

Amati VCT plc and Amati VCT 2 plc

SUPPLEMENTARY PROSPECTUS

**Offer for Subscription of New Ordinary Shares
in Amati VCT plc to raise up to
£10,000,000 and to raise up to a further
£2,000,000 to be allocated to the Dividend
Re-Investment Scheme**

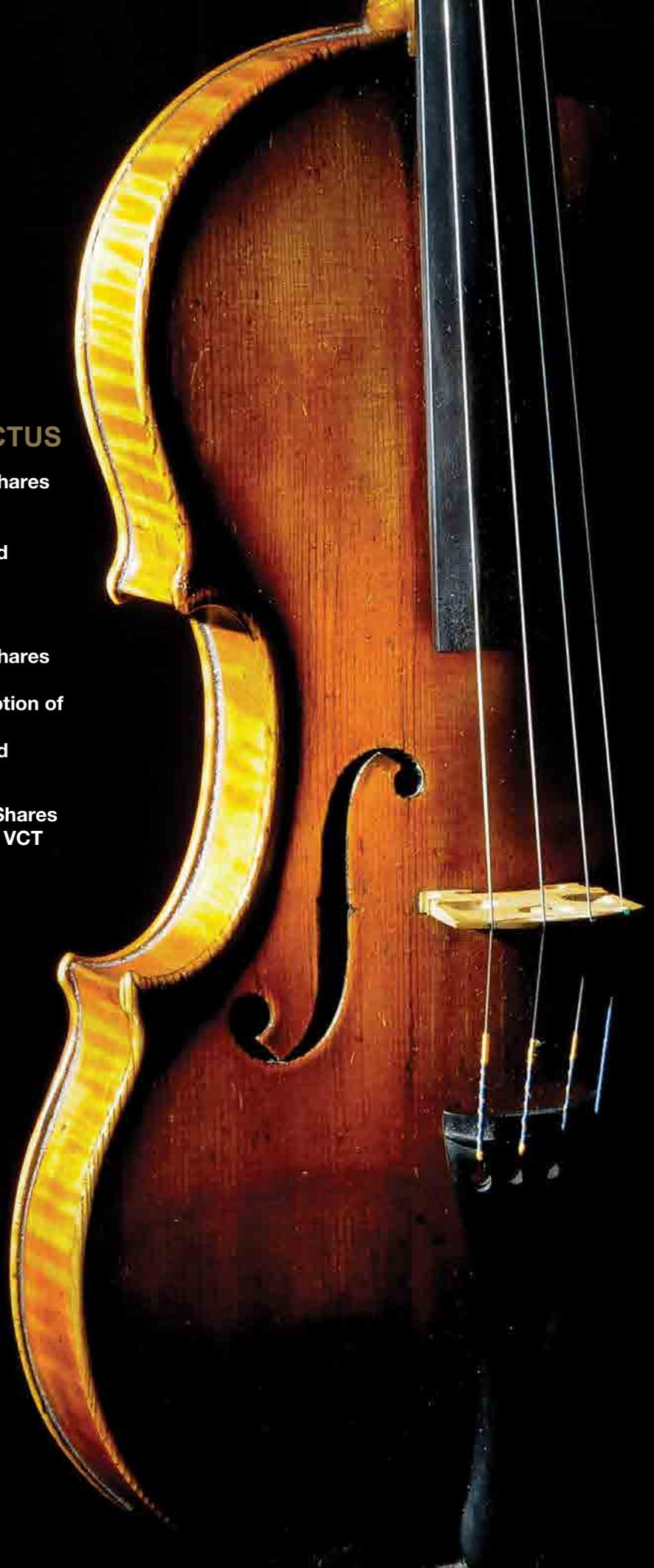
and

**Offer for Subscription of New Ordinary Shares
in Amati VCT 2 plc to raise up
to £10,000,000 (with an over-allotment option of
£10,000,000) and to raise up to a further
£4,000,000 to be allocated to the Dividend
Re-Investment Scheme**

**Issue of up to 55,000,000 Consideration Shares
in relation to a Potential Merger of Amati VCT
plc and Amati VCT 2 plc**

Amati
Global Investors

Finely crafted investments



Amati VCT plc

and

Amati VCT 2 plc

SUPPLEMENTARY PROSPECTUS

Offer for Subscription of New Ordinary Shares in Amati VCT plc to raise up to £10,000,000 and to raise up to a further £2,000,000 to be allocated to the Dividend Re-Investment Scheme; and

Offer for Subscription of New Ordinary Shares in Amati VCT 2 plc to raise up to £10,000,000 (with an over-allotment option of £10,000,000) and to raise up to a further £4,000,000 to be allocated to the Dividend Re-Investment Scheme; and

Issue of up to 55,000,000 Consideration Shares in relation to a Potential Merger of Amati VCT plc and Amati VCT 2 plc

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

If you sell or otherwise transfer or have sold or otherwise transferred all of your Shares in Amati VCT plc or Amati VCT 2 plc, please forward this document, together with the accompanying documents, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or otherwise transfer or have sold or otherwise transferred part only of your holding of Amati VCT plc or Amati VCT 2 plc Shares, please retain this document and the accompanying documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected as to the action you should take.

This document which constitutes a joint supplementary prospectus relating to Amati VCT plc and Amati VCT 2 plc has been prepared in accordance with the Listing Rules and the Prospectus Rules made under section 73A of FSMA (the “**Supplementary Prospectus**”). This document has been approved by the Financial Conduct Authority in accordance with section 85 of FSMA.

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the prospectus published by the Amati VCTs on 27 October 2017 relating to (i) offer for subscription of New Ordinary Shares in Amati VCT plc to raise up to £10,000,000 and to raise up to a further £2,000,000 to be allocated to the Dividend Re-Investment Scheme; and (ii) offer for subscription of New Ordinary Shares in Amati VCT 2 plc to raise up to £10,000,000 (with an over-allotment option of £10,000,000) and to raise up to a further £4,000,000 to be allocated to the Dividend Re-Investment Scheme; and (iii) issue of up to 55,000,000 Consideration Shares in relation to a Merger of Amati VCT plc and Amati VCT 2 plc (the “**Prospectus**”). **Except as expressly stated herein, or unless the context otherwise requires, the definitions used or referred to in the Prospectus also apply in this Supplementary Prospectus.**

Purpose of the Supplementary Prospectus: the purpose of this Supplementary Prospectus is (i) to confirm that the boards of each of Amati VCT and Amati VCT 2 have formally determined to seek their respective shareholders’ approval of the Merger, for a which a joint circular of even date has been published convening general meetings of Amati VCT on 26 April 2018 and 4 May 2018 and of Amati VCT 2 on 26 April 2018, (ii) to update the summary section of the Prospectus and (iii) to make minor amendments to the terms and conditions of the Offers for Subscription.

Amati VCT plc

(Incorporated in Scotland under the Companies Act 1985 with Registered Number SC278722)

and

Amati VCT 2 plc

(Incorporated in England and Wales under the Companies Act 1985 with Registered Number 04138683)

Offer for Subscription of New Ordinary Shares to raise up to £10,000,000 each (with an over-allotment option for Amati VCT 2 plc only of a further £10,000,000)

and

to raise up to a further £2,000,000 and £4,000,000 for Amati VCT plc and Amati VCT 2 plc respectively to be allocated to the Dividend Re-Investment Schemes

and

Issue of up to 55,000,000 Consideration Shares in relation to a Potential Merger of Amati VCT plc and Amati VCT 2 plc

RESPONSIBILITY

The Directors of each of Amati VCT plc and Amati VCT 2 plc, whose names appear under the heading "Directors, Manager and Advisers" on pages 91 and 92 of the Prospectus and each of the Amati VCTs, each accept responsibility for the information contained in this Supplementary Prospectus and the Prospectus in relation to the Amati VCTs. The Directors of each of the Amati VCTs and each of the Amati VCTs, declare, having taken all reasonable care to ensure that such is the case, the information contained in this Supplementary Prospectus and the Prospectus in relation to each of the Amati VCTs, to the best of their knowledge, is in accordance with the facts and does not omit anything likely to affect the import of such information.

Persons receiving this document should note that SPARK Advisory Partners Limited is acting for the Companies and no one else in connection with the Offers, the Dividend Re-Investment Schemes and the Merger, and will not be responsible (subject to the responsibilities and liabilities imposed by FSMA and the regulatory regime established thereunder) to any other person for providing the protections afforded to customers of SPARK Advisory Partners Limited or for providing advice in connection with the Offers, the Dividend Re-investment Schemes and the Merger. SPARK Advisory Partners Limited is authorised and regulated by the Financial Conduct Authority.

Your attention is drawn to pages 15 to 18 of the Prospectus which set out the risk factors associated with an investment in the Companies. None of the Ordinary Shares or New Ordinary Shares have been, nor will be, registered in the United States under the United States Securities Act of 1933, as amended, or under the securities laws of Canada, Australia, South Africa or Japan and they may not be offered or sold directly or indirectly in or into the United States, Canada, Australia, South Africa or Japan or to or for the account or benefit of US Persons or any national, citizen or resident of the United States, Canada, Australia, South Africa or Japan. This document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, New Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful.

EVENTS ARISING SINCE PUBLICATION OF THE PROSPECTUS

Your attention is drawn to pages 49 to 53 of the Prospectus which sets out the terms of the Merger. In particular, page 52 of the Prospectus noted that the Directors would only put the Merger Proposals to Shareholders once they are satisfied that sufficient comfort has been received on the point of law in relation to section 264A of the Income Tax Act 2007 or other arrangements have been made to address it.

In the Autumn Budget on 22 November 2017, it was confirmed that the Government would introduce legislation to limit the scope of section 264A in the context of a merger or reconstruction. This would ensure that section 264A did not apply where the date of the merger or reconstruction is either (i) more than 2 years after the subscription or; (ii) less than 2 years after the subscription but, at the time of the subscription, either the subscriber could not reasonably be expected to know the merger/reconstruction would take place or it was not one of the main purposes of the merger to obtain a tax advantage. This measure would take effect for relief claims in respect of Venture Capital Trust subscriptions made on or after 6 April 2014. It is expected that the new rules will formally come into effect before the end of the tax year along with the majority of the other measures announced in the Autumn Budget. Accordingly, the Directors are satisfied that this measure will clarify the intended scope of section 264A, and intend to put the Merger Proposals to Shareholders. Completion of the Merger is conditional on the approval of each set of shareholders at general meetings.

FURTHER AMENDMENTS TO PROSPECTUS (TERMS AND CONDITIONS OF SUBSCRIPTION)

After further consideration of the exact timing of the Potential Merger and the anticipation that they will be approved by Shareholders, the Boards believe it is appropriate to amend the terms and conditions of subscription for New Shares such that any applications received and processed on or prior to 5 April 2018 (i.e. in the current tax year) for Amati VCT or Amati VCT 2 be processed as applications for the stated company but that applications thereafter for New Shares in Amati VCT be deemed to be applications for Amati VCT 2 in order to facilitate the mechanics of the Merger Proposals. Therefore, Part VIII of the Prospectus (being the Terms and Conditions of Subscription) shall be amended by inserting the following new paragraph 2 and re-numbering the paragraph numbers thereafter accordingly:

- “2. The Boards of the Companies have agreed proposals for a merger. If the proposals are implemented, each Company will allot New Ordinary Shares in the 2017/18 tax year and thereafter, Amati VCT 2 plc will allot New Ordinary Shares in the 2018/19 tax year, pursuant to subscriptions received from applicants. Therefore, any application for Amati VCT plc received or processed later than 5 April 2018 will be deemed to have been an application for Amati VCT 2 plc. You must tick the relevant box in the Subscription Form to confirm your agreement, otherwise your application will not be processed and any funds remitted will be returned to you as per these Terms and Conditions of Subscription.”

A revised application form reflecting the above is available online at www.amatiglobal.com.

SUMMARY SECTION OF THE PROSPECTUS

The following section supplements the summary section of the Prospectus specifically:

E2a	Reasons for the Offers, use of the proceeds and rationale for the Potential Merger	In the Autumn Budget on 22 November 2017, it was confirmed that the Government would introduce legislation to limit the scope of section 264A in the context of a merger or reconstruction. This would ensure that section 264A did not apply where the date of the merger or reconstruction is either (i) more than 2 years after the subscription or; (ii) less than 2 years after the subscription but, at the time of the subscription, either the subscriber could not reasonably be expected to know the merger/reconstruction would take place or it was not one of the main purposes of the merger to obtain a tax advantage. This measure would take effect for relief claims in respect of Venture Capital Trust subscriptions made on or after 6 April 2014. It is expected that the new rules will formally come into effect before the end of the tax year along with the majority of the other measures announced in the Autumn Budget. Accordingly, the Directors are satisfied that this measure will clarify the intended scope of section 264A, and therefore intend to put the Merger Proposals to Shareholders. Completion of the Merger is conditional on the approval of each set of shareholders at general meetings.
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NO SIGNIFICANT CHANGE AND NO MATERIAL ADVERSE CHANGE

Save in respect of the Boards' decisions to proceed with the Merger (which is conditional upon the approval of shareholders of both Amati VCT and Amati VCT 2), and the change to the Terms and Conditions of Subscription, there has been no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus.

There has been no significant change in the financial position of Amati VCT since 31 August 2017 and Amati VCT 2 since 31 July 2017 (the ends of the last financial periods for which audited or interim financial information of the Amati VCTs has been published). There has been no material adverse change in the prospects of Amati VCT since 28 February 2017 and Amati VCT 2 since 31 January 2017 (the last date to which the latest audited published financial information of the Amati VCTs was prepared).

GENERAL

Copies of the Prospectus and this Supplementary Prospectus can be obtained from Amati's website at <http://www.amatiglobal.com> or by contacting Amati Global Investors on 0131 503 9115 or by email at info@amatiglobal.com.

If the document which is incorporated by reference in the Prospectus by virtue of this Supplementary Prospectus incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference in, or attached to, the Prospectus by virtue of this Supplementary Prospectus.

To the extent that there is an inconsistency between (a) any statement in this Supplementary Prospectus or any statement incorporated by reference into the Prospectus by this Supplementary Prospectus; and (b) any other statement in or incorporated by reference in the Prospectus, the statement in (a) above will prevail.

Save as disclosed in this Supplementary Prospectus or in any document incorporated by reference in the Prospectus by virtue of this Supplementary Prospectus, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

WITHDRAWAL RIGHTS

In accordance with Section 87Q(4) FSMA, investors who have agreed before this Supplementary Prospectus was published to purchase or subscribe for Ordinary Shares the allotment of which has not become fully unconditional have the right to withdraw their acceptances before the end of 16 March 2018. Such investors should contact Amati Global Investors should they wish to exercise their right of withdrawal.

If you have any queries regarding the procedure for withdrawal please call Amati Global Investors on 0131 503 9115 or by email at info@amatiglobal.com. Amati Global Investors cannot provide advice on the merits of the Issues nor give any financial, legal or tax advice.

9 March 2018

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Amati
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Finely crafted investments