

Mobeus Income & Growth 2 VCT plc

A Venture Capital Trust

Unaudited Interim Report
for the six months ended 30 September 2021



Since 1857

Gresham House
Specialist asset management

Mobeus Income & Growth 2 VCT plc (“the Company”) is a Venture Capital Trust (“VCT”) listed on the London Stock Exchange. Its investment portfolio is advised by Gresham House Asset Management Limited (“Gresham House”), formerly by Mobeus Equity Partners LLP. For further details see the Chairman’s Statement on page 2.

Company Objective

The Objective of the Company is to provide investors with a regular income stream by way of tax-free dividends and to generate capital growth through portfolio realisations which can be distributed by way of additional tax-free dividends, while continuing at all times to qualify as a VCT.

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YOUR PRIVACY

We are committed to protecting and respecting your privacy. To understand how we collect, use and otherwise process personal data relating to you, or that you provide to us, please read our privacy notice, which can be found at www.mig2vct.co.uk.

Financial Highlights

Results for the six months ended 30 September 2021

As at 30 September 2021

Net assets: **£76.98 million**

Net asset value ("NAV") per share: **105.87 pence**

- Net asset value ("NAV") total return¹ per share was 10.9%.
- Share price total return¹ per share was 21.6%.
- The Company made two new investments totalling £1.17 million and five follow-on investments totalling £1.52 million.
- £8.32 million of unrealised gains were achieved from strong portfolio performance.
- £2.58 million of cash proceeds from realisations generating net realised gains of £0.27 million.
- An interim dividend of 12.00 pence per share has been declared for the year ending 31 March 2022 and will be paid on 7 January 2022, to Shareholders on the Register on 10 December 2021.

¹ Definitions of key terms and alternative performance measures ("APMs") / Key performance indicators ("KPIs") shown above and throughout this Report are shown in the Glossary of terms on page 31.

Performance Summary

The table below shows the recent past performance of the Company's current share class, first raised in 2005/06 at an original subscription price of 100 pence per share before the benefit of income tax relief. Performance data for all fundraising rounds are shown in tables on pages 33 and 34 of this Interim Report.

Reporting date As at	Net assets (£m)	Net asset value (NAV) per share (p)	Share price ¹ (p)	Cumulative dividends paid per share (p)	Cumulative total return per share since launch ²		Dividends paid and proposed per share in respect of each year (p)
					(NAV basis) (p)	(Share price basis) (p)	
30 September 2021	76.98	105.87	98.00	122.00	227.87	220.00	12.00 ³
31 March 2021	73.90	100.91	85.50	116.00	216.91	201.50	13.00
30 September 2020	58.22	79.25	68.50	116.00	195.25	184.50	7.00

¹ Source: Panmure Gordon & Co (mid-market price).

² Cumulative total return per share comprises either the NAV per share (NAV basis) or the mid-market price per share (share price basis), plus cumulative dividends paid since launch of the current share class.

Dividends payable after the period-end in respect of year ending 31 March 2022

³ An interim dividend of 12.00 pence per share has been declared and will be paid on 7 January 2022 to Shareholders on the Register on 10 December 2021.

Chairman's Statement

Change in Management Arrangements

Further to the communication sent to all Shareholders by the Chairmen of the four Mobeus advised VCTs on 10 September 2021, I am pleased to report that the sale of the Mobeus Equity Partners LLP VCT fund and investment management business to a subsidiary of Gresham House plc ("Gresham House") completed with effect from 30 September 2021. Accordingly, the Mobeus VCTs' investment advisory arrangements have been novated from Mobeus to Gresham House Asset Management Limited.

The Board believes that the novation of the investment advisory arrangements is in the best interests of the Company because it is expected to benefit from the continuity of Mobeus personnel whilst utilising the enhanced resource of Gresham House.

The Board is pleased that Trevor Hope and Clive Austin, the two leading partners involved with managing the Mobeus VCTs' investment portfolios, are joining Bevan Duncan and Ken Wotton (who lead the investment management of the Baronsmead VCTs), as the senior management team of the Strategic Equity division within Gresham House. Trevor and Clive, alongside their investment and operations teams, will remain responsible for the investment, portfolio, and fund management of the Mobeus VCTs. Mobeus founder partners Mark Wignall and Rob Brittain will act as consultants to Gresham House to advise and support the VCTs through the transition period.

I am pleased to present the Company's Interim Report for the six months ended 30 September 2021.

Overview

In the Company's Annual Report for the year ended 31 March 2021, I reported on the record performance and unprecedented value growth of the portfolio as it recovered from the initial impact of COVID-19. I am pleased to say that momentum has been sustained into the new financial year with a strong performance in the first six months ended 30 September 2021, delivering a NAV total return per share of 10.9%.

Despite continuing Brexit concerns and COVID-19 related restrictions, M&A activity has remained buoyant and the Investment Adviser continues to see a healthy deal flow. The Company deployed £2.69 million of capital and generated £2.58 million of proceeds from investment activity during the first half of its financial year. Within these figures, the Company has added two new investments to its portfolio, deployed follow-on funding into five existing portfolio companies and realised one of its investments.

The market volatility and uncertainty that characterised the previous financial year appears to have now stabilised to some extent, though challenges do remain. There have been global supply issues that have put a strain on logistics, materials and labour, though the portfolio has largely been able to avoid their direct impacts. A sizeable proportion of the portfolio is made up of service and software-based businesses and, therefore, are less exposed to these forces.

A significant proportion of the portfolio's value is now concentrated in two AIM-listed assets and will be subject to a higher level of inherent volatility. During the second quarter of the six-month period to 30 September 2021, the share price of these quoted assets declined but the value impact on the portfolio has been mitigated by the strong performance of the unquoted investments over the same period. This exemplifies the diversity and robustness of the portfolio, particularly as a number of the more recent growth investments start to achieve significant scale and value. This has been recognised across the industry as third-party investment in the period in portfolio businesses such as Preservica, MyTutor and MPB has led to significant rating increases.

Performance

Six months to 30 September	2021 (pence per share)	2020 (pence per share)
Net realised and unrealised gains on the investment portfolio	11.81	12.84
Income from the investment portfolio and liquid assets	0.49	1.31
Share buybacks and adjustments	0.02	0.13
Gross return	12.32	14.28
Less: Investment Adviser's fees and other expenses	(1.36)	(1.02)
Net return	10.96	13.26
NAV total return per share	10.9%	18.2%

The share price total return for the six-month period ended 30 September 2021 was 21.6% (2020: 7.1%), compared to the NAV return of 10.9%. This difference arises principally from the retrospective timing of NAV announcements.

This positive NAV return was comprised primarily from unrealised gains in the unquoted portfolio and the partial realisation of MyTutor. These gains were partially offset by a decline in the Company's two AIM listed assets. For further details on these portfolio movements, see the Investment Adviser's Review on page 9.

At the period-end, the Company was ranked 7th out of 39 Generalist VCTs over five years and 2nd out of 30 over ten years, in the Association of Investment Companies' analysis of NAV Cumulative Total Return. Shareholders should note that these figures do not reflect the increased NAV disclosed in this Report.

Dividends

The Board continues to be committed to providing an attractive dividend stream to Shareholders and is pleased to have announced an interim dividend of 12.00 pence per share, in respect of the year ending 31 March 2022, to be paid on 7 January 2022 to Shareholders on the register on 10 December 2021.

This dividend, in addition to a 6.00 pence dividend paid in July 2021 in respect of the year ended 31 March 2021 has brought cumulative dividends paid since inception to 134.00 pence per share.

As a result of the 12.00 pence per share dividend due to be paid on 7 January

2022, the Company will have met or exceeded the Board's target of paying regular dividends of at least 5.00 pence per share in respect of each financial year for the last eleven years.

It should be noted that as the Company pays dividends, its NAV per share will reduce by a corresponding amount.

Investment Portfolio

	£m
Portfolio value at 31 March 2021	41.83
New and further investments	2.69
Disposal proceeds	(2.58)
Net realised gains	0.27
Valuation movements	8.32
Portfolio value at 30 September 2021	50.53

During the six months under review, the Company invested a total of £1.17 million into two new investments: Legatics (a SaaS LegalTech software business) and Vet's Klinik (a veterinary clinic roll out).

In addition, follow-on investments totalling £1.52 million were made into five existing portfolio companies: Caledonian Leisure (a provider of UK leisure and experience breaks), Bella & Duke (a premium frozen raw dog food provider), Tapas Revolution (a Spanish restaurant chain), MyTutor (an online tuition marketplace) and Andersen EV (a provider of premium EV chargers). We expect follow-on investments to continue to be a feature of the growth capital investments as they seek to achieve scale.

Since the period-end, the Company has also made follow-on investments totalling £0.89 million into Preservica, a seller of proprietary digital archiving software.

The portfolio was valued at £50.53 million at the period-end (31 March 2021: £41.83 million). The portfolio has performed well in the first six months of the Company's financial year. The overall value increased by £8.59 million (2020: £9.44 million), or 20.5% (2020: 42.9%) on a like-for-like basis, compared to the start of the year. This increase comprised a net unrealised uplift in portfolio valuations of £8.32 million, and £0.27 million in net realised gains over the period.

The valuations at the period-end reflect the continued beneficial impact of changes in UK consumer and business behaviour brought on by the pandemic

and lockdown restrictions, particularly for those businesses operating direct-to-consumer models. They also underscore the success of portfolio companies in adapting to a rapidly changing environment, diversifying their product offering in order to take advantage of opportunities that have arisen.

Within the net realised gains, the principal contributor was the partial exit of the original 2017 shares held in MyTutor which generated proceeds of £0.52 million and a realised gain in the period of £0.26 million. The full exit of Proactive realised £1.59 million proceeds and has contributed to a multiple of original cost over the life of the investment of 2.6x. Proceeds received in the period from these transactions, combined with loan repayments and other capital receipts, totalled £2.58 million.

Since the period-end, the Company's investment in Vian Marketing Limited (trading as Red Paddle) was sold generating proceeds received to date over the life of this investment of £3.54 million, which is a multiple on cost of 4.9x. To date, and in isolation, the impact of this sale is a 0.54 pence uplift in NAV per share compared to the 30 September 2021 NAV per share contained within this Interim Report. Further proceeds of up to £0.29 million may be receivable in due course.

Details of this investment activity and the performance of the portfolio are contained in the Investment Adviser's Review and the Investment Portfolio Summary on pages 6 to 11.

Liquidity

Cash and near cash resources held by the Company as at 30 September 2021 amounted to £25.10 million, or 32.6% of net assets. Following payment of the interim dividend declared in this Report, and other transactions since the period-end, cash and near cash resources, as a percentage of proforma net assets will reduce to 28.9%.

Intention to launch an Offer for Subscription

Your Board regards it as important that the Company maintains adequate levels of liquidity in order to take advantage of new investment opportunities and fund further expansion of the businesses in our investment portfolio. We also aim to deliver attractive shareholder returns including the payment of dividends and purchase of shares from those Shareholders who may wish to sell their

shares. Following a review of the Company's future cash requirements, in conjunction with other Mobeus VCTs, on 8 November 2021 the Company announced its intention to launch a joint subscription offer for new shares in the 2021/22 tax year. Further details will be contained within a prospectus expected to be published in early 2022.

Share buy-backs

During the six months ended 30 September 2021, the Company bought back and cancelled 512,370 of its own shares, representing 0.7% (2020: 0.3%) of the shares in issue at the beginning of the period, at a total cost of £0.48 million (2020: £0.10 million), inclusive of expenses.

It is the Company's policy to cancel all shares bought back in this way. The Board regularly reviews its buyback policy, where its priority is to act prudently and in the interest of remaining Shareholders, whilst considering other factors, such as levels of liquidity and reserves, market conditions and applicable law and regulations. Under this policy, the Company seeks to maintain the discount at which the Company's shares trade at approximately 5% below the latest published NAV.

Shareholder Communications

May I remind you that the Company has its own website which is available at: www.mig2vct.co.uk.

The Investment Adviser plans to hold its next Shareholder Event on behalf of all four Mobeus VCTs virtually on 25 February 2022 and an invite to register for the Event is included with this Interim Report.

Fraud Warning

We have been made aware that a number of Shareholders being contacted in connection with sophisticated but fraudulent financial scams which purport to come from the Company or to be authorised by it. This is often by a phone call or an email usually originating from outside of the UK, claiming or appearing to be from a corporate finance firm offering to buy your shares at an inflated price.

The Board strongly recommends Shareholders take time to read the Company's Fraud warning section, including details of who to contact, contained within the Information for Shareholders section on pages 29 and 30.

Chairman's Statement

Environmental, Social and Governance ("ESG")

The Board and the Investment Adviser believe that the consideration of environmental, social and corporate governance ("ESG") factors throughout the investment cycle will contribute towards enhanced Shareholder value.

Following the novation of the investment advisory agreement to Gresham House Asset Management Limited, the Company is now advised by a market leader in sustainability. The Board views this as an opportunity to enhance the Company's existing protocols and procedures through the adoption of the highest industry standards set out by Gresham House going forward.

Succession

As explained in the Annual Report last year, the Board remain cognisant of the tenure of the Board members. The Board's succession plans had been temporarily suspended upon the outbreak of COVID-19. Both Adam and Sally have agreed to remain as directors of the Company through this unprecedented period of disruption.

Outlook

The direct and indirect impacts of COVID-19 and Brexit will continue to be wide reaching and a degree of economic uncertainty still remains. Nevertheless, your Board considers that your Company remains well positioned to continue to respond and adapt in most likely scenarios that can presently be foreseen. The strong overall trading performance in the period is testament to the healthy position of the portfolio and further profitable realisations are anticipated.

The Board has been satisfied with the Company's ability to maintain a high rate of investment in quality opportunities over the year. I believe that the additional fundraising, referred to earlier in my Statement, will provide the resource required to continue creating value growth for Shareholders in what has proven to be a successful investment strategy.

I would like to take this opportunity once again to thank all Shareholders for your continued support.



Ian Blackburn
Chairman

2 December 2021

Investment Policy

The Investment Policy is designed to meet the Company's objective.

Investments

The Company invests primarily in a diverse portfolio of UK unquoted companies. Investments are made selectively across a number of sectors, principally in established companies. Investments are usually structured as part loan stock and part equity in order to produce a regular income stream and to generate capital gains from realisations.

There are a number of conditions within the VCT legislation which need to be met by the Company and which may change from time to time. The Company will seek to make investments in accordance with the requirements of prevailing VCT legislation.

Asset allocation and risk diversification policies, including the size and type of investments the Company makes, are determined in part by the requirements of prevailing VCT legislation. No single investment may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment.

Liquidity

The Company's cash and liquid funds are held in a portfolio of readily realisable interest bearing investments, deposit and current accounts, of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

Borrowing

The Company's articles of association permit borrowings of amounts up to 10% of the adjusted capital and reserves (as defined therein). However, the Company has never borrowed and the Board would only consider doing so in exceptional circumstances.

Summary of VCT Regulation

To assist Shareholders, the following table contains a summary of the most important rules that determine VCT approval.

To maintain its status as a VCT, the Company must meet a number of conditions, the most important of which are that:

- the Company must hold at least 80%, by VCT tax value¹, of its total investments (shares, securities and liquidity) in VCT qualifying holdings, within approximately three years of a fundraising;
- all qualifying investments made by VCTs after 5 April 2018, together with qualifying investments made by funds raised after 5 April 2011, are in aggregate required to comprise at least 70% by VCT tax value¹ in "eligible shares", which carry no preferential rights (save as may be permitted under VCT rules);
- no investment in a single company or group of companies may represent more than 15% (by VCT tax value) of the Company's total investments at the date of investment;
- the Company must pay sufficient levels of income dividend from its revenue available for distribution so as not to retain more than 15% of its income from shares and securities in a year;
- the Company's shares must be listed on a regulated European stock market;

- non-qualifying investments cannot be made, except for certain exemptions in managing the Company's short-term liquidity;
- VCTs are required to invest 30% of funds raised in an accounting period beginning on or after 6 April 2018 in qualifying holdings within 12 months of the end of the accounting period; and
- the period for reinvestment of proceeds on disposal of qualifying investments is 12 months.

To be a VCT qualifying holding, new investments must be in companies:

- which carry on a qualifying trade;
- which have no more than £15 million of gross assets at the time of investment and no more than £16 million immediately following investment from VCTs;
- whose maximum age is generally up to seven years (ten years for knowledge intensive businesses);
- that receive no more than an annual limit of £5 million and a lifetime limit of £12 million (for knowledge intensive companies the annual limit is £10 million and the lifetime limit is £20 million), from VCTs and similar sources of State Aid funding; and

- that use the funds received from VCTs for growth and development purposes.

In addition, VCTs may not:

- offer secured loans to investee companies, and any returns on loan capital above 10% must represent no more than a commercial return on the principal; and
- make investments that do not meet the new 'risk to capital' condition (which requires a company, at the time of investment, to be an entrepreneurial company with the objective to grow and develop, and where there is a genuine risk of loss of capital).

¹ VCT tax value means as valued in accordance with prevailing VCT legislation. The calculation of VCT tax value is arrived at using tax values, based on the cost of the most recent purchase of an investment instrument in a particular company, which may differ from the actual cost of each investment shown in the Investment Portfolio Summary on pages 12 to 14.

Investment Adviser's Review

Change in Management Arrangements

As Shareholders may be aware, Gresham House Asset Management Limited ("Gresham") has acquired the VCT investment advisory business of Mobeus Equity Partners LLP ("Mobeus"). The entire VCT investment and operations teams at Mobeus joined Gresham on 1 October 2021.

At the time of writing, the integration is well underway having formed one of the largest and most experienced teams in the VCT sector and is intended to lead to enhanced prospects for Shareholders. It is expected that this combined investment team will be a major force in the supply of capital to the VCT sector and the team's enhanced market position should attract strong deal flow in order to produce attractive investment returns.

Portfolio Review

Having recovered from the COVID-19 related decline by the start of 2021, and with the economic uncertainty now dissipating to some extent, the portfolio continues on a positive trajectory. It should be noted that, whilst markets helped deliver a buoyant recovery in 2020, the main driver of value growth in 2021 has been a continuation of strong underlying trading performance across the portfolio.

Whilst a few portfolio companies have experienced disruption as a result of the UK lockdowns, it is pleasing to report that a significant proportion have actually benefited from a structural change in consumer purchasing habits and are now trading above their pre COVID-19 levels.

Overall, the majority of the portfolio has demonstrated a high degree of resilience, with the vast majority of companies by number showing revenue and/or earnings progression over the previous two years. Investments classified as Retailers now comprise c. 48% of the portfolio by value, all of which are demonstrating the success of the direct-to-consumer business model, with only one retaining any physical presence at all.

Significant up-ratings in the unquoted portfolio have been a consistent feature across the period, with third-party investment driving value uplifts most notably in Preservica, MyTutor and MPB. Whilst the portfolio has limited exposure to more challenging sectors such as hospitality and travel, software and other technology-enabled businesses have performed strongly. A small number of companies have struggled, though they are in the minority and their impact on overall shareholder return is minimal.

Whilst the exposure to Retailers is very well diversified across the most attractive business models, it is noted that 13.2% of the invested portfolio value is now concentrated in the two recently AIM-listed investments. The AIM market has witnessed some volatility recently, with market sentiment flattening out the initial value uplifts for both these assets and, in the case of Parsley Box, reacting to a dampened period of trading. Nevertheless, the Company's investments retain a strong position and the Investment Adviser remains confident in their medium-term prospects. In line with market practice, in both cases the Company's shareholdings are subject to lock-up arrangements for a period post-flotation

which is normal for a transaction of this type.

Strong trading activity levels have created investment opportunities for the Company as portfolio companies sought to enhance their positions by building capability in light of demand. A number of further investments were therefore made into the portfolio during the period. M&A sentiment also remained buoyant with the realisation of Proactive in the period. The outlook for both follow-on investment and realisations continues to be positive.

The Company made investments totalling £2.69 million (2020: £2.45 million), comprising £1.17 million (2020: £0.22 million) into two new investments and £1.52 million (2020: £2.23 million) into five existing investments.

Overall, it is reassuring to see that the traditional investments, as well as the new growth investments, are continuing to make good progress. A strong track record for the growth investments is now emerging which validates the strategic change arising from the alteration to the VCT rules in 2015.

The portfolio's valuation changes in the period are summarised as follows:

Investment Portfolio Capital Movement	2021 £m	2020 £m
Increase in the value of unrealised investments	10.79	7.91
Decrease in the value of unrealised investments	(2.47)	(0.56)
Net increase in the value of unrealised investments	8.32	7.35
Realised gains	0.28	2.09
Realised losses	(0.01)	-
Net realised gains in the period	0.27	2.09
Net investment portfolio movement in the period	8.59	9.44

The portfolio movements in the period are summarised as follows:

	2021 £m	2020 £m
Opening portfolio value	41.83	21.99
New and follow-on investments	2.69	2.45
Disposal proceeds	(2.58)	(5.18)
Net realised gains in the period	0.27	2.09
Valuation movements of unrealised investments	8.32	7.35
Portfolio value at 30 September	50.53	28.70

New investments during the period

The Company made two new investments totalling £1.17 million during the period, as detailed below:

Company	Business	Date of investment	Amount of new investment (£m)
 Legatics	SaaS LegalTech software business	June 2021	0.61

Legatics (legatics.com) transforms legal transactions by enabling deal teams to collaborate on and close deals in an interactive online environment. Designed by lawyers to improve legacy working methods and solve practical transactional issues, the legal transaction management platform increases collaboration, efficiency and transparency. As a result, Legatics has been used by around 1,500 companies, and has been procured by more than half of the top global banking and finance law firms, with collaborations having been hosted in approximately 50 countries. With this new funding round, Legatics will be looking to double the size of its team over the next 18 months and further develop its technology to deliver new features and use cases for a wider range of practice areas within new and existing customers.

 Vet's Klinik	Veterinary clinics	June 2021	0.56
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Pets' Kitchen (trading as Vet's Klinik) is an established and profitable veterinary clinic providing veterinary services (vetsklinik.co.uk) as well as a premium pet food provider (vetskitchen.co.uk). Its primary Swindon 'super clinic' is a first opinion veterinary practice where pet owners can schedule consultations online and obtain real time feedback of in-patient care through its own technology platform. Without compromising on quality of care, this model enables a significantly higher transaction per vet compared to the industry average. This new investment will be used to roll out its unique clinic model to other sites along the M4 corridor.

Investment Adviser's Review

Further investments during the period

The Company made further investments into five existing portfolio companies in the period, totalling £1.52 million, as detailed below:

	Company	Business	Date of investment	Amount of further investment (£m)
Caledonian Leisure Ltd	Caledonian Leisure	UK leisure and experience breaks	March/April/May 2021	0.18

Caledonian Leisure (caledoniantravel.com) works with accommodation providers, coach businesses and other experienced providers (such as entertainment destinations and theme parks) to deliver to its customers UK-based leisure and experience breaks. It comprises two brands, Caledonian Travel (caledoniantravel.com) and UK Breakaways (ukbreakaways.com). The domestic leisure and experience travel market has been devastated by the COVID-19 pandemic, but the company is well-placed to expand as lockdown and travel restrictions are eased. The series of planned investment tranches, will help the company prepare for and capitalise on what is expected to be strong demand for UK staycation holidays.

	Bella & Duke	Frozen raw dog food provider	May 2021	0.61
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Bella & Duke (bellaandduke.com) is a direct-to-consumer subscription service, providing premium frozen raw dog food to pet owners in the UK. Founded in 2016, the business provides an alternative to standard meal options for dog owners by focusing on the well documented health benefits of a raw food diet. This area is a growing niche in the large and established pet food market and is being driven by the premiumisation of dog food. Alongside a co-investment by the British Growth Fund ("BGF") and existing shareholders, this follow-on investment from the Company will provide additional working capital enabling Bella & Duke to continue to scale.

	Tapas	Spanish restaurant chain	June 2021	0.05
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Spanish Restaurant Group Limited (trading as Tapas Revolution) (tapasrevolution.com) is a leading Spanish restaurant chain in the casual dining sector. At initial investment in January 2017, it was operating five sites and, subsequent to a further investment round in March 2018, had grown to 12 sites. Tapas was trading well and had a strong outlook up until the onset of COVID-19 which mandated the closure of much of its estate during the course of 2020 in response to the varying patterns of government restrictions. Costs have been controlled well under the circumstances and the company has been trading well since restrictions have been lifted. This further investment is to provide financial headroom and to capitalise on new site acquisition opportunities.

	MyTutor	Digital marketplace for online tutoring	August 2021	0.52
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MyTutorweb (trading as MyTutor) is a digital marketplace that connects school pupils who are seeking private one-to-one tutoring with university students. The business is satisfying a growing demand from both schools and parents to improve pupils' exam results. This further investment, alongside other existing shareholders, seeks to build and reinforce its position as a UK category leader in the online education market as well as to begin to develop a broader, personalised learning product offering. MyTutor has performed strongly over the last 18 months with 70% growth in 2019 and over 190% over the last 12 months. The company has been chosen as a Tutoring Partner for the National Tuition Programme where they will directly support 30,000 students in catching up on lost learning because of the COVID-19 pandemic.

	Andersen EV	Provider of premium electric vehicle (EV) chargers	September 2021	0.16
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Muller EV Limited (trading as Andersen EV) is a design-led manufacturer of premium electric vehicle (EV) chargers. Incorporated in 2016, this business has secured high profile partnerships with Porsche and Jaguar Land Rover, establishing an attractive niche position in charging points for the high end EV market. The Company's funds will be used to scale the business through investment in further products and software, sales and marketing and electric vehicle manufacturer partnerships. Andersen is well positioned in a nascent sector experiencing significant growth with revenue up by over 300% year on year.

Portfolio valuation movements

The portfolio generated significant net unrealised gains of £8.32 million in the first half of its financial year. The scale of the valuation increases was underpinned by the Company's growth portfolio, many of which have direct-to-consumer business models which, as mentioned previously, have thrived in the remote working conditions necessitated by COVID-19. The AIM-listed assets have been subject to a notable decline over the second quarter of the period to 30 September 2021, though these have been outweighed by strong uplifts in the unquoted portfolio in the same period.

Total valuation increases were £10.79 million. The main valuation increases were:

- MyTutor - £2.45 million
- Bella & Duke – £1.99 million

- Preservica - £1.98 million
- Red Paddle - £1.51 million
- Media Business Insight (MBI) - £1.02 million

MyTutor, Bella & Duke, Preservica, and Red Paddle have experienced strong trading and have been the subject of re-ratings following third-party investment interest. They have all significantly increased their customer base and each have strong growth prospects. MBI has recovered very strongly and has benefited from its ability in providing both virtual and physical events.

Total valuation decreases were £(2.47) million. The main valuation decreases were:

- Parsley Box - £(1.29) million
- Virgin Wines – £(0.86) million

The two AIM-listed assets, Parsley Box and Virgin Wines have, as expected, been subject to increased volatility since their floatations in March 2021. Following initial uplifts in value, depressed market sentiment has impacted the share prices of both businesses and, in the case of Parsley Box, a period of dampened trading results has compounded this effect. Nevertheless, the Investment Adviser remains confident in both businesses future prospects.

The majority of the increase in portfolio value lies in the top 10 companies which represent over 70% of the portfolio by value. Year-on-year growth by either revenues or earnings has been seen in each of these companies and it is pleasing to note that eight of them are from the younger, growth portfolio since the VCT rule changes in 2015.

Portfolio Realisations during the period

The Company realised its investment in Proactive Group during the period, as detailed below:

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
 proactive	Proactive Group	Provider of media services and investor conferences	January 2018 to September 2021	£1.63 million 2.6x cost

The Company received £1.59 million in cash following the disposal of its investment in Proactive Group Holdings Inc., contributing to a realised gain over cost over the life of the investment of £1.00 million. Cash proceeds over the life of the investment of £1.63 million were received, against an original cost of £0.64 million. This represents a return for the Company of 2.6 times the original investment cost and an IRR of 33.0% in the under four years that this investment was held.

Loan stock repayments and other gains during the period

During the period, the Company received £0.52 million from the partial realisation of MyTutor, generating a realised gain in the

period of £0.26 million. This partial sale of the original 2017 shares generated a multiple of 3.7x compared to the cost of the equity sold. Additionally, proceeds of £0.46 million were received via loan repayments from Vian Marketing (trading

as Red Paddle) and MPB Group. Finally, deferred consideration and realised gains totalling £0.01 million was received in respect of disposals in a previous year.

Portfolio income and yield

In the period under review, the Company received the following amounts in loan interest and dividend income:

Investment Portfolio Yield	2021 £m	2020 £m
Interest received in the period	0.30	0.45
Dividends received in the period	0.06	0.49
Total portfolio income in the period¹	0.36	0.94
Portfolio Value at 30 September	50.53	28.70
Portfolio Income Yield (Income as a % of Portfolio value at 30 September)	0.7%	3.3%

¹ Total portfolio income in the period is generated solely from investee companies within the portfolio.

Investment Adviser's Review

Further investments after the period-end

The Company made further investments into one existing portfolio company, totalling £ 0.89 million after the period-end, as detailed below:

Company	Business	Date of investment	Amount of further investment (£m)
 Preservica Active digital preservation	Preservica Seller of proprietary digital archiving software	October/ November 2021	0.89

Preservica is a SaaS software business with blue chip customers and strong recurring revenues. It has developed market leading software for the long-term preservation of digital records, ensuring that digital content can remain accessible, irrespective of future changes in technology. This latest investment is to provide additional growth capital to scale and accelerate growth of the business. The business has seen annual recurring revenues nearly double over the last two financial years.

Portfolio Realisations after the period-end

Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
 Red Paddle	Design and manufacturer of Stand up paddleboards	July 2015 to November 2021	£3.54 million 4.9x cost

The Company sold its investment in Vian Marketing (trading as Red Paddle) to Myers Family Office for £2.96 million. Total proceeds received to date over the six-year life of the investment were £ 3.54 million compared to an original investment cost of £0.72 million, which is a multiple on cost of 4.9x and an IRR of 31.5%. Further proceeds of up to £0.29 million may be receivable in due course.

Environmental, Social, Governance considerations ("ESG")

When seeking new investment opportunities, the Investment Adviser under Mobeus Equity Partners LLP operated with a list of exclusions which precluded it from investing in any businesses operating in areas perceived to be unsustainable or detrimental to wider society, or any businesses that have committed purposeful breaches of regulation or have engaged in unlawful activity. Each potential new investment was subject to a comprehensive due diligence process encompassing commercial, financial and ESG principles. This process helped in the formulation and agreement of strategic objectives at the stage of business planning and investment. The Investment Adviser has continued to work closely with each portfolio company board to support them in addressing their particular ESG challenges and opportunities, which are diverse across the entire portfolio.

Following the novation of the advisory agreement to Gresham House Asset Management Limited on 30 September 2021, a market leader that is well-resourced with knowledge and expertise in sustainability, the Investment Adviser hereby states its intention to align its current ESG procedures and protocols to the highest

standards as set out and informed by Gresham House plc. In a changing world, the Investment Adviser believes that this approach will contribute towards the enhancement of Shareholder value going forward.

Outlook

The growth strategy implemented in 2015 is clearly showing signs of bearing fruit with many companies beginning to achieve significant scale and attract the interest of public markets and larger secondary investors. The portfolio generally is in a healthy position with many companies trading well throughout the lockdowns, and several at record levels. It continues to evolve, offering a balance of fast-growing and more stable investments at various stages of maturity and scale across a range of diverse market sectors. There is a significant exposure to businesses operating a direct-to-consumer business model which has contributed to strong trading performance during the period. Concerns remain over value concentration in quoted assets which have proven to be more vulnerable to market forces and a source of additional volatility during the period. Nevertheless, the Investment Adviser is confident about the future strength of the portfolio and its ability to cope with

the challenges and opportunities associated with Brexit, the macro-economic outlook and any potential ongoing impact of COVID-19. The new investment pipeline is recovering to levels seen pre-COVID-19 and the prospects for profitable capital deployment are encouraging.

There remains much uncertainty around the wider impact of the pandemic on the economy going forward. However, the portfolio is in a robust shape and the investment activity levels are promising. Gresham is therefore cautiously optimistic for the future.

Gresham House Asset Management Limited

Investment Adviser

2 December 2021

Investment Portfolio Summary

as at 30 September 2021

Qualifying investments	Date of first investment / Sector	Total book cost at 30 September 2021 £	Valuation at 31 March 2021 £	Additions at cost £	Disposals at opening valuation £	Change in valuation for period £	Valuation at 30 September 2021 £	% of net assets by value
Unquoted investments								
Virgin Wines UK plc¹ Online wine retailer	November 2013 Retailers	30,541	6,864,072	-	-	(861,857)	6,002,215	7.8%
Bella & Duke Limited A premium frozen raw dog food provider	February 2020 Retailers	2,062,146	2,334,829	611,045	-	1,984,931	4,930,805	6.4%
My Tutorweb Limited (trading as MyTutor) Digital marketplace connecting school pupils seeking one to one online tutoring	May 2017 Industrial support services	1,846,886	2,033,227	524,434	259,455	2,448,602	4,746,808	6.2%
Preservica Limited Seller of proprietary digital archiving software	December 2015 Software and computer services	1,538,226	2,689,711	-	-	1,978,903	4,668,614	6.1%
MPB Group Limited Online marketplace for photographic and video equipment	June 2016 Retailers	869,871	4,025,448	-	267,318	540,319	4,298,449	5.6%
EOTH Limited (trading as Rab and Lowe Alpine) Branded outdoor equipment and clothing	October 2011 Retailers	817,185	3,142,002	-	-	64,362	3,206,364	4.2%
End Ordinary Group Limited (trading as Buster and Punch) Industrial inspired lighting and interiors retailer	March 2017 Retailers	1,231,510	2,386,154	-	-	304,154	2,690,308	3.5%
Vian Marketing Limited (trading as Red Paddle Co) Design, manufacture and sale of stand-up paddleboards and windsurfing sails	July 2015 Leisure goods	497,581	1,250,675	-	188,106	1,505,821	2,568,390	3.3%
Data Discovery Solutions Limited (trading as Active Navigation) Provider of global market leading file analysis software for information governance, security and compliance	November 2019 Software and computer services	943,000	1,886,000	-	-	-	1,886,000	2.4%
Media Business Insight Holdings Limited A publishing and events business focused on the creative production industries	January 2015 Media	1,447,188	760,342	-	-	978,780	1,739,122	2.3%
Master Removers Group 2019 Limited (trading as Anthony Ward Thomas, Bishopsgate and Aussie Man & Van) A specialist logistics, storage and removals business	December 2014 Industrial support services	251,763	1,105,897	-	-	436,894	1,542,791	2.0%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet) Online retailer in the water sports market	July 2017 Retailers	1,412,992	1,411,876	-	-	(195)	1,411,681	1.8%
Arkk Consulting Limited (trading as Arkk Solutions) Provider of services and software to enable organisations to remain compliant with regulatory reporting requirements	May 2019 Software and computer services	1,299,865	1,355,617	-	-	(6,663)	1,348,954	1.8%
Connect Childcare Group Limited Nursery management software provider	December 2020 Software and computer services	828,419	1,004,302	-	-	(9,130)	995,172	1.3%
Tharstern Group Limited Software based management information systems to the print sector	July 2014 Software and computer services	789,815	812,315	-	-	93,836	906,151	1.2%
Vivacity Labs Limited Provider of artificial intelligence & urban traffic control systems	February 2021 Technology, hardware & equipment	876,541	876,541	-	-	-	876,541	1.1%
Bleach London Holdings Limited Hair Colourants brand	December 2019 Retailers	539,682	789,520	-	-	35,134	824,654	1.1%
Parsley Box Group plc Supplier of home delivered ambient ready meals targeting the over 60s.	May 2019 Retailers	520,549	1,937,524	-	-	(1,291,683)	645,841	0.8%

Investment Portfolio Summary

as at 30 September 2021

Qualifying investments	Date of first investment / Sector	Total book cost at 30 September 2021 £	Valuation at 31 March 2021 £	Additions at cost £	Disposals at opening valuation £	Change in valuation for period £	Valuation at 30 September 2021 £	% of net assets by value
Legatics Holdings Limited SaaS LegalTech software provider	June 2021 Software and computer services	605,374	-	605,374	-	-	605,374	0.8%
Spanish Restaurant Group Limited (trading as Tapas Revolution) Spanish restaurant chain	January 2017 Travel & leisure	947,645	198,550	45,147	-	325,486	569,183	0.7%
Rota Geek Limited Provider of cloud based enterprise software that uses data-driven technologies to help retail and leisure organisations schedule staff	August 2018 Software and computer services	733,200	553,833	-	-	10,126	563,959	0.7%
Pets' Kitchen Limited (trading as Vet's Klinik) Veterinary clinics	June 2021 Consumer services	561,680	-	561,680	-	-	561,680	0.7%
IPV Limited Provider of media asset software	November 2019 Software and computer services	535,459	535,459	-	-	-	535,459	0.7%
Northern Bloc Ice Cream Limited Supplier of premium vegan ice cream	December 2020 Food producers	303,000	317,369	-	-	7,258	324,627	0.4%
Caledonian Leisure Limited Provider of UK leisure and experience breaks	March 2021 Travel & leisure	313,507	135,852	177,655	-	-	313,507	0.4%
CGI Creative Graphics International Limited Vinyl graphics to global automotive, recreation vehicle and aerospace markets	June 2014 General Industrials	999,568	336,016	-	-	(34,034)	301,982	0.4%
RDL Corporation Limited Recruitment consultants for the pharmaceutical, business intelligence and IT industries	October 2010 Industrial support services	1,000,000	367,499	-	-	(144,124)	223,375	0.3%
Muller EV Limited (trading as Andersen EV) Provider of premium electric vehicle (EV) chargers	June 2020 Technology, hardware & equipment	381,500	181,191	163,500	-	(126,691)	218,000	0.3%
Kudos Innovations Limited Online platform that provides and promotes academic research dissemination	November 2018 Software and computer services	277,950	82,823	-	-	35,028	117,851	0.2%
Jablite Holdings Limited (In liquidation) Manufacturer of expanded polystyrene products	April 2015 Construction and materials	281,398	37,110	-	-	-	37,110	0.0%
Veritek Global Holdings Limited Maintenance of imaging equipment	July 2013 Industrial support services	967,780	-	-	-	-	-	0.0%
Racoon International Group Limited Supplier of hair extensions, hair care products and training	December 2006 Personal goods	906,935	-	-	-	-	-	0.0%
BookingTek Limited Software for hotel groups	October 2016 Software and computer services	450,283	-	-	-	-	-	0.0%
Oakheath Limited (in members' voluntary liquidation) Online platform that connects people seeking home care from experienced independent carers	March 2018 Industrial support services	384,720	-	-	-	-	-	0.0%
Total qualifying investments		27,453,759	39,411,754	2,688,835	714,879	8,275,257	49,660,967	64.5% ²

¹ The Company holds a beneficial equity interest in Virgin Wines UK plc via Rapunzel Newco Limited.

² As at 30 September 2021, the Company held more than 80% of its total investments in qualifying holdings, and therefore complied with the VCT Qualifying Investment test. For the purposes of the VCT qualifying test, the Company is permitted to disregard disposals of investments for twelve months from the date of disposal. It also has up to three years to bring in new funds raised, before these need to be included in the qualifying investment test.

	Date of first investment / Sector	Total Book cost at 30 September 2021 £	Valuation at 31 March 2021 £	Additions at cost £	Disposals at opening valuation £	Change in valuation for period £	Valuation at 30 September 2021 £	% of net assets by value
Non-qualifying investments								
Media Business Insight Limited A publishing and events business focused on the creative production industries	January 2015 Media	561,884	517,789	-	-	44,095	561,884	0.7%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet) Online retailer in the water sports market	February 2014 Retailers	304,000	304,000	-	-	-	304,000	0.4%
Prefcap Limited (formerly 365 Agile Group plc) Development of energy saving devices for domestic use	March 2001 Electronic & electrical equipment	254,586	-	-	-	-	-	0.0%
Racoon International Group Limited Supplier of hair extensions, hair care products and training	December 2006 Personal goods	139,050	-	-	-	-	-	0.0%
Total non-qualifying investments		1,259,520	821,789	-	-	44,095	865,884	1.1%
Realised in period								
Proactive Group Holdings Inc Provider of media services and investor conferences for companies primarily listed on secondary public markets	January 2018 General financial	-	1,598,518	-	1,598,518	-	-	0.0%
Total investment portfolio per Note 9, page 26		28,713,279	41,832,061	2,688,835	2,313,397	8,319,352	50,526,851	65.6%
Cash and current asset investments ³			30,019,758	-	-		25,096,858	32.6%
Total investments including cash and current asset investments		28,713,279	71,851,819	2,688,835	2,313,397	8,319,352	75,623,709	98.2%
Current assets			2,218,906				1,578,341	2.1%
Current liabilities			(171,857)				(218,212)	(0.3%)
Totals		28,713,279		2,688,835	2,313,397			
Net assets at the period-end			73,898,868				76,983,838	100.0%
Total Investment Portfolio split by type								
MBO focused portfolio⁴		7,378,745	9,695,143	-	-	76,696	9,771,839	19.3%
Growth focused portfolio⁴		21,334,534	32,136,918	2,688,835	2,313,397	8,242,656	40,755,012	80.7%
Total Investment Portfolio		28,713,279	41,832,061	2,688,835	2,313,397	8,319,352	50,526,851	100.0%

³ Disclosed as Current asset investments and Cash at bank within Current assets in the Balance Sheet on page 18.

⁴ The growth focused portfolio contains all investments made after the change in the VCT regulations in 2015 plus some investments that are growth in nature made before this date. The MBO focused portfolio contains some investments made prior to 2015 as part of the previous MBO strategy.

Statement of the Directors' Responsibilities

Responsibility statement

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Ian Blackburn (Chairman), Adam Kingdon (Chairman of the Audit Committee), Sally Duckworth (Chairman of the Investment Committee), being the Directors of the Company confirm that to the best of their knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with Financial Reporting Standard 104 "Interim Financial Reporting" gives a true and fair view of the assets, liabilities, financial position and profit of the Company, as required by DTR 4.2.10;
- (b) the Interim Management Report which comprises the Chairman's Statement, Investment Policy, Investment Review and the Investment Portfolio Summary includes a fair review of the information required by DTR 4.2.7, being an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
- (c) a description of the principal risks and uncertainties facing the Company for the remaining six months is set out below, in accordance with DTR 4.2.7; and
- (d) there were no related party transactions in the first six months of the current financial year that are required to be disclosed, in accordance with DTR 4.2.8.

Principal Risks and Uncertainties

In accordance with DTR 4.2.7, the Board confirms that the principal risks and uncertainties facing the Company have not materially changed from those identified in the Annual Report and Financial Statements for the year ended 31 March 2021 ("the Annual Report") and are not expected to change ahead of the year-end.

The principal risks faced by the Company are:

- political and economic risk;
- investment and strategic risk;
- loss of approval as a Venture Capital Trust;
- regulatory risk;
- financial and operating risk;
- market risk;
- asset liquidity risk;
- market liquidity risk; and
- cyber and data security risk.

A detailed explanation of the principal risks can be found in the Annual Report on pages 32 and 33 and in Note 15 on pages 69 to 76 of the Annual Report and Financial Statements for the year ended 31 March 2021, copies of which are available on the VCT's website at www.mig2vct.co.uk.

Going Concern

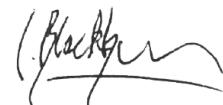
The Board has assessed the Company's operation as a going concern. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Interim Management Report. The Directors have satisfied themselves that the Company continues to maintain an adequate cash position. The majority of companies in the portfolio in the portfolio are well funded and the portfolio taken as a whole remains resilient and well diversified, although the impact of COVID-19 and Brexit may still impose demand upon the liquidity and trading prospects of some of these companies in the near-term. The major cash outflows of the Company (namely investments, buybacks and dividends) are within the Company's control. Finally, the Company intends to seek to raise new funds from investors in 2022 which will bolster its cash position.

The Board's assessment of liquidity risk and details of the Company's policies for managing its financial risks and capital are shown in Note 15 on pages 69 to 76 of the Annual Report and Financial Statements for the year ended 31 March 2021. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the Interim report and annual financial statements.

Cautionary Statement

This report may contain forward looking statements with regards to the financial condition and results of the Company, which are made in the light of current economic and business circumstances. Nothing in this report should be construed as a profit forecast.

For and on behalf of the Board



Ian Blackburn
Chairman

2 December 2021

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Unaudited Condensed Income Statement

for the six months ended 30 September 2021

	Notes	Six months ended 30 September 2021 (unaudited)		
		Revenue £	Capital £	Total £
Net investment portfolio gains	9	-	8,591,265	8,591,265
Income	4	358,111	-	358,111
Investment Adviser's fees	5	(201,415)	(604,244)	(805,659)
Other expenses		(185,140)	-	(185,140)
(Loss)/profit on ordinary activities before taxation		(28,444)	7,987,021	7,958,577
Tax on (loss)/profit on ordinary activities	6	-	-	-
(Loss)/profit and total comprehensive income		(28,444)	7,987,021	7,958,577
Basic and diluted earnings per share				
Ordinary Shares	7	(0.04)p	10.93p	10.89p

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the net investment portfolio gains (unrealised gains and net realised gains on investments) and the proportion of the Investment Adviser's fee and performance fee charged to capital.

The total column is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ("FRS"). In order to better reflect the activities of a VCT and in accordance with the 2014 Statement of Recommended Practice ("SORP") (updated in April 2021) by the Association of Investment Companies ("AIC"), supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The revenue column of profit attributable to equity Shareholders is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 274 Income Tax Act 2007.

All the items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the period.

The notes to the unaudited Financial Statements on pages 23 to 28 form part of these Interim Financial Statements.

Revenue £	Year ended 31 March 2021 (audited)			Six months ended 30 September 2020 (unaudited)		
	Capital £	Total £	Revenue £	Capital £	Total £	
-	25,356,908	25,356,908	-	9,436,434	9,436,434	
1,698,434	-	1,698,434	964,240	-	964,240	
(299,284)	(897,853)	(1,197,137)	(143,161)	(429,481)	(572,642)	
(339,113)	-	(339,113)	(178,660)	-	(178,660)	
1,060,037	24,459,055	25,519,092	642,419	9,006,953	9,649,372	
(43,540)	43,540	-	(29,393)	29,393	-	
1,016,497	24,502,595	25,519,092	613,026	9,036,346	9,649,372	
1.38p	33.37p	34.75p	0.83p	12.31p	13.14p	

Unaudited Condensed Balance Sheet

as at 30 September 2021

	Notes	30 September 2021 (unaudited) £	31 March 2021 (audited) £	30 September 2020 (unaudited) £
Fixed assets				
Investments at fair value	9	50,526,851	41,832,061	28,697,219
Current assets				
Debtors and prepayments		1,578,341	2,218,906	222,622
Current asset investments	10	22,458,496	27,633,496	26,293,496
Cash at bank and in hand	10	2,638,362	2,386,262	3,378,328
		26,675,199	32,238,664	29,894,446
Creditors: amounts falling due within one year		(218,212)	(171,857)	(370,121)
Net current assets		26,456,987	32,066,807	29,524,325
Net assets		76,983,838	73,898,868	58,221,544
Capital and reserves				
Called up share capital		727,179	732,303	734,694
Share premium reserve		21,025,160	21,025,160	21,025,160
Capital redemption reserve		14,155	9,031	6,640
Revaluation reserve		23,743,150	16,598,524	3,864,996
Special distributable reserve		18,440,033	19,524,067	20,170,687
Realised capital reserve		11,365,434	13,397,234	10,210,289
Revenue reserve		1,668,727	2,612,549	2,209,078
Equity Shareholders' funds		76,983,838	73,898,868	58,221,544
Basic and diluted net asset value per share	11	105.87p	100.91p	79.25p

The Notes to the unaudited Financial Statements on pages 23 to 28 form part of these Interim Financial Statements.

The financial information for the six months ended 30 September 2021 and 30 September 2020 has not been audited.

Unaudited Condensed Statement of Changes in Equity

for the six months ended 30 September 2021

	Non-distributable reserves				Distributable reserves			Total £
	Called up share capital £	Share premium reserve £	Capital redemption reserve £	Revaluation reserve £	Special distributable reserve (Note a) £	Realised capital reserve (Note b) £	Revenue reserve (Note b) £	
At 1 April 2021	732,303	21,025,160	9,031	16,598,524	19,524,067	13,397,234	2,612,549	73,898,868
Comprehensive income for the period								
Profit/(loss) for the period	-	-	-	8,319,352	-	(332,331)	(28,444)	7,958,577
Total comprehensive income for the period	-	-	-	8,319,352	-	(332,331)	(28,444)	7,958,577
Contributions by and distributions to owners								
Shares bought back (Note c)	(5,124)	-	5,124	-	(479,790)	-	-	(479,790)
Dividends paid	-	-	-	-	-	(3,478,439)	(915,378)	(4,393,817)
Total contributions by and distributions to owners	(5,124)	-	5,124	-	(479,790)	(3,478,439)	(915,378)	(4,873,607)
Other movements								
Realised losses transferred to special reserve (Note a)	-	-	-	-	(604,244)	604,244	-	-
Realisation of previously unrealised gains	-	-	-	(1,174,726)	-	1,174,726	-	-
Total other movements	-	-	-	(1,174,726)	(604,244)	1,778,970	-	-
At 30 September 2021	727,179	21,025,160	14,155	23,743,150	18,440,033	11,365,434	1,668,727	76,983,838

Notes

a): The cancellation of the formerly named C Share Fund's share premium reserve (as approved at the Extraordinary General meeting held on 10 September 2008 and by the order of the Court dated 28 October 2009), together with the previous cancellation of the share premium reserve attributable to the former Ordinary Share Fund and C Shares, has provided the Company with a special distributable reserve. The purpose of this reserve is to fund market purchases of the Company's own shares as and when it is considered by the Board to be in the interests of the Shareholders, and to write-off existing and future losses as the Company must take into account capital losses in determining distributable reserves. At 30 September 2021, the Company has a special reserve of £18,440,033, all of which relates to shares issued on or before 5 April 2014, or that arise from shares issued more than three years ago. Reserves originating from share issues are not distributable under VCT rules if they are within three years of the end of an accounting period in which the shares were issued. The total transfer of £604,244 from the realised capital reserve to the special distributable reserve above is the total of realised losses incurred by the Company in the period.

b): The realised capital reserve and the revenue reserve together comprise the Profit and Loss Account of the Company.

c): During the period, the Company purchased 512,370 of its own shares at the prevailing market price for a total cost (including expenses) of £479,790, which were subsequently cancelled. The difference between the figure above of £479,790 and that per the unaudited Condensed Statement of Cash Flows of £478,755 is £1,035, is a stamp duty creditor at the period-end.

Notes continue overleaf.

The Notes to the unaudited Financial Statements on pages 23 to 28 form part of these Interim Financial Statements.

Unaudited Condensed Statement of Changes in Equity

for the six months ended 30 September 2021

The composition of each of these reserves is explained below:

Called up share capital

The nominal value of shares originally issued, increased for subsequent share issues either via an Offer for Subscription or reduced due to shares bought back by the Company.

Capital redemption reserve

The nominal value of shares bought back and cancelled is held in this reserve, so that the company's capital is maintained.

Share premium reserve

This reserve contains the excess of gross proceeds less issue costs over the nominal value of shares allotted under Offers for Subscription.

Revaluation reserve

Increases and decreases in the valuation of investments held at the period-end are accounted for in this reserve, except to the extent that the diminution is deemed permanent. In accordance with stating all investments at fair value through profit and loss (as recorded in Note 9), all such movements through both revaluation and realised capital reserves are shown within the Income Statement for the period.

Special distributable reserve

This reserve is created from cancellations of the balances upon the Share premium reserve, which are transferred to this reserve from time to time. The cost of share buybacks and any realised losses on the sale or impairment of investments (excluding transaction costs) are charged to this reserve. 75% of the Investment Adviser fee expense, and the related tax effect, that are charged to the realised capital reserve are transferred to this reserve. This reserve will also be charged any facilitation payments to financial advisers, which arose as part of an Offer for Subscription.

Realised capital reserve

The following are accounted for in this reserve:

- Gains and losses on realisation of investments;
- Permanent diminution in value of investments;
- Transaction costs incurred in the acquisition and disposal of investments;
- 75% of the Investment Adviser's fee (subsequently transferred to the Special distributable reserve along with the related tax effect) and 100% of any performance fee payable, together with the related tax effect to this reserve in accordance with the policies, and
- Capital dividends paid.

Revenue reserve

Income and expenses that are revenue in nature are accounted for in this reserve including 25% of the investment adviser fee together with the related tax effect, as well as income dividends paid that are classified as revenue in nature.

Unaudited Condensed Statement of Changes in Equity

for the six months ended 30 September 2020

	Called up share capital £	Share premium reserve £	Capital redemption reserve £	Revaluation reserve £	Non-distributable reserves	Special distributable reserve £	Realised capital reserve £	Revenue reserve £	Total £
At 1 April 2020	596,893	10,673,405	5,157	(3,206,720)	24,090,692	9,809,815	1,596,052	43,565,294	
Comprehensive income for the period									
Profit for the period	-	-	-	7,349,227	-	1,687,119	613,026	9,649,372	
Total comprehensive income for the period	-	-	-	7,349,227	-	1,687,119	613,026	9,649,372	
Contributions by and distributions to owners									
Shares issued under Offers for Subscription	139,284	10,622,489	-	-	(230,746)	-	-	10,531,027	
Expenses of share offers		(270,734)	-	-	-	-	-	(270,734)	
Shares bought back	(1,483)	-	1,483	-	(100,174)	-	-	(100,174)	
Dividends paid	-	-	-	-	(2,944,709)	(2,208,532)	-	(5,153,241)	
Total contributions by and distributions to owners	137,801	10,351,755	1,483	-	(3,275,629)	(2,208,532)	-	5,006,878	
Other movements									
Realised losses transferred to special reserve	-	-	-	-	(644,376)	644,376	-	-	
Realisation of previously unrealised gains	-	-	-	(277,511)	-	277,511	-	-	
Total other movements	-	-	-	(277,511)	(644,376)	921,887	-	-	
At 30 September 2020	734,694	21,025,160	6,640	3,864,996	20,170,687	10,210,289	2,209,078	58,221,544	

The Notes to the unaudited Financial Statements on pages 23 to 28 form part of these Interim Financial Statements.

Unaudited Condensed Statement of Cash Flows

for the six months ended 30 September 2021

Notes	Six months ended 30 September 2021 (unaudited) £	Year ended 31 March 2021 (audited) £	Six months ended 30 September 2020 (unaudited) £
Cash flows from operating activities			
Profit for the financial period	7,958,577	25,519,092	9,649,372
Adjustments for:			
Net investment portfolio gains	(8,591,265)	(25,356,908)	(9,436,434)
Decrease/(increase) in debtors	12,212	7,025	(71,923)
Increase/(decrease) in creditors and accruals	45,733	(18,957)	13,123
Net cash (outflow)/inflow from operations	(574,743)	150,252	154,138
Corporation tax paid	-	(134,947)	-
Net cash (outflow)/inflow from operating activities	(574,743)	15,305	154,138
Cash flows from investing activities			
Purchase of investments	9 (2,688,835)	(5,394,087)	(2,449,976)
Disposal of investments	9 3,213,250	8,838,927	5,182,900
Net cash inflow from investing activities	524,415	3,444,840	2,732,924
Cash flows from financing activities			
Gross proceeds issued as part of Offer for subscription	-	10,761,773	10,761,773
Issue costs and facilitation fees on Offer for subscription	-	(501,480)	(501,480)
Equity dividends paid	8 (4,393,817)	(5,153,243)	(5,153,241)
Purchase of own shares	(478,755)	(353,488)	(128,341)
Net cash (outflow)/inflow no change from financing activities	(4,872,572)	4,753,562	4,978,711
Net (decrease)/increase in cash and cash equivalents	(4,922,900)	8,213,707	7,865,773
Cash and cash equivalents at start of period	30,019,758	21,806,051	21,806,051
Cash and cash equivalents at end of period	25,096,858	30,019,758	29,671,824
Cash and cash equivalents comprise:			
Cash at bank and in hand	10 2,638,362	2,386,262	3,378,328
Cash equivalents	10 22,458,496	27,633,496	26,293,496

The Notes to the unaudited Financial Statements on pages 23 to 28 form part of these Interim Financial Statements.

Notes to the Unaudited Condensed Financial Statements

for the six months ended 30 September 2021

1. Company information

Mobeus Income and Growth 2 VCT plc is a public limited company incorporated in England, registration number 03946235. The registered office as of 1 October 2021, is 5 New Street Square, London, EC4A 3TW.

2. Basis of preparation

These Financial Statements are prepared in accordance with accounting policies consistent with Financial Reporting Standard 102 ("FRS 102"), Financial Reporting Standard 104 ("FRS 104") - Interim Financial Reporting, with the Companies Act 2006 and the 2014 Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('the SORP') (updated in April 2021) issued by the Association of Investment Companies.

The Interim Report has not been audited, nor has it been reviewed by the auditor pursuant to the Financial Reporting Council's (FRC) guidance on Review of Interim Financial Information.

3. Principal accounting policies

The accounting policies have been applied consistently throughout the period. Full details of principal accounting policies will be disclosed in the Annual Report, while the policy in respect of investments is included within an outlined box at the top of Note 9 on investments.

4. Income

Income from investments	Six months ended 30 September 2021 (unaudited) £	Year ended 31 March 2021 (audited) £	Six months ended 30 September 2020 (unaudited) £
Dividends	57,817	830,882	487,718
Money-market funds	1,330	22,803	20,366
Loan stock interest	298,375	795,761	412,151
Bank deposit interest	589	1,477	639
Interest on preference dividends	-	41,533	41,533
Other income	-	5,978	1,833
Total Income	358,111	1,698,434	964,240

5. Investment Adviser's fees and performance fees

Investment Adviser's fees

25% of the Investment Adviser's fees are charged to the revenue column of the Income Statement, while 75% is charged against the capital column of the Income Statement. This is in line with the Board's expected long-term split of returns from the investment portfolio of the Company.

100% of any performance incentive fee payable for the year is charged against the capital column of the Income Statement. This is because although the incentive fee is linked to an annual dividend target, it is ultimately based upon the achievement of capital growth.

Performance fees

Performance incentive agreement

New Ordinary and former C share fund shares

Basis of Calculation

The performance incentive fee payable is calculated as an amount equivalent to 20 per cent of the excess of a "Target rate" comprising:-

- i) an annual dividend target (indexed each year for RPI), and
- ii) a requirement that any cumulative shortfalls below the annual dividend target must be made up in later years. Any excess is not carried forward, whether a fee is payable for that year or not.

Payment of a fee is also conditional upon the average Net Asset Value ("NAV") per share for each such year equalling or exceeding the average "Base NAV" per share for the same year. Base NAV commenced at £1 per share when C fund shares were first issued in 2005, which is adjusted for subsequent shares issued and bought back.

Any performance fee will be payable annually. It will be reduced to the proportion which the number of "Incentive Fee Shares" represent of the total number of shares in issue at any calculation date. Incentive Fees Shares are the only shares upon which

Notes to the Unaudited Condensed Financial Statements

for the six months ended 30 September 2021

an incentive fee is payable. They will be the number of C fund shares in issue just before the Merger of the two former share classes on 10 September 2010, (which subsequently became Ordinary shares) plus Ordinary shares issued under new fund raisings since the Merger. This total is then reduced by an estimated proportion of the shares bought back by the Company since the Merger, that are attributable to the Incentive Fee Shares.

There has been no performance incentive fee accrued for the current period.

Gresham House Asset Management ¹	Six months ended 30 September 2021 (unaudited)			Year ended 31 March 2021 (audited)		Six months ended 30 September 2020 (unaudited)		
				£	£	£	£	£
Investment Adviser's fees		805,659				1,197,137		572,642
Total		805,659				1,197,137		572,642

¹ - On 30 September 2021, Mobeus Equity Partners LLP ("Mobeus") sold its VCT fund and Investment management business to Gresham House Asset Management ("GHAM"). As a result, the Company's Investment advisory arrangements have been novated from Mobeus to GHAM. The entire core management, investment and operational teams involved with the Company all transferred to GHAM in connection with this transaction.

6. Taxation

There is no tax charge for the period as the Company has deductible expenses in excess of taxable income.

	Six months ended 30 September 2021 (unaudited)			Year ended 31 March 2021 (audited)			Six months ended 30 September 2020 (unaudited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
a) Analysis of tax charge: UK Corporation tax on profits/(losses) for the period	-	-	-	43,540	(43,540)	-	29,393	(29,393)	-
Total current tax charge	-	-	-	43,540	(43,540)	-	29,393	(29,393)	-
Corporation tax is based on a rate of 19% (2020: 19%)									
b) (Loss)/profit on ordinary activities before tax (Loss)/profit on ordinary activities multiplied by small company rate of corporation tax in the UK of 19% (2020: 19%)	(28,444)	7,987,021	7,958,577	1,060,037	24,459,055	25,519,092	642,419	9,006,953	9,649,372
Effect of: UK dividends	(5,404)	1,517,534	1,512,130	201,407	4,647,220	4,848,627	122,060	1,711,321	1,833,381
Net investment portfolio gains not taxable/allowable				(157,867)		(157,867)	(92,667)		(92,667)
Unrelieved expenditure	-	(1,632,340)	(1,632,340)		- (4,817,813)	(4,817,813)		- (1,792,922)	(1,792,922)
Actual tax charge	-	-	-	43,540	(43,540)	-	29,393	(29,393)	-

7. Basic and diluted earnings per share

	Six months ended 30 September 2021 (unaudited) £	Year ended 31 March 2021 (audited) £	Six months ended 30 September 2020 (unaudited) £
Total earnings after taxation:	7,958,577	25,519,092	9,649,372
Basic and diluted earnings per share (Note a)	10.89p	34.75p	13.14p
Net revenue earnings from ordinary activities after taxation	(28,444)	1,016,497	613,026
Basic and diluted revenue earnings per share (Note b)	(0.04)p	1.38p	0.83p
Net investment portfolio gains	8,591,265	25,356,908	9,436,434
Capital expenses (net of taxation)	(604,244)	(854,313)	(400,088)
Total capital return	7,987,021	24,502,595	9,036,346
Basic and diluted capital earnings per share (Note c)	10.93p	33.37p	12.31p
Weighted average number of shares in issue in the period	73,090,758	73,424,532	73,448,240

Notes

- a) Basic and diluted earnings per share is total earnings after taxation divided by the weighted average number of shares in issue.
- b) Basic and diluted revenue earnings per share is revenue earnings after taxation divided by the weighted average number of shares in issue.
- c) Basic and diluted capital earnings per share is total capital earnings divided by the weighted average number of shares in issue.

8. Dividends paid

Dividend	Type	For year ended 31 March	Pence per share	Date Paid	Six months ended 30 September 2021 (unaudited) £	Year ended 31 March 2021 (audited) £	Six months ended 30 September 2020 (unaudited) £
Interim	Capital	2021	3.00p	19/06/20	-	2,208,533	2,208,532
Interim	Capital*	2021	4.00p	19/06/20	-	2,944,710	2,944,709
Interim	Income	2021	1.25p	30/07/21	915,379	-	-
Interim	Capital	2021	4.75p	30/07/21	3,478,438	-	-
					4,393,817	5,153,243	5,153,241

*Paid out of the Company's special distributable reserve.

After the period-end, the Company has declared a 12.00 pence per share dividend which is payable on 7 January 2022 to Shareholders on the Register on 10 December 2021.

Notes to the Unaudited Condensed Financial Statements

for the six months ended 30 September 2021

9. Summary of movement on investments during the period

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of investments at "fair value through profit and loss" (FVTPL). All investments held by the Company are classified as FVTPL and measured in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines, as updated in December 2018 (as updated by Special Valuation guidance issued in March 2020). This classification is followed as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional. For investments actively traded on organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market. Where the terms of a disposal state that consideration may be received at some future date and, subject to the conditionality and materiality of the amount of deferred consideration, an estimate of the fair value discounted for the time value of money may be recognised through the Income Statement. In other cases, the proceeds will only be recognised once the right to receive payment is established and there is no reasonable doubt that payment will be received.

Unquoted investments are stated at fair value by the Directors at each measurement date in accordance with appropriate valuation techniques, which are consistent with IPEV guidelines:

- (i) Each investment is considered as a whole on a 'unit of account' basis, i.e. that the value of each portfolio company is considered as a whole, alongside consideration of:-

The price of new or follow-on investments made, if deemed to be made as part of an orderly transaction, are considered to be at fair value at the date of the transaction. The inputs that derived the investment price are calibrated within individual valuation models and at every subsequent measurement date are reconsidered for any changes in light of more recent events or changes in the market performance of the investee company. The valuation bases used are the following:

- a multiple basis. The enterprise value of the investment may be determined by applying a suitable price-earnings ratio, revenue or gross profit multiple to that company's historic, current or forecast post-tax earnings before interest, depreciation and amortisation, or revenue, or gross profit (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the investment Adviser compared to the sector including, *inter alia*, scale and liquidity).

or:-

- where a company's underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate.
- (ii) Premiums, to the extent that they are considered capital in nature, and that they will be received upon repayment of loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.
- (iii) Where a multiple or the price of recent investment less impairment basis is not appropriate and overriding factors apply, a discounted cash flow, net asset valuation, realisation proceeds or a weighted average of these bases may be applied.

Capital gains and losses on investments, whether realised or unrealised, are dealt with in the profit and loss and revaluation reserves and movements in the period are shown in the Income Statement.

All investments are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the Income Statement.

A key judgement made in applying the above accounting policy relates to investments that are permanently impaired. Where the value of an investment has fallen permanently below price of recent investment, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Adviser, will agree the values that represent the extent to which an investment loss has become realised and treated as a realised loss in the Income Statement. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value.

Accounting standards classify methods of fair value measurement as Levels 1, 2 and 3. This hierarchy is based upon the reliability of information used to determine the valuation. All of the unquoted investments are Level 3, i.e. fair value is measured using techniques using inputs that are not based on observable market data.

Movements in investments during the period are summarised as follows:

	Traded on AIM	Unquoted Ordinary shares	Unquoted Preference shares	Unquoted Loan stock	Total
	Level 1 £	Level 3 £	Level 3 £	Level 3 £	£
Cost at 31 March 2021	551,090	16,826,218	691,155	9,094,652	27,163,115
Unrealised gains/(losses) at 31 March 2021	8,250,506	9,983,516	63,770	(1,699,268)	16,598,524
Permanent impairment at 31 March 2021	-	(1,790,358)	(170)	(139,050)	(1,929,578)
Valuation at 31 March 2021	8,801,596	25,019,376	754,755	7,256,334	41,832,061
Purchases at cost	-	2,448,115	-	240,720	2,688,835
Sale proceeds	-	(1,976,133)	-	(609,177)	(2,585,310)
Reclassification at cost/valuation	-	181,191	-	(181,191)	-
Net investment portfolio (losses)/gains - see note	(2,153,540)	10,463,421	25,415	255,969	8,591,265
Valuation at 30 September 2021	6,648,056	36,135,970	780,170	6,962,655	50,526,851
Cost at 30 September 2021	551,090	18,795,508	691,155	8,675,526	28,713,279
Unrealised gains/(losses) at 30 September 2021	6,096,966	19,130,820	89,185	(1,573,821)	23,743,150
Permanent impairment at 30 September 2021	-	(1,790,358)	(170)	(139,050)	(1,929,578)
Valuation at 30 September 2021	6,648,056	36,135,970	780,170	6,962,655	50,526,851
Net unrealised gains/(losses) at 1 April 2021	8,250,506	8,193,158	63,600	(1,838,318)	14,668,946
Net movement in unrealised (depreciation)/ appreciation in the period	(2,153,540)	10,191,501	25,415	255,976	8,319,352
Realisation of previously unrealised gains	-	(1,029,188)	-	(145,538)	(1,174,726)
Reclassification of unrealised loss	-	(15,009)	-	15,009	-
Gains/(losses) on investments at 30 September 2021	6,096,966	17,340,462	89,015	(1,712,871)	21,813,572

Note - Net investment portfolio gains of £8,591,265 reported in the Income Statement comprise net unrealised gains on investments of £8,319,352 and net realised gains on investments of £271,913.

Reconciliation to Unaudited Condensed Statement of Cash Flows

Sales proceeds above of £2,585,310 are less than that shown in the Condensed Statement of Cash Flows of £3,213,250 by £627,940. This amount is comprised of proceeds receivable of £2,073,716 recognised at the previous year-end, subsequently received during the period partially offset by proceeds receivable of £1,445,776 that have been recognised at the period-end.

Notes to the Unaudited Condensed Financial Statements

for the six months ended 30 September 2021

Level 3 unquoted equity and loan investments are valued in accordance with IPEV guidelines as follows:

	As at 30 September 2021 (unaudited) £	As at 31 March 2021 (audited) £	As at 30 September 2020 (unaudited) £
Investment methodology			
Multiple of earnings, revenues or gross margin, as appropriate	43,310,178	31,782,412	28,040,116
Estimated realisation proceeds	37,110	37,110	37,110
Net asset value	-	198,550	619,993
Recent investment price (reviewed for impairment)	54,500	-	-
Recent investment price	477,007	1,012,393	-
	43,878,795	33,030,465	28,697,219

10. Current asset investments and cash at bank

	As at 30 September 2021 (unaudited) £	As at 31 March 2021 (audited) £	As at 30 September 2020 (unaudited) £
OEIC Money market funds	22,458,496	27,633,496	26,293,496
Current asset investments and cash equivalents per Unaudited Condensed Statement of Cashflows	22,458,496	27,633,496	26,293,496
Cash at bank	2,638,362	2,386,262	3,378,328

11. Net asset value per share

	As at 30 September 2021 (unaudited)	As at 31 March 2021 (audited)	As at 30 September 2020 (unaudited)
Net assets	£76,983,838	£73,898,868	£58,221,544
Number of shares in issue	72,717,905	73,230,275	73,469,447
Net asset value per share (pence)	105.87 p	100.91 p	79.25 p

12. Post Balance Sheet Events

On 8 October 2021, a £0.08 million loan investment was made in Preservica Limited, an existing portfolio company.

On 26 November 2021, the entire holding of Vian Marketing Limited (trading as Red Paddle) was realised generating proceeds of £2.96 million.

On 30 November 2021, a follow-on equity and loan investment of £0.81 million was made into Preservica Limited, an existing portfolio company.

13. Financial statements for the six months ended 30 September 2021

The financial information set out in this interim financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The information for the year ended 31 March 2021 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The auditors have reported on these financial statements and that report was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

14. Interim Report

Copies of this statement are available to all Shareholders. Copies are available free of charge from the Investment Adviser at 80 Cheapside, London, EC2V 6EE, or can be downloaded via the Company's website at www.mig2vct.co.uk.

Shareholder Information

Communication with Shareholders

We aim to communicate regularly with our Shareholders. The September annual general meeting provides a useful platform for the Board to meet Shareholders and exchange views, when a physical meeting can be held. Your Board welcomes your attendance at general meetings to give you the opportunity to meet the Directors and representatives of the Investment Adviser. The Company releases Interim Management Statements, in respect of those quarters when it does not publish full or Interim accounts.

The Investment Adviser aims to hold annual shareholder events. Shareholders are encouraged to attend the investment Adviser's next event, which is planned to be a virtual event, on 25 February 2022. A flyer for this event has been sent to Shareholders with either the hard copy or with the notification letter/email for these Interim Accounts and details are also shown on the Company's website.

Shareholders wishing to follow the Company's development can also visit the Company website at www.mig2vct.co.uk. The website includes up-to-date information on fund performance, including the most recent NAV, and dividends paid as well as publicly available information on the Company's portfolio of investments and copies of company reports. There is also a link to the London Stock Exchange's website at: www.londonstockexchange.com where Shareholders can obtain details of the share price and latest NAV announcements etc.

Financial calendar

December 2021	Interim Report for the six months ended 30 September 2021 to be announced and circulated to Shareholders
25 February 2022	Virtual Shareholder Event
31 March 2022	Year-end
September 2022	Annual General Meeting

Dividends

Shareholders who wish to have dividends paid directly into their bank account rather than sent by cheque to their registered address can complete a mandate for this purpose. Mandates can be obtained by contacting the Company's Registrars, Link Group at the address given on page 34.

Shareholders are encouraged to ensure that the Registrars have the correct up-to-date details for their accounts and to check that they have received all dividend payments. This is particularly important if a Shareholder has recently moved house or changed their bank. We are aware that a number of dividends remain unclaimed by Shareholders and whilst we will endeavour to contact them, we cannot guarantee that we will be able to do so if the Registrars do not have an up-to-date postal address or email address.

Selling your shares

The Company's Shares are listed on the London Stock Exchange and as such they can be sold in the same way as any other quoted company through a stockbroker. Shareholders are also advised to discuss their individual tax position with their financial advisor before deciding to sell their shares.

The Company is unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. If you are considering selling your shares or trading in the secondary market, please contact the Company's Corporate Broker, Panmure Gordon (UK) Limited ("Panmure"). Panmure is able to provide details of close periods (when the Company is prohibited from buying in shares) and details of the price at which the Company has bought in shares.

Panmure can be contacted as follows:

Chris Lloyd - 0207 886 2716 chris.lloyd@panmure.com
Paul Nolan - 0207 886 2717 paul.nolan@panmure.com

Managing your shareholding online

For details on your individual shareholding and to manage your account, Shareholders may log into or register with the Link Shareholder Portal www.signalshares.com to change and update your preferences including changing your address details, check your holding balance and transactions, view the dividends you have received, add and amend your bank details and manage how you receive communications from the Company.

Shareholder Information

Common Reporting Standard ("CRS") and Foreign Account Tax Compliance Act ("FATCA")

Tax legislation was introduced with effect from 1st January 2016 under the Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information. The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares. As an affected entity, the Company has to provide information annually to HMRC relating to a number of non-UK based certificated Shareholders who are deemed to be resident for tax purposes in any of the 90 plus countries who have joined CRS. All new Shareholders, excluding those whose shares are held in CREST, entered onto the share register from 1 January 2016 will be asked to provide the relevant information. Additionally, HMRC's policy on FATCA now means that, as a result of the restricted secondary market in VCT shares, the Company's shares are not considered to be "regularly traded". The Company is therefore also an affected entity for the purposes of this legislation and as to provide information annually to HMRC relating to Shareholders who are resident for tax purposes in the United States.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders: <https://www.gov.uk/government/publications/exchange-of-information-account-holders>.

Boiler Room Fraud

Some Shareholders have received unsolicited calls from individuals purporting to represent organisations that are offering to buy their VCT shares. They frequently offer prices above current market values which seem very attractive. Whilst the callers may sound credible, Shareholders should be aware that their intentions are often fraudulent. These callers can be persistent and persuasive. You should be careful not to divulge any personal details to them.

Details on what to do to combat boiler room fraud can be found on the Company's website.

VCT Shareholders are warned to be very suspicious if they receive such a telephone call.

The Institute of Chartered Secretaries and Administrators and the FCA have published a joint warning which Shareholders are advised to read if they have received such an unsolicited approach.

Shareholder enquiries

For enquiries concerning the investment portfolio of the Company in general, please contact the Investment Adviser, Gresham House Asset Management Limited. To contact the Chairman or any member of the Board, please contact the Company Secretary, also at Gresham House Asset Management Limited, in the first instance at: vcts@greshamhouse.com.

The Registrar, Link Group, may be contacted via the Shareholder Portal at www.signalshares.com by clicking on 'Help' then 'Contact us', by post or telephone for queries relating to your shareholding including dividend payments, dividend mandate forms, change of address, etc.

Full contact details for each of Gresham House Asset Management Limited and Link Group are included under Corporate Information on page 34.

Key Information Document

The European Union's Packaged Retail Investment and Insurance based Products ("PRIIP"s) Regulations cover VCTs and require boards to prepare a key information document ("KID") in respect of their companies. Your Company's KID is available on the Company's website. Investors should note that the processes for calculating the risks, costs and potential returns in the KID are prescribed by EU law and the Company has no discretion over the format or content of the document. The illustrated performance returns in the KID cannot be guaranteed and, together with the prescribed cost calculation and risk categorisation, may not reflect figures for the Company derived using other methods. Accordingly, the Board recommends that investors also take account of information from other sources, including the Annual Report.

Company History

The Company was launched in May 2000 as Matrix e-Ventures Fund VCT plc. In October 2001 the Company changed its name to Matrix Venture Fund VCT plc. In September 2005, the Company adopted a broader investment strategy, to invest in established, profitable and cash generative businesses across any sector. It also changed its name to Matrix Income & Growth 2 VCT plc. In June 2012 the Company changed its name to Mobeus Income & Growth 2 VCT plc to reflect the Investment Adviser's change of name. In September 2016, the Company formally changed its Investment Policy to invest in growth capital investments. On 30 September 2021, the investment advisory contracts were novated to Gresham House Management Limited. The entire core management, investment and operations team transferred from Mobeus to Gresham House.

Glossary of Terms

Alternative performance measure ("APM")

A financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the Company's financial reporting framework. These APMs tend to be industry specific terms which help Shareholders to understand and assess the Company's progress. A number of terms contained within this Glossary have been identified as APMs.

Cumulative dividends paid (APM)

The total amount of dividend distributions by the Company over the time period specified. A list of all dividends paid since launch of the Company is shown as part of the Performance data appendix on page 32. Dividends paid in the year and dividends paid in respect of a year are shown in Note 8.

Cumulative total return (APM)

Cumulative total return per share comprises the NAV per share (NAV basis) or the mid-market price per share (Share price basis) both at the end date of a period under review, plus cumulative dividends paid up to that end date since launch in 2005.

Internal Rate of Return ("IRR") (APM)

The internal rate of return is the annual discount rate that equates the original investment cost with the value of subsequent cash flows (such as receipts/dividends or further investment) and the latest valuation/exit proceeds. Generally speaking, the higher an investment's IRR, the more successful it is.

Net asset value or NAV

The value of the Company's total assets less its total liabilities. It is equal to the total equity Shareholders' funds.

Net asset value per share or NAV per share

The net asset value per share is calculated as total equity Shareholders' funds divided by the number of Ordinary shares in issue at the period-end/year-end.

NAV Total Return (APM)

This measure combines two types of returns received by Shareholders. Firstly, as income in the form of dividends and secondly, as capital movements (net asset value) of the value of the Company.

It is a performance measure that adjusts for dividends that have been paid in a period or year. This allows Shareholders to assess the returns they have received both in terms of the performance of the Company but also including dividends they have received from the Company which no longer form part of the Company's assets.

It is calculated as the percentage return achieved after taking the closing NAV per share and adding dividends paid in the year and dividing the total by the opening NAV per share. The Directors believe that this is the most meaningful method for Shareholders to assess the investment performance of the Company.

Ongoing charges ratio (APM)

This figure, calculated using the AIC recommended methodology, shows Shareholders the annual percentage reduction in shareholder returns as a result of recurring operational expenses, assuming markets remain static and the portfolio is not traded. Although the Ongoing Charges figure primarily is based upon historic information, it provides Shareholders with an indication of the likely level of costs that will be incurred in managing the Company in the future.

Realised gain/(losses) in the period/year

This is the profit or loss that arises following the full or partial disposal of a holding in a portfolio company. It is calculated by deducting the value of the holding as at the previous year-end from the proceeds received in respect of such disposal.

Share Price Total Return (APM)

As NAV Total Return, but the Company's mid-market share price (source: Panmure Gordon & Co) is used in place of NAV. This measure more accurately reflects the actual return a Shareholder will have earned, were they to sell their shares at the period's end date. It includes the impact of any discounts or premiums at which the share price trades compared to the underlying net asset values of the Company. If the shares trade at a discount, the returns could be less than the NAV Total Return, but if trading at a premium, returns could be higher than the NAV Total Return.

Performance Data at 30 September 2021

The two former 'C' and Ordinary classes of shares were merged on 10 September 2010, and the 'C' share class redesignated as Ordinary Shares. The following tables show, for all investors in the former share classes and in the more recent fund raisings, how their investments have performed since they were originally allotted shares in each fundraising.

Total return data, which includes cumulative dividends paid to date, is shown on both a share price and NAV basis as at 30 September 2021. The NAV basis enables Shareholders to evaluate more clearly the performance of the Investment Adviser, as it reflects the underlying value of the portfolio at the reporting date. This is the most widely used measure of performance in the VCT sector.

Ordinary Share Fund

Share price as at 30 September 2021 **98.00p¹**
NAV per share as at 30 September 2021 **105.87p**

Allotment date(s)	Allotment price (p)	Net allotment price ² (p)	Cumulative dividends paid per share ³ (p)	Total return per share to Shareholders since allotment			% increase since 31 March 2021 (NAV basis)
				(Share price basis) (p)	(NAV basis) (p)	31 March 2021 (NAV basis)	
Funds raised 2005/06							
Between 5 January 2006 and 5 April 2006	100.00	60.00	122.00	222.00	227.87	227.87	5.1%
Funds raised 2008/09							
Between 3 April 2009 and 5 May 2009	92.39	64.67	118.00	216.00	223.87	223.87	5.1%
Funds raised 2013/14							
09 January 2014	117.92 ⁴	82.54	104.00	202.00	209.87	209.87	5.5%
11 February 2014	118.22 ⁴	82.75	104.00	202.00	209.87	209.87	5.5%
31 March 2014	119.28 ⁴	83.49	99.00	197.00	204.87	204.87	5.7%
03 April 2014	119.82 ⁴	83.87	99.00	197.00	204.87	204.87	5.7%
04 April 2014	119.08 ⁴	83.36	99.00	197.00	204.87	204.87	5.7%
06 June 2014	118.66 ⁴	83.06	99.00	197.00	204.87	204.87	5.7%
Funds raised 2014/15							
14 January 2015	118.44 ⁴	82.91	85.00	183.00	190.87	190.87	6.1%
17 February 2015	124.35 ⁴	87.05	85.00	183.00	190.87	190.87	6.1%
10 March 2015	120.18 ⁴	84.13	80.00	178.00	185.87	185.87	6.3%
Funds raised 2017/2018							
28 September 2017	104.73 ⁴	73.31	53.00	151.00	158.87	158.87	7.4%
20 October 2017	105.07 ⁴	73.55	53.00	151.00	158.87	158.87	7.4%
09 November 2017	105.79 ⁴	74.05	53.00	151.00	158.87	158.87	7.4%
20 November 2017	107.44 ⁴	75.21	53.00	151.00	158.87	158.87	7.4%
21 November 2017	107.39 ⁴	75.17	53.00	151.00	158.87	158.87	7.4%
24 January 2018	97.81 ⁴	68.47	44.00	142.00	149.87	149.87	7.9%
13 March 2018	100.79 ⁴	70.55	44.00	142.00	149.87	149.87	7.9%
Funds raised 2019/20							
08 January 2020	93.03 ⁴	65.12	24.00	122.00	129.87	129.87	9.2%
02 April 2020	77.26 ⁴	54.08	13.00	111.00	118.87	118.87	10.2%

¹ - Source: Panmure Gordon & Co (mid-price basis) based upon the latest NAV announced of 102.56 pence at 30 June 2021 adjusted for a 6.00 pence per share dividend paid on 30 July 2021.

² - Net allotment price is the allotment price less applicable income tax relief. The tax relief was 20% up to 5 April 2004, 40% from 6 April 2004 to 5 April 2006, and 30% thereafter.

³ - For derivation, see table on following page.

⁴ - Average effective offer price.

Former Ordinary Share Fund

Share price as at 30 September 2021 **81.05p**
 NAV per share as at 30 September 2021 **87.55p**

Shareholders in the former Ordinary Share Fund received 0.827 shares in the Company for each former Ordinary share that they held on 10 September 2010, when the two share classes merged. Both the share price and the NAV per share shown above have been adjusted using this merger ratio.

Allotment date(s)	Total return per share to Shareholders since allotment					
	Allotment price (p)	Net allotment price ¹ (p)	Cumulative dividends paid per share ² (p)	(Share price basis) (p)	(NAV basis) (p)	% increase since 31 March 2021 (NAV basis)
Funds raised 2000/01³						
Between 30 May 2000 and 11 December 2000	100.00	80.00	122.76	203.81	210.31	4.5%

¹ - Net allotment price is the allotment price less applicable income tax relief. The tax relief was 20% up to 5 April 2004.

² - For derivation, see table below.

³ - Investors in this fundraising may also have enhanced returns if they had also deferred capital gains tax liabilities.

Cumulative dividends paid per share

	Funds raised 2000/01 (p)	Funds raised 2005/06 (p)	Funds raised 2008/09 (p)	Funds raised 2013/14 (p)	Funds raised 2014/15 (p)	Funds raised 2017/18 (p)	Funds raised 2019/20 (p)
30 July 2021	4.96	6.00	6.00	600	6.00	6.00	6.00
19 June 2020	5.79	7.00	7.00	7.00	7.00	7.00	7.00
27 March 2020	9.10 ¹	11.00	11.00	11.00	11.00	11.00	11.00
20 September 2019	12.41 ¹	15.00	15.00	15.00	15.00	15.00	15.00
22 March 2019	4.14 ¹	5.00	5.00	5.00	5.00	5.00	5.00
22 January 2018	7.44 ¹	9.00	9.00	9.00	9.00	9.00	9.00
27 July 2017	5.79 ¹	7.00	7.00	7.00	7.00	-	-
31 March 2017	8.27 ¹	10.00	10.00	10.00	10.00	-	-
08 August 2016	4.14 ¹	5.00	5.00	5.00	5.00	-	-
18 March 2016	4.14 ¹	5.00	5.00	5.00	5.00	-	-
20 March 2015	4.14 ¹	5.00	5.00	5.00	5.00	-	-
20 October 2014	11.58 ¹	14.00	14.00	14.00	-	-	-
21 March 2014	4.14 ¹	5.00	5.00	5.00	-	-	-
19 April 2013	3.31 ¹	4.00	4.00	-	-	-	-
20 April 2012	3.31 ¹	4.00	4.00	-	-	-	-
20 April 2011	3.31 ¹	4.00	4.00	-	-	-	-
10 September 2010 - Merger of Ordinary Share Fund and C Share Fund							
13 August 2010	-	1.00	1.00	-	-	-	-
19 September 2009	-	1.00	1.00	-	-	-	-
23 July 2008	6.00	2.50	-	-	-	-	-
19 September 2007	6.00	1.50	-	-	-	-	-
08 February 2006	6.00	-	-	-	-	-	-
20 October 2005	6.00	-	-	-	-	-	-
24 September 2003	0.51	-	-	-	-	-	-
16 September 2002	1.35	-	-	-	-	-	-
10 September 2001	0.93	-	-	-	-	-	-
Total dividends paid²	122.76	122.00	118.00	104.00	85.00	53.00	24.00

¹ - The dividends paid after the merger of the share classes on 10 September 2010 to former Ordinary Share Fund Shareholders have been restated to reflect the merger conversion ratio of approximately 0.827.

² - The above data relates to an investor in the first allotment of each fund raising. The precise amount of dividends paid to Shareholders by date of allotment is shown on page 32 and above.

Corporate Information

Directors (Non-executive)

Ian Blackburn (Chairman)
Sally Duckworth
Adam Kingdon

Company's Registered Office

5 New Street Square
London
EC4A 3TW

Company Registration Number

03946235

LEI No: 213800LY62XLI1B4VX35

Investment Adviser, Company Secretary and Administrator

Gresham House Asset Management Limited

80 Cheapside
London EC2V 6EE
Telephone: +44 (0)20 7382 0999

www.greshamhouse.com

info@gresham.com

Website

www.mig2vct.co.uk

E-mail

mobeusvcts@greshamhouse.com

Independent Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Registrars

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Corporate Broker

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

Solicitors

Shakespeare Martineau LLP
No 1 Colmore Square
Birmingham
B4 6AA

Shareholder Portal

www.signalshares.com

VCT Status Adviser

Philip Hare & Associates LLP
Hamilton House
1 Temple Avenue
London
EC4Y 0HA

Sponsor

Howard Kennedy Corporate Services LLP
1 London Bridge Walk
London
SE1 9BG

Bankers

National Westminster Bank plc
City of London Office
PO Box 12258
1 Princes Street
London
EC2R 8PA



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