

# Mobius Income & Growth 2 VCT plc

**A Venture Capital Trust**

Unaudited Interim Report  
for the six months ended 30 September 2022

**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”, “Investment Adviser”).

## 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.

## Contents

Financial Highlights and Performance Summary	1
Chairman’s Statement	2
Investment Policy	5
Summary of VCT Regulation	5
Investment Adviser’s Review	6
Investment Portfolio Summary	10
Statement of the Directors’ Responsibilities	13
Unaudited Condensed Financial Statements	14
Notes to the Unaudited Condensed Financial Statements	21
Shareholder Information	27
Glossary of Terms	29
Performance Data at 30 September 2022	30
Corporate Information	32

## 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](http://www.mig2vct.co.uk).

# Financial Highlights

Results for the six months ended 30 September 2022

As at 30 September 2022

Net assets: **£68.46 million**

Net asset value ("NAV") per share: **85.55 pence**

- Net asset value ("NAV") total return<sup>1</sup> per share decreased by 11.2%.
- Share price total return<sup>1</sup> per share decreased by 1.7%.
- The Company made three new investments totalling £1.22 million and five follow-on investments totalling £1.45 million.
- The portfolio value reduced by £8.06 million due to unrealised losses.
- £2.80 million of cash proceeds from realisations contributed to a net realised loss of £0.5 million.
- An interim dividend of 6.00 pence per share declared for the year ending 31 March 2023 was paid on 7 November 2022.

<sup>1</sup> 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 29.

## 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 30 and 31 of this Interim Report.

Reporting date	Net assets (£m)	Net asset value (NAV) per share (p)	Share price <sup>1</sup> (p)	Cumulative dividends paid per share (p)	Cumulative total return per share since launch <sup>2</sup>		Dividends paid and declared per share in respect of each year (p)
					(NAV basis) (p)	(Share price basis) (p)	
As at							
30 September 2022	68.46	85.55	86.00	134.00 <sup>3</sup>	219.55	220.00	6.00 <sup>3</sup>
31 March 2022	77.51	96.37	87.50	134.00	230.37	221.50	12.00
30 September 2021	76.98	105.87	98.00	122.00	227.87	220.00	12.00

<sup>1</sup> Source: Panmure Gordon & Co (mid-market price). Share price at 30 September 2022 has been adjusted for a 6.00 pence dividend paid on 7 November 2022 which was ex-div at the period-end.

<sup>2</sup> 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 2023

<sup>3</sup> An interim dividend of 6.00 pence per share in respect of the year ending 31 March 2023 was paid on 7 November 2022 to Shareholders on the Register on 30 September 2022.

# Chairman's Statement

## Overview

The first six months of the Company's financial year have been notable for significant domestic and international economic disruption. Expectations of a quick resolution to the Russian invasion of Ukraine proved to be unfounded as the conflict continues, with knock-on effects across Europe, in particular in respect of energy and food prices. This has translated into an unprecedented and increased level of political and economic turmoil in the UK. Ongoing inflationary pressures alongside the significant geopolitical events have contributed to sizeable movements in equities, interest and currency exchange rates, with almost all asset classes suffering. As Central Banks around the world move to tighten monetary policy, raising interest rates in an attempt to curb inflation, the threat of a significant recession in the UK has become likely. This sentiment is expected to benefit value-orientated sectors and those with strong balance sheets but to be more challenging for high growth stocks and earlier stage companies.

Despite the events above and the widely reported cost of living increases, the Board was very pleased that the fundraise launched by the publication of a prospectus on 5 October 2022, with the Offer for Subscription opening on 17 October 2022 to give investors time to prepare for the opening, secured the £16 million sought within a few weeks; a strong demonstration of investors' confidence in the Company.

One positive outcome from the so called 'mini-budget' in September, was the commitment by the UK Government to extend the VCT 'sunset clause' beyond the end date of 5 April 2025. However no further detail has been provided at this stage.

## Performance

Six months to 30 September	2022 (pence per share)	2021 (pence per share)
Net realised and unrealised (loss)/gains on the investment portfolio	(10.70)	11.81
Income from the investment portfolio and liquid assets	1.14	0.49
Share buybacks and adjustments	0.06	0.02
Gross return	(9.50)	12.32
Less: Investment Adviser's fees and other expenses	(1.32)	(1.36)
Net return	(10.82)	10.96
<b>NAV total return per share</b>	<b>(11.2%)</b>	<b>10.9%</b>

As a consequence of the factors mentioned above, the Company has experienced a negative NAV total return of 11.2% over the six months to 30 September 2022 (2021: +10.9%).

The negative NAV total return for the period was mainly due to unrealised falls in the value of investments still held, mitigated to some extent by the successful exit from Media Business Insight ("MBI").

The reduction in the valuation of the portfolio in the period has been driven primarily by lower benchmark market comparables and to a lesser extent by falls in underlying investee company trading performance at this stage. This is because markets have already factored in the likely impact of inflation and higher interest rates on consumer spending and business investment.

At 30 September, the Company was ranked 8th out of 39 Generalist VCTs over five years and 4th out of 31 over ten years, in the Association of Investment Companies' analysis of NAV Cumulative Total Return. Shareholders should note that, due to the lag in the disclosed performance figures available each quarter, the AIC ranking figures do not fully reflect the final NAV movement in the period covered by this Report, or those of our peers.

## Dividends

The Board continues to be committed to providing an attractive dividend stream to Shareholders and was pleased to declare an interim dividend of 6.00 pence per share for the year ending 31 March 2023. This dividend was paid on 7 November 2022, to Shareholders on

the Register on 30 September 2022, and brought cumulative dividends paid per share since inception to 140.00 pence.

The Company's ongoing target of paying a dividend of at least 5.00 pence per share in respect of each financial year has therefore been achieved and frequently exceeded in the last twelve years. Whilst the Board still believes that this dividend target is attainable, it should be noted that the continued movement of the portfolio to a larger share of younger growth capital investments could lead to increased volatility, which may affect the return in any given year. 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 2022	52.16
New and further investments	2.67
Disposal proceeds	(2.80)
Net realised loss	(0.50)
Valuation movements	(8.06)
<b>Portfolio value at 30 September 2022</b>	<b>43.47</b>

In the face of the current challenging environment, during the third quarter of the calendar year, the Investment Adviser has started to see the impact on trading of a decline in consumer confidence on some investee companies. Accordingly, there was a fall of £8.56 million in the overall value of the portfolio across the six months to 30 September 2022 (2021: increase of £8.59 million), which on a like-for-like basis was a fall of (16.4)% (2021: increase 20.5%) compared to the opening value of the portfolio at 1 April 2022. A significant proportion of this was due to a decline in the value of Virgin Wines, an AIM-listed investment which has suffered from the de-rating of its sector, in spite of the company itself having positive news flows and relatively outperforming its peers.

Investment activity during the period has been strong, with three new and five follow-on investments completed, totalling £2.67 million. Historically, investing throughout economic downturns has proved an effective strategy, and in many cases, subsequently yielded strong returns.

During the six months under review, the Company invested a total of £1.22 million into three new investments: Bidnamic, a

marketing technology business; FocalPoint, a GPS enhancement software provider; and Orri an intensive day care provider for adults with eating disorders.

In addition, five follow-on investments totalling £1.45 million were made into:

- Northern Bloc - a dairy and allergen-free ice cream brand,
- Andersen EV - a provider of premium EV chargers,
- Rota Geek - a workforce management software business,
- Vivacity - an AI and Urban Traffic Control business, and
- Bleach - a hair colourants brand.

We expect follow-on investments to continue to be a feature of the growth capital investments as they seek to achieve scale and move towards profitability.

The Company completed one successful exit during the period, generating proceeds of £2.80 million from the sale of Media Business Insight. Returns received over the life of this investment amounted to a 2.2x multiple of cost and an IRR of 13.7%.

Unfortunately and despite securing some impressive clients, Andersen EV, the electric charger provider, was forced into administration after the period-end following a substantial and unexpected sudden deterioration in their trading conditions. Further information on Andersen EV can be found in the Investment Adviser's Review.

The Board expects other companies in the portfolio may experience similar issues, but has been reassured that the Investment Adviser is providing relevant support, financial or otherwise where appropriate. The Investment Adviser has undertaken a detailed review of the portfolio, assessing their vulnerability to any of the current economic and geopolitical issues. They continue to proactively monitor and support the portfolio.

During the turbulent times we are now experiencing, it is imperative that we continue to support the portfolio and management teams with all the Investment Adviser's resources and experience. Such specialist skills, including the Talent Management team supporting portfolio companies' evaluation and recruitment processes, are a key benefit of the move to Gresham House.

After the period end, the Company realised its equity holding in EOTH Limited for £4.33 million (including preference dividends received). These proceeds have contributed to returns received over the life of this investment of £5.64 million, which is a multiple on cost of 6.9x to date. The Company has retained its interest yielding loan stock.

Details of this investment activity and the performance of the portfolio are contained in the Investment Adviser's Review on pages 6 to 9 and the Investment Portfolio Summary on pages 10 to 12.

### Fundraising

The Board was delighted that the recent fundraise for an initial amount of £8 million and with an over-allotment facility of a further £8 million, launched early in October 2022, was fully subscribed by 8 November 2022 and is no longer taking applications. We welcome both new and existing shareholders to the Company. Some investors, who invested when the over-allotment facility had been utilised, have yet to receive their shares which are due to be allotted in January 2023 and certificates dispatched shortly afterwards.

### Liquidity

Cash and liquidity fund balances as at 30 September 2022 amounted to £24.77 million, representing 36.2% of net assets. After the period-end, following the payment of a 6.00 pence per share dividend and the successful fundraise, the pro-forma level of liquidity is £35.56 million (44.9% of net assets). The Board believes that the strengthened Balance Sheet will enable the Company to take advantage of an anticipated increase in good investment opportunities, from within the portfolio and new deals. The Board continues to monitor credit risk in respect of its cash and near cash resources and to prioritise the security and protection of the Company's capital.

### Share buy-backs

During the six months to 30 September 2022, the Company bought back and cancelled 404,190 of its own shares (2021: 512,370), representing 0.5% (2021: 0.7%) of the shares in issue at the beginning of the period, at a total cost of £0.35 million (2021: £0.48 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. However, volatility in market prices may make this harder to achieve.

### Shareholder Communications

May I remind you that the Company has its own website which is available at: [www.mig2vct.co.uk](http://www.mig2vct.co.uk)

The Investment Adviser last held its Shareholder Event virtually on behalf of all four Mobeus VCTs early in 2022. The event was well received and the Investment Adviser plans to hold another event in 2023. Further details will be circulated to Shareholders and shown on the Company's website in due course.

### Fraud Warning

We are aware of Shareholders being fraudulently contacted or being subjected to attempts of identity fraud. Shareholders should remain vigilant of all potential financial scams or requests to disclose personal data. 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 27 to 28.

### Succession

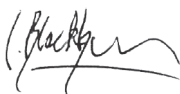
As explained in the Annual Report at the year-end, Adam Kingdon stood down as a director and as Chair of the Audit Committee following the Annual General Meeting ("AGM") held on 21 September 2022. Sally Duckworth accepted the invitation to assume the role of Audit Chair from that date for a two year period and confirmed her intention to step down from the Board following the AGM in 2024. This will enable an orderly succession for the Board going forward, ensuring the appropriate balance of retained knowledge and fresh eyes. Adam left the Board with our immense thanks and very best wishes for his future ventures. Following an extensive recruitment process, we were delighted to appoint Sarah Clark to the Board as a non-executive director and also as Chair of the Investment Committee. We extend a warm welcome to Sarah, who will present herself for election as a director at the AGM in September 2023.

# Chairman's Statement

## Outlook

The economic backdrop for the foreseeable future will remain challenging although, as mentioned, this can also provide a good opportunities to make high quality investments and build strategic stakes in businesses with future potential. The exit environment is likely to be subdued, although this is not seen to be a significant issue as the Company is evergreen. On the whole, your Board is confident that the portfolio will be able to meet the challenges ahead with continued and targeted support, albeit we are also conscious there is unlikely to be a rapid resolution to the current economic and geopolitical crisis.

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



**Ian Blackburn**  
Chairman

14 December 2022

# 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.

<p>To maintain its status as a VCT, the Company must meet a number of conditions, the most important of which are that:</p> <ul style="list-style-type: none"> <li>the Company must hold at least 80%, by VCT tax value<sup>1</sup>, of its total investments (shares, securities and liquidity) in VCT qualifying holdings, within approximately three years of a fundraising;</li> <li>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 value<sup>1</sup> in "eligible shares", which carry no preferential rights (save as may be permitted under VCT rules);</li> <li>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;</li> <li>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;</li> <li>the Company's shares must be listed on the LSE or a regulated European stock market;</li> </ul>	<ul style="list-style-type: none"> <li>non-qualifying investments cannot be made, except for certain exemptions in managing the Company's short-term liquidity;</li> <li>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</li> <li>the period for reinvestment of proceeds on disposal of qualifying investments is 12 months.</li> </ul>	<ul style="list-style-type: none"> <li>that use the funds received from VCTs for growth and development purposes.</li> </ul>
	<p>To be a VCT qualifying holding, new investments must be in companies:</p> <ul style="list-style-type: none"> <li>which carry on a qualifying trade;</li> <li>which have no more than</li> <li>£15 million of gross assets at the time of investment and no more than £16 million immediately following investment from VCTs;</li> <li>whose maximum age is generally up to seven years (ten years for knowledge intensive businesses);</li> <li>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</li> </ul>	<p>In addition, VCTs may not:</p> <ul style="list-style-type: none"> <li>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</li> <li>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).</li> </ul>

<sup>1</sup> 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 10 to 12.



# Investment Adviser's Review

## Portfolio Review

Demand for growth capital investment remains relatively strong and there continues to be a steady pipeline of investment opportunities. The current economic climate, whilst remaining challenging also presents opportunities for further investment in new and existing portfolio companies where value can be seen.

The six-month period to 30 September 2022 has seen a further decline in markets. Political uncertainties have also affected consumer confidence across the UK. The portfolio value has reduced as a result of this, in spite of relatively resilient underlying trading performances earlier in the year. The Company made three new growth capital investments during the period: £0.43 million into Bidnamic, a retail technology business, £0.42 million into FocalPoint, a GPS enhancement

software provider and £0.37 million into Orri, an intensive day care provider for adults with eating disorders.

During the period, the Company invested a further £0.12 million into Northern Bloc, £0.27 million into Andersen EV, £0.19 million into Rota Geek, £0.59 million into Vivacity and £0.28 million into Bleach.

The Company also achieved a satisfactory exit from MBI during the period, receiving a total of £2.80 million in proceeds, contributing to total receipts of £4.50 million over the life of the investment, an multiple of cost of 2.2x.

It was disappointing that Andersen EV, despite securing some large clients such as Porsche and JLR, went into administration as it experienced

challenging trading conditions with substantially reduced demand, supply chain issues, cost pressures and the removal of government consumer support for the purchase of EV chargers.

After the period end, the Company realised its equity holding in EOTH Limited for £4.33 million. Including dividends received upon completion. These proceeds have contributed to £5.64 million received to date over the life of this investment; a multiple on cost of 6.9x or IRR of 23.2%.

The investment and divestment activity during the period has further increased the proportion of the portfolio comprised of investments made since the 2015 VCT rule change to 78.1% by value at the period-end (31 March 2022: 72.8%).

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

Investment Portfolio Capital Movement	2022 £m	2021 £m
Increase in the value of unrealised investments	0.66	10.79
Decrease in the value of unrealised investments	(8.72)	(2.47)
<b>Net (decrease)/increase in the value of unrealised investments</b>	<b>(8.06)</b>	<b>8.32</b>
Realised gains	0.16	0.28
Realised losses	(0.66)	(0.01)
<b>Net realised (losses)/gains in the period</b>	<b>(0.50)</b>	<b>0.27</b>
<b>Net investment portfolio movement in the period</b>	<b>(8.56)</b>	<b>8.59</b>

The portfolio movements in the period are summarised as follows:

	2022 £m	2021 £m
Opening portfolio value	52.16	41.83
New and follow-on investments	2.67	2.69
Disposal proceeds	(2.80)	(2.58)
Net realised (losses)/gains in the period	(0.50)	0.27
Valuation movements of unrealised investments	(8.06)	8.32
<b>Portfolio value at 30 September</b>	<b>43.47</b>	<b>50.53</b>



### Valuation changes of portfolio investments still held

The main reductions within total portfolio valuation decreases of £8.06 million, were decreases in Virgin Wines £2.37 million; Preservica £1.57 million, Buster and Punch £1.02 million and Wetsuit Outlet £0.84 million. Virgin Wines has consistently delivered robust trading performance relative to its peers and continued to release positive news flow. Nevertheless, the value of the AIM-listed stock has been impacted by the general de-rating of its sector.

Preservica has generated strong revenues in the year to date, above its budget and from previous year. However, a reduction in comparator multiples has reduced the value of this investment which reflects market movements rather than company specific performance. The decrease in Buster and Punch and Wetsuit Outlet reflects the weak economic environment and the resulting deterioration of consumer sentiment.

### Realised gains/(losses) and deferred consideration receipts

The Company received £2.80 million from the realisation of its investment in MBI during the period under review, generating gains in the period of £0.15 million. These contributed to a multiple of cost of 2.2x over the life of the investment. Muller EV (trading as Andersen EV) generated a realised loss in the period of £(0.65) million.

### Portfolio income and yield

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

Investment Portfolio Yield	2022 £m	2021 £m
Interest received in the period	0.33	0.30
Dividends received in the period	0.58	0.06
<b>Total portfolio income in the period</b>	<b>0.91</b>	<b>0.36</b>
<b>Portfolio Value at 30 September</b>	<b>43.47</b>	<b>50.53</b>
<b>Portfolio Income Yield (Income as a % of Portfolio value at 30 September)</b>	<b>2.1%</b>	<b>0.7%</b>

### New investments during the period

The Company made three new investments totalling £1.22 million, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Bidnamic	Marketing technology business	May 2022	0.43

Lads Store Limited, trading as "Bidnamic" ([bidnamic.com](https://bidnamic.com)) is a marketing technology business that offers a SaaS platform for online retailers to optimise their search engine marketing spend. The technology was all developed internally and uses bespoke machine learning algorithms to automate the management and optimisation of online retailers' Google shopping spend. The ARR of the business has grown substantially over the last two years and this is projected to continue. The investment round will be used to further enhance the product's capabilities and drive continued ARR growth through expanding the sales & marketing team and building a presence in North America. The investment was made across all six VCTs advised and managed by Gresham House, including the two Baronsmead VCTs.

	FocalPoint	Navigation and positioning technology company	September 2022	0.42
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FocalPoint Positioning Limited ([focalpointpositioning.com](https://focalpointpositioning.com)) is a deeptech business with a growing IP and software portfolio. Its proprietary technology applies advanced physics and machine learning to reduce costs and dramatically improve the satellite-based location sensitivity, accuracy, and security of devices such as smartphones, wearables, and vehicles in all environments.


# Investment Adviser's Review

	Company	Business	Date of investment	Amount of new investment (£m)
	Orri	Specialists in eating disorder support	September 2022	0.37


Orri Limited ([orri-uk.com](http://orri-uk.com)) is an intensive day care provider for adults with eating disorders. Orri provides an alternative to expensive residential in-patient treatment and lighter-touch outpatient services by providing highly structured day and half day sessions either online or in-person at its clinic on Hallam Street, London. Orri opened its current clinic on Hallam Street, London in February 2019 which provides a homely environment in a converted 4-storey manor house but which is operating at capacity. The plan sees a larger site being leased nearby with Hallam Street being used to provide a step-down outpatient service.

## Further investments during the period


The Company made five further investments into existing portfolio companies, totalling £1.45 million, as detailed below:

	Company	Business	Date of investment	Amount of further investment (£m)
	Northern Bloc	Dairy and allergen-free ice cream producer	April 2022	0.12


Northern Bloc Ice Cream Limited ([northern-bloc.com](http://northern-bloc.com)) is an established food brand in the emerging and rapidly growing vegan market. By focusing on chef quality and natural ingredients, Northern Bloc has carved out an early mover position in the dairy and allergen-free ice cream sector. The company's focus on plant-based alternatives has strong environmental credentials as well as it being the first ice cream brand to move wholly into sustainable packaging. Following the initial investment in December 2020, Northern Bloc has grown and strengthened its prospects against a challenging market backdrop. This further investment provides additional working capital and funds a new production facility to increase its resilience, flexibility and margins in the future.

	Andersen EV	Provider of EV chargers	May 2022	0.27
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Muller EV Limited (trading as Andersen EV) ([andersen-ev.com](http://andersen-ev.com)) is a design-led manufacturer of premium electric vehicle (EV) chargers. Incorporated in 2016, this business secured high profile partnerships with household brands, establishing an attractive niche position in charging points for the high-end EV market. This follow-on funding was to further support its premium brand and product positioning whilst ensuring all new and existing products meet the most recent and highest safety and compliance standards. Unfortunately, over the summer months the company experienced very challenging trading conditions including substantially reduced demand, global supply chain issues, inflation and the removal of government consumer support for the purchase of EV chargers, the company therefore entered into administration after the period end.

	RotaGeek	Workforce management software	June 2022	0.19
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Rota Geek Limited ([rotageek.com](http://rotageek.com)) is a provider of cloud-based enterprise software to help larger retail, leisure and healthcare organisations to schedule staff effectively. RotaGeek has proven its ability to solve the scheduling issue for large retail clients effectively competing due to the strength of its technologically advanced proposition. The company has made significant commercial progress since the VCTs first investment nearly doubling Annual Recurring Revenues (ARR). This investment will help boost ARR further and enable the company to take advantage further large client opportunities.

	Vivacity	Provider of artificial intelligence & urban traffic control systems	June 2022	0.59
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Vivacity Labs Limited ([vivacitylabs.com](http://vivacitylabs.com)) develops camera sensors with on-board video analytics software that enables real-time anonymised data gathering of road transport system usage. It offers city transport authorities the ability to manage their road infrastructure more effectively, enabling more efficient monitoring of congestion and pollution levels as well as planning for other issues, such as the changing nature of road usage (e.g. the increasing number of cyclists). The technology and software represent a significant leap forward for local planning authorities which have traditionally relied upon manual data collection methods. This new investment will help boost the company's revenues through development of new functionality to enhance its product suite which can also be installed into the existing asset base.

	Company	Business	Date of investment	Amount of further investment (£m)
	Bleach	Hair Colourants Brand	August 2022	0.28

Bleach London Holdings Limited ("Bleach") ([bleachlondon.com](https://bleachlondon.com)) is an established brand which develops and markets a range of innovative haircare and colouring products. Bleach is regarded as a leading authority in the hair colourant market having opened one of the world's first salons focused on colouring and subsequently launched its first range of products in 2013. This further investment was part of a wider £5.5 million investment round alongside existing shareholders and a strategic partner. The funds will be used to drive further expansion and strategic penetration of the North American market and consolidate the brands position in the UK market.

### Portfolio Realisations during the period

The Company realised its investment in Media Business Insight ("MBI"), as detailed below

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	Media Business Insight	Publishing and events business	January 2015 to June 2022	£4.50 million 2.2x cost

The Company realised its investment in MBI for £2.80 million (realised gain in the period: £0.15 million) including deferred proceeds received since. Total proceeds received over the life of the investment were £4.50 million compared to an original investment cost of £2.01 million, representing **a multiple on cost of 2.2x and an IRR of 13.7%**.

### Environmental, Social, Governance considerations ("ESG")

The novation of the investment advisory agreement to Gresham House has enabled the Company to benefit from a dedicated team which is focused on sustainability tasked with implementing the highest industry standards in this area. Under the new enlarged investment team, each investment executive is responsible for their own individual ESG objectives in support of the wider overarching ESG goals of the Investment Adviser. For further details, Gresham House published its second Sustainable Investment Report in April 2022, which can be found on its website at: [www.greshamhouse.com](https://www.greshamhouse.com).

### Outlook

The economic backdrop falls largely outside of the experience of this generation of management teams and advisers. Markets are volatile and uncertain and business planning is particularly difficult. As such, the experience of seasoned investment managers will be increasingly important in the coming months as they seek to support their portfolio management teams in navigating through some particularly challenging trading conditions.

**Gresham House Asset Management Limited**  
Investment Adviser

14 December 2022

# Investment Portfolio Summary

as at 30 September 2022

Green Growth focused portfolio  
Blue MBO focused portfolio

Qualifying investments	Date of first investment / Sector	Total book cost at 30 September 2022 £	Valuation at 31 March 2022 £	Additions at cost £	Disposals at opening valuation £	Change in valuation for period £	Valuation at 30 September 2022 £	% of net assets by value
<b>Preservica Limited</b> Seller of proprietary digital archiving software	<b>December 2015</b> Software and computer services	2,428,743	8,602,347	-	-	(1,565,813)	7,036,534	10.3%
<b>Bella &amp; Duke Limited</b> A premium frozen raw dog food provider	<b>February 2020</b> Retailers	2,062,146	5,941,407	-	-	(195,491)	5,745,916	8.4%
<b>EOTH Limited (trading as Rab and Lowe Alpine)</b> Branded outdoor equipment and clothing	<b>October 2011</b> Retailers	817,185	3,773,864	-	-	449,361	4,223,225	6.2%
<b>MPB Group Limited</b> Online marketplace for photographic and video equipment	<b>June 2016</b> Retailers	869,871	4,392,111	-	-	(169,236)	4,222,875	6.2%
<b>My Tutorweb Limited (trading as MyTutor)</b> Digital marketplace connecting school pupils seeking one to one online tutoring	<b>May 2017</b> Industrial support services	1,846,886	3,376,630	-	-	(606,599)	2,770,031	4.0%
<b>End Ordinary Group Limited (trading as Buster and Punch)</b> Industrial inspired lighting and interiors retailer	<b>March 2017</b> Retailers	1,231,510	2,718,017	-	-	(1,017,043)	1,700,974	2.5%
<b>Data Discovery Solutions Limited (trading as Active Navigation)</b> Provider of global market leading file analysis software for information governance, security and compliance	<b>November 2019</b> Software and computer services	1,207,040	1,988,095	-	-	(475,743)	1,512,352	2.2%
<b>Virgin Wines UK plc<sup>1</sup></b> Online wine retailer	<b>November 2013</b> Retailers	30,541	3,847,574	-	-	(2,370,106)	1,477,468	2.2%
<b>Vivacity Labs Limited</b> Provider of artificial intelligence & urban traffic control systems	<b>February 2021</b> Technology, hardware & equipment	1,467,160	876,541	590,619	-	-	1,467,160	2.1%
<b>Arkk Consulting Limited (trading as Arkk Solutions)</b> Provider of services and software to enable organisations to remain compliant with regulatory reporting requirements	<b>May 2019</b> Software and computer services	1,299,865	1,384,705	-	-	61,004	1,445,709	2.1%
<b>Tharstern Group Limited</b> Software based management information systems to the print sector	<b>July 2014</b> Software and computer services	789,815	1,191,908	-	-	(113,394)	1,078,514	1.6%
<b>Manufacturing Services Investment Limited (trading as Wetsuit Outlet)</b> Online retailer in the water sports market	<b>February 2014</b> Retailers	1,412,992	1,411,513	-	-	(844,202)	567,311	0.8%
<b>Connect Childcare Group Limited</b> Nursery management software provider	<b>December 2020</b> Software and computer services	828,419	954,882	-	-	(85,792)	869,090	1.3%
<b>Rota Geek Limited</b> Provider of cloud based enterprise software that uses data-driven technologies to help retail and leisure organisations schedule staff	<b>August 2018</b> Software and computer services	916,500	636,263	183,300	-	(99,000)	720,563	1.1%
<b>Bleach London Holdings Limited</b> Hair Colourants brand	<b>December 2019</b> Retailers	822,715	593,174	283,033	-	(197,067)	679,140	1.0%
<b>Legatics Holdings Limited</b> SaaS LegalTech software provider	<b>June 2021</b> Software and computer services	605,374	605,374	-	-	-	605,374	0.9%
<b>Pets' Kitchen Limited (trading as Vet's Clinic)</b> Veterinary clinics	<b>June 2021</b> Consumer services	561,680	561,680	-	-	-	561,680	0.8%
<b>Proximity Insight Holdings Limited</b> Retail technology business that offers a 'Super-App' that is used by the customer facing teams of brands and retailers	<b>February 2022</b> Software & computer services	555,000	555,000	-	-	-	555,000	0.8%

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

Qualifying investments	Date of first investment / Sector	Total book cost at 30 September 2022 £	Valuation at 31 March 2022 £	Additions at cost £	Disposals at opening valuation £	Change in valuation for period £	Valuation at 30 September 2022 £	% of net assets by value
<b>Caledonian Leisure Limited</b> Provider of UK leisure and experience breaks	<b>March 2021</b> Travel & leisure	522,509	759,329	-	-	(223,831)	535,498	0.8%
<b>IPV Limited</b> Provider of media asset software	<b>November 2019</b> Software and computer services	535,459	535,459	-	-	-	535,459	0.8%
<b>Lads Store Limited (trading as Bidnamic)</b> SaaS platform for online retailers	<b>May 2022</b> Technology, hardware & equipment	429,323	-	429,323	-	(2,853)	426,470	0.6%
<b>Northern Bloc Ice Cream Limited</b> Supplier of premium vegan ice cream	<b>December 2020</b> Food producers	424,200	558,851	121,200	-	(260,584)	419,467	0.6%
<b>FocalPoint Positioning Limited</b> DeepTech business that improves GPS and satellite navigation systems	<b>September 2022</b> Software & computer services	419,357	-	419,357	-	-	419,357	0.6%
<b>Spanish Restaurant Group Limited (trading as Tapas Revolution)</b> Spanish restaurant chain	<b>January 2017</b> Travel & leisure	947,645	574,893	-	-	(185,698)	389,195	0.6%
<b>Orri Limited</b> A specialist clinic for the treatment of eating disorders	<b>September 2022</b> Healthcare	366,800	-	366,800	-	-	366,800	0.5%
<b>CGI Creative Graphics International Limited</b> Vinyl graphics to global automotive, recreation vehicle and aerospace markets	<b>June 2014</b> General industrials	999,568	262,160	-	-	(7,390)	254,770	0.4%
<b>RDL Corporation Limited</b> Recruitment consultants for the pharmaceutical, business intelligence and IT industries	<b>October 2010</b> Industrial support services	1,000,000	255,219	-	-	(113,419)	141,800	0.2%
<b>Parsley Box Group plc</b> Supplier of home delivered ambient ready meals for the elderly	<b>May 2019</b> Retailers	520,549	215,280	-	-	(115,713)	99,567	0.1%
<b>Jablite Holdings Limited (In liquidation)</b> Manufacturer of expanded polystyrene products	<b>April 2015</b> Construction and materials	281,398	37,110	-	-	-	37,110	0.1%
<b>Muller EV Limited (trading as Andersen EV) (In administration)</b> Provider of premium electric vehicle (EV) chargers	<b>June 2020</b> Technology, hardware & equipment	653,998	381,500	272,498	-	-	-	0.0%
<b>Kudos Innovations Limited</b> Online platform that provides and promotes academic research dissemination	<b>November 2018</b> Software and computer services	277,950	66,223	-	-	(66,223)	-	0.0%
<b>Veritek Global Holdings Limited</b> Maintenance of imaging equipment	<b>July 2013</b> Industrial support services	967,780	-	-	-	-	-	0.0%
<b>Racoon International Group Limited</b> Supplier of hair extensions, hair care products and training	<b>December 2006</b> Personal goods	906,935	-	-	-	-	-	0.0%
<b>BookingTek Limited</b> Software for hotel groups	<b>October 2016</b> Software and computer services	450,283	-	-	-	-	-	0.0%
<b>Total qualifying investments</b>		<b>29,457,196</b>	<b>47,057,109</b>	<b>2,666,130</b>	<b>-</b>	<b>(8,204,832)</b>	<b>40,864,409</b>	<b>59.8%<sup>2</sup></b>

<sup>2</sup> As at 30 September 2022, 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.

# Investment Portfolio Summary

as at 30 September 2022

Green Growth focused portfolio  
Blue MBO focused portfolio

	Date of first investment / Sector	Total Book cost at 30 September 2022 £	Valuation at 31 March 2022 £	Additions at cost £	Disposals at opening valuation £	Change in valuation for period £	Valuation at 30 September 2022 £	% of net assets by value
<b>Non-qualifying investments</b>								
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	2,153,619	-	-	146,059	2,299,678	3.4%
Manufacturing Services Investment Limited (trading as Wetsuit Outlet) Online retailer in the water sports market	February 2014 Retailers	304,000	304,000	-	-	-	304,000	0.5%
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%
<b>Total non-qualifying investments</b>		<b>949,399</b>	<b>2,457,619</b>	<b>-</b>	<b>-</b>	<b>146,059</b>	<b>2,603,678</b>	<b>3.9%</b>
<b>Realised in period</b>								
Media Business Insight Holdings Limited A publishing and events business focused on the creative production industries	January 2015 Media	-	2,646,394	-	(2,646,394)	-	-	0.0%
<b>Total investment portfolio per Note 9, page 25</b>		<b>30,406,595</b>	<b>52,161,122</b>	<b>2,666,130</b>	<b>(2,646,394)</b>	<b>(8,058,773)</b>	<b>43,468,087</b>	<b>64.1%</b>
Cash and current asset investments <sup>3</sup>			26,259,502	-	-		24,768,646	37.1%
<b>Total investments including cash and current asset investments</b>		<b>30,406,595</b>	<b>78,420,624</b>	<b>2,666,130</b>	<b>(2,646,394)</b>	<b>(8,058,773)</b>	<b>68,236,733</b>	<b>101.2%</b>
Current assets			260,788				526,452	0.4%
Current liabilities			(1,175,430)				(303,719)	(1.7)%
<b>Totals</b>		<b>30,406,595</b>		<b>2,666,130</b>	<b>(2,646,394)</b>			
<b>Net assets at the period-end</b>			<b>77,505,982</b>				<b>68,459,466</b>	<b>100.0%</b>
<b>Total Investment Portfolio split by type</b>								
<b>MBO focused portfolio</b>		<b>5,369,673</b>	<b>8,240,365</b>	<b>-</b>	<b>(2,646,394)</b>	<b>(2,604,309)</b>	<b>2,989,662</b>	<b>6.9%</b>
<b>Growth focused portfolio</b>		<b>25,036,922</b>	<b>43,920,757</b>	<b>2,666,130</b>	<b>-</b>	<b>(5,454,464)</b>	<b>40,478,425</b>	<b>93.1%</b>
<b>Total Investment Portfolio</b>		<b>30,406,595</b>	<b>52,161,122</b>	<b>2,666,130</b>	<b>(2,646,394)</b>	<b>(8,058,773)</b>	<b>43,468,087</b>	<b>100.0%</b>

<sup>3</sup> Disclosed as Current asset investments and Cash at bank within Current assets in the Balance Sheet on page 16.

# Statement of the Directors' Responsibilities

## Responsibility statement

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, Ian Blackburn (Chairman), Sally Duckworth (Chair of the Audit Committee) and Sarah Clark (Chair 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 Adviser's 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 2022 ("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 31 and 32 and in Note 15 on pages 69 to 76 of the Annual Report and Financial Statements for the year ended 31 March 2022, copies of which are available on the VCT's website at [www.mig2vct.co.uk](http://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, the war in Ukraine, Brexit and rising inflation may still impose demand upon the liquidity and trading prospects of some of these companies in the near-term.

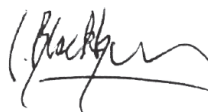
The major cash outflows of the Company (namely investments, buybacks and dividends) are within the Company's control. Finally, the Company has raised additional capital from investors in 2022 which has bolstered its cash position.

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 2022. 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

14 December 2022



# Unaudited Condensed Income Statement

## for the six months ended 30 September 2022

	Notes	Six months ended 30 September 2022 (unaudited)		
		Revenue £	Capital £	Total £
Net investment portfolio (losses)/gains	9	-	(8,558,764)	(8,558,764)
Income	4	913,493	-	913,493
Investment Adviser's fees	5	(203,477)	(610,432)	(813,909)
Investment Adviser's performance fees	5	-	-	-
Other expenses		(240,265)	-	(240,265)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>469,751</b>	<b>(9,169,196)</b>	<b>(8,699,445)</b>
Tax on (loss)/profit on ordinary activities	6	(4,384)	4,384	-
<b>Profit/(loss) and total comprehensive income</b>		<b>465,367</b>	<b>(9,164,812)</b>	<b>(8,699,445)</b>
<b>Basic and diluted earnings per share</b>				
Ordinary Shares	7	<b>0.58p</b>	<b>(11.41)p</b>	<b>(10.83)p</b>

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the net investment portfolio (losses)/gains (unrealised (losses)/gains and net realised (losses)/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 21 to 26 form part of these Interim Financial Statements.

Revenue £	Year ended 31 March 2022 (audited)		Six months ended 30 September 2021 (unaudited)		
	Capital £	Total £	Revenue £	Capital £	Total £
-	12,095,784	12,095,784	-	8,591,265	8,591,265
1,080,796	-	1,080,796	358,111	-	358,111
(412,075)	(1,236,223)	(1,648,298)	(201,415)	(604,244)	(805,659)
-	(1,014,703)	(1,014,703)	-	-	-
(403,366)	-	(403,366)	(185,140)	-	(185,140)
<b>265,355</b>	<b>9,844,858</b>	<b>10,110,213</b>	<b>(28,444)</b>	<b>7,987,021</b>	<b>7,958,577</b>
-	-	-	-	-	-
<b>265,355</b>	<b>9,844,858</b>	<b>10,110,213</b>	<b>(28,444)</b>	<b>7,987,021</b>	<b>7,958,577</b>
<b>0.36p</b>	<b>13.42p</b>	<b>13.78p</b>	<b>(0.04)p</b>	<b>10.93p</b>	<b>10.89p</b>

# Unaudited Condensed Balance Sheet

as at 30 September 2022

	Notes	30 September 2022 (unaudited) £	31 March 2022 (audited) £	30 September 2021 (unaudited) £
<b>Fixed assets</b>				
Investments at fair value	9	43,468,087	52,161,122	50,526,851
<b>Current assets</b>				
Debtors and prepayments		526,452	260,786	1,578,341
Current asset investments	10	22,448,496	23,458,496	22,458,496
Cash at bank and in hand	10	2,320,150	2,801,008	2,638,362
		25,295,098	26,520,290	26,675,199
<b>Creditors: amounts falling due within one year</b>		(303,719)	(1,175,430)	(218,212)
<b>Net current assets</b>		24,991,379	25,344,860	26,456,987
<b>Net assets</b>		<b>68,459,466</b>	<b>77,505,982</b>	<b>76,983,838</b>
<b>Capital and reserves</b>				
Called up share capital		800,221	804,263	727,179
Share premium reserve		28,258,001	28,258,001	21,025,160
Capital redemption reserve		20,048	16,006	14,155
Revaluation reserve		16,228,561	24,455,488	23,743,150
Special distributable reserve		9,458,032	12,033,364	18,440,033
Realised capital reserve		11,812,095	10,521,719	11,365,434
Revenue reserve		1,882,508	1,417,141	1,668,727
<b>Equity Shareholders' funds</b>		<b>68,459,466</b>	<b>77,505,982</b>	<b>76,983,838</b>
<b>Basic and diluted net asset value per share</b>	11	<b>85.55p</b>	<b>96.37p</b>	<b>105.87p</b>

The Notes to the unaudited Financial Statements on pages 21 to 26 form part of these Interim Financial Statements.

The financial information for the six months ended 30 September 2022 and 30 September 2021 has not been audited.

# Unaudited Condensed Statement of Changes in Equity

## for the six months ended 30 September 2022

	Called up share capital	Non-distributable reserves			Distributable reserves			Total
	£	Share premium reserve	Capital redemption reserve	Revaluation reserve	Special distributable reserve (Note a) £	Realised capital reserve (Note b) £	Revenue reserve (Note b) £	£
<b>At 1 April 2022</b>	804,263	28,258,001	16,006	24,455,488	12,033,364	10,521,719	1,417,141	77,505,982
<b>Comprehensive income for the period</b>								
(Loss)/profit for the period	-	-	-	(8,058,773)	-	(1,106,039)	465,367	(8,699,445)
<b>Total comprehensive income for the period</b>	-	-	-	<b>(8,058,773)</b>	-	<b>(1,106,039)</b>	<b>465,367</b>	<b>(8,699,445)</b>
<b>Contributions by and distributions to owners</b>								
Shares bought back (Note c)	(4,042)	-	4,042	-	(347,071)	-	-	(347,071)
<b>Total contributions by and distributions to owners</b>	<b>(4,042)</b>	-	<b>4,042</b>	-	<b>(347,071)</b>	-	-	<b>347,071</b>
<b>Other movements</b>								
Realised losses transferred to special reserve (Note a)	-	-	-	-	(2,228,261)	2,228,261	-	-
Realisation of previously unrealised gains	-	-	-	(168,154)	-	168,154	-	-
<b>Total other movements</b>	-	-	-	<b>(168,154)</b>	<b>(2,228,261)</b>	<b>2,696,415</b>	-	-
<b>At 30 September 2022</b>	<b>800,221</b>	<b>28,258,001</b>	<b>20,048</b>	<b>16,228,561</b>	<b>9,458,032</b>	<b>11,812,095</b>	<b>1,882,508</b>	<b>68,459,466</b>

### 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 2022, the Company has a special reserve of £9,458,032, 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 £2,228,261 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 404,190 of its own shares at the prevailing market price for a total cost (including expenses) of £347,071, which were subsequently cancelled. The difference between the figure above of £347,071 and that per the unaudited Condensed Statement of Cash Flows of £288,009 is £59,064, relating to a share buyback creditor held at the period end and paid shortly afterwards.

Notes continue overleaf.

The Notes to the unaudited Financial Statements on pages 21 to 26 form part of these Interim Financial Statements.

# Unaudited Condensed Statement of Changes in Equity

## *for the six months ended 30 September 2022*

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 2021

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

The Notes to the unaudited Financial Statements on pages 21 to 26 form part of these Interim Financial Statements.

# Unaudited Condensed Statement of Cash Flows

for the six months ended 30 September 2022

	Notes	Six months ended 30 September 2022 (unaudited) £	Year ended 31 March 2022 (audited) £	Six months ended 30 September 2021 (unaudited) £
<b>Cash flows from operating activities</b>				
(Loss)/profit for the financial period		(8,699,445)	10,110,213	7,958,577
<b>Adjustments for:</b>				
Net investment portfolio losses/(gains)		8,558,764	(12,095,784)	(8,591,265)
(Increase)/decrease in debtors		(386,866)	5,191	12,212
(Decrease)/increase in creditors and accruals		(930,773)	1,003,986	45,733
<b>Net cash outflow from operations</b>		<b>(1,458,320)</b>	<b>(976,394)</b>	<b>(574,743)</b>
Corporation tax paid		-	-	-
<b>Net cash outflow from operating activities</b>		<b>(1,458,320)</b>	<b>(976,394)</b>	<b>(574,743)</b>
<b>Cash flows from investing activities</b>				
Purchase of investments	9	(2,544,930)	(4,728,594)	(2,688,835)
Disposal of investments	9	2,800,401	8,447,833	3,213,250
<b>Net cash inflow from investing activities</b>		<b>255,471</b>	<b>3,719,239</b>	<b>524,415</b>
<b>Cash flows from financing activities</b>				
Gross proceeds issued as part of Offer for subscription		-	7,500,000	-
Issue costs and facilitation fees on Offer for subscription		-	(239,321)	-
Equity dividends paid	8	-	(13,119,968)	(4,393,817)
Purchase of own shares		(288,009)	(643,810)	(478,755)
<b>Net cash outflow no change from financing activities</b>		<b>(288,009)</b>	<b>(6,503,099)</b>	<b>(4,872,572)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,490,858)</b>	<b>(3,760,254)</b>	<b>(4,922,900)</b>
Cash and cash equivalents at start of period		26,259,504	30,019,758	30,019,758
<b>Cash and cash equivalents at end of period</b>		<b>24,768,646</b>	<b>26,259,504</b>	<b>25,096,858</b>
<b>Cash and cash equivalents comprise:</b>				
Cash at bank and in hand	10	2,320,150	2,801,008	2,638,362
Cash equivalents	10	22,448,496	23,458,496	22,458,496

The Notes to the unaudited Financial Statements on pages 21 to 26 form part of these Interim Financial Statements.



# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 September 2022

### 1. Company information

Mobeus Income and Growth 2 VCT plc is a public limited company incorporated in England, registration number 03946235. The registered office 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

	Six months ended 30 September 2022 (unaudited) £	Year ended 31 March 2022 (audited) £	Six months ended 30 September 2021 (unaudited) £
<b>Income from investments</b>			
Dividends	446,678	279,501	57,817
Money-market funds	137,073	11,659	1,330
Loan stock interest	328,242	788,330	298,375
Bank deposit interest	1,500	1,306	589
<b>Total Income</b>	<b>913,493</b>	<b>1,080,796</b>	<b>358,111</b>

### 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 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 fundraisings 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.

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 September 2022

There has been no performance incentive fee accrued for the current period. (30 September 2021: £nil, 31 March 2022: £1,014,703).

Gresham House Asset Management Limited	Six months ended 30 September 2022 (unaudited) £	Year ended 31 March 2022 (audited) £	Six months ended 30 September 2021 (unaudited) £
Investment Adviser's fees	813,909	1,648,298	805,659
<b>Total</b>	<b>813,909</b>	<b>1,648,298</b>	<b>805,659</b>

### 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 2022 (unaudited)			Year ended 31 March 2022 (audited)			Six months ended 30 September 2021 (unaudited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
<b>a) Analysis of tax charge:</b>									
UK Corporation tax on profits/(losses) for the period	4,384	(4,384)	-	-	-	-	-	-	-
<b>Total current tax charge</b>	<b>4,384</b>	<b>(4,384)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Corporation tax is based on a rate of 19% (2021: 19%)									
<b>b) Profit/(loss) on ordinary activities before tax</b>	469,751	(9,196,196)	(8,699,445)	265,355	9,844,858	10,110,213	(28,244)	7,987,021	7,958,777
Profit/(loss) on ordinary activities multiplied by small company rate of corporation tax in the UK of 19% (2021: 19%)	89,253	(1,742,147)	(1,652,894)	50,417	1,870,523	1,920,940	(5,404)	1,517,534	1,512,130
<b>Effect of:</b>									
UK dividends	(84,869)	-	(84,869)	(53,105)	-	(53,105)	(10,986)	-	(10,986)
Net investment portfolio losses/(gains) not allowable/taxable	-	1,626,165	1,626,165	-	(2,298,199)	(2,298,199)	-	(1,632,340)	(1,632,340)
Unrelieved expenditure	-	111,598	111,598	2,688	427,676	430,364	16,390	114,806	131,196
<b>Actual tax charge</b>	<b>4,384</b>	<b>(4,384)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 7. Basic and diluted earnings per share

	Six months ended 30 September 2022 (unaudited) £	Year ended 31 March 2022 (audited) £	Six months ended 30 September 2021 (unaudited) £
Total earnings after taxation: <b>Basic and diluted earnings per share (Note a)</b>	(8,699,445) <b>(10.83)p</b>	10,110,213 <b>13.78p</b>	7,958,577 <b>10.89p</b>
Net revenue earnings from ordinary activities after taxation <b>Basic and diluted revenue earnings per share (Note b)</b>	465,367 <b>0.58p</b>	265,355 <b>0.36p</b>	(28,444) <b>(0.04)p</b>
Net investment portfolio (losses)/gains	(8,558,764)	12,095,784	8,591,265
Capital expenses (net of taxation)	(606,048)	(1,236,223)	(604,244)
Investment Adviser's performance fee	-	(1,014,703)	-
Total capital return <b>Basic and diluted capital earnings per share (Note c)</b>	(9,164,812) <b>(11.41)p</b>	9,844,858 <b>13.42p</b>	7,987,021 <b>10.93p</b>
Weighted average number of shares in issue in the period	80,348,953	73,353,491	73,090,758

### 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 2022 (unaudited) £	Year ended 31 March 2022 (audited) £	Six months ended 30 September 2021 (unaudited) £
Interim	Capital	2021	3.00p	19/06/20	-	-	-
Interim	Capital*	2021	4.00p	19/06/20	-	-	-
Interim	Income	2021	1.25p	30/07/21	-	915,378	915,378
Interim	Capital	2021	4.75p	30/07/21	-	3,478,438	3,478,438
Interim	Income	2022	0.75p	07/01/22	-	545,385	-
Interim	Capital	2022	5.00p	07/01/22	-	3,635,897	-
Interim	Capital*	2022	6.25p	07/01/22	-	4,544,870	-
					-	<b>13,119,968</b>	<b>4,393,816</b>

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

On 7 November 2022, a dividend of 6.00 pence per share was paid to Shareholders on the Register on 30 September 2022.

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 September 2022

### 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. 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  Level 1 £	Unquoted Ordinary shares Level 3 £	Unquoted Preference shares Level 3 £	Unquoted Loan stock  Level 3 £	Total  £
Cost at 31 March 2022	551,090	19,279,388	1,649,045	8,155,689	29,635,212
Unrealised gains/(losses) at 31 March 2022	3,511,764	22,484,855	128,364	(1,669,495)	24,455,488
Permanent impairment at 31 March 2022	-	(1,790,358)	(170)	(139,050)	(1,929,578)
<b>Valuation at 31 March 2022</b>	<b>4,062,854</b>	<b>39,973,885</b>	<b>1,777,239</b>	<b>6,347,144</b>	<b>52,161,122</b>
Purchases at cost	-	2,056,360	426,470	183,300	2,666,130
Sale proceeds	-	(2,094,002)	-	(706,399)	(2,800,401)
Reclassification at cost/valuation	-	94,350	-	(94,350)	-
Net investment portfolio (losses)/gains	(2,485,819)	(5,813,585)	41,548	(300,908)	(8,558,764)
<b>Valuation at 30 September 2022</b>	<b>1,577,035</b>	<b>34,217,008</b>	<b>2,245,257</b>	<b>5,428,787</b>	<b>43,468,087</b>
Cost at 30 September 2022	551,090	20,241,750	2,075,515	7,538,240	30,406,595
Unrealised gains/(losses) at 30 September 2022	1,025,945	16,485,177	170,611	(1,453,172)	16,228,561
Permanent impairment at 30 September 2022	-	(2,509,919)	(869)	(656,281)	(3,167,069)
<b>Valuation at 30 September 2022</b>	<b>1,577,035</b>	<b>34,217,008</b>	<b>2,245,257</b>	<b>5,428,787</b>	<b>43,468,087</b>
Net unrealised gains/(losses) at 1 April 2022	3,511,764	20,694,497	128,194	(1,808,545)	22,525,910
Net movement in unrealised (depreciation)/ appreciation in the period	(2,485,819)	(5,313,594)	41,548	(300,908)	(8,058,773)
Reclassification at cost/valuation	-	94,350	-	(94,350)	-
Realisation of previously unrealised (losses)/gains	-	(1,499,995)	-	94,350	(1,405,645)
<b>Gains/(losses) on investments at 30 September 2022</b>	<b>1,025,945</b>	<b>13,975,258</b>	<b>169,742</b>	<b>(2,109,453)</b>	<b>13,061,492</b>

Note - Net investment portfolio losses of £(8,558,764) reported in the Income Statement comprise net unrealised losses on investments of £(8,058,773) and net realised losses on investments of £(499,991).

#### Reconciliation to Unaudited Condensed Statement of Cash Flows

Purchases above of £2,666,130 are more than that shown in the Condensed Statement of Cash Flows of £2,544,930 by £121,200. This amount relates to a follow-on investment made into Northern Bloc Ice Cream Limited which completed after the previous year-end.

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 September 2022

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

	As at 30 September 2022 (unaudited) £	As at 31 March 2022 (audited) £	As at 30 September 2021 (unaudited) £
<b>Investment methodology</b>			
Multiple of earnings, revenues or gross margin, as appropriate	41,067,785	47,124,658	43,310,178
Estimated realisation proceeds	37,110	37,110	37,110
Recent investment price (reviewed for impairment)	-	-	54,500
Recent investment price	786,157	936,500	477,007
	<b>41,891,052</b>	<b>48,098,268</b>	<b>43,878,795</b>

### 10. Current asset investments and cash at bank

	As at 30 September 2022 (unaudited) £	As at 31 March 2022 (audited) £	As at 30 September 2021 (unaudited) £
OEIC Money market funds	22,448,496	23,458,496	22,458,496
<b>Current asset investments and cash equivalents per Unaudited Condensed Statement of Cashflows</b>	<b>22,448,496</b>	<b>23,458,496</b>	<b>23,458,496</b>
<b>Cash at bank</b>	<b>2,320,150</b>	<b>2,801,008</b>	<b>2,638,362</b>

### 11. Net asset value per share

	As at 30 September 2022 (unaudited)	As at 31 March 2022 (audited)	As at 30 September 2021 (unaudited)
Net assets	£68,459,466	£77,505,982	£76,983,838
Number of shares in issue	80,022,131	80,426,321	72,717,905
<b>Net asset value per share (pence)</b>	<b>85.55 p</b>	<b>96.37 p</b>	<b>105.87 p</b>

### 12. Post Balance Sheet Events

On 20 October 2022, Muller EV Limited (trading as Andersen EV) entered administration.

On 21 October 2022, the Company received a loan repayment of £0.05 million from Jablite Holdings Limited.

On 7 November 2022, the Company paid a 6.00 pence per share dividend to shareholders in respect of the year ending 31 March 2023.

On 17 November 2022, 9,693,240 Ordinary Shares were allotted at an average effective offer price of 82.54 pence per share, raising net funds of £7.71 million.

On 24 November 2022, the Company sold its equity holding in EOTH Limited for £4.33 million (including preference dividends received).

### 13. Financial statements for the six months ended 30 September 2022

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 2022 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 being sent to all Shareholders. Further copies are available free of charge from the Company's registered office, 5 New Street Square, London EC4A 3TW, or can be downloaded via the Company's website at [www.mig2vct.co.uk](http://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, now meetings can be held in person again. 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 for March 2023. Details will be made available on the Company's website. You can register for the Shareholder Event using the link in the flyer sent to you separately.

Shareholders wishing to follow the Company's development can also visit the Company website at [www.mig2vct.co.uk](http://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](http://www.londonstockexchange.com) where Shareholders can obtain details of the share price and latest NAV announcements etc.

## Financial calendar

December 2022	Interim Report for the six months ended 30 September 2022 to be announced and circulated to Shareholders
23 March 2023	Shareholder Event
31 March 2023	Year-end
September 2023	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 32.

**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	<a href="mailto:chris.lloyd@panmure.com">chris.lloyd@panmure.com</a>
Paul Nolan - 0207 886 2717	<a href="mailto:paul.nolan@panmure.com">paul.nolan@panmure.com</a>

## 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](http://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>.

## Fraud Warning

### Boiler Room fraud and unsolicited communications to Shareholders.

A number of Shareholders are 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, often claiming or appearing to be from a corporate finance firm and typically offering to buy your VCT shares at an inflated price.

Further information on boiler room scams and fraud advice plus who to contact, can be found first in the answer to a question “What should I do if I receive an unsolicited offer for my shares?” on the Mobeus VCTs’ website in the A Guide to VCTs section: [www.mobeusvcts.co.uk](http://www.mobeusvcts.co.uk) and secondly, in a link to the FCA’s ScamSmart site: [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

We strongly recommend that you seek financial advice before taking any action if you remain in any doubt. You can also contact the Investment Adviser on 0207 382 0999, or email [mobeusvcts@greshamhouse.com](mailto:mobeusvcts@greshamhouse.com) to check whether any claims made by a caller are genuine.

Shareholders are also encouraged to ensure their personal data is always held securely and that data held by the Registrar of the Company is up to date, to avoid cases of identity fraud.

## 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, in the first instance at: [vcts@greshamhouse.com](mailto:vcts@greshamhouse.com).

The Registrar, Link Group, may be contacted via the Shareholder Portal at [www.signalshares.com](http://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 32.

## Key Information Document

The European Union’s Packaged Retail Investment and Insurance based Products (“PRIIP”) 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 30. 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 2022

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 fundraisings, 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 2022. 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 2022 86.00p<sup>1</sup>

NAV per share as at 30 September 2022 85.55p

Allotment date(s)			Net allotment price <sup>2</sup> (p)	Cumulative dividends paid per share <sup>3</sup> (p)	Total return per share to Shareholders since allotment		
					(Share price basis) (p)	(NAV basis) (p)	% increase since 31 March 2022 (NAV basis)
Funds raised 2005/06							
Between 5 January 2006 and 5 April 2006	100.00		60.00	134.00	222.00	219.55	(4.7)%
Funds raised 2008/09							
Between 3 April 2009 and 5 May 2009	92.39		64.67	130.00	216.00	215.55	(4.8)%
Funds raised 2013/14							
09 January 2014	117.92 <sup>4</sup>		82.54	116.00	202.00	201.55	(5.1)%
11 February 2014	118.22 <sup>4</sup>		82.75	116.00	202.00	201.55	(5.1)%
31 March 2014	119.28 <sup>4</sup>		83.49	111.00	197.00	196.55	(5.2)%
03 April 2014	119.82 <sup>4</sup>		83.87	111.00	197.00	196.55	(5.2)%
04 April 2014	119.08 <sup>4</sup>		83.36	111.00	197.00	196.55	(5.2)%
06 June 2014	118.66 <sup>4</sup>		83.06	111.00	197.00	196.55	(5.2)%
Funds raised 2014/15							
14 January 2015	118.44 <sup>4</sup>		82.91	97.00	183.00	182.55	(5.6)%
17 February 2015	124.35 <sup>4</sup>		87.05	97.00	183.00	182.55	(5.6)%
10 March 2015	120.18 <sup>4</sup>		84.13	92.00	178.00	177.55	(5.7)%
Funds raised 2017/2018							
28 September 2017	104.73 <sup>4</sup>		73.31	65.00	151.00	150.55	(6.7)%
20 October 2017	105.07 <sup>4</sup>		73.55	65.00	151.00	150.55	(6.7)%
09 November 2017	105.79 <sup>4</sup>		74.05	65.00	151.00	150.55	(6.7)%
20 November 2017	107.44 <sup>4</sup>		75.21	65.00	151.00	150.55	(6.7)%
21 November 2017	107.39 <sup>4</sup>		75.17	65.00	151.00	150.55	(6.7)%
24 January 2018	97.81 <sup>4</sup>		68.47	56.00	142.00	141.55	(7.1)%
13 March 2018	100.79 <sup>4</sup>		70.55	56.00	142.00	141.55	(7.1)%
Funds raised 2019/20							
08 January 2020	93.03 <sup>4</sup>		65.12	36.00	122.00	121.55	(8.2)%
02 April 2020	77.26 <sup>4</sup>		54.08	25.00	111.00	110.55	(8.9)%
Funds raised 2022							
09 March 2022	95.01 <sup>4</sup>		66.51	-	86.00	85.55	(11.2)%

<sup>1</sup> - Source: Panmure Gordon & Co (mid-price basis) based upon the latest NAV announced of 89.24 pence at 30 June 2022 having been adjusted for a 6.00 pence per share dividend which resulted in the share price being ex-div at the period end.

<sup>2</sup> - 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.

<sup>3</sup> - For derivation, see table on following page.

<sup>4</sup> - Average effective offer price.

## Former Ordinary Share Fund

Share price as at 30 September 2022 71.12p

NAV per share as at 30 September 2022 70.75p

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)	Allotment price (p)	Net allotment price <sup>1</sup> (p)	Cumulative dividends paid per share <sup>2</sup> (p)	Total return per share to Shareholders since allotment		
				(Share price basis) (p)	(NAV basis) (p)	% increase since 31 March 2022 (NAV basis)
Funds raised 2000/01 <sup>3</sup>						
Between 30 May 2000 and 11 December 2000	100.00	80.00	132.68	203.80	203.43	(4.2)%

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

<sup>2</sup> - For derivation, see table below.

<sup>3</sup> - 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)	Funds raised 2020/21 (p)	Funds raised 2022 (p)
07 January 2022	9.92 <sup>1</sup>	12.00	12.00	12.00	12.00	12.00	12.00	12.00	-
30 July 2021	4.96 <sup>1</sup>	6.00	6.00	6.00	6.00	6.00	6.00	6.00	
19 June 2020	5.79 <sup>1</sup>	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
27 March 2020	9.10 <sup>1</sup>	11.00	11.00	11.00	11.00	11.00	11.00		
20 September 2019	12.41 <sup>1</sup>	15.00	15.00	15.00	15.00	15.00			
22 March 2019	4.14 <sup>1</sup>	5.00	5.00	5.00	5.00	5.00			
22 January 2018	7.44 <sup>1</sup>	9.00	9.00	9.00	9.00	9.00			
27 July 2017	5.79 <sup>1</sup>	7.00	7.00	7.00	7.00	-			
31 March 2017	8.27 <sup>1</sup>	10.00	10.00	10.00	10.00				
08 August 2016	4.14 <sup>1</sup>	5.00	5.00	5.00	5.00				
18 March 2016	4.14 <sup>1</sup>	5.00	5.00	5.00	5.00				
20 March 2015	4.14 <sup>1</sup>	5.00	5.00	5.00	5.00				
20 October 2014	11.58 <sup>1</sup>	14.00	14.00	14.00					
21 March 2014	4.14 <sup>1</sup>	5.00	5.00	5.00					
19 April 2013	3.31 <sup>1</sup>	4.00	4.00						
20 April 2012	3.31 <sup>1</sup>	4.00	4.00						
20 April 2011	3.31 <sup>1</sup>	4.00	4.00						
<b>10 September 2010 - Merger of Ordinary Share Fund and C Share Fund</b>									
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								
<b>Total dividends paid<sup>2</sup></b>	<b>132.68</b>	<b>134.00</b>	<b>130.00</b>	<b>116.00</b>	<b>97.00</b>	<b>65.00</b>	<b>36.00</b>	<b>25.00</b>	<b>-</b>

<sup>1</sup> - 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.

<sup>2</sup> - 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 30 and above.

# Corporate Information

## Directors (Non-executive)

Ian Blackburn (Chairman)  
Sally Duckworth  
Sarah Clark

## 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](http://www.greshamhouse.com)

[info@greshamhouse.com](mailto:info@greshamhouse.com)

## Website

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## E-mail

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## Independent Auditor

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## Registrars

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## Corporate Broker

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## Solicitors

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## Shareholder Portal

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## VCT Status Adviser

Philip Hare & Associates LLP  
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## Sponsor

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**Gresham House**

*Specialist asset management*

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