

Mobius Income  
& Growth 2 VCT plc  
**A Venture Capital Trust**

Unaudited Half-Year Report  
for the six months ended 30 September 2019



**Mobeus Income & Growth 2 VCT plc** (“MIG2”, the “Company”, “VCT” or the “Fund”) is a Venture Capital Trust (“VCT”) advised by Mobeus Equity Partners LLP (“Mobeus”), investing primarily in established, unquoted companies.

## Company Objective

The Objective of the Company is to provide investors with a regular income stream, arising both from the income generated by companies selected for the portfolio and from realising any growth in capital, while continuing at all times to qualify as a VCT.

## Dividend Policy

The Company seeks to pay dividends at least annually out of income and capital as appropriate, subject to fulfilling certain regulatory requirements.

## Contents

Financial Highlights and Performance Summary	1
Chairman’s Statement	2
Investment Policy	4
Summary of VCT Regulation	4
Investment Adviser’s Review	5
Investment Portfolio Summary	9
Statement of the Directors’ Responsibilities	12
Unaudited Condensed Financial Statements	14
Notes to the Unaudited Condensed Financial Statements	21
Shareholder Information	27
Performance Data at 30 September 2019	29
Corporate Information	31

## 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 2019

As at 30 September 2019

Net assets: **£43.41 million**

Net asset value ("NAV") per share: **89.85 pence**

- Net asset value ("NAV") total return per share was 5.3%\*.
- Share price total return per share was 17.5%\*.
- Shareholders received an interim dividend of 15.00 pence per share in respect of the year ending 31 March 2020, which was paid on 20 September 2019.
- The Company made two new investments and one follow-on investment totalling £1.82 million.

\* NAV total return per share and share price total return are alternative performance measures (APMs). APMs are defined as a financial measure of historical or financial performance, financial position or cashflows, other than a financial measure defined or specified in the accounting framework under which the financial statements are prepared.

## 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 29 and 30 of this Half-Year 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 proposed per share in respect of each year (p)
					(NAV basis) (p)	(Share price basis) (p)	
30 September 2019	43.41	89.85	85.50	98.00	187.85	183.50	15.00
31 March 2019	48.73	99.60	85.50	83.00	182.60	168.50	5.00
30 September 2018	48.86	99.10	88.00	78.00	177.10	166.00	-

<sup>1</sup> Source: Panmure Gordon & Co (mid-market price).

<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.

# Chairman's Statement

I am pleased to present the Company's Half-Year Report for the six months ended 30 September 2019.

## Overview

The Company has had a good start to the year with NAV total return per share for the first half of 5.3%. Despite general business and political uncertainty, it has been a busy period of corporate activity for Mobeus. We have participated in three new and follow-on investments and generated healthy proceeds from two successful disposals. On 20 September 2019, the Company paid an interim dividend of 15.00 pence per share, well ahead of its stated target of a minimum of 5.00 pence per share per annum.

Details of our performance and the transactions in the period are provided under the Performance and Investment Portfolio headings below.

As you will be aware, new VCT legislation introduced by the Finance (No. 2) Act 2015 required a change of investment strategy to focus on providing growth capital for earlier stage companies. We are pleased to report that the investments made in this period and since the period end means that the Company has now completed seventeen new growth capital investments to date.

We anticipate continuing this level of investment activity as the Investment Adviser is evaluating a number of other opportunities, both in the existing portfolio and new transactions.

The established portfolio constructed under the previous rules continues to trade well and provides an income for the Company.

As detailed in the Summary of VCT regulation on page 4, which for this Company will apply to its accounting period beginning on 1 April 2020, the percentage in VCT qualifying holdings that the Company is required to hold will increase from 70% to 80%. The Board is confident that its plans for the remainder of the year will enable it to comply with this increased qualifying investments threshold.

## Subscription Offer

Your Board regards it as important that the Company maintains adequate levels of liquidity in order to take advantage of new investment opportunities and fund further expansion of the businesses in our investment portfolio. We also aim to deliver attractive Shareholder returns including the payment of dividends and purchase of shares from those Shareholders who may wish to sell their shares. Therefore, in conjunction with other Mobeus-advised VCTs, on 25 October 2019 the Company launched a subscription offer for new shares to raise £15 million with an over-allotment facility of an additional £5 million.

## Performance

The Company's NAV total return per share was 5.3% for the six months to 30 September 2019 (2018: 2.7%) while the share price total return was 17.5% (2018: 1.7%). Your Board is pleased with these returns which reflect encouraging performances in both the growth capital and established (pre 2015) companies within the portfolio.

The principal contributions to the increase in Net Asset Value ("NAV") per share are shown below:

Six months to 30 September	2019 (pence per share)	2018 (pence per share)
Net realised and unrealised gains on the investment portfolio	5.08	1.87
Income from the investment portfolio and on liquid assets	1.58	2.12
Share buybacks and adjustments	0.11	-
Gross return	6.77	3.99
Less: Investment Adviser's fees and other expenses	(1.52)	(1.43)
Net return	5.25	2.56
<b>NAV total return per share</b>	<b>5.3%</b>	<b>2.7%</b>

After accounting for dividends of 15.00 pence per share paid during the period and a net return of 5.25 pence, the NAV per share was 89.85 pence compared to 99.60 pence at the start at the financial year.

## Investment portfolio

The main portfolio movements for the period are summarised below:

	£m
Portfolio value at 31 March 2019	30.04
New and further investments	1.82
Disposal proceeds	(5.31)
Net realised gains	0.96
Valuation movements	1.49
<b>Portfolio value at 30 September 2019</b>	<b>29.00</b>

The portfolio continued to perform well during the period, increasing in value by 8.2% (2018: 3.4%) on a like-for-like basis, after adding back disposals and new investments. The portfolio achieved a net increase of £2.45 million over the period made up of £1.49 million in unrealised gains and £0.96 million in realised gains. The portfolio was valued at £29.00 million at the period end (30 September 2018: £27.92 million).

During the six months under review, the Company invested a total of £1.82 million (2018: £1.70 million). Two investments were into new businesses; we invested £0.91 million into Arkk Consulting, a regulatory and reporting service provider, and £0.55 million into Parsley Box, a supplier of home delivered ambient ready meals for the elderly. An investment of £0.36 million was also made into an existing portfolio company: MPB Group, an online marketplace for used camera and video equipment. This business has already achieved significant growth and we were therefore pleased to participate in a £9.00 million funding round to facilitate its continued rapid development.

After the period end, we invested £0.94 million into Active Navigation, a provider of enterprise-level file analysis software.

The net unrealised valuation increase of £1.49 million comprised increases at Auction Technology Group, Proactive Group and MPB Group, while the main decreases were at Wetsuit Outlet, EOTH and Bourn Bioscience. Further details of these movements are explained in the Investment Review.

The Company realised its investments in Plastic Surgeon and ASL Technology during the six months under review. £1.18 million was received from the realisation of Plastic Surgeon, generating a gain in the period of £0.30 million and contributing to a multiple on cost of 5.6x over the life of the investment. £3.68 million was received from the sale of ASL Technology generating a gain in the period of £0.49 million and a multiple on cost of 2.2x over the life of this investment.

The Company also received cash proceeds of £0.45 million during the period, comprising a part disposal of Master Removers Group generating £0.28 million and deferred consideration of £0.17 million arising from the realisation of Entanet holdings, which occurred in 2017.

Details of this investment activity and the performance of the portfolio are contained in the Investment Review and the Investment Portfolio Summary on pages 9 to 11.

### Dividends

The Board continues to monitor closely the Company's cash flow and qualifying ratio projections in order to ensure that it is able to maintain compliance with regulatory requirements whilst performing optimally.

After taking into account the successful realisations of two investee companies in the period, the adequacy of distributable reserves, cash flow forecasts and the transition to new VCT regulations, the Company paid an interim dividend of 15.00 pence per share on 20 September 2019.

The Board will consider the payment of further interim dividends later in the financial year depending upon performance, investment activity and the need to meet regulatory ratios.

### Share buybacks

During the six months ended 30 September 2019, the Company bought back and cancelled 612,876 of its own shares, representing 1.25% (2018: nil) of the shares in issue at the beginning of the period, at a total cost of £0.53 million (2018: nil) inclusive of expenses.

With effect from 1 August 2019, the Board revised its share buyback policy objective of maintaining the discount to NAV at which the Company's shares may trade in the market from approximately 10% or less, to approximately 5% or less.

In pursuing this policy, the Board's priority will remain to ensure that it is acting prudently and in the interests of the remaining shareholders of the Company. Share buybacks will continue to be entirely at the Board's discretion and will be subject to the Company having sufficient funds and distributable reserves available for such a purpose. They will also continue to be subject to prevailing market conditions, the Listing Rules and any applicable law and regulatory restrictions at the relevant time. Shares bought back in the market will ordinarily be cancelled.

### Share Premium Account

At the Annual General Meeting held on 11 September 2019, Shareholders gave their authority for the Company to seek the Court's permission to cancel the share premium account and capital redemption reserve. On 5 November 2019, the High Court of Justice Chancery Division confirmed the cancellations of the amount standing to the credit of the share premium account and capital redemption reserve, increasing the Special Reserve by £30.60 million. This may be used to facilitate distributions to Shareholders, share buybacks and for other corporate purposes.

### 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 holds an annual VCT event for Shareholders in central London. Each event includes a presentation on the Mobeus advised VCTs' investment activity and performance. The next event will be held on Tuesday, 4 February 2020 at the National Gallery in Central London. This is a new venue from previous years, though there will continue to be separate daytime and evening sessions. Shareholders have been sent an invitation to this event with further details. If you have not replied to the invitation, but would like to attend,

please send an email to [vcts@mobeus.co.uk](mailto:vcts@mobeus.co.uk) to register. The Board looks forward to meeting all shareholders able to attend.

### Outlook

Your Board is pleased with the Company's encouraging performance in the first six months of its financial year. We believe that the existing portfolio provides a good balance between well established investments providing an income return and earlier stage companies typically seeking rapid scale which, whilst recognising their inherently higher risk, also offer potentially higher capital growth.

Whilst the medium term economic and business environment continues to be challenging, the Investment Adviser reports a strong pipeline of attractive businesses with dynamic entrepreneurial management teams. They have increased their investment and operations management resource to support this continued growth.

Accordingly, we continue to be optimistic about the Company's future investment prospects and, on 25 October 2019, launched a subscription offer for new shares to raise up to £20 million (including the optional over-allotment facility). At 18 November 2019, we have received applications for £5.27 million in respect of the offer which will enable us to capitalise on the investment opportunities outlined above.

Finally, I would like to thank our Investment Adviser Mobeus for their hard work contributing to the successful implementation of your Company's investment strategy and all Shareholders for their continued support.

**Ian Blackburn**  
*Chairman*

20 November 2019

# 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 70%, 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 (For the Company's accounting periods beginning on or after 1 April 2020, this percentage will increase to 80%);</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 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> </ul>	<ul style="list-style-type: none"> <li>the Company's shares must be listed on a regulated European stock market;</li> <li>non-qualifying investments can no longer be made, except for certain exemptions in managing the Company's short-term liquidity; and</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.</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 £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 lifetime limit is £20 million, and the annual limit is £10 million), from VCTs and similar sources of State Aid funding;</li> </ul>	<ul style="list-style-type: none"> <li>that use the funds received from VCTs for growth and development purposes.</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 '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> <p><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 9 to 11.</p>
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# Investment Adviser's Review

There remains a strong demand for growth capital investment and Mobeus is currently reviewing several interesting opportunities. It is expected that a number of new and follow-on investments will be undertaken in the short to medium-term.

## Portfolio review

	2019 £m	2018 £m
Portfolio value at 31 March	30.04	26.88
New and further investments	1.82	1.70
Disposal proceeds	(5.31)	(1.58)
Net realised gains in the period	0.96	0.44
Valuation movements of unrealised investments	1.49	0.48
<b>Portfolio value at 30 September</b>	<b>29.00</b>	<b>27.92</b>

In the six months under review we have made two new growth investments of £1.46 million and one existing growth portfolio company has received follow-on funding of £0.36 million. We have also received net cash proceeds of £5.31 million, primarily from the sale of two investments. After the period end, the Company invested a further £0.94 million into a new portfolio company, Active Navigation.

Investment Portfolio Capital Movement	Six months ended 30 September 2019 £m	Six months ended 30 September 2018 £m
Increase in the value of unrealised investments	3.15	1.85
Decrease in the value of unrealised investments	(1.66)	(1.37)
<b>Net increase in the value of unrealised investments</b>	<b>1.49</b>	<b>0.48</b>
Realised gains	0.96	0.68
Realised losses	-	(0.24)
<b>Net realised gains</b>	<b>0.96</b>	<b>0.44</b>
<b>Net investment portfolio gains</b>	<b>2.45</b>	<b>0.92</b>

## Unrealised movements in the value of the portfolio

The value of the existing portfolio increased by £1.49 million during the first half of the year. This net increase was due to the aggregate increase in individual valuations of £3.15 million exceeding the aggregate reduction in individual valuations of £1.66 million.

Principal increases in value were achieved by Auction Technology Group £1.08 million, Proactive Group £0.72 million and MPB Group £0.68 million. Auction Technology Group, which MIG 2 part realised in 2014, is trading well ahead of budget with growth across all areas of its business. MPB Group has grown revenues substantially and in July, secured a £9.00 million further investment at a higher valuation. £2.00 million was provided by the Mobeus advised VCTs with MIG2 contributing £0.36 million.

A small number of new growth investments (such as Proactive) have shown initial uplifts from cost, due in large part to the structure of the Company's investment but, in some cases, also due to the underlying investee company performance. Proactive Group has made consistent positive progress in all its markets since investment. The principal driver of the value increase over the period however, is the preference structure of the investment which allocates a greater share of economic value to the VCTs at the current stage of the business' development.

The principal decreases in value were seen at Wetsuit Outlet £(0.31 million), EOTH £(0.23 million) and Bourn Bioscience £(0.22 million). Wetsuit Outlet continues to face challenging markets, although it is anticipated that measures recently implemented will restore margins and begin to improve profitability. EOTH, having achieved record profits over recent years, is still performing well but is currently experiencing some retail headwinds. Bourn has now opened its new facility in Essex but this will take time to reach normal trading levels. Over the medium-term the company has a strong brand and retains a strategic position in the market.

# Investment Adviser's Review

## Realised gains from sales of investments

The net realised gain from sale of investments was £0.96 million during the period under review.

The Company realised its investments in ASL Technology and Plastic Surgeon, generating gains of £0.49 million and £0.30 million respectively. Proceeds from these sales contributed to multiples of original cost of 2.2x for ASL Technology and 5.6x for Plastic Surgeon respectively, over the life of the investments. The Company also made a part disposal of Master Removers Group realising £0.28 million of proceeds and a nominal gain. Finally, the Company made a gain of £0.17 million from deferred consideration arising from the disposal of Entanet Holdings in 2017.

## Investment portfolio yield and capital repayments

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

Investment Portfolio Yield	Six months ended 30 September 2019 £m	Six months ended 30 September 2018 £m
Interest received	0.68	0.73
Dividends received	0.01	0.26
<b>Total portfolio income in the period<sup>1</sup></b>	<b>0.69<sup>1</sup></b>	<b>0.99</b>
<b>Portfolio value at 30 September</b>	<b>29.00</b>	<b>27.92</b>
<b>Portfolio Income Yield<sup>2</sup></b> <b>(Income as a % of portfolio value at 30 September)</b>	<b>2.4%</b>	<b>3.6%</b>

<sup>1</sup> Total portfolio income in the period is generated solely from investee companies within the portfolio. See note 4 of the unaudited condensed financial statements for details of all income receivable by the Company.

<sup>2</sup> Total portfolio income in the period and Portfolio Income Yield are alternative performance measures ("APM").

## New investments during the period

The Company made two new investments during the period as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Arkk Consulting	Regulatory and reporting requirement service provider	May 2019	0.91

Arkk Consulting (trading as Arkk Solutions) provides services and software to enable organisations to remain compliant with regulatory reporting requirements. Arkk was established in 2009 and currently has over 800 clients across 20 countries. These include more than 80 of the FTSE 350, and half of the largest 20 accountancy firms in the UK. The investment will build on Arkk's reputation and customer base, to target new cloud-based markets by building the sales and marketing team. The company's audited accounts for the year ended 31 December 2018 show turnover of £3.36 million and a loss before interest, tax and amortisation of goodwill of £(0.34) million.

	Parsley Box	Home delivered ambient ready meals for the elderly	May 2019	0.55
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Parsley Box is a UK direct to consumer supplier of home delivered, ambient ready meals for the elderly. Founded in 2017, Parsley Box has grown rapidly and has developed a unique meal delivery solution for its customers. The company supplies a diverse range of ambient meals via next day delivery which are easy to store and aim to contribute to a more independent and healthier lifestyle. The investment will scale the company's marketing strategy, enable it to process larger order volumes and continue to build out its team. The company's unaudited accounts for the period ended 31 March 2018 show revenues of £0.25 million and a loss before interest, tax and amortisation of goodwill of £(0.21) million.

## Further investments in existing portfolio companies during the period

The Company made a further investment of £0.36 million into MPB Group during the period, as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	MPB Group	Online marketplace for used camera and video equipment	July 2019	0.36

MPB is Europe's leading online marketplace for used camera and video equipment. Based in Brighton, its custom-designed pricing technology enables MPB to offer both buy and sell services through the same platform and offers a one-stop shop for all its customers. Having expanded into the US (opening a New York office) and German markets as part of the initial VCT investment round, this follow-on investment, alongside funds provided by two other third-party investors, is to support its continued growth plan. Having more than doubled its sales over the last two years, this investment will help drive the company's objective to create a £100 million+ internationally diverse and profitable re-commerce business. The company's audited accounts for the year ended 31 March 2019 show turnover of £31.91 million and a loss before interest, tax and amortisation of goodwill of £(1.73) million.

# Investment Adviser's Review

## New investments after the period end

A total of £0.94 million was invested into one new company shortly after the period end as detailed below:

	Company	Business	Date of investment	Amount of new investment (£m)
	Active Navigation	File analysis software	November 2019	0.94

Data Discovery Solutions, trading as Active Navigation, is a file analysis software solution which makes it easier for companies to clean up network drives, respond to new data protection laws and dispose of redundant and outdated documents. Active Navigation's solution is used by significant blue chip customers, particularly those in highly regulated industries such as energy and professional services, as well as government entities in the USA, Canada, Australia and the UK. Active Navigation will seek to drive continued growth from its file analysis platform with the recruitment of experienced sales and professional services staff. The company's audited accounts for the year ended 30 June 2018 show revenues of £5.02 million and a profit before interest, tax and amortisation of goodwill of £1.25 million.

## Realisations during the period

The Company realised two investments in the period, as detailed below:

	Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
	Plastic Surgeon	Supplier of snagging and finishing services to the property sector	April 2008 to May 2019	£2.19 million 5.6 x cost

The Company sold its remaining investment in Plastic Surgeon to Polygon Group for £1.18 million (realised gain in the period: £0.30 million). Over the eleven years this investment was held, it generated proceeds of £2.19 million compared to an original investment cost of £0.39 million which is a multiple on cost of 5.6x and an IRR of 20.5%.

	ASL Technology	Printer and photocopier services	December 2010 to June 2019	£4.57 million 2.2 x cost
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The Company sold its investment in ASL Technology for £3.68 million (realised gain in the period: £0.49 million). Over the eight and a half years this investment was held, it generated proceeds of £4.57 million compared to an original investment cost of £2.09 million, which is a multiple on cost of 2.2x and an IRR of 12.6%.

Other realised gains in the period amounted to £0.17 million, arising from the realisation of the Company's investment in Entanet Holdings in 2017. Together with the realised gains upon the two disposals of £0.79 million, the total for the period was £0.96 million, as shown on page 5 of this Review.

**Mobeus Equity Partners LLP**  
Investment Adviser

20 November 2019

# Investment Portfolio Summary

as at 30 September 2019

Qualifying investments	Date of first investment / Sector	Total book cost at 30 September 2019 £	Valuation at 31 March 2019 £	Additions at cost £	Disposals at opening valuation £	Change in valuation for period £	Valuation at 30 September 2019 £	% of net assets by value
<b>Unquoted investments</b>								
<b>Tovey Management Limited (trading as Access IS)</b> Provider of data capture and scanning hardware	<b>October 2015</b> Electronics and electrical equipment	1,733,500	2,314,753	-	-	(91,661)	2,223,092	5.1%
<b>MPB Group Limited</b> Online marketplace for photographic and video equipment	<b>June 2016</b> General retailers	1,176,231	1,180,748	356,458	-	684,141	2,221,347	5.1%
<b>EOTH Limited (trading as Rab and Lowe Alpine)</b> Branded outdoor equipment and clothing	<b>October 2011</b> General retailers	817,185	1,970,986	-	-	(234,542)	1,736,444	4.0%
<b>Virgin Wines Holding Company Limited</b> Online wine retailer	<b>November 2013</b> General retailers	1,284,333	1,556,726	-	-	43,823	1,600,549	3.7%
<b>Proactive Group Holdings Inc</b> Provider of media services and investor conferences for companies primarily listed on secondary public markets	<b>January 2018</b> General financial	635,346	883,102	-	-	715,416	1,598,518	3.7%
<b>Preservica Limited</b> Seller of proprietary digital archiving software	<b>December 2015</b> Software and computer services	1,133,464	1,620,741	-	-	(34,194)	1,586,547	3.7%
<b>Pattern Analytics Limited (trading as Biosite)</b> Workforce management and security services for the construction industry	<b>November 2016</b> Software and computer services	1,036,002	1,531,481	-	-	-	1,531,481	3.5%
<b>Vian Marketing Limited (trading as Red Paddle Co)</b> Design, manufacture and sale of stand-up paddleboards and windsurfing sails	<b>July 2015</b> Leisure goods	717,038	1,180,612	-	-	(61,826)	1,118,786	2.6%
<b>Vectair Holdings Limited</b> Designer and distributor of washroom products	<b>January 2006</b> Support services	60,293	972,093	-	-	84,228	1,056,321	2.4%
<b>My Tutorweb Limited</b> Digital marketplace connecting school pupils seeking one to one online tutoring	<b>May 2017</b> Support services	979,834	979,834	-	-	-	979,834	2.3%
<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	964,132	-	-	28,688	992,820	2.3%
<b>Arkk Consulting Limited</b> Provider of services and software to enable organisations to remain compliant with regulatory reporting requirements	<b>May 2019</b> Software and computer services	908,995	-	908,995	-	12,120	921,115	2.1%
<b>Ibericos Etc. Limited (trading as Tapas Revolution)</b> Spanish restaurant chain	<b>January 2017</b> General retailers	812,248	811,028	-	-	68,044	879,072	2.0%
<b>Tharstern Group Limited</b> Software based management information systems to the print sector	<b>July 2014</b> Software and computer services	789,815	842,506	-	-	(9,153)	833,353	1.9%
<b>Media Business Insight Holdings Limited</b> A publishing and events business focussed on the creative production industries	<b>January 2015</b> Media	1,447,188	770,532	-	-	57,173	827,705	1.9%
<b>Buster and Punch Holdings Limited</b> Industrial inspired lighting and interiors retailer	<b>March 2017</b> General retailers	436,391	608,509	-	-	99,259	707,768	1.6%

# Investment Portfolio Summary

as at 30 September 2019

Qualifying investments	Date of first investment / Sector	Total book cost at 30 September 2019 £	Valuation at 31 March 2019 £	Additions at cost £	Disposals at opening valuation £	Change in valuation for period £	Valuation at 30 September 2019 £	% of net assets by value
<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> Support services	366,600	619,101	-	-	38,865	657,966	1.5%
<b>Master Removers Group 2019 Limited (formerly Master Removers Group) (trading as Anthony Ward Thomas, Bishopgate and Aussie Man &amp; Van)</b> A specialist logistics, storage and removals business	<b>December 2014</b> Support services	251,763	1,113,167	-	(278,292)	(186,629)	648,246	1.5%
<b>Blaze Signs Holdings Limited</b> Manufacturing and installation of signs	<b>April 2006</b> Support services	437,030	807,949	-	-	(165,342)	642,607	1.5%
<b>Manufacturing Services Investment Limited (trading as Wetsuit Outlet)</b> Online retailer in the water sports market	<b>July 2017</b> General retailers	1,412,992	893,985	-	-	(310,713)	583,272	1.3%
<b>Kudos Innovations Limited</b> Online platform that provides and promotes academic research dissemination	<b>November 2018</b> Support services	277,950	277,950	-	-	277,950	555,900	1.3%
<b>Parsley Box Limited</b> Supplier of home delivered, ambient ready meals for the elderly	<b>May 2019</b> General retailers	551,400	-	551,400	-	-	551,400	1.3%
<b>RDL Corporation Limited</b> Recruitment consultants for the pharmaceutical, business intelligence and IT industries	<b>October 2010</b> Support services	1,000,000	494,929	-	-	(12,843)	482,086	1.1%
<b>Redline Worldwide Limited</b> Provider of security services to the aviation industry	<b>February 2016</b> Support services	682,222	341,107	-	-	(8,537)	332,570	0.8%
<b>Bourn Bioscience Limited</b> Management of In-vitro fertilisation clinics	<b>January 2014</b> Healthcare equipment & services	757,101	383,189	-	-	(218,934)	164,255	0.4%
<b>Jablite Holdings Limited</b> Manufacturer of expanded polystyrene products	<b>April 2015</b> Construction and materials	281,398	91,600	-	-	-	91,600	0.2%
<b>BookingTek Limited</b> Software for hotel groups	<b>October 2016</b> Software and computer services	504,336	126,084	-	-	(75,649)	50,435	0.1%
<b>Super Carers Limited</b> Online platform that connects people seeking home care from experienced independent carers	<b>March 2018</b> Support services	384,720	192,360	-	-	(192,360)	-	0.0%
<b>Veritek Global Holdings Limited</b> Maintenance of imaging equipment	<b>July 2013</b> Support services	967,780	49,432	-	-	(49,432)	-	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>ASL Technology Holdings Limited</b> Printer and photocopier services	<b>December 2010</b> Support services	-	3,190,292	-	(3,190,292)	-	-	0.0%
<b>The Plastic Surgeon Holdings Limited</b> Snagging and finishing of domestic and commercial properties	<b>April 2008</b> Support services	-	875,502	-	(875,502)	-	-	0.0%
<b>Total qualifying investments</b>		<b>23,749,658</b>	<b>27,644,430</b>	<b>1,816,853</b>	<b>(4,344,086)</b>	<b>457,892</b>	<b>25,575,089</b>	<b>58.9%</b> <sup>1</sup>

<sup>1</sup> As at 30 September 2019, the Company held more than 70% of its total investments in qualifying holdings, and therefore complied with the VCT Qualifying Investment test. For the Company's accounting periods beginning on or after 1 April 2020, this percentage will increase to 80%. For the purposes of the VCT qualifying test, the Company is permitted to disregard disposals of investments for twelve months from the date of disposal. It also has up to three years to bring in new funds raised, before these need to be included in the qualifying investment test.

	Date of first investment / Sector	Total Book cost at 30 September 2019 £	Valuation at 31 March 2019 £	Additions at cost £	Disposals at opening valuation £	Change in valuation for period £	Valuation at 30 September 2019 £	% of net assets by value
<b>Non-qualifying investments</b>								
<b>Turner Topco Limited (trading as Auction Technology Group)</b> SaaS based online auction market place platform	<b>October 2008</b> Media	1,320,963	1,198,168	-	-	1,077,648	2,275,816	5.2%
<b>Media Business Insight Limited</b> A publishing and events business focussed on the creative production industries	<b>January 2015</b> Media	561,884	672,742	-	-	(41,976)	630,766	1.5%
<b>Manufacturing Services Investment Limited (trading as Wetsuit Outlet)</b> Online retailer in the water sports market	<b>July 2017</b> General retailers	304,000	304,000	-	-	-	304,000	0.8%
<b>Tovey Management Limited (trading as Access IS)</b> Provider of data capture and scanning hardware	<b>October 2015</b> Electronics and electrical equipment	219,873	219,873	-	-	-	219,873	0.5%
<b>Prefcap Limited (formerly 365 Agile Group plc)</b> Development of energy saving devices for domestic use	<b>March 2001</b> Electronics and electrical equipment	254,586	-	-	-	-	-	0.0%
<b>Hemmels Limited</b> Sourcing, restoration, selling and servicing of high price, classic cars	<b>March 2018</b> Automobiles and parts	19,660	-	-	-	-	-	0.0%
<b>Racoon International Group Limited</b> Supplier of hair extensions, hair care products and training	<b>December 2006</b> Personal goods	139,050	-	-	-	-	-	0.0%
<b>Total non-qualifying investments</b>		<b>2,820,016</b>	<b>2,394,783</b>	<b>-</b>	<b>-</b>	<b>1,035,672</b>	<b>3,430,455</b>	<b>8.0%</b>
<b>Total investment portfolio per note 9, page 25</b>		<b>26,569,674</b>	<b>30,039,213</b>	<b>1,816,853</b>	<b>(4,344,086)</b>	<b>1,493,564</b>	<b>29,005,544</b>	<b>66.9%</b>
Cash and current asset investments <sup>2</sup>			18,662,785	-	-		14,646,591	33.7%
<b>Total investments including cash and current asset investments</b>		<b>26,569,674</b>	<b>48,701,998</b>	<b>1,816,853</b>	<b>(4,344,086)</b>	<b>1,493,564</b>	<b>43,652,135</b>	<b>100.6%</b>
Current assets			229,113				136,327	0.3%
Current liabilities			(201,154)				(379,883)	(0.9)%
<b>Totals</b>		<b>26,569,674</b>		<b>1,816,853</b>	<b>(4,344,086)</b>			
<b>Net assets at the period end</b>			<b>48,729,957</b>				<b>43,408,579</b>	<b>100.0%</b>

<sup>2</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), Adam Kingdon (Chairman of the Audit Committee) and Sally Duckworth (Chairman of the Investment Committee), being the Directors of the Company confirm that to the best of their knowledge:

- (a) the unaudited 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 Half-Year Management Report which comprises the Chairman's Statement, Investment Policy, Investment Review and the Investment Portfolio Summary includes a fair review of the information required by DTR 4.2.7, being an indication of the important events that have occurred during the first six months of the financial year and their impact on the unaudited 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 2019 ("the Annual Report").

The principal risks faced by the Company are:

- Political and Economic;
- Investment and strategic;
- Loss of approval as a VCT;
- VCT regulatory changes;
- Regulatory;
- Financial and operating;
- Market;
- Asset liquidity;
- Market liquidity; and
- Cyber and Data Security.

A more detailed explanation of these risks can be found in the Strategic Report on pages 24 to 26, and in Note 15 on pages 61 to 68 of the Annual Report and Financial Statements for the year ended 31 March 2019, copies of which are available on the Investment Adviser's website, [www.mobeus.co.uk](http://www.mobeus.co.uk) or by going directly to the VCT's website, [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 Half-Year management report which comprises the Chairman's Statement, Investment Policy, Investment Review and Investment Portfolio Summary. The Directors have satisfied themselves that the Company continues to maintain an adequate cash position. The portfolio taken as a whole remains resilient and well-diversified. The major cash outflows of the Company (namely investments, share buybacks and dividends) are within the Company's control.

The Board's assessment of liquidity risk and details of the Company's policies for managing its capital and financial risks are shown in Note 15 on pages 61 to 68 of the Annual Report and Financial Statements for the year ended 31 March 2019. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the Half-Year report and 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*

20 November 2019

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# Unaudited Condensed Income Statement

## for the six months ended 30 September 2019

	Notes	Six months ended 30 September 2019 (unaudited)		
		Revenue £	Capital £	Total £
Net investment portfolio gains	9	-	2,455,341	2,455,341
Income	4	763,195	-	763,195
Investment Adviser's fees	5	(139,243)	(417,731)	(556,974)
Other expenses		(172,700)	-	(172,700)
<b>Profit on ordinary activities before taxation</b>		<b>451,252</b>	<b>2,037,610</b>	<b>2,488,862</b>
Tax on profit on ordinary activities	6	(83,669)	79,369	(4,300)
<b>Profit and total comprehensive income</b>		<b>367,583</b>	<b>2,116,979</b>	<b>2,484,562</b>
<b>Basic and diluted earnings per ordinary share</b>	7	<b>0.75p</b>	<b>4.35p</b>	<b>5.10p</b>

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

The total column is the Statement of Total Comprehensive Income of the Company prepared in accordance with Financial Reporting Standards ("FRS"). In order to better reflect the activities of a VCT and in accordance with the 2014 Statement of Recommended Practice ("SORP") (updated in October 2019) 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 Half-Year Financial Statements.

Revenue £	Year ended 31 March 2019 (audited)		Six months ended 30 September 2018 (unaudited)		
	Capital £	Total £	Revenue £	Capital £	Total £
-	3,137,000	3,137,000	-	920,159	920,159
2,189,574	-	2,189,574	1,043,868	-	1,043,868
(259,026)	(777,077)	(1,036,103)	(128,269)	(384,807)	(513,076)
(320,722)	-	(320,722)	(171,084)	-	(171,084)
<b>1,609,826</b>	<b>2,359,923</b>	<b>3,969,749</b>	<b>744,515</b>	<b>535,352</b>	<b>1,279,867</b>
(208,983)	147,645	(61,338)	(91,612)	73,113	(18,499)
<b>1,400,843</b>	<b>2,507,568</b>	<b>3,908,411</b>	<b>652,903</b>	<b>608,465</b>	<b>1,261,368</b>
<b>2.84p</b>	<b>5.09p</b>	<b>7.93p</b>	<b>1.32p</b>	<b>1.24p</b>	<b>2.56p</b>

# Unaudited Condensed Balance Sheet

as at 30 September 2019

	Notes	30 September 2019 (unaudited) £	31 March 2019 (audited) £	30 September 2018 (unaudited) £
<b>Fixed assets</b>				
Investments at fair value	9	29,005,544	30,039,213	27,924,135
<b>Current assets</b>				
Debtors and prepayments		136,327	229,113	292,295
Current asset investments	10	11,908,301	16,117,301	17,657,301
Cash at bank and in hand	10	2,738,290	2,545,484	3,202,319
		14,782,918	18,891,898	21,151,915
<b>Creditors: amounts falling due within one year</b>		(379,883)	(201,154)	(216,485)
<b>Net current assets</b>		14,403,035	18,690,744	20,935,430
<b>Net assets</b>		<b>43,408,579</b>	<b>48,729,957</b>	<b>48,859,565</b>
<b>Capital and reserves</b>				
Called up share capital		483,122	489,251	493,042
Share premium reserve		30,498,349	30,498,349	30,498,349
Capital redemption reserve		104,218	98,089	94,298
Revaluation reserve		3,756,100	4,357,307	2,405,699
Special distributable reserve		126,857	4,391,645	5,037,085
Realised capital reserve		6,778,021	7,600,987	8,560,337
Revenue reserve		1,661,912	1,294,329	1,770,755
<b>Equity shareholders' funds</b>		<b>43,408,579</b>	<b>48,729,957</b>	<b>48,859,565</b>
<b>Basic and diluted net asset value per share</b>	11	<b>89.85p</b>	<b>99.60p</b>	<b>99.10p</b>

The notes to the unaudited Financial Statements on pages 21 to 26 form part of these Half-Year Financial Statements.

The financial information for the six months ended 30 September 2019 and 30 September 2018 has not been audited.

# Unaudited Condensed Statement of Changes in Equity

for the six months ended 30 September 2019

	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 2019</b>	489,251	30,498,349	98,089	4,357,307	4,391,645	7,600,987	1,294,329	48,729,957
<b>Comprehensive income for the period</b>								
Profit for the period	-	-	-	1,493,564	-	623,415	367,583	2,484,562
<b>Total comprehensive income for the period</b>	-	-	-	<b>1,493,564</b>	-	<b>623,415</b>	<b>367,583</b>	<b>2,484,562</b>
<b>Contributions by and distributions to owners</b>								
Shares bought back (note c)	(6,129)	-	6,129	-	(531,851)	-	-	(531,851)
Dividends paid	-	-	-	-	(3,394,575)	(3,879,514)	-	(7,274,089)
<b>Total contributions by and distributions to owners</b>	<b>(6,129)</b>	-	<b>6,129</b>	-	<b>(3,926,426)</b>	<b>(3,879,514)</b>	-	<b>(7,805,940)</b>
<b>Other movements</b>								
Realised losses transferred to special reserve (note a)	-	-	-	-	(338,362)	338,362	-	-
Realisation of previously unrealised gains	-	-	-	(2,094,771)	-	2,094,771	-	-
<b>Total other movements</b>	-	-	-	<b>(2,094,771)</b>	<b>(338,362)</b>	<b>2,433,133</b>	-	-
<b>At 30 September 2019</b>	<b>483,122</b>	<b>30,498,349</b>	<b>104,218</b>	<b>3,756,100</b>	<b>126,857</b>	<b>6,778,021</b>	<b>1,661,912</b>	<b>43,408,579</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. The total transfer of £338,362 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 612,876 of its own shares at the prevailing market price for a total cost of £531,851, which were subsequently cancelled. The difference between the total cost above of £531,851 and that per the Unaudited Condensed Statement of Cash Flows of £377,485 is due to a share repurchase of £154,366 held in creditors at 30 September 2019.

The notes to the unaudited Financial Statements on pages 21 to 26 form part of these Half-Year Financial Statements.

# Unaudited Condensed Statement of Changes in Equity

## for the six months ended 30 September 2019

The composition of each of these reserves on the previous page 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.

On 5 November 2019, the High Court of Justice, Chancery Division confirmed the cancellation for the amount standing to the credit of the share premium account and capital redemption reserve.

### 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

The cost of share buybacks is charged to this reserve. In addition, any realised losses on the sale or impairment of investments (excluding transaction costs), and 75% of the Investment Adviser's fee and 100% of any performance fee expense, and the related tax effect, are transferred from the realised capital reserve to this reserve. The cost of any IFA facilitation fee payable as part of the Offer for Subscription is also charged to this reserve.

### 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 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 2018

	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 2018</b>	493,042	30,498,349	94,298	1,398,656	6,052,525	7,943,475	1,117,852	47,598,197
<b>Comprehensive income for the period</b>								
Profit for the period	-	-	-	482,295	-	126,170	652,903	1,261,368
<b>Total comprehensive income for the period</b>	-	-	-	<b>482,295</b>	-	<b>126,170</b>	<b>652,903</b>	<b>1,261,368</b>
<b>Contributions by and distributions to owners</b>								
Shares bought back	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-
<b>Other movements</b>								
Realised losses transferred to special reserve	-	-	-	-	(1,015,440)	1,015,440	-	-
Realisation of previously unrealised depreciation	-	-	-	524,748	-	(524,748)	-	-
<b>Total other movements</b>	-	-	-	<b>524,748</b>	<b>(1,015,440)</b>	<b>490,692</b>	-	-
<b>At 30 September 2018</b>	<b>493,042</b>	<b>30,498,349</b>	<b>94,298</b>	<b>2,405,699</b>	<b>5,037,085</b>	<b>8,560,337</b>	<b>1,770,755</b>	<b>48,859,565</b>

The notes to the unaudited Financial Statements on pages 21 to 26 form part of these Half-Year Financial Statements.

# Unaudited Condensed Statement of Cash Flows

for the six months ended 30 September 2019

	Notes	Six months ended 30 September 2019 (unaudited) £	Year ended 31 March 2019 (audited) £	Six months ended 30 September 2018 (unaudited) £
<b>Cash flows from operating activities</b>				
Profit for the financial period		2,484,562	3,908,411	1,261,368
<b>Adjustments for:</b>				
Net investment portfolio gains		(2,455,341)	(3,137,000)	(920,159)
Tax charge for the current period		4,300	61,338	18,499
Decrease in debtors		92,786	56,764	38,135
Increase in creditors and accruals		20,063	4,341	12,110
<b>Net cash inflow from operations</b>		<b>146,370</b>	<b>893,854</b>	<b>409,953</b>
Corporation tax paid		-	(50,401)	-
<b>Net cash inflow from operating activities</b>		<b>146,370</b>	<b>843,453</b>	<b>409,953</b>
<b>Cash flows from investing activities</b>				
Purchase of investments	9	(1,816,853)	(2,898,440)	(1,746,680)
Disposal of investments	9	5,305,863	2,934,649	1,636,573
<b>Net cash inflow/(outflow) from investing activities</b>		<b>3,489,010</b>	<b>36,209</b>	<b>(110,107)</b>
<b>Cash flows from financing activities</b>				
Dividends paid	8	(7,274,089)	(2,459,246)	-
Dividends refunded	8	-	10,297	-
Purchase of own shares		(377,485)	(327,702)	-
<b>Net cash (outflow)/no change from financing activities</b>		<b>(7,651,574)</b>	<b>(2,776,651)</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>				
Cash and cash equivalents at start of period		18,662,785	20,559,774	20,559,774
<b>Cash and cash equivalents at end of period</b>		<b>14,646,591</b>	<b>18,662,785</b>	<b>20,859,620</b>
<b>Cash and cash equivalents comprise:</b>				
Cash at bank and in hand	10	2,738,290	2,545,484	3,202,319
Cash equivalents	10	11,908,301	16,117,301	17,657,301

The notes to the unaudited Financial Statements on pages 21 to 26 form part of these Half-Year Financial Statements.

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 September 2019

### 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 30 Haymarket, London, SW1Y 4EX.

### 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 October 2019) issued by the Association of Investment Companies ("AIC"). The Financial Statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in note 9.

The Half-Year 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 2019 (unaudited) £	Year ended 31 March 2019 (audited) £	Six months ended 30 September 2018 (unaudited) £
Income from investments			
Dividends	11,247	512,578	264,940
Money-market funds	59,442	108,759	46,871
Loan stock interest	682,959	1,521,722	712,798
Bank deposit interest	9,547	13,644	6,473
Interest on preference dividends	-	31,481	12,786
Other income	-	1,390	-
<b>Total Income</b>	<b>763,195</b>	<b>2,189,574</b>	<b>1,043,868</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:-

- an annual dividend target (indexed each year for RPI), and
- 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 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.

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 September 2019

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 Fee 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.

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

Mobeus Equity Partners LLP	Six months ended 30 September 2019 (unaudited) £	Year ended 31 March 2019 (audited) £	Six months ended 30 September 2018 (unaudited) £
Investment Adviser's fees	556,974	1,036,103	513,076
<b>Total</b>	<b>556,974</b>	<b>1,036,103</b>	<b>513,076</b>

### 6. Taxation

There is a tax charge for the period as the Company has taxable income in excess of deductible expenses.

	Six months ended 30 September 2019 (unaudited)			Year ended 31 March 2019 (audited)			Six months ended 30 September 2018 (unaudited)		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
<b>a) Analysis of tax charge:</b>									
UK Corporation tax on profits for the period	83,669	(79,369)	4,300	208,983	(147,645)	61,338	91,612	(73,113)	18,499
<b>Total current tax charge</b>	<b>83,669</b>	<b>(79,369)</b>	<b>4,300</b>	<b>208,983</b>	<b>(147,645)</b>	<b>61,338</b>	<b>91,612</b>	<b>(73,113)</b>	<b>18,499</b>
Corporation tax is based on a rate of 19% (2018: 19%)									
<b>b) Profit on ordinary activities before tax</b>	451,252	2,037,610	2,488,862	1,609,826	2,359,923	3,969,749	744,515	535,352	1,279,867
Profit on ordinary activities multiplied by small company rate of corporation tax in the UK of 19% (2018: 19%)	85,738	387,146	472,884	305,867	448,385	754,252	141,458	101,717	243,175
<b>Effect of:</b>									
UK dividends	(2,137)	-	(2,137)	(97,390)	-	(97,390)	(50,338)	-	(50,338)
Net investment portfolio gains not taxable	-	(466,515)	(466,515)	-	(596,030)	(596,030)	-	(174,830)	(174,830)
Unrelieved expenditure	68	-	68	518	-	518	492	-	492
Over provision in prior period	-	-	-	(12)	-	(12)	-	-	-
<b>Actual tax charge</b>	<b>83,669</b>	<b>(79,369)</b>	<b>4,300</b>	<b>208,983</b>	<b>(147,645)</b>	<b>61,338</b>	<b>91,612</b>	<b>(73,113)</b>	<b>18,499</b>

## 7. Basic and diluted earnings per share

	Six months ended 30 September 2019 (unaudited) £	Year ended 31 March 2019 (audited) £	Six months ended 30 September 2018 (unaudited) £
Total earnings after taxation: <b>Basic and diluted earnings per share (note a)</b>	2,484,562 <b>5.10p</b>	3,908,411 <b>7.93p</b>	1,261,368 <b>2.56p</b>
Net revenue from ordinary activities after taxation <b>Basic and diluted revenue earnings per share (note b)</b>	367,583 <b>0.75p</b>	1,400,843 <b>2.84p</b>	652,903 <b>1.32p</b>
Net investment portfolio gains Capital expenses (net of taxation)	2,455,341 (338,362)	3,137,000 (629,432)	920,159 (311,694)
Total capital return <b>Basic and diluted capital earnings per share (note c)</b>	2,116,979 <b>4.35p</b>	2,507,568 <b>5.09p</b>	608,465 <b>1.24p</b>
Weighted average number of shares in issue in the period	48,686,770	49,247,849	49,304,159

### 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 2019 (unaudited) £	Year ended 31 March 2019 (audited) £	Six months ended 30 September 2018 (unaudited) £
Interim	Income	2019	2.50p	22/03/2019	-	1,229,623	-
Interim	Capital	2019	2.50p	22/03/2019	-	1,229,623	-
Interim	Capital*	2020	15.00p	20/09/2019	7,274,089	-	-
<b>Dividends paid in previous years not claimed within the statutory period</b>					-	(10,297)	-
					<b>7,274,089</b>	<b>2,448,949</b>	-

\*7.00 pence of this dividend was paid out of the Company's special distributable reserve.

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 September 2019

### 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 the 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 true 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 the 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 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 subsequent measurement dates, 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 shares may be valued by applying a suitable price-earnings ratio, revenue or gross profit multiple to that company's historic, current or forecast pre-tax earnings before interest 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, a lack of marketability).

or:-

- where a company's underperformance against plan indicates a diminution in the value of the investment, provision against the price of a new investment 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 or realisation proceeds basis 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 the 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. 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 year are summarised as follows:

	Unquoted equity shares Level 3 £	Unquoted Preference shares Level 3 £	Unquoted Loan stock Level 3 £	Total £
Cost at 31 March 2019	13,750,498	22,095	14,941,143	28,713,736
Unrealised gains at 31 March 2019	3,641,210	228,893	487,204	4,357,307
Permanent impairment at 31 March 2019	(2,873,120)	-	(158,710)	(3,031,830)
<b>Valuation at 31 March 2019</b>	<b>14,518,588</b>	<b>250,988</b>	<b>15,269,637</b>	<b>30,039,213</b>
Purchases at cost	1,816,853	-	-	1,816,853
Sale proceeds	(2,976,102)	(231,945)	(2,097,816)	(5,305,863)
Net investment portfolio gains	2,496,783	-	(41,442)	2,455,341
<b>Valuation at 30 September 2019</b>	<b>15,856,122</b>	<b>19,043</b>	<b>13,130,379</b>	<b>29,005,544</b>
Book cost at 30 September 2019	13,326,646	21,710	13,221,318	26,569,674
Unrealised gains at 30 September 2019	3,690,996	(2,667)	67,771	3,756,100
Permanent impairment at 30 September 2019	(1,161,520)	-	(158,710)	(1,320,230)
<b>Valuation at 30 September 2019</b>	<b>15,856,122</b>	<b>19,043</b>	<b>13,130,379</b>	<b>29,005,544</b>
Net unrealised gains at 1 April 2019	768,090	228,893	328,494	1,325,477
Net movement in unrealised appreciation in the period	1,535,005	-	(41,441)	1,493,564
Reversal of permanent impairments in the period	1,711,600	-	-	1,711,600
Realisation of previously unrealised losses/(gains)	(1,485,219)	(231,560)	(377,992)	(2,094,771)
<b>Gains/(losses) on investments at 30 September 2019</b>	<b>2,529,476</b>	<b>(2,667)</b>	<b>(90,939)</b>	<b>2,435,870</b>

There has been no significant change in the risk analysis as disclosed in note 15 of the Financial Statements in the Company's Annual Report.

The decrease in unrealised valuations of the loan stock investments above reflects the changes in the entitlement to loan premiums, and/or in the underlying enterprise value of the investee company. The decrease does not arise from assessments of credit or market risk upon these instruments.

# Notes to the Unaudited Condensed Financial Statements

## for the six months ended 30 September 2019

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

	As at 30 September 2019 (unaudited) £	As at 31 March 2019 (audited) £	As at 30 September 2018 (unaudited) £
<b>Investment methodology</b>			
Multiple of earnings, revenues or gross margin, as appropriate	28,530,939	29,010,112	22,038,859
Estimated realisation proceeds	383,005	467,191	-
Net asset value	91,600	91,600	91,600
Recent investment price (reviewed for impairment)	-	192,360	252,168
Recent investment price	-	277,950	5,541,508
	<b>29,005,544</b>	<b>30,039,213</b>	<b>27,924,135</b>

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

	As at 30 September 2019 (unaudited) £	As at 31 March 2019 (audited) £	As at 30 September 2018 (unaudited) £
OEIC Money market funds	11,908,301	16,117,301	17,657,301
<b>Current asset investments and Cash equivalents per Unaudited Condensed Statement of Cashflows</b>	<b>11,908,301</b>	<b>16,117,301</b>	<b>17,657,301</b>
<b>Cash at bank</b>	<b>2,738,290</b>	<b>2,545,484</b>	<b>3,202,319</b>

### 11. Net asset value per share

	As at 30 September 2019 (unaudited)	As at 31 March 2019 (audited)	As at 30 September 2018 (unaudited)
Net assets	£43,408,579	£48,729,957	£48,859,565
Number of shares in issue	48,312,254	48,925,130	49,304,159
<b>Net asset value per share (pence)</b>	<b>89.85 p</b>	<b>99.60 p</b>	<b>99.10 p</b>

### 12. Post Balance Sheet Events

On 1 November 2019, a new investment of £0.94 million was made into Data Discovery Solutions Limited (trading as Active Navigation).

On 5 November 2019, all of the Company's Share Premium account and Capital Redemption reserve totalling £30,602,567 was cancelled and transferred to the 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, to write-off existing and future losses as the Company must take into account capital losses in determining distributable reserves, and for other corporate purposes.

### 13. Financial statements for the six months ended 30 September 2019

The financial information set out in this half-year 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 2019 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. Half-Year Report

Copies of this statement are being sent to all Shareholders. Further copies are available free of charge from the Company's registered office, 30 Haymarket, London, SW1Y 4EX, 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 Annual General Meeting, usually held in September, provides a useful platform for the Board to meet shareholders and exchange views. The 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 half-year accounts.

The Investment Adviser holds an annual shareholder event. The next event will be held on 4 February 2020 at The National Gallery in central London. This is a new venue for the event, though there will remain separate day-time and evening sessions as in previous years. Shareholders were sent an invitation to this event with further details in October. If you have not replied to the invitation, but would like to attend, please visit [www.mobeus.co.uk/shareholder-event](http://www.mobeus.co.uk/shareholder-event) and complete the short registration form to register. Alternatively, please contact us by telephone on 020 7024 7600 or email at [events@mobeus.co.uk](mailto:events@mobeus.co.uk) stating your name, address and which programme you wish to attend

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

November 2019	Half Year Report for the six months ended 30 September 2019 circulated to Shareholders
4 February 2020	Shareholder event
31 March 2020	Financial Year End
September 2020	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 Asset Services at the address given on page 31.

**Shareholders are encouraged to ensure that the Registrars have the correct up-to-date details for their accounts and to check whether 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 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. **However, to ensure that you obtain the best price, you are strongly advised to contact the Company's stockbroker, Panmure Gordon, by telephoning 020 7886 2716 before agreeing a price with your stockbroker.** Shareholders are also advised to discuss their individual tax position with their financial adviser before deciding to sell their shares.

## Managing your shareholding online

For details on your individual shareholding and to manage your account online, Shareholders may log into or register with the Link Asset Services Shareholder Portal at: [www.signalshares.com](http://www.signalshares.com). You can use the Portal to update your preferences including changing your address details, check your holding balance and transactions, view the dividends you have received, add and amend your bank details and manage how you receive communications from the Company.

# Shareholder Information

## Common Reporting Standard (“CRS”) and Foreign Account Tax Compliance Act (“FATCA”)

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

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

## Boiler Room Fraud

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

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

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

## Shareholder enquiries

For enquiries concerning the investment portfolio of the Company in general, please contact the Investment Adviser, Mobeus Equity Partners LLP. To contact the Chairman or any member of the Board, in the first instance please contact the Company Secretary, also at Mobeus Equity Partners LLP, at: [vcts@mobeus.co.uk](mailto:vcts@mobeus.co.uk).

The Registrars, Link Asset Services, may be contacted via their Shareholder Portal, 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 Mobeus and Link Asset Services are included under Corporate Information on page 31.

## 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 risk, 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.

# Performance Data at 30 September 2019

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 2019. 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 2019 **85.50p<sup>1</sup>**

NAV per share as at 30 September 2019 **89.85p**

Allotment date(s)	Allotment price (p)	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 2019 (NAV basis)
<b>Funds raised 2005/06</b>						
Between 5 January 2006 and 5 April 2006	100.00	60.00	98.00	183.50	187.85	2.9%
<b>Funds raised 2008/09</b>						
Between 3 April 2009 and 5 May 2009	92.39	64.67	94.00	179.50	183.85	2.9%
<b>Funds raised 2013/14</b>						
09 January 2014	117.92 <sup>4</sup>	82.54	80.00	165.50	169.85	3.2%
11 February 2014	118.22 <sup>4</sup>	82.75	80.00	165.50	169.85	3.2%
31 March 2014	119.28 <sup>4</sup>	83.49	75.00	160.50	164.85	3.3%
03 April 2014	119.82 <sup>4</sup>	83.87	75.00	160.50	164.85	3.3%
04 April 2014	119.08 <sup>4</sup>	83.36	75.00	160.50	164.85	3.3%
06 June 2014	118.66 <sup>4</sup>	83.06	75.00	160.50	164.85	3.3%
<b>Funds raised 2014/15</b>						
14 January 2015	118.44 <sup>4</sup>	82.91	61.00	146.50	150.85	3.6%
17 February 2015	124.35 <sup>4</sup>	87.05	61.00	146.50	150.85	3.6%
10 March 2015	120.18 <sup>4</sup>	84.13	56.00	141.50	145.85	3.7%
<b>Funds raised 2017/2018</b>						
28 September 2017	104.73 <sup>4</sup>	73.31	29.00	114.50	118.85	4.6%
20 October 2017	105.07 <sup>4</sup>	73.55	29.00	114.50	118.85	4.6%
09 November 2017	105.79 <sup>4</sup>	74.05	29.00	114.50	118.85	4.6%
20 November 2017	107.44 <sup>4</sup>	75.21	29.00	114.50	118.85	4.6%
21 November 2017	107.39 <sup>4</sup>	75.17	29.00	114.50	118.85	4.6%
24 January 2018	97.81 <sup>4</sup>	68.47	20.00	105.50	109.85	5.0%
13 March 2018	100.79 <sup>4</sup>	70.55	20.00	105.50	109.85	5.0%

<sup>1</sup> - Source: Panmure Gordon & Co (mid-price basis) based upon the latest NAV announced of 105.15p at 30 June 2019, adjusted for the subsequent payment of an interim dividend of 15p per share.

<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.

# Performance Data at 30 September 2019

## Former Ordinary Share Fund

Share price as at 30 September 2019 70.71p

NAV per share as at 30 September 2019 74.31p

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 2019 (NAV basis)
<b>Funds raised 2000/01<sup>3</sup></b>						
Between 30 May 2000 and 11 December 2000	100.00	80.00	102.91	173.62	177.22	2.5%

<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)
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>102.91</b>	<b>98.00</b>	<b>94.00</b>	<b>80.00</b>	<b>61.00</b>	<b>29.00</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.

# Corporate Information

## Directors (Non-executive)

Ian Blackburn (Chairman)  
Sally Duckworth  
Adam Kingdon

## Company's Registered Office and Head Office

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