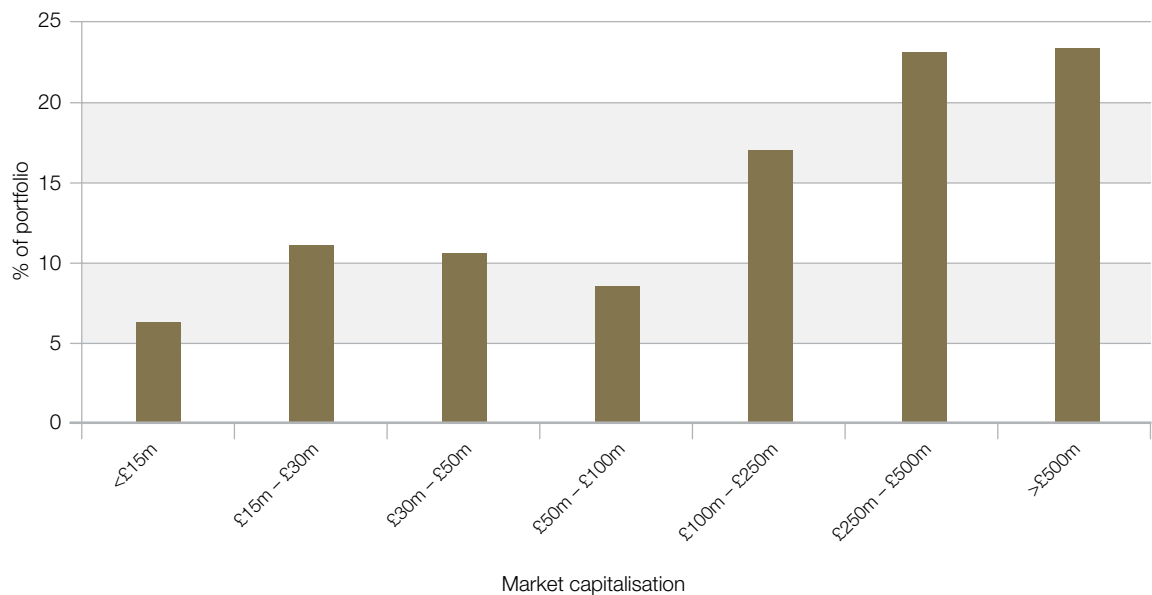
The portfolio of investments of the Company, as at 30 September 2019, is analysed in the chart below by the geographical distribution of revenues. The data is derived from investee company accounts and then weighted according to the size of each portfolio holding.



Source: FactSet and Amati Global Investors

1.3 Qualifying Portfolio – Market Capitalisation Analysis

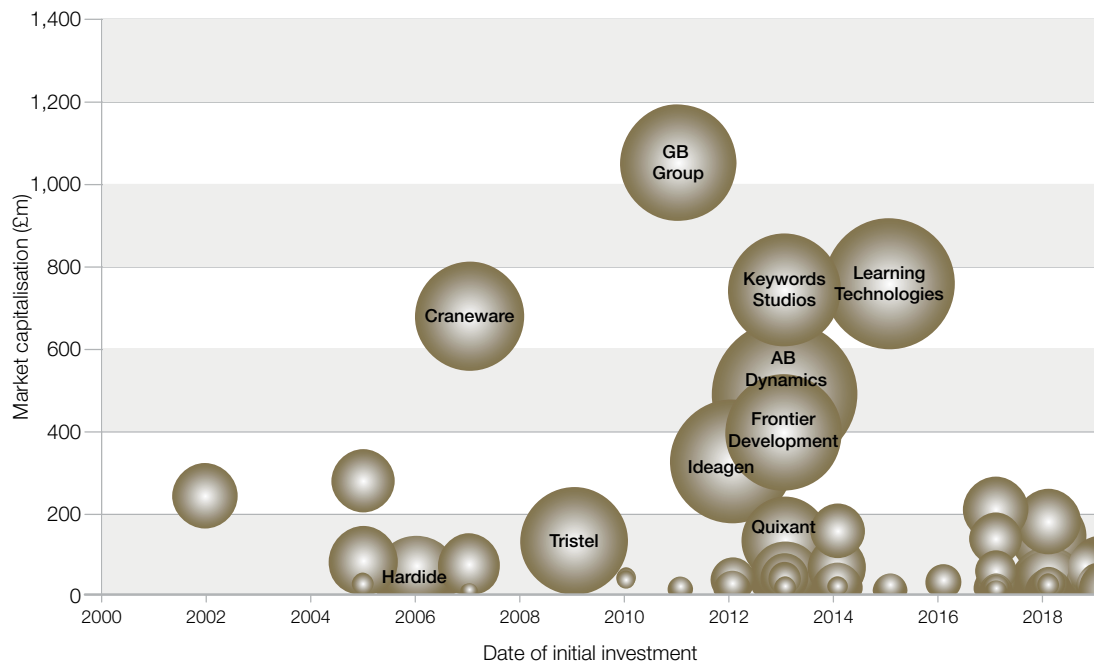
As at 30 September 2019, the weighted average market capitalisation of the Company's Qualifying Investments was £327 million. The portfolio of Qualifying Investments of the Company as at 30 September 2019 is analysed in the graph below by market capitalisation.



Source: Amati Global Investors Ltd

1.4 Qualifying Portfolio – Time, Size and Weight Analysis

The Company's portfolio of Qualifying Investments as at 30 September 2019 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 September 2019, the size of the Fund was £302.8 million and its portfolio comprised of 70 companies with a weighted average market capitalisation of £890 million. Since the initial investment by the Company in December 2014, the Fund (B Share Class) has returned 104.2%, making a significant contribution to the investment returns of the Company. The Fund has won many awards, with the most recent being Investment Week Fund Manager of the Year 2019 (UK Smaller Companies Sector). As at 30 September 2019, the Fund had been awarded the following industry ratings: Morningstar Bronze Analyst Rating and 5 Star Rating; FE 5 Crowns and Approved List; RSMR Rated Fund; and Citywire AAA Manager Rating and Platinum Group Rating.

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 September 2019, together with a comparison against the Numis Alternative Markets Total Return Index 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	-1.97	-1.16	-1.40	3
6 mths	3.07	1.37	3.17	3
1 yr	-5.02	-7.34	-7.11	2
3 yrs	47.23	15.77	28.60	1
5 yrs	106.06	34.25	54.89	1
10 yrs	378.08	139.28	206.25	1

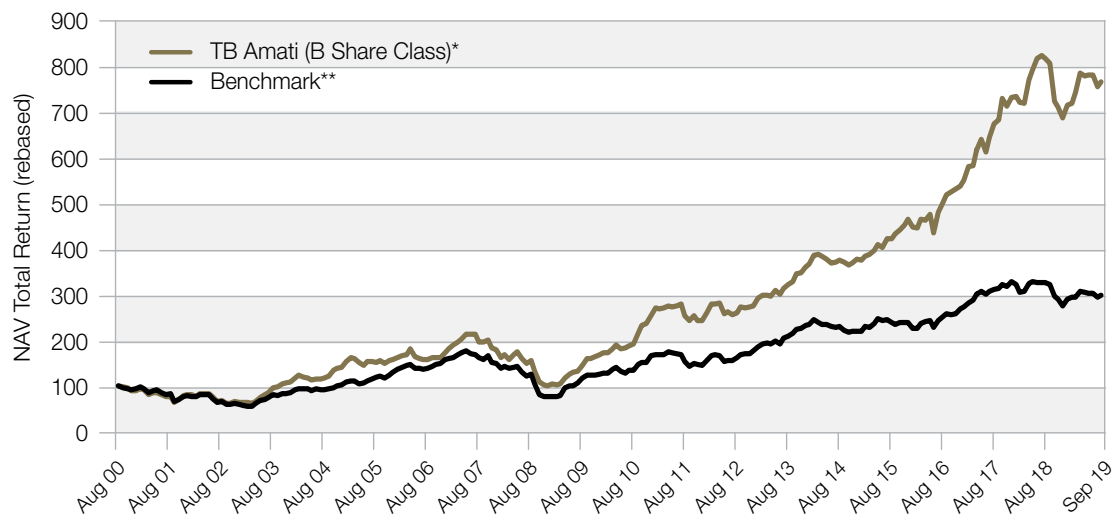
* Total Return, after all charges, net of UK tax (B Share Class)

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

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

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

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 September 2019, together with a comparison against the Numis Alternative Markets Total Return Index:



* 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 September 2019, approximately 53% of the Company's net assets was invested in 10 companies with a total unaudited market value of £68.1 million. The information below provides the unaudited market value of these holdings as at 30 September 2019, 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	Unaudited market value (£)	% of NAV	Activities
1.	TB Amati UK Smaller Companies Fund	£11,694,651	9.1%	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.
2.	AB Dynamics*	£9,431,709	7.4%	AB Dynamics plc is a supplier of advanced testing systems to the global motor industry for research and development and production quality control.
3.	Learning Technologies Group plc*	£7,783,200	6.0%	Learning Technologies Group plc is a provider of e-learning services and technologies to corporate and government clients.
4.	Ideagen*	£6,948,423	5.4%	Ideagen plc is a global supplier of compliance, safety and risk management software to organisations across a range of regulated industries.
5.	Frontier Developments*	£6,346,212	5.0%	Frontier Developments plc is a developer of video games based in Cambridge. 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.
6.	GB Group*	£6,107,798	4.8%	GB Group plc is a global provider of identity data management services.
7.	Keywords Studios*	£5,829,593	4.6%	Keywords Studios plc is a provider of technical services such as localisation and testing to the global video games industry.
8.	Tristel*	£5,310,852	4.2%	Tristel plc is a manufacturer of chlorine dioxide-based infection control, contamination control and hygiene products.
9.	Craneware*	£5,306,178	4.1%	Craneware plc provides automated integrity software solutions for the US healthcare market, with headquarters in Edinburgh.
10.	Hardide*	£3,346,253	2.6%	Hardide plc is a supplier of nanostructured tungsten carbide-based coatings used to increase the life of critical metal parts operating in extreme environments, with particular application in the oil and gas and aerospace industries. In August 2019 the company announced that its Hardide-A coating had been selected as the replacement for hard chrome plating of Airbus 330 wing components.

Top Qualifying Investments

The weighted average market capitalisation of the Company's portfolio of Qualifying Investments, as at 30 September 2019, was £327 million. The top ten of these investments represent approximately 47% of the Company's net assets, providing a strong set of core holdings.

Notable features of the top ten Qualifying Investments, as at 30 September 2019, are as follows:

- Eight of the ten are dividend paying.
- Four of the ten have market capitalisations in excess of £500 million.
- The unweighted average holding period is 8.5 years.
- The unweighted average share price return since initial investment by the Company is 749%.

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 September 2019, is given in the table below.

No.	Company	Date of first investment	Total investment (£)	Total realisations to date (£)	Investment return* (%)
1.	AB Dynamics	07.05.13	624,036	4,409,908	2,118%
2.	Learning Technologies	30.07.15	1,617,000	999,498	443%
3.	Ideagen	14.12.12	1,221,380	345,827	497%
4.	Frontier Developments	30.05.13	1,253,857	5,389,656	836%
5.	GB Group	02.11.11	453,557	0	1,247%
6.	Keywords Studios	08.07.13	924,586	3,638,758	924%
7.	Tristel	27.05.05	1,968,891	791,107	210%
8.	Craneware	05.09.07	655,688	241,245	746%
9.	Hardide**	22.05.06	1,980,736	1,848,179	162%
10.	Quixant	10.05.13	804,314	0	312%

* excluding dividends

** including conversion of convertible loans

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 September 2019) 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 also 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 September 2019.

Security Description	Sector	Type	Book Cost* £	Market Value £	% of NAV
AB DYNAMICS	Industrials	Equity	2,578,903	9,431,709	7.4%
ACCESSO TECHNOLOGY	Technology	Equity	221,122	1,923,761	1.5%
ALLERGY THERAPEUTICS	Health Care	Equity	28,536	31,855	–
AMRYT PHARMA	Health Care	Equity	1,562,912	1,841,666	1.4%
AMRYT PHARMA	Health Care	Contingent Value Rights #1	–	88,312	0.1%
AMRYT PHARMA	Health Care	Contingent Value Rights #2	–	205,946	0.2%
AMRYT PHARMA	Health Care	Contingent Value Rights #3	–	41,396	–
ANGLE	Health Care	Equity	1,615,385	2,616,924	2.0%
ANPARIO	Health Care	Equity	1,828,755	2,088,598	1.6%
ANTENOVA	Telecommunications	Equity	–	80,713	0.1%
ANTENOVA	Telecommunications	Preference Shares	100,117	47,181	–
BELVOIR LETTINGS	Financials	Equity	782,826	835,800	0.7%
BILBY	Industrials	Equity	1,681,256	495,652	0.4%

Security Description	Sector	Type	Book Cost* £	Market Value £	% of NAV
BLOCK ENERGY	Oil & Gas	Equity	2,999,960	2,403,392	1.9%
BONHILL	Consumer Services	Equity	670,000	443,875	0.3%
BRIGHTON PIER	Consumer Services	Equity	488,618	178,130	0.1%
BROOKS MACDONALD	Financials	Equity	1,153,823	1,795,840	1.4%
BYOTROL	Basic Materials	Equity	859,339	475,000	0.4%
CELOXICA	Technology	Equity	–	–	–
CLOUDCALL	Technology	Equity	350,000	350,000	0.3%
CHINA FOOD COMPANY 10% 2012	Consumer Goods	Convertible Loan	45,887	–	–
CRANEWARE	Technology	Equity	3,899,074	5,306,177	4.1%
CREO MEDICAL	Health Care	Equity	1,612,500	1,857,600	1.5%
DIACEUTICS	Health Care	Equity	1,557,240	1,864,590	1.5%
DIURNAL	Health Care	Equity	1,440,400	202,500	0.2%
DODS	Consumer Services	Equity	595,868	130,000	0.1%
EQUALS	Financials	Equity	1,136,641	1,285,084	1.0%
ESCAPE HUNT	Consumer Services	Equity	751,633	292,800	0.2%
EVGEN PHARMA	Health Care	Equity	1,000,000	990,000	0.8%
FALANX	Industrials	Equity	1,350,000	945,000	0.7%
FIREANGEL SAFETY TECHNOLOGY	Industrials	Equity	689,535	106,565	0.1%
FRONTIER DEVELOPMENTS	Consumer Goods	Equity	4,698,017	6,346,212	5.0%
FUSION ANTIBODIES	Health Care	Equity	1,444,418	871,951	0.7%
GB	Technology	Equity	3,202,976	6,107,798	4.8%
GENEDRIVE	Health Care	Equity	441,512	117,188	0.1%
HARDIDE	Basic Materials	Equity	2,361,374	3,346,253	2.6%
IDEAGEN	Technology	Equity	3,302,727	6,948,423	5.4%
ILIKA	Technology	Equity	264,824	147,000	0.1%
I-NEXUS GLOBAL	Technology	Equity	2,500,000	791,139	0.6%
INTELLIGENT ULTRASOUND	Health Care	Equity	825,000	783,750	0.6%
IXICO	Health Care	Equity	1,408,763	2,515,650	2.0%
KEYWORDS STUDIOS	Industrials	Equity	5,174,379	5,829,593	4.6%
LEARNING TECHNOLOGIES	Industrials	Equity	4,550,746	7,783,200	6.1%
LOOPUP	Technology	Equity	2,577,000	528,000	0.4%
MAXCYTE	Health Care	Equity	819,945	365,427	0.3%
MAXCYTE (Restricted)	Health Care	Equity	1,164,500	787,750	0.6%
MYCELX TECHNOLOGIES	Oil & Gas	Equity	645,201	266,746	0.2%
NETCALL	Technology	Equity	110,217	165,189	0.1%
ONCIMMUNE	Health Care	Equity	1,012,824	708,333	0.6%
POLAREAN IMAGING	Health Care	Equity	1,900,000	2,118,254	1.7%
POLYHEDRA	Industrials	Equity	309,813	–	–
POLYHEDRA	Industrials	Convertible Loan	953,272	–	–
PROPERTY FRANCHISE	Financials	Equity	352,296	466,100	0.4%
QUIXANT	Technology	Equity	4,196,344	3,311,187	2.6%
RATED PEOPLE	Consumer Services	Equity	92,587	–	–
ROSSLYN DATA TECHNOLOGIES	Technology	Equity	947,006	1,135,778	0.9%
SABIEN TECHNOLOGY	Industrials	Equity	407,636	16,971	–

Security Description	Sector	Type	Book Cost* £	Market Value £	% of NAV
SCIENCE IN SPORT	Consumer Goods	Equity	1,955,538	1,559,365	1.2%
SOLID STATE	Industrials	Equity	520,206	1,013,374	0.8%
SORBIC INTERNATIONAL 10% 2014	Consumer Goods	Convertible Loan	246,560	–	–
SOSANDAR	Consumer Services	Equity	1,872,000	2,433,600	1.9%
SPORTSWEB	Industrials	Equity	352,128	–	–
SRT MARINE SYSTEMS	Technology	Equity	1,174,266	1,655,522	1.3%
SYNECTICS	Industrials	Equity	341,953	205,032	0.2%
TB AMATI UK SMALLER COMPANIES FUND	Financials	Equity	9,452,773	11,694,651	9.1%
TCOM	Technology	Equity	–	–	–
TCOM	Technology	Preference Shares	–	–	–
TRISTEL	Health Care	Equity	3,289,703	5,310,852	4.2%
UNIVERSE	Industrials	Equity	488,031	569,115	0.4%
VELOCITY COMPOSITES	Industrials	Equity	802,548	195,550	0.2%
VELOCYS	Oil & Gas	Equity	2,000,000	1,580,000	1.2%
VITEC GLOBAL	Basic Materials	Equity	–	–	–
WATER INTELLIGENCE	Industrials	Equity	1,218,392	2,224,022	1.7%
Total Investments			100,377,808	118,255,041	92.5%
Net Current Assets				9,626,027	7.5%
NET ASSET VALUE				127,881,068	100%

* 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 5 has been extracted without material adjustment from the audited statutory accounts of the Company for the two financial years ended 31 January 2019 and 31 January 2018, in respect of which the Company's auditors made unqualified reports under sections 495 to 497 of the 2006 Act, and which have been delivered to the Registrar of Companies. Neither report contained any statements under section 498 (2) or (3) of the 2006 Act.

2.2 Published Annual Reports and Accounts for the two financial years ended 31 January 2019 and 31 January 2018

Historical Financial Information

The published audited annual reports and accounts for the two financial years ended 31 January 2019 and 31 January 2018 contained certain historical financial information identified in the table below which is incorporated into this document by reference.

Nature of information	Audited annual report for the year ended 31 January 2019	Audited annual report for the year ended 31 January 2018
Income Statement	Page 39	Page 32
Statement of Changes in Equity	Pages 40-41	Page 33
Balance Sheet	Page 42	Page 34
Statement of Cash Flows	Page 43	Page 35
Accounting Policies	Pages 44-47	Pages 36-38
Notes to the Accounts	Pages 44-58	Pages 36-48
Independent Auditor's Report	Pages 34-38	Pages 28-31

Copies of the annual reports of the Company referred to above are available free of charge at its registered office or from its website at www.amatiglobal.com. The EPIC code for the Company is 'AMAT'.

Operating and Financial Review

The Strategic Report (including the Chairman's Statement and the Fund Manager's Review) and the Reports from the Directors, in respect of the Company for the two financial years ended 31 January 2019 and 31 January 2018 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 5, such statements and reports being incorporated into this document by reference:

Nature of information	Audited annual report for the year ended 31 January 2019	Audited annual report for the year ended 31 January 2018
Chairman's Statement	Pages 4-5	Pages 3-4
Fund Manager's Review	Pages 6-9	Pages 5-7
Strategic Report	Pages 4-18	Pages 3-14
Reports from the Directors	Pages 22-33	Pages 17-27

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 5. Selected historical financial information relating to the Company which summarises the financial condition of the Company for the financial years ended 31 January 2019 and 31 January 2018 is set out in the following table:

	Audited financial results for the year ended 31 January 2019	Audited financial results for the year ended 31 January 2018
Net asset value		
Number of Ordinary Shares in issue	85,549,682*	36,057,095
Net assets (£'000)	124,989	61,551
Net asset value per Ordinary Share (p)	146.1	170.7
Ordinary Share price (p)	134.5	157.5
Income		
Total income before operating expenses (£'000)	596	403
Net profit/(loss) (£'000)	(16,671)	18,717
Performance fee (accrued/paid) (£'000)	n/a	n/a
Investment Manager fee charged to revenue (accrued/paid) (£'000)	488	227
Other expenses (£'000)	376	289
Revenue return per Ordinary Share (p)	(0.38)	(0.33)
Dividend per Ordinary Share (p)	7.50	8.50
Ongoing charges		
As a percentage of average total Shareholders' funds (%)	2.0	2.3
Portfolio summary		
Shareholders' funds (£'000)	124,989	61,551

* On 4 May 2018, the Company issued 41,231,436 new Ordinary Shares to the shareholders of Amati VCT plc in connection with the merger of the two companies which became effective on 4 May 2018.

2.4 No Significant Change

There has been no significant change in the financial position of the Company since 31 January 2019 (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 following the date of this document.

2.6 Net Asset Value

The unaudited NAV per Share as at 24 October 2019 (being the latest date in respect of which the Company has published its NAV per Share) was 142.43 pence.

2.7 Statement of capitalisation and indebtedness

The following table shows the capitalisation of the Company as at 30 September 2019.

Shareholders' equity	£
Called up share capital	4,434,117
Legal reserve (share premium account)	17,636,654
Other reserves (excludes revenue reserve)	106,291,669
Total	128,362,440

Save as disclosed below, there has been no material change in the capitalisation of the Company since 30 September 2019.

The following table shows the gross indebtedness of the Company (distinguishing between guaranteed, secured and unguaranteed and unsecured indebtedness) as at 30 September 2019.

	£
Total current debt	0
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
Total	0

As at 30 September 2019, 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 and has not been reported on by an accountant.

The following table shows the Company's net indebtedness as at 30 September 2019.

	£
A. Cash	10,399,081
B. Cash equivalent	0
C. Trading securities	0
D. Liquidity (A+B+C)	10,399,081
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)	-10,399,081
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)	-10,399,081

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.

PART 6: 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.

Investors should note that the tax legislation of an investor's Member State (if not the UK) and 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*

- Relief on subscription

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 6 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 the Income Tax Act 2007.

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

- it must be approved as a VCT by HMRC;
- it must not be a close company;
- throughout the period each class of its equity share capital must be quoted on any regulated market in the EU or European Economic Area;
- it must derive its income in that period wholly or mainly from shares or securities;
- it must have at least 70% (80% from 1 February 2020 for the Company) 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 last price paid for shares or securities;
- 30% of all monies raised in a financial accounting period must be invested in Qualifying Investments by the anniversary of that accounting period;
- it must have at least 10% by VCT Value of its Qualifying Holdings in shares which carry no preferential rights to dividends or assets on winding up and no rights to be redeemed;
- it must have not more than 15% by value of its investments throughout that period in a single company or group;
- 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 the 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 the NEX, 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);
- (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) 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) and (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 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.

PART 7: 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 but is required to manage its affairs to obtain and maintain approval as a VCT from HMRC under the provisions of section 274 of ITA. 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 addresses set out on page 60 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 10 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 of the London Stock Exchange.

2. Share Capital

- 2.1 As at 29 October 2019 (being the latest practicable date prior to the publication of this document), the issued fully paid share capital of the Company was as follows:

	Issued Share Capital	
	No.	Nominal Value
Ordinary Shares	88,592,838	£4,429,641.90

- 2.2 Following adoption of the current articles of association, the Company has removed the requirement for authorised share capital.
- 2.3 Shareholders at the annual general meeting held on 26 June 2019 passed the following resolutions:
 - 2.3.1 THAT, in substitution for any existing authorities, but without prejudice to the exercise of any such authority prior to the date of the passing of this resolution, the Directors be and hereby are authorised in accordance with section 551 of the 2006 Act, to exercise all powers of the Company to allot shares of 5p each in the capital of the Company and to grant rights to subscribe for or to convert any security into shares up to an aggregate nominal amount of £1,500,000, provided that the authority conferred by this resolution shall expire on the earlier of the date of the annual general meeting of the Company to be held in 2020 and the date which is 15 months after the date on which this resolution was passed unless renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
 - 2.3.2 THAT, in substitution for any existing authorities, the Directors be and hereby are empowered pursuant to sections 570 and 573 of the 2006 Act to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in section 560 of the Act) for cash pursuant to the authority given in accordance with section 551 of the Act by the resolution set out in paragraph 2.3.1 above as if section 561(1) of the Act did not apply to any such allotment, up to an aggregate nominal amount of £1,500,000. The authority hereby conferred by this resolution shall expire (unless previously renewed or revoked) on the earlier of the date of the annual general meeting of the Company to be held in 2020 and the date which is 15 months after the date on which this resolution is passed.

2.3.3 THAT, in substitution for existing authorities, the Company be and is hereby empowered to make one or more market purchases within the meaning of Section 701 of the Act, of the Ordinary Shares (either for cancellation or for the retention of treasury shares for future re-issue or transfer) provided that:

- (a) the maximum aggregate number of Ordinary Shares authorised to be purchased is such number thereof being 14.99% of the issued ordinary share capital of the Company as at the date this resolution was passed;
- (b) the minimum price which may be paid per Ordinary Share is 5p per share, the nominal amount thereof;
- (c) the maximum price (exclusive of expenses) which may be paid per Ordinary Share is an amount equal to 105% of the average of the middle market quotation of such Ordinary Share taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which such Ordinary Share is to be purchased;
- (d) the authority hereby conferred shall expire on the earlier of the annual general meeting of the Company to be held in 2020 and the date which is 15 months after the date on which this resolution was passed; and
- (e) the Company may make a contract to purchase its own Ordinary Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority, and may make a purchase of such Ordinary Shares pursuant to any such contract.

2.4 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 145.66 per New Share (based on the NAV as at 30 September 2019) and that no New Shares are issued under the over-allotment facility):

Nature of information	Issued No.	Nominal Value
Ordinary Shares	105,756,094	£5,287,804

2.5 There have been the following changes to the issued share capital of the Company since 31 January 2019:

Date	No. of Shares allotted	No. of Shares bought back	Resulting issued Share capital
8 February 2019	–	75,000	85,474,682
15 February 2019		69,503	85,405,179
19 February 2019	2,740,669	–	88,145,848
4 March 2019	1,343,337	–	89,489,185
20 March 2019	–	41,953	89,447,232
25 March 2019	–	81,630	89,365,602
2 April 2019	–	33,389	89,332,213
4 April 2019	–	101,809	89,230,404
5 April 2019	–	7,540	89,222,864
8 April 2019	660,618	–	89,883,482
11 April 2019	–	20,320	89,863,162
17 April 2019	–	19,505	89,843,657
26 April 2019	–	160,006	89,683,651
2 May 2019	–	122,141	89,561,510
7 May 2019	–	75,972	89,485,538
13 May 2019	–	137,427	89,348,111
22 May 2019	–	15,028	89,333,083
4 June 2019	–	272,155	89,060,928
4 July 2019	–	109,973	88,950,955
11 July 2019	–	38,000	88,912,955
24 July 2019	–	32,286	88,880,669
26 July 2019	380,678	–	89,261,347

30 July 2019	–	196,522	89,064,825
2 August 2019	–	39,471	89,025,354
9 August 2019	–	25,992	88,999,362
15 August 2019	–	181,093	88,818,269
20 August 2019	–	28,133	88,790,136
23 August 2019	–	13,733	88,776,403
10 September 2019	–	66,445	88,709,958
17 September 2019	–	15,681	88,694,277
25 September 2019	–	11,931	88,682,346
16 October 2019	–	44,808	88,637,538
28 October 2019	–	44,700	88,592,838

2.6 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, nor does the Company hold any Ordinary Shares in treasury.

2.7 The provisions of Section 570 of the 2006 Act (which, to the extent not disapplied pursuant to Section 561 (1) of such Act, confer on the holders of Ordinary Shares rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to the share capital of the Company. Subject to the provisions of the 2006 Act relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

2.8 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 addresses specified on page 60 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, 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 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, 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 £120,000 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 it is desirable to capitalise all or any part of the profits of the Company.

At any time when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company (a Relevant Period), distribution of the Company's capital profits (within the meaning of section 833 of the 2006 Act) shall be prohibited. The Board shall establish a reserve to be called the capital reserve. During a Relevant Period, all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the 2006 Act, the Board may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or payment or other dealing with any investments or other capital assets and, subject to the 2006 Act, any expenses, loss or liability (or provision therefore) which the Board considers to relate to capital or which the Board otherwise considers appropriate to be debited to the capital reserve shall be carried to the debit of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to any revenue reserve are applicable except and provided that during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 829 of the 2006 Act) except to the extent that the requirements for investment company status under the 2006 Act do not require a company to prohibit the distribution of capital profits in its articles of association or be applied in paying dividends on any shares in the Company. In periods other than a Relevant Period any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 829 of the 2006 Act) or be applied in paying distributions on any shares in the Company.

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 to be held in 2020 and at annual general meetings at five year intervals thereafter, proposing that the Company shall continue in being 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.

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

- 4.1 Other than as set out in paragraph 4.8 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 number of Ordinary Shares held by the Directors and their respective immediate families (all of which are held beneficially) as at 29 October 2019 (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 by them following the closing of the Offer (provided such applications are met in full).

	As at 29 October 2019		Following the Offer*	
	No. of Ordinary Shares	% of issued share capital	No. of Ordinary Shares	% of issued share capital
Directors				
Peter Lawrence (Chairman)	591,867	0.67	763,499	0.72
Julia Henderson	13,636	0.02	17,068	0.02
Susannah Nicklin	11,613	0.01	14,359	0.01
Brian Scouler	41,314	0.05	48,179	0.05

* Assuming New Shares are allotted at an Offer Price of 145.66p per New Share (based on the NAV as at 30 September 2019) 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 7, for the provision of their services as a Director for the fees disclosed in paragraph 4.7 below. These agreements entered into between the Company and Peter Lawrence, Julia Henderson, Susannah Nicklin and Brian Scouler took effect from 16 June 2018, 29 June 2018, 4 May 2016 and 4 May 2018 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.
- 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 corporate governance best practice, 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 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 was effected by the Company since its incorporation.
- 4.6 For each of the financial periods ended 31 January 2019, 31 January 2018 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 contracts referred to in paragraphs 7(ii) below.

No loan or guarantee has been granted or provided by the Company to or for the benefit of any Director.

- 4.7 It is estimated that the aggregate amount to be paid to the Directors for the financial year ending 31 January 2020 under the arrangements in force at the date of this document will not exceed £120,000 (plus out of pocket expenses). During the financial year ended 31 January 2019 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)	£18,125
Julia Henderson*	£16,395
Susannah Nicklin	£20,710
Brian Scouler*	£16,395
Julian Avery*	£6,235
Mike Killingley*	£21,365
Total	£99,225

* Peter Lawrence, Julia Henderson and Brian Scouler were appointed and Julian Avery retired from the board on 4 May 2018. Mike Killingley retired from the board at the AGM on 26 June 2019.

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

- 4.8 Other than as set out below and insofar as is known to the Company, as at 29 October 2019 (the latest practicable date prior to the publication of the 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 29 October 2019 (the latest practicable date prior to the publication of the 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	4,602,537	5.20

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

- 4.10 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	7 Springfield Road Management Company Limited	Algatechnologies Limited
	Anpario plc	Amati VCT plc
	Aquatice Limited	Baronsmead VCT plc
	Baronsmead Venture Trust plc	C-Corp Limited
	Dynamic Design UK Holdings Ltd	Eco Animal Health Group plc
	Ell Investments Ltd	Eco Animal Health Ltd
	Emmelle Construction Limited	Higher Nature Limited
	Emmelle Developments Limited	
	ICA in Israel	
	JCA Charitable Foundation	
	Kiotech Limited	
	Petlove Limited	

Director	Current directorships/partnerships	Past directorships/partnerships
Julia Henderson	–	Alkane Energy Limited
		Amati VCT plc
		Eco Animal Health Group plc
		TP Group plc

Director	Current directorships/partnerships	Past directorships/partnerships
Susannah Nicklin	Baronsmead Venture Trust plc	Apprecie Limited
	City of London Investment Group plc	Baronsmead VCT plc
	City of London Investment Management Company Limited	Curateur Capital Limited
	Pantheon International plc	Curateur Limited
	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

- 4.11 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.
- 4.12 No Director has any convictions in relation to fraudulent offences during the previous five years.
- 4.13 Save as disclosed above, there were no bankruptcies, receiverships or liquidations 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.

4.14 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.

4.15 The Audit Committee

The Audit Committee comprises each member of the Board, and Brian Scouler presides as Chairman.

The Audit Committee monitors the integrity of the Company's financial statements and any formal announcements relating to the Company's financial performance. The Committee is responsible for monitoring the effectiveness of the external audit process and making recommendations to the Board in relation to the appointment, reappointment and remuneration of the external auditors. It is also responsible for ensuring that an appropriate relationship between the Company and the external auditors is maintained including reviewing non-audit services and fees. The 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.

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

4.17 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 29 October 2019 (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 applications are met in full).

	As at 29 October 2019		Following the Offers*	
	No. of Ordinary Shares	% of issued share capital	No. of Ordinary Shares	% of issued share capital
Directors				
Paul Jourdan	411,817	0.46	507,931	0.48
David Stevenson	17,583	0.02	27,880	0.03

* Assuming New Shares are allotted at an Offer Price of 145.66p per New Share (based on the NAV as at 30 September 2019) 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 a Subscription Form in any territory other than the UK may treat the same as constituting an invitation or offer to him nor should he in any event use such Subscription Form unless, in the relevant territory, such an invitation or offer could be lawfully made to him or such Subscription Form could be lawfully used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the UK wishing to make an application under the Offer to satisfy himself 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 as set out in 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) **Directors' letters of appointment**

Each of the Directors has entered into a letter of appointment on the terms described in paragraph 4.3 above.

(ii) **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). The IMA contained provisions for a performance fee but the Investment Manager subsequently waived all rights to performance fee and there is no longer any performance fee payable. 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 £92,800 (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.

(iii) **Registrar agreement with Share Registrars Limited**

A Registrar agreement between the Company and Share Registrars Limited dated 24 September 2014, as amended, under which the Registrar agreed to act as the Company's registrar and 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.

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 over the last 12 months.

Date	Title of Announcement	Disclosure
28 August 2019	Update on offer for subscription	The Company announced that the offer for subscription would be seeking to raise £25 million over a 12 month period with an over-allotment facility of up to an additional £20 million.
26 June 2019	Intention to launch an offer for subscription	The Company announced its intention to launch an offer for subscription towards the end of 2019.
8 April 2019	Issue of equity	Announcement in relation to the issue of 660,618 New Shares under the top up offer for subscription announced on 1 February 2019 at an Offer Price of 146.22 pence.
4 March 2019	Issue of equity	Announcement in relation to the issue of 1,343,337 New Shares under the top up offer for subscription announced on 1 February 2019 at an Offer Price of 142.52 pence.
20 February 2019	Issue of equity	Announcement in relation to the issue of 2,740,669 New Shares under the top up offer for subscription announced on 1 February 2019 at an Offer Price of 143.22 pence.
1 February 2019	Offer for subscription	The Company announced a top up offer for subscription to raise up to approximately £7 million.
21 December 2018	Intention to launch an offer for subscription	The Company announced the intention to launch a top up offer for subscription in February 2019.
23 November 2018	Issue of equity	Announcement in relation to the issue of 334,712 ordinary shares under the Company's dividend re-investment scheme at a price of 145.72 pence.

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 £239,440 (including amounts paid by way of fees and irrecoverable VAT where applicable). If the maximum of £25 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 £24,760,560. The net proceeds will be applied 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 Financial Services and Markets Act 2000, 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. 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 Financial Services and Markets Act 2000, 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 Share Registrars Limited.

- 9.9 There is no, and since its incorporation 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 Save in respect of the Offer, none of the New Shares have been marketed or are available in whole or in part to the public in conjunction with the application for the New Shares to be admitted to the Official List.
- 9.11 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 30 October 2020. There are no conditions attaching to this consent. This document can only be used within the United Kingdom.

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.

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 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 30 October 2020.

- 10.1 the memorandum and articles of association of the Company;
- 10.2 the audited accounts for the periods ended 31 January 2019 and 31 January 2018;
- 10.3 the letter of appointment for each Director; and
- 10.4 this document.

11. Availability of prospectus

The Prospectus is available at www.amatiglobal.com and www.morningstar.co.uk/uk/nsm and, until 30 October 2020, 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.

31 October 2019

PART 8: TERMS AND CONDITIONS OF SUBSCRIPTION

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 Subscription Form which accompanies this document.

1. The contract created by the acceptance of a Subscription (in whole or in part) will be conditional on Admission of the New Ordinary Shares conditionally allotted pursuant to the Subscription becoming effective.
2. 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 applications. In particular, but without limitation, the Company may accept an application made otherwise than by completion of a Subscription Form or by way of Online Subscription where the subscriber has agreed in some other manner satisfactory to the Company and its agents to apply 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 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. In the meantime, subscription monies will be retained by the Company 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 application 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 LIBOR plus 3% per annum.
 - (i) The right is reserved to change the basis of allocation under the Offer at the discretion of the Directors after consultation with 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) The right is reserved for the Company 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) The Company reserves the right to close the Offer earlier than the closing date if fully subscribed.
 - (iv) The Company reserves the right to accept Online Subscriptions and Subscription Forms and to allot and arrange for the listing of New Shares in respect of applications received under the Offer on or prior to the stated closing date of the Offer as the Directors see fit.
3. By completing and delivering a Subscription Form or by completing an Online Subscription, you as the subscriber (and, if you sign the Subscription Form on behalf of somebody else, that person, except as referred to in paragraph (3) (xx) below):
 - (i) offer to subscribe for the number of New Shares as will be determined by the amount specified in your Online Subscription or Subscription Form (or such lesser number for which your Subscription is accepted) divided by the 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, and subject to the Memorandum and Articles of Association of the Company;
 - (ii) agree that, in consideration of the Company and their agents agreeing to process your application, your subscription will not be revoked until after (in the case of a subscription in respect of the 2019/2020 tax year) 2 April 2020 and (in the case of a subscription in respect of the 2020/2021 tax year) 16 October 2020 and that this paragraph shall constitute an irrevocable collateral contract between you and the Company and its agents which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your Subscription Form or receipt by the Receiving Agent of your Online Subscription (as applicable); provided that, in the event that a supplementary prospectus is required to be published, you may be entitled to withdraw within two working days of the publication of the supplementary prospectus in accordance with section 87Q of the FSMA;
 - (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 subscribed 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 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 Company 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 you have subscribed for 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;
- (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 the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the **"Money Laundering Regulations 2017"**) as amended, updated, replaced or superseded from time to time and that such monies will not bear interest;
- (vii) authorise Share Registrars Limited as Registrar on behalf of the Company and Share Registrars Limited on behalf of the Company to send share certificate(s) in respect of the New Shares for which your subscription is accepted and/or a crossed cheque for any monies returnable by post without interest to your address set out in the Subscription Form or Online Subscription 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 their 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 4 and 5 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, satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations 2017 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 Subscription Form or Online Subscription has been completed to the best of your knowledge and that the details relating to you as set out in your Subscription Form or Online Subscription 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 application;
 - (xx) warrant that, if you sign the 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 enclose your power of attorney (or a copy thereof duly certified by a solicitor or bank) with the Subscription Form;
 - (xxi) agree that a failure to receive, process or accept your application 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 application 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 Share Registrars will conduct an electronic identity check on all applicants and may make additional verification checks, and 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, satisfactory evidence of identity to ensure compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as amended, replaced or superseded from time to time and to authorise the Company and the Receiving Agent to retain and disclose any information relating to your subscription as they consider appropriate;
 - (xxiv) agree that if evidence of identity satisfactory to the Company and their agents is not provided to the Company or their agents within a reasonable time (in the opinion of the Company) following a request therefor, any agreement with you to allocate New Shares may be terminated and, in such case, the New Shares which would otherwise have been allocated to you may be re-allocated and your application monies will be returned (i) to the bank or other account on which the cheque or bankers' draft accompanying your Subscription Form or Online Subscription was drawn without interest, or (ii) to the account from which any sent transfer was made as stated on your Subscription Form or Online Subscription;
 - (xxv) agree that you are not applying on behalf of a person engaged in money laundering, drug crimes, terrorist financing or terrorism;
 - (xxvi) undertake to pay interest at the rate prescribed in paragraph 2 above if the remittance accompanying your Subscription Form or Online Subscription is not honoured on first presentation;
 - (xxvii) agree that your Subscription Form or Online Subscription is addressed to the Company and the Receiving Agent; and
 - (xxviii) 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).
4. No person receiving a copy of the Prospectus or a 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 use such Subscription Form or make an Online Subscription unless in the relevant territory such an invitation or offer could lawfully be made to him or such Subscription Form could lawfully be used or Online Subscription made 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 application received from outside the United Kingdom.

5. 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 “**USA**”). 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 USA.

6. Pursuant to 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 “**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 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 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 for a copy of the privacy policy.

7. 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.
8. 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.
9. 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.
10. Completed Subscription Forms, together with payment, must be returned by post or by hand to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR so as to be received and for the funds to have cleared by 12 noon on 2 April 2020 to be included in the final allotment of the 2019/2020 tax year, and no later than 12 noon on 16 October 2020, together with payment, to be included in the final allotment of the 2020/2021 tax year (unless the Offer is fully subscribed and/or closed earlier). Online Subscriptions must also be completed by this date. Multiple subscriptions under the Offer from the same investor in the same tax year will not be accepted.

DEFINITIONS

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

1985 Act	the Companies Act 1985 (as amended)
2006 Act	the Companies Act 2006 (as amended)
2020 AGM	the annual general meeting of the Company to be held in 2020
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
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
Applicant	a Shareholder who participates in the Dividend Re-Investment Scheme or where a Shareholder holds Ordinary Shares as nominee, the person, being the beneficial owner of the Ordinary Shares registered in the name of that Shareholder, who participates in the Dividend Re-Investment Scheme
Articles or Articles of Association	the articles of association of the Company as amended from time to time
Associate	an associate as defined in paragraph 5(5) of Section 332 of ITA
Audit Committee	the audit committee of the Board, as further described in Part 7 of this document
Australia	the Commonwealth of Australia, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
Beneficial Owner	a person in whom the beneficial ownership of any New Shares is vested or will be vested immediately upon their issue
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
Code	the City Code on Takeovers and Mergers
Company	Amati AIM VCT plc
Company Secretary	The City Partnership (UK) Limited of 110 George Street, Edinburgh, Scotland, EH2 4LH
Corporate Governance Code	the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time
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 or Board	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, as amended from time to time
Dividend Re-Investment Scheme, DRIS or the Scheme	the Company's dividend re-investment scheme established in accordance with the Scheme Terms and Conditions
EEA States	the member states of the European Economic Area from time to time
EPIC	Exchange Price Information Code
Euroclear	Euroclear UK and Ireland Limited, the operator of CREST
European Commission	the European Commission of the European Union
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 in issue as at the date of this document
Existing Shareholder	a holder of Ordinary Shares as at the date of this document
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	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
LIBOR	London Interbank Offered Rate
Linked Sale or Linked Sales	a sale and subscription within 6 months of each other as described in section 264A of ITA
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	Regulation (EU) 596/2014 of the European Parliament and of the Council on market abuse, all delegated regulations and implementing regulations made thereunder and any legislation made in the United Kingdom in connection with the entry into force of such regulation
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 and/or under the Dividend Re-Investment Scheme
NEX	the NEX Exchange Main Board, NEX Exchange, a Recognised Investment Exchange under FSMA, a Recognised Stock Exchange under S1005 (1)(b) ITA operated by The ICAP Securities & Derivatives Exchange Limited
Nominee	a party who holds, or subscribes for, Shares on behalf of, or as trustee of, a Beneficial Owner
Nominee Subscription Form	the subscription form to be used by Nominees subscribing for New Shares under the Offer on behalf of Beneficial Owners available on request from the Receiving Agent
Non-Qualifying Investment	an investment which is not a Qualifying Investment
Offer or Offer for Subscription	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.amatioffer.com
Ordinary Shares or Shares	ordinary shares of 5 pence each in the capital of the Company
Prospectus	this document dated 31 October 2019
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-traded or NEX-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
Qualifying Holding	shares in, or securities of, a Qualifying Company held by a VCT which meets the requirements described in Part 6 of ITA
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	Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR
Registrar	Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR
Registrar Agreement	the registrar agreement entered into between the Company and the Registrar dated 24 September 2014

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
Re-Investment Day	a day on which any interim or final dividend payable on Ordinary Shares is credited to the account of the Scheme Manager on behalf of any of the Applicants or, if such day is not a dealing day on the London Stock Exchange, the next dealing day thereafter
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
Scheme Administrator or Scheme Manager	Share Registrars Limited or such other person or persons who may from time to time be appointed by the Company to administer the Dividend Re-Investment Scheme on its behalf
Scheme Terms and Conditions	the terms and conditions relating to the Dividend Re-Investment Scheme set out in Part 4 of this document
Shareholder	a registered holder of one or more Ordinary Shares
Sponsor	Dickson Minto W.S.
Sterling or £	pound sterling, being the lawful currency of the United Kingdom
Subscriber	a person whose name appears as such in a Subscription Form or Online Subscription for use in connection with the Offer
Subscription Form	the subscription form for use in respect of the Offer, or any amended subscription form
Subscriptions	offers by Subscribers pursuant to the Offer and made either (i) by applying online at www.amatioffer.com or (ii) by completing the Subscription Form or the Nominee Subscription Form and posting (or delivering) these to the Receiving Agent or as otherwise indicated on the Subscription Form or Nominee Subscription Form, (and each a "Subscription")
UCITS	Undertakings for Collective Investments in Transferable Securities
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
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 USA	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	as defined in Regulations made under the US Securities Act
US Securities Act	the United States Securities Act of 1933, 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
Venture Capital Trust or VCT	a company approved as a venture capital trust under Section 274 ITA by the board of HMRC

AMATI AIM VCT PLC – OFFER FOR SUBSCRIPTION

SUBSCRIPTION FORM – GUIDANCE NOTES

Please note that subscriptions can also be made online at www.amatioffer.com

Please complete all relevant parts of the Subscription Form according to the instructions below.

SECTION 1 – APPLICATION

Insert (in figures) the amount you wish to apply to invest in the Company in each tax year and the total amount of your investment. You do not have to invest in both tax years, but your application, for each tax year you do choose to invest, must be for a minimum of £4,000 per tax year and thereafter in multiples of £500. Multiple applications under the Offer from the same investor in the same tax year will not be accepted.

SECTION 2 – PERSONAL DETAILS

Insert your full name, full address, daytime telephone number, email address (if you have one), date of birth and National Insurance number. Please also indicate whether you are an existing shareholder and where applicable insert your 6 digit Share Registrars Investor ID or Holder Number. This can be found on your share certificate or dividend confirmation.

SECTION 3 – TAX RESIDENCY STATUS

You must tick the box to confirm that you are a UK resident for tax purposes and give details of any other countries where you are resident for tax purposes. This is a requirement under the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS), and full details must be given where applicable or your application will be rejected.

The Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom or from an applicant whose country of residence for tax purposes is not the United Kingdom.

SECTION 4 – PAYMENT

The Company reserves the right to decline to allot New Shares if an investor's funds have not cleared by the date of an allotment. Please therefore make sure that your application and payment arrive at Share Registrars well in advance of the relevant allotment date, so as to ensure that your funds have cleared in Share Registrar's bank account by, at the latest, the date of allotment.

For guidance, please note the transmission and clearance times for the following methods of payment:

Cheques: seven working days after being banked by Share Registrars

BACS: three working days

Faster Payments: usually same day but can be up to two working days

CHAPS: same day (depending on the cut-off time of your bank)

Amati Global Investors Limited, Share Registrars Limited and Amati AIM VCT plc will not bear any responsibility if your application is not processed or your shares are not allotted due to uncleared funds.

Payments can be made by the following methods:

1. Personal Cheques, Building Society Cheques or Banker's Drafts

Please make your cheque/draft payable to "Share Registrars Limited a/c Amati" for the **exact** amount shown for the **total** application to subscribe in Section 1. Your cheque/draft should be crossed "A/C payee only" and pinned to the completed Subscription Form. Third party cheques are not accepted. **Building society cheques and banker's drafts will only be accepted where the cheque/draft is embossed or stamped with the name of the account holder and drawn from the account in his/her name.**

Any payment by personal cheque, building society cheque or banker's draft must be made in pounds sterling, drawn on a branch of a bank or building society in the United Kingdom which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited, or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided by members of either of these companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner and must be drawn on the personal account of the individual investor where they have sole or joint title to the funds.

2. Bank transfer

Payments can be made by BACS, CHAPS or Faster Payments to the designated bank account for the Offer, details of which will be provided by Share Registrars. Any transfer of funds must be made so that the cleared funds are available at or near the time that the Subscription Form is being processed. The process is as follows:

- (i) Before you send your Subscription Form please email AmatiOffer@shareregistrars.uk.com stating that you intend to make a bank transfer and provide the following information:
 - Name of Bank
 - Account Name
 - Account Number
 - Sort Code
 - Payment Amount
 - Reference Number*

* The reference number should consist of ten characters: your first and last initials and your date of birth in DDMMYYYY format (e.g. AL17081962). This will allow Share Registrars to match the payment with your Subscription Form.
- (ii) Share Registrars will then provide by return the bank account information required for the payment. Please make sure you are able to provide (if applicable) the original (or certified) bank statement or transaction receipt clearly showing the payment to Share Registrars Limited.
- (iii) Please send your Subscription Form together with any supporting documentation to Share Registrars Ltd without delay and no later than 48 hours after making the payment. If you have difficulties making the transaction or your Subscription Form is likely to be delayed you **must** contact Share Registrars on 01252 821 390 or by email at AmatiOffer@shareregistrars.uk.com to discuss your application. Failure to do so may result in your application being rejected.

SECTION 5 – IDENTITY VERIFICATION

Share Registrars Limited will conduct an electronic identity check on all applicants regardless of subscription size or payment method. In addition to the requirements set out below, applicants may be asked to provide additional documentation for verification purposes.

Please confirm that you have provided any documents required if applicable.

For applications of up to and including £50,000 – **nothing further required.**

For applications of more than £50,000 by direct clients or where an intermediary has not completed Section 11 you must provide **certified** copies of **two** different forms of identification, **one** document from each group:

- a. Photographic ID such as a passport or driving licence.
- b. Proof of address such as a recent utility bill (less than three months old), recent bank statement (less than three months old) or driving licence (if not already used as photo ID).

Certification can be carried out by an authorised financial intermediary, solicitor, accountant, banker or other regulated person.

SECTION 6 – SOURCE OF FUNDS VERIFICATION (BANK TRANSFERS ONLY)

Important: if you are paying by bank transfer you must provide the documentation outlined below (if applicable) even if your application has been submitted through an intermediary and Section 11 has been completed.

If you will be making a bank transfer of up to and including £13,000 and the payment is linked to a single application – **nothing further required.**

For bank transfers of more than £13,000 (or a series of payments linked to a single application of more than £13,000 in total value) you must provide evidence of source of funds, regardless of whether you are a direct client or your application has been submitted through an intermediary. Please provide **one** of the following in support of your application:

- a. An original or certified copy of the bank statement or transaction receipt in your name which clearly shows the payment(s) made to Share Registrars Limited.
- b. Written confirmation from your bank on headed paper with details of the payment, including the name of the account from which the funds are drawn, account number and sort code.

Certification can be carried out by an authorised financial intermediary, solicitor, accountant, banker or other regulated person.

Share Registrars Limited reserves the right to make additional verification checks.

SECTION 7 – NOMINEE/CREST INSTRUCTION

If your application is successful and you would like your subscription shares issued to your nominee through CREST, please give full details.

SECTION 8 – DIVIDEND PREFERENCE

Tick **one** box only. You can elect to receive dividends in cash **or** you can elect to join the Dividend Re-Investment Scheme, where dividends are reinvested into new shares in the Company. Any election that you make **will also be applied to any existing holdings in the Company**; you **cannot** elect to receive both dividends in cash and shares issued under the Dividend Re-Investment Scheme in respect of your shareholding.

If you elect to receive dividends in cash, we **strongly recommend that payments are made directly into your bank account**. If you do not provide bank details, dividends will be paid by cheque and sent to your registered address.

If you elect to join the Dividend Re-Investment Scheme you will have confirmed that you have read and understood the full terms and conditions relating to the scheme. These are available on Amati's website: www.amatiglobal.com.

SECTION 9 – COMMUNICATION PREFERENCES

Please tick the relevant box to indicate how you would like Share Registrars to acknowledge receipt of your application (email or letter). If you wish you can also opt in to electronic communications in respect of your shareholding.

Please read the Privacy Notice at www.amatiglobal.com/privacy_notice.php. It contains important information about how we use your personal data and your statutory rights in relation to our use of it.

SECTION 10 – APPLICANT'S DECLARATION & SIGNATURE

Please refer to our declarations and sign and date. The Subscription Form may only be signed by someone other than the applicant if they are authorised to do so and are able to provide original copies of the relevant legal documents if requested. You are also asked to confirm that the Key Information Document has been made available to you. This document can be found at the website of Amati Global Investors: www.amatiglobal.com.

SECTIONS 11-14 TO BE COMPLETED BY AUTHORISED FINANCIAL INTERMEDIARIES ONLY

SECTION 11 – INTERMEDIARY DETAILS

Intermediaries should provide details of their firm, including contact name and address, FCA Number, email address, telephone number and bank details where applicable.

Please ensure that you tick the relevant box to indicate whether you have provided advice to your client or if the transaction is execution only.

Please also indicate whether you have verified your client's identity to the standard required by the Money Laundering Regulations 2017 and that it met the guidance for the UK Financial Sector issued by the Joint Money Laundering Steering Group. Advisers should note that if this box is not ticked the applicant must provide the relevant documentation as outlined in Section 5.

SECTION 12 – ADVISORY FEES

If you have agreed advisory fees to be deducted from your client's subscription please state the amount(s) to be deducted.

Payments are normally made by cheque but if you provide your bank details these payments can be made by bank transfer.

SECTION 13 – TRAIL COMMISSION

Authorised financial intermediaries who, acting on behalf of their clients on an execution only and off-platform basis, return valid Subscription Forms bearing their name and FCA number and confirming their execution only and off-platform status and eligibility to receive commission, will be paid 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 Form. Such payments will be made by the Manager and are conditional on and subject to the requirements of all applicable law and regulation, including but not limited to the FCA's Conduct of Business Sourcebook.

SECTION 14 – INTERMEDIARY DECLARATION

Please read the declaration and sign and date.

Please return your completed Subscription Form by post or by hand (during normal business hours) to Share Registrars Limited at the following address:

Share Registrars Limited
The Courtyard
West Farnham
Surrey
GU9 7DR

AMATI AIM VCT PLC – OFFER FOR SUBSCRIPTION

SUBSCRIPTION FORM

Please note that subscriptions can also be made online at www.amatioffer.com

Before completing this form please read the Terms and Conditions of Subscription and the accompanying Subscription Form Guidance Notes. PLEASE USE BLOCK CAPITALS TO COMPLETE THIS FORM.

The 2019-2020 Offer closes at 12 noon on Thursday 2 April 2020 (or earlier if the maximum subscription is reached or the Directors of Amati AIM VCT plc, in their sole discretion, determine). The 2020/2021 Offer closes at 12 noon on 16 October 2020 or at such other date as the Directors may determine at their absolute discretion.

Return this form by post or hand (during normal business hours) to: **Share Registrars Limited, The Courtyard, 17 West Street Farnham, Surrey GU9 7DR**. Remember to enclose a cheque or banker's draft (if applicable) together with any required identity and source of funds verification documentation.

Please refer to the Company's Privacy Notice at www.amatiglobal.com/privacy_notice.php. It contains important information about how we use your personal data and your statutory rights in relation to our use of it.

1. Application

I apply to subscribe the following amount or such lesser amount for which this application may be accepted on the Terms and Conditions of Subscription as set out in the Amati AIM VCT plc Prospectus dated 31 October 2019.

Amati AIM VCT plc

Tax year 2019/2020

£

Tax year 2020/2021

£

Total Application for the Offer

£

The minimum amount which may be applied for is £4,000 per tax year and thereafter in multiples of £500.

2. Personal Details

Title (Mr/Mrs/Miss/Ms/Dr/Other):

Surname:

Forename(s) in full:

Address:

Postcode:

Country:

Daytime telephone number:

Date of Birth:

National Insurance Number:

Email Address:

Please tick if you are an existing shareholder:

☐

Investor ID or Holder Number:

(This can be found on your share certificate or dividend confirmation.)

3. Tax Residency Status

Please tick the box if you are a UK resident for tax purposes

☐

Please give details of any other countries of which you are a resident for tax purposes:

Country:

Tax Identification Number:

Country:

Tax Identification Number:

The Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom or from an applicant whose country of residence for tax purposes is not the United Kingdom.

4. Payment

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 your application and payment arrive at Share Registrars well in advance of the relevant allotment date, so that your funds have cleared in Share Registrars' bank account by, at the latest, the date of allotment. See the Subscription Form – Guidance Notes for important information.

Please tick **one** box only:

- A.** I have enclosed a **personal cheque, building society cheque or banker's draft** for the total amount shown in Section 1, made payable to "Share Registrars Limited a/c Amati" and crossed "A/C PAYEE ONLY". If I have paid by building society cheque or banker's draft the cheque/draft is embossed or stamped with my name and is drawn from my personal account. I have provided identity verification documentation if applicable.

☐

Please send your completed Subscription Form together with your cheque/draft and any relevant supporting documentation to the address shown at the top of this form.

OR

- B.** I confirm that I will be making a **bank transfer** for the total amount shown in section 1 and I have provided Share Registrars with details of the account from which I will be transferring funds. I will send my completed Subscription Form together with any identity verification and source of funds documentation (if applicable) within 48 hours of making my payment. The process is as follows:

☐

- 1.** Before you send your Subscription Form please email AmatiOffer@shareregistrars.uk.com stating that you intend to make a bank transfer and provide the following information:

- Name of Bank
- Account Name
- Account Number
- Sort Code
- Payment Amount
- Reference number*

*The reference number should consist of ten characters: your first and last initials and your date of birth in DDMMYYYY format (e.g. AL17081962). This will allow Share Registrars to match the payment with your Subscription Form.

- 2.** Share Registrars will then provide by return the bank account information required for the payment. When you make your payment please make sure you are able to provide (if applicable) the original (or certified) bank statement or transaction receipt clearly showing the payment to Share Registrars Limited.
- 3.** Please send your completed Subscription Form together with the relevant supporting documentation to the address shown at the top of this form **within 48 hours** of making the payment. Failure to do so may result in your application being rejected.

5. Identity Verification

Share Registrars Limited will conduct an electronic identity check on all applicants regardless of subscription size or payment method. In addition to the requirements set out below, applicants may be asked to provide additional documentation for verification purposes.

APPLICATIONS OF UP TO AND INCLUDING £50,000

If your application is for up to and including £50,000 – **nothing further required**

If you are paying by bank transfer go to Section 6; otherwise go to Section 7.

APPLICATIONS OF MORE THAN £50,000

1. If your application is for more than £50,000 and your intermediary has completed Section 11 – **nothing further required**

If you are paying by bank transfer go to Section 6; otherwise go to Section 7.

2. If your application is for more than £50,000 and you are either a direct client **or** where your intermediary has not completed Section 11, please provide certified copies* of **two** different forms of identification, **one** document from **each** group:

☐

Photographic ID

- Passport
- Driving Licence

☐

Proof of Address

- Recent utility bill (less than 3 months old)
- Recent bank statement (less than 3 months old)
- Driving Licence (if not already used for photo ID)

*Copies can be certified by an authorised financial intermediary, accountant, solicitor, banker or other regulated person.

If you are paying by bank transfer go to Section 6; otherwise go to Section 7.

6. Source of Funds Verification (bank transfers only)

Important: you must provide the documentation outlined below (if applicable) even if your application has been submitted through an intermediary and Section 11 has been completed.

In addition to any documentation required above at Section 5 you must provide the following if applicable:

BANK TRANSFERS OF UP TO AND INCLUDING £13,000

If you will be making a bank transfer of up to and including £13,000 and the payment is linked to a single application – **nothing further required**

BANK TRANSFERS OF MORE THAN £13,000

If you will be making a bank transfer of more than £13,000 (or a series of payments linked to a single application of more than £13,000 in total value) – please provide **one** of the documents listed below:

- An original or certified copy* of the bank statement or transaction receipt in your name which shows the payment(s) made to Share Registrars Limited. ☐
- Written confirmation from your bank on headed paper with details of the payment, including the name of the account from which the funds are drawn, account number and sort code. ☐

*Copies can be certified by an authorised financial intermediary, accountant, solicitor, banker or other regulated person.

Share Registrars Limited reserves the right to make additional verification checks as set out in the Terms and Conditions.

7. Nominee/Crest Instruction (if applicable)

If my application is successful please issue my shares to my nominee through CREST

☐

Crest Participant ID:

Crest Member Account ID:

Crest Participant Name

Crest Participant Address:

Postcode:

Crest Participant Contact Name:

Telephone Number:

Email Address:

8. Dividend Preference

Please tick **one** box only.

Amati AIM VCT plc*

☐

Dividends Paid In Cash (i.e. not re-invested in shares in the Company)

or

☐

Dividend Re-Investment Scheme

*Please note that the instruction given above will be applied to any existing holding in the Company.

Now do **one** of the following:

1. If you elected for dividends to be paid in cash and you would like your dividends paid directly to your bank account, please complete and sign the bank mandate below. If you do not provide your bank details your dividends will be paid by cheque and posted to your registered address. **We strongly recommend that payments are made direct to your bank account.**
2. If you elected to join the Dividend Re-Investment Scheme in respect of your application, please **proceed directly to Section 9.**

Please forward, until further notice, all dividends that may from time to time become due on any Ordinary Shares now standing, or which may hereafter stand, in my name in the register of members of Amati AIM VCT plc to:

Name of Bank/Building Society:

Address of Branch:

Account Name: (BLOCK CAPITALS please)

Account Number: (Please quote all digits including zeros)

Sort Code:

Signature:

Date:

DDMMYYYY

9. Communication Preferences

(Please complete only if different from Section 2)
Shareholder title and full name:

Postcode:

Method of notification for receipt of your application:

☐

Email

OR

☐

Letter

As a Shareholder in Amati AIM VCT plc, you will receive regular updates, including fact sheets, newsletters and invitations to corporate events. Please refer to the Company's Privacy Policy at www.amatiglobal.com/privacy_notice.php. It contains important information about how we use your personal data and your statutory rights in relation to our use of it.

ELECTRONIC COMMUNICATIONS (COMPANIES ACT 2006)

Tick the box to opt in to electronic communications in respect of your shareholding in Amati AIM VCT plc. This means that you will receive notifications by email (where you have provided an email address below) or by letter that information and/or documents are available on Amati AIM VCT plc's website.

Opt in to electronic communications:

☐

1. You have the right to **opt out** of electronic communications at any time and to revert to paper format delivered by post by emailing **enquiries@shareregistrars.uk.com** or by writing to **Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR**. For those Shareholders who are registered on the Web Based Share Portal at **www.shareregistrars.uk.com** please log in and click on "Personal Details" to update.

If you do not provide an email address we are obliged to send you notifications by letter.

Email:

10. Applicant Declaration and Signature

1. I HEREBY DECLARE THAT I have read and understood the Terms and Conditions of Subscription contained in the Amati AIM VCT plc Prospectus dated 31 October 2019 and agree to be bound by them.
2. I confirm that the Key Information Document (as referred to on pages 10 and 17 of the Amati AIM VCT plc Prospectus dated 31 October 2019 and which can be found on the website at www.amatiglobal.com) has been made available to me.
3. I understand that this is a LONG TERM investment and I confirm that I have read and understood the RISK FACTORS set out in the Prospectus.
4. I confirm that I understand and agree with the details submitted by my financial intermediary (if applicable) in sections 11-14 below, including any advisory fees to be deducted from my subscription.
5. I understand that tax relief will only be available on the amount subscribed net of any advisory fees that I have agreed to be deducted from my subscription.

HMRC MAY INSPECT THIS FORM. PLEASE NOTE IT IS A SERIOUS OFFENCE TO MAKE A FALSE DECLARATION.

Signature:

Date:

SECTIONS 11 – 14 TO BE COMPLETED BY AUTHORISED FINANCIAL INTERMEDIARIES ONLY

11. Intermediary Details

Please tick one of the following:

☐

Advice Provided

☐

Execution Only – On Platform

☐

Execution Only – Off Platform

Name of Firm:

FCA Number:

Contact Name:

Address:

Postcode:

Telephone:

Email Address:

I confirm that I have verified the identity of the applicant named at Section 2 to the standard required by the Money Laundering Regulations 2017 and that it met the guidance for the UK Financial Sector issued by the Joint Money Laundering Steering Group. **Please note that if this box is not ticked the applicant must provide the relevant documentation as outlined in section 5.**

☐

12. Advisory Fees

If you have agreed with your client that advisory fees may be deducted from their subscription detailed in Section 1 above, please state the amount of fees to be deducted below.

Advisory Fee (inclusive of VAT) to be deducted from subscription:

Amati AIM VCT plc

Tax year 2019/2020

£

Tax year 2020/2021

£

Total Advisory Fees Deducted

£

Advisory payments* are facilitated by Share Registrars and payment will normally be made by cheque. If you wish to be paid by electronic bank transfer please provide your bank details below:

Name of Bank/Building Society:

Address of Branch:

Account Name: (BLOCK CAPITALS please)

Account Number: (Please quote all digits including zeros)

Sort Code:

Signature:

Date:

DDMMYYYY

* Share Registrars will aggregate advisory payments across the Offer where an intermediary is due an advisory fee in respect of more than one application. Advisory payments will be made following the closure of the Offer.

Annual trail commission of 0.375% per annum (limited to five years) is available to authorised financial intermediaries acting on an execution only off platform basis and will be paid by Amati Global Investors. **Such payments can no longer be made in respect of subscriptions received through intermediaries acting in an advisory capacity.**

Tick all that apply:

[illegible]

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14. Authorised Financial Intermediary Declaration

I HEREBY DECLARE THAT I am an authorised financial intermediary and that the information I have provided on this form is, to the best of my knowledge and belief, accurate and complete. In the event that any circumstances change such that the information I have provided is no longer accurate and complete, I agree to notify Amati immediately in writing.

Signature: _____ Date:

D	D	M	M	Y	Y	Y	Y
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Amati Global Investors Limited, Amati AIM VCT plc and Share Registrars Limited cannot accept any responsibility if any details quoted by you are incorrect.

For assistance with the completion of this Subscription Form please contact Amati Global Investors during normal office hours on 0131 503 9115 or email info@amatiglobal.com

No investment or tax advice can be given.

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Amati
Global Investors

Finely crafted investments