

Prospectus and Application Form

Offer for subscription
to raise up to £15 million
with an over-allotment facility to raise up to
a further £10 million

UNICORN
AIM VCT PLC



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action to be taken, you should immediately consult your bank manager, stockbroker, solicitor, accountant or other independent financial intermediary authorised pursuant to the Financial Services and Markets Act 2000, as amended (FSMA).

This document, constitutes a prospectus issued by Unicorn AIM VCT plc (Company) dated 11 February 2020 (Prospectus). The Prospectus has been prepared in accordance with and has been approved by the Financial Conduct Authority (FCA) as the competent authority under Regulation (EU 2017/1129). The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU 2017/1129) and such approval shall not be considered as an endorsement of the quality of the securities or the issuer that are subject to the Prospectus.

This document has further been prepared in compliance with the Prospectus Regulation Rules made under FSMA (Prospectus Regulation Rules), English law and the rules of the FCA and the information disclosed may not be the same as that which would be disclosed if this document had been prepared in accordance with the laws of a jurisdiction outside England. The Prospectus has been drawn up as part of a simplified Prospectus in accordance with section 2.5.1 of the Prospectus Regulation Rules.

Summary information on the Company is also contained in its key information document (Key Information Document). Investors should make their own assessment as to the suitability of investing in the securities. The Company and the directors of the Company (Directors), whose names appear on the inside back cover of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and the document makes no omission likely to affect its import.

Persons receiving this document should note that, in connection with the Offer, Panmure Gordon (UK) Limited (Panmure Gordon) is acting as sponsor for the Company and Unicorn Asset Management Limited (Unicorn AM) is acting as promoter to the Company (and, in each case, for no-one else), are both authorised and regulated in the United Kingdom by the FCA and will not (subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder) be responsible to any other person for providing the protections afforded to customers of Panmure Gordon and Unicorn AM (respectively) for providing advice in connection with the Offer.

Shakespeare Martineau LLP, which is regulated in the United Kingdom by the Solicitors Regulation Authority, is acting as legal adviser to the Company and no-one else and will not be responsible to any other person for providing advice in connection with any matters referred to herein.

Application has been made to the FCA for all of the ordinary shares of 1p each in the capital of the Company to be issued pursuant to the Offer (New Shares) to be admitted to the premium segment of the Official List and to the London Stock Exchange for such New Shares to be admitted to trading on its main market for listed securities. It is expected that such admission to the Official List will become effective and that dealings in the New Shares will commence within three business days following allotment. The Company's existing issued shares are traded on the London Stock Exchange's main market for listed securities.

UNICORN AIM VCT PLC

(Registered in England and Wales with registered number 04266437)

Offer for Subscription to raise up to £15 million with an over-allotment facility to raise up to a further £10 million through the issue of New Shares

The attention of prospective investors in the Company who are resident in, or citizens of, territories outside the United Kingdom is drawn to the information under the heading 'Overseas Shareholders' in paragraph 10 of Part VIII of this document. The New Shares will not be registered under the United States Securities Act 1933 or the United States Investment Company Act 1990, and no action has been, or will be, taken in any jurisdiction by, or on behalf of the Company, Unicorn AM or LGBR Capital London Limited (LGBR Capital), the distributor for the Offer, which would permit a public offer of the New Shares in any jurisdiction other than the United Kingdom, nor has any such action been taken with respect to the possession or distribution of this document other than in the United Kingdom.

Copies of this Prospectus (and any supplementary prospectus published by the Company) are available free of charge from the national storage mechanism (www.morningstar.co.uk/uk/NSM) and from Unicorn AM and LGBR Capital:

Unicorn Asset Management Limited
First Floor Office, Preachers Court
The Charterhouse, Charterhouse Square
London EC1M 6AU
telephone: 020 7253 0889
download: www.unicornam.com
email: info@unicornam.com

LGBR Capital London Limited
10 Throgmorton Avenue
London
EC2N 2DL
telephone: 020 7071 3920
download: www.lgbrcapital.com
email: unicornam@lgbrcapital.com

The procedure for, and the terms and conditions of, application under this Offer are set out in Part X of this document together with the Application Form. Completed Application Forms must be posted or delivered by hand (during normal business hours only) to the receiving agent, The City Partnership (UK) Limited, 110 George Street, Edinburgh EH2 4LH (Receiving Agent). The Offer opens on 11 February 2020 and will close at 5.30 p.m. on 30 June 2020 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion).

YOUR ATTENTION IS DRAWN TO THE RISK FACTORS ON PAGES 8 AND 9.

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Summary

1 Introduction, containing warnings

This summary should be read as an introduction to the prospectus issued by Unicorn AIM VCT plc (Company) on 11 February 2020 (Prospectus) and any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

The securities (New Shares) being offered pursuant to the offer for subscription by the Company contained in the Prospectus (Offer) are ordinary shares of 1p each (ISIN: GB00B1RTFN43) (Shares).

The Company can each be contacted by writing to the company secretary, ISCA Administration Services Limited at Suite 8, Bridge House, Courtenay Street, Newton Abbot TQ12 2QS or by calling, within business hours, 01392 487056.

The Legal Entity Identity number (LEI) for the Company is 21380057QDV7D34E9870.

The Prospectus was approved on 11 February 2020 by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN. Contact information relating to the Financial Conduct Authority can be found at <https://www.fca.org.uk/contact>.

2 Key information on the issuer

2.1 Who is the issuer of securities?

The Company is a public company with limited liability incorporated in England and Wales and domiciled in the United Kingdom.

The Company operates under the Companies Act 2006 and regulations made thereunder.

HMRC has granted approval of the Company as a Venture Capital Trust (VCT) under section 259 of the Income Tax Act 2007 (as amended). The business of the Company has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full VCT approval.

The LEI for the Company is 21380057QDV7D34E9870.

The Company does not have any major shareholders and to the best of the knowledge and belief of the directors of the Company (Directors), the Company is not directly controlled by any other party and at the date of the Prospectus, there are no arrangements in place that may, at a subsequent date, result in a change of control of the Company.

The board of Directors is comprised of Tim Woodcock (Chairman), Peter Dicks, Charlotta Ginman, Jeremy Hamer and Jocelin Harris (Board).

Unicorn Asset Management Limited (Investment Manager) has been appointed as the Company's investment manager. ISCA Administration Services Limited has been appointed as the company secretary and as the Company's administrator.

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

2.2 What is the key financial information regarding the issuer?

2.2.1 Selected historical financial information

2.2.1.1 Information relevant to closed end funds (as at 30 September 2019 (audited), unless otherwise stated)

Share class	Net assets	No. of Shares	NAV Share	Historical Performance
Ordinary	£201.1m	130,660,071	153.9p	170.5p (NAV as at 31 January 2020 (unaudited))

2.2.1.2 Income statement for closed end funds

	Financial year ended 30 September 2019
Investment income	£2,728,000
Total income before operating expenses	£2,728,000
Profit/(loss) on ordinary activities before taxation	£(12,160,000)
Net profit/(loss) on ordinary activities before taxation	£(12,160,000)
Performance fee (accrued/paid)	0
Investment management fee (accrued/paid)	£3,664,000
Any other material fees (accrued/paid) to service providers	£358,000
Earnings per Share	(9.8)p
Dividends paid per Share (in the period)	6.5p
Dividends paid per Share (in respect of the period)	6.5p
Total assets	201,116,000
NAV per Share	153.9p

2.1.1.3 Balance sheet for closed end funds

	Financial year ended 30 September 2019 (audited)
Total net assets	£201.1m

2.2.2 Pro forma financial information

There is no pro forma financial information in the Prospectus.

2.2.3 Qualifications to audit reports

There were no qualifications in the audit report for the Company in respect of the financial year ended 30 September 2019.

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

- There can be no guarantee that the Company's investment objectives will be achieved or that suitable investment opportunities will be available. The performance of the Company (and the ability to achieve returns for Shareholders) will be dependent on the investment opportunities sourced by the Investment Manager and the performance of those investments.
- Changes to VCT legislation since 2015 have introduced a number of restrictions and conditions designed to ensure that investments are made in smaller, younger businesses targeting growth and development and where capital is at risk. These changes may limit the number of, and increase competition for, investment opportunities available going forward compared to previously and such companies are likely to have a higher risk profile (and increased volatility of future returns and more extreme investment outcomes) than companies in which investments were previously made.
- Investment in AIM-quoted, NEX Exchange market-traded and unquoted companies by its nature involves a higher degree of risk than investment in companies listed on the Official List. In particular, the viability and financial performance of small companies often depends on a narrow product range, small markets, limited financial resources, a small number of staff and counterparties, and may be more susceptible to political, exchange rate, taxation and regulatory changes.
- The Board intends to manage its affairs in respect of each accounting period so as to maintain approval as a VCT. However, there can be no guarantee that the Company will be able to maintain VCT status.
- The Company's investments may be difficult to realise. The fact that a share is traded on AIM or NEX Exchange markets does not guarantee its liquidity. The value of the Company's portfolio and opportunities for realisation will also depend on stock market conditions.
- Any change in governmental, economic, fiscal, monetary or political policy, in particular current government spending reviews and cuts, could materially affect, directly or indirectly, the operation of the Company and/or the performance of the Company and the portfolio of companies in which it invests and the value of and returns from Shares and/or its ability to maintain VCT status.
- Economic and global political uncertainty, including trade negotiations post Brexit and potential low levels of economic growth, continues to present significant challenges and is adversely affecting, and may continue to adversely affect, the performance of companies in which the Company has invested or may invest. This may also negatively impact on the number or quality of investment opportunities available to the Company.

3 Key information on the securities

3.1 What are the main features of the securities?

3.1.1 Description and class of securities

The New Shares are ordinary shares of 1 p each (ISIN: GB00B1RTFN43).

The Company's share capital comprises ordinary shares of 1 p (GBP) each.

As at the date of this document there are 130,005,698 Shares in issue (all fully paid up). The maximum number of New Shares to be issued pursuant to the Offer is 20 million.

3.1.2 Rights attaching to the securities

The New Shares will rank equally in all respects (including on a winding up) with each other and the existing Share capital of the Company from the date of issue.

There are no restrictions on the transferability of the Shares.

3.1.3 Dividend policy

The objective of the Board is to maintain a steady flow of dividend distributions to Shareholders and intends to continue with this policy. The Board moved to making dividend payments twice-yearly in August 2017.

The ability to pay dividends and the amount of such dividends depends on the performance of the Company's investments, available reserves and cash, as well as the need to retain funds for further investment and ongoing expenses.

3.2 Where will the securities be traded?

Applications have been made to the FCA for the New Shares to be listed on the premium segment of the Official List and will be made to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities.

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

- The value of Shares, and the income derived from them, may go down as well as up and an investor may not get back the amount they invested. The past performance of the Company or other funds managed or advised by the Investment Manager is not a guide to the future performance of the Company. The value of Shares in the Company largely depends on the performance of the Company's underlying assets. The value of such investments and the dividend stream therefrom can rise and fall. Shareholders may get back less than the amount originally invested, even after taking into account the available tax reliefs. In addition, there is no guarantee that dividends will be paid or that any stated dividend objective will be met.
- Shareholders will have no rights to have their Shares redeemed or repurchased by the Company at any time. Shareholders wishing to dispose of their Shares will need to do so via the stock market. The ability of Shareholders to sell their Shares at or close to net asset value will depend on the existence of buyers for the Shares and the market price of the Shares.
- Although the existing Shares have been (and it is anticipated that the New Shares to be issued pursuant to the Offer will be) admitted to the premium segment of the Official List and are (or will be) traded on the London Stock Exchange's main market for listed securities, the secondary market for VCT Shares is generally illiquid (which may be due to upfront tax relief not being available for VCT shares bought in the market) and Shareholders may have difficulty in selling their Shares as a result.
- The sale of New Shares by a subscriber within five years of subscription will result in the upfront income tax relief claimed upon investment becoming repayable. On this basis, investing in New Shares should be considered a long-term investment. Further, the disposal of existing Shares within six months before or after the acquisition of New Shares will result in the amount of the investment in New Shares to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

4 Key information on the offer of securities to the public and/or the admission to trading on a regulated market

4.1 Under which conditions and timetable can I invest in the securities?

4.1.1 Terms and Conditions

The Company is seeking to raise up to £15 million (with an over-allotment facility to raise up to a further £10 million) through the issue of up to 20 million New Shares pursuant to the Offer. If the Board decides (in consultation with the Investment Manager) to increase the Offer by using the over-allotment facility, this will be communicated by way of a Regulatory Information Service announcement.

The number of New Shares to be allotted to a successful Applicant will be determined by the following formula (Allotment Formula):

Where:	$\text{Number of New Shares} = \frac{A - B - C}{\text{NAV}}$
A	is the Application Amount (this being the amount remitted to the Company with the investor's Application, including any amount requested to be facilitated, as accepted under the Offer);
B	is 2.5% of the Application Amount (ie 2.5% of A), less any amount of the fee payable to the Investment Manager that the Investment Manager has agreed to waive at its discretion;
C	is either: <ul style="list-style-type: none">(i) in respect of advised investors, the amount of any initial adviser charge agreed to be facilitated (up to the maximum of 4.5% of the Application Amount (i.e. 4.5% of A)); or(ii) in respect of 'execution-only' investors, the amount of any initial commission agreed to be paid to the 'execution-only' financial intermediary (up to a maximum of 3% of the Application Amount (i.e. 3% of A)) less any amount of initial commission agreed to be waived; and
NAV	is the most recently published NAV per Share at the time of allotment, adjusted for dividends subsequently declared and for which the record date for payment has passed at the time of allotment.

The Offer price is determined by dividing the Investment Amount (this being the amount of the investor's Application accepted to be used to subscribe for New Shares (i.e. the Application Amount, less any amount of any initial adviser charge agreed to be facilitated in respect of an advised investor)) by the number of New Shares to be issued.

4.1.2 Expected Timetable

The Offer opens on 11 February 2020 and will close at 5.30 p.m. on 30 June 2020 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Offer will not be extended beyond 30 June 2020.

The Board currently envisages two allotments of New Shares on 3 April 2020 and 10 July 2020 (or, if earlier, on full subscription). Allotment of New Shares may, however, be made more frequently at the discretion of the Board.

4.1.3 Details of Admission

Applications have been made to the FCA for the New Shares to be listed on the premium segment of the Official List and will be made to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities. It is anticipated that dealings in the New Shares will commence within three business days following allotment.

4.1.4 Distribution

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

4.1.5 Dilution

Assuming 20 million New Shares are allotted by the Company (this being the maximum number of New Shares that may be allotted pursuant to the Offer), the existing issued share capital of the Company would represent 86.67% (assuming no participation in the Offer by existing shareholders of the Company).

4.1.6 Expenses of the Offer

4.1.6.1 Offer expenses

The Investment Manager, as promoter of the Offer, will be paid a fee equal to 2.5% of the Application Amounts (this being the amount remitted to the Company with the investor's Application, including any amount requested to be facilitated, as accepted under the Offer) in respect of Applications accepted under the Offer, plus an amount equal to any 'execution-only' financial intermediary initial commissions (maximum 3.0% of the Application Amount). In consideration, the Investment Manager has agreed to meet all Offer costs payable by the Company (other than annual trail commission), including any initial 'execution-only' financial intermediary commissions, fees payable to LGBR Capital London Limited, professional fees and listing fees. Annual trail commission will be payable by the Company. Any amount of initial adviser charge agreed to be facilitated (up to a maximum of 4.5% of the Application Amount will be facilitated) is paid by the investor from the monies received with the investor's Application and is not paid by the Company.

The Investment Manager may agree to waive any part of its fee represented by 2.5% of the Application Amounts in respect of Applications accepted under the Offer as referred to above (this being (B) in the Allotment Formula) in respect of any specific investor or group of investors for the benefit of such investors. The benefit of any waiver will reduce the fee payable to the Investment Manager and, in respect of investors, be applied by reducing (B) in the Allotment Formula by an equivalent amount, which will reduce the costs applied for those investors, thereby

increasing the number of New Shares to be allotted to such investors.

The Investment Manager has further agreed that, to the extent that the actual costs of the Offer incurred by it are less than the amount of the promotion fee payable to it, it will rebate the excess amount to the Company.

The fees payable to the Investment Manager (which are borne by the investor through the Allotment Formula), plus annual trail commission will, therefore, be the maximum costs directly incurred by the Company in relation to the Offer.

Assuming full subscription under the Offer (utilising the over-allotment facility) the Offer costs payable by the Company will be a maximum of £1.375 million (ignoring annual trail commission and assuming that the maximum amount of initial commission of 3% is payable to 'execution-only' financial intermediaries in respect of all investors) and the net proceeds, on the same basis, will amount to £23.625 million.

4.1.6.2 Expenses charged to the investor

The maximum upfront costs of the Offer to an investor will be 2.5% of the Application Amount (this being the amount remitted to the Company with the investor's Application, including any amount requested to be facilitated, as accepted under the Offer) plus (i) in respect of 'execution-only' investors, any initial commission payable to 'execution-only' financial intermediaries (this being a maximum of 3% of the Application Amount) or (ii) in respect of advised investors, any amount of initial adviser charges payable by the investor (unless an investor agrees to pay directly any other fees in connection with their investment).

4.2 Why is this Prospectus being produced?

4.2.1 Reasons for the Offer

The Board and the Investment Manager believe that there is further appetite for investment in the Company and potentially attractive investment opportunities available.

4.2.2 The use and estimated net amount of proceeds

The net proceeds of the Offer will be pooled with the existing cash resources of the Company and utilised (i) to make new and follow-on investments in accordance with its investment policy and (ii) to help meet annual outgoings (including running costs, directors' fees, trail commission, the payment of dividends and market purchases of Shares).

Assuming full subscription under the Offer (utilising the over-allotment facility) the Offer costs payable by the Company will be a maximum of £1.375 million (ignoring annual trail commission and assuming that the maximum amount of initial commission of 3% is payable to 'execution-only' financial intermediaries in respect of all investors) and the net proceeds, on the same basis, will amount to £23.625 million.

4.2.3 Conflicts of interest

The Investment Manager is the investment manager both to the Company and a number of other funds, including open ended investment companies in which the Company invests. To ensure that the Investment Manager does not receive a double payment of management fees in respect of these other funds, the Company and the Investment Manager have put in place arrangements whereby the Company does not pay the Investment Manager management fees in relation to any investments by the Company in these other funds.

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

Risk Factors

Prospective investors should consider carefully the following risk factors in addition to the other information presented in this document. If any of the risks described below materialise, it could have a material effect on the Company's business, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company, the Board or investors in the Shares will face. Additional risks not currently known to the Company or the Board, or that the Company or the Board currently believes are not material, may also adversely affect the Company's business, financial condition and results of operations.

The value of the Shares could decline due to any of the risk factors described below materialising, and investors could lose part or all of their investment. Investors should consult an independent financial intermediary authorised under FSMA.

The attention of prospective investors is drawn to the following risks.

Risks relating to Shares

The value of Shares, and the income derived from them, may go down as well as up and an investor may not get back the amount they invested. The past performance of the Company or other funds managed or advised by the Investment Manager is not a guide to the future performance of the Company. The value of Shares in the Company largely depends on the performance of the Company's underlying assets. The value of such investments and the dividend stream therefrom can rise and fall. Shareholders may get back less than the amount originally invested, even after taking into account the available tax reliefs. In addition, there is no guarantee that dividends will be paid or that any stated dividend objective will be met.

Shareholders will have no rights to have their Shares redeemed or repurchased by the Company at any time. Shareholders wishing to dispose of their Shares will need to do so via the stock market. The ability of Shareholders to sell their Shares at or close to net asset value will depend on the existence of buyers for the Shares and the market price of the Shares.

Although the existing Shares have been (and it is anticipated that the New Shares to be issued pursuant to the Offer will be) admitted to the premium segment of the Official List and are (or will be) traded on the London Stock Exchange's main market for listed securities, the secondary market for VCT Shares is generally illiquid (which may be due to upfront tax relief not being available for VCT shares bought in the market) and Shareholders may have difficulty in selling their Shares as a result. An investment in the Company should be considered as long-term.

The Shares are likely to trade at a discount and the price for a Share which a Shareholder could achieve on the stock market may be significantly less than the net asset value of the Share or the price paid by the Shareholder to acquire the Share. Prospective Investors should also note that, historically, the Shares have traded at a discount.

Investment Risks

There can be no guarantee that the Company's investment objectives will be achieved or that suitable investment opportunities will be available. The performance of the Company (and the ability to achieve returns for Shareholders) will be dependent on the investment opportunities sourced by the Investment Manager and the performance of those investments.

Changes to VCT legislation since 2015 have introduced a number of restrictions and conditions designed to ensure that investments are made in smaller, younger businesses targeting growth and development and where capital is at risk. These changes may limit the number of, and increase competition for, investment opportunities available going forward compared to previously and such companies are likely to have a higher risk profile (and increased volatility of future returns and more extreme investment outcomes) than companies in which investments were previously made. The changes could also restrict the structure of investments and the ability to make follow-on investments adversely impacting on the Company's portfolio. Further changes in legislation concerning VCTs, in particular in relation to qualifying holdings and qualifying trades, may also limit the number of qualifying investment opportunities and/or reduce the level of returns which might otherwise have been achievable.

Investment in AIM-quoted, NEX Exchange market-traded and unquoted companies by its nature involves a higher degree of risk than investment in companies listed on the Official List. In particular, the viability and financial performance of small companies often depends on a narrow product range, small markets, limited financial resources, a small number of staff and counterparties, and may be more susceptible to political, exchange rate, taxation and regulatory changes. In addition, the market for securities in smaller companies may be less regulated and less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities. Investment returns will, therefore, be uncertain and are likely to involve a higher degree of risk than investment in a company listed on the Official List.

The Company's investments may be difficult to realise. The fact that a share is traded on AIM or NEX Exchange markets does not guarantee its liquidity. The value of the Company's portfolio and opportunities for realisation will also depend on stock market conditions. There may also be constraints imposed on the realisation of investments by the need to maintain the VCT status of the Company, which may restrict the Company's ability to obtain maximum value from its investments. In addition, although the Company may receive conventional venture capital rights in connection with some investments, as a minority investor it will not be in a position to fully protect its interests.

Investment in unquoted companies often involves assuming high levels of risk, partly due to the early stage of their development and the absence of liquidity in their issued share capital. This is particularly true when such investments are compared to investment in fully-quoted

securities or AIM-quoted shares. As a consequence of this lack of liquidity, the Investment Manager's ability to manage stock specific exposure and unquoted portfolio concentration through the partial disposal of shares is reduced. The valuation of the unquoted securities also introduces additional risk, because it inevitably involves an element of subjectivity. This additional risk is mitigated through the application of a rigorous valuation process, in accordance with IPEVC Valuation Guidelines. However, in the absence of daily mark-to-market pricing, the carrying values of the Company's investments in privately owned businesses will not always be entirely transparent. As the carrying value of such investments will be more subjective, this may have an adverse effect on the net assets of the Company and the NAV per Share if the underlying value subsequently proves to be different.

Tax Related Risks

The sale of New Shares by a subscriber within five years of subscription will result in the upfront income tax relief claimed upon investment becoming repayable. On this basis, investing in New Shares should be considered a long-term investment. Further, the disposal of existing Shares within six months before or after the acquisition of New Shares will result in the amount of the investment in New Shares to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

The Board intends to manage its affairs in respect of each accounting period so as to maintain approval as a VCT. However, there can be no guarantee that the Company will be able to maintain VCT status. Failure to continue meeting the VCT qualifying conditions could result in shareholders losing tax reliefs available on VCT Shares, resulting in adverse tax consequences including, if Qualifying Investors have not held their Shares for five years, the income tax relief obtained on the amount subscribed in the Company being subject to clawback by HMRC. Furthermore, should the Company lose VCT status, dividends and gains arising on the disposal of Shares would become subject to tax and the Company would also lose its exemption from corporation tax on capital gains.

Where the European Commission believes that state aid has been provided which is not in accordance with the Risk Finance Guidelines, it may require that the UK Government recovers that state aid. There is currently no mechanism in place for this, but recovery may be from the investee company, the Company or the Shareholders and this may have an adverse effect on Shareholder returns.

The tax rules or their interpretation in relation to an investment in the Company and/or rates of tax may change during the life of the Company and can be retrospective, which may affect tax reliefs available on Shares and/or the ability of the Company to meet its objectives or maintain VCT status.

Other Risks

Any change in governmental, economic, fiscal, monetary or political policy, in particular current government spending reviews and cuts, could materially affect, directly or indirectly, the operation of the Company and/or the performance of the Company and the portfolio of companies in which it invests and the value of and returns from Shares and/or its ability to maintain VCT status. Furthermore, where the European Commission believes that state aid (such as VCT tax relief) has been provided which is not within the Risk Finance Guidelines, it might require that the UK Government recovers that state aid.

Economic and global political uncertainty, including trade negotiations post Brexit and potential low levels of economic growth, continues to present significant challenges and is adversely affecting, and may continue to adversely affect, the performance of companies in which the Company has invested or may invest. This may also negatively impact on the number or quality of investment opportunities available to the Company.

The performance of the Company depends on the investment performance of the Investment Manager, which in turn is dependent upon the performance and continued availability of certain key personnel. In the event that any one or more of these persons were unavailable either temporarily or permanently, the investment performance of the Company may be adversely affected.

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

Offer Timetable, Statistics & Costs

Indicative Offer Timetable

Offer opens	11 February 2020
Closing date for 2019/2020 tax year applications	5.30 p.m. on 2 April 2020
Closing date 2020/2021 tax year applications	5.30 p.m. on 30 June 2020
Offer closes*	30 June 2020
Allotments**	3 April 2020 and 10 July 2020 (or, if earlier, on full subscription)
Effective date for the listing of New Shares and commencement of dealings	three Business Days following allotment
Share certificates and tax certificates to be dispatched	within ten Business Days of allotment

* The Offer will close earlier than the date stated above if it is fully subscribed or otherwise at the Board's discretion.

** The Board currently envisages two allotments of New Shares. Allotment of New Shares may, however, be made more frequently at the discretion of the Board. The Offer will not be extended beyond 30 June 2020. The Board reserves the right to accept applications and allot and arrange for listing of New Shares as it sees fit.

Offer Statistics

Investor's minimum investment***	£3,000
Maximum amount (before costs) to be raised****	£15 million (with an over-allotment facility to raise up to a further £10 million)
Maximum number of New Shares to be issued	20 million

*** In aggregate if an application is for both tax years.

**** If the Board decides to utilise the over-allotment facility, this will be advised by way of a Regulatory Information Service Announcement.

Offer Price, Costs and Commissions

Details on how the number of New Shares and the Offer Price will be calculated, together with details relating to financial intermediary commission and facilitation of initial adviser charges, are set out in Part II of this document.

If you have any questions relating to the completion and return of the Application Form, please contact The City Partnership (UK) Limited on 0131 243 7210. Calls are charged at the Standard Geographic Rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that The City Partnership (UK) Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Letter from the Chairman

Unicorn AIM VCT plc
Suite 8, Bridge House
Courtenay Street
Newton Abbot
TQ12 2QS

(Registered number 04266437)

11 February 2020

Dear Investor

Introduction

I am delighted to have recently taken over as Chairman at the annual general meeting held on 30 January 2020 and, on behalf of the Board, I am pleased to introduce this new opportunity to invest in the Company.

The Board and Unicorn AM, our investment manager, believe that there is further appetite for investment in the Company and potentially attractive investment opportunities available. We are, therefore, pleased to offer Shareholders and new investors the opportunity to subscribe for New Shares in the Company pursuant to this Offer.

The Company was launched in November 2001 and is a well-established VCT. With unaudited net assets of over £220 million as at 31 January 2020, the Company is the largest AIM-focused VCT in the market. Unlike a newly established VCT, the Company offers investors access to an existing diverse portfolio of investments in over 90 companies. This means that it has the potential to deliver tax-free capital growth and dividends to Qualifying Investors from the first year of investment.

Performance and Economic Backdrop

The Company has continued to perform well, despite the low levels of economic growth in the UK and an unsettled political environment. As at 31 December 2019, the Company's unaudited net assets were over £220 million, with the unaudited net asset value per Share of 173.6p as at that date being the highest level recorded since the merger of the Company with Unicorn AIM VCT II plc on 9 March 2010.

The recent performance of the portfolio has been pleasing. The FTSE AIM All-Share Index posted a total return of +10.2% in the final quarter of 2019, while net asset value per Share during the same period increased by 12.8% from 153.9p per Share as at 30 September 2019 (audited) to 173.6p per Share as at 31 December 2019 (unaudited).

A significant proportion of this strong performance was delivered in the last three weeks of December 2019, as investor appetite for risk returned following the General Election. The decisive result of the election appears to have reduced political uncertainty and means that Brexit has now happened. Recent performance has also been helped by meaningful uplifts in the carrying value of two successful unquoted businesses.

It also appears that investors have started to become more positive with regard to the prospects for AIM-quoted businesses. Having struggled in relative performance terms during 2019, the FTSE AIM All-Share Index and the FTSE SmallCap Index now look poised to attract greater attention from investors, as the UK enters the new decade with greater political certainty and the potential for faster and more sustainable economic growth. The portfolio remains predominantly composed of investments in businesses listed on AIM. Many of these investee companies are relatively mature and, typically, are also consistently profitable, cash generative and dividend paying.

The Board and the Investment Manager remain confident that the portfolio has good, long term growth prospects. In addition, the more certain political environment is likely to bring further investment opportunities and the Investment Manager has already seen an increased deal flow since the start of 2020.

It is important however, to remind Shareholders and potential investors in the Company, that the new capital raised under this Offer and recent fundraisings by the Company will, by regulatory necessity, be targeted at younger, less well-established businesses.

Over the past 18 years, the Investment Manager has constructed a diverse portfolio of investments in businesses operating across a variety of sectors and at different stages of development. This prudent approach has proved successful, with net asset value per Share growing over the longer term and the Company now paying dividends twice-yearly.

The Company's unaudited net asset value per share has continued to make progress at the start of 2020. After adding back the 3.5p per Share dividend (the Shares were quoted ex-dividend on 9 January 2020, with the dividend being paid on 6 February 2020 and hence deducted in the calculation of the unaudited net asset value per Share as at 31 January 2020), the unaudited net asset value per Share increased further during January 2020 by 0.4p to 174.0p (an increase of 0.2%) per Share.

VCT Rule Changes

Over recent years, the Government has continued to direct VCT investment away from lower risk areas and into early-stage businesses that genuinely require scale-up capital. In order to achieve this objective, the rules governing eligibility for state aid have been tightened. The Board and the Investment Manager are supportive of this Government initiative. New investment is, therefore, now required to be targeted towards younger, less well-established businesses, which means they are often loss-making and higher risk.

The Investment Manager has been successful in adapting its investment approach to meet the new VCT investment restrictions and made a number of new investments in promising companies with the objective of further diversifying the portfolio while generating both growth and income. The Company invested approximately £27.4 million in new and follow-on investments across 23 companies in the 24 months to 31 December 2019. The Investment Manager is seeing attractive investment opportunities in companies across a broad spectrum of sectors with good growth and income prospects.

Following changes to the rules governing Venture Capital Trusts, it is probable that a higher proportion of the Company's portfolio over time will be in investments in unquoted companies, thereby increasing the impact such investments may have on the Company's future net asset value. The portfolio currently contains investments in nine unquoted companies, which, in aggregate, accounted for approximately 17.8% of the Company's unaudited net assets as at 31 January 2020.

In accordance with IPEVC Valuation Guidelines, the Company's investments in privately owned businesses are subject to regular fair value reviews. In recent quarters, these fair value reviews have resulted in meaningful uplifts in the carrying values of two of the unquoted investments: Interactive Investor and Hasgrove. These two investments now each represent a portfolio weighting in excess of 7%. The valuation of the investments in Hasgrove and Interactive Investor has increased due to the progress both businesses continue to report both operationally and financially.

By definition, however, new investments will be higher risk and, as a consequence, the Company is likely to experience more extreme investment outcomes, both on the upside and downside. Whilst the Board and the Investment Manager believe that the businesses in which the Company has invested over the past year have the potential to deliver substantial investment returns over time, we do anticipate more failures from these newer investments.

Despite this change in investment emphasis, the Board and the Investment Manager believe that a significant proportion of the Company's assets remain invested in operationally strong and financially robust businesses, which have matured sufficiently to allow them to be consistently profitable and sufficiently cash generative to allow for the payment of dividends.

The Opportunity

The Board believes that the Offer is an attractive investment opportunity for both existing Shareholders and new investors for the following reasons:

- **Good deal-flow** – The Investment Manager believes there will continue to be a healthy flow of attractive, VCT qualifying, opportunities from which to choose new investments. Small and medium-sized enterprises (SMEs) play a key role in boosting productivity – but, crucially, they continue to need financial support in order to expand successfully.
- **Timing** – With economic uncertainty likely to continue during the trade negotiations post Brexit, Government-backed schemes such as VCTs are well placed to assume a greater role in providing VCT qualifying SMEs with a reliable and much-needed source of expansion capital.
- **Established portfolio** – The Offer provides the opportunity for investors to access an established investment portfolio, which has performed well historically and has the potential to generate capital growth and deliver dividends for Shareholders, even in the first year of investment. By contrast, returns through an investment in a newly established VCT are likely to take longer to deliver.
- **Tax-free returns** – the Company has an established track record of making regular dividend payments to Shareholders, having paid dividends of 6.5p in each of the last two financial years. These dividends are tax-free to Qualifying Investors. A dividend of 6.5p (as paid in respect of the financial year ended 30 September 2019) would represent a yield of 4.2% (based on the audited net asset value per Share as at 30 September 2019 of 153.9p).

The Investment Manager

The Investment Manager was established in 2000 and is an independently owned and managed company. The Investment Manager specialises in investing in small and medium sized UK companies, quoted on AIM and fledgling markets and has a successful track record in this area of the market.

The Investment Manager operates a team-based approach to investment management and its committed and well-resourced investment team has over 150 years' of combined experience. The Investment Manager is focused on being the 'best not the biggest' and its funds aim to deliver long term outperformance. Unlike many investment firms, the Investment Manager is majority owned by its directors and managers, providing further incentive to help ensure that the funds it manages deliver consistently strong performance.

As at 31 January 2020, the Investment Manager had over £1.4 billion under management in a range of funds designed to satisfy a variety of investor requirements. Its funds include an OEIC with six sub-funds. The Investment Manager also acts as investment adviser to an investment trust.

The Offer

The Company proposes to raise up to £15 million (with an over-allotment facility to raise up to a further £10 million) through the issue of up to 20 million New Shares pursuant to the Offer. If the Board decides (in consultation with the Investment Manager) to increase the Offer by using the over-allotment facility, this will be communicated by way of a Regulatory Information Service announcement. The Offer opens on 11 February 2020 and will close (unless fully subscribed before this date or otherwise at the Board's discretion) at 5.30 p.m. on 30 June 2020. Applications can be made for both the 2019/20 and the 2020/2021 tax years.

Details on how the number of New Shares and the Offer Price will be calculated, together with details relating to financial intermediary commission and facilitation of initial adviser charges, are set out in Part II of this document. We are again using an Allotment Formula through which the number of New Shares to be issued to an Applicant will be calculated. This takes into account the costs incurred by investors, whether (a) 'execution-only' intermediary commission applies or (b) an upfront initial adviser charge applies, or (c) an investor is applying direct. The Allotment Formula continues to be based on the most recently published NAV per Share at the time of allotment. The Company publishes monthly unaudited NAVs and may publish additional NAVs for the purposes of allotments under the Offer.

Tax Benefits

The Company provides Qualifying Investors with access to the attractive tax benefits associated with an investment in a VCT. Qualifying Investors will receive up to 30% income tax relief on amounts subscribed (subject to (i) a maximum investment in VCTs of £200,000 in a tax year, (ii) an investor's tax liability being reduced to nil and (iii) provided the New Shares are held for at least five years). Dividends and capital gains for Qualifying Investors will also be tax-free (subject to the annual investment limits).

Potential investors should note that the disposal of existing Shares within six months before or after the subscription for New Shares will result in the amount of the investment in New Shares to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

Next Steps

If you are considering an investment, please read the full Prospectus and then complete the Application Form, which can be found at the end of this document or can be downloaded at www.unicornaimvct.co.uk/investor-area/fundraising.

If you have any questions regarding the Offer you should contact your financial intermediary or call Unicorn AM on 020 7253 0889 or LGBR Capital (the distributor for the Offer) on 020 7071 3920. Please note that neither Unicorn AM nor LGBR Capital are able to provide you with investment, financial or tax advice. Your attention is also drawn to the Risk Factors on pages 8 and 9 of this document.

We look forward to welcoming new and returning Shareholders.

Tim Woodcock
Chairman

Part I – Investment Opportunity

Attractive Investment Opportunity

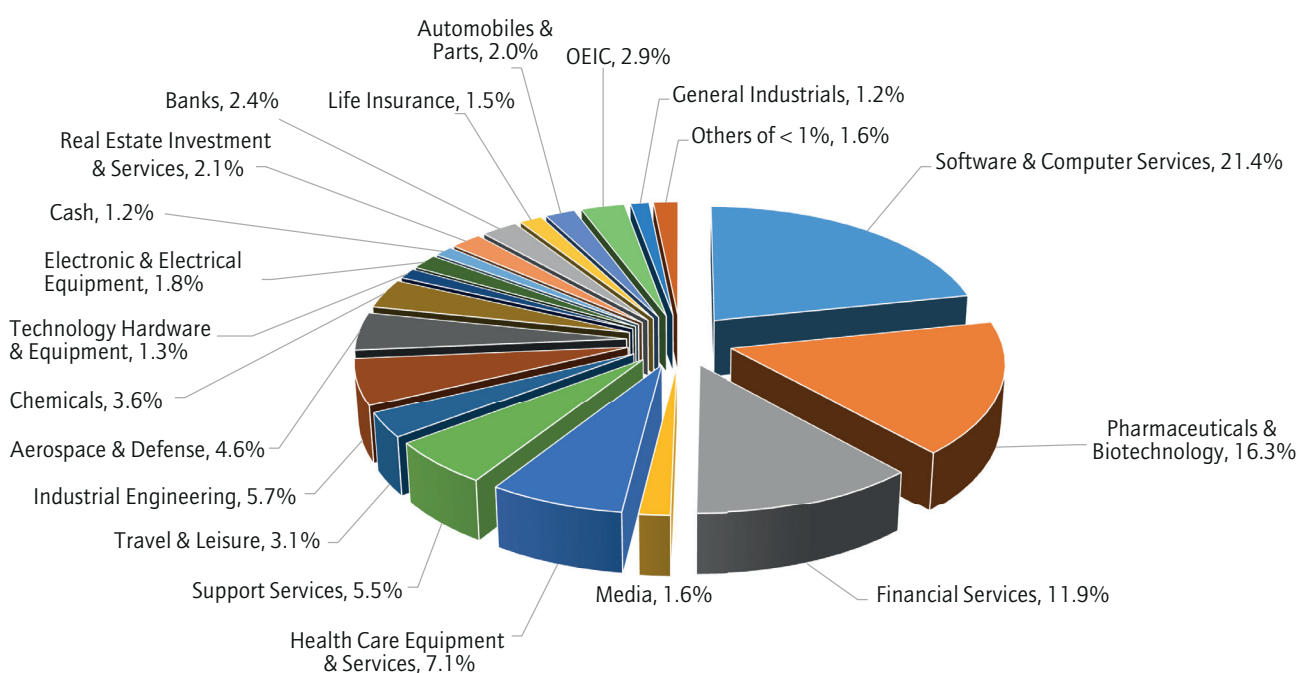
The Company is an established VCT which meets the qualification requirements set out by HMRC. Unlike a new VCT, the Company has an established track record of delivering both capital growth and regular tax-free (to Qualifying Investors) dividend income from an established portfolio of existing investments. The strategy is to invest in businesses that in the Investment Manager's opinion display a majority of the following characteristics:

- Experienced and well-motivated management;
- Products and services supplying growing markets;
- Sound operational and financial controls; and
- Potential for good cash generation to finance ongoing development and to support a progressive dividend policy.

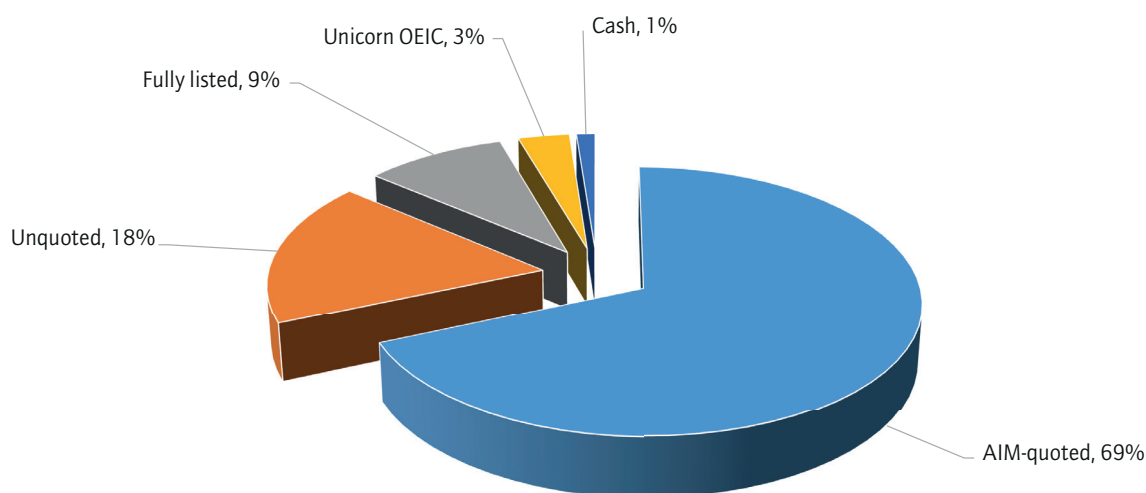
Shareholders should be aware that, as a result of the new qualifying conditions introduced over the last few years, new capital raised by the Company under recent offers, the current Offer and under future offers is likely to be directed towards earlier stage companies, which may or may not be profitable at the point of investment.

The Company's assets are currently invested in a diversified portfolio of investments both by sector and by number of investments held. The portfolio allocation, based on valuations as at 31 January 2020 (taken from the unaudited accounts of the Company as at that date), are shown below. The Investment Manager's team will continue to maintain a selective approach to new investment opportunities.

Allocation of Investments by Sector



Allocation of Investments by Type



The existing portfolio is, by VCT Value (as defined on page 53 and which is calculated on a different basis to the accounting value), comfortably above the 80% threshold required to retain VCT qualifying status (being 89.4% as at 31 January 2020).

The Board believes that:

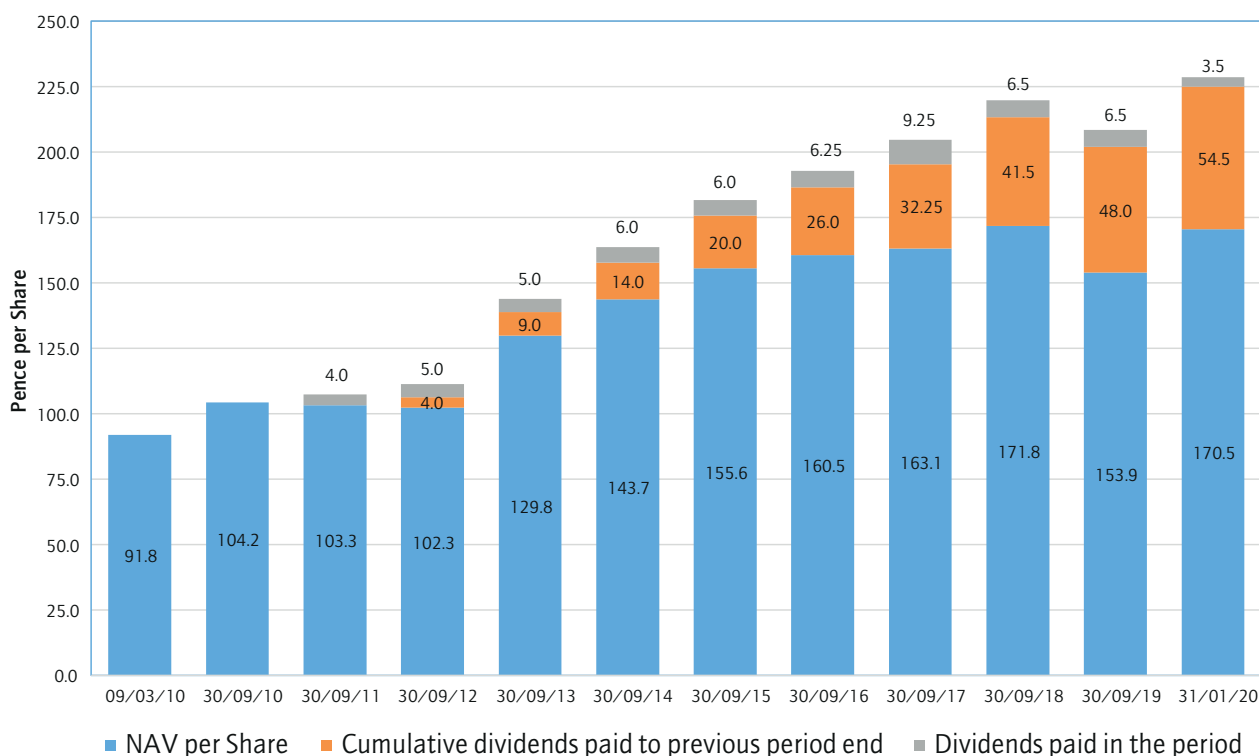
- The Company offers access to a diversified and maturing portfolio of companies, which the Board and the Investment Manager believe have the potential to develop and grow. As at 31 January 2020, the Company had 95 active investments valued at £219.1 million (unaudited).
- The Company (including Unicorn AIM VCT II plc, which merged with the Company in 2010) has a healthy dividend record, having paid out £53 million in aggregate to Shareholders in dividends since launch, which have been tax-free to Qualifying Investors.
- The companies in the Company's portfolio have, on a simple average basis by reference to most recent published accounts, an average market capitalisation of £117 million, a turnover of £33 million per annum and a pre-tax profit of £0.1 million per annum, with approximately 31% of the companies currently expected to pay a dividend in the next 12 months. These figures exclude the fully listed securities and funds in which the Company has a holding, which form part of the Company's portfolio for liquidity purposes.
- Despite the challenging economic conditions, AIM continues to be an attractive source of financing for innovative, high-quality and growing companies. Many business owners seek a listing on AIM because it is a well regulated market with a diversified investor base that can help to achieve growth and assist in realising the potential of their business. In addition, more realistic pricing in the AIM market is likely to bring investment opportunities.
- Notwithstanding the challenging conditions, companies within the portfolio in general have shown resilience and, in many cases, have grown revenues and earnings. The Board and the Investment Manager remain confident that the portfolio has good growth prospects.
- The Investment Manager's experienced investment team continues to see a steady flow of VCT qualifying opportunities from companies in the AIM market and also in the unquoted sector, which may need capital in the medium term, not least because banks continue to limit their lending exposure to smaller companies.
- New offers by VCTs continue to offer attractive tax incentives for private investors when compared to other types of tax efficient investment.

Performance*

In March 2010, the Company merged with Unicorn AIM VCT II plc to create what is now the largest AIM-focused VCT in the market. In addition, the Company completed the acquisition of the assets and liabilities of Rensburg AIM VCT plc on 12 January 2016 adding £11.51 million of net assets and 32 investments to the portfolio.

The NAV per Share has increased from 91.8p as at 9 March 2010 (the date on which the Company merged with Unicorn AIM VCT II plc) to 170.5p as at 31 January 2020 (unaudited). In addition, the Company has, in aggregate, paid dividends of 58.0p per Share (circa £53 million in aggregate) during this same period, as shown in the graph below.

NAV per Share, Cumulative Dividends Paid & Cumulative Total Shareholder Return



The dividend of 3.5p shown for the period to 31 January 2020 was paid on 6 February 2020, but the Shares were quoted ex-dividend on 9 January 2020 and, therefore, the dividend was deducted in the calculation of the unaudited net asset value as at 31 January 2020.

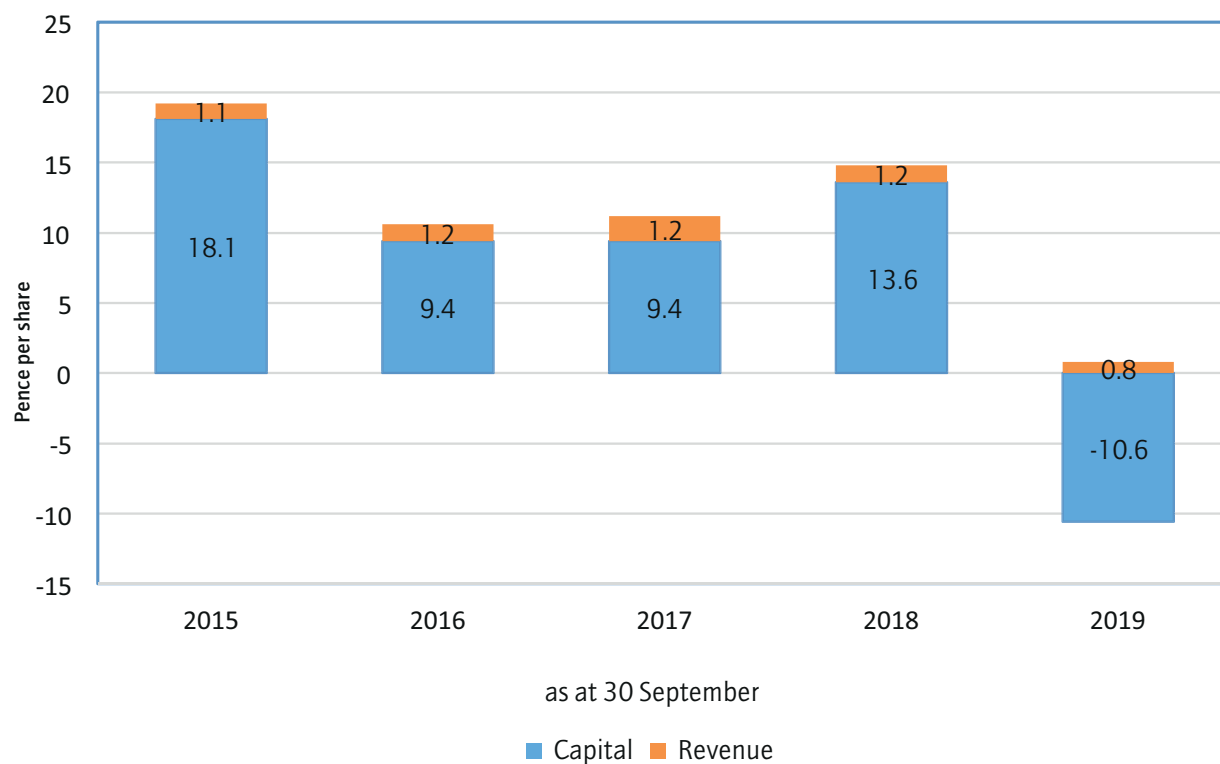
The higher dividend paid during the financial year ended 30 September 2017 is a result of the decision by the Board in August 2017 to start paying dividends twice-yearly.

The cumulative total Shareholder return since the merger of the Company with Unicorn AIM VCT II plc on 9 March 2010, when the unaudited NAV per Share was 91.8p, is 136.7p representing the cumulative dividends paid of 58.0p plus the increase in unaudited NAV per Share of 78.7p since that date to 31 January 2020.

* The past performance of the Company is not a guide to the future performance of the Company. The above represents the return on Shares from 9 March 2010. Shares issued before or after this date will have different performance statistics.

Earnings per Share*

The Company's earnings per Share for the financial year ended 30 September 2019, together with those of the previous four financial years, are outlined in the graph below:



The capital and revenue earnings for the four months ended 31 January 2020 were 19.8p per Share and 0.1p per Share, respectively.

* Total earnings including unrealised gains/losses on investments after taxation divided by the weighted average number of Shares in issue. The past performance of the Company is not a guide to the future performance of the Company.

Part II – The Offer

Terms of the Offer

The Company is seeking to raise up to £15 million (with an over-allotment facility to raise up to a further £10 million) through the issue of up to 20 million New Shares pursuant to the Offer. If the Board decides (in consultation with the Investment Manager) to increase the Offer by using the over-allotment facility, this will be communicated by way of a Regulatory Information Service announcement. There is no minimum subscription level for the Offer to proceed and the Offer is not underwritten.

The minimum investment (in aggregate if applications are made in respect of both the 2019/20 and the 2020/2021 tax years) by an investor under the Offer is £3,000 (net of any amount of initial adviser charge to be facilitated) and multiples of £500 thereafter. Investors are reminded that VCT upfront income tax relief is only available in respect of investments of up to £200,000 in VCTs in any one tax year.

New Shares will rank *pari passu* with the existing Shares in issue in respect of dividends with record dates after the date of issue of the relevant New Shares.

Applications under the Offer will normally be accepted on a first come, first served basis (provided cheques are not post-dated and with priority being given to applications with cleared funds), subject always to the discretion of the Board. Applicants are encouraged to submit their Application Form early in order to improve the likelihood that their Application will be successful.

The full terms and conditions of the Offer can be found at the end of this document.

Closing Date, Receipt of Applications and Allotment

The Offer opens on 11 February 2020 and will close at 5.30 p.m. on 30 June 2020 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Offer will not be extended beyond 30 June 2020.

Applications for the 2019/2020 tax year should be received by 5.30 p.m. on 2 April 2020 and applications for the 2020/2021 tax year should be received by 5.30 p.m. on 30 June 2020. Applicants submitting applications by post should allow two working days for delivery. Applicants submitting applications accompanied by a cheque should allow at least seven working days for their funds to clear.

The Board currently envisages two allotments of New Shares on 3 April 2020 and 10 July 2020 (or, if earlier, on full subscription). Allotment of New Shares may, however, be made more frequently at the discretion of the Board.

The Allotment Formula

The number of New Shares to be allotted to a successful Applicant will be determined by the following Allotment Formula:

$$\text{Number of New Shares} = \frac{A - B - C}{NAV}$$

Where:

- | | | | | | |
|------|---|-----|---|------|---|
| A | is the Application Amount (this being the amount remitted to the Company with the investor's Application, including any amount requested to be facilitated, as accepted under the Offer); | | | | |
| B | is 2.5% of the Application Amount (ie 2.5% of A), less any amount of the fee payable to the Investment Manager that the Investment Manager has agreed to waive at its discretion; | | | | |
| C | is either:
<table border="0"><tr><td style="vertical-align: top;">(i)</td><td>in respect of advised investors, the amount of any initial adviser charge agreed to be facilitated (up to the maximum of 4.5% of the Application Amount (i.e. 4.5% of A)); or</td></tr><tr><td style="vertical-align: top;">(ii)</td><td>in respect of 'execution-only' investors, the amount of any initial commission agreed to be paid to the 'execution-only' financial intermediary (up to a maximum of 3% of the Application Amount (i.e. 3% of A)) less any amount of initial commission agreed to be waived; and</td></tr></table> | (i) | in respect of advised investors, the amount of any initial adviser charge agreed to be facilitated (up to the maximum of 4.5% of the Application Amount (i.e. 4.5% of A)); or | (ii) | in respect of 'execution-only' investors, the amount of any initial commission agreed to be paid to the 'execution-only' financial intermediary (up to a maximum of 3% of the Application Amount (i.e. 3% of A)) less any amount of initial commission agreed to be waived; and |
| (i) | in respect of advised investors, the amount of any initial adviser charge agreed to be facilitated (up to the maximum of 4.5% of the Application Amount (i.e. 4.5% of A)); or | | | | |
| (ii) | in respect of 'execution-only' investors, the amount of any initial commission agreed to be paid to the 'execution-only' financial intermediary (up to a maximum of 3% of the Application Amount (i.e. 3% of A)) less any amount of initial commission agreed to be waived; and | | | | |
| NAV | is the most recently published NAV per Share at the time of allotment, adjusted for dividends subsequently declared and for which the record date for payment has passed at the time of allotment. | | | | |

The number of New Shares to be allotted by the Company will be rounded down to the nearest whole number and fractions of New Shares will not be allotted.

The Allotment Formula, which is based on the latest published NAV and takes account of the costs of the Offer, avoids a diminution in the net asset value of the existing Shares (ignoring the dilution caused by any trail commission paid by the Company, which is likely to be small when compared to the overall NAV per Share). Potential investors should note that the NAV per Share may rise or fall during the Offer period.

Offer Price

The Offer Price is determined by dividing the Investment Amount (this being the amount of the investor's Application accepted to be used to subscribe for New Shares (i.e. the Application Amount, less any amount of any initial adviser charge agreed to be facilitated in respect of an advised investor)) by the number of New Shares to be issued.

The Company will announce the number of New Shares issued and the range of Offer Prices by way of a Regulatory Information Service announcement following allotment.

VCT Tax Reliefs

Qualifying Investors will be able to benefit from the tax reliefs applicable in respect of subscriptions for VCT Shares in respect of the Investment Amount (i.e. the Application Amount, less any amount of any initial adviser charge agreed to be facilitated in respect of an advised investor). This includes up to 30% upfront income tax relief on the Investment Amount, which would not be available if Shares were purchased in the secondary market.

Offer Costs

The Investment Manager, as promoter of the Offer, will be paid a fee equal to 2.5% of the Application Amounts in respect of Applications accepted under the Offer, plus an amount equal to any 'execution-only' financial intermediary initial commissions. In consideration, the Investment Manager has agreed to meet all Offer costs payable by the Company (other than annual trail commission), including any initial 'execution-only' financial intermediary commissions, fees payable to LGBR Capital, professional fees and listing fees. Annual trail commission will be payable by the Company. Any amount of initial adviser charge agreed to be facilitated is paid by the investor from the monies received with the investor's Application and is not paid by the Company. No tax is payable on the issue of New Shares in the UK.

The Investment Manager may agree to waive any part of its fee represented by 2.5% of the Application Amounts in respect of Applications accepted under the Offer as referred to above (this being (B) in the Allotment Formula) in respect of any specific investor or group of investors for the benefit of such investors. The benefit of any waiver will reduce the fee payable to the Investment Manager and, in respect of investors, be applied by reducing (B) in the Allotment Formula by an equivalent amount, which will reduce the costs applied for those investors, thereby increasing the number of New Shares to be allotted to such investors. The Investment Manager has further agreed that, to the extent that the actual costs of the Offer incurred by it are less than the amount of the promotion fee payable to it, it will rebate the excess amount to the Company.

Assuming full subscription under the Offer (utilising the over-allotment facility) the Offer costs payable by the Company will be a maximum of £1.375 million (ignoring annual trail commission and assuming that the maximum amount of initial commission of 3% is payable to 'execution-only' financial intermediaries in respect of all investors) and the net proceeds, on the same basis, will amount to £23.625 million.

The maximum upfront costs of the Offer to an investor will be 2.5% of the Application Amount plus (i) in respect of 'execution-only' investors, any initial commission payable to 'execution-only' financial intermediaries (this being a maximum of 3% of the Application Amount) or (ii) in respect of advised investors, any amount of initial adviser charges payable by the investor (unless an investor agrees to pay directly any other fees in connection with their investment).

Financial Intermediary Adviser Charges

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

If facilitated, this agreed amount will be deducted from the monies received from the relevant investor and the net amount will be invested. The amount deducted will not, therefore, qualify for VCT tax relief. The Allotment Formula continues to take the facilitated amount into account in determining the number of New Shares to be allotted. Any additional initial adviser charges in excess of the amount agreed to be facilitated, as well as any annual adviser charges, will need to be met by advised investors separately.

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

'Execution-Only' Financial Intermediary Commissions

The Investment Manager may (on behalf of the Company) agree with financial intermediaries providing 'execution-only' services that, in respect of any Application accepted from a client for whom the 'execution-only' financial intermediary acts, to pay an initial commission (subject to a maximum of 3% of the amount subscribed for New Shares by their clients). Financial intermediaries may waive all or part of the initial commission due for the benefit of their client (such amount will be taken into account in determining the number of New Shares to be allotted under the Allotment Formula).

In addition, provided that the 'execution-only' financial intermediaries' clients continue to hold their New Shares, such financial intermediaries will normally be paid an annual trail commission of 0.375% of the net asset base value for each such New Share by the Company. For this purpose, 'net asset base value' means the net assets attributable to such New Share as determined from the audited annual accounts of the Company as at the end of the preceding financial year. No payment of trail commission will (save as referred to below) be made to the extent that the cumulative trail commission would exceed 2.25% of the Offer Price of the New Share in question. The Investment Manager may, with the consent of the Board, agree to pay trail commission on a different basis, providing it does not exceed the maximum cumulative payment of 2.25% of the Offer Price of the New Share in question.

Commissions will only be paid if, and to the extent, they are permitted under legislation and regulations. Annual trail commission will be paid shortly after the later of the annual general meeting of the Company and, where applicable, the date of payment of the final dividend in each year.

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

Commission Arrangements on Existing Shareholdings

Should an Existing Shareholder decide to seek financial advice from their existing 'execution-only' financial intermediary in respect of participating in the Offer, any trail commission which is currently being paid to that Shareholder's financial intermediary pursuant to an existing holding in the Company will need to cease and one of the Company, the Investment Manager or ISCA Administration Services must be notified accordingly.

Example of the Allotment Formula

There follows an example of how the Allotment Formula works for a direct investor, an advised investor (where the amount to be facilitated is 4.5% of the Application Amount) and for an 'execution-only' investor (where an initial commission of 3% of the Application Amount has been agreed, in one case payable to the intermediary, but in the other waived by the financial intermediary), in each case where the amount remitted to the Company with the investor's Application is £10,000 and based on an unaudited NAV per Share of 170.5p (as at 31 January 2020, this being the most recently published unaudited NAV per Share prior to the publication of this document).

	Application Amount (A) (£)	Offer Costs (B) (2.5%) (£)	Financial Intermediary Charges (C)		NAV per Share (£)	Number of New Shares
			Facilitation Amount (£)	Commission Amount (£)		
Advised investor	10,000	(250)	(450)	-	170.5	5,454
'Execution-only' investor (initial commission payable)	10,000	(250)	-	(300)	170.5	5,542
'Execution-only' investor (initial commission waived)	10,000	(250)	-	-	170.5	5,718
Direct investor	10,000	(250)	-	-	170.5	5,718

Use of Funds

The net proceeds of the Offer will be pooled with the existing cash resources of the Company and utilised as follows:

- to make new and follow-on investments in accordance with its investment policy; and
- to help meet annual outgoings (including running costs, directors' fees, trail commission, the payment of dividends and market purchases of Shares).

Results of the Offer

The following will be announced through RIS Announcements:

- following each allotment, the number of Offer Shares issued and the range of Offer prices relating to the allotment; and
- following close and the final allotment under the Offer, the final results of the Offer.

Part III – The Board and the Investment Manager

The Board

The Board currently comprises five non-executive directors, all of whom are independent of the Investment Manager: Tim Woodcock (Chairman), Peter Dicks, Charlotta Ginman, Jeremy Hamer and Jocelin Harris. The Board sets the Company's policies and objectives and ensures that its obligations to the Shareholders are met. The Board has significant relevant experience of similar investment funds, regulatory organisations, corporate governance of listed companies, the private equity industry and investing in small companies.

The Company has appointed Unicorn AM as its investment manager and ISCA Administration Services as company secretary and administrator, subject to the overall control and direction of the Board. As a result, the Board has overall responsibility for the Company's affairs, including approving valuations (prepared by the Investment Manager) and NAVs (calculated by ISCA Administration Services).

The Directors

Tim Woodcock (Independent, non-executive Chairman)

Tim Woodcock qualified as a chartered accountant and is an experienced company director who has held a number of main board roles for both public and private companies. He also has considerable investment management experience – in 2008 he co-founded Oakfield Capital Partners, a private equity firm specialising in investing and developing fast growing UK smaller companies. He is an active private investor in early stage opportunities.

Peter Dicks (Independent, non-executive Director)

Peter Dicks was a founder director, in 1973, of Abingworth plc, a venture capital company. He is currently chairman of Gabelli Value Plus+ Trust plc and a director of a number of quoted and unquoted companies, including Miton UK MicroCap Trust plc, SVM UK Emerging Fund plc and Foresight Solar Fund Limited.

Charlotta Ginman FCA (Independent, non-executive Director)

Charlotta Ginman is a chartered accountant with experience in investment banking and the technology and telecoms industry. She is currently a non-executive director and audit committee chair for Polar Capital Technology Trust plc, Pacific Assets Trust plc and Keywords Studios plc.

Jeremy Hamer (Independent, non-executive Director)

Jeremy Hamer is a chartered accountant and a qualified executive coach. His career has been spent working for a broad range of SMEs, both public and private, similar to those targeted by the Company for investment. His previous board roles have included both executive and non-executive positions including sitting as an investor director for a non-AIM focused VCT.

Jocelin Harris (Independent, non-executive Director)

Jocelin Harris is a qualified solicitor and runs Durrington Corporation Limited, where he has worked since 1986. Durrington provides management and financial support services to small and developing businesses. He is currently a director of Foresight VCT plc and also a non-executive chairman or director of a number of private companies in the UK and the US.

The Investment Manager

The Investment Manager is an independently owned and managed investment management company. The Investment Manager was incorporated and registered in England and Wales on 4 February 2000 as a private limited liability company with registered number 03919499. The Investment Manager's registered office and principal place of business is at First Floor Office, Preacher's Court, The Charterhouse, Charterhouse Square, London EC1M 6AU (telephone 020 7253 0889). The Investment Manager is authorised and regulated by the FCA to provide investment management services with registered number 192164. The principal legislation under which the Investment Manager operates is the CA 2006 (and regulations made thereunder).

The Investment Manager operates a team-based approach to investment management and its experienced, committed and well-resourced investment team has over 150 years' of combined experience. The Investment Manager is focused on being the 'best not the biggest' and its funds aim to deliver long term outperformance. Unlike many investment firms, the Investment Manager is majority owned by its directors and managers, providing further incentive for the funds it manages to deliver consistently strong performance.

Members of the team follow a traditional and conservative approach to fund management, focusing on bottom-up stock selection based on fundamental research. They aim to deliver superior long-term performance by adhering to a disciplined investment process and to reduce risk by focusing investment resource on those businesses which are led by experienced management teams, which have good profitability and cash generation prospects and which the Investment Manager believes are capable of delivering sustained growth. In particular, the Investment Manager is a specialist in the AIM sector with over £400 million invested in AIM quoted companies across its fund range as at 31 January 2020, which includes the Company and its recently launched AIM ISA/IHT portfolio service.

As at 31 January 2020, the Investment Manager's funds under management were allocated across four fund classes:

- Open Ended Investment Companies (£1.1 billion – valued at mid-price*);
- Offshore Income Fund (£85 million – valued at mid-price);
- AIM VCT (£221 million – valued at bid-price); and
- AIM IHT (£27 million – valued at mid-price).

* excluding investments made by the Company in Unicorn AM managed OEICs.

The Company continues to present a significant part of the Investment Manager's business.

Senior Management Team

Chris Hutchinson, Director and Senior Fund Manager

Chris is senior investment manager at Unicorn AM and is the individual primarily responsible for selecting stocks for inclusion within the Unicorn AM AIM Inheritance Tax Portfolio Service. Chris has been the lead manager of the Company, the largest AIM-focused VCT in the industry, since joining the firm in 2005. Chris is also the lead manager of the Unicorn Outstanding British Companies Fund and a senior member of Unicorn AM's Investment Committee. Chris has over 20 years' experience managing portfolios of UK smaller companies.

Paul Harwood, Non-Executive Director, Chairman of the Investment Committee

Paul is chairman of Unicorn AM's Investment Committee and has over 40 years' investment experience. Before joining Unicorn AM, Paul held positions at Phillips & Drew, Richards Longstaff and Mercury Asset Management/Merrill Lynch, where he was a director, the joint head of the European Equity Investment Team and latterly the head of the UK Smaller Companies Team.

Fraser Mackersie, Fund Manager

Fraser is co-manager of the Unicorn UK Income Fund and Acorn Income Fund, and the lead manager of the Unicorn UK Growth Fund. Fraser joined Unicorn AM in 2008, having previously held positions with F&C Asset Management and Geoghegan & Co Chartered Accountants. He graduated from the University of St Andrews in 2003 with a degree in Economics and Management, and is a fellow of the Association of Chartered Certified Accountants.

Simon Moon, Fund Manager

Simon has been co-manager of the Unicorn UK Income Fund and Acorn Income Fund, and the lead manager of the Unicorn UK Smaller Companies Fund since 2013. He joined Unicorn AM in 2008, since when he has been an active member of the Investment Committee. Prior to joining Unicorn AM, Simon worked as a research analyst at JM Finn & Co Stockbrokers and spent three years in the NHS Graduate Finance Scheme.

Alex Game, Assistant Fund Manager

Alex is assistant fund manager to the Unicorn UK Growth Fund and works alongside its lead manager, Fraser Mackersie. Alex has been a member of the Unicorn AM investment team since joining the firm in 2014. Prior to joining Unicorn AM, Alex worked for two years as a client advisor at Stanhope Capital. Alex is a CFA Charterholder and graduated with a BSc (Hons) in Physics from Durham University.

Max Ormiston, Assistant Fund Manager

Max is assistant fund manager to the Unicorn Outstanding British Companies Fund and supports director and senior fund manager, Chris Hutchinson. Max has been a member of the Unicorn AM investment team since joining the firm in 2014. Prior to joining Unicorn AM, Max spent four years with Brewin Dolphin, where he worked as an investment manager. Max is a CFA Charterholder and graduated with a BSc in Agribusiness Management from Newcastle University.

Part IV – Investment Objective and Policy

Investment Objective

The Company's objective is to provide Shareholders with an attractive return from a diversified portfolio of investments, predominantly in the shares of AIM quoted companies, by maintaining a steady flow of dividend distributions to Shareholders from the income as well as capital gains generated by the portfolio.

It is also the objective that the Company should continue to qualify as a Venture Capital Trust (VCT), so that Shareholders benefit from the taxation advantages that this brings. To achieve this, at least 80% for accounting periods commencing 6 April 2019 (previously 70%) of the Company's total assets are to be invested in qualifying investments of which 70% by VCT value (30% in respect of investments made before 6 April 2018 from funds raised before 6 April 2011) must be in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules) to dividends or return of capital and no rights to redemption.

Investment Policy

In order to achieve the Company's investment objective, the Board has agreed an investment policy which requires the Investment Manager to identify and invest in a diversified portfolio, predominantly of VCT qualifying companies quoted on AIM that display a majority of the following characteristics:

- experienced and well-motivated management;
- products and services supplying growing markets;
- sound operational and financial controls; and
- potential for good cash generation to finance ongoing development and support for a progressive dividend policy.

Asset allocation and risk diversification policies, including maximum exposures, are to an extent governed by prevailing VCT legislation. No single holding may represent more than 15% (by VCT value) of the Company's total investments and cash, at the date of investment.

There are a number of VCT conditions which need to be met by the Company which may change from time to time. The Investment Manager will seek to make qualifying investments in accordance with such requirements.

Asset mix

Where capital is available for investment while awaiting suitable VCT qualifying opportunities, or is in excess of the 80% VCT qualification threshold for accounting periods commencing 6 April 2019 (previously 70%), it may be held in cash or invested in money market funds, collective investment vehicles or non-qualifying shares and securities of fully listed companies registered in the UK.

Borrowing

To date the Company has operated without recourse to borrowing. The Board may, however, consider the possibility of introducing modest levels of gearing up to a maximum of 10% of the adjusted capital and reserves, should circumstances suggest that such action is in the interests of Shareholders.

Part V – Management and Administration

Fees and Expenses

The Investment Manager receives an annual management fee of an amount equal to 2.0% of the net assets of the Company up to net assets of £200 million and 1.5% of the amount of the net assets of the Company in excess of £200 million (together with any applicable VAT). The value of any investments made by the Company in other Unicorn AM managed funds are excluded from the value of the net assets of the Company. The fee is calculated and paid quarterly in arrears. If the Company raises further funds during a quarter, the net assets for the relevant quarter are reduced by an amount equal to the amount raised (net of costs) multiplied by the percentage of days in that quarter prior to the funds being raised.

A maximum of 75% of the Company's management expenses is currently charged against capital, with the balance to be met from income.

In recognition of the increasing net assets of the Company over the last few years and, following discussions with the Board, Unicorn AM agreed to waive its entitlement to possible future performance incentive fees and the performance incentive arrangements were terminated in July 2017.

ISCA Administration Services provides administration services and is the appointed company secretary, and is currently entitled to an annual fee of £165,000. ISCA Administration Services offers specialist accounting, fund administration and company secretarial services to closed end structures such as investment trusts, Venture Capital Trusts and other types of specialist funds. Its senior staff have over fifty years' experience in the industry.

Annual Expenses Cap

The Company's normal annual expenses are approximately 2.3% of the average net assets of the Company (based on the financial year ended 30 September 2019) but are, in any event, capped at an amount equal to 2.75% of the net assets of the Company as at the end of each financial year. Any excess over this amount will be borne by the Investment Manager. Annual expenses include those incurred by the Company in the ordinary course of its business (including management and administration fees, Directors' remuneration, fees payable to the registrar, stockbroker, auditor, solicitors and the VCT status adviser). Normal annual expenses do not include trail commission and exceptional items.

VCT Status Monitoring

PricewaterhouseCoopers LLP is the Company's VCT status adviser. It carries out reviews of the Company's investment portfolio to ensure compliance and, when requested to do so by the Board or the Investment Manager, reviews prospective investments to ensure that they are qualifying investments.

Custody Arrangements

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

Dividend Policy

The objective of the Board is to maintain a steady flow of dividend distributions to Shareholders and intends to continue with this policy. The Board moved to making dividend payments twice-yearly in August 2017.

The Company has paid dividends (tax-free to Qualifying Shareholders) of 6.5p in each of the past two financial years.

The ability to pay dividends and the amount of such dividends depends on the performance of the Company's investments, available reserves and cash, as well as the need to retain funds for further investment and ongoing expenses.

Dividend Reinvestment Scheme

The Company operates, through The City Partnership (UK) Limited, a dividend reinvestment scheme whereby Shareholders can elect to have their dividends reinvested in further Shares. Under the Scheme, dividends are reinvested at the last published NAV per Share prior to allotment. The terms of the Scheme are available on the Company's website: www.unicornaimvct.co.uk/dividend-reinvestment-scheme.

Share Buy-Backs

The Board believes that it is in the best interests of the Company and its Shareholders to make market purchases of its Shares, given the limited secondary market for VCT shares generally, and to seek both to enhance NAV and to help reduce to a degree any prevailing discount to NAV in the current market price that might otherwise prevail. The Board agrees the discount to NAV at which Shares will be bought back and keeps this under regular review.

The Board intends to continue with the above buy-back policy. Any such future repurchases will be made in accordance with guidelines established by the Board from time to time and will be subject to the Company having the appropriate authorities from Shareholders and sufficient funds available for this purpose. Share buy-backs will also be subject to the Listing Rules and any applicable law at the relevant time. Shares bought back in the market will ordinarily be cancelled.

Duration of the Company

In order for the future of the Company to be considered by the Shareholders, the Board shall at the annual general meeting of the Company falling after the fifth anniversary of the last allotment of shares in the Company and thereafter at five yearly intervals, invite the members to consider and debate the future of the Company (including, without limitation, whether the Company should be wound up, sold or unitised) and as soon as practicable following that meeting shall convene a general meeting to propose such resolution as the members attending the annual general meeting may by ordinary resolution require.

Valuation Policy

All unquoted investment valuations are subject to approval by the Directors on the recommendation of the Investment Manager in accordance with IPEVC Valuation Guidelines under which investments are valued at fair value, as defined in those guidelines. Any AIM or other quoted investment will be valued at the closing bid price of its shares, in accordance with generally accepted accounting practice. The net asset value of the Shares is calculated monthly and published on an appropriate Regulatory Information Service, as well as being published on the Company's website (www.unicornaimvct.co.uk)*. Additional net asset values may be released for the purposes of the Offer. If for any reason valuations are suspended, Shareholders will be notified in a similar manner.

* This website does not form part of the Prospectus unless that information is incorporated by reference.

Investor Communications

The Board believes that open communication with Shareholders is very important and is always ready to consider suggestions or matters of concern raised by Shareholders outside formal shareholder meetings. In addition to the announcement and publication of the annual report and accounts and the half-yearly results for the Company as detailed below, the Company also voluntarily publishes interim management statements.

Reporting Dates

Financial year end	30 September
Announcement and publication of annual report and accounts to Shareholders	December
Announcement and publication of half-yearly results	May

Part VI – Largest Investments

Set out below are the 12 largest investments by value held by the Company with a cumulative value of greater than 50% of the Company's gross assets, as at the date of this document. The current cost is the original investment cost made by the Company and/or, where relevant, Unicorn AIM VCT II plc and Rensburg AIM VCT plc, less capital repayments to 31 January 2020.

Investee Companies

Abcam plc (AIM)			
Cost (£'000)	1,241	Turnover (£'000)*	259,900
Valuation (£'000)	17,425	Profit/(loss) before tax (£'000)*	56,400
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	384,800
% of the Company's net assets	7.9%	* Sourced from the latest published audited financial year end accounts to 30 June 2019	
Market sector: Pharmaceuticals & Biotechnology			
Location: Cambridge, England			

Interactive Investor Limited (unlisted)			
Cost (£'000)	3,447	Turnover (£'000)*	72,956
Valuation (£'000)	17,335	Profit/(loss) before tax (£'000)*	8,925
Valuation basis	EV Multiple	Net assets/(liabilities) (£'000)*	116,624
% of the Company's net assets	7.8%	* Sourced from the latest published audited financial year end accounts to 31 December 2018	
Market sector: Financial Services			
Location: Manchester, England			

Hasgrove Limited (unlisted)			
Cost (£'000)	1,329	Turnover (£'000)*	12,511
Valuation (£'000)	17,153	Profit/(loss) before tax (£'000)*	2,246
Valuation basis	EV Multiple	Net assets/(liabilities) (£'000)*	8,605
% of the Company's net assets	7.8%	* Sourced from the latest published audited financial year end accounts to 31 December 2018	
Market sector: Media			
Location: Altrincham, England			

Tracsis plc (AIM)			
Cost (£'000)	1,500	Turnover (£'000)*	49,219
Valuation (£'000)	12,540	Profit/(loss) before tax (£'000)*	6,559
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	47,941
% of the Company's net assets	5.7%	* Sourced from the latest published audited financial year end accounts to 31 July 2019	
Market sector: Software & Computer Services			
Location: Leeds, England			

Cohort plc (AIM)			
Cost (£'000)	1,279	Turnover (£'000)*	121,182
Valuation (£'000)	8,232	Profit/(loss) before tax (£'000)*	5,675
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	76,971
% of the Company's net assets	3.7%	* Sourced from the latest published audited financial year end accounts to 30 April 2019	
Market sector: Aerospace & Defence			
Location: Reading, England			

Mattioli Woods plc (AIM)			
Cost (£'000)	1,627	Turnover (£'000)*	58,464
Valuation (£'000)	7,917	Profit/(loss) before tax (£'000)*	10,245
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	85,593
% of the Company's net assets	3.6%	* Sourced from the latest published audited financial year end accounts to 31 May 2019	
Market sector: Financial Services			
Location: Leicester, England			

Tristel plc (AIM)			
Cost (£'000)	878	Turnover (£'000)*	26,169
Valuation (£'000)	6,380	Profit/(loss) before tax (£'000)*	4,746
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	23,359
% of the Company's net assets	2.9%	* Sourced from the latest published audited financial year end accounts to 30 June 2019	
Market sector: Health Care Equipment & Services			
Location: New Market, England			

Anpario plc (AIM)			
Cost (£'000)	1,516	Turnover (£'000)*	28,277
Valuation (£'000)	6,200	Profit/(loss) before tax (£'000)*	4,552
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	33,150
% of the Company's net assets	2.8%	* Sourced from the latest published audited financial year end accounts to 31 December 2018	
Market sector: Pharmaceuticals & Biotechnology			
Location: Worksop, England			

Augean plc (AIM)			
Cost (£'000)	1,576	Turnover (£'000)*	79,749
Valuation (£'000)	6,030	Profit/(loss) before tax (£'000)*	10,593
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	60,300
% of the Company's net assets	2.7%	* Sourced from the latest published audited financial year end accounts to 31 December 2018	
Market sector: Support Services			
Location: Wetherby, England			

Avingtrans plc (AIM)			
Cost (£'000)	1,864	Turnover (£'000)*	105,516
Valuation (£'000)	5,897	Profit/(loss) before tax (£'000)*	3,144
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	69,294
% of the Company's net assets	2.7%	* Sourced from the latest published audited financial year end accounts to 31 May 2019	
Market sector: Industrial Engineering			
Location: Chatteris, England			

AB Dynamics plc (AIM)			
Cost (£'000)	793	Turnover (£'000)*	57,957
Valuation (£'000)	5,425	Profit/(loss) before tax (£'000)*	10,998
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	98,807
% of the Company's net assets	2.5%	* Sourced from the latest published audited financial year end accounts to 31 August 2019	
Market sector: Industrial Engineering			
Location: Bradford-on-Avon, England			

The City Pub Group plc (AIM)			
Cost (£'000)	3,564	Turnover (£'000)*	45,674
Valuation (£'000)	5,233	Profit/(loss) before tax (£'000)*	2,620
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	78,538
% of the Company's net assets	2.4%	* Sourced from the latest published audited financial year end accounts to 31 December 2018	
Market sector: Travel & Leisure			
Location: London, England			

Cash and Liquidity Funds

Cash	
Cost (£'000)	2,923
Valuation (£'000)	2,923
Valuation basis	-
% of net assets	1.3%

Unicorn UK Ethical Income B Inc	
Cost (£'000)	4,483
Valuation (£'000)	4,650
Valuation basis	Unit Price
% of net assets	2.1%

Unicorn UK Growth Fund	
Cost (£'000)	416
Valuation (£'000)	1,106
Valuation basis	Unit Price
% of net assets	0.5%

Unicorn UK Smaller Companies Fund	
Cost (£'000)	272
Valuation (£'000)	1,000
Valuation basis	Unit Price
% of net assets	0.5%

Unicorn UK Ethical Income B Acc	
Cost (£'000)	593
Valuation (£'000)	678
Valuation basis	Unit Price
% of net assets	0.3%

Notes:

Investment and portfolio information in this Part VI has been extracted from the Company's unaudited financial information on the Company as at 31 January 2020. As at the date of this document, there has been no material change in the overall valuation of the investments set out in this Part VI since 31 January 2020.

The information on investee companies' turnover, profit/loss before tax and net assets/liabilities in relation to the largest investments have been sourced from the relevant investee company's latest published financial year/period end accounts. All such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant investee company, no facts have been omitted which would render such reproduced information inaccurate or misleading.

Part VII – Taxation

TAX POSITION OF INVESTORS

The following is only a summary of the law concerning the tax position of individual investors in VCTs based on current UK law and practice and does not constitute legal, investment or tax advice. Potential investors are recommended to consult a professional adviser as to the taxation consequences of an investment in a VCT.

The following applies to the Company and to the persons holding Shares as an investment and who are the absolute beneficial owners of such Shares. The information may not apply to certain classes of persons, such as dealers in securities.

The tax reliefs set out below are those currently available to individuals who are UK tax payers and aged 18 or over who subscribe for New Shares under the Offer and will be dependent on personal circumstance. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000 (including shares purchased in the secondary market and through dividend reinvestment schemes). Qualifying Investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.

The tax legislation of an investor's Member State and the Company's country of incorporation may have an impact on the income received from Shares.

1. Tax Reliefs

1.1 Income Tax

(i) Relief from income tax on investment

A Qualifying Investor subscribing for New Shares will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 invested in VCTs in any tax year.

The relief is given at the rate of 30% on the amount subscribed for VCT shares regardless of whether the Qualifying Investor is a higher rate, additional rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the Qualifying Investor's income tax liability to nil. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

(ii) Dividend relief

A Qualifying Investor, who acquires shares in VCTs (including through dividend reinvestment schemes) in any tax year costing up to a maximum of £200,000, will not be liable to income tax on dividends paid on those shares and there is no withholding tax thereon.

(iii) Purchases in the market

A Qualifying Investor who purchases existing VCT shares in the secondary market will be entitled to claim dividend relief (as described in paragraph 1.1 (ii) above) but not relief from income tax on the investment (as described in paragraph 1.1 (i) above).

(iv) Withdrawal of relief

Relief from income tax on a subscription for VCT shares will be withdrawn if the VCT shares are disposed of (other than between spouses or on death) within five years of issue or if the VCT loses its approval as a VCT within this period, as detailed below.

Dividend relief ceases to be available if the VCT loses its approval as a VCT within this period, as detailed below, or if shares are no longer owned by a Qualifying Investor.

1.2 Capital Gains Tax

(i) Relief from capital gains tax on the disposal of VCT shares

A disposal by a Qualifying Investor of VCT shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year.

(ii) Purchases in the market

An individual purchaser of existing VCT shares in the secondary market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph 1.2(i) above).

1.3 Acquisition and Disposals of Shares in the Same VCT

The disposal of existing shares in a VCT within six months before or after subscription for new shares in the same VCT (or otherwise where the disposal and subscription is linked) will result in the amount of the investment in the new shares in the VCT to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

1.4 Loss of VCT Approval

For a company to be fully approved as a VCT, it must meet the various requirements as summarised on pages 32 to 34.

If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, income tax relief ceases to be available on any dividend paid in any accounting period ending after VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

2. Illustration of the Effect of Tax Relief for Qualifying Investors

The table below has been prepared for illustrative purposes only and does not form part of the summary of the tax reliefs contained in this section. The table shows how the initial tax reliefs available can reduce the effective cost of an investment of £10,000 in a VCT by a Qualifying Investor subscribing for VCT shares to £7,000:

	Tax Relief	Effective Cost
Investor unable to claim any tax reliefs	Nil	£10,000
Qualifying Investor able to claim full 30% income tax relief	£3,000	£7,000

The combined effect of the initial income tax relief, tax-free dividends and tax-free capital growth can substantially improve the net returns of an investor in a VCT.

3. Obtaining Tax Reliefs

The Company will provide to each Qualifying Investor a certificate which Qualifying Investors may use to claim income tax relief, either by obtaining from HMRC an adjustment to their tax coding under the PAYE system or by waiting until the end of the tax year and claiming relief in their tax return.

4. 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.

TAX POSITION OF THE COMPANY

1. Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HMRC. To obtain such approval it must:

- (a) not be a close company;
- (b) have each class of its ordinary share capital listed on a regulated market;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 80% for accounting periods commencing 6 April 2019 (previously 70%) by VCT Value of its investments in shares and securities in Qualifying Investments, 70% of which must be in eligible shares (30% in respect of investments made on or before 5 April 2018 from funds raised before 6 April 2011);
- (e) have at least 10% by VCT Value of each Qualifying Investment in eligible shares;
- (f) not have more than 15% by VCT Value (including cash) of its investments by VCT Value (including cash), at the time of making an investment, in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT);
- (g) not retain more than 15% of its income derived from shares and securities in any accounting period;
- (h) not make any non-Qualifying Investment other than those specified in section 274 of ITA 2007;
- (i) not, in respect of any share capital created on or after 6 April 2014 and any reserves created from the cancellation thereof, make any payment out of such share capital and reserves to shareholders within three years from the end of the accounting period in which that share capital was created;
- (j) not invest in a company or group which causes the company or group to receive more than £5 million (£10 million for 'knowledge intensive' companies) of state-aided investment in the 12 months ended on the date of that investment;
- (k) not invest in a company or group which causes that company or group to receive more than £12 million (£20 million for 'knowledge intensive' companies) of state-aided investment during its lifetime;
- (l) invest in companies where the first state-aided investment was within seven years of the first commercial sale in respect of the relevant trade (in respect of 'knowledge intensive' companies such period being ten years from the first commercial sale or, if the company so elects, ten years from end of the accounting period in which the company revenues were greater than £200,000), save for in certain limited circumstances where the funds are to be used in connection with a new product or geographical market;
- (m) not permit the use of VCT funds by a company to acquire shares in another company, another business or trade or provide a return of capital to existing shareholders of that company; and
- (n) invest at least 30% of funds raised in an accounting period beginning on or after 6 April 2018 in Qualifying Investments within 12 months after the end of that accounting period.

Conditions (j) to (l) do not apply to investments in shares listed on a recognised stock exchange or to certain investment funds/vehicles.

The term 'eligible shares' means ordinary shares which do not carry any rights to be redeemed or preferential rights to assets on a winding-up or dividends (other than certain non-cumulative fixed preferential rights).

2. Qualifying Investments

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company, in each case satisfying the conditions set out in Chapters 3 and 4 of Part 6 of ITA 2007.

In relation to shares and securities:

- (a) for the purpose of paragraphs 1 (d) and (e) above, to be 'eligible shares', the shares issued to the VCT must carry no preferential rights on a winding up and no rights to be redeemed (although they may have certain preferential non-cumulative rights to dividends, provided these are not discretionary); and
- (b) any loan made by the VCT must have a five year or greater maturity period, must not be guaranteed and, in respect of loans made from 15 March 2018, may not be secured and must provide no more than a commercial rate of return on the principal.

The conditions relating to the investee company are detailed, but include the investee company:

- (i) having a permanent establishment in the UK (but the company need not be UK resident);
- (ii) being unquoted (for VCT purposes companies whose shares are traded on NEX Exchange and AIM markets are considered to be unquoted, whilst shares in an unquoted company that subsequently becomes listed may still be regarded as a Qualifying Investment for a further five years following listing, provided all other condition are met);
- (iii) carrying on a qualifying trade (for this purpose certain activities are excluded, such as dealing in land or shares or providing financial services);
- (iv) carrying on, or intending to carry on, the relevant trade (whether itself or by a qualifying subsidiary) at the time of the issue of shares or securities to the VCT (and at all times thereafter);
- (v) having no subsidiaries other than qualifying subsidiaries which must, in most cases, be at least 51% owned;
- (vi) commencing to trade within two years of the issue of shares or securities to the VCT and continuing to trade thereafter;
- (vii) not existing for a disqualifying purpose (e.g. for the purpose of accessing tax reliefs or being in substance a financing business);
- (viii) having objectives to grow and develop over the long term (both generally and as referred to in the 'risk to capital condition' referred to below);
- (ix) having gross assets not exceeding £15 million immediately before and £16 million immediately after the investment;
- (x) applying the money raised for the purposes of a qualifying trade within certain time periods;
- (xi) not being controlled by another company;
- (xii) having fewer than 250 full-time (or full-time equivalent) employees (500 in the case of 'knowledge intensive' companies) at the time of the investment; and
- (xiii) meeting the conditions set out in paragraphs 1(j) to (m) above.

In addition, from 15 March 2018 there is a principles-based gateway test (the 'risk to capital' condition) which requires (i) the investee company having objectives to grow and develop over the long term and (ii) the investment to carry a significant risk of losing more capital than the net return (including any tax relief).

3. Approval as a VCT

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval.

A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, where a VCT raises further funds, VCTs are given grace periods to invest those funds before such further funds become subject to the tests.

However, to aid the launch of a VCT, HMRC may give provisional approval if satisfied that conditions (b), (c), (f) and (g) in paragraph 1 above will be met throughout the current or subsequent accounting period and condition (d) in paragraph 1 above will be met in relation to an accounting period commencing no later than three years after the date of provisional approval.

The Company has obtained approval as a VCT from HMRC.

4. Withdrawal of Approval

Approval of a VCT (full or provisional) may be withdrawn by HMRC if the various tests set out above are not satisfied. The exemption from corporation tax on capital gains will not apply to any gain realised after the point at which VCT status is lost.

Withdrawal of approval generally has effect from the time when notice is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to no earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

Withdrawal of provisional approval has effect as if provisional approval had never been given (including the requirement to pay corporation tax on prior gains).

5. Unlawful State Aid

Investments made by VCTs in underlying portfolio companies are regarded as state-aided. Where the European Commission believes that state aid has been provided which is unlawful, in particular if it is not consistent with the Risk Finance Guidelines, it may require the Government to recover that state aid. Such recovery may be from the investee company, the VCT or the VCT's investors.

6. Taxation of a VCT

VCTs are exempt from corporation tax on chargeable gains. A VCT will be subject to corporation tax on its income (excluding dividends received from UK companies) after deduction of allowable expenses.

The above is only a summary of the conditions to be satisfied for a company to be treated as a VCT.

Part VIII – Additional Information

1. The Company

- 1.1 The legal and commercial name of the Company is Unicorn AIM VCT plc.
- 1.2 The Company was incorporated and registered in England and Wales under CA 1985 as a public company with limited liability on 7 August 2001, with registered number 04266437. The principal legislation under which the Company operates (and under which its shares are created) is CA 2006 and regulations made thereunder.
- 1.3 On 27 September 2001, the Registrar of Companies issued the Company with a trading certificate under section 117 of CA 1985 (now section 761 of CA 2006) entitling it to commence business.
- 1.4 The Company's registered office is at Suite 8 Bridge House, Courtenay Street, Newton Abbot TQ12 2QS (telephone 01392 487 056). The Company is domiciled in England and does not have, nor has it had since incorporation, any subsidiaries or employees.
- 1.5 The Company revoked its status as an investment company under section 266 of CA 1985 (now section 833 of CA 2006) on 17 August 2004.
- 1.6 The memorandum of association, which, by virtue of section 28 of CA 2006, is now treated as being part of the Articles, provides that the Company's principal object and purpose is to carry on the business of a VCT. The objects of the Company are set out in full in clause 4 of the memorandum of association.
- 1.7 The International Securities Identification Number (ISIN) of the Shares is GB00B1RTFN43. The Company's Legal Entity Identity number is 21380057QDV7D34E9870.
- 1.8 HMRC has granted approval of the Company as a VCT under section 259 of ITA 2007. The business of the Company has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full VCT approval.
- 1.9 The Company is not regulated by the FCA or an equivalent European Economic Area regulator. However the Company is an alternative investment fund for the purposes of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU), has registered itself as a small alternative investment fund manager with the FCA and is subject to the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773). The Company is subject to the requirements of VCTs and, as an entity listed on the main market of the London Stock Exchange, the rules and regulations issued by the FCA from time to time. The Company is not otherwise regulated.
- 1.10 The Company and its Shareholders are subject to the provisions of the City Code on Takeovers and Mergers and CA 2006 which require shares to be acquired/transferred in certain circumstances.

2. Share Capital

- 2.1 As at 30 September 2018, the Company's issued share capital comprised 117,226,048 Shares (all of which were fully paid and none of which were held in treasury).
- 2.2 The issued share capital history of the Company since 30 September 2018 is as follows:
 - 2.2.1. During the financial year ended 30 September 2019, the Company issued 16,707,794 Shares and bought back 3,273,771 Shares. As at 30 September 2019, the issued share capital of the Company comprised 130,660,071 Shares (all of which were fully paid and none of which were held in treasury).
 - 2.2.2. Since 30 September 2019 to 10 February 2020 (being the latest practicable date prior to the publication of this document), the Company has issued 112,002 Shares and bought back 766,375 Shares.
- 2.3 As at 10 February 2020 (being the latest practicable date prior to the publication of this document), the Company's share capital comprised 130,005,698 Shares (all of which were fully paid and none of which were held in treasury).
- 2.4 Shareholder approval was given to the cancellation of the share premium account and redemption reserve of the Company at the general meeting held on 10 January 2019 (such cancellation being subsequently confirmed by the Court and registered at Companies House on 26 March 2019).
- 2.5 The following authorities were granted pursuant to resolutions of the Company passed at the annual general meeting of the Company held on 30 January 2020:
 - 2.5.1 in substitution for any existing authorities, the Directors were generally and unconditionally authorised pursuant to section 551 of the CA 2006 to exercise all the powers of the Company to allot Shares and to grant rights to subscribe for, or convert any security into, Shares up to an aggregate nominal amount of £652,456, provided that the authority conferred by the resolution shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the date falling 15 months after the passing of this resolution, or if earlier, at the conclusion of the annual general meeting of the Company to be held in 2021 but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or

might require Shares to be allotted or rights to be granted after such expiry and the Directors shall be entitled to allot Shares or grant rights pursuant to any such offers or agreements as if the authority conferred by the resolution had not expired;

2.5.2 in substitution for any existing authorities, the Directors were empowered in accordance with sections 570 and 573 of the CA 2006 to allot or make offers or agreements to allot equity securities (as defined in section 560 of the CA 2006) for cash, pursuant to the authority conferred upon them by the resolution detailed at paragraph 2.5.1 above, or by way of a sale of treasury shares, as if section 561(1) of the CA 2006 did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to:

- (i) the allotment and issue of equity securities with an aggregate nominal value of up to, but not exceeding, £521,965 in connection with offer(s) for subscription; and
- (ii) the allotment, otherwise than pursuant to sub-paragraph (i) above, of equity securities with an aggregate value of up to, but not exceeding, 10% of the issued share capital of the Company from time to time,

in each case where the proceeds may be used, in whole or part, to purchase the Shares in the market provided that this authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the date falling 15 months after the passing of the resolution, or if earlier, at conclusion of the annual general meeting to be held in 2021, except that the Company may, before expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred had not expired; and

2.5.3 in substitution for any existing authorities, the Company was authorised pursuant to section 701 of the CA 2006 to make one or more market purchases (within the meaning of section 693(4) of the CA 2006) of its own Shares on such terms and in such manner as the Directors may determine (either for cancellation or for the retention as treasury shares for future re-issue or transfer), provided that:

- (i) the aggregate number of Shares which may be purchased shall not exceed 19,560,656 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99% of the Shares in issue at the date of passing the resolution;
- (ii) the minimum price which may be paid for a Share is 1p (the nominal value thereof);
- (iii) the maximum price which may be paid for a Share shall be the higher of (a) an amount equal to 5% above the average of the middle market quotations for a Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Share is to be purchased; and (b) the price stipulated by Article 5(1) of the Buy-Back and Stabilisation Regulation (EC 2273/2003);
- (iv) the authority conferred by this resolution shall (unless previously renewed or revoked in general meeting) expire on the date falling 15 months after the passing of this resolution, or if earlier, at the conclusion of the annual general meeting of the Company to be held in 2021; and
- (v) the Company may make a contract or contracts to purchase its own Shares under the authority conferred 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 its own Shares in pursuance of any such contract.

2.6 There are no other shares or loan capital in the Company under option or agreed conditionally or unconditionally to be put under option nor does the Company hold shares in treasury.

2.7 The Company will be subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of the CA 2006 (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) in respect of the balance of the share capital of the Company which is not (or will not be) subject to the disapplications referred to in paragraph 2.5 above.

2.8 As at 10 February 2020 (this being the latest practicable date prior to publication of this document), the Company is not aware of any person who, immediately following the issue of the New Shares, directly or indirectly, has or will have an interest in the capital of the Company or voting rights which is notifiable under UK law (under which, pursuant to CA 2006, the Listing Rules and the Disclosure Guidance & Transparency Rules, a holding of 3% or more must be notified to the Company).

3. Issued Share Capital and Dilution

- 3.1 The issued Share capital of the Company as at the date of this document is 130,005,698 Shares. Assuming 20 million New Shares are allotted by the Company (this being the maximum number of New Shares that may be allotted pursuant to the Offer), the existing issued share capital of the Company would represent 86.67% (assuming no participation in the Offer by existing shareholders of the Company).
- 3.2 The actual number of New Shares will depend on the Offer prices at which such shares are issued subject to the maximum of £25 million (including the over-allotment facility) being raised by the Company. The issue premium on a Share issued pursuant to the Offer will be the difference between the issue price of that share and the nominal value thereof of 1p.
- 3.3 Annual trail commission payments are capped at a cumulative 2.25% of the relevant Offer Price, and this only applies to Applications through 'execution-only' financial intermediaries. As a result, the reduction in NAV per Share from annual trail commission is likely to be small.

4. Directors' Interests

- 4.1 As at 10 February 2020 (this being the latest practicable date prior to publication of this document), the interests of the Directors (including those of connected persons) are as follows:

Director	Shares	% of Share Capital
<i>Tim Woodcock</i>	-	-
<i>Peter Dicks</i>	186,510	0.14
<i>Charlotta Ginman</i>	18,893	0.01
<i>Jeremy Hamer</i>	12,202	0.01
<i>Jocelin Harris</i>	113,572	0.09

- 4.2 As at 10 February 2020 (this being the latest practicable date prior to publication of this document) save as disclosed above, no Director, their family or any person connected to the Director within the meaning of section 252 of CA 2006 has any interest in the share or loan capital of the Company which is or would, immediately following the Offer, be required to be notified pursuant to section 809 of CA 2006 or which is or would be required to be entered in the register maintained under section 809 of CA 2006.
- 4.3 None of the Directors has a service agreement with the Company, nor are any such contracts proposed. The Directors (save for Charlotta Ginman and Tim Woodcock as detailed below) were all appointed under letters of appointment dated 19 November 2010. Charlotta Ginman was appointed under a letter of appointment dated 14 July 2016 and Tim Woodcock was appointed under a letter of appointment dated 10 June 2019. All appointments may be terminated on three months' notice. No arrangements have been entered into by the Company entitling the Directors to compensation for loss of office. Tim Woodcock is entitled to an annual fee of £30,750 (from the date he took over as chairman on 30 January 2020, £25,625 previously), and Peter Dicks is entitled to an annual fee of £25,625 (from the date he stepped down as chairman on 30 January 2020, £30,750 previously), Charlotta Ginman is entitled to an annual fee of £25,625, Jocelin Harris (as the senior independent director) is entitled to an annual fee of £28,188 and Jeremy Hamer (as chairman of the audit committee) is entitled to an annual fee of £29,000.
- 4.4 Fees paid to the Directors in respect of the financial year ended 30 September 2019 were, in aggregate, £117,708 as set out below:

Director	Fees Paid in the Financial Year Ended 30 September 2019 (£)
<i>Tim Woodcock</i>	7,708
<i>Peter Dicks</i>	30,000
<i>Charlotta Ginman</i>	25,000
<i>Jeremy Hamer</i>	27,500
<i>Jocelin Harris</i>	27,500

- 4.5 Directors' fees for the current financial year ending 30 September 2020 are currently estimated to be £139,188. None of the Directors are entitled to receive pension benefits from the Company. The Company does not grant options over share capital of the Company nor operate long term incentive schemes for the benefit of Directors.

4.6 The Directors are directors and/or shareholders in the following companies in which the Company has invested:

Director	Investee Company	Director/Shareholder
<i>Peter Dicks</i>	Antler Holdco Limited*	Shareholder
	Mears Group plc	Shareholder
	Totally plc	Shareholder
<i>Charlotta Ginman</i>	Keywords Studios plc	Shareholder/Non-Executive Director
	Lloyds Banking Group plc	Shareholder
<i>Jeremy Hamer</i>	Access Intelligence plc	Shareholder/Non-Executive Director
	Avingtrans plc	Shareholder
	Kellan Group plc	Shareholder
	Netcall plc	Shareholder
	Uvenco UK plc (in liquidation)	Shareholder/Non-Executive Chair
<i>Jocelin Harris</i>	Antler Holdco Limited*	Shareholder
	Lloyds Banking Group plc	Shareholder
	Totally plc	Shareholder
	Vianet Group plc	Shareholder
	Vodafone plc	Shareholder
<i>Tim Woodcock</i>	Legal and General plc	Shareholder
	Lloyds Banking Group plc	Shareholder
	Tesco plc	Shareholder
	Vodafone plc	Shareholder

*Antler Holdco Limited is a shareholder of Interactive Investor Limited in which the Company has invested.

- 4.7 Other than as is disclosed in paragraphs 4.4 to 4.6 above, there are no potential conflicts of interest between any duties carried out on behalf of the Company by the Directors and their private interests or other duties, and no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the years ended 30 September 2017, 2018 and 2019 or in the current financial year or which was effected in an earlier financial year and remains in any respect outstanding or unperformed.
- 4.8 No loan or guarantee has been granted or provided by the Company to or for the benefit of any of the Directors.
- 4.9 The Company has taken out directors' and officers' liability insurance for the benefit of its Directors, which is renewable on an annual basis.

- 4.10 The Directors are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

Director	Current	Past Five Years
<i>Tim Woodcock</i>	Appleseed Investments LLP E & S Properties Limited Jolly Fine Fulham Limited Jolly Fine Malt House Limited Jolly Fine Pubs Ltd. Lamda Consultancy Services Ltd Lamda Shares Investments Ltd Secure Parking and Storage Limited Secure Parking Property Limited Tablespoon Limited Taylor Asset Management Limited Taylor Rental Limited The Jolly Fine Pub Group Limited Unicorn AIM VCT plc	Capital Management and Investment Limited (dissolved) Cook & Garcia (Holdings) Limited (dissolved)* Coryton Advanced Fuels Limited CMI Investments Limited (dissolved) Egbert Taylor Group Limited (in administration) Egbert Taylor Management Limited (in administration) Field Capital Limited (dissolved) Jolly Fine Brasseries Ltd (dissolved)* Jolly Fine Holdings Limited (dissolved)* Liberty Brewing Limited New Sea Limited (dissolved) Oakfield Capital Partners LLP Secure Storage Solutions LLP (dissolved)* The Doctors Clinic Group Ltd
Peter Dicks	Created Education Ltd Foresight Solar Fund Limited (Jersey) Gabelli Value Plus + Trust plc Mercia Fund 1 General Partner Limited Miton UK MicroCap Trust plc Parkgate House Freehold Limited SVM UK Emerging Fund plc Unicorn AIM VCT plc	Alchemy VR Ltd Antler Holdco Limited (Guernsey) International Commodities and Investments plc Foresight VCT plc Foresight 2 VCT plc (dissolved) Foresight 3 VCT plc (dissolved) Foresight 4 VCT plc ICG Enterprise Trust plc Interactive Investor Limited Mears Group plc Private Equity Investor Limited (formerly Private Equity Investor plc) R L Products Limited (dissolved)*
Charlotta Ginman	Keywords Studios plc Pacific Assets Trust plc Polar Capital Technology Trust plc QC Ground Limited QC Holdings Limited The Queen's Club Limited Unicorn AIM VCT plc	Consort Medical plc Kromek Group plc Motif Bio plc

Director	Current	Past Five Years
<i>Jeremy Hamer</i>	Access Intelligence plc	Avingtrans plc
	Fin Dec Ltd	Drinkmaster Limited (now DM Realisations Limited) (in administration)
	Motcombe Park Limited	Drinkmaster Holdings Limited (in liquidation)
	Port Regis School Limited	Integer (VBD) Limited (dissolved)*
	Unicorn AIM VCT plc	Snack in the Box Limited (now SB Realisations Limited) (in administration)
	Uvenco UK plc (in liquidation)	Simply Drinks Limited (in liquidation)
	Westminster Coaching LLP	Snacktime UK Limited (in liquidation)
		SQS Software Quality Systems AG
		V.M.I (Blackburn) Limited (now Uvenco Limited) (in administration)
		Vendia UK Limited (in liquidation)
<i>Jocelin Harris</i>	8 Stafford Terrace (Freehold) Limited	8 Stafford Terrace (Management) Limited (dissolved)*
	Crest Medical Holdings Limited	British American Rubber Company LLC (USA)
	Circular Wave Limited	Foresight 2 VCT plc (dissolved)
	Durrington Corporation Limited	Keycom plc (now PCCW Global Networks (UK) Limited)
	Eeonyx Corporation (USA)	Mintec Limited
	Foresight VCT plc	Roil Foods Limited
	Halkin Secretaries Limited	Roilvest Limited
	Halpin Partnership Limited	Serres Limited (dissolved)*
	Hip and Healthy Limited	The St Peter's College Foundation
	Lightfoot Solutions Group Limited	Unipower Solutions Europe Limited (dissolved)
	Lightfoot Solutions UK Limited	
	Millennium Mats Limited	
	Obillex Limited	
	The Millennium Mat Company LLC (USA)	
	Tudor Roof Tile Co. Limited	
	Unicorn AIM VCT plc	
	University Schools Multi Academy Trust	

4.11 None of the Directors have had any convictions in relation to fraudulent offences during the previous five years.

4.12 Save for those companies which have an asterisk next to their name in the table above, which are all companies that have voluntarily been struck off from the Register of Companies and further save as disclosed in this paragraph, there were no bankruptcies, receiverships, liquidations or administrations, of any companies or partnership 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 nor (iv) a senior manager, during the previous five years:

4.12.1 Tim Woodcock was a director of Capital Management and Investment Limited from 19 October 1998 until his resignation on 8 August 2016; a director of CMI Investment Limited from 29 October 2004 until his resignation on 23 May 2016; a director of Field Capital Limited from 20 April 2005 until his resignation on 7 January 2016; and a director of New Sea Limited from 27 January 2003 until his resignation on 7 January 2016. Each of the companies subsequently entered members' voluntary liquidation on 12 September 2016 and were later dissolved on 21 March 2019. The joint liquidators' final account dated 5 November 2018 noted that the CMI Investments Limited unsecured creditors were repaid in full and that none of the other companies had any creditors. Capital Management and Investment Limited made cash distributions of £1.1689 per share on 24 August 2016 and £0.0578 per share on 31 August 2018. CMI Investments Limited made a cash distribution of £15.7817 per share on 24 February 2017. In addition, Tim Woodcock was a director of both Egbert Taylor Group Limited and Egbert Taylor Management Limited from 14 October 2011 until 20 November 2017. On 20 November 2017, both companies went into administration. During the course of the administration, approximately £6.5 million (of the £6.6 million owed) was distributed to the secured creditor and a sum was distributed to the non-preferential creditors in the ratio of £0.37 in the pound. The joint

administrators have moved to formally close the administration and filed a notice to move from administration to dissolution on 6 November 2019. The companies will be automatically dissolved in February 2020, being three months from the filing of the notice.

4.12.2 Peter Dicks was a director of Foresight 2 VCT plc which was placed into voluntary members' liquidation in December 2015 pursuant to a merger with Foresight VCT plc under section 110 of the Insolvency Act 1986 and was subsequently dissolved on 27 June 2017. Furthermore, Peter Dicks was a director of Foresight 3 VCT plc which was placed into voluntary members' liquidation in June 2017 pursuant to a merger with Foresight 4 VCT plc under section 110 of the Insolvency Act 1986.

4.12.3 Jeremy Hamer was a director of DM Realisations Limited (formerly Drinkmaster Limited) from 1 October 2012 until his resignation on 2 March 2015. On 30 May 2018, the company went into administration. The most recent statement of affairs filed by the administrator on 6 January 2020 for the period 30 May 2019 to 29 November 2019 notes that the secured creditor has been repaid in full and that current estimates indicate that sufficient funds are available in order to make a distribution to the unsecured creditors. The report notes that there may be a distribution to members and that in order to make such a distribution, the joint administrators will shortly convert the administration to a creditors voluntary liquidation. Jeremy Hamer was also a director of SB Realisations Limited (formerly Snack in the Box Limited) from 1 October 2012 until his resignation on 2 March 2015. On 30 May 2018, the company went into administration. The most recent statement of affairs filed by the administrator on 6 January 2020 for the period 30 May 2019 to 29 November 2019 estimates that sufficient funds are available in order to make a distribution to the unsecured creditors. The report notes that there may be a distribution to members and that in order to make such a distribution, the joint administrators will shortly convert the administration to a creditors voluntary liquidation. Jeremy Hamer was appointed as a director of Uvenco UK plc on 30 May 2012. The company subsequently went into creditors' voluntary liquidation and an extraordinary resolution to wind the company up was passed on 29 October 2018. In a progress report filed on 23 December 2019, the joint liquidators noted that there had been no claims from preferential creditors and that none were anticipated. In addition, whilst it is anticipated that there will be sufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors, the quantum and timing of such dividend is currently unknown. In addition, Jeremy Hamer was a director of Uvenco Limited (formerly V.M.I. (Blackburn) Limited) from 1 October 2012 until his resignation on 2 March 2015. On 30 May 2018, the company went into administration. The administrators filed a statement of affairs on 6 January 2020 for the period 30 May 2019 to 29 November 2019 which stated that the unsecured creditors should receive a dividend, however the timing and quantum of such dividend is currently unknown and is dependent on the finalisation of costs of the administration. Jeremy Hamer was a director of Drinkmaster Holdings Limited from 1 October 2012 until his resignation on 2 March 2015. The company subsequently went into creditors' voluntary liquidation and an extraordinary resolution to wind the company up was passed on 20 March 2019. A statement of affairs filed by the liquidator as at 11 March 2019 stated that the estimated deficiency as regards creditors would be £(3,979,000.00), with the estimated deficiency as regards the members being £(4,029,000.00). Jeremy Hamer was also a director of Simply Drinks Limited from 1 October 2012 until his resignation on 2 March 2015. The company subsequently went into creditors' voluntary liquidation and an extraordinary resolution to wind the company up was passed on 20 February 2019. A statement of affairs filed by the liquidator as at 20 February 2019 stated that the estimated deficiency as regards creditors would be £(1,363,848.27), with the estimated deficiency as regards the members being £(1,373,848.27). Jeremy Hamer was a director of Snacktime UK Limited from 1 October 2012 until his resignation on 2 March 2015. The company subsequently went into creditors' voluntary liquidation and an extraordinary resolution to wind the company up was passed on 27 March 2019. A statement of affairs filed by the liquidator as at 18 March 2019 stated that the estimated deficiency as regards creditors would be £(1,949,776.00), with the estimated deficiency as regards the members being £(3,446,446.00). Finally, Jeremy Hamer was a director of Vendia UK Limited from 30 May 2012 until his resignation on 2 March 2015. The company subsequently went into creditors' voluntary liquidation and an extraordinary resolution to wind the company up was passed on 3 April 2019. A statement of affairs filed by the liquidator as at 21 March 2019 stated that the estimated deficiency as regards creditors would be £(3,309,388.70), with the estimated deficiency as regards the members being £(3,383,614.15).

4.12.4 Jocelin Harris was a director of Unipower Solutions Europe Limited which entered into administration on 2 June 2011. The administration ended on 1 December 2012 with preferential creditors submitting claims amounting to £36,028 and unsecured creditors submitting claims for £499,279. Unipower Solutions Europe Limited subsequently entered liquidation on 31 October 2013 and was subsequently dissolved on 28 December 2016. The Liquidators reported that a distribution to the preferential creditors was dependent on the recovery of an outstanding book debt, however, no further reports were filed by the liquidator prior to dissolution of the company. Jocelin Harris was also a director of Foresight 2 VCT plc which was placed into voluntary members' liquidation in December 2015 pursuant to a merger with Foresight VCT plc under section 110 of the Insolvency Act 1986 and was subsequently dissolved on 27 June 2017.

4.13 There have been no official public incriminations and/or sanctions 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.

5. Material Contracts

Save as disclosed in this paragraph, the Company has not entered, other than in the ordinary course of business, into any contract which is or may be material to the Company within the two years immediately preceding the publication of this document or into any contract containing provisions under which the Company has any obligation or entitlement which is material to the Company as at the date of this document:

- 5.1 An investment management agreement dated 1 October 2001 (as supplemented by agreements/deeds dated 20 January 2004, 19 February 2007, 9 March 2010, 12 April 2010 and 1 October 2018) between the Company (1) and Unicorn AM (2) pursuant to which Unicorn AM provides certain investment management services to the Company.

The Investment Manager receives an annual management fee of an amount equal to 2.0% of the net assets of the Company up to net assets of £200 million and 1.5% of the amount of the net assets of the Company in excess of £200 million (together with any applicable VAT). The value of any investments made by the Company in other Unicorn AM managed funds are excluded from the value of the net assets of the Company. The fee is calculated and paid quarterly in arrears. If the Company raises further funds during a quarter, the net assets for the relevant quarter are reduced by an amount equal to the amount raised (net of costs) multiplied by the percentage of days in that quarter prior to the funds being raised.

Under this agreement, the Investment Manager has agreed to meet the normal annual expenses of the Company (excluding performance incentive fees, trail commission and exceptional items) in excess of an amount equal to 2.75% of the net assets of the Company as at the end of each financial year.

The Investment Manager may retain any director's fees which it receives in connection with an investment made by the Company subject to prior written approval of the Board. The Investment Manager is required to account to the Company for all syndication, arrangement and transaction fees, commissions, refunds of commissions and interest received by the Investment Manager in connection with the management of the investments of the Company.

The agreement is terminable by either party on 12 months' notice, subject to termination sooner by either party in the event of, inter alia, a party having a receiver, administrator or liquidator appointed or committing a material breach of the agreement or by the Company if it fails to become, or ceases to be, a VCT for tax purposes or where the Investment Manager ceases to be authorised by the FCA or if there is a change in control of the Investment Manager. The agreement contains provisions indemnifying the Investment Manager against any liability not due to its default, gross negligence, fraud or breach of FSMA.

- 5.2 Letters of appointment from the Company to each Director as referred to in paragraph 4.4 above.
- 5.3 A letter dated 11 February 2020 from the Investment Manager to the Company pursuant to which the Investment Manager has agreed to act as the promoter of the Offer and to underwrite all of the costs and expenses of the Offer (save for permissible annual trail commission and any facilitated initial adviser charges) in consideration for a promotion fee of 2.5% (as reduced by any discount offered by the Investment Manager to any specific or group of investors) of the Application Amounts in respect of the Applications accepted under the Offer, plus an amount equal to any 'execution-only' financial intermediary commissions. The Investment Manager has further agreed that, to the extent that the actual costs of the Offer are less than the amount of the promotion fee payable to it, the Investment Manager will rebate this amount to the Company.
- 5.4 A letter dated 17 January 2020 from Panmure Gordon pursuant to which Panmure Gordon has been appointed as sponsor to the Offer. The Company has agreed to indemnify Panmure Gordon for any loss suffered in respect of its role as sponsor to the Offer. The Company's liability under this indemnity is unlimited. This engagement may be terminated at any time.

6. Related Party Transactions

Save for the entering into of the agreement set out in paragraph 5.3 above Company has not entered into any related party transactions within the meaning of IFRS or UK GAAP since 1 October 2019.

7. Share Rights

The following is a description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights:

7.1 Voting

7.1.1 Method of voting

At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the provisions of the Companies Acts, a poll may be demanded by:

- (i) the chairman of the meeting; or

- (ii) by at least five members present in person or by proxy having the right to vote at the meeting; or
- (iii) a member or members present in person or by proxy representing not less than one tenth of the voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right, and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member themselves.

The Chairman may also demand a poll before a resolution is put to the vote on a show of hands.

7.1.2 Votes of members

Subject to any rights or restrictions attached to any shares:

- (i) on a show of hands every member who is present in person has one vote; every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote and every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to; and
- (ii) on a poll every member present in person or by duly appointed proxy or corporate representative has one vote for every share of which he is the holder or in respect of which his appointment as proxy or corporate representative has been made.

Where shares are held jointly, the vote of the senior who has tendered a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members of each company in respect of the holding.

No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares either in person or (save as proxy for another member entitled to vote) by proxy in respect of any share held by him or to exercise any right as a member unless all calls or other sums presently payable by him in respect of that share in the Company have been paid to the Company.

The right to vote, together with other rights and benefits of membership, will also be lost where the member (or any other person claiming to have an interest in such shares) has been issued with a notice pursuant to section 793 of CA 2006 (which requires the member or such other person to declare his interest in the shares) and has failed to give the required information to the Company within the prescribed period set out in that notice.

Unless a poll is duly demanded and the demand is not withdrawn a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

7.1.3 Variation of class rights

Subject to the provisions of the Companies Acts, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be wound up) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles (but not otherwise).

7.1.4 Class meetings

All the provisions in the Articles as to general meetings shall mutatis mutandis apply (with any necessary modifications) to every meeting of the holders of any class of shares save that:

- (i) the quorum at every such meeting shall be not less than two persons present in person or by proxy holding at least one-third of the nominal amount paid up on the issued shares of the class;
- (ii) every holder of shares of the class present in person or by proxy may demand a poll;
- (iii) each such holder shall on a poll be entitled to one vote for every share of the class held by him; and

- (iv) if at any adjourned meeting of such holders, such quorum as aforesaid is not present, not less than one person holding shares of the class (whatever the number) who is present in person or by proxy shall be a quorum.

7.2 *Transfer of shares*

7.2.1 Form of transfer

Except as may be provided in the Articles, each member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

7.2.2 Right to refuse registration

The Board may in its absolute discretion and without giving any reason refuse to register any share transfer unless:

- (i) it is in respect of a share which is fully paid up;
- (ii) it is in respect of a share on which the Company has no lien;
- (iii) it is in respect of only one class of shares;
- (iv) it is in favour of a single transferee or not more than four joint transferees;
- (v) it is duly stamped (if so required); and
- (vi) it is delivered for registration to the Office, or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so, provided that such discretion may not be exercised in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

7.3 *Dividends and other payments*

7.3.1 Declaration of dividends

Subject to the provisions of the Companies Acts and of the Articles, the Company may by ordinary resolution declare that out of profits available for distribution, dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board.

7.3.2 Interim dividends

Subject to the provisions of the Companies Acts, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution and the position of the Company. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preference rights with regard to dividend as well as on shares conferring preferential rights unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer in consequence of the declaration or by the lawful payment of any interim dividend on any shares ranking after those with preferential rights.

7.3.3 Entitlement to dividends

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly.

All dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.

The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

7.3.4 Uncashed dividends

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto by post are returned to the Company undelivered or left uncashed on 2 consecutive occasions the Company shall not be obliged to send any further dividends or other monies payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose

7.3.5 Unclaimed dividends

All dividends, interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

7.4 *Winding up*

If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding up is paid up on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that as nearly as may be the losses are borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The above is subject to the rights attached to any shares which may be issued on special terms or conditions.

If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members but if any division is resolved otherwise than in accordance with such rights the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 110, Insolvency Act 1986. The liquidator may with the like sanction vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as the liquidator with the like sanction shall determine but no member shall be compelled to accept any assets on which there is a liability.

8. **Corporate Governance, Board Committees and Risk Management**

8.1 *Corporate Governance*

The Board adopts the Association of Investment Companies Code of Corporate Governance (AIC Code). The AIC Code addresses all principles set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Financial Reporting Council has confirmed that in complying with the AIC Code, the Company will meet its obligations in relation to the UK Code and paragraph 9.8.6 of the Listing Rules. The Board believes that reporting against the principles and recommendations of the AIC Code will provide more relevant information to Shareholders.

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

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function;

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

At least four formal Board meetings are scheduled every year and other meetings are held as necessary. Matters specifically reserved for decision by the Board have been defined. These include compliance with the requirements of CA 2006, the FCA, EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU), the London Stock Exchange and UK Accounting Standards; changes relating to the Company's capital structure or its status as a public limited company; Board and committee appointments and terms

of reference of committees; material contracts of the Company and contracts of the Company not in the ordinary course of business. The Board as a whole considers management engagement, nomination and remuneration matters rather than delegating these to committees, as all of the current Directors are considered independent of the Investment Manager. Management engagement matters include an annual review of the Company's service providers, with a particular emphasis on reviewing the Investment Manager in terms of investment performance, quality of information provided to the Board and remuneration. The Board as a whole considers Board and committee appointments and the remuneration of individual Directors.

The primary focus at each quarterly Board meeting is governance, overall strategy and a review of investment performance, including but not limited to investor relations, peer group information and issues affecting the investment industry as a whole. A procedure has been adopted for individual Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. The Directors have access to the advice and services of the company secretary, who is responsible to the Board for ensuring board procedures are followed. Both the appointment and removal of the company secretary are matters for the Board as a whole. The Board has satisfied itself that the Audit Committee has sufficient resource and capability to undertake its duties.

All Directors are subject to election by Shareholders at the first annual general meeting following their appointment. The Articles require that each Director retires by rotation at an annual general meeting if they have held office as a director at the two immediately preceding annual general meetings and did not retire at either of those and must retire annually after nine years.

In terms of overall length of tenure, the AIC Code does not explicitly make recommendations. Some market practitioners feel that considerable length of service (which has generally been defined as a limit of nine years) may lead to the compromise of a director's independence. The Board does not believe that a director should be appointed for a finite period. Peter Dicks has now served the Company for eighteen years, Jocelin Harris has served for thirteen years and Jeremy Hamer has served for nearly ten years. The Board, however, considers that they remain independent of the Investment Manager as they continue to offer independent, professional judgement and constructive challenge of the Investment Manager. In accordance with the AIC Code, however, all directors will offer themselves for re-election annually. The Company will review and publish its ongoing tenure policy for the chairman.

The Board has considered whether each Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement and has concluded that, all of the Directors are independent of the Investment Manager. Tim Woodcock is a shareholder in Lloyds Banking Group plc, Tesco plc, Legal and General plc and Vodafone plc. Peter Dicks is a shareholder of Mears Group plc and Antler Holdco Limited (which is a shareholder of Interactive Investor Limited, in which the Company has an investment). Jocelin Harris is a shareholder of Antler Holdco Limited, Lloyds Banking Group plc, Vodafone plc, Totally plc and Vianet Group plc. Jeremy Hamer is the non-executive chairman of Uvenco UK plc (in liquidation), holding 2.3% of the issued share capital, a non-executive director and a shareholder of Access Intelligence plc, and a shareholder in Kellan plc, Avingtrans plc and Netcall plc. Charlotta Ginman is a non-executive director and shareholder of Keywords Studios plc and a shareholder in Lloyds Banking Group plc.

The Directors, who were independent of each conflict noted above, considered the circumstances and agreed that all of the relevant Directors in each case remain independent of the Investment Manager. This is because these relationships are not of a material size to their assets and other business activities nor to those of the Company. There are no other contracts or investments in which the Directors have declared an interest.

The above potential conflicts, along with other potential conflicts, have been reviewed by the Board in accordance with the procedures under the Articles and applicable rules and regulations and have been authorised by the Board in accordance with these procedures. The Articles allow the Directors not to disclose information relating to a conflict where to do so would amount to a breach of confidence. The Board places great emphasis on the requirement for the Directors to disclose their interests in investments (and potential investments) and has instigated a procedure whereby a Director declaring such an interest does not participate in any discussions or decisions relating to such investments. The Directors inform the Board of changes to their other appointments as necessary. The Board reviews the authorisations relating to conflicts quarterly.

The Board aims to include a balance of skills and experience that the Directors believe to be appropriate to the management of the Company. The Chairman fully meets the independence criteria as set out in the AIC Code. The effectiveness of the Board and the Chairman is reviewed annually as part of the internal control process led by the senior independent director. The senior independent director evaluates all responses and provides feedback to the Board. In the year to 30 September 2019, he concluded that the composition and performance of the Board was effective. The Directors monitor the continuing independence of the Chairman and inform him of their discussions.

8.2 **Board Committees**

As noted above the Board as a whole considers matters relating to management engagement, nomination and remuneration.

The Audit Committee comprises all of the Directors and Jeremy Hamer acts as chairman. The Board is satisfied that at least one member of the committee has recent and relevant financial experience. The Committee meets quarterly to review the internal financial and nonfinancial controls, accounting policies and contents of the half-yearly and annual reports to Shareholders. It has primary responsibility for making recommendations on the appointment and removal of the external auditors. The Committee reviews

the independence of the auditors and the effectiveness of the audit process annually. Should the Committee be dissatisfied with the standard of service received from the incumbent auditor, a tender process would be undertaken. The Company's external auditors are invited to attend meetings as appropriate.

8.3 Risk Management

The Board has overall responsibility for the Company's affairs including the determination of its investment policy. The Board, through its Audit Committee, reviews the Company's risk management register to identify any new risks and ensure that adequate and appropriate controls are in place to manage those risks. Risk is spread by investing in a number of different businesses across different industry sectors. The Investment Manager is responsible for managing sector and stock specific risk and the Board does not impose formal limits in respect of such exposures. However, in order to maintain compliance with HMRC rules and to ensure that an appropriate spread of investment risk is achieved, the Board receives and reviews comprehensive reports from the Investment Manager on a monthly basis. When the investment manager proposes to make an investment in an unquoted company, the prior approval of the Board is required. ISCA Administration Services provides company secretarial and accountancy services to the Company.

9. General Taxation

- 9.1 The following paragraphs, which are intended as a general guide only and are based on current legislation and HMRC practice, summarise advice received by the Board as to the position of the Company's Shareholders who hold Shares other than for trading purposes. Any persons who are in any doubt as to their taxation position or may be subject to taxation in any jurisdiction other than the United Kingdom should consult their professional advisers.
- 9.2 Stamp duty and stamp duty reserve tax – the Company has been advised that no stamp duty or stamp duty reserve tax will be payable on the issue of the Shares. The Company has also been advised that the transfer of Shares will, subject to any applicable exemptions, be liable to ad valorem stamp duty at the rate of 0.5% of the consideration paid. An unconditional agreement to transfer such shares if not completed by a duly stamped stock transfer will be subject to stamp duty reserve tax generally at the rate of 50p per £100 (or part thereof) of the consideration paid.
- 9.3 Taxation of dividends – under current law, no tax will be withheld by the Company when it pays a dividend.
- 9.4 Close company – the Board believes that the Company is not, and expects that following completion of the Offer it will not be, a close company within the meaning of ITA 2007. If the Company was a close company in any accounting period, approval as a VCT for the Company would be withdrawn.

10. Overseas Shareholders

The issue of New Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such Shareholders and potential investors should inform themselves about and observe any legal requirements, in particular:

- (i) none of the New Shares have been or will be registered under the United States Securities Act 1933, as amended, or qualify under applicable United States state statute and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia or Japan;
- (ii) the Company is not registered under the United States Investment Company Act of 1940, as amended and investors are not entitled to the benefits of that Act; and
- (iii) no offer is being made, directly, in or into or by the use of emails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) or interstate or foreign commerce, or of any facility in a national securities exchange, of the United States, Canada, or Japan. It is the responsibility of investors with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of New Shares including the obtaining of any government or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

11. Financial Information

11.1 Latest financial information

The Company has produced annual statutory accounts for the financial year ended 30 September 2019 (2019 Annual Report). The 2019 Annual Report was audited by BDO LLP of 150 Aldersgate Street, London EC1A 4AB, and was reported on without qualification and contained no statements under section 495 to section 497A of CA 2006. BDO LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

The 2019 Annual Report was prepared in accordance with UK generally accepted accounting practice (GAAP), the requirements of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The 2019 Annual Report contains a description of the Company's financial condition, changes in financial condition and results of operation and is being incorporated by reference and can be accessed at the following website: www.unicornaimvct.co.uk.

Where the 2019 Annual Report makes reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. The two tables below comprise a cross-referenced list of information incorporated by reference. The parts of the 2019 Annual Report which are not being incorporated by reference are either not relevant for an investor or are covered elsewhere in the Prospectus.

The 2019 Annual Report includes the following information:

Description	2019 Annual Report
Balance Sheet (or equivalent)	Page 48
Income Statement (or equivalent)	Page 47
Statement showing all changes in equity (or equivalent note)	Page 49
Cash Flow Statement	Page 50
Accounting Policies and Notes	Pages 51 and 52
Auditor's Report	Pages 43 to 46

This information has been prepared in a form consistent with that which will be adopted in the Company's next published annual financial statements having regard to accounting standards and policies and legislation applicable to those financial statements.

The 2019 Annual Report also includes operating/financial reviews as follows:

Description	2019 Annual Report
Objective	inside front cover
Performance Summary	Page 1
Results and Dividend	Page 3
Investment Policy	Page 6
Outlook	Page 4
Investment Manager's Review	Pages 12 to 16
Portfolio Summary	Pages 18 to 27
Business Review	Page 2 to 4
Valuation Policy	Page 51

Certain financial information of the Company is also set out below:

	Financial year ended 30 September 2019
Investment income	£2,728,000
Total income before operating expenses	£2,728,000
Profit/(loss) on ordinary activities before taxation	£(12,160,000)
Net profit/(loss) on ordinary activities before taxation	£(12,160,000)
Performance fee (accrued/paid)	0
Investment management fee (accrued/paid)	£3,664,000
Any other material fees (accrued/paid) to service providers	£358,000
Earnings per Share	(9.8)p
Dividends paid per Share (in the period)	6.5p
Dividends paid per Share (in respect of the period)	6.5p
Total assets	201,116,000
NAV per Share	153.9p

11.2 *Most recently published NAV*

As at 31 January 2020, the date to which the most recent unaudited financial information on the Company has been published, the Company had unaudited net assets of £221.4 million (NAV per Share of 170.5p).

11.3 *Capitalisation*

The capitalisation of the Company as at 30 September 2019, is set out below.

Shareholders' Equity	£'000
Called-up share capital	1,307
Capital redemption reserve	25
Share premium account	13,856
Capital reserve	65,535
Special reserve	114,297
Profit and loss account	6,096
Total	201,116

Since 30 September 2019, total Shareholders' equity has increased by approximately £20 million. This materially relates to (i) the net increase in the carrying value of the Company's investments (which has increased the capital reserve), (ii) the payment of a dividend, the buyback of Shares and the write-off of investment losses (which reduces the capital reserve, the special reserve and the profit and loss account) and (iii) the issue of new Shares pursuant to the Dividend Reinvestment Scheme (which has increased the called-up share capital and the share premium account). Save for (i), (ii) and (iii) above in this paragraph, there has been no material change in the capitalisation of the Company between 30 September 2019, the date to which the last audited financial information on the Company was made up to and 10 February 2020, the latest practicable date before the date of publication of this document.

11.4 *Indebtedness*

As at 10 February 2020 (the latest practicable date prior to publication of this document), the Company has no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, direct and/or contingent and there is no current intention of incurring any such indebtedness during the twelve month period from the date of this document. The Company has granted a charge and negative pledge over the shares held by it in Interactive Investor Limited in favour of J.C. Flowers IV L.P. (as security trustee) in respect of indebtedness owed by Antler Holdco Limited (this being the holding company of Interactive Investor Limited).

11.5 *Recent material investments*

The following material investments have been made by the Company since 30 September 2019:

- (i) an investment of £500,000 in Osirium Technologies 7.5% Convertible Loan Notes 2024 in October 2019; and
- (ii) a further investment in Phynova Group of £500,000 in November 2019.

Save as set out above, there have been no material investments made by the Company since 30 September 2019. In the ordinary course, there are a number of potential investments which are in progress, but no firm commitments have been made in respect of these.

11.6 *Working capital statement*

The Company is of the opinion that its working capital is sufficient for its present requirements, that is for at least the twelve month period from the date of this document.

11.7 *Significant change statement*

Save for the increase in the Company's audited net assets from £201 million (153.9p per Share) as at 30 September 2019 to unaudited net assets of £221.4 million (170.5p per Share) as at 31 January 2020, there has been no significant change in the financial position of the Company since 30 September 2019, the date to which the 2019 Annual Report was made up to.

12. Other

- 12.1 The Directors act and will continue to act independently of the Investment Manager. No majority of the Directors will be directors or employees of, or former directors or employees of, or professional advisers to, the Manager or any other company in the same group as the Investment Manager.
- 12.2 The Company has no employees or subsidiaries.
- 12.3 The Investment Manager has and will have sufficient and satisfactory relevant experience in advising on investments of the size and type which the Company proposes to make. The Directors will also ensure that the Board and any additional or replacement investment advisers have and will have sufficient and satisfactory experience in advising on such investments.
- 12.4 Save as set out below, there are no material potential conflicts of interest which any of the service providers to the Company may have as between their duty to the Company and the duties owed to third parties and their other interests.
- 12.4.1 Unicorn AM is the investment manager both to the Company and a number of other funds, including open ended investment companies in which the Company invests. The Investment Manager received from these other funds fees in respect of the Company's investment in the funds of £54,249, £68,632 and £37,267 in the years ended 30 September 2017, 2018 and 2019 and £17,759 in the current year to date respectively, for the management services provided to them and calculated on the value of the Company's holding in each such OEIC on a daily basis. To ensure that the Investment Manager does not receive a double payment of management fees in respect of these other funds, the Company and the Investment Manager have put in place arrangements whereby the Company does not pay the Investment Manager (under the management arrangements with the Company set out in paragraph 5.1 above) management fees in relation to any investment by the Company in these other funds.
- 12.4.2 Travel and other expenses may be considered benefits to the Directors. Where applicable associated tax liability will be settled by the Company.
- 12.5 There are no governmental, legal or arbitration proceedings (including any such proceedings which are or were pending or threatened of which the Company is aware) during the 12 months immediately preceding the date of this document, in each case which may have, or have had, in the recent past, a significant effect on the Company's financial position or profitability.
- 12.6 Save as set out in the first two risk factors under the heading 'Other Risks' on page 9 of this document, there are no governmental, economic, monetary, political or fiscal policies and factors which have or could affect the Company's operations.
- 12.7 The Board believes that the Offer will result in a significant change to the Company, principally an increase in its net assets of an amount equivalent to the net proceeds of the Offer, expected to be a maximum of £23.625 million as set out in paragraph 12.8 below. The short term impact of the Offer on earnings will be dilutive as the additional costs will currently be greater than any interest earned on cash balances raised. Once the net funds raised have been invested, the impact of the Offer should, in due course, be accretive to earnings and net assets per Share.
- 12.8 The gross proceeds of the Offer will be £25 million (assuming full subscription and utilisation of the over-allotment facility). The total expenses payable by the Company in connection with the Offer (including VAT where applicable) will be a maximum amount equal to 2.5% of the Application Amounts in respect of Applications accepted under the Offer (less any fees waived by the Investment Manager in respect of particular Applications), plus 'execution-only' initial commission and annual trail commission. The total expenses will, therefore, be a maximum of £1.375 million (assuming that the fundraising is fully subscribed under the Offer utilising the over-allotment facility and assuming that the maximum amount of initial commission of 3% is payable to 'execution-only' financial intermediaries in respect of all investors, but excluding annual trail commission). The maximum net proceeds will, on the same basis, amount to £23.625 million.
- 12.9 The Company's capital resources are restricted insofar as they may be used only in putting into effect the investment policy of the Company (the current investment policy being as set out on page 23 of this document).
- 12.10 The Company is subject to the investment restrictions relating to a Venture Capital Trust in ITA 2007 (as amended and supplemented from time to time), as more particularly detailed in Part VII of this document, and in the Listing Rules which specify that (a) 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 (the current investment policy being as set out on page 23 of this document); (b) the Company must not conduct any trading activity which is significant in the context of its group as a whole; and (c) the Company may not invest more than 10%, in aggregate, of the value of the total assets of the Company (at the time an investment is made) in other listed closed-ended investment funds.

Any material change to the investment policy of the Company will require the approval of Shareholders pursuant to the Listing Rules.

The Company intends to direct its affairs in respect of each of its accounting periods so as to qualify as a venture capital trust and accordingly:

- (i) the Company's income is intended to be derived wholly or mainly from shares or other securities, as this phrase is interpreted by HMRC;
 - (ii) the Company will not control the companies in which it invests in such a way as to render them subsidiary undertakings;
 - (iii) none of the investments, at the time of investment, will represent more than 15% by VCT Value (including cash) of the Company's investments by VCT Value (including cash); and
 - (iv) not more than 20% of Company's gross assets will at any time be invested in the securities of property companies
- 12.11 Shareholders will be informed, by means of the half-yearly and/or annual report or through a Regulatory Information Service announcement, if the investment restrictions as described in paragraph 12.10 above are breached.
- 12.12 If, at any time, the Company's VCT status is lost, dealing in its shares and valuation of the Company's net asset value will normally be suspended, which will be communicated to shareholders through a Regulatory Information Service announcement until such time as proposals to continue as a VCT or to be wound up have been further announced. The Directors do not anticipate any other circumstance under which valuations may be suspended.
- 12.13 All Shareholders have the same voting rights in respect of the share capital of the Company. The Company is not aware of any person who, directly or indirectly, exercises or could exercise control over the Company, nor of any arrangements, the operation of which, may be at a subsequent date result in a change of control of the Company. The Company does not have any material shareholders with different voting rights.
- 12.14 BDO LLP (a member of the Institute of Chartered Accountants in England and Wales) is the current auditor of the Company. BDO LLP was appointed when the previous auditor of the Company, PKF (UK) LLP, merged with BDO LLP. BDO LLP (and PKF (UK) LLP prior to its merger with BDO LLP) have been auditors of the Company since launch.
- 12.15 A typical investor in the Company will be a UK taxpayer who is aged 18 or over and who already has a portfolio of VCT and non-VCT investments (such as unit trusts, OEICs, investment trusts and direct shareholdings in listed and non-listed companies). The investor should be comfortable with the risks associated with an investment in a VCT and be willing to retain the investment for at least five years (in order to retain their upfront income tax relief).
- 12.16 The New Shares will be issued in the Applicant's name in registered form (unless otherwise requested). The Company is registered with CREST, a paperless settlement system. Applicants can request that New Shares be issued into a CREST account and/or into a nominee name by completing the relevant section of the Application Form. In all cases, no temporary documents of title will be issued.
- 12.17 Panmure Gordon has given and not withdrawn its written consent to the issue of this document and the inclusion of its names and the references to it in this document in the form and context in which it appears.
- 12.18 The Company and the Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of securities by financial intermediaries, from the date of the Prospectus until the closing date of the Offer. The Offer will close on or before 5.30 p.m. on 30 June 2020, unless previously fully subscribed or closed earlier by the Directors. There are no conditions attaching to this consent. Financial intermediaries may use the Prospectus in the UK.
- 12.19 Financial intermediaries must give investors information on the terms and conditions of the offer being made by the financial intermediaries at the time they introduce such offer to investors. Any financial intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent in paragraph 12.18 above.**

13. Documents Available for Inspection

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document until the offer closes at the offices of Shakespeare Martineau LLP, 60 Gracechurch Street, London EC3V 0HR and also at the registered office of the Company:

- 13.1 the articles of association of the Company;
- 13.2 the 2019 Annual Report;
- 13.3 the material contracts referred to in paragraph 5 above;
- 13.4 the consent referred to in paragraph 12.17 above; and
- 13.5 this document.

11 February 2020

Part IX – Definitions

2019 Annual Report	the annual report for the Company for the financial year ended 30 September 2019
Admission	admission of the New Shares allotted under the Offer to the premium tier of the Official List and to trading on the London Stock Exchange becoming effective
advised investor	an investor who received advice from a financial intermediary in respect of an investment under the Offer
AIC	Association of Investment Companies
AIC Code	the 2016 AIC Code of Corporate Governance Code
AIM	the Alternative Investment Market of the London Stock Exchange
Allotment Formula	the formula, pursuant to which the number of New Shares to be allotted to an Applicant under the Offer, as further detailed in Part II of this document
Applicant	an applicant under the Offer
Application	a valid application by an Applicant for New Shares pursuant to the Offer
Application Amount	the amount remitted by the Applicant with the Applicant's Application, including any amount requested to be facilitated, as accepted under the Offer
Application Form	an application form for use in respect of the Offer as set out in this document or otherwise made available by the Company
Articles	the articles of association of the Company
Board	the board of Directors of the Company
Business Day	means any day on which banks are generally open for business in London, other than a Saturday
CA 2006	the Companies Act 2006 (as amended)
City Partnership	The City Partnership (UK) Limited
COBS	conduct of business sourcebook, forming part of the FCA handbook
Common Reporting Standard	the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information
Companies Acts	means every statute (including orders, regulations and other subordinate legislation made under it) from time to time in force concerning companies
Company	Unicorn AIM VCT plc
CREST	the computerised settlement system to facilitate the transfer of title to securities in uncertified form operated by Euroclear UK & Ireland Limited
Directors	the directors of the Company (and each a Director)
Disclosure and Transparency Rule	the Disclosure and Transparency Rules of the FCA
Distributor or LGBR Capital	LGBR Capital London Limited
EEA States	the member states of the European Economic Area
'Execution-only' investor	an investor who invests under the Offer through an 'execution-only' financial intermediary
FCA	the Financial Conduct Authority
FATCA	the Foreign Account Tax Compliance Act
FSMA	the Financial Services and Markets Act 2000 and regulations made thereunder (as amended)
HMRC	HM Revenue & Customs
Investment Amount	an Applicant's Application Amount, less any amount of any initial adviser charge agreed to be facilitated in respect of an advised investor)
Investment Manager or Unicorn AM	Unicorn Asset Management Limited
IPEVC Valuation Guidelines	International Private Equity and Venture Capital Valuation (IPEVC) guidelines (December 2018) developed by the British Venture Capital Association and other organisations

ISCA Administration Services	ISCA Administration Services Limited
ITA 2007	the Income Tax Act 2007 (as amended)
Key Information Document	the key information document produced by the Company
LGBR Capital	LGBR Capital London Limited
Memorandum	the memorandum of association of the Company
Money Laundering Regulations	the Money Laundering Regulations 2017 within the guidance for the UK Financial Sector issued by the Joint Money Laundering Steering Group
NAV or net asset value	the net asset value of a company calculated in accordance with that company's accounting policy
New Shares	new Shares to be issued pursuant to the Offer (and each a New Share)
NEX Exchange	the NEX Exchange, a prescribed market for the purposes of section 118 of FSMA
OEIC	open-ended investment company
Offer	the offer for subscription to raise up to £15 million, with an over-allotment facility to raise up to a further £10 million, through the issue of up to, in aggregate, 20 million New Shares as set out in this document
Offer Price	the price at which New Shares will be issued to be determined by dividing the Investment Amount by the number of New Shares to be issued as calculated pursuant to the Allotment Formula
Official List	the Official List maintained by the UKLA
Panmure Gordon	Panmure Gordon (UK) Limited
Prospectus	this document
Prospectus Regulation Rules	the Prospectus Regulation Rules issued by the FCA and made under Part VI of FSMA and pursuant to the Prospectus Regulation
Prospectus Regulation	Regulation (EU 2017/1119) of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
Qualifying Company	an unquoted (including an AIM-quoted) company which satisfies the requirements of Chapter 4 of Part 6 of the ITA 2007
Qualifying Investment	shares in, or securities of, a Qualifying Company held by a Venture Capital Trust which meets the requirements described in Chapter 4 of Part 6 of the ITA 2007
Qualifying Investors	individuals aged 18 or over who are resident in the United Kingdom and who invest in the Company (and each a Qualifying Investor)
Receiving Agent	City Partnership in its capacity as receiving agent under the Offer
Registrars	City Partnership in its capacity as registrar
Regulatory Information Service	a newswire services designated as a Regulatory Information Service by the FCA for the purposes of Appendix 3 of the Listing Rules
Risk Finance Guidelines	guidance on State Aid to promote risk finance investments (2014/C 19/04)
Shareholders	holders of Shares (and each a Shareholder)
Shares	ordinary shares of 1p (sterling) each in the capital of the Company (and each a Share)
SME	small, medium enterprise
State Aid	any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the EU
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or US	the United States of America, its states, territories and possessions (including the District of Columbia)
VCT Value	the value of an investment calculated in accordance with section 278 of ITA 2007
Venture Capital Trust or VCT	a venture capital trust as defined in section 259 ITA 2007

Part X – Application for New Shares and Application Procedures

Terms and Conditions of Application

The following Terms and Conditions of Application apply to the Offer.

Save where the context otherwise requires, words and expressions defined in this document have the same meanings when used in these Terms and Conditions of Application, the Application Procedures and the Application Form. Words importing one gender (where appropriate) include any other gender and words importing the singular shall (where appropriate) include the plural and vice versa.

The Application Procedures and the Application Form (including, for the avoidance of doubt, any revised or additional Application Form(s) made available by the Company in connection with the Offer) form part of these terms and conditions of Application.

1. The maximum amount to be raised under the Offer is £25 million (£15 million with an over-allotment facility for a further £10 million). The maximum number of New Shares to be issued pursuant to the Offer is 20 million. If the Board (in consultation with Investment Manager) decides to utilise the over-allotment facility (subject to the overall aggregate maximum number of 20 million New Shares to be issued pursuant to the Prospectus), the Company will make a Regulatory Information Service announcement as soon as reasonably practicable. The Offer will be closed at 5.30 p.m. on 30 June 2020 or as soon as full subscription is reached (unless extended by the Board or closed earlier at its discretion). The Offer will not be extended beyond 30 June 2020.
2. The contract created by the acceptance of Applications in the manner herein set out will be conditional upon the Admission of the New Shares to the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities unless otherwise so resolved by the Board. If the Offer is withdrawn or any Application is not accepted or if any Application is accepted for a lower amount than applied for, or if there is a surplus of funds from the Application Amount, the Application Amount (or relevant balancing amount thereof) will (save where the amount is less than £5, in which case you authorise such amount be paid to the Company and used for its own purpose) be returned without interest at the risk of the person(s) entitled thereto by (i) crossed cheque through the post or (ii) by bank transfer to the same bank account from which the monies were received as identified on the Application Form. In the meantime, Application Amounts will be retained by the Receiving Agent in a separate account.
3. The Company reserves the right to present all cheques and banker's drafts for payment on receipt and to retain documents of title and, if relevant, surplus Application Amounts pending clearance of the successful Applicants' cheques, banker's drafts and transfers.
4. By completing and delivering an Application Form, you (as the Applicant) acknowledge that your Application is addressed to the Company, the Promoter and the Receiving Agent in respect of acceptance of these Terms and Conditions of Application and further that you (as the Applicant), in respect of the Offer:
 - a. irrevocably offer to subscribe for such number of New Shares at the Offer Price per share in respect of the monetary amount stated on the Application Form (net of any amount requested to be facilitated in respect of an initial adviser charges) on the basis of the Allotment Formula and Offer Price determination as set out in Part II of the Prospectus, subject to the provisions of (i) the Prospectus; (ii) these Terms and Conditions of Application; (iii) the Articles; and (iv) any document or information mentioned, and on the basis set out, in paragraph (k) below;
 - b. agree that, in consideration of the Company agreeing to process your Application, your Application may not be revoked (save in accordance with 'withdrawal rights' under section 87Q of FSMA and Prospectus Regulation Rule 3.4.1 where a supplementary prospectus to the Prospectus is issued by the Company), and that this paragraph constitutes a collateral contract between you and the Company, the Promoter and the Receiving Agent which will become binding upon you or your agent's dispatch by post or transmission by electronic communication to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your duly completed Application Form;
 - c. agree that your cheque or banker's draft will be presented for payment on receipt, warrant that it will be honoured on first presentation and further agree that, if it is not so honoured, (i) you will not be entitled to receive documents of title in respect of the New Shares (nor shall your financial intermediary be entitled to any facilitation of any initial adviser charges or payment of initial commission) or to enjoy or receive any rights or distributions in respect of such New Shares unless and until you make payment in cleared funds for such New Shares and such payment is accepted by the Company (which acceptance shall be in its absolute discretion and may be on the basis that you indemnify it 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 (ii) that any documents of title, any Application monies returnable and any monies payable to your financial intermediary may be retained pending clearance (and that such monies will not bear interest) and that at any time prior to unconditional acceptance by the Company of such late payment in respect of such New Shares, the Company may (without prejudice to its other rights), avoid the agreement to allot such New Shares and avoid the facilitation of any initial adviser charges or payment of initial commission and may allot such New Shares to some other person (in which case you will not be entitled to any payment in respect of such New Shares, other than the refund of such late payment (together with any other Application monies returnable) at the risk of the person(s) entitled thereto by (1) crossed cheque through the post or (2) by bank transfer to the same bank account from which the monies were received as identified on the Application Form);
 - d. agree that any Application monies, together with other monies received from other Applicants, will be held on trust by the Receiving for the purposes of either (i) the payment of the Offer Price in respect of New Shares you have subscribed for and/

or (ii) the return to you (without interest) in circumstances where such payment(s) as referred to in (i) are not made (and in circumstances where (ii) applies, you acknowledge that any interest earned on such monies will be paid to the Company and used for its own purposes);

- e. agree that any monies refundable may be retained by the Receiving Agent pending clearance of your remittance and any verification of identity which is, or which the Company or the Receiving Agent may consider to be, required in relation to you or any third party payee for the purposes of the Money Laundering Regulations and the Common Reporting Standard;
- f. agree to provide the Company and/or the Receiving Agent with any information which either may request in connection with your Application and/or in order to comply with Venture Capital Trust or other relevant legislation and/or the Money Laundering Regulations (as may be amended) and the Common Reporting Standard;
- g. agree that, in respect of those New Shares for which your Application has been received and processed, and is not rejected, acceptance of your Application shall be constituted by inclusion in an allotment of New Shares to you pursuant to the Offer; h. authorise the Company's Registrars to, as relevant, send definitive documents of title for the number of New Shares for which your Application is accepted or procure that such New Shares are issued in uncertificated form where requested on the Application Form (and further to procure that your name or, where relevant, your nominee where requested on the Application Form, is placed on the register of members of the Company in respect of such New Shares);
- i. authorise the Receiving Agent to send any monies returnable at the risk of the person(s) entitled thereto by way of (i) a crossed cheque by post to your address as set out in your Application Form or bank transfer to the same bank account from which the monies were received as identified on the Application Form;
- j. irrevocably authorise the Receiving Agent and/or the Registrar and/or the Company or any person authorised by any of them, as your agent, to do all things necessary to effect registration of any New Shares subscribed by or issued to you into your name (or, where relevant, the name of your nominee where requested on the Application Form) and authorise any representative of the Receiving Agent, the Registrar or the Company to execute any document required;
- k. agree and acknowledge that, having had the opportunity to read the Prospectus, the Key Information Document and any supplementary prospectus issued by the Company and files with the FCA), you are making your Application solely on the basis of the information and statements concerning the Company and the New Shares contained in such documents and the latest publicly available Regulatory Information Services announcements by the Company, all of which you shall be deemed to have received and read (whether or not so read);
- l. confirm that in making such Application you are not relying on any information or representation in relation to the Company other than those contained in the Prospectus (including any supplementary prospectus issued by the Company and filed with the FCA) and the Key Information Document and you agree that no person responsible solely or jointly for such documents or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation relating to the Company, the New Shares or for any change in the law or regulations affecting VCTs;
- m. confirm and warrant that the information provided on the Application Form is true and accurate, confirm that any instructions thereon in relation to the facilitation of an initial adviser charge and irrevocably authorise the Company and the Receiving Agent to make such payments from your Application Amount;
- n. confirm that you are not a US person as defined under the United States Securities Act of 1933, as amended, or a resident of Canada and that you are not applying for any New Shares with a view to their offer, sale, delivery to or for the benefit of any US person or a resident of Canada, and that you have reviewed the restrictions contained in paragraphs 6 and 7 below and warrant compliance therewith (including that you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company, the Receiving Agent and the Investment Manager acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your Application);
- o. confirm that you are not under the age of 18 years;
- p. declare that a loan has not been made to you or any associate, which would not have been made or 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 of arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax.
- q. warrant that, if you sign the Application 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 authority contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor or bank with the Application Form;

- r. where you have received advice in respect of your Application from a financial intermediary, you (i) authorise the Company and the Investment Manager (and their delegates and agents) to provide any information in relation to your ongoing investment in the Company, to such financial intermediary detailed on your Application Form (or other authorised financial intermediary who may subsequently be engaged by you to provide advice in connection with your investment in the Company as notified to the Company and/or the Investment Manager from time to time), (ii) acknowledge that any such communication may be sent to your financial intermediary prior to or, where requested, in place of, being sent to you in such form as may be agreed with such financial intermediary and that such information may also be provided more frequently where agreed and (iii) you also authorise the Company and the Investment Manager (and their delegates and agents) to accept instructions relating to your investment in the Company and changes to your personal details as provided by such financial intermediary (subject to such evidence and/or verification as the Company and/or the Investment Manager and/or their delegates and agents may request);
 - s. acknowledge that the Receiving Agent and Investment Manager are acting solely for the Company and no-one else and will not be responsible to anyone other than the Company for providing any advice in relation to the Offer and will not treat you (or, where relevant, your nominee) as its customer (and agree that neither the Receiving Agent nor the Investment Manager will regard you as its customer by virtue of you having made an Application for New Shares or by virtue of such Application being accepted; and
 - t. acknowledge that the Receiving Agent and/or the Investment Manager and/or the Company (or their delegates and agents) may, if necessary, disclose information to HMRC and the IRS to satisfy their FATCA or CRS obligations or to other regulatory bodies if required, or considered obliged, to do so in accordance with any statute or regulation or by governmental, judicial and law enforcement bodies; and
 - u. acknowledge that the information provided in connection with your Application will be provided to the Receiving Agent, the Investment Manager (and its delegates) and the Registrars to process Applications and shareholding details and send notifications to you;
 - v. authorise the Company, the Receiving Agent and the Investment Manager (and its delegates) to provide information as provided by you or to you in connection with your Application to your financial intermediary;
 - w. agree that these confirmations, warranties, undertakings and authorities are made and given to the Company, the Receiving Agent and the Investment Manager; and
 - x. agree that all Applications, acceptances of Applications, instructions to facilitate any initial adviser charges, payments of initial commission and contracts resulting therefrom shall be governed by and construed in all respects in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications and acceptances of Applications, instructions to facilitate any adviser charges, any payments of initial commission and contracts in any other manner permitted by law or any court of competent jurisdiction.
5. The Company reserves the absolute right to inspect (either itself, through the Receiving Agent and/or the Investment Manager or through other agents) all Application Forms, and may consider void and reject any Application Form that does not in the sole judgment of the Company satisfy the terms and conditions of the Offer. If an Application Form is not completed or in the Company's determination (in its absolute discretion) has not been validly completed, provided that the Application Form is otherwise in order and is accompanied by the appropriate Application monies, the Application may be accepted as a valid Application in whole or in part at the Company's discretion.
- The right is also reserved to treat as valid any application for New Shares not complying fully with these Terms and Conditions of Application, or not in all respects complying with the Application Procedures. In particular, but without limitation, the Company may accept Applications made otherwise than by completion of an Application Form where the Applicant has agreed in some other manner to apply in accordance with, and be bound by, these terms and conditions and may, at its discretion, accept an Application and issue New Shares in respect of which payment is not received or cleared by the closing date of the Offer.
6. No action has been or will be taken in any jurisdiction by, or on behalf of, the Company which would permit a public offer of New Shares in any jurisdiction where action for that purpose is required, other than the UK, nor has any such action been taken with respect to the possession or distribution of the Prospectus or any document or information mentioned in paragraph (k) above other than in the UK. No person receiving a copy of the Prospectus, an Application Form or any document or information mentioned in paragraph (k) above in any territory other than the UK may treat the same as constituting an invitation or offer to them nor should they in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to them or such Application Form could lawfully be 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 for New Shares to satisfy themselves 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 required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

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. In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Investment Manager is not 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 in the USA.

7. The basis of allocation will be determined by the Board (after consultation with the Investment Manager and the Receiving Agent) in its absolute discretion. It is intended that Applications will be accepted in the order in which they are received (provided cheques are not post-dated and with priority being given to applications with cleared funds), but subject always to the discretion of the Board. The right is reserved, notwithstanding the basis so determined, to reject in whole or in part and/or scale down any Application, in particular multiple and suspected multiple Applications which may otherwise be accepted. Applications will not (unless otherwise agreed by the Company) be regarded as valid unless cleared funds are received in respect of the Application. Applications with cleared funds will also be given priority.

Dealing may commence before such notification. Dealings prior to the issue of certificates, if applicable, for New Shares will be at the risk of Applicants. A person so dealing must recognise the risk that an Application may not have been accepted to the extent anticipated or at all. The Offer cannot be withdrawn after dealings in the New Shares issued from time to time under the Offer have commenced.

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

8. The Investment Manager may agree to waive any part of the fee element due to it represented by the 2.5% of the Application Amount in respect of any specific or group of investors for the benefit of such investors. The benefit of the waiver will reduce the fee payable to the Investment Manager and, in respect of investors and be applied by reducing (B) in the Allotment Formula by an equivalent amount, which will increase the number of New Shares to be allotted to the relevant investors. The 2.5% fee applies to the full Application Amount (i.e. including any amount to be facilitated for adviser charges referred to in paragraph 11 below to cover administration costs of facilitation).
9. The Investment Manager may (on behalf of the Company) agree with financial intermediaries who provide 'execution-only' services to a client that, in respect of Applications accepted from such clients, to pay an initial commission (subject to a maximum of 3% of the Application Amount accepted and subscribed for New shares). Initial commission will only be paid following the allotment of New Shares to the financial intermediary's client.

In addition, provided they continue to act for their client and the client continues to hold such New Shares, such financial intermediaries will be paid an annual trail commission of 0.375% of the base net asset value for each such New Share. For this purpose, "base net asset value" means the net assets attributable to the New Share in question as determined from the audited annual accounts of the Company as at the end of the preceding financial year. No payment of trail commission shall be made to the extent that the cumulative trail commission would exceed 2.25% of the Offer Price of each such New Share in question. The Investment Manager may, with the consent of the Board, agree to pay trail commission on a different basis, provided that it does not exceed the maximum cumulative payment of 2.25% of the Offer Price of the New Share in question.

Initial commission and annual commission will only be paid if, and to the extent, they are permitted under legislation and regulations. Initial commission will be paid out of the costs of the Offer. Annual trail commission will be paid by the Company. Execution-only financial intermediaries should keep a record of Application Forms submitted bearing their FCA number to substantiate any claim for commission.

The Receiving Agent will collate the Application Forms bearing the financial intermediaries' FCA number and calculate the initial commission payable which will be paid within one month of the allotment of New Shares to the financial intermediary's relevant client.

Annual trail commission will be paid shortly after the later of the annual general meeting of the Company in the relevant year or, where applicable, the date of payment of the final dividend for the relevant year, and further provided that the no financial advice is provided by the financial intermediary to the client. The administration of annual trail commission will be managed on behalf of the Company by the company secretary which will maintain a register of financial intermediaries entitled to trail commission. The Company shall be entitled to rely on a notification from a client that he has changed his financial intermediary, in which case, the trail commission will cease to be payable.

Financial intermediaries may agree to waive initial commission in respect of an Application. If this is the case then the amount of commission taken into account in calculating your bespoke Offer Price for New Shares under the Allotment Formula will be reduced to the extent that such commission has been waived, thereby increasing the number of New Shares which you will be issued under the Offer. If the maximum amount to be waived stated on the Application Form would be greater than 3% of the Application Amount accepted, the amount of the commission to be waived will be reduced.

10. Investors and 'execution-only' financial intermediaries should note that trail commission is not payable if the relevant financial intermediary subsequently then gives advice in respect of a holding. The Company must be immediately notified that trail commission

payments should cease. It is the responsibility of the investor and the financial intermediary to notify the Company if advice is given and payments for this (or for any other reason) must cease (though the Company also reserves the right to cease payments if it believes advice may have been given or for any other reason in its absolute discretion).

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

11. Where Application Forms are returned by you or on your behalf by a financial intermediary who has provided advice in respect of your Application, the Company can, through the Receiving Agent, facilitate the payment of any initial adviser charges (in whole or part) agreed between you and your financial intermediary. Ongoing adviser charges will need to be settled directly by you to your financial intermediary.

The maximum amount that will be facilitated in respect of initial adviser charges is an amount equal to 4.5% of the Application Amount accepted. Any additional initial adviser charges in excess of this amount will need to be settled directly by you to your financial intermediary. Initial adviser charges will only be paid following the allotment of New Shares to the financial intermediary's client.

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

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

12. The Application Procedures below and the Application Form(s) form part of these Terms and Conditions of Application.

The Company reserves the right to publish revised and/or additional Application Forms from time to time. Applicants and the financial intermediaries should, therefore, check when completing an Application Form that no subsequent version has been published or made available by the Company (which will be downloadable from www.unicornaimvct.co.uk/investor-area/fundraising).

The Company also reserves the right to provide editable PDF Applications Forms or an Application Form that can be completed online. Such Application Forms must either include an electronic signature for the Applicant (and, if relevant, the financial intermediary) or have the Applicant's name (and, if relevant, the financial intermediary's name) stated in full within a signature box. The submission of such Application Form by (or on behalf of) an Applicant (and, if relevant, the financial intermediary) shall constitute confirmation by the Applicant (and, if relevant, the financial intermediary) of agreement to these Terms and Conditions of Application (and any additional terms and conditions stated on such PDF Application Forms or on-line process).

The Company further reserves the right to make the Offer available via one or more investment platforms (subject to information being received in respect of any Applicant and the intended underlying beneficial holder of New Shares as may be requested by or on behalf of the Company) and subject to paragraph 5 above.

13. The Company, the Investment Manager and the Receiving Agent respect an Applicant's privacy and are committed to protecting his or her personal information. If an Applicant would like to find out more about how the Company, the Investment Manager and the Receiving Agent use and look after personal information, please refer to their privacy notices, which can be found at:

- The Company: www.unicornaimvct.co.uk/investor-area/unicorn-aim-vact/privacy-policy
- The Investment Manager: www.unicornam.com/wp-content/uploads/UAM-Privacy_Policy.pdf
- The City Partnership (UK) Limited: www.city.uk.com/privacy.html

You have certain rights in relation to your personal information, including the right to receive a copy of the information that is held about you. For more details, please see the privacy notices referred to above.

14. The Company may make non-material amendments to these terms and conditions for the purpose of expedient processing of Applications.

Application Procedures

Lodging of Application Forms and dealing arrangements

Completed Application Forms with the appropriate remittance must be posted or delivered by hand on a Business Day between 9.00 a.m. and 5.30 p.m. to:

The City Partnership (UK) Limited, 110 George Street, Edinburgh EH2 4LH

Applications can be submitted electronically by first contacting the Receiving Agent on 0131 243 7210 or ra@city.uk.com.

The Offer opens on 11 February 2020 and will close at 5.30 p.m. on 30 June 2020 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Offer will not be extended beyond 30 June 2020.

Applications for the 2019/2020 tax year should be received by 5.30 p.m. on 2 April 2020 and Applications for the 2020/2021 tax year should be received by 5.30 p.m. on 30 June 2020.

If you post your Application Form, you are recommended to use recorded delivery and to allow at least two Business Days for delivery.

Applications under the Offer will normally be accepted on a first come, first served basis (provided cheques are not post-dated and with priority being given to Applications with cleared funds), subject always to the discretion of the Board.

Applications submitted (in particular with a cheque) should allow at least seven working days for funds to clear (in particular in relation to ensuring the Receiving Agent is in receipt of cleared funds prior to 5.30 p.m. on 2 April 2020 in respect of Applications for the 2019/2020 tax year).

Notes on how to complete the Application Form **Please use block capitals and black/blue ink.**

To fill out the Application Form:

SECTION 1 – PERSONAL DETAILS

Insert your full name, address and other personal details. Telephone numbers will only be used in case of a query with regard to your Application.

You must be the intended beneficial owner of the New Shares (please do not use a nominee name as this may jeopardise your entitlement to VCT tax reliefs). If you would like your New Shares to be issued directly to a nominee and/or into CREST, please also complete Section 3.

The Registrar will use your personal details to identify whether you are an existing Shareholder and, where identifiable, add your New Shares to your existing holding account designation. Please take care that your title, name and address exactly match those shown on your existing Share certificate(s)/account holding designation. This should help prevent your new shareholding being opened in a separate, duplicate account on the register of members.

SECTION 2 – APPLICATION AMOUNT

Insert (in figures) the total amount you wish to invest. Your Application must be for a minimum of £3,000 and thereafter in multiples of £500. You can specify in Section 2 how you would like, if relevant, your Application monies to be split between the 2019/2020 and 2020/2021 tax years.

You can provide your Application monies either by cheque/banker's draft or via a bank transfer. Please tick the relevant box in Section 2 to confirm the method of payment. Monies should, save as set out below, be made from an account in the sole or joint name of the Applicant. The cheque/banker's draft or bank transfer should be for the full amount of the Application monies if you are applying for both tax years and split payments are not required. No receipt for payment will be issued.

If you are paying by cheque please make it payable to 'City – Unicorn AIM VCT Offer'. Cheques must be honoured on first presentation. A separate cheque must accompany each Application. The cheque or banker's draft must be drawn in sterling on an account at a bank branch or building society in the UK and bear a bank sort code number in the top right hand corner. Please write your name, address and date of birth on the back of the cheque/banker's draft.

If you are making payment via a bank transfer, please see bank transfer details on page 61 of this document. Please also reference bank transfers with your **initials and telephone number** and also complete these details in Section 2.

Where payment may be made from another individual's account, please confirm who this is and what their relationship is to you and provide their details in Section 2. Please also note that the identity of any third party payee will also need to be verified (please see the Money Laundering Notice below). Where a building society cheque or banker's draft is being used, please ensure the name, address and date of birth of the person named in Section 1 of the Application Form is written on the back.

Application monies from a corporate account will not, unless otherwise agreed, be accepted.

SECTION 3 – Nominee/CREST Details

If you would like your New Shares to be issued directly in the name of your nominee and/or issued into CREST, please complete the relevant details in Section 3. Please note that if the details are not accurate and/or cannot be verified, New Shares will be issued in your name in certificated form.

SECTION 4 – Facilitation of Initial Adviser Charges

To be completed by investors who have received advice from their financial intermediary where facilitation of an initial adviser charges is required.

If you would like an initial adviser charge to be facilitated in connection with your Application, please specify the amount of the initial adviser fee agreed between you and your financial intermediary (the maximum amount which will be facilitated is an amount equal to 4.5% of the Application Amount). This amount will be deducted from your Application Amount and paid to your financial intermediary. Initial income tax relief will not be available on the amount facilitated.

Ongoing adviser charges will need to be settled directly by the investor.

SECTION 5 – Dividends

Please complete your bank details if you would like dividends paid directly into a nominated bank account (save where you have elected to participate in the Dividend Reinvestment Scheme). If you are an existing Shareholder, please complete this section even if you have previously provided a mandate.

Where your New Shares are added to an existing holding account designation, this instruction will be applied to your aggregated holding (i.e. both the existing Shares and New Shares) irrespective of any previous dividend payment instructions.

SECTION 6 – Dividend Reinvestment Scheme

Please tick the box in Section 6 if you wish to participate in the Dividend Reinvestment Scheme. Only registered holders may participate in the scheme.

Please refer to the terms and conditions of the Dividend Reinvestment Scheme which are available on the Company's website: www.unicornaimvct.co.uk/dividend-reinvestment-scheme. By ticking this box you confirm to be bound by such terms and conditions.

SECTION 7 – Electronic Communications

The Company provides Shareholders with the opportunity to receive documents by electronic communication. Should you wish to receive documents by electronic communication, please tick the box in this section. Your email address must also be provided in Section 1 to help process your election.

SECTION 8 – Signature and Date

Please sign and date the form (noting the declarations/confirmation you give by signing the Application Form as stated below your signature). If the form is signed on your behalf by an attorney or other agent, that person should state on the form the capacity in which they are signing and the original power(s) of attorney or a copy thereof duly certified by a solicitor must be enclosed for inspection and will be returned in due course.

SECTIONS 9 to 13

THESE SECTIONS ARE TO BE COMPLETED BY YOUR AUTHORISED FINANCIAL INTERMEDIARY.

MONEY LAUNDERING NOTICE – IMPORTANT

The identity of the Applicant and, if Application monies are being provided by a third party, the identity of that third party will need to be verified in accordance with the Money Laundering Regulations.

In relation to Applications made via an intermediary, the intermediary should complete verification of the applicant and, by signing the Application Form, confirms this.

In relation to direct Applications (and any third party from whom Application monies will be received), the personal information provided on the Application Form in relation to the Applicant (and/or, as applicable, such third party) will be used to verify identity with a third party agency.

In some circumstances you (and/or, as applicable, such third party) may also be required to provide the following documents before your Application is accepted:

- a certified copy of either the passport or the driving licence of the Applicant (and cheque payer if different); and
- an original bank or building society statement or utility bill (no more than three months old), or recent tax bill, in the name of the Applicant (and drawer of the cheque if different).

Copies should be certified by a solicitor or bank. Original documents will only be returned if requested and by post at your risk.

Further information may be requested by the Company and/or the Receiving Agent and/or the Investment Manager at their discretion.

Please send the entire Application Form and a cheque/banker's draft made payable to 'City – Unicorn AIM VCT Offer' (unless you have made the payment by electronic bank transfer) by post to the Receiving Agent using the following address:

BY POST

The City Partnership (UK) Limited
110 George Street
Edinburgh
EH2 4LH

BANK TRANSFERS

Sort code: 80-22-60
A/c number: 18601265
A/c name: City – Unicorn AIM VCT Offer
Bank: Bank of Scotland
BIC: BOFSGBS1SDP
IBAN: GB22BOFS80226018601265
Please reference bank transfers with your surname and initials.

Application Form

UNICORN AIM VCT PLC (Company)

Before completing this Application Form you should read the prospectus published by the Company dated 11 February 2020 (**Prospectus**) (copies of which can be downloaded from www.unicornam.com), in particular the Risk Factors and the Terms and Conditions of Application and the Application Procedures contained in the Prospectus. Definitions used in the Prospectus apply herein. The Company, Unicorn AM and the Receiving Agent cannot accept responsibility if any details provided by you are incorrect.

This Application Form should be completed in full and sent by post or by hand addressed to:

'Unicorn AIM VCT Offer', The City Partnership (UK) Limited, 110 George Street, Edinburgh EH2 4LH

Applications can be submitted electronically by first contacting the Receiving Agent on 0131 243 7210 or ra@city.uk.com.

The Offer opens on 11 February 2020 and will close at 5.30 p.m. on 30 June 2020 (or earlier if fully subscribed or otherwise at the Board's discretion).

Applications in respect of the 2019/2020 tax year should be received by 5.30 p.m. on 2 April 2020 and Applications in respect of the 2020/2021 tax year should be received by 5.30 p.m. on 30 June 2020.

If you post your Application Form, you are recommended to use recorded delivery and to allow at least two Business Days for delivery. Applications under the Offer will normally be accepted on a first come, first served basis (provided cheques are not post-dated and with priority being given to Applications with cleared funds), subject always to the discretion of the Board. Applications submitted (in particular with a cheque) should allow at least seven working days for funds to clear.

CHEQUES Please make cheques payable to 'City – Unicorn AIM VCT Offer'

BANK Sort code: 80-22-60 Account no: 18601265 Bank: Bank of Scotland

TRANSFERS BIC: BOFSGBS1SDP IBAN: GB22BOFS80226018601265

Cheques/banker's drafts should be enclosed with the Application Form unless Application monies have been sent by bank transfer. Please reference bank transfers with your **initials and telephone number**. The cheque/banker's draft or bank transfers should be for the full amount of the Application monies if you are applying for both tax years and split payments are not required.

Please note that the number of New Shares to be allotted to a successful Applicant will be determined by applying the Allotment Formula set out on page 18 of the Prospectus. The applicable net asset value per New Share for the Allotment Formula will be the most recently published net asset value by the Company on the day of allotment, adjusted for dividends declared and for which the record date for payment has passed at the time of allotment.

The Company will decide, in its absolute discretion, to accept or reject the Application (notification of which will be through the allotment of New Shares or the return of Application monies).

If you do not receive an acknowledgement of your Application within ten days of sending it to the Receiving Agent, please contact The City Partnership (UK) Limited on 0131 243 7210 or ra@city.uk.com.

Please complete in BLOCK CAPITALS.

TO BE COMPLETED BY THE INVESTOR (BENEFICIAL HOLDER)

SECTION 1: PERSONAL DETAILS

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

Date of Birth:

Forenames:

National Insurance No.:

Surname:

Email:

Current Address:

Telephone No.:

Postcode:

Existing Shareholder (Please Tick if Relevant)*

If 3 Years or Less Please Provide Previous Address:

☐ Registered Holder ☐ Beneficial holder

Existing Shareholder Investor Code*:

☐ Please tick this box if you are resident for tax purposes in any jurisdiction other than the UK.**

Where applicable, please provide confirmation of the non-UK jurisdictions in which you are resident for tax purposes, along with your corresponding tax payer identification number (TIN) or equivalent:

Country:

TIN/Equivalent:

Country:

TIN/Equivalent:

* Please tick the relevant box if you are an existing Shareholder and provide your investor code if you are a registered shareholder to avoid duplicate shareholder accounts being created. This may be found on your share certificate(s).

** The Company may, if necessary, disclose information to HMRC and the IRS in order to satisfy its FATCA and/or CRS obligations.



SECTION 2: APPLICATION AMOUNT

I offer to subscribe for New Shares in respect of the following Application Amount on the Terms and Conditions of Application as set out in the Prospectus and subject to the Articles of Association of the Company.

Applications must be (in aggregate across the tax years) for a minimum of £3,000 and thereafter in multiples of £500.

Total: £_____ Tax Year 2019/2020: £_____ Tax Year 2020/2021: £_____

The Finance Act 2014 which came into force with effect from 6 April 2014 restricts the availability of income tax relief on a subscription for shares in a VCT issued after 5 April 2014 where it is 'linked' to a sale of shares in the same VCT or if an investor subscribes for shares in a VCT within six months before or after selling any shares in that same VCT. Please see paragraph 1.3 of Part VII on page 30 of the Prospectus for further details.

I enclose a cheque or banker's draft drawn on a UK clearing bank, made payable to 'City – Unicorn AIM VCT Offer' drawn from an account in my own or joint name(s), or from the UK bank account of a third party as detailed below ☐

OR

I have made the above payment by electronic bank transfer which I have referenced using my initials and telephone number drawn from an account in my own or joint name(s), or from the UK bank account of a third party as detailed below ☐

Where funds have not been drawn from your own or joint account, please state below the full name, residential address and date of birth of, any relationship to, the holder of the account from which payment was made (please refer to the Money Laundering Notice on page 61 of the Prospectus and note that additional information may be requested in such instances):

SECTION 3: CREST/NOMINEE DETAILS

Please complete this section if New Shares allotted are to be deposited in a CREST Account (which must be in the same name as the Applicant given in section 1 above).

CREST Participant ID: _____

CREST Member Account ID: _____

Participant Name: _____

Participant Address: _____

Post Code: _____

Contact Name and Telephone No.: _____

If you would like your New Shares issued to a CREST or non-CREST nominee, please complete the above section providing details equivalent to those requested for the nominee.

SECTION 4: FACILITATION OF INITIAL ADVISER CHARGES

To be completed by investors who have received advice from their financial intermediary only.

Insert the amount of initial adviser charges you would like facilitated to your financial intermediary.

Amount* in pounds of the agreed initial adviser fee
(* maximum 4.5% of the total Application Amount stated in Section 2)

£_____

Please insert 'Nil' if no fees are required to be facilitated.

SECTION 5: DIVIDENDS

DIVIDEND PREFERENCES

If you would prefer to have your dividends paid directly into your account, please provide your account details below, otherwise you will be sent a cheque. Please do not complete if you have elected to participate in the dividend reinvestment scheme.

Account Name: _____

Bank/Building Society: _____

Sort Code: _____

Account Number: _____

SECTION 6: DIVIDEND REINVESTMENT SCHEME

Investors may elect to participate in the Dividend Reinvestment Scheme, in accordance with which their dividends will be used to acquire additional Shares in the Company rather than receiving a cash payment. The full terms and conditions of the Dividend Reinvestment Scheme are available at www.unicornaimvct.co.uk/dividend-reinvestment-scheme.

If you would like to participate in the Dividend Reinvestment Scheme, please tick this box. ☐

By ticking this box you agree to be bound by the Dividend Reinvestment Scheme terms and conditions.

SECTION 7: ELECTRONIC COMMUNICATIONS

The Company provides Shareholders with the ability to receive documents by electronic communication.

Should you wish to receive documents by electronic communication please tick this box. ☐

You email address must be provided in Section 1 to help process this election.

SECTION 8: SIGNATURE

Signature of Applicant: _____

Date: _____

Print name: _____

BY SIGNING (OR EQUIVALENT) AND SUBMITTING THIS APPLICATION FORM I HEREBY IRREVOCABLY DECLARE THAT:

- (i) I have read and understood, and agree to be bound by, the Terms and Conditions of Application and the Application Procedures set out in the Prospectus and as further set out in this Application Form;
- (ii) if I have completed Section 4, I am declaring and validating to the Company, Unicorn AM and the Receiving Agent the amount of the facilitation charge(s) specified therein and am agreeing to the making of a facilitation payment of that amount;
- (iii) to the best of my knowledge and belief, the particulars I have given are correct and I have signed or personally inserted my name/inserted my electronic signature in Section 8 above; and
- (iv) I hereby authorise the Company, the Receiving Agent and the Company's registrar to provide, to the financial intermediary, as noted in this Application Form (or such replacement financial intermediary as I may notify the Company of), upon request, information regarding my shareholding in the Company. This authority shall remain in effect until I revoke such authority.

The Company, Unicorn AM and the Receiving Agent respect your privacy and are committed to protecting your personal information. If you would like to find out more about how they use and look after your personal information, please refer to their privacy notices, which can be found at www.unicornaimvct.co.uk/investor-area/unicorn-aim-vact/privacy-policy, www.unicornam.com/wp-content/uploads/UAM-Privacy-Policy.pdf and www.city.uk.com/privacy.html.

TO BE COMPLETED BY THE FINANCIAL INTERMEDIARY

SECTION 9: FINANCIAL INTERMEDIARY DETAILS

Firm Name: _____

Investment Adviser/Partner: _____

Firm FCA Authorisation No. (e.g. 123456): _____

Investment Adviser/Partner FCA Registration No. (e.g. ABC000001): _____

Main Point of Contact for Communication Purposes: _____

Investment Adviser/Partner Reference (if applicable): _____

Email (for communication): _____

Investment Adviser/Partner Email Address: _____

Firm Address: _____

Finance Department Email (for issuance of fee statements): _____

Postcode: _____

Telephone No.: _____



SECTION 10: FINANCIAL INTERMEDIARY REMUNERATION

Please tick **EITHER** Option 1 **OR** Option 2 and ensure that this is consistent with section 4 of the Application Form.

OPTION 1: Tick this box if you have provided advice to your client and any agreed initial adviser charges comply with COBS 6.1a.

☐

If you have ticked Option 1 go directly to Section 12.

OPTION 2: Tick this box if you have provided execution-only services to your client and are entitled to receive commission.

☐

SECTION 11: COMMISSION WAIVER DETAILS

Only complete if commission selected (option 2) in Section 10.

Initial commission may be waived* for the benefit of your client.

Please insert the amount of commission you wish to be waived in the box.

(* maximum of 3% of the Application Amount stated in Section 2)

_____ %

SECTION 12: INTERMEDIARY BANK DETAILS

Please provide details of your bank or building society account details for facilitation of initial adviser charges or commission payments.

Account Name:

Bank/Building Society:

Sort Code:

Account Number:

SECTION 13: FINANCIAL INTERMEDIARY CERTIFICATE AND SIGNATURE

Signature of Financial Intermediary/ Adviser:

Date:

Print name:

BY SIGNING (OR EQUIVALENT) AND SUBMITTING THIS APPLICATION FORM, WE, THE FINANCIAL INTERMEDIARY IDENTIFIED IN SECTION 9 ABOVE CONFIRM THAT:

- (i) we have read and understood, and agree to be bound by, the Terms and Conditions of Application and the Application Procedures set out in the Prospectus and as further set out in this Application Form;
- (ii) we have applied customer due diligence measures on a risk-sensitive basis in respect of the Applicant to the standard required by the Money Laundering Regulations within the guidance for the UK financial sector issued by the Joint Money Laundering Steering Group and that in the event that the Company, and/or Unicorn AM and/or the Receiving Agent require additional information in order to accept the subscription, we will provide it to them within 2 Business Days of receiving their request, or if we do not have the information required, arrange for the information to be provided to them;
- (iii) where we have provided advice to the applicant in connection with an investment in the Company, such investment is considered to be a suitable investment for the Applicant in their current circumstances;
- (iv) our details included in this Application Form are true and accurate and an authorised representative of the financial intermediary/ adviser has signed or inserted their name/inserted their electronic signature in Section 13 above; and
- (v) we undertake to notify the Company forthwith of any changes to our details provided above and/or if the Applicant ceases to be our client in respect of his or her investment in the Company.

The Company, Unicorn AM and the Receiving Agent respect your privacy and are committed to protecting your personal information. If you would like to find out more about how they use and look after your personal information, please refer to their privacy notices, which can be found at www.unicornaimvct.co.uk/investor-area/unicorn-aim-vact/privacy-policy, www.unicornam.com/wp-content/uploads/UAM-Privacy-Policy.pdf and www.city.uk.com/privacy.html.

Corporate Information

Directors

Timothy David Woodcock (Chairman)
Peter Frederick Dicks
Maria Charlotta Ginman-Horrell
Jeremy John Hamer
Jocelin Montague St John Harris
(all of the registered office)

Company Number

04266437

Investment Manager

Unicorn Asset Management Limited
First Floor Office
Preacher's Court
The Charterhouse
15 Charterhouse Square
London
EC1M 6AU

Company Secretary and Administrator

ISCA Administration Services Limited
Suite 8, Bridge House
Courtenay Street
Newton Abbot
TQ12 2QS

Solicitors

Shakespeare Martineau LLP
60 Gracechurch Street
London
EC3V 0HR

Sponsor and Stockbroker

Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF

Auditors

BDO LLP
150 Aldersgate Street
London
EC1A 4AB

Registered Office

Suite 8, Bridge House
Courtenay Street
Newton Abbot
TQ12 2QS

Telephone: 01392 487056

Email: info@unicornam.com

Website: www.unicornaimvct.co.uk*

Bankers

National Westminster Bank plc
City of London Office
PO Box 12264
1 Princes Street
London
EC2R 8PB

Receiving Agent

The City Partnership (UK) Limited
110 George Street
Edinburgh
EH2 4LH

Distributor

LGBR Capital London Limited
10 Throgmorton Avenue
London
EC2N 2DL

Registrars

The City Partnership (UK) Limited
Suite 2, Park Way House
Meltham Road
Huddersfield
HD4 7BH

Custodian

The Bank of New York Mellon
One Canada Square
London
E14 5AL

* This website does not form part of the Prospectus unless that information is incorporated by reference.



Unicorn Asset Management Limited
First Floor Office, Preacher's Court, The Charterhouse
Charterhouse Square, London EC1M 6AU
0207 253 0889
www.unicornam.com

unicorn 
ASSET MANAGEMENT