



UNICORN AIM VCT PLC

[Name]

[Address]

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR BANK MANAGER, STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER AUTHORISED PURSUANT THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FSMA).

If you have sold or otherwise transferred all of your shares in Unicorn AIM VCT plc (Company), please send this letter and accompanying document, as soon as possible, to the purchaser or transferee or to the stockbroker, independent financial adviser or other person through whom the sale or transfer was effected for delivery to the purchaser or transferee.

29 January 2021

CIN:

Dear [Title]

Please find below an update on your investment in the Company, including details of a new offer for subscription to raise up to £15m (Offer).

New Offer Now Open

As a valued Shareholder in the Company, we are writing to inform you that the latest Offer is now open. We recommend you speak to your independent financial adviser before making any decision to invest.

I would particularly like to draw your attention to two new features of this year's Offer, which we believe will be of benefit to our Shareholders:

1. Existing Shareholder Priority Period

For this year's Offer, priority will be given to existing Shareholders, provided that application forms are received no later than 5.30p.m. on Thursday 11 February 2021 and cleared funds no later than 5.30p.m. on Thursday 18 February 2021.

Existing Shareholders can, of course, continue to submit applications alongside new investors after the priority period ends, subject to capacity remaining. We would encourage existing Shareholders that are thinking of investing to take advantage of the priority window to improve the likelihood that their applications are successful.

2. Online Application Process

Applications for this year's Offer can be completed and submitted entirely online (please refer to the instructions at <https://www.unicornaimvct.co.uk/investor-area/fundraising> or contact the Receiving Agent by phone on 01484 240 910 or by email at ra@city.uk.com).

Applications can also be submitted via email or post, as in previous years.

For full details of the Offer, please refer to the Prospectus, which is available to download from the website: <https://www.unicornaimvct.co.uk> under the tab labelled 'Fundraising'. Hard copies can also be requested from the distributor, LGBR Capital London Limited (LGBR), via email on unicornam@lgbrcapital.com, or by phone on 020 7071 3940.

You should read and understand the Prospectus, including the Risk Factors, before making any decision to invest. If you are in any doubt, you should consult an independent financial adviser authorised under FSMA.

If you have any questions regarding the Offer you should contact your independent financial adviser or LGBR (on the details above). Please note that the Company, Unicorn Asset Management Limited (Unicorn AM), the Company's investment manager, and LGBR are not permitted to provide you with investment, financial, legal or tax advice.

Performance and Dividend Update

Performance Update

The Company performed well during 2020, finishing the year with a net asset value per share of 204.5p vs. 173.6p as at 31 December 2019 (both unaudited). This pleasing performance has been delivered despite the backdrop of economic decline in the UK as a result of the Covid-19 pandemic and reflected the resilience of the businesses in which the Company holds investments.

These businesses were not immune to the initial negative effects of the Covid-19 pandemic on equity markets, and by 31 March 2020 net asset value per share had fallen to 128.4p. Equity markets, however, then began a sustained recovery and by the end of September 2020, the FTSE AIM All-Share Index had recovered all of the losses incurred during the main sell-off in March 2020. In line with this, the

Unicorn AIM VCT plc

Registered Office:

Suite 8, Bridge house, Courtenay Street

Newton Abbot TQ12 2QS

Tel: +44 (0) 1392 487056

Registered in England Number 4266437

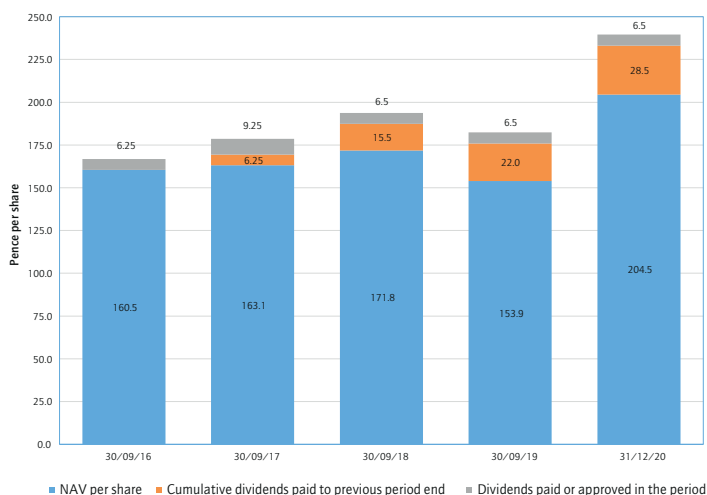
Company's net asset value per share also recovered strongly ending the financial year at 178.6p as at 30 September 2020 vs. 153.9p as at 30 September 2019 (both audited).

The recent performance of the portfolio has also been pleasing. Net asset value per share during the final quarter of 2020 increased by 14.5% to 204.5p as at 31 December 2020 (unaudited). A significant proportion of this strong performance was delivered in November and December 2020, as investor appetite for risk strengthened following the approval of Covid-19 vaccines and increasing certainty about the post-Brexit trade position.

The Board and the Investment Manager remain confident that the portfolio continues to offer good, long-term growth prospects. In addition, the improved clarity around Brexit, together with the roll-out of a UK wide vaccination programme, is likely to bring further investment opportunities.

Dividend Update

- The Board has proposed total tax free dividends of 6.5p per share in respect of the financial year ended 30 September 2020.
- One of the key benefits of Venture Capital Trusts (VCTs) is their ability to pay tax-free dividends to qualifying investors, which is why one of the Company's main objectives is to provide a steady flow of dividend distributions.
- Dividends paid since 1 October 2015 amount to 35.0p per share.
- Over the same time period, the cumulative total return to shareholders from the starting NAV per share of 155.6p is 83.9p (54%).



Current Portfolio Overview

The portfolio remains predominantly composed of investments in businesses listed on the Alternative Investment Market (AIM). Many of the investee companies are relatively mature and, typically, are also consistently profitable and cash generative and, in some cases, dividend paying.

Your Company remains the largest AIM-focused VCT in the market and, as at 31 December 2020, had:

- Unaudited net assets of £296.4m, giving the Company economies of scale.
- A net asset value per share of 204.5p, this being an all-time high since the Company merged with Unicorn AIM VCT II plc in March 2010.
- 97 active investments.
- A healthy level of distributable reserves available for future dividends.
- The Investment Manager is seeing a steady flow of VCT qualifying opportunities and is confident that the portfolio continues to offer good prospects for further capital growth.

I would like to thank you for your continued support of the Company and hope that you will consider taking part in the new Offer. Please do contact your financial adviser or our distributor, LGBR, should you have any questions.

Yours sincerely

Tim Woodcock
Chairman

Important Information

This letter is addressed, and is only being sent, to shareholders of the Company. This letter (and the accompanying document) should not be distributed or forwarded on by shareholders other than to their financial and/or other professional advisers.

This letter does not constitute a prospectus and does not form part of any sale, solicitation or any offer to buy or subscribe for securities. This letter is, however, an advertisement for the purposes of the Listing Rules of the Financial Conduct Authority in relation to the Offer and the prospectus issued by the Company on 28 January 2021 (Prospectus). Any decision to invest under the Offer should be made solely on the basis of, and strictly in accordance with the terms of, the Prospectus. Prospective investors should read the full Prospectus and are recommended to take independent financial advice.

Application has been made to the UKLA for the shares 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 plc for such New Shares to be admitted to trading on its main market for listed securities. It is expected that admission to the Official List will become effective and that dealings in the New Shares will commence three business days following allotment. The New Shares will rank pari passu with the existing issued shares from the date of issue. The attention of prospective investors is drawn to Part II of the Prospectus for further details on the Offer and the New Shares.

Investment in the Company should be considered a long term investment. The value of shares in the Company, and the income derived from them, can go up and down and investors may not get back the money originally invested. In addition, there is no certainty that the market price of the shares in the Company will fully reflect their underlying net asset value not that dividends will be paid. Past performance is not a guide to future performance and there is no guarantee that the Company's objectives (including maintaining VCT status) will be achieved.

