



**Unaudited  
half-yearly report  
for the six months  
ended  
31 May 2022**

**Company number: 05528235**

For UK investors only

Octopus AIM VCT 2 plc (the “Company”) is a venture capital trust (“VCT”) which aims to provide shareholders with attractive tax-free dividends and long-term capital growth by investing in a diverse portfolio of predominantly AIM-traded companies. The Company is managed by Octopus Investments Limited (“Octopus” or the “Investment Manager”).

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# Financial Summary

	Six months to 31 May 2022	Six months to 31 May 2021	Year to 30 November 2021
Net assets (£'000)	<b>103,831</b>	132,553	134,854
(Loss)/profit after tax (£'000)	<b>(26,909)</b>	24,701	18,088
Net asset value ("NAV") per share (p)	<b>70.5</b>	99.2	90.8
Total return (%)*	<b>(20.0)</b>	22.2	16.6
Dividends paid in the period (p)	<b>2.1</b>	2.1	5.9
Interim dividend (p)**	<b>2.1</b>	2.1	2.1
Special dividend (p)**	<b>–</b>	1.7	–

\*Total Return is an alternative performance measure calculated as movement in NAV per share in the period plus dividends paid in the period, divided by the NAV per share at the beginning of the period.

\*\*The interim dividend will be paid on 10 November 2022 to shareholders on the register on 14 October 2022.

## Key Dates


Interim dividend payment date	10 November 2022
Annual results to 30 November 2022 announced	March 2023
Half-yearly results to 31 May 2023	July 2023

# Chair's Statement

The six months to 31 May 2022 was a challenging period for stock markets. It followed a weaker second half of the previous financial year when markets had begun to fall in response to inflation caused by shortages of labour and supplies as economies began to bounce back after covid lockdowns, which was then exacerbated by the Omicron wave that shut down large parts of China again. The situation intensified as the terrible events in the Ukraine unfolded in the spring, with sharply rising energy prices adding to the upward pressure on prices, putting the prospect of higher interest rates firmly on the agenda. Against this background, growth stocks fell rapidly out of favour and as a consequence the Net Asset Value (NAV) of the VCT fell by 20% after adding back the 2.1p dividend paid in May.

The flow of VCT qualifying investment opportunities has continued although it has slowed more recently in response to less certain market conditions. Your Investment Manager has made seven qualifying investments in the six month period which are explained further in their report. Reassuringly, AIM has fulfilled its function to raise capital for existing members throughout the pandemic and as a result many of our earlier stage companies are facing a less forgiving investment environment with strong cash positions which should enable them to make further progress. Furthermore, while the volatility in the market has resulted in many shares now being priced well below their recent peaks, many of the individual companies in the portfolio have continued to report encouraging trading momentum, despite the uncertain mid-term economic prospects.

Against this backdrop of challenge and some opportunity, in accordance with our stated objectives of maintaining predictable levels of return for investors the Board has declared an interim dividend of 2.1p which will be paid on 10 November 2022 to shareholders on the register on 14 October 2022.



Keith Mullins  
Chair  
22 July 2022

# Investment Manager's Review

## Overview

The six months to 31 May 2022 has been a period of declining investor confidence accompanied by extreme bouts of share price volatility, with the chilling events in the Ukraine having an immediate impact on appetite for risk. Economists have struggled to measure the impact of war, Russian sanctions and the already present problem of inflation, interest rises and energy price spikes on economic growth. After a long period when the stock market had been driven by growth and momentum, investors rapidly adopted a much more cautious stance and have been rotating into less highly rated defensive sectors as protection against rising inflation and interest rates. This has caused the retreat of some of the more highly rated shares on AIM and contributed to the recent underperformance of the AIM Index and of your portfolio after a very strong two years. Despite all of the gloom, trading updates from companies not exposed to supply problems have been robust and existing cautious forecasts have more often been upgraded by analysts rather than downgraded in the year to date. There has also been a return of takeover bids as companies have sought to invest cash accumulated on their balance sheets. New issues in the pipeline have mostly managed to get away and companies have still managed to raise capital for growth although not always at high prices. The Company has deployed existing cash throughout the period and anticipates further good opportunities to do so at attractive valuations.

## Performance

Adding back the 2.1p paid out in dividends in the period, the NAV fell by 20.0% in the six months to 31 May 2022. This compares with a 17.4% fall in the AIM Index, a 3.9% fall in the Smaller Companies Index (ex Investment Trusts) and a 6.2% fall in the FTSE All Share Index, all on a total return basis. The VCT's relatively high exposure to the healthcare and technology sectors which had been a reason for good returns in previous periods was detrimental to performance in a world where risk averse investors have less appetite for earlier stage growth stocks. The VCT rules require investment to be made at this early stage and the benefits of doing so have been clear in past periods. AIM itself was affected by the same factors and the FTSE All Share Index performed noticeably better reflecting its higher weightings in banks, resource and oil stocks all of which are perceived beneficiaries of current market conditions.

There were a number of themes behind the largest detractors from performance in the period, the most dominant of which was a de-rating of established growth stocks as investors sought safe havens such as the oil and resource sectors. The largest detractor was Craneware which supplies software to US hospitals to increase their efficiency and keep costs low. It was previously very highly rated due to its strong long-term

record of delivering profitable growth in recurring revenues. It has a strong strategic position in its market supporting our long-term holding of the shares. Learning Technologies and Breedon Group are both established, profitable companies whose shares have been de-rated despite meeting or exceeding forecasts. Likewise, GBG is a supplier of identity, location and fraud services to businesses and in a long-term growth space. EKF Diagnostics and Gear4Music have both suffered from a re-calibration of profit forecasts after exceptional profits were made during the pandemic. However, underlying growth remains good and is not reflected in the current valuation. Ilika and Maxcyte have seen their share prices fall as investors have sought to avoid early-stage companies. Both are well financed and exposed to exciting growth sectors, one in efficient battery technology and the other in cell based medicine. The only top ten detractor to have disappointed was Trackwise which suffered delays to the start of a large contract.

The positive contributors to performance were mostly from private investments in the portfolio, whose calculated valuations are not exposed to the very short-term movements of publicly quoted stocks. Nonetheless, their valuations continue to be presented conservatively having regard to prevailing sentiment, and Popsa and Hasgrove are both continuing to grow fast, which has led to upgrades in their valuations.

Libertine performed very well in its initial post float period reflecting its sensible pricing on market debut, it was a positive contributor in the six months even though the shares have fallen from their post flotation high. Judges was another outperformer as it exceeded forecasts although there were plenty of other holdings in the portfolio whose businesses demonstrated similar resilience but where the shares didn't react positively.

## Portfolio Activity

In the period under review, the Company made seven qualifying investments totalling £4.6 million, a decrease on the £5.3 million we invested in the corresponding period last year, reflecting some caution on the part of companies and brokers about raising new capital against a background of volatile markets. Three of these were follow-on investments into existing holdings in Verici Dx plc, The British Honey Company plc and Oberon Investments Group plc totalling £0.4 million. British Honey Company raised money to invest in its nascent whiskey business following some management changes. Oberon completed a small qualifying raise to invest in its broking business alongside its fund management operation and Verici Dx raised further funding for trials for its range of tests for those undergoing kidney transplants.

Of the four new investments totalling £4.2 million, three: Libertine Holdings plc, Strip Tinning Holdings plc and Clean Power Hydrogen plc (CPH2) were all new entrants to the AIM market and all four are addressing green energy solutions. We invested £2.0 million in Libertine, which has developed a powertrain solution for use with a variety of different fuels. It is designed to be easily adaptable for trucks so that fleet operators can reduce their carbon footprint in an affordable and practical way. It is still at a prototype stage. We invested £1.2 million into Clean Power Hydrogen which has developed a membrane free technology which can be used to produce hydrogen from renewable power. The absence of a membrane should make the equipment more durable and cheaper to run. We also invested £0.3 million into Strip Tinning, a supplier of smart connectors to the automotive industry.

We made a £0.7m qualifying investment in Velocys, an existing AIM company whose progress we had been watching for some time. It is developing and commercialising a technology to produce low carbon aviation fuel.

A number of disposals in the period resulted in a small net overall gain of £0.1 million over book cost. We sold the entire holding of Clinigen Group plc and Cloudcall Group plc as the result of cash takeover offers for the companies, we took profits and reduced the size of the non-qualifying holdings in Next Fifteen Communications Group plc and Advanced Medical Solutions plc in line with our strategy of selling them over time into share price strength. We also disposed of the balance of the holdings in Diurnal Group plc and Synairgen.

In the period we also invested £0.2 million of the cash balances into the FP Octopus Future Generations Fund at lower prices. The strategy is to reduce other individually held non-qualifying holdings and replace them with liquid collective funds. Although the funds have had a negative impact on returns in this period, we expect them to provide a return on our cash awaiting investment once stockmarkets return to a more settled state.

### Unquoted Investments

As stated in the investment policy on page 6, the Company is able to make investments in unquoted companies intending to float. Currently 7.7% (31 May 2021: 3.2% and 30 November 2021: 4.7%) of the Company's net assets are invested in unquoted companies. The rise in the percentage of the portfolio is due to valuations not being exposed to the very short term movements of publicly quoted stocks, combined with good performance from Popsa and Hasgrove which resulted in increases to their valuations.

### Transactions with the Investment Manager

Details of amounts paid to the Investment Manager are disclosed in note 8 to the Half-Yearly Report.

### Share Buybacks

In the six months to 31 May 2022, the Company bought back 2,191,635 Ordinary shares for a total consideration of £1,719,000. It is evident from the conversations which your Managers have that this facility remains an important consideration for investors. Your Board remains committed to maintaining its policy of buying back shares at a discount of approximately 4.5% to NAV (equating to a 5.0% discount to the selling shareholder after costs).

### Share Issues

In this period 956,599 new shares were issued, 849,989 of these being issued through the dividend reinvestment scheme (DRIS).

### Dividend

On 27 May 2022, the Company paid a dividend of 2.1p per share, being the final dividend for the year ended 30 November 2021. For the period to 31 May 2022, the Board has declared an interim dividend of 2.1p. This will be paid on 10 November 2022 to shareholders on the register on 14 October 2022.

It remains the Board's intention to maintain a minimum annual dividend payment of 3.6p per share or a 5% yield based on the prior year end share price, whichever is the greater. This will usually be paid in two instalments during each year.

### Principal Risks and Uncertainties

The principal risks and uncertainties are set out in Note 7 to the half-yearly report on page 21.

### Outlook

The very real issue of inflation and the need to tighten monetary policy by raising interest rates after a prolonged period of very cheap money has caused a reassessment of stock market valuations that has disproportionately impacted the share price of companies exposed to growth sectors. This is most dangerous for companies lacking sufficient funding to prove their business models. Although the VCT has exposure to companies yet to generate sufficient cash to meet operating costs the majority of them are well funded at present and able to get on with their business plans. Additionally, for many of the already established companies in the portfolio a background of marginal economic growth is helpful to meeting forecasts

which appear to be set conservatively at this stage of the year, particularly for those able to pass on increased costs. The volatility we have already seen in the market in 2022 has resulted in many shares now being priced well below their recent peaks. The ability of companies to raise growth capital during the pandemic has supported the case for public markets and the strong flow of AIM fundraisings in 2021 has left most balance sheets looking healthy. A more cautious market should provide opportunities to invest the Company's cash at attractive valuations.

The portfolio's strength is that it is well diversified both in terms of sector exposure and of individual company concentration. At the period end it contained 92 holdings (31 May 2021: 89 holdings and 30 November 2021: 94 holdings) across a range of sectors with exposure to some exciting new technologies in the environmental

and healthcare sectors. Many of these have been able to raise funds for growth in the past two years leaving them with sufficient cash to achieve their growth ambitions. The VCT currently has funds available for new investments as well as supporting those who are still on this journey to profitability. These are difficult macroeconomic and geopolitical times, but the balance of the portfolio towards profitable companies remains, and the Manager is confident that there will continue to be sufficient opportunities to invest our funds in good companies seeking more growth capital at attractive valuations.

The Octopus Quoted Companies team  
22 July 2022

# Investment Policy

The Company's investment policy has been designed to enable it to comply with the VCT qualifying conditions. The Board intends that the long-term disposition of the Company's assets will be not less than 85% in a portfolio of qualifying AIM, AQSE Exchange traded investments or unquoted companies where in the short to medium term, the management is planning an initial public offering ("IPO") on AIM or AQSE Exchange. Investments in unquoted companies are not expected to exceed 10% of the Company's net assets.

The non-qualifying balance will be invested in permitted investments held for short term liquidity, generally comprising short term cash or money market deposits with a minimum Moody's long term debt rating of 'A', authorised funds including those managed by Octopus or directly in equity investments and bonds. This provides a reserve of liquidity which should maximise the Company's flexibility as to the timing of investments, disposals, dividend payments and share buybacks.

Risk is spread by investing in a number of different businesses across a range of industry sectors using a mixture of securities. The maximum amount invested in any one company is limited to the amount permitted pursuant to VCT legislation in a fiscal year and no more than 15% of the value of its investment at

the time of investment. The value of an individual investment is expected to increase over time as a result of trading progress and a continuous assessment is made of its suitability for sale. However, shareholders should be aware that the Company's qualifying investments are held with a view to long-term capital growth as well as income and will often have limited marketability; as a result it is possible that individual holdings may grow in value to the point where they represent a significantly higher proportion of total assets prior to a realisation opportunity being available.

The Company's Articles permit borrowings of amounts up to 10% of the adjusted share capital and reserves (as defined in the Company's Articles). However, investments will normally be made using the Company's equity shareholders' funds and it is not intended that the Company will take on any borrowings.

No material changes may be made to the Company's investment policy described above without the prior approval of shareholders by the passing of an Ordinary Resolution. The Directors will continually monitor the investment process and ensure compliance with the investment policy.



# Investment Portfolio

## Quoted Investments

Investee Company	Sector	Book cost as at 31 May 2022 £'000	Cumulative change in Fair Value £'000	Fair Value as at 31 May 2022 £'000	Movement in period £'000	% equity held by Octopus AIM VCT 2 plc	% equity held by all funds managed by Octopus	Fair value as a % of Octopus AIM VCT 2's NAV
Ergomed plc	Pharmaceuticals & Biotechnology	784	4,640	5,424	(883)	0.97%	3.59%	5.22%
Learning Technologies Group plc	Software & Computer Services	701	3,396	4,097	(1,076)	0.39%	6.00%	3.95%
Breedon Group plc	Construction & Materials	573	2,792	3,365	(1,270)	0.28%	5.50%	3.24%
GB Group plc	Software & Computer Services	337	2,717	3,054	(1,159)	0.22%	5.45%	2.94%
Judges Scientific plc	Electronic & Electrical Equipment	209	2,445	2,654	101	0.53%	1.33%	2.56%
Animalcare Group plc	Pharmaceuticals & Biotechnology	824	1,756	2,580	(341)	1.46%	4.23%	2.48%
Libertine Holdings plc	Industrial Engineering	2,000	540	2,540	540	7.18%	18.14%	2.45%
Scientific Digital Imaging plc	Electronic & Electrical Equipment	119	2,262	2,381	(669)	1.46%	3.64%	2.29%
IDOX plc	Software & Computer Services	356	1,945	2,301	(277)	0.83%	1.90%	2.22%
Craneware plc	Health Care Providers	479	1,724	2,203	(1,797)	0.44%	1.03%	2.12%
Sosandar plc	Retailers	1,235	536	1,771	(966)	3.64%	12.86%	1.71%
Brooks Macdonald Group plc	Investment Banking & Brokerage Services	610	1,117	1,727	(235)	0.45%	16.69%	1.66%
Intelligent Ultrasound Group plc	Medical Equipment & Services	1,220	457	1,677	(300)	4.43%	11.07%	1.62%
Next Fifteen Communications Group plc	Media	302	1,261	1,563	(32)	0.15%	12.45%	1.51%
EKF Diagnostics Holdings plc	Medical Equipment & Services	864	640	1,504	(1,780)	0.97%	3.29%	1.45%
Netcall plc	Software & Computer Services	356	1,027	1,383	(151)	1.44%	3.47%	1.33%
TPXimpact Holdings plc	Software & Computer Services	653	670	1,323	(971)	0.98%	4.52%	1.27%
PCI-Pal plc	Software & Computer Services	732	504	1,236	(61)	3.10%	7.74%	1.19%
Quixant plc	Technology Hardware & Equipment	391	840	1,231	-	1.28%	3.19%	1.19%
Maxcyte Inc	Pharmaceuticals & Biotechnology	689	513	1,202	(1,136)	0.32%	1.42%	1.16%
Access Intelligence plc	Software & Computer Services	501	698	1,199	(419)	0.89%	2.13%	1.15%
Clean Power Hydrogen plc	Alternative Energy	1,200	(27)	1,173	(27)	1.00%	2.55%	1.13%

# Investment Portfolio continued

Investee Company	Sector	Book cost as at 31 May 2022 £'000	Cumulative change in Fair Value £'000	Fair Value as at 31 May 2022 £'000	Movement in period £'000	% equity held by Octopus AIM VCT 2 plc	% equity held by all funds managed by Octopus	Fair value as a % of Octopus AIM VCT 2's NAV
LungLife AI Inc	Pharmaceuticals & Biotechnology	1,386	(244)	1,142	(354)	3.09%	7.73%	1.10%
Vertu Motors plc	Retailers	777	321	1,098	(37)	0.53%	1.72%	1.06%
ENGAGE XR Holdings	Software & Computer Services	1,253	(174)	1,079	(565)	3.54%	15.02%	1.04%
Beeks Financial Cloud Group plc	Software & Computer Services	302	603	905	(48)	0.92%	5.89%	0.87%
Ixico plc	Pharmaceuticals & Biotechnology	697	199	896	(373)	5.17%	12.92%	0.86%
Diaceutics plc	Health Care Providers	620	261	881	24	0.97%	2.47%	0.85%
Illicka plc	Electronic & Electrical Equipment	706	152	858	(1,154)	0.89%	3.08%	0.83%
Trackwise Designs plc	Technology Hardware & Equipment	1,289	(437)	852	(1,098)	3.85%	9.63%	0.82%
Spectral MD Holdings Ltd	Health Care Providers	1,410	(597)	813	(96)	1.76%	7.69%	0.78%
Feedback plc	Medical Equipment & Services	1,000	(194)	806	(269)	5.04%	12.75%	0.78%
Creo Medical Group plc	Medical Equipment & Services	981	(204)	777	(282)	0.43%	1.98%	0.75%
Cambridge Cognition Holdings plc	Health Care Providers	400	361	761	63	1.83%	4.59%	0.73%
RWS Holdings plc	Industrial Support Services	99	571	670	(385)	0.04%	4.30%	0.65%
Adept Telecom plc	Software & Computer Services	502	125	627	(39)	1.43%	3.14%	0.60%
Glantus Holdings plc	Industrial Support Services	1,200	(576)	624	(388)	3.11%	7.93%	0.60%
Oberon Investments Group plc	Investment Banking & Brokerage Services	576	13	589	(147)	2.62%	9.77%	0.57%
Gooch & Housego plc	Technology Hardware & Equipment	281	300	581	(161)	0.28%	12.60%	0.56%
Gamma Communications plc	Telecommunications Service Providers	183	390	573	(238)	0.05%	6.47%	0.55%
Restore plc	Industrial Support Services	171	385	556	(65)	0.09%	11.89%	0.54%
Gelion plc	Electronic & Electrical Equipment	760	(262)	498	(278)	0.49%	1.25%	0.48%
Gear4music Holdings plc	Leisure Goods	352	104	456	(1,243)	1.21%	3.02%	0.44%
Advanced Medical Solutions Group plc	Medical Equipment & Services	234	201	435	(52)	0.07%	12.53%	0.42%
Velocys plc	Alternative Energy	664	(232)	432	(232)	0.60%	1.51%	0.42%

# Investment Portfolio continued

Investee Company	Sector	Book cost as at 31 May 2022 £'000	Cumulative change in Fair Value £'000	Fair Value as at 31 May 2022 £'000	Movement in period £'000	% equity held by Octopus AIM VCT 2 plc	% equity held by all funds managed by Octopus	Fair value as a % of Octopus AIM VCT 2's NAV
Verici Dx plc	Pharmaceuticals & Biotechnology	424	5	429	(666)	1.10%	2.71%	0.41%
Osirium Technologies plc	Software & Computer Services	900	(857)	43	(59)	N/A	N/A	0.04%
Polarean Imaging plc	Medical Equipment & Services	458	(69)	389	(31)	0.36%	0.90%	0.37%
ReNeuron Group plc	Pharmaceuticals & Biotechnology	990	(609)	381	(705)	2.03%	5.06%	0.37%
GENinCode plc	Medical Equipment & Services	800	(436)	364	(282)	1.90%	4.74%	0.35%
Mattioli Woods plc	Investment Banking & Brokerage Services	101	235	336	(67)	0.09%	9.83%	0.32%
Evgen Pharma plc	Pharmaceuticals & Biotechnology	700	(385)	315	(175)	3.18%	7.96%	0.30%
Fusion Antibodies plc	Health Care Providers	497	(194)	303	(380)	2.34%	5.84%	0.29%
The British Honey Company plc	General Retailers	880	(587)	293	(618)	4.74%	11.86%	0.28%
In The Style plc	Retailers	667	(380)	287	(50)	0.63%	7.49%	0.28%
Crimson Tide plc	Software & Computer Services	378	(101)	277	(50)	1.92%	4.79%	0.27%
Renalytix plc	Health Care Providers	228	43	271	(938)	0.24%	0.55%	0.26%
DXS International plc	Software & Computer Services	200	55	255	(58)	5.18%	12.95%	0.25%
MyCelx Technologies Corporation	Oil, Gas & Coal	980	(736)	244	(125)	2.79%	15.82%	0.23%
KRM22 plc	Closed End Investments	453	(222)	231	50	1.27%	3.18%	0.22%
DP Poland plc	Travel & Leisure	677	(488)	189	(16)	0.51%	1.27%	0.18%
Strip Tinning Holdings plc	Electronic & Electrical Equipment	337	(164)	173	(164)	1.20%	3.01%	0.17%
Falanx Group Limited	Industrial Support Services	600	(440)	160	(60)	3.80%	9.50%	0.15%
WANdisco plc	Software & Computer Services	96	39	135	(12)	0.08%	0.21%	0.13%
Cordel Group	Software & Computer Services	296	(168)	128	(108)	1.16%	2.89%	0.12%
XP Factory PLC	Travel & Leisure	659	(535)	124	(22)	0.32%	0.81%	0.12%
Rosslyn Data Technologies plc	Software & Computer Services	286	(172)	114	(103)	1.68%	4.21%	0.11%
Velocity Composites plc	Aerospace & Defense	533	(420)	113	(44)	1.72%	4.30%	0.11%
Enteq Upstream plc	Oil, Gas and Coal	687	(591)	96	(3)	1.00%	2.49%	0.09%

# Investment Portfolio continued

Investee Company	Sector	Book cost as at 31 May 2022 £'000	Cumulative change in Fair Value £'000	Fair Value as at 31 May 2022 £'000	Movement in period £'000	% equity held by Octopus AIM VCT 2 plc	% equity held by all funds managed by Octopus	Fair value as a % of Octopus AIM VCT 2's NAV
TP Group plc	Aerospace & Defense	452	(360)	92	(44)	0.47%	1.15%	0.09%
Genedrive Plc	Pharmaceuticals & Biotechnology	241	(167)	74	(36)	0.33%	0.81%	0.07%
Trellus Health (Restricted)	Health Care Providers	109	(54)	55	(82)	0.17%	0.50%	0.05%
Tasty plc	Travel & Leisure	336	(291)	45	(13)	0.79%	1.85%	0.04%
Abingdon Health plc	Medical Equipment & Services	347	(309)	38	(96)	0.30%	0.74%	0.04%
Mears Group plc	Industrial Support Services	51	(15)	36	2	0.02%	0.46%	0.03%
1Spatial plc	Software & Computer Services	200	(171)	29	1	0.06%	3.76%	0.03%
Haydale Graphene Industries plc	Industrial Materials	399	(383)	16	1	0.05%	0.12%	0.02%
LoopUp Group plc	Software & Computer Services	197	(182)	15	(25)	0.19%	0.48%	0.01%
Microsaic Systems plc	Electronic & Electrical Equipment	922	(908)	14	(10)	0.27%	0.68%	0.01%
Midatech Pharma plc	Pharmaceuticals & Biotechnology	400	(399)	1	(1)	0.01%	0.02%	0.00%
Location Sciences Group plc	Software & Computer Services	509	(508)	1	-	0.01%	0.02%	0.00%
<b>Total Quoted Investments</b>		<b>47,968</b>	<b>22,595</b>	<b>70,563</b>	<b>(25,315)</b>			
<b>Unquoted Investments</b>								
Hasgrove plc		153	3,507	3,660	609	2.54%	14.31%	3.52%
Popsa Holdings Ltd		1,060	2,525	3,585	717	6.80%	11.38%	3.45%
The Food Marketplace Ltd		200	(40)	160	-	4.40%	10.99%	0.15%
Eluceda Limited		200	(40)	160	(40)	1.63%	4.09%	0.15%
Rated People Ltd		236	(213)	23	(8)	0.08%	0.34%	0.02%
appScatter Group plc		838	(838)	-	-	0.29%	0.75%	0.00%
<b>Total Unquoted Investments</b>		<b>2,687</b>	<b>4,901</b>	<b>7,588</b>	<b>1,278</b>			

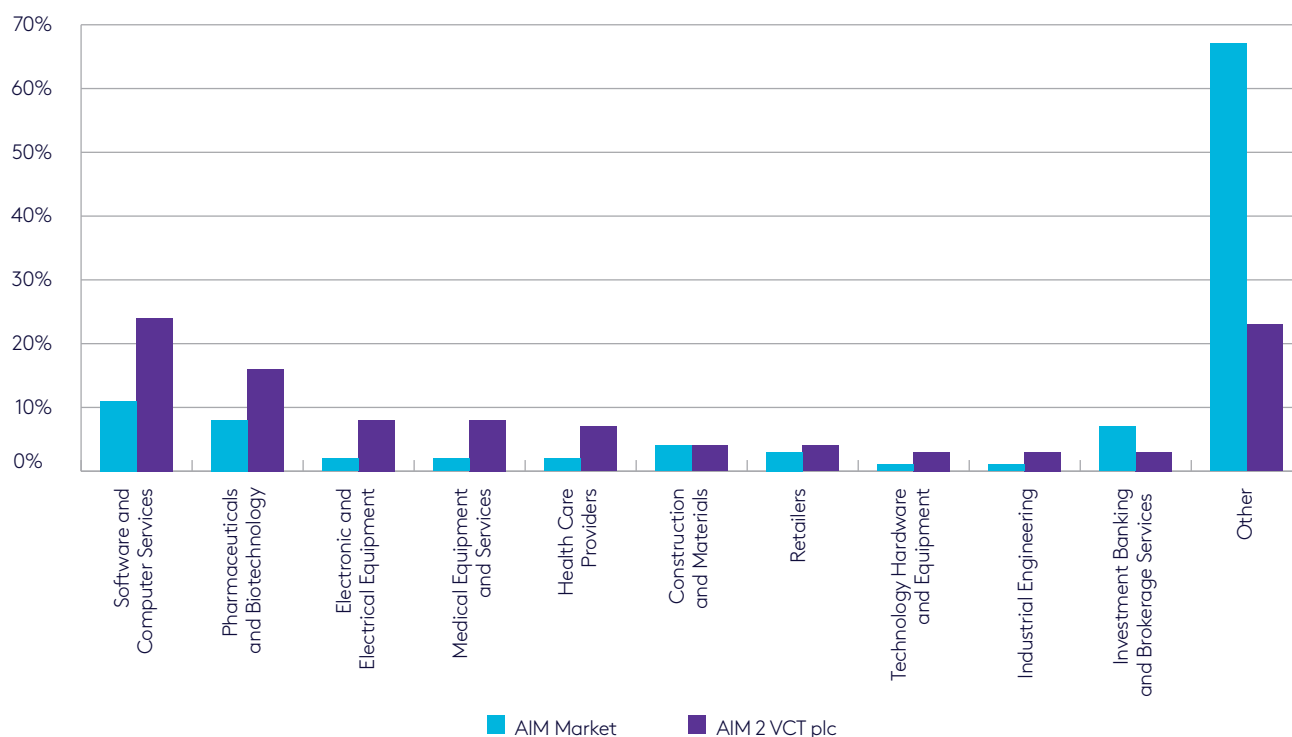
# Investment Portfolio continued

Investee Company	Sector	Book cost as at 31 May 2022 £'000	Cumulative change in Fair Value £'000	Fair Value as at 31 May 2022 £'000	Movement in period £'000	% equity held by Octopus AIM VCT 2 plc	% equity held by all funds managed by Octopus	Fair value as a % of Octopus AIM VCT 2's NAV
<b>Loan Notes</b>								
Osirium Technologies plc (Loan)	Software & Computer Services	400	-	400	-			0.39%
<b>Total Loan Notes</b>		<b>400</b>	<b>-</b>	<b>400</b>	<b>-</b>			
<b>Current Asset Investments</b>								
FP Octopus UK Micro Cap Growth Fund P Class		3,744	1,789	5,533	(1,208)			5.33%
FP Octopus UK Multi Cap Income Fund S Acc		3,926	610	4,536	(490)			4.37%
FP Octopus UK Future Generations Fund		460	(45)	415	(35)			0.40%
<b>Total Current Asset Investments</b>		<b>8,130</b>	<b>2,354</b>	<b>10,484</b>	<b>(1,733)</b>			
<b>Total Fixed and Current Asset Investments</b>				<b>89,035</b>				
Money market fund				3,490				
Cash at bank				11,674				
Debtors less creditors				(368)				
<b>Total Net Assets</b>				<b>103,831</b>				

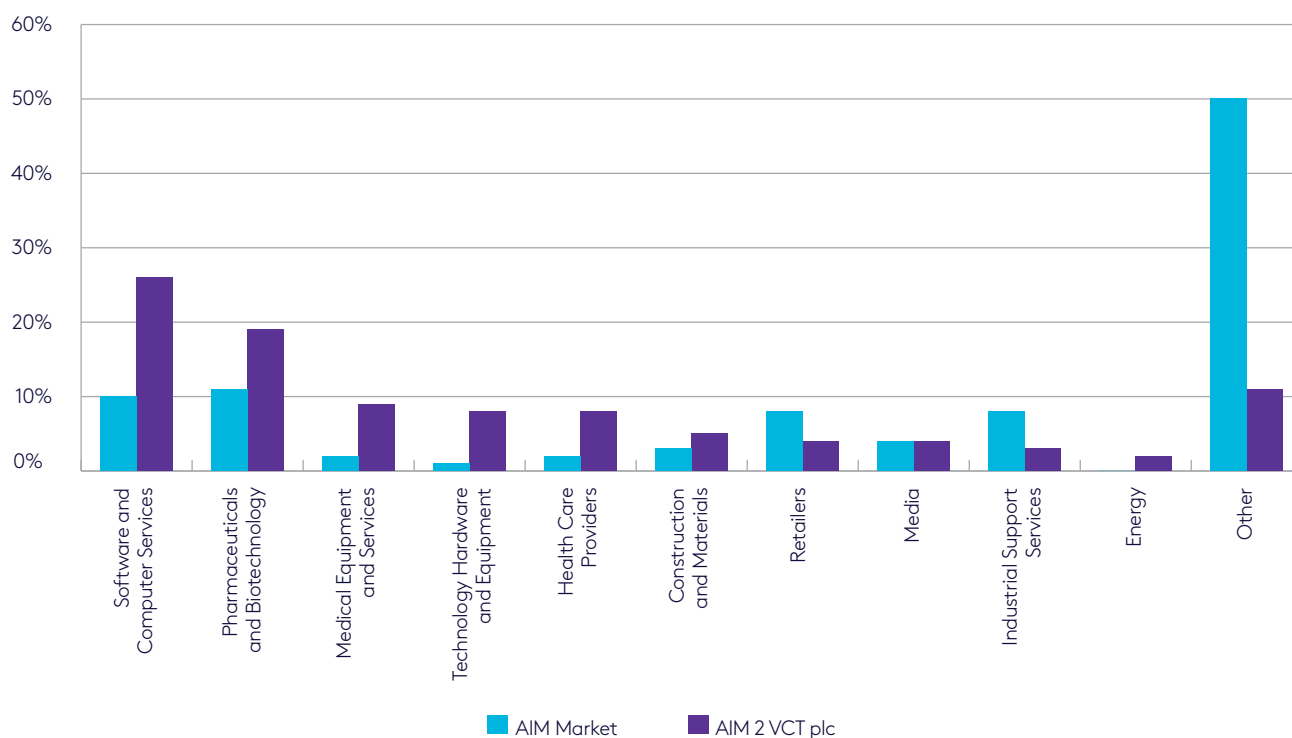
# Investment Portfolio continued

## Sector Analysis

The graph below shows the sectors the equity portfolio was invested in by value as at 31 May 2022. It also shows the sectors of the AIM Market as a whole as at 31 May 2022:



The graph below shows the sectors the equity portfolio was invested in by value as at 31 May 2021. It also shows the sectors of the AIM Market as a whole as at 31 May 2021:



# Directors' Responsibilities Statement

We confirm that to the best of our knowledge:

- the half-yearly financial statements have been prepared in accordance with Financial Reporting Standard 104 'Interim Financial Reporting' issued by the Financial Reporting Council;
- the half-yearly financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the half-yearly report includes a fair review of the information required by the Financial Conduct Authority Disclosure and Transparency Rules, being:
  - we have disclosed 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;
  - we have disclosed a description of the principal risks and uncertainties for the remaining six months of the year; and
  - we have disclosed a description of related party transactions that have taken place in the first six months of the current financial year, that may have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board



Keith Mullins  
Chair  
22 July 2022

# Income Statement

	Unaudited Six months to 31 May 2022			Unaudited Six months to 31 May 2021			Audited Year to 30 November 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of fixed asset investments	-	78	78	-	1,552	1,552	-	2,123	2,123
Gain on disposal of current asset investments	-	-	-	-	33	33	-	33	33
(Loss)/gain on valuation of fixed asset investments	-	(24,037)	(24,037)	-	21,415	21,415	-	15,662	15,662
(Loss)/gain on valuation of current asset investments	-	(1,733)	(1,733)	-	2,680	2,680	-	2,304	2,304
Investment income	182	-	182	126	109	235	481	109	590
Investment management fees	(271)	(814)	(1,085)	(218)	(655)	(873)	(493)	(1,478)	(1,971)
Other expenses	(314)	-	(314)	(341)	-	(341)	(653)	-	(653)
<b>(Loss)/profit before tax</b>	<b>(403)</b>	<b>(26,506)</b>	<b>(26,909)</b>	<b>(433)</b>	<b>25,134</b>	<b>24,701</b>	<b>(665)</b>	<b>18,753</b>	<b>18,088</b>
Tax	-	-	-	-	-	-	-	-	-
<b>(Loss)/profit after tax</b>	<b>(403)</b>	<b>(26,506)</b>	<b>(26,909)</b>	<b>(433)</b>	<b>25,134</b>	<b>24,701</b>	<b>(665)</b>	<b>18,753</b>	<b>18,088</b>
<b>Earnings per share – basic and diluted</b>	<b>(0.3)p</b>	<b>(17.9)p</b>	<b>(18.2)p</b>	<b>(0.3)p</b>	<b>18.7p</b>	<b>18.4p</b>	<b>(0.5)p</b>	<b>13.8p</b>	<b>13.3p</b>

There is no other comprehensive income for the period.

- The 'Total' column of this statement is the profit and loss account of the Company; the supplementary revenue return and capital return columns have been prepared in accordance with the AIC Statement of Recommended Practice.
- All revenue and capital items in the above statement derive from continuing operations.
- The Company has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds, as well as Open Ended Investment Company ("OEIC") funds.



# Balance Sheet

	Unaudited As at 31 May 2022		Unaudited As at 31 May 2021		Audited As at 30 November 2021	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments		78,551		100,903		100,036
Current assets:						
Investments	10,484		12,130		11,993	
Money market funds	3,490		3,486		3,487	
Debtors	199		58		185	
Cash at bank	11,674		16,583		19,915	
	25,847		32,257		35,580	
Creditors: amounts falling due within one year	(567)		(607)		(762)	
Net current assets		25,280		31,650		34,818
<b>Total assets less current liabilities</b>		<b>103,831</b>		<b>132,553</b>		<b>134,854</b>
Called up equity share capital		15		13		15
Share premium		55,284		47,142		54,600
Special distributable reserve		26,028		29,372		30,826
Capital reserve realised		(4,786)		(4,851)		(4,533)
Capital reserve unrealised		29,850		62,802		56,103
Capital redemption reserve		2		2		2
Revenue reserve		(2,562)		(1,927)		(2,159)
<b>Total equity shareholders' funds</b>		<b>103,831</b>		<b>132,553</b>		<b>134,854</b>
<b>NAV per share – basic and diluted</b>		<b>70.5p</b>		<b>99.2p</b>		<b>90.8p</b>

The statements were approved by the Directors and authorised for issue on 22 July 2022 and are signed on their behalf by:



Keith Mullins  
Chair

Company Number: 05528235

# Statement of Changes in Equity

	Share Capital £'000	Share Premium £'000	Special distributable reserves* £'000	Capital reserve realised* £'000	Capital reserve unrealised £'000	Capital redemption reserve £'000	Revenue reserve* £'000	Total £'000
<b>As at 30 November 2021</b>	<b>15</b>	<b>54,600</b>	<b>30,826</b>	<b>(4,533)</b>	<b>56,103</b>	<b>2</b>	<b>(2,159)</b>	<b>134,854</b>
Total comprehensive income for the period	–	–	–	(736)	(25,770)	–	(403)	(26,909)
<b>Contributions by and distributions to owners:</b>								
Repurchase and cancellation of own shares	–	–	(1,719)	–	–	–	–	(1,719)
Issue of shares	–	689	–	–	–	–	–	689
Share issue costs	–	(5)	–	–	–	–	–	(5)
Dividends paid	–	–	(3,079)	–	–	–	–	(3,079)
<b>Total contributions by and distributions to owners</b>	<b>–</b>	<b>684</b>	<b>(4,798)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(4,114)</b>
<b>Other movements:</b>								
Prior years' holding gains now realised	–	–	–	483	(483)	–	–	–
<b>Total other movements</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>483</b>	<b>(483)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Balance as at 31 May 2022</b>	<b>15</b>	<b>55,284</b>	<b>26,028</b>	<b>(4,786)</b>	<b>29,850</b>	<b>2</b>	<b>(2,562)</b>	<b>103,831</b>

\*The sum of these reserves is an amount of £18,680,000 (31 May 2021: £22,594,000 and 30 November 2021: £24,134,000) which is considered distributable to shareholders.

	Share Capital £'000	Share Premium £'000	Special distributable reserves* £'000	Capital reserve realised* £'000	Capital reserve unrealised £'000	Capital redemption reserve £'000	Revenue reserve* £'000	Total £'000
<b>As at 1 December 2020</b>	<b>13</b>	<b>37,758</b>	<b>35,051</b>	<b>(7,492)</b>	<b>40,309</b>	<b>1</b>	<b>(1,494)</b>	<b>104,146</b>
Total comprehensive income for the period	–	–	–	1,039	24,095	–	(433)	24,701
<b>Contributions by and distributions to owners:</b>								
Repurchase and cancellation of own shares	(1)	–	(2,875)	–	–	1	–	(2,875)
Issue of shares	1	10,027	–	–	–	–	–	10,028
Share issue costs	–	(643)	–	–	–	–	–	(643)
Dividends paid	–	–	(2,804)	–	–	–	–	(2,804)
<b>Total contributions by and distributions to owners</b>	<b>–</b>	<b>9,384</b>	<b>(5,679)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,706</b>
<b>Other movements:</b>								
Prior years' holding gains now realised	–	–	–	1,602	(1,602)	–	–	–
<b>Total other movements</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,602</b>	<b>(1,602)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Balance as at 31 May 2021</b>	<b>13</b>	<b>47,142</b>	<b>29,372</b>	<b>(4,851)</b>	<b>62,802</b>	<b>2</b>	<b>(1,927)</b>	<b>132,553</b>

	Share Capital £'000	Share Premium £'000	Special distributable reserves* £'000	Capital reserve realised* £'000	Capital reserve unrealised £'000	Capital redemption reserve £'000	Revenue reserve* £'000	Total £'000
<b>As at 1 December 2020</b>	<b>13</b>	<b>37,758</b>	<b>35,051</b>	<b>(7,492)</b>	<b>40,309</b>	<b>1</b>	<b>(1,494)</b>	<b>104,146</b>
Total comprehensive income for the period	–	–	–	787	17,966	–	(665)	18,088
<b>Contributions by and distributions to owners:</b>								
Repurchase and cancellation of own shares	(1)	–	(4,973)	–	–	1	–	(4,973)
Issue of shares	3	27,725	–	–	–	–	–	27,728
Share issue costs	–	(1,683)	–	–	–	–	–	(1,683)
Dividends paid	–	–	(8,452)	–	–	–	–	(8,452)
<b>Total contributions by and distributions to owners</b>	<b>2</b>	<b>26,042</b>	<b>(13,425)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>12,620</b>
<b>Other movements:</b>								
Cancellation of share premium	–	(9,200)	9,200	–	–	–	–	–
Prior years' holding gains now realised	–	–	–	2,172	(2,172)	–	–	–
<b>Total other movements</b>	<b>–</b>	<b>(9,200)</b>	<b>9,200</b>	<b>2,172</b>	<b>(2,172)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Balance as at 30 November 2021</b>	<b>15</b>	<b>54,600</b>	<b>30,826</b>	<b>(4,533)</b>	<b>56,103</b>	<b>2</b>	<b>(2,159)</b>	<b>134,854</b>

# Cash Flow Statement

	Unaudited Six months to 31 May 2022 £'000	Unaudited Six months to 31 May 2021 £'000	Audited Year to 30 November 2021 £'000
<b>Cash flows from operating activities</b>			
(Loss)/profit before tax	(26,909)	24,701	18,088
Adjustments for:			
(Increase)/decrease in debtors	(14)	62	(65)
(Decrease)/increase in creditors	(195)	(782)	173
Gain on disposal of fixed assets investments	(78)	(1,552)	(2,123)
Gain on disposal of current asset investments	–	(33)	(33)
Loss/(gain) on valuation of fixed asset investments	24,037	(21,415)	(15,662)
Loss/(gain) on valuation of current asset investments	1,733	(2,680)	(2,304)
Non-cash distributions	–	(109)	(109)
<b>Cash from operations</b>	<b>(1,426)</b>	<b>(1,808)</b>	<b>(2,035)</b>
Income taxes paid	–	–	–
<b>Net cash generated from operating activities</b>	<b>(1,426)</b>	<b>(1,808)</b>	<b>(2,035)</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed asset investments	(4,618)	(5,296)	(12,332)
Proceeds from sale of fixed asset investments	2,144	4,164	6,085
Purchase of current asset investments	(223)	(2,380)	(2,620)
Proceeds from sale of current asset investments	–	3,359	3,360
<b>Net cash flows from investing activities</b>	<b>(2,697)</b>	<b>(153)</b>	<b>(5,507)</b>
<b>Cash flows from financing activities</b>			
Purchase of own shares	(1,719)	(2,875)	(4,973)
Share issues	89	9,502	26,086
Share issue costs	(5)	(643)	(1,683)
Dividends paid	(2,480)	(2,278)	(6,810)
<b>Net cash flows from financing activities</b>	<b>(4,115)</b>	<b>3,706</b>	<b>12,620</b>
<b>Increase in cash and cash equivalents</b>	<b>(8,238)</b>	<b>1,745</b>	<b>5,078</b>
Opening cash and cash equivalents	23,402	18,324	18,324
<b>Closing cash and cash equivalents</b>	<b>15,164</b>	<b>20,069</b>	<b>23,402</b>
<b>Closing cash and cash equivalents is represented by:</b>			
Cash at bank	11,674	16,583	19,915
Money market funds	3,490	3,486	3,487
<b>Total cash and cash equivalents</b>	<b>15,164</b>	<b>20,069</b>	<b>23,402</b>

# Notes to the Half-Yearly Report

## 1. Basis of preparation

The unaudited half-yearly report which covers the six months to 31 May 2022 has been prepared in accordance with the Financial Reporting Council's (FRC) Financial Reporting Standard (FRS) 104 Interim Financial Reporting (March 2018) and the Statement of Recommended Practice (SORP) for Investment Companies issued by the Association of Investment Companies in 2014 (updated in February 2018).

The Directors consider it appropriate to adopt the going concern basis of accounting. The Directors have not identified any material uncertainties to the company's ability to continue to adopt the going concern basis over a period of at least twelve months from the date of approval of the financial statements. In reaching this conclusion the Directors have had regard to the potential impact on the economy and the Company of the ongoing Coronavirus pandemic, current economic conditions including inflation, the possibility of recession and war in Ukraine.

The principal accounting policies have remained unchanged from those set out in the Company's 2021 Annual Report and Accounts.

## 2. Publication of non-statutory accounts

The unaudited half-yearly report for the six months ended 31 May 2022 does not constitute statutory accounts within the meaning of Section 415 of the Companies Act 2006. The comparative figures for the year ended 30 November 2021 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies. The independent auditor's report on those financial statements, in accordance with chapter 3, part 16 of the Companies Act 2006, was unqualified. This half-yearly report has not been reviewed by the Company's auditor.

## 3. Earnings per share

The earnings per share at 31 May 2022 are calculated on the basis of 147,560,275 shares (31 May 2021: 134,206,472 and 30 November 2021: 135,902,032), being the weighted average number of shares in issue during the period.

There are no potentially dilutive capital instruments in issue and, therefore, no diluted returns per share figures are relevant.

## 4. Net asset value per share

The net asset value per share is based on net assets as at 31 May 2022 divided by 147,345,533 shares in issue at that date (31 May 2021: 148,580,569 and 30 November 2021: 148,580,569).

## 5. Dividends

The Directors have declared an interim dividend of 2.1 pence per share (2021: 2.1 pence per share plus a special dividend of 1.7 pence per share) payable from the special distributable reserve. This dividend will be paid on 10 November 2022 to those shareholders on the register at 14 October 2022. On 27 May 2022 the prior year final dividend of 2.1 pence per share was paid.

## 6. Buybacks and share issues

During the six months ended 31 May 2022 the Company repurchased the following shares.

Date	No. of shares	Price (p)	Cost (£)
23 December 2021	255,091	83.9	214,000
20 January 2022	401,488	85.8	344,000
24 February 2022	488,263	77.8	380,000
24 March 2021	428,914	75.5	324,000
21 April 2022	465,274	75.9	353,000
12 May 2022	152,605	67.7	104,000
<b>Total</b>	<b>2,191,635</b>		<b>1,719,000</b>

The weighted average price of all buybacks during the period was 78.4 pence per share.

During the six months ended 31 May 2022 the Company issued the following shares:

Date	No. of shares	Price (p)	Net proceeds (£)
14 April 2022	106,610	84.2	84,000
27 May 2021 (DRIS)	849,989	70.6	600,000
<b>Total</b>	<b>956,599</b>		<b>684,000</b>

The weighted average allotment price of all shares issued during the period net of costs was 72.1 pence per share.

The total value of share issues, net of share issue costs of £5,000, was £84,000 (excluding the value of shares issued under DRIS). This is shown in the cash flow statement.

## 7. Principal risks and uncertainties

The Company's principal risks are: VCT qualifying status risk; Operational risk; Regulatory and reputational risk, Valuation risk, Investment risk, Financial risk; and Economic and price risk. These risks, and the way in which they are managed, are described in more detail in the Company's Annual Report and Accounts for the year ended 30 November 2021. The Board has also considered emerging risks, including the war in Ukraine, inflation, interest rate rises and the ongoing Coronavirus pandemic, which the Board seeks to mitigate by setting policy and reviewing performance. Otherwise, the Company's principal risks and uncertainties have not changed materially since the date of that report.

## 8. Related party transactions

The Company has employed Octopus Investments Limited ("Octopus" or "the Manager") throughout the period as Investment Manager. Octopus has also been appointed as Custodian of the Company's investments under a Custodian Agreement. The Company has been charged £1,085,000 by Octopus as a management fee in the period to 31 May 2022 (31 May 2021: £873,000 and 30 November 2021: £1,097,000). The management fee is payable quarterly and is based on 2% of net assets at quarterly intervals.

The Company receives a reduction in the management fee for the investments in other Octopus managed funds, being the Multi Cap Income Fund, Micro Cap Growth Fund and Future Generations Fund, to ensure the Company is not double charged on these products. This amounted to £32,000 in the period to 31 May 2022 (31 May 2021: £30,000 and 30 November 2021: £63,000). For further details please refer to the Company's Annual Report and Accounts for the year ended 30 November 2021. Details of amounts invested in Octopus managed funds can be found on page 11.

## 9. Post balance sheet events

The following events occurred between the balance sheet date and the signing of these financial statements:

- Partial disposal of Advanced Medical Solutions plc for a consideration of £83,000;
- Partial disposal of Midatech Pharma plc for a consideration of £1,000;
- An investment of £4,000 into FP Octopus UK Micro Cap Growth Fund P Class;
- The Company received £19,000 of shares in Verici Dx plc as a result of an in-specie dividend from EKF Diagnostics Holdings plc;
- On 23 June 2022, the Company purchased for cancellation 294,050 Ordinary Shares at a price of 63.4p.

## 10. Fixed asset investments

### Accounting Policy

The Company's principal financial assets are its investments and the policies in relation to those assets are set out below.

Purchases and sales of investments are recognised in the financial statements at the date of the transaction (trade date).

These investments will be managed and their performance evaluated on a fair value basis in accordance with a documented investment strategy and information about them has to be provided internally on that basis to the Board. Accordingly, as permitted by FRS 102, the investments are measured as being fair value through profit or loss on the basis that they qualify as a group of assets managed, and whose performance is evaluated, on a fair value basis in accordance with a documented investment strategy. The Company's investments are measured at subsequent reporting dates at fair value.

In the case of investments quoted on a recognised stock exchange, fair value is established by reference to the closing bid price on the relevant date or the last traded price, depending upon convention of the exchange on which the investment is quoted. This is consistent with the International Private Equity and Venture Capital Valuation (IPEV) guidelines.

Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the capital reserve – unrealised. The Managers review changes in fair value of investments for any permanent reductions in value and will give consideration to whether these losses should be transferred to the Capital reserve – realised.

In the preparation of the valuations of assets the Directors are required to make judgements and estimates that are reasonable and incorporate their knowledge of the performance of the investee companies.

### Fair value hierarchy

Paragraph 34.22 of FRS102 suggests following a hierarchy of fair value measurements, for financial instruments measured at fair value in the Balance Sheet, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). This methodology is adopted by the Company and requires disclosure of financial instruments to be dependent on the lowest significant applicable input, as laid out below:

Level 1: The unadjusted, fully accessible and current quoted price in an active market for identical assets or liabilities that an entity can access at the measurement date.

Level 2: Inputs for similar assets or liabilities other than the quoted prices included in Level 1 that are directly or indirectly observable, which exist for the duration of the period of investment.

Level 3: This is where inputs are unobservable, where no active market is available and recent transactions for identical instruments do not provide a good estimate of fair value for the asset or liability.

There have been no reclassifications between levels in the year. The change in fair value for the current and previous year is recognised through the profit and loss account.

### Disclosure

	Level 1: Quoted equity investments £'000	Level 3: Unquoted investments £'000	Total £'000
Cost as at 1 December 2021	44,933	3,087	48,020
Opening unrealised gain at 1 December 2021	48,393	3,623	52,016
<b>Valuation at 1 December 2021</b>	<b>93,326</b>	<b>6,710</b>	<b>100,036</b>
Purchases at cost	4,618	–	4,618
Disposal proceeds	(2,144)	–	(2,144)
Profit on realisation of investments	78	–	78
Change in fair value in year	(25,315)	1,278	24,037
<b>Closing valuation at 31 May 2022</b>	<b>70,563</b>	<b>7,988</b>	<b>78,551</b>
Cost at 31 May 2022	47,968	3,087	51,055
Closing unrealised gain at 31 May 2022	22,595	4,901	27,496
<b>Valuation at 31 May 2022</b>	<b>70,563</b>	<b>7,988</b>	<b>78,551</b>

Level 1 valuations are valued in accordance with the bid-price on the relevant date. Further details of the fixed asset investments held by the Company are shown within the Interim Management Report.



Level 3 investments are valued in accordance with IPEV guidelines. Hasgrove plc is valued using a range of inputs including sales, annualised recurring revenues, and net debt/cash. Valuations for Popsa Holdings Ltd, The Food Marketplace Ltd, Rated People Ltd and Eluceda Ltd are based on the Price of Recent Investment. Level 3 investments include £400,000 (2021: £400,000) of convertible loan notes held at cost, which is deemed to be current fair value.

All capital gains or losses on investments are classified at FVTPL. Given the nature of the Company's venture capital investments, the changes in fair value of such investments recognised in these financial statements are not considered to be readily convertible to cash in full at the balance sheet date and accordingly these gains are treated as holding gains or losses.

At 31 May 2022 there were no commitments in respect of investments approved by the Investment Manager but not yet completed. The transaction costs incurred when purchasing or selling assets are written off to the Income Statement in the period that they occur.

# About Octopus AIM VCT 2 plc

The Company was launched as Close IHT AIM VCT plc and raised £25 million in March 2006 through an offer for subscription. The name changed from Close IHT AIM VCT plc to Octopus IHT AIM VCT plc on 8 September 2008. On 12 August 2010 the Company acquired the assets and liabilities of Octopus Third AIM VCT plc (formerly Octopus Second AIM VCT plc) (“the merger”) and changed its name from Octopus IHT AIM VCT plc to Octopus Second AIM VCT plc. Shareholders of Octopus Third AIM VCT received 0.48356191 Ordinary shares in the Company for each Ordinary share they held prior to the merger. Prior to July 2009 Octopus Third AIM had two classes of shares, Ordinary and C shares. The C shares converted into Ordinary shares in July 2009 and C shareholders received 2.4313 Ordinary shares for each C share held. The prospectus also raised a total of £6.4 million for the Company.

A Top-up offer launched on 6 February 2012 and which closed on 5 April 2012, which raised £1.3 million for the Company. A Top-up offer was launched on 25 April 2012 and closed on 31 July 2012, which raised a further £0.5 million for the Company.

On 1 February 2013, the Board launched an offer for subscription with the target of raising £10.0 million for the Company. The offer closed on 17 January 2014, having raised £5.9 million.

On 30 January 2014, the Company name changed to Octopus AIM VCT 2 plc.

A combined new share offer was launched on 3 February 2014 to raise up to £4.1 million. This closed on 28 March 2014, fully subscribed.

A combined fundraising with Octopus AIM VCT plc was launched on 29 August 2014 to raise up to £8 million with an over-allotment facility of £4 million. This offer closed, fully subscribed, on 11 August 2015.

The Board decided to open a further Offer for subscription, again combined with Octopus AIM VCT plc, to raise up to £8 million with an over-allotment facility of £4 million on 21 December 2015. This Offer closed, fully subscribed, on 21 October 2016.

A Top-up offer launched on 6 February 2017 to raise up to £4.3 million, and closed fully subscribed on 18 April 2017.

A combined fundraising with Octopus AIM VCT plc was launched on 16 June 2017 to raise up to £12 million for the Company with an over-allotment facility of £4 million, and closed fully subscribed on 14 November 2017.

On 3 August 2018 a prospectus offer was launched alongside Octopus AIM VCT plc to raise up to £8 million with a £4 million over allotment facility. This prospectus closed to new applications fully subscribed 28 September 2018.

A combined fundraising with Octopus AIM VCT plc by way of an issue of new shares was launched on 29 November 2019 to raise up to £8 million for the Company with an over-allotment facility of £4 million. This offer closed, fully subscribed, on 27 February 2020.

On 20 August 2020, a prospectus offer was launched alongside Octopus AIM VCT plc to raise a combined total of up to £8 million with a £4 million over allotment facility. This prospectus closed to further applications on 30 November 2020.

On 19 August 2021, a prospectus offer was launched alongside Octopus AIM VCT plc to raise up to £12 million for the Company with a £4 million over allotment facility. This prospectus closed to further applications on 13 September 2021.

The tables below depict the Net Asset Value (NAV) per share and the dividends that have been paid since the launch of Octopus AIM VCT 2 plc for the different share classes. The figures represent the NAV, rebased to assume investment (including initial charge) at 100p, and adjusted in accordance with the relevant conversion factors. Investment has been assumed at the first allotment of each tax year:



Dividends paid during the period ending	Octopus AIM VCT 2 Ordinary Shares 2022/23	Octopus AIM VCT 2 Ordinary Shares 2021/22	Octopus AIM VCT 2 Ordinary shares 2020/21	Octopus AIM VCT 2 Ordinary shares 2019/20	Octopus AIM VCT 2 Ordinary shares 2018/19	Octopus AIM VCT 2 Ordinary shares 2017/18	Octopus AIM VCT 2 Ordinary shares 2016/17	Octopus AIM VCT 2 Ordinary shares 2015/16	Octopus AIM VCT 2 Ordinary shares 2014/15	Octopus AIM VCT 2 Ordinary shares 2013/14	Octopus AIM VCT 2 Ordinary shares 2012/13	Octopus AIM VCT 2 Ordinary shares 2011/12	Octopus AIM VCT 2 Ordinary shares 2010/11	Octopus Second AIM VCT (formerly Octopus IHT AIM VCT A&B shares) 2005/06	Octopus Third AIM VCT C&D shares 2005/06 (formerly Octopus Second AIM VCT)	Octopus Third AIM Ordinary shares 2000/01 (formerly Octopus Second AIM VCT plc)
30 November 2003																1.6
30 November 2004																
30 November 2005																
30 November 2006														1.4		1
30 November 2007														2.0	0.8	7
30 November 2008														2.0	2.2	11
30 November 2009														2.0	2.0	2
30 November 2010														2.5	5.4	2.2
30 November 2011													4.7*	3.3	3.9*	1.6*
30 November 2012											2.3*	4.4*	4.6*	3.2	3.8*	1.6*
30 November 2013										4.5*	5.1*	4.7*	5.0*	3.5	4.1*	1.7*
30 November 2014									4.3*	5.2*	5.8*	5.4*	5.8*	4.0	4.7*	1.9*
30 November 2015								7.0*	6.4*	7.8*	8.7*	8.1*	8.6*	6.0	7.1*	2.9*
30 November 2016							4.8*	4.6*	4.3*	5.2*	5.8*	5.4*	5.8*	4.0	4.7*	1.9*
30 November 2017						4.5*	4.9*	4.8*	4.4*	5.3*	5.9*	5.5*	5.9*	4.1	4.8*	2.0*
30 November 2018					4.5*	4.6*	5.0*	4.9*	4.5*	5.5*	6.1*	5.6*	6.0*	4.2	4.9*	2.0*
30 November 2019				9.8*	8.7*	8.9*	9.7*	9.4*	8.6*	10.5*	11.7*	10.9*	11.6*	8.1	9.5*	3.9*
30 November 2020			6.0*	5.1*	4.5*	4.6*	5.0*	4.9*	4.5*	5.5*	6.1*	5.6*	6.0*	4.2	4.9*	2.0*
30 November 2021		6.2	8.4*	7.2*	6.3*	6.5*	7.0*	6.8*	6.3*	7.7*	8.6*	7.9*	8.5*	4.2	4.9*	2.0*
30 November 2022	3.0	2.2	3.0*	2.5*	2.3*	2.3*	2.5*	2.4*	2.2*	2.7*	3.0*	2.8*	3.0*	5.9	6.9*	2.9*
<b>Total dividends paid (assumed investment at 100p)</b>	<b>3.0</b>	<b>8.4</b>	<b>17.4</b>	<b>24.6</b>	<b>26.3</b>	<b>31.3</b>	<b>38.9</b>	<b>44.8</b>	<b>45.4</b>	<b>59.8</b>	<b>69.1</b>	<b>66.4</b>	<b>75.6</b>	<b>64.6</b>	<b>74.6</b>	<b>51.3</b>
<b>Adjusted NAV (assumed investment at 100p)</b>	<b>99.9p</b>	<b>74.1p</b>	<b>100.4p**</b>	<b>85.5**</b>	<b>75.8**</b>	<b>77.1**</b>	<b>84.0**</b>	<b>81.8**</b>	<b>75.1**</b>	<b>91.6**</b>	<b>102.2**</b>	<b>94.8**</b>	<b>101.4**</b>	<b>70.5</b>	<b>82.9**</b>	<b>34.1**</b>
<b>NAV plus total dividends (assumes investment at 100p)</b>	<b>102.8</b>	<b>82.5</b>	<b>117.8***</b>	<b>110.1***</b>	<b>102.2***</b>	<b>108.5***</b>	<b>123.0***</b>	<b>126.7***</b>	<b>120.6***</b>	<b>151.5***</b>	<b>171.3***</b>	<b>161.1***</b>	<b>176.9***</b>	<b>135.1</b>	<b>157.5***</b>	<b>85.3***</b>

Following the merger with Octopus Third AIM VCT plc and various share re-organisations, there is now only one share class, Ordinary shares. For Octopus Third AIM VCT Ordinary shares and 'C' & 'D' shares, the figures above represent a notionally adjusted NAV per share in accordance with the relevant conversion factors.

\*Notional dividends assuming investment at 100p and adjusting for conversion of various share classes into Octopus AIM VCT 2 plc Ordinary shares.

\*\*NAV assuming investment at 100p and adjusting for conversion of various share classes into Octopus AIM VCT 2 plc Ordinary shares.

\*\*\*NAV plus cumulative dividends adjusting for conversion, assuming investment at 100p showing the notional return to shareholders based on their original investment share class.

## Notes

- Octopus Third AIM VCT 'D' shares converted into 'C' shares in May 2009, in accordance with a conversion factor of 1 'C' share for each 'D' share.
- Octopus Third AIM VCT 'C' shares converted into Octopus Third AIM VCT Ordinary shares in May 2009, in accordance with a conversion factor of 2.4313 Ordinary shares for each 'C' share.
- Octopus AIM VCT 2 plc (previously Octopus IHT AIM VCT) 'B' shares converted into 'A' shares in May 2009, in accordance with a conversion factor of 1 'A' share for each 'B' share.
- Octopus Third AIM Ordinary shares converted into Octopus AIM 2 (post August 2010) Ordinary shares in August 2010, in accordance with a conversion factor of 0.48356191 Octopus AIM 2 Ordinary share (post August 2010), for each Octopus Third AIM Ordinary share.
- In August 2010, Octopus IHT AIM VCT was renamed Octopus Second AIM VCT, and subsequently changed its name to Octopus AIM VCT 2 plc.

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