

Prospectus

Offer for subscription
to raise up to £25 million

UNICORN
AIM VCT PLC



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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 24 January 2022 (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)/Prospectus (Amendment etc.) (EU Exit) Regulations 2019. The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU 2017/1129)/Prospectus (Amendment etc.) (EU Exit) Regulations 2019 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 £25 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 (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>) 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: <https://www.unicornam.com>
email: info@unicornam.com

LGBR Capital London Limited
10 Throgmorton Avenue
London
EC2N 2DL
telephone: 020 7071 3920
download: <https://lighttowerpartners.co.uk/products/unicorn-aim-vct>
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. The Offer opens on 24 January 2022 and will close for applications at 5.30 p.m. on 31 March 2022 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion).

Applications may only be made by completing and submitting the online Application Form (please refer to the instructions at <https://www.unicornaimvct.co.uk/offer> or contact the receiving agent, The City Partnership (UK) Limited on 01484 240 910 or by email at ra@city.uk.com).

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 24 January 2022 (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 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 24 January 2022 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 (Chair), 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 2021 (audited), unless otherwise stated)

Share class	Net assets	No. of Shares	NAV Share	Historical Performance
Ordinary	£370.8m	149,185,118	248.6p	239.2p (NAV as at 31 December 2021 (unaudited))

The Board has declared a special interim dividend of 7.0p payable on 10 February 2022 to shareholders on the register as at 7 January 2022 and a final dividend, subject to shareholder approval, in respect of the financial year ended 30 September 2021 of 3.5p payable on 10 February 2022 to shareholders on the register as at 7 January 2022. If adjusted for these dividends, the unaudited NAV per Share as at 31 December 2021 would be 228.7p.

2.2.1.2 Income statement for closed end funds

	Financial year ended 30 September 2021 £'000 (unless otherwise stated)
Investment income	2,034
Total income before operating expenses	2,034
Investment management fee (accrued/paid)	6,059
Other fees (accrued/paid) to service providers	367
Profit/(loss) on ordinary activities before taxation	111,061
Net profit/(loss) on ordinary activities before taxation	111,061
Earnings per Share	75.0p
Dividends paid per Share (in the period)	6.5p
Dividends paid/declared per Share (in respect of the period)	6.5p

2.2.1.3 Balance sheet for closed end funds

	As at 30 September 2021
Total net assets	£370.8m
NAV per Share	248.6p

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 2021.

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. As a result of the changes, it is probable that a higher proportion of the Company's portfolio over time will be in investments in unquoted companies which, by definition, are higher risk and, as a consequence the Company is likely to experience more extreme investment outcomes, both on the upside and the downside. The changes to the rules may also 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, Aquis 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.
- Some of the Company's investments may be difficult to realise. The fact that a share is traded on AIM or Aquis markets does not guarantee its liquidity. The value of the Company's portfolio (both quoted and unquoted) 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 (as affected by the performance of the companies in which the Company invests) and the value of and returns from Shares and/or the Company's ability to maintain VCT status.
- Economic and global political uncertainty, including the continuing impact of Brexit, the COVID-19 pandemic, the possibility of labour and materials shortages and the 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, which in turn may adversely affect the performance of the Company. This may also negatively impact the number or quality of investment opportunities available to the Company.

- It is also possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of 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 1p each (ISIN: GB00B1RTFN43).

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

As at the date of this document there are 148,339,962 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 Board remains committed to a policy of maintaining a steady flow of dividend distributions to shareholders from the income and capital gains generated by the portfolio.

The ability to pay dividends and the amount of such dividends is at the Board's discretion and is influenced by the performance of the Company's investments, available distributable 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 should not be regarded as 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 investments. 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 any 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.
- A condition of the European Commission's State Aid approval of the UK's VCT scheme in 2015 was the introduction of a retirement date for the current schemes at midnight on 5 April 2025. This was passed into UK law through the Finance (No 2) Act 2015. If the relevant legislation is not renewed or replaced with similar or equivalent legislation before this date, investors issued with new VCT shares (whether through an offer or through a dividend reinvestment scheme) after 5 April 2025 would not be able to claim VCT tax reliefs in respect of such shares and this may have an adverse impact on the Company's ability in the future to raise funds, continue as a VCT or be able to meet its objectives in the future.

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 £25 million through the issue of up to 20 million New Shares pursuant to the Offer.

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

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

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:
- (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 price per New Share 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 24 January 2022 and will close for applications at 5.30 p.m. on 31 March 2022 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). Priority will be given to valid applications from existing shareholders of the Company received by 5.30 p.m. on 8 February 2022 (subject to receiving cleared funds in respect of the application by no later than 5.30 p.m. on 18 February 2022).

The Board currently envisages two allotments of New Shares on 10 March 2022 and 4 April 2022. Allotment of New Shares may, however, be made more or less frequently at the discretion of the Board (including, if earlier, following full subscription).

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 88.1%, this being the dilutive effect on existing shareholders of the Company assuming no participation by them in the Offer.

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, including any initial and annual trail 'execution-only' financial intermediary commissions, fees payable to LGBR Capital London Limited, professional fees

and listing fees. 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 (ignoring annual trail commission) 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) will, therefore, be the maximum costs directly incurred by the Company in relation to the Offer.

Assuming full subscription under the Offer, the Offer costs payable by the Company will be a maximum of £1.375 million (assuming that the maximum amount of initial commission of 3% of the Application Amount 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 applied (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, annual trail commission from previous fundraisings, dividends and market purchases of Shares).

Assuming full subscription under the Offer, the Offer costs payable by the Company will be a maximum of £1.375 million (assuming that the maximum amount of initial commission of 3% of the Application Amount 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's fees are based on a percentage of net assets and, therefore, there is an inherent conflict in the valuations it proposes in relation to unquoted investments. This conflict is managed by the valuation of unquoted investments being reviewed and approved by the Board.

The Investment Manager is also 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 above, there are no material potential conflicts of interest which any of the service providers to the Company may have as between their duty to the Company and the duties owed to third parties and their other interests.

Risk Factors

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 should not be regarded as 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 investments. 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 at which a Shareholder could sell 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 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. As a result of the changes, it is probable that a higher proportion of the Company's portfolio over time will be in investments in unquoted companies which, by definition, are higher risk and, as a consequence the Company is likely to experience more extreme investment outcomes, both on the upside and the downside. These changes to the rules may also 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, Aquis 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.

Some of the Company's investments may be difficult to realise. The fact that a share is traded on AIM or Aquis does not guarantee its liquidity. The value of the Company's portfolio (both quoted and unquoted) 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 transparent. As the carrying value of such investments will be more subjective, there may be an adverse effect on the net assets of the Company and the NAV per Share if the valuation is subsequently reduced following availability of further information and/or disposal proceeds are lower.

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 any 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 prior to 1 January 2021 which is not in accordance with the Risk Finance Guidelines, it may require that the UK Government recovers that state aid. 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. From 1 January 2021, the requirement to recover unlawful state aid will be the remit of the UK Government (in compliance with its ongoing arrangements with the EU). On 30 June 2021, the UK Government introduced the Subsidy Control Bill to Parliament and published its response to the consultation on the topic of subsidy control in a paper entitled 'Government response to the consultation on subsidy control'. As at the date of this document, the parliamentary approval process of the Subsidy Control Bill is ongoing and it is unclear whether and how the proposals, if made into law, will affect the Company and VCTs in general.

A condition of the European Commission's State Aid approval of the UK's VCT scheme in 2015 was the introduction of a retirement date for the current schemes at midnight on 5 April 2025. This was passed into UK law through the Finance (No 2) Act 2015. If the relevant legislation is not renewed or replaced with similar or equivalent legislation before this date, investors issued with new VCT shares (whether through an offer or through a dividend reinvestment scheme) after 5 April 2025 would not be able to claim VCT tax relief in respect of such shares and this may have an adverse impact on the Company's ability in the future to raise funds, continue as a VCT or be able to meet its objectives in the future.

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 (as affected by the performance of the companies in which the Company invests) and the value of and returns from Shares and/or the Company's ability to maintain VCT status.

Economic and global political uncertainty, including the continuing impact of Brexit, the COVID-19 pandemic, the possibility of labour and materials shortages and the 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, which in turn may adversely affect the performance of the Company. This may also negatively impact the number or quality of investment opportunities available to the Company.

It is also possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company.

The performance of the Company depends on the 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 realise their investments.

Offer Timetable, Statistics & Costs

Indicative Offer Timetable

Offer opens	24 January 2022
Existing Shareholder Priority Period ends	5.30 p.m. on 8 February 2022*
Closing date for Applications**	5.30 p.m. on 31 March 2022
Allotments***	10 March 2022 and 4 April 2022
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

* Eligibility for the Existing Shareholder Priority Period is subject to receiving cleared funds in respect of the Application by no later than 5.30 p.m. on 18 February 2022.

** The Offer will close for Applications 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 or less frequently at the discretion of the Board. 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	£25 million
Maximum number of New Shares to be issued	20 million

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.

The procedure for, and the terms and conditions of, application under this Offer are set out in Part X of this document. Applications may only be made by completing and submitting the online Application Form (please refer to the instructions at <https://www.unicornaimvct.co.uk/offer> or contact the receiving agent, The City Partnership (UK) Limited on 01484 240 910 or by email at ra@city.uk.com).

If you have any questions relating to the completion of the Application Form, please contact The City Partnership (UK) Limited on 01484 240 910. 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 Chair

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

(Registered number 04266437)

24 January 2022

Dear Investor

Introduction

On behalf of the Board, I am pleased to introduce this opportunity to invest in the Company.

The Board and Unicorn AM, our investment manager, believe that there continues to be further appetite for investment in the Company and that sufficient, and potentially attractive, investment opportunities are 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's original fundraising was launched in November 2001 and it is now a well-established VCT. With unaudited net assets of over £355.3 million as at 31 December 2021, the Company remains the largest AIM-focused VCT in the market, giving the Company economies of scale. Unlike a newly established VCT, the Company offers investors access to an existing and diversified portfolio of investments in 95 active companies. This means that it has the potential to deliver tax-free capital growth and dividends to Qualifying Investors sooner than is likely to be the case with a new VCT.

Recent Performance and Economic Backdrop

The financial year ended 30 September 2021 was a particularly positive period for the Company. Despite all the obvious external challenges posed by Brexit and the COVID-19 pandemic, the Company's investment performance was strong, £14.6 million net of costs was raised in an oversubscribed offer for subscription and there was a significant uptake in the number of Shareholders opting to take advantage of the Dividend Reinvestment Scheme. We also continued to buy back Shares offered by selling Shareholders.

By the end of September 2021, the FTSE 100 Index had recovered to a level not seen since the pandemic took hold in early 2020, whilst the broader FTSE 250 index was significantly ahead of pre-pandemic levels. The FTSE AIM All-Share Index rose, in total return terms, by 30.8% during the 12 months to 30 September 2021 and the capital raised for companies also increased dramatically in comparison to recent years. There have also been a number of new issues on AIM, many of which have been VCT qualifying, enabling the Company to participate in the healthy flow of investment opportunities.

As at 30 September 2021, the net assets (audited) of the Company were £370.8 million (audited net asset value per Share of 248.6p). This represents an increase of just over £110 million (70.0p per Share), when compared to the position as at 30 September 2020. After adding back dividends of 6.5p per Share paid, the total return over the year ended 30 September 2021 was +42.8%. The Company's total return compared favourably to that generated by the FTSE All-Share Index, which increased by 27.9% over the same period. The total return of +30.8% from the FTSE AIM All-Share Index over the same period was also considerably lower than that achieved by the Company.

In the three month period ended 31 December 2021, the FTSE AIM All-Share Index declined by 1.9%. The NAV per Share during the same period decreased by 3.8% from 248.6p per Share to 239.2p per Share (unaudited). Although the short-term performance of the Company has trailed the performance of the FTSE AIM-All Share Index, the Board is satisfied with the overall recent results and the Board and the Investment Manager remain confident in the long-term growth prospects of the Company's diversified portfolio of investments.

The Company has also declared a special interim dividend of 7.0p payable on 10 February 2022 to Shareholders on the register as at 7 January 2022 and a final dividend, subject to Shareholder approval, for the financial year ended 30 September 2021 of 3.5p payable on 10 February 2022 to Shareholders on the register as at 7 January 2022. If adjusted for these dividends, the unaudited NAV per Share as at 31 December 2021 would be 228.7p.

2021 was characterised by the continuation of a steady recovery from the significant equity market falls experienced in March 2020. Whilst it might appear that the UK economy is operating in much the same manner as it did before the COVID-19 crisis struck, the after-effects of the national lockdown, combined with the, at times, fraught relations with our former partners in the European Union, are starting to manifest themselves in the form of significant supply chain disruption and labour shortages. These difficult circumstances have meant that the performance of individual investee companies is more polarised than normal, with some businesses thriving, while others being adversely affected.

The Investment Manager's cautious and disciplined approach to investing and managing the Company's assets, which has proven successful over many years and which has been serving us well through the COVID-19 pandemic, will be maintained. In addition, the Investment Manager continues to see a steady flow of VCT qualifying opportunities in companies across a broad spectrum of sectors with good growth and income prospects. 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.

VCT Rule Changes

Over recent years, the UK 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 VCT investment have been tightened. 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, despite the difficult market conditions, 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 just under £30 million in new and follow-on investments across 17 companies in the financial year ended 30 September 2021.

Following changes to the rules governing VCTs, it is likely 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 net asset value. The portfolio currently contains investments in 6 active unquoted companies, which, in aggregate, accounted for approximately 21.7% of the Company's unaudited net assets as at 31 December 2021.

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 two years have the potential to deliver substantial investment returns over time, we do anticipate a higher failure rate 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.

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 SMEs expected to play an important part in the UK's economic recovery, UK Government-backed schemes such as VCTs are well placed to assume a greater role in providing 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 achieve.
- **Tax-free returns** – The Company has an established track record of making regular dividend payments to Shareholders, having paid dividends of 6.5p in respect of each of the last three financial years. These dividends are tax-free to Qualifying Investors. A dividend of 6.5p would represent a yield of 2.6% (based on the audited net asset value per Share as at 30 September 2021 of 248.6p). In addition, the Company may also, from time to time, pay special dividends where significant proceeds are received on realisation of an investment.

The Investment Manager

Unicorn AM 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 160 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 December 2021 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 Offer

The Company proposes to raise up to £25 million through the issue of up to 20 million New Shares pursuant to the Offer. The Offer opens on 24 January 2022 and will close for Applications at 5.30 p.m. on 31 March 2022 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion).

Applications can only be made for the 2021/22 tax year. Priority will be given to Applications from Existing Shareholders received by 5.30 p.m. on 8 February 2022 (subject to receiving cleared funds in respect of the Application by no later than 5.30 p.m. on 18 February 2022).

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' financial 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 any 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

Following the success of the online application process last year, we have decided this year to solely make use of this online facility in order to reduce our carbon footprint. Investors are also encouraged to provide Application monies via bank transfers rather than cheques for the same reason and, as we expect the Offer to fill up quickly, from a speed of processing perspective.

If you are considering an investment, please read the full Prospectus and then complete the online Application Form (please refer to the instructions at <https://www.unicornaimvct.co.uk/offer> or contact the Receiving Agent on 01484 240910 or by email at ra@city.uk.com).

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
Chair

Part I – Investment Opportunity

Attractive Investment Opportunity

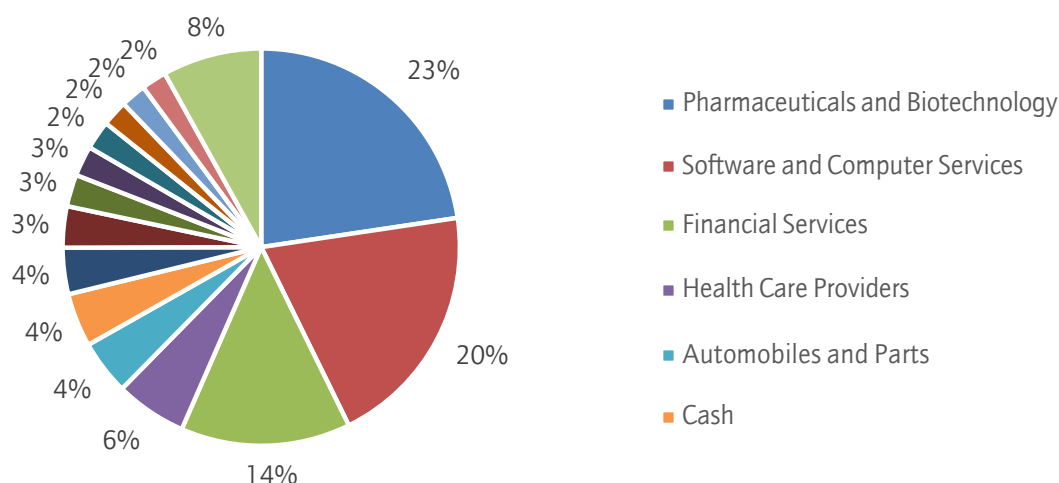
The Company is an established VCT which meets the qualification requirements set out by HMRC. Unlike a new VCT, the Company has an established track record of delivering both capital growth and regular dividend income (tax-free to Qualifying Investors) from an established portfolio of existing investments. 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.

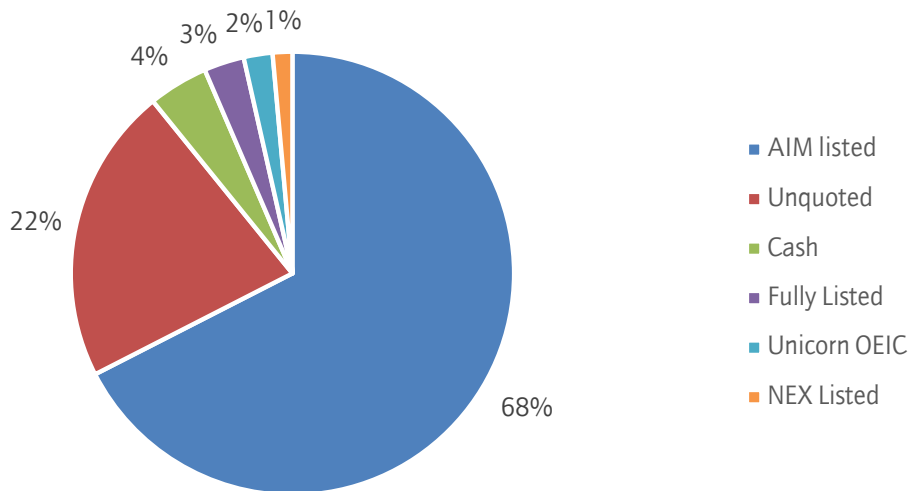
Shareholders should be aware that, as a result of the new qualifying conditions introduced over the last few years, new capital raised by the Company under recent offers, the current Offer and under future offers is likely to be directed towards earlier stage companies which may or may not be profitable 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 December 2021 (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 (excluding funds which are currently under grace periods) is, by VCT Value (as defined on page 55 and which is calculated on a different basis to the accounting value), comfortably above the 80% threshold required to retain VCT qualifying status and was 86.1% as at 31 December 2021.

The Board believes that:

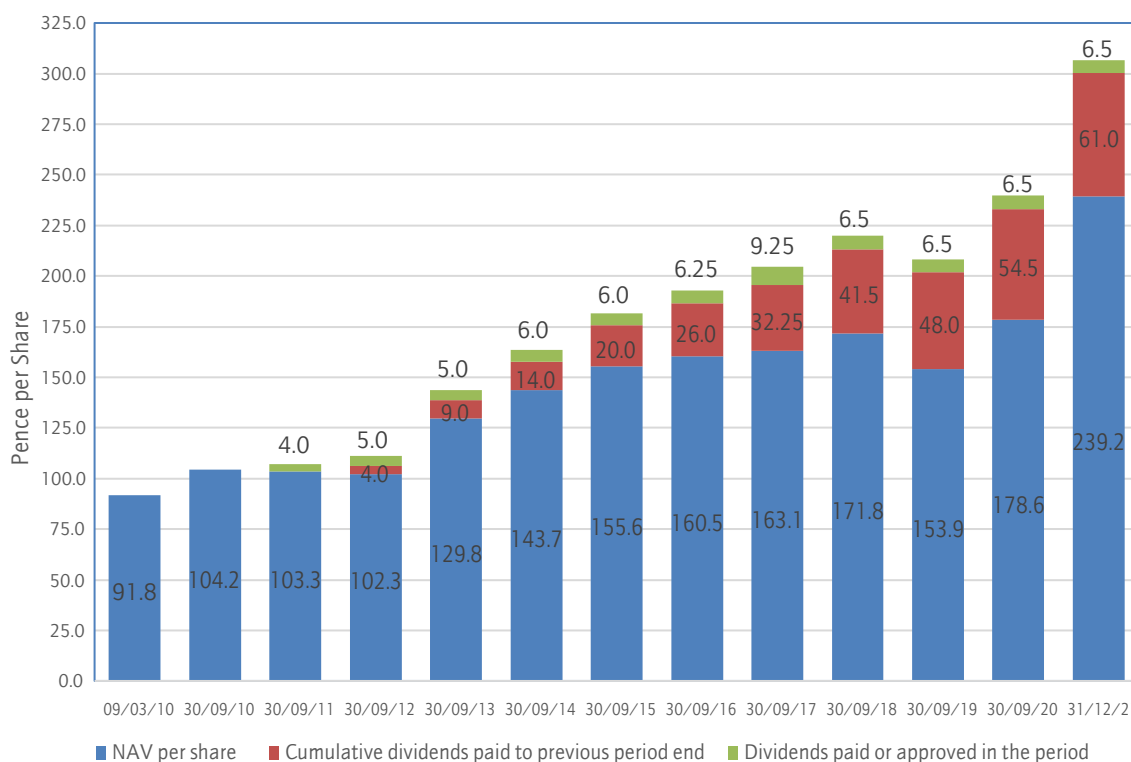
- The Company offers access to a diversified and maturing portfolio of companies, which the Board and the Investment Manager believe have the potential to develop and grow. As at 31 December 2021, the Company had investments in 95 active companies valued at £339.8 million (unaudited).
- The Company (including Unicorn AIM VCT II plc, which merged with the Company in March 2010) has a healthy dividend record, having paid out circa £67.1 million in aggregate to Shareholders since the merger, which have been tax-free to Qualifying Investors.
- The companies in which the Company has invested have, on a simple average basis and by reference to most recent published accounts, an average market capitalisation of £186.9 million, a turnover of £31.0 million per annum and a pre-tax loss of £2.0 million per annum, with approximately 26% of the companies currently expected to pay a dividend in the next 12 months. These figures exclude the funds and fully listed securities in which the Company has holdings, 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. A listing on AIM also offers benefits for inheritance tax relief compared to a listing on the main market of the London Stock Exchange.
- SMEs are expected to play an important part in the UK's economic recovery and the Company is well placed to provide support to such companies. Whilst investment in unquoted companies carries higher risk, and, as a consequence, the Company is likely to experience more failures on such investments, there can be significant potential upside for successful businesses.
- 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*

On 9 March 2010 (Merger Date), 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 in January 2016 adding £11.5 million of net assets and 32 investments to the portfolio.

The NAV per Share has increased from 91.8p as at the Merger Date to 239.2p as at 31 December 2021 (unaudited). In addition, the Company has, in aggregate, paid dividends of 67.5p per Share (circa £67.1 million in aggregate) during this same period, as shown in the graph below. NAV per Share, Cumulative Dividends Paid & Cumulative Total Shareholder Return

NAV per Share, cumulative dividends paid & cumulative total Shareholder return



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.

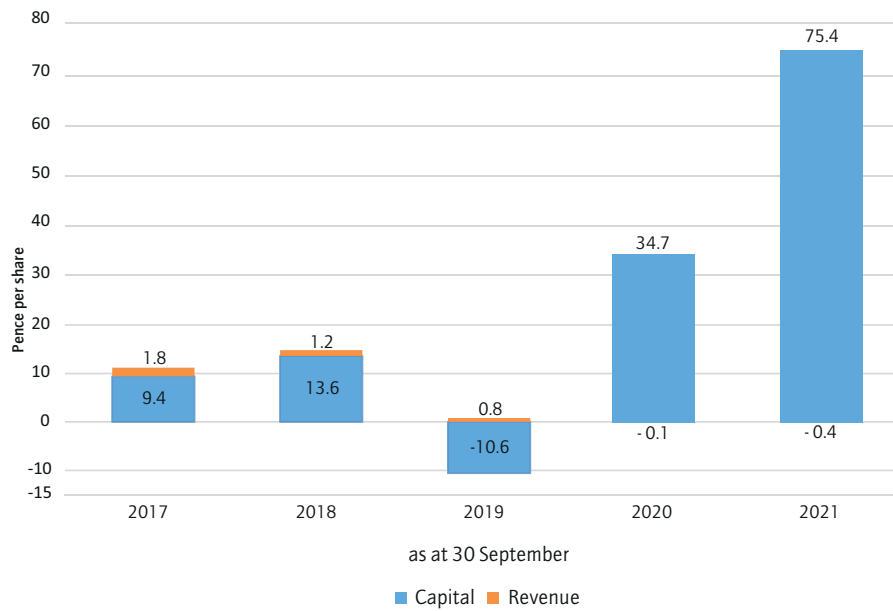
The cumulative total Shareholder return since the Merger Date, when the unaudited NAV per Share was 91.8p, is 214.9p (234%) representing the cumulative dividends paid of 67.5p plus the increase in unaudited NAV per Share of 147.4p since that date to 31 December 2021.

The Board has declared a special interim dividend of 7.0p payable on 10 February 2022 to Shareholders on the register as at 7 January 2022 and a final dividend, subject to Shareholder approval, for the financial year ended 30 September 2021 of 3.5p payable on 10 February 2022 to Shareholders on the register as at 7 January 2022. If adjusted for these dividends, the unaudited NAV per Share as at 31 December 2021 would reduce to 228.7p and the cumulative dividends paid per Share would see a corresponding increase.

* The past performance of the Company should not be regarded as a guide to the future performance of the Company. The above represents the return on Shares since the Merger Date. Shares issued before or after this date will have different performance statistics.

Earnings per Share*

The Company's earnings per Share for the most recent financial year ended 30 September 2021, together with those of the previous four financial years, are outlined in the chart below:



The capital and revenue earnings for the three months ended 31 December 2021 were (9.4)p per Share and (0.1)p 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 should not be regarded 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 £25 million through the issue of up to 20 million New Shares pursuant to the Offer. There is no minimum subscription level for the Offer to proceed and the Offer is not underwritten.

The minimum investment by an investor under the Offer is £3,000. 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.

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

Closing Date and Receipt of Applications

The Offer opens on 24 January 2022 and will close for Applications at 5.30 p.m. on 31 March 2022 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion).

Applications may only be completed and submitted online (please refer to the instructions at <https://www.unicornaimvct.co.uk/offer> or contact the Receiving Agent on 01484 240 910 or by email at ra@city.uk.com).

Applicants are encouraged to submit their Application early in order to improve the likelihood that their Application will be successful.

Applicants making payment by cheque should allow at least three Business Days for their funds to clear.

Acceptance and Existing Shareholder Priority Period

Priority will be given to Applications under the Offer received from Existing Shareholders by 5.30 p.m. on 8 February 2022. Eligibility for the Existing Shareholder Priority Period will be subject to receiving cleared funds in respect of the Application by no later than 5.30 p.m. on 18 February 2022.

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

Allotment

The Board currently envisages two allotments of New Shares on 10 March 2022 and 4 April 2022 (or, if earlier, following full subscription). Allotment of New Shares may, however, be made more or less 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:
 - (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. 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, including any initial and annual trail 'execution-only' financial intermediary commissions, fees payable to LGBR Capital, professional fees and listing fees. 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 costs of the Offer incurred by it (ignoring annual trail commission) 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 the Offer costs payable by the Company will be a maximum of £1.375 million (assuming that the maximum amount of initial commission of 3% of the Application Amount 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, 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 Application Amount in respect of their clients). The amount of initial commission will be taken into account in determining the number of New Shares to be allotted under the Allotment Formula). Financial intermediaries may waive all or part of the initial commission due for the benefit of their client.

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 Investment Manager. 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 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 either 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 must cease and either 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 3.0% 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 financial 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 228.7p (this being the unaudited NAV per Share as at 31 December 2021 adjusted for the special interim dividend of 7.0p and the final dividend (which is subject to Shareholder approval) in respect of the year ended 30 September 2021 of 3.5p referred to on page 48).

	Application Amount (A) (£)	Offer Costs (B) (2.5%) (£)	Financial Intermediary Charges (C)		NAV per Share (p)	Number of New Shares	Upfront income tax relief* (£)
			Facilitation Amount (£)	Commission Amount (£)			
Advised investor	10,000	(250)	(300)	-	228.7	4,132	2,910
'Execution-only' investor (initial commission payable)	10,000	(250)	-	(300)	228.7	4,132	3,000
'Execution-only' investor (initial commission waived)	10,000	(250)	-	-	228.7	4,263	3,000
Direct investor	10,000	(250)	-	-	228.7	4,263	3,000

* Assuming that the investor is a Qualifying Investor and upfront income tax relief is available on full Investment Amount (ie the Application Amount less the amount of initial adviser charge).

Use of Funds

The net proceeds of the Offer will be pooled with the existing cash resources of the Company and applied 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, annual trail commission from previous fundraisings, 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 the final allotment under the Offer and close, the final results of the Offer.

Part III – The Board and the Investment Manager

The Board

The Board currently comprises four non-executive directors, all of whom are independent of the Investment Manager: Tim Woodcock (Chair), 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

The Board undertakes a continuous review to assess its future composition and consider succession planning. Jocelin Harris has served on the Board for fifteen years and has indicated his intention to stand down in 2022. The Board have engaged an outside recruitment agency with the view to identifying a suitable candidate for appointment to the Board.

Tim Woodcock (Independent, non-executive Chair)

Tim Woodcock qualified as a chartered accountant at PricewaterhouseCoopers. He 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.

Tim is a director of a number of private companies in which he holds a significant shareholding. These include Jolly Fine Pub Group Limited, Secure Parking and Storage Limited and Taylor Asset Management Limited.

Charlotta Ginman (Independent, non-executive Director)

Charlotta Ginman, FCA, qualified as a chartered accountant at Ernst & Young before spending a career in investment banking and commercial organisations, principally in technology and telecoms related industries. Former employers include S.G. Warburg (now UBS), Deutsche Bank, JP Morgan and Nokia Corporation.

Charlotta is currently a non-executive director and audit committee chair for Polar Capital Technology Trust plc, Pacific Assets Trust plc, Keywords Studios plc and Gamma Communications plc and also sits on the board of Boku Inc.

Jeremy Hamer (Independent, non-executive Director)

Jeremy Hamer, FCA, qualified as a chartered accountant before joining Coopers and Lybrand in Holland. His career then took him through a number of financial roles before becoming chief executive officer of a private food group. Turning plural, he spent five years investing for Elderstreet VCT while taking on a number of non-executive board positions particularly on AIM.

Jeremy is a qualified executive coach and is a governor of a local prep school in Dorset.

Jocelin Harris (Independent, non-executive Director)

Jocelin Harris runs Durrington Corporation Limited where he has worked since 1986. Durrington provides management and financial support services to developing businesses. He has been an investor in venture capital trusts since they were introduced in 1995 and has personally invested in over 50 early stage and start-up businesses. He is a qualified solicitor and also worked at private bank Rea Brothers where he was a director from 1979 to 1986.

Jocelin is a director of Foresight VCT plc and is on the boards of a number of UK and US private companies in which he currently has investments. He is a trustee of St Peter's College, Oxford.

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 160 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 £548 million invested in AIM quoted companies across its fund range as at 31 December 2021, which includes the Company and its AIM ISA/IHT portfolio service.

As at 31 December 2021, the Investment Manager's funds under management were allocated across three fund classes:

- Open Ended Investment Companies (£1.05 billion – valued at mid-price*);
- AIM VCT (£355.3 million – valued at bid-price); and
- AIM IHT (£36.7 million – valued at bid-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. In addition, as at 30 September 2021 the officers and employees of the Investment Manager held 1,402,965 Shares in the Company.

Senior Investment Team

Chris Hutchinson, Director and Senior Fund Manager

Chris is senior investment manager at Unicorn AM and has been the lead manager for the Company since joining the firm in 2005. He is also the individual primarily responsible for selecting stocks for inclusion within the Unicorn AM AIM Inheritance Tax Portfolio Service, 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, Chair of the Investment Committee

Paul is chair 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 the lead manager of the Unicorn UK Growth Fund. He was co-manager of the Acorn Income Fund from 2013 until its liquidation in November 2021. 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 the lead manager of the Unicorn UK Smaller Companies Fund since 2013. He was co-manager of the Acorn Income Fund from 2013 until its liquidation in November 2021. 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, Fund Manager

Alex is co-manager to the Unicorn UK Growth Fund alongside Fraser Mackersie. He is also the assistant manager to the Unicorn UK Smaller Companies Fund and works alongside its lead manager, Simon Moon. Alex has been a member of the Unicorn AM investment team since joining the firm in 2014 and also acts as Unicorn's ESG Officer. Alex is also an investment advisor to the Unicorn AIM IHT Portfolio service. 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, Fund Manager

Max is co-manager Unicorn Outstanding British Companies Fund working with director and senior fund manager, Chris Hutchinson. Max is also an investment advisor to the Unicorn AIM IHT Portfolio service. He has been a member of the Unicorn AM investment team since joining the firm in 2014, prior to which he worked as an investment manager at Brewin Dolphin. Max is a CFA Charterholder and graduated with a BSc (Hons) 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 on or after 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, in due course, 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 on or after 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, 1.5% of the net assets of the Company from £200 million to £450 million and 1.0% of the net assets of the Company in excess of £450 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. The Investment Manager is not entitled to any performance incentive fees.

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

ISCA Administration Services provides administration services and is the appointed company secretary, and is currently entitled to an annual fee of £182,000 (together with any applicable VAT). 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 sixty years' experience in the industry.

Annual Expenses Cap

The Company's normal annual expenses are approximately 2.0% of the average net assets of the Company (based on the financial year ended 30 September 2021) 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 (payable by the Company in respect of previous fundraisings) 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

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

Dividend Policy

The Board remains committed to a policy of maintaining a steady flow of dividend distributions to Shareholders from the income and capital gains generated by the portfolio. The ability to pay dividends and the amount of such dividends is at the Board's discretion and is influenced by the performance of the Company's investments, available distributable 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 Dividend Reinvestment Scheme are available on the Company's website: <https://www.unicornaimvct.co.uk/dividend-reinvestment-scheme>. Please also note the information in paragraph 1.3 on page 30 of this document in relation to the acquisitions and disposals of shares in the same VCT.

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 from time to time. There are three main advantages to be gained from maintaining a flexible approach to share buybacks, namely: (i) regular Share buybacks provide a reliable mechanism through which Shareholders can realise their investment in the Company, rather than being reliant on a limited secondary market, (ii) Share buybacks, when carried out at a discount to the underlying net asset value, help modestly to enhance NAV per Share for continuing Shareholders and (iii) implementing share buybacks on a regular basis helps control the discount to NAV.

The Board agrees the discount to NAV at which Shares will be bought back and keeps this under regular review. The Board seeks to maintain a balance between the interests of those wishing to sell their Shares and continuing Shareholders.

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 prevailing market conditions, market abuse rules and any applicable law at the relevant time. Shares bought back in the market are 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

Valuations of unquoted securities are normally carried out at the end of each quarter and are initially proposed by the Investment Manager and reviewed and approved by the Board. Valuations will be 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 (<https://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 financial statements 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 financial statements to Shareholders	December
Announcement and publication of half-yearly results	May

Part VI – Largest Investments

Set out below are the 11 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, together with cash and liquidity funds. The accounting cost is the original investment cost made by the Company (and/or, where relevant, the value of the investment when acquired by the Company from Unicorn AIM VCT II plc or Rensburg AIM VCT plc, which were merged into the Company), less capital repayments to 31 December 2021.

Investee Companies

Interactive Investor Limited (Unlisted)*			
Accounting cost (£'000)	3,447	Turnover (£'000)*	133,153
Valuation (£'000)	49,127**	Profit/(loss) before tax (£'000)*	41,692
Valuation basis	EV Multiple	Net assets/(liabilities) (£'000)*	205,278
% of the Company's net assets	13.8	* Sourced from the latest published audited financial year end accounts to 31 December 2020	
<i>Market sector: Financial and Credit Services</i>			
<i>Location: Manchester, England</i>			
* Beneficial entitlement through investment in Antler Holdco Limited.			
** On 2 December 2021, abrdn plc announced plans for the acquisition of Interactive Investor Limited for a consideration of £1.49 billion. The transaction is subject to regulatory and other approvals being received. Should this acquisition be successfully concluded, the Company's holding in Interactive Investor Limited would be valued at approximately £54.5 million.			

Hasgrove Limited (Unlisted)			
Accounting cost (£'000)	1,303	Turnover (£'000)*	19,911
Valuation (£'000)	25,212	Profit/(loss) before tax (£'000)*	5,513
Valuation basis	EV Multiple	Net assets/(liabilities) (£'000)*	6,955
% of the Company's net assets	7.1	* Sourced from the latest published audited financial year end accounts to 31 December 2020	
<i>Market sector: Media</i>			
<i>Location: Manchester, England</i>			

Abcam plc (AIM)			
Accounting cost (£'000)	1,161	Turnover (£'000)*	260,000
Valuation (£'000)	20,259	Profit/(loss) before tax (£'000)*	8,400
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	502,600
% of the Company's net assets	5.7	* Sourced from the latest published audited financial year end accounts to 30 June 2020	
<i>Market sector: Pharmaceuticals & Biotechnology</i>			
<i>Location: Cambridge, England</i>			

MaxCyte Inc. (AIM)			
Accounting cost (£'000)	2,926	Turnover (US\$'000)*	26,169
Valuation (£'000)	18,393	Profit/(loss) before tax (US\$'000)*	(11,816)
Valuation basis	Bid	Net assets/(liabilities) (US\$'000)*	33,225
% of the Company's net assets	5.2	* Sourced from the latest published audited financial year end accounts to 31 December 2020	
<i>Market sector: Pharmaceuticals & Biotechnology</i>			
<i>Location: Gaithersburg, USA</i>			

Tracsis plc (AIM)			
Accounting cost (£'000)	1,500	Turnover (£'000)*	50,237
Valuation (£'000)	16,005	Profit/(loss) before tax (£'000)*	4,635
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	56,665
% of the Company's net assets	4.5	* Sourced from the latest published audited financial year end accounts to 31 July 2021	
<i>Market sector: Software & Computer Services</i>			
<i>Location: Leeds, England</i>			

Anpario plc (AIM)			
Accounting cost (£'000)	1,423	Turnover (£'000)*	30,522
Valuation (£'000)	11,377	Profit/(loss) before tax (£'000)*	5,350
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	37,505
% of the Company's net assets	3.2	* Sourced from the latest published audited financial year end accounts to 31 December 2020	
<i>Market sector: Pharmaceuticals & Biotechnology</i>			
<i>Location: Workop, England</i>			

Access Intelligence plc (AIM)			
Accounting cost (£'000)	3,159	Turnover (£'000)*	19,070
Valuation (£'000)	9,652	Profit/(loss) before tax (£'000)*	(5,746)
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	9,084
% of the Company's net assets	2.7	* Sourced from the latest published audited financial year end accounts to 30 November 2020	
<i>Market sector: Software & Computer Services</i>			
<i>Location: London, England</i>			

Surface Transforms plc (AIM)			
Accounting cost (£'000)	3,164	Turnover (£'000)*	1,952
Valuation (£'000)	9,260	Profit/(loss) before tax (£'000)*	(2,917)
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	5,678
% of the Company's net assets	2.6	* Sourced from the latest published audited financial year end accounts to 31 December 2020	
<i>Market sector: Automobiles & Parts</i>			
<i>Location: Liverpool, England</i>			

Directa Plus plc (AIM)			
Accounting cost (£'000)	4,610	Turnover (EUR€'000)*	6,434
Valuation (£'000)	8,869	Profit/(loss) before tax (EUR€'000)*	(4,657)
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	10,662
% of the Company's net assets	2.5	* Sourced from the latest published audited financial year end accounts to 31 December 2020	
<i>Market sector: Chemicals</i>			
<i>Location: London, England</i>			

Mattioli Woods plc (AIM)			
Accounting cost (£'000)	1,627	Turnover (£'000)*	62,615
Valuation (£'000)	8,207	Profit/(loss) before tax (£'000)*	5,148
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	86,087
% of the Company's net assets	2.3	* Sourced from the latest published audited financial year end accounts to 31 May 2021	
<i>Market sector: Investment Banking & Brokerage Services</i>			
<i>Location: Leicester, England</i>			

Avingtrans plc (AIM)			
Accounting cost (£'000)	1,864	Turnover (£'000)*	98,516
Valuation (£'000)	8,174	Profit/(loss) before tax (£'000)*	5,447
Valuation basis	Bid	Net assets/(liabilities) (£'000)*	98,963
% of the Company's net assets	2.3	* Sourced from the latest published audited financial year end accounts to 31 May 2021	
<i>Market sector: Industrial Engineering</i>			
<i>Location: Chatteris, England</i>			

Cash and Liquidity Funds

Cash	
Cost (£'000)	18,309
Valuation (£'000)	18,309
Valuation basis	-
% of net assets	5.2

Unicorn UK Ethical Income	
Accounting Cost (£'000)	5,119
Valuation (£'000)	5,027
Valuation basis	Unit Price
% of net assets	1.4

Unicorn UK Growth Fund	
Accounting Cost (£'000)	416
Valuation (£'000)	1,306
Valuation basis	Unit Price
% of net assets	0.4

Unicorn UK Smaller Companies	
Accounting Cost (£'000)	272
Valuation (£'000)	1,141
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 as at 31 December 2021. As at the date of this document, there has been no material change in the valuations of investments as set out in this Part VI since 31 December 2021 other than:

- The sale of the holdings in the liquidity funds and quoted investments valued in aggregate at £3.23 million for proceeds in aggregate of £3.26 million.
- As at 21 January 2022, a decrease of approximately £26.7 million in the valuation of the quoted investments (ignoring, for these purposes, the quoted investments sold referred to above) within the Company's portfolio. This would not affect which investments represent the largest investments of the Company.
- As at 21 January 2022, a decrease of approximately £16.4 million in the valuation of the Largest Investments set out in this Part IV. However, their value as a percentage of the Company's gross assets (ignoring, for these purposes, the quoted investments sold referred to above and the impact of the accrual of the special interim dividend of 7.0p per Share payable on 10 February 2022 and the final dividend, subject to Shareholder approval, of 3.5p per Share in respect of the financial year ended 30 September 2021 payable on 10 February 2022) remains largely unchanged.

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 (including a subscription of shares through a dividend reinvestment scheme) 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 (net of any facilitated adviser charge) 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 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 the 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.

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 maturity period greater than five years, 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 Aquis 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 conditions 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 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.

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 prior to 1 January 2021 which is unlawful, in particular if it is not consistent with the Risk Finance Guidelines, it may require the UK Government to recover that state aid. Such recovery may be from the investee company, the VCT or the VCT's investors. From 1 January 2021, the requirement to recover unlawful state aid will be the remit of the UK Government (in compliance with its ongoing arrangements with the EU).

On 30 June 2021, the UK Government introduced the Subsidy Control Bill to Parliament and published its response to the consultation on the topic of subsidy control in a paper entitled 'Government response to the consultation on subsidy control'. As at the date of this document, the parliamentary approval process of the Subsidy Control Bill is ongoing and it is unclear whether and how the proposals, if made into law, will affect the Company and VCTs in general.

A condition of the European Commission's State Aid approval of the UK's VCT scheme in 2015 was the introduction of a retirement date for the current schemes at midnight on 5 April 2025. This was passed into UK law through the Finance (No 2) Act 2015. If the relevant legislation is not renewed or replaced with similar or equivalent legislation before this date, investors issued with new VCT shares (whether through an offer or through a dividend reinvestment scheme) after 5 April 2025 would not be able to claim VCT tax reliefs in respect of such shares and this may have an adverse impact on the Company's ability in the future to raise funds, continue as a VCT or be able to meet its objectives in the future.

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, and subject to, the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and has registered itself pursuant thereto as a small alternative investment fund manager with the FCA. 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 2020, the Company's issued share capital comprised 145,732,541 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 2020 is as follows:
 - 2.2.1. During the financial year ended 30 September 2021, the Company issued 6,657,574 Shares and bought back 3,204,997 Shares. As at 30 September 2021, the issued share capital of the Company comprised 149,185,118 Shares (all of which were fully paid and none of which were held in treasury).
 - 2.2.2. Between 1 October 2021 and 21 January 2022 (being the latest practicable date prior to the publication of this document), the Company has not issued any Shares and has bought back 845,156 Shares.
- 2.3 As at 21 January 2022 (being the latest practicable date prior to the publication of this document), the Company's share capital comprised 148,339,962 Shares (all of which were fully paid and none of which were held in treasury).
- 2.4 The following authorities were granted pursuant to resolutions of the Company passed at the annual general meeting of the Company held on 4 February 2021:
 - 2.4.1. in substitution for any existing authorities, the Directors be generally and unconditionally authorised pursuant to section 551 of 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 £728,662, 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 2022, 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;

2.4.2. in substitution for any existing authorities, the Directors be empowered in accordance with sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (as defined in section 560 of CA 2006) for cash, pursuant to the authority conferred upon them by the resolution detailed at paragraph 2.4.1 above, or by way of a sale of treasury shares, as if section 561(1) of 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, £582,930 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 2022, 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

2.4.3 in substitution for any existing authorities, the Company be authorised pursuant to section 701 of CA 2006 to make one or more market purchases (within the meaning of section 693(4) of 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 21,845,307 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 2022; 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.

2.5 The following authorities will be sought pursuant to resolutions of the Company to be proposed at the annual general meeting of the Company to be held on 3 February 2022:

2.5.1 in substitution for any existing authorities, the Directors be generally and unconditionally authorised pursuant to section 551 of 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 £447,555, 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 2023, 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 subject to the passing of the resolution detailed at paragraph 2.5.1 above and in substitution for any existing authorities, the Directors be empowered in accordance with sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (as defined in section 560 of 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 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, £298,370 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 £149,185, 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 2023, 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 be authorised pursuant to section 701 of CA 2006 to make one or more market purchases (within the meaning of section 693(4) of 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 22,362,549 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 1 p (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 2023; 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 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 paragraphs 2.4 and 2.5 above.

2.8 As at 21 January 2022 (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 148,339,962 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 88.1%, this being the dilutive effect on existing Shareholders assuming no participation in the Offer by them.

3.2 The actual number of New Shares issued will depend on the Offer prices at which such shares are issued subject to the maximum of £25 million being raised by the Company.

3.3 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 1 p.

4. Directors' Interests

- 4.1 As at 21 January 2022 (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>	30,663	0.02
<i>Charlotta Ginman*</i>	29,058	0.02
<i>Jeremy Hamer</i>	30,202	0.02
<i>Jocelin Harris</i>	113,572	0.08

* including 12,033 Shares held by a connected person.

- 4.2 As at 21 January 2022 (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 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. From 1 October 2021, each Director is entitled to an annual fee of £27,250. Tim Woodcock as Chair of the Board is entitled to an additional annual fee of £6,500, Jeremy Hamer as chair of the audit committee is entitled to an additional annual fee of £4,500 and Jocelin Harris as the senior independent director is entitled to an additional annual fee of £2,500.
- 4.4 Fees paid to the Directors in respect of the financial year ended 30 September 2021 were, in aggregate, £118,300 as set out below:

Director	Fees Paid in the Financial Year Ended 30 September 2021 (£)
<i>Tim Woodcock</i>	32,700
<i>Charlotta Ginman</i>	26,200
<i>Jeremy Hamer</i>	30,700
<i>Jocelin Harris</i>	28,700

- 4.5 Directors' fees for the current financial year ending 30 September 2022 are currently estimated to be £122,500. The Directors are not 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. The Directors are entitled to reimbursement of reasonable expenses.
- 4.6 The Directors are directors and/or have minority shareholdings in the following companies in which the Company has invested:

<i>Charlotta Ginman</i>	Keywords Studios plc	Shareholder/Non-Executive Director
<i>Jeremy Hamer</i>	Access Intelligence plc	Shareholder
<i>Jocelin Harris</i>	Antler Holdco Limited*	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 2019, 2020 and 2021 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>	E & S Properties Limited Jolly Fine Malt House Limited (in liquidation) Jolly Fine Pubs Ltd. Lambda Consultancy Services Ltd Lamda Shares Investments Ltd Pulseguard International Ltd (in liquidation) 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	Appleseed Investments LLP (dissolved)* Cook & Garcia (Holdings) Limited (dissolved)* Egbert Taylor Group Limited (dissolved) Egbert Taylor Management Limited (dissolved) Jolly Fine Brasseries Ltd (dissolved)* Jolly Fine Fulham Limited (dissolved) Jolly Fine Holdings Limited (dissolved)* Liberty Brewing Limited* Secure Storage Solutions LLP (dissolved)*
<i>Charlotta Ginman</i>	Boku Inc. Gamma Communications plc Keywords Studios plc Pacific Assets Trust Public Limited Company Polar Capital Technology Trust plc QC Ground Limited QC Holdings Limited The Queen's Club Limited Unicorn AIM VCT plc	Consort Medical plc (now Consort Medical Limited) Motif Bio plc
<i>Jeremy Hamer</i>	Fin Dec Ltd Motcombe Park Limited Port Regis School Limited Unicorn AIM VCT plc Uvenco UK plc (in liquidation)	Access Intelligence plc SQS Software Quality Systems AG Westminster Coaching LLP (dissolved)*

Director	Current	Past Five Years
<i>Jocelin Harris</i>	8 Stafford Terrace (Freehold) Limited Crest Medical Holdings Limited Circular Wave Limited Durrington Corporation Limited Eeonyx Corporation (USA) Foresight VCT plc Halkin Secretaries Limited Halpin Partnership Limited Hip and Healthy Limited Lightfoot Solutions Group Limited Lightfoot Solutions UK Limited Millennium Mats Limited The Millennium Mat Company LLC (USA) Tudor Roof Tile Co. Limited Unicorn AIM VCT plc	8 Stafford Terrace (Management) Limited (dissolved)* British American Rubber Company LLC (USA) Foresight 2 VCT plc (dissolved) Mintec Limited Obillex Limited (in liquidation) Roil Foods Limited (dissolved)* Roilvest Limited (dissolved)* Serres Limited (dissolved)* The St Peter's College Foundation University Schools Trust, East London

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 where any of the Directors were acting as (i) a member of the administrative, management or supervisory body, or (ii) a senior manager, for at least the previous five years:

4.12.1 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 were dissolved in February 2020, being three months from the filing of the notice. Egbert Taylor Group Limited was dissolved on 19 February 2020 and Egbert Taylor Management Limited was dissolved on 18 February 2020. Tim Woodcock was also a director of Jolly Fine Fulham Limited which was dissolved following a compulsory strike-off effective 19 January 2021. Tim Woodcock is also a director of Jolly Fine Malt House Limited, which has been placed into liquidation following the passing of a resolution to wind up the company on 19 May 2021. Tim Woodcock is a director of Pulseguard International Ltd, which has been placed into liquidation following the passing of a resolution to voluntarily wind up the company on 13 December 2021.

4.12.2 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 the statement of affairs dated 16 December 2021, it was noted that a dividend had been paid to the preferential creditors, the liquidators had agreed claims totalling £10,349,534.57 from 26 unsecured creditors but yet to receive claims from 41 unsecured creditors whose debts are estimated to total £66,593.96, that an interim dividend of 1.11p in the pound was distributed to the unsecured creditors on 18 March 2021 and that there would be sufficient funds to pay a further dividend(s) to unsecured creditors.

4.12.3 Jocelin Harris 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. Jocelin Harris was also appointed a director of Obillex Limited on 1 October 2013. The company subsequently went into creditors' voluntary liquidation and an extraordinary resolution to wind the company up was passed on 26 February 2020. A statement of affairs filed by the liquidator as at 14 February 2020 stated that the estimated deficiency as regards creditors would be £(4,638.84), with the estimated deficiency as regards the members being £(7,663,375.27). The liquidator noted in a statement of receipts and payments as at 25 February 2021 that it is expected that the company would be wound up in the following six months.

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 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/side letters dated 20 January 2004, 19 February 2007, 9 March 2010, 12 April 2010, 1 October 2018 and 18 November 2021) 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, 1.5% of the amount of the net assets of the Company from £200 million to £450 million and 1.0% of the amount of the net assets of the Company in excess of £450 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 for the purposes of the fee calculation. 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 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 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 An administration agreement dated 1 September 2014 (as amended and supplemented from time to time) between the Company (1) and ISCA Administration Services (2) pursuant to which ISCA Administration Services is the company secretary and provides accountancy and administration services to the Company. ISCA Administration Services currently receives an annual fee of an amount equal to £182,000 (exclusive of any applicable VAT).

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. The agreement contains provisions indemnifying ISCA Administration Services against any liability not due to its default, gross negligence or fraud.

- 5.4 A letter dated 24 January 2022 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 (including 'execution-only' financial intermediary initial and annual trail commissions, but, for the avoidance of doubt, save for any facilitated initial adviser charges which are payable by the investor) 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 initial commissions. The Investment Manager has further agreed that, to the extent that the costs of the Offer incurred by it (ignoring annual trail commission) are less than the amount of the promotion fee payable to it, the Investment Manager will rebate this amount to the Company.
- 5.5 A letter dated 24 November 2021 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 5.4 above, the Company has not entered into any related party transactions within the meaning of IFRS or UK GAAP since 1 October 2021.

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 (ignoring special legislation introduced in relation to the Covid-19 pandemic):

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 chairperson 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 chairperson 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 chairperson 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 the principles and provisions 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 Board considers that reporting against the principles and recommendations of the AIC Code (by reference to the AIC Guide) will provide the most appropriate information to Shareholders. The AIC Code was endorsed in February 2019 by The Financial Reporting Council, which has confirmed that in complying with the AIC Code, the Company will meet its obligations in relation to the UK Code.

As at the date of this document, the Board considers that the Company complies with the AIC Code and the relevant provisions of the UK Code except where noted below.

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. The Company is therefore not reporting further in respect of these areas.

At least four formal Board meetings are scheduled every year and other meetings are held as necessary. All the Directors are equally responsible under the law for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that their policies and operations are in the best interests of all Shareholders and that the best interests of creditors and suppliers to the Company are properly considered.

Matters specifically reserved for decision by the Board have been defined. These include investment decisions relating to holdings in unquoted securities, compliance with the requirements of CA 2006, the FCA, the Alternative Investment Fund Managers Regulations 2003, 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.

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.

In accordance with the AIC Code, all Directors will offer themselves for re-election annually and the Board's succession planning will continue. In terms of overall length of tenure, the AIC Code does not explicitly make recommendations on tenure for directors. Some commentators consider that considerable length of service (which has generally been defined as nine years) may lead to the compromise of a director's independence but the Board does not concur with this view. The Board does not believe that a director should be appointed for a finite period. The AIC Code does recommend that it should have a policy on tenure of the chair and the Company has adopted a nine year maximum tenure policy.

Jocelin Harris and Jeremy Hamer have both served longer than nine 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.

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. The involvement of the Directors with investee companies is shown above at paragraph 4.6. The Directors, who were independent of each potential conflict, 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 potential conflicts referred to above, 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 Chair fully meets the independence criteria as set out in the AIC Code. The effectiveness of the Board and the Chair is reviewed annually as part of the internal control process led by the senior independent director (Jocelin Harris). The senior independent director evaluates all responses and provides feedback to the Board. In the year to 30 September 2021, he concluded that the composition and performance of the Board was effective. The Directors monitor the continuing independence and effectiveness of the Chair and inform him of their conclusions.

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 chair. The Board is satisfied that at least one member of the audit committee has recent and relevant financial experience. The audit committee meets quarterly to review the internal financial and non-financial 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 audit committee reviews the independence of the auditors and the effectiveness of the audit process annually. Should the audit 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 is also responsible for the Company's internal financial controls and internal control and risk management systems. It has delegated the monitoring of these systems, on which the Company, is reliant, to the audit committee. The audit committee has put in place procedures for identifying, evaluating and managing the significant risks faced by the Company. As part of this process an annual review of the control systems is carried out in accordance with the Internal Control: Revised Guidance for Directors as issued by the Financial Reporting Council. The review covers consideration of the key business, operational, compliance and financial risks facing the Company. Each risk is considered with regard to the controls exercised by the Board or by the audit committee, the reporting by service providers and controls relied upon by the Board or the audit committee, any exceptions for consideration by the Board or audit committee and the responsibilities for each risk and its review period and risk rating. Investment risk is managed to the Board or the audit committee's satisfaction by the Investment Manager, primarily through the medium of a diversified portfolio. The audit committee reviews a schedule of key risks at each audit committee meeting which identifies the risks, controls and deficiencies that have arisen in the quarter, and any action to be taken.

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 or indirectly, in or into, 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, 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 2021 (2021 Annual Report). The 2021 Annual Report was audited by BDO LLP of 55 Baker Street, London W1U 7EU, 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 2021 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 2021 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 Company's website: <https://www.unicornaimvct.co.uk>, and through the national storage mechanism: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Where the 2021 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 2021 Annual Report which are not being incorporated by reference are either not relevant for an investor or are covered elsewhere in the Prospectus.

The 2021 Annual Report includes the following information:

Description	2021 Annual Report
Balance Sheet (or equivalent)	Page 55
Income Statement (or equivalent)	Page 54
Statement showing all changes in equity (or equivalent note)	Page 56
Cash Flow Statement	Page 57
Accounting Policies and Notes	Pages 58 to 73
Auditor's Report	Pages 49 to 53

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 2021 Annual Report also includes operating/financial reviews as follows:

Description	2021 Annual Report
Objective	Page 23
Performance Summary	Page 1
Results and Dividend	Pages 2 and 3
Investment Policy	Page 23
Outlook	Page 4
Investment Manager's Review	Pages 5 to 9
Portfolio Summary	Pages 11 to 16
Business Review	Page 2 to 4
Valuation Policy	Page 58

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

	Financial Year ended 30 September 2021 £'000 (unless otherwise stated)
Investment income	2,034
Total income before operating expenses	2,034
Investment management fee (accrued/paid)	6,059
Other fees (accrued/paid) to service providers*	367
Profit/(loss) on ordinary activities before taxation	111,061
Net profit/(loss) on ordinary activities before taxation	111,061
Earnings per Share	75.0p
Dividends paid per Share (in the period)	6.5p
Dividends paid per Share (in respect of the period)	6.5p
Net assets	370,789
NAV per Share	248.6p

(* comprising administration fees, custody fees, audit fees, registrar's fees, broking fees, VCT monitoring fees and other professional fees)

11.2 *Most recently published NAV*

As at 31 December 2021, the date to which the most recent unaudited financial information on the Company has been published, the Company had unaudited net assets of £355.3 million (NAV per Share of 239.2p).

The Board has declared a special interim dividend of 7.0p payable on 10 February 2022 to Shareholders on the register as at 7 January 2022 and a final dividend, subject to Shareholder approval, in respect of the financial year ended 30 September 2021 of 3.5p payable on 10 February 2022 to Shareholders on the register as at 7 January 2022. The unaudited NAV per Share as at 31 December would, if adjusted for these dividends, be 228.7p.

11.3 *Capitalisation*

The capitalisation of the Company as at 30 September 2021, is set out below.

Shareholders' Equity	£'000
Called-up share capital	1,491
Capital redemption reserve	88
Share premium account	53,602
Capital reserve	222,185
Special reserve	87,659
Profit and loss account	5,773
Total	370,798

As at 31 December 2021, total Shareholders' equity had decreased by approximately £15.5 million. This materially relates to (i) the net decrease in the carrying value of the Company's investments (which has decreased the capital reserve) and (ii) 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). In addition, payment of the special interim dividend and the final dividend for the year ended 30 September 2021 referred to in paragraph 11.2 above (10.5p per Share in aggregate) will reduce the special reserve by approximately £15.6 million.

Save as set out above, there has been no material change in the capitalisation of the Company between 30 September 2021, the date to which the last audited financial information on the Company was made up to and 21 January 2022, the latest practicable date before the date of publication of this document.

11.4 *Indebtedness*

As at 21 January 2022 (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.

11.5 *Recent material investments*

The following material investments/subscription applications have been made by the Company since 30 September 2021:

- (i) a new investment of £1.9 million in Gelion plc in November 2021;
- (ii) a new investment of £2.0 million in Feedback plc in November 2021; and
- (iii) a follow-on investment of £0.8 million in Directa Plus plc in December 2021.

Save as set out above, there have been no material investments made by the Company since 30 September 2021. 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 (i) the decrease in the Company's audited net assets from £370.8 million (248.6p per Share) as at 30 September 2021 to unaudited net assets of £355.3 million (239.2p per Share) as at 31 December 2021 and (ii) a subsequent decrease of approximately £26.7 million in the valuation of the quoted investments within the Company's portfolio as at 21 January 2022 as a result of market movements (ignoring, for these purposes, holdings which have been realised), there has been no significant change in the financial position of the Company since 30 September 2021, the date to which the 2021 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 Investment 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's fees are based on a percentage of net assets and, therefore, there is an inherent conflict in the valuations it proposes in relation to unquoted investments. This conflict is managed by the valuation of unquoted investments being reviewed and approved by the Board.
 - 12.4.2 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 £37,267, £46,500 and £52,052 in the years ended 30 September 2019, 2020 and 2021 and £13,990 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.
 - 12.4.3 Travel and other expenses that are recoverable from the Company may be considered benefits to the Directors concerned. 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 three 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 successfully 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). 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). The total expenses will, therefore, be a maximum of £1.375 million (assuming that the fundraising is fully subscribed under the Offer and assuming that the maximum amount of initial commission of 3% of the Application Amount is payable to 'execution-only' financial intermediaries in respect of all investors). 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 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. BDO LLP have served as the Company's auditor for 20 years and the Company is required to go out to tender in the next two years. The Board has recommended BDO LLP's appointment as auditor for the financial year ending 30 September 2022 for approval by Shareholders at the annual general meeting to be held on 3 February 2022. The audit committee intends to carry out the tender process during 2022.
- 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 The Company regularly publishes announcements via the Regulatory Information Service and its website. Below is a summary of the information disclosed in accordance with the Company's obligations under the Market Abuse Regulation over the last 12 months which are relevant as at the date of this Prospectus: On 6 January 2022, the Company announced that the unaudited net asset value per Share as at 31 December 2021 was of 239.2p.

On 8 December 2021, the Company announced its audited results for the year ended 30 September 2021 and that the annual general meeting of the Company will be on 3 February 2022.

On 22 November 2021, the Company announced a special dividend of 7.0p per Share payable on 10 February 2022 to Shareholders on the register on 7 January 2022.

On 26 October 2021, the Company announced its intention to launch the Offer.

On 18 May 2021, the Company announced its half-yearly results for the six month period ended 31 March 2021.

On 22 February 2021, the Company announced that Charlotta Ginman, a Director, had subscribed for 4,233 Shares at a price of 236.24p and Charles Horrell who is the husband of Charlotta Ginman, a Director, had subscribed 2,116 Shares at a price per Share of 236.29p.

On 28 January 2021, the Company announced the launch of an offer for subscription to raise up to £15 million (the Company further announcing that such offer was fully subscribed on 11 February 2021 had closed on 8 April 2021 following the final allotment).

12.18 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.

12.19 For the purposes of the Product Governance Requirements, the 'Target Market' is advised retail investors or investors who have prior knowledge and/or experience of VCTs or other tax-efficient investment products (such as the Enterprise Investment Scheme) who may be suitable to purchase direct on an 'execution-only' basis, and in each case who may be seeking VCT reliefs and capable of bearing financial loss.

Knowledge and experience: investing in listed investment funds, investing in single company shares, investing in high-risk or volatile assets, owning, running or holding a senior management position in business, previous investment in VCTs or (S)EIS or inheritance tax products, understanding of VCT rules and reliefs and understanding of limited liquidity products.

Financial position and ability to bear loss: have an income tax liability, have utilised other tax-efficient vehicles (pensions and ISAs), is able to bear the loss of the entire capital invested and reduced liquidity and is willing to invest for the medium to long-term.

'Negative-target market': investors who are looking for capital protection and cannot afford, or have a low risk tolerance/capacity for significant investment loss, lack the requisite knowledge of, and are unable to comprehend the risks associated with, investing in VCTs or comparable products, have an investment horizon of less than five years and have not made full use of other tax-efficient ways of investing (for example making use of pensions and ISA allowances).

Distribution channels: financial advisers and execution-only intermediaries who have previous experience of investing in VCTs or other tax-efficient products.

12.20 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 close of the Offer. The Offer will close for Applications on or before 5.30 p.m. on 31 March 2022, 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.

12.21 **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 12.20 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 can also be accessed on the Company's website at <https://www.unicornaimvct.co.uk>:

- 13.1 the articles of association of the Company;
- 13.2 the 2021 Annual Report;
- 13.3 the material contracts referred to in paragraph 5 above;
- 13.4 the consent referred to in paragraph 12.18 above; and
- 13.5 this document.

24 January 2022

Part IX – Definitions

2021 Annual Report	the annual report and financial statements for the Company for the financial year ended 30 September 2021
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 2019 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	an 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	the on-line application form for use in respect of the Offer made available by the Receiving Agent or such other form of Application as the Company may in its discretion agree to accept
Aquis	the Aquis Stock Exchange (previously NEX Exchange), a prescribed market for the purposes of section 118 of FSMA
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
Common Reporting Standard or CRS	the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information
Companies Acts	means every UK 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 Rules	the Disclosure and Transparency Rules of the FCA
Dividend Reinvestment Scheme	the dividend reinvestment scheme made available by the Company
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
Existing Shareholder	existing holders (legal or beneficial) of Shares in the Company as at the date of this document
Existing Shareholder Priority Period	Applications received from Existing Shareholders by 5.30 p.m. on 8 February 2022
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 and further COVID-19 guidance for March 2020) 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
Market Abuse Regulations	Market Abuse regulation (Regulation (EU) 596/2014 and as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019
Memorandum	the memorandum of association of the Company
Merger Date	9 March 2010, this being the date the Company merged with Unicorn AIM VCT II plc
Money Laundering Regulations	the Money Laundering Regulations 2019 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 policies
New Shares	new Shares to be issued pursuant to the Offer (and each a New Share)
OEIC	open-ended investment company
Offer	the offer for subscription to raise up to £25 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
Product Governance Requirements	Product governance requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MiFID) and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MiFIR), and any other implementing measure which operated to transpose MiFiD and MiFiR into UK law before 31 January 2020
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/Prospectus (Amendment etc.) (EU Exit) Regulations 2019 (Statutory Instrument 2019/1234)
Qualifying Company	an unquoted (including an AIM-quoted and Aquis market-traded) 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 for tax purposes in the United Kingdom (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 service 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 1 p (sterling) each in the capital of the Company (and each a Share)
SME	Small or medium-sized 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. References to the Investment Manager shall mean in its capacity as promoter to the Offer and/or in its capacity as investment manager to the Company (as the context requires).

The Application Procedures and the Application Form form part of these terms and conditions of Application.

1. The maximum amount to be raised under the Offer is £25 million. The maximum number of New Shares to be issued pursuant to the Offer is 20 million. The Offer will open on 24 January 2022 and be closed for Applications at 5.30 p.m. on 31 March 2022 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion).
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 submitting an Application Form, you (as the Applicant) acknowledge that your Application is addressed to the Company, the Investment Manager 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 Investment Manager and the Receiving Agent which will become binding upon your or your agent's submission to 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 your risk by bank transfer to the bank account 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 Agent 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 payer 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 send, as relevant, 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, that of 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 to you at your risk by way of bank transfer to the bank account 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 filed 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), the Key Information Document and the latest publicly available Regulatory Information Services announcements by the Company 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 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 paragraph 6 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 complete the declaration section of 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 Application and 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) 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. agree that these confirmations, warranties, undertakings and authorities are made and given to the Company, the Receiving Agent and the Investment Manager; and
 - w. 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 (or its agents) 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 Applications submitted, and may consider void and reject any Application 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 and submission 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, any document or information mentioned in paragraph (k) above or access to an Application Form 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 complete and submit an 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 regulation 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 Application 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. Priority will be given to Applications received from Existing Shareholders by 5.30 p.m. on 8 February 2022 (subject to receiving cleared funds in respect of the Application by no later than 5.30 p.m. on 18 February 2022). The determination as to whether an Applicant is an Existing Shareholder will be at the Board's discretion and, if the Applicant is a beneficial shareholder, whilst the Board shall be entitled to request additional supporting information to confirm that the Applicant is a beneficial shareholder, the Board shall be entitled to rely on the Applicant's confirmation on the Application Form. Applications otherwise are intended to 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.

The Board currently envisages two allotments of New Shares on 31 March 2022 and 4 April 2022 (or, if earlier, following full subscription). Allotment of New Shares may, however, be made more or less frequently at the discretion of the Board.

Dealing may commence before such notification. Temporary documents of title will not be issued. 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 investor 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, 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 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 Investment Manager. 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 no financial advice is provided by the financial intermediary to the client. The administration of annual trail commission will be managed by ISCA Administrative Services on behalf of the Investment Manager which will maintain a register of financial intermediaries entitled to trail commission. The Investment Manager shall be entitled to rely on a notification from a client that they have changed their 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 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 to 3.0%.

10. Applicants and 'execution-only' financial intermediaries should note that trail commission will not be payable if the relevant financial intermediary subsequently gives advice in respect of a holding. Either the Company, the Investment Manager and ISCA Administrative Services 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 either the Company, the Investment Manager or ISCA Administrative Services 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 an Application Form is submitted by an Applicant or on an Applicant's behalf by a financial intermediary who has provided advice in respect of the Application, the Company can, through the Receiving Agent, facilitate the payment of any initial adviser charges (in whole or part) agreed between the Applicant and the financial intermediary. Ongoing adviser charges will need to be settled directly by the Applicant to their financial intermediary.

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

If the Applicant and the financial intermediary agree that a charge is to be facilitated, the Application Form must be completed (including the financial intermediary declaration) 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 Applicant 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 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 their 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: <https://www.unicornaimvct.co.uk/investor-area/unicorn-aim-vct/privacy-policy>
 - The Investment Manager: <https://www.unicornam.com/wp-content/uploads/UAM-Privacy-Policy.pdf>
 - The City Partnership (UK) Limited: <https://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

Applications may only be made by completing and submitting the online Application Form (please refer to the instructions at <https://www.unicornaimvct.co.uk/offer> or contact the receiving agent, The City Partnership (UK) Limited on 01484 240 910 or by email at ra@city.uk.com).

The Offer opens on 24 January 2022 and will close for Applications at 5.30 p.m. on 31 March 2022 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Board currently envisages two allotments of New Shares on 10 March 2022 and 4 April 2022 (or, if earlier, following full subscription). Allotment of New Shares may, however, be made more or less frequently at the discretion of the Board.

Priority will be given to Applications under the Offer received from Existing Shareholders by 5.30 p.m. on 8 February 2022. Eligibility for the Existing Shareholder Priority Period will be subject to receiving cleared funds by no later than 5.30 p.m. on 18 February 2022. Applications under the Offer will otherwise normally be accepted on a first come, first served basis (provided cheques are not post-dated and with priority being given to Applications with cleared funds), subject always to the discretion of the Board.

Applications submitted (in particular with payment by way of a cheque) should allow at least three Business Days for funds to clear following receipt to ensure the Receiving Agent is in receipt of cleared funds prior to the Offer being closed.

Notes on how to complete the Application Form

Section 1 – Applicant Details

Insert your full name, date of birth, National Insurance number, telephone number, email address (if you have one), current address, previous address (if you've been at your current address for less than three years), and non-UK tax residency details. Telephone numbers will only be used in case of a query with regard to your Application.

We are legally required to collect information about the tax residency and classifications of new Shareholders which may be shared with HMRC.

It is very important that you complete this section clearly and accurately, as the Receiving Agent will send an email acknowledgement to you at the email address shown in this section.

Please indicate whether you are an existing Shareholder in the Company and provide your Shareholder Investor Code/CIN. This can be found on your existing Share certificate, on a recent dividend confirmation or via the Unicorn Investor Hub. The Registrar will also use your Shareholder Investor Code/CIN or other personal details to identify whether you are an existing Shareholder and, where identifiable, add your New Shares to your existing holding account designation.

If your Application is received by 5.30 p.m. on 8 February 2022, your Shareholder Investor Code/CIN or other personal details will be used to identify and/or confirm whether you are an Existing Shareholder to whom the Existing Shareholder Priority Period should apply. If you are a beneficial shareholder you may be asked for additional supporting information for confirmation.

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.

If your Application is successful, your name and address as stated in this section will be entered onto the Company's register of members and printed on the tax and share certificates.

Section 2 – Financial Intermediary

Please tick the relevant box (only one) to confirm if a financial Intermediary is associated with your Application.

Section 3 – Application Amount

Insert the amount of money which you wish to invest. Your Application must be for a minimum of £3,000.

Income tax relief is available on the Investment Amount (ie the Application Amount less any initial adviser charge to be facilitated). The maximum investment on which tax reliefs on investments in Venture Capital Trusts is available is £200,000 in any tax year.

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 refer to the Prospectus for further details.

Section 4 – Shareholding Preferences

Please indicate how you would like to receive Shareholder communications.

If you would like any New Shares for which your Application is accepted to be allotted to your nominee (CREST or otherwise), please provide the nominee details in the relevant boxes.

Section 5 – Dividends

If you would like your New Shares issued to your nominee, please do NOT complete this section. Please contact your nominee regarding your dividend options.

In respect of any dividends which may be paid by the Company on the New Shares you can elect to receive dividends by way of a bank transfer (the Company only pays dividend via bank transfers to reduce its carbon footprint) or elect to participate in the Dividend Reinvestment Scheme.

If you wish to participate in the Dividend Reinvestment Scheme, having first read and understood the full terms and conditions which are available at <https://unicornaimvct.co.uk/dividend-reinvestment-scheme>, then please tick the appropriate box.

Alternatively, to elect to receive dividends by way of a bank transfer please tick the appropriate box and provide your bank details.

Dividends paid directly into your account will be paid in cleared funds on the dividend payment date. Your bank or building society statement will identify details of the dividends as well as the dates and amounts paid.

If you are an existing shareholder in the Company, the above preference will be applied to all shares held under the shareholding account to which the New Shares are added. If you have previously elected to participate in the Dividend Reinvestment Scheme but the election above is to receive dividends by way of cash payment, this Application will constitute a notice served as at the date the New Shares are issued to withdraw from the Dividend Reinvestment Scheme (and your participation in the Dividend Reinvestment Scheme will continue in the meantime). If your Application is rejected, a separate notice will need to be sent to the Company's registrars to withdraw from that Dividend Reinvestment Scheme.

Section 6 – Payment

Payment can be made by electronic transfer (to the Bank of Scotland plc account details of which are set out below and on the Application Form), cheque or banker's draft. Your payment must relate solely to this Application and be for the total Application Amount in Section 3 (i.e., including any adviser charge for facilitation in Section 9). Please tick the relevant box in Section 6 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. Application monies from a corporate account will not, unless otherwise agreed, be accepted.

Bank Transfers should be made to:

Bank name: The Bank of Scotland plc
Account name: City-Unicorn AIM VCT Offer-Segregated
Account number: 21225763
Sort Code: 80-22-60

To pay by cheque or banker's draft, please send the cheque or banker's draft to the Receiving Agent at the address provided below and on the Application Form. The cheque should be made payable to '**City-Unicorn AIM VCT Offer-Segregated**' and crossed 'A/C Payee only'. Cheques may be presented for payment on receipt - Application Forms accompanied by a post-dated cheque will not be accepted. Cheques/banker's drafts should be sent to (recorded delivery is recommended):

Unicorn AIM VCT Offer
The City Partnership (UK) Limited
The Mending Rooms
Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

Receipt of your Application Form will be acknowledged by the Receiving Agent by email. Further, you will also receive confirmation of receipt of payment from the Receiving Agent once the monies have been matched to your Application.

Unless your nominee, financial intermediary, or investment platform has pre-agreed alternative arrangements with the Receiving Agent, your electronic transfer, cheque or banker's draft must be drawn in sterling from an account with a United Kingdom regulated credit or electronic money institution which is in the sole or joint name of the Applicant and must bear, if a cheque, the appropriate sort code in the top right-hand corner.

Your payment, whether via electronic transfer or cheque/banker's draft, must also include a reference comprising your initials (all forenames that you have provided) and telephone number provided in Section 1 (**alphanumeric, no spaces**) which matches the information provided in Section 1. Please enter this reference in the payment reference field on the electronic transfer payment instruction or on the back of the cheque.

For example, the payment from Ms Jane Mary Bloggs with telephone number 0123 456 7891, should have a reference of JMB01234567891.

Regardless of your payment method, please provide the details of the remitting bank account to allow the Receiving Agent to match, reconcile, and confirm receipt of your monies. Verification of your bank account also forms part of the Company's checks under the Money Laundering Regulations.

The Company and/or the Receiving Agent cannot take responsibility for correctly identifying payments without a reference nor where a payment has been received but without an accompanying Application Form. The right is reserved to reject any Application in respect of which the Applicant's electronic transfer, cheque or banker's draft has not been cleared on first presentation. Any monies will be returned by a Bacs credit to the remitting account, at the risk of the persons entitled thereto.

Section 7 – Declaration

You must print your name and date the Application Form in Section 7. By signing and dating the Application Form you confirm the declarations set out in Section 7.

If this section of the Application Form is not completed, the Receiving Agent will not be able to process your Application and your Application monies will be returned to you.

Section 8 – Financial Intermediary Details

Financial intermediaries must give in Section 8 the name and FCA number of the network firm to which they are associated (if applicable), the name and the FCA number of their firm, the firm's full address, the individual adviser's/intermediary's name, FCA number (or equivalent), partner reference (if applicable), email address, administrative contact name and telephone number. The right is reserved to reject any Application or withhold any payment of fees or commission if the Company is not, at its sole discretion, satisfied that the financial intermediary is authorised or is unable to identify the financial intermediary based on information provided.

Section 9 – Financial Intermediary Remuneration

Intermediaries must complete **(A)** or **(B)** (**not both**).

(A) Initial Adviser Charge

Please tick box (A) if you have provided financial advice to your client and have agreed on an initial adviser charge (nil or otherwise) which complies with COBS 6.1A. The Company may facilitate an initial adviser charge of up to 4.5% of the Application Amount stated in Section 3. Please enter the adviser charge for facilitation in the box provided.

If you do not want the Company to facilitate payment of the adviser charge, or you have made alternative arrangements, please enter '0' if NIL.

The charging of VAT on an initial adviser charge is the sole responsibility of the financial adviser. Should any charge facilitated by the Company not include 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 adviser.

(B) Initial Commission

Please tick box (B) if you have acted on an 'execution-only' basis in respect of your client.

Initial commission may be waived (a maximum of 3% of the total Application Amount) for the benefit of your client. Please insert the amount of initial commission you wish to be waived in the box provided (please enter '0' if NIL).

Please confirm the bank account into which any adviser charge or initial commission payments associated with the Application should be paid by Bacs.

Should you wish the Receiving Agent to carry a reference against any payment associated with the Application, please provide it in the box provided.

If you would like your firm's finance department to receive a copy of a statement detailing the payment(s) due to your firm, please provide the relevant email address in the box provided.

Section 10 – Financial Intermediary Declaration

An individual with the authority to sign on behalf of the financial intermediary firm detailed in Section 8 should print and date the Application Form in Section 10. By signing and dating the Application Form you, on behalf of the financial intermediary, confirm the declarations set out in Section 10.

If this section of the Application Form is not completed, the Receiving Agent may not be able to process the Application (and Application monies will be returned to your client).

Money Laundering Notice

In accordance with the Money Laundering Regulations, the identity of all Applicants must be verified before New Shares can be allotted. This is a routine step associated with the Application process and ensures that (i) Applicants are who they say they are; and (ii) Application monies have not been acquired illegally and there is no attempt to use the Company and/or the Receiving Agent as part of criminal activity.

Please note that New Shares cannot be allotted if the Receiving Agent is unable to verify the Applicant's identity, and the Application may ultimately be treated as invalid, and Application monies returned.

For Applications made via a financial intermediary, the financial intermediary should complete verification of the Applicant. By signing the Application Form, the financial intermediary confirms that they have applied customer due diligence measures on a risk sensitive basis in respect of the Application to the standard required by the ML Regulations within the guidance for the UK financial sector issued by the Joint Money Laundering Steering Group. If the Company, Unicorn AM and/or the Receiving Agent request additional information in connection with the financial intermediary's due diligence, they will provide it within two Business Days of receiving the request.

For direct Applications which are above the British Pound Sterling equivalent of €15,000 (for single or linked Applications), the Receiving Agent will use the Applicant's personal information from the Application Form to verify their identity through Veriphy, a specialist AML compliance solution provider. Veriphy's AML checks include identity and UK address validation as well as integral mortality, departure, sanction, and politically exposed person searches. **Veriphy's checks have no impact on an Applicant's credit score or their ability to obtain credit.**

In the small number of cases where Veriphy is unable to verify the Applicant's identity sufficiently, the Receiving Agent will need the Applicant to supply evidence of their identity and will contact the Applicant (or their financial intermediary if applicable) to request copies of the relevant documents (typically, an original or certified copy of a passport or driving licence, as well as a recent bank statement or utility bill) and explain how those should be provided. Please note that failure to provide satisfactory evidence following such a request may result in a delay in processing an Application or, at the point of the Offer closing to Applications, the Application being treated as invalid and Application monies returned.

Note: The Company and/or the Receiving Agent may, in their absolute discretion, and regardless of the Application Amount and/or the involvement of a financial intermediary, require identity verification.

Corporate Information

Directors

Timothy David Woodcock (Chair)
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
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EC1M 6AU

Company Secretary and Administrator

ISCA Administration Services Limited
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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
55 Baker Street
London
W1U 7EU

Registered Office

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Courtenay Street
Newton Abbot
TQ12 2QS

Telephone: 01392 487056
Email: info@unicornam.com
Website: www.unicornaimvct.co.uk*

Receiving Agent and Registrars

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The Mending Rooms
Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

Bankers

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

Distributor

LGBR Capital London Limited
10 Throgmorton Avenue
London
EC2N 2DL

Custodian

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

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



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unicorn 
ASSET MANAGEMENT