

## MOBEUS INCOME & GROWTH VCT PLC

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### Annual Report & Financial Statements for the period ended 30 September 2024

#### Results Announcement

The Company announces the Annual Report and Financial Statements for the period ended 30 September 2024 have been published on its website [www.migvct.co.uk](http://www.migvct.co.uk). The results were approved by the Board of Directors on 13 January 2025.

#### Merger with Mobeus Income & Growth 2 VCT plc

The Company merged with Mobeus Income & Growth 2 VCT plc ("MIG 2 VCT") on 26 July 2024 ("Merger") and following the transfer of its assets and liabilities amounting to £57,709,937 to the Company, MIG 2 VCT was placed in members' voluntary liquidation. As consideration on 26 July 2024, the Company issued 102,889,464 new ordinary 1 pence shares at a price of 56.09 pence per share to each MIG 2 VCT Shareholder. Accordingly, each MIG 2 VCT Shareholder received 1.065 shares in MIG VCT for each MIG 2 VCT share that they held at the date of the Merger (rounded down to the nearest whole number).

#### Financial Highlights

The highlights Include:

As at 30 September 2024:

Net assets: **£144.32 million**

Net asset value ("NAV") per share: **54.70 pence**

- ▶ Net asset value ("NAV") total return<sup>1</sup> per share was 0.5%<sup>2</sup>.
- ▶ Share price total return<sup>1</sup> per share was 4.5%<sup>3</sup>.
- ▶ A dividend of 4.00 pence per share was declared and paid on 31 May 2024 in respect of the financial period. Cumulative dividends paid to date since inception in 2004 amount to 170.3 pence per share.
- ▶ £5.13 million was invested into two new growth capital investments and five existing portfolio companies during the period.
- ▶ Net unrealised losses were £(0.11) million in the period.
- ▶ The Company realised investments totalling £3.49 million of cash proceeds.

<sup>1</sup> Definitions of key terms and alternative performance measures shown above and throughout this report are shown in the Glossary of Terms.

<sup>2</sup> Further details on the NAV total return are shown in the Performance and Key Performance Indicators section of the Strategic Report.

<sup>3</sup> The difference in NAV and share price total returns arises principally due to the timing of NAV announcements.

### Strategic Report

#### Chair's Statement

I am pleased to present the results for Mobeus Income & Growth VCT plc for the period ended 30 September 2024.

#### Overview

On completion of the Merger of the Company with MIG 2 VCT on 26 July 2024, the accounting reference date of the Company changed from 31 December to 30 September. This was for consistency with The Income & Growth VCT plc and to promote calendar year end administration and audit efficiencies. The Company is therefore reporting for the nine-month financial period from 1 January 2024 to 30 September 2024 and will report annually to 30 September hereafter.

This period has been set against a backdrop of challenging geopolitical and UK economic conditions although equity markets as a whole have delivered modest growth. Inflation has started to reduce but higher interest rates continue to impact on consumer and business confidence and to affect trading performance in the portfolio companies. We have not yet seen the full effect of the recent Bank of England interest rate cuts from a peak of 5.25% and there may be further interest rate cuts in the event that inflation continues to meet the Bank of England's 2% target. The political uncertainty and distraction associated with the general election and subsequent budget has now subsided bringing the prospect of a welcome period of relative stability in the UK, albeit with continued pressures on companies from tax increases and ongoing global economic and geopolitical risk including the potential impacts of the change in US Administration.

The positive NAV performance reported for the first six months of the period for a number of portfolio companies was blunted somewhat by a challenging final quarter of the period for some assets. However, overall, due to continued strong performance of the portfolio's larger assets, the Company's NAV total return remained marginally positive, increasing by 0.5% for the nine months (year ended 31 December 2023: 6.1%).

The Company has been an active investor in the period and provided funding to two new companies: SciLeads and OnSecurity, whilst in February 2024 a highly successful partial exit of Master Removers Group ("MRG") was delivered. Follow-on investments were also made into five existing portfolio companies: MyTutor, Orri, ActiveNAV, VivaCity and Dayrize. Please see the 'Investment portfolio' section later in my Statement for further details. After the period-end, two new investments were made into Mobility Mojo and Gentianes Solutions (trading as Much Better Adventures), and three further follow-on investments were made into Spacebase, Synchronise and SocialPulse.

further follow on investments were made into Branchspace, Preservica and FocalPoint.

Early in 2024 the portfolio companies, with the support and guidance of Gresham House's portfolio directors, took steps to reposition their cost bases in anticipation of medium-term challenges. Overall, the investee companies are adequately funded although it is expected that some of the newer additions to the portfolio are likely to bring forward their requirement for further funding. The Company's successful fundraising after the period-end ensures strong liquidity is available to seek opportunities within the existing portfolio together with new investments.

Despite the uncertainty recently experienced the portfolio is resilient and diversified. However, there is a degree of concentration as the top five assets now represent c.57.0% of total portfolio value. As is the nature of growth assets, the risk of company failures is ever present although the upside for successful investments can be significant which is resulting in value concentration amongst these larger and more stable assets.

#### Merger Update

The Merger of the Company with MIG 2 VCT, as set out in the announcement on 18 June 2024, was approved by Shareholders on 18 July 2024 and completed on 26 July 2024. The assets and liabilities of MIG 2 VCT were transferred to the Company in consideration for shares being issued to the MIG 2 VCT Shareholders upon a relative net asset basis. We welcome those new Shareholders to the Company.

On completion of the Merger, Ian Blackburn, former chair of MIG 2 VCT, and Sarah Clark, former director of MIG 2 VCT were appointed and welcomed to the Board. Ian has assumed the role of Senior Independent Director of the Company and Sarah has assumed the role of chair of the new Investment Committee. Existing Director, Lucy Armstrong, remains chair of the Audit Committee. We look forward to working together on behalf of the Company's Shareholders. We would also like to thank Bridget Guerin for her extensive contributions and service to the Company until her retirement on 26 July 2024.

The Merger payback period of under 18 months, as outlined in the Prospectus, is on track to being achieved. This is based upon Merger costs incurred to date compared with annual cost savings.

#### Performance

The Company's NAV total return per share increased by 0.5% for the nine months (year ended 31 December 2023: 6.1%) after adding back a dividend of 4.00 pence per share paid during the period. The increase was principally the result of valuation uplifts and income returns from cash balances held. Positive valuation contributions by Veritek Global, Active Navigation, and MPB were offset by falls from MyTutor and Bella & Duke. The proceeds received on the successful portfolio partial exit of MRG were already reflected in the Company's NAV at 31 December 2023. Income generated from cash held awaiting investment and loan stocks resulted in a positive revenue return.

At the period-end, the Company was ranked 1st out of 26 Generalist VCTs over ten years, 4th out of 32 Generalist VCTs over five years, and 21st out of 32 Generalist VCTs over three years in the Association of Investment Companies' ("AIC") analysis of NAV Total Return (assuming dividends are reinvested).

Shareholders should note that, due to the lag in the disclosed performance figures available each quarter, the AIC ranking figures do not fully reflect the latest position at 30 September 2024 or those of our peers.

#### Dividends

For the period up to the date of the Merger, the Company's annual dividend target was at least 4.00 pence per share payable in respect of each financial year. The Board was therefore pleased to be able to declare an interim dividend of 4.00 pence per share in respect of the period ended 30 September 2024 to reflect gains and income generated as well as ensuring compliance with the VCT regulations. The interim dividend was paid on 31 May 2024 to Shareholders on the Register on 3 May 2024. This achieved the Company's annual target of 4.00 pence per share despite being over a shorter nine-month period. No further dividends will be paid in respect of the period to 30 September 2024. This dividend payment has brought cumulative dividends paid per share since inception to 170.30 pence.

Shareholders should note that following the Merger, and as detailed in the Prospectus, the Company's annual dividend target was amended to 7% of the NAV per Share at the start of each relevant financial year. This target amount could be paid in one or several dividend payments over the year.

The portfolio consists mainly of younger growth capital investments which carry a greater risk than the historic Management Buy-Out portfolio and are very likely to result in increased volatility in returns Shareholders receive in any given year. Shareholders should also note that there may be circumstances where the Company is required to pay dividends in order to maintain its regulatory status as a VCT, for example, to stay above the minimum percentage of assets required to be held in qualifying investments. Such dividends paid in excess of net income and capital gains achieved will cause the Company's NAV per share to reduce by a corresponding amount.

#### Dividend Investment Scheme

Further to the Merger and a review by the Board, the Company has established a Dividend Investment Scheme ("DIS") to allow Shareholders, should they so wish, to receive additional shares in the Company by re-investing their total dividend payment into new shares at the latest published NAV. Shareholders must register their whole shareholding in the DIS, a partial election is not permitted under the Rules of the DIS which can be found on the Company's website:

<https://www.mobeyvcts.co.uk/> under the Dividend section along with the mandate form. Shareholders who hold their shares in a Nominee company can still join the DIS scheme by instructing the Nominee provider to elect for the DIS Shares on their behalf. Shareholders can opt-out of the DIS by contacting City Partnership, using their details provided under Corporate Information in the Annual Report. The new shares are also eligible for Income Tax Relief.

#### Investment Portfolio

The enlarged closing portfolio incorporates MIG 2 VCT's assets reflecting the aggregate performance since 26 July 2024. Despite the continuing uncertain macroeconomic conditions, several investee companies have demonstrated positive revenue and profits growth, in particular Veritek Global, Active Navigation and MPB. However, the more consumer facing businesses, such as MyTutor and Bella & Duke, have found delivery of growth to be harder. The net result has been marginally negative and the overall portfolio value in the period decreased by a modest £(0.21) million (year ended 31 December 2023: £6.43 million), or (0.15)% (year ended 31 December 2023: 11.8%) on a like-for-like basis, compared to the opening portfolio value at 1 January 2024 of £64.14 million and the assets acquired from MIG 2 VCT of £47.71 million. This net decrease was comprised of an unrealised decrease in portfolio valuations of £0.11 million and net realised losses of £0.10 million.

The portfolio movements across the period were as follows:

	2024 (9 mths to 30 Sept) £m	2023 (Year to 31 Dec) £m
Opening portfolio value	64.14	54.69
MIG 2 acquisition	47.71	-
New and further investments	5.13	5.72
Disposal proceeds	(3.49)	(2.70)
Net realised (losses)/gains	(0.10)	0.40
Valuation movements	(0.11)	0.02

valuation movements	(0.11)	0.03
Net investment portfolio (losses)/gains	(0.21)	6.43
<b>Portfolio value at 31 December</b>	<b>113.28</b>	<b>64.14</b>

During the period, the Company invested a total of £5.13 million into two new and five existing portfolio companies (year ended 31 December 2023: £5.72 million; eight new, four existing). New investments totalling £1.55 million (year ended 31 December 2023: £4.79 million) were made in:

SciLeads	£0.71 million	Digital platform within the life science vertical
OnSecurity	£0.84 million	B2B cybersecurity business providing independent third-party penetration testing services

Additional funding totalling £3.58 million (2023: £0.93 million) was provided in five existing portfolio companies during the period:

MyTutor	£0.54 million	A digital marketplace connecting school pupils seeking one to one online tutoring
Orri	£0.23 million	An intensive day care provider for adults with eating disorders
ActiveNAV	£1.79 million	A global provider of file analysis software for Information governance, security and compliance
VivaCity Labs	£0.88 million	An AI and Urban Traffic Control business
Dayrize	£0.14 million	A provider of a rapid sustainability impact assessment tool

At the period-end, the portfolio was valued at £113.28 million (year ended 31 December 2023: £64.14 million) including the assets acquired from MIG 2 VCT as part of the Merger. The portfolio substantially comprises growth capital investments, and, as Shareholders will be aware, these younger, less proven investments have a more variable return profile.

Shareholders should continue to note therefore that whilst the potential upside for the Company's Shareholders of these type of investments may be higher, conversely the likelihood of investee company failures also increases. The Company's largest five assets by value represent over 50% of the portfolio's value, with Preservica accounting for 27.5%. The overall portfolio value is greatly affected by the performance of these investments and these higher value assets continue to be monitored closely by the Investment Adviser as part of its risk mitigation measures.

The VCT's portfolio valuation methodology has continued to be applied consistently and in line with International Private Equity and Venture Capital Valuation ("IPEV") guidelines with four of the top ten largest holdings by value also triangulated by an independent external valuation in the period.

Following the period-end, two new investments were made, £0.42 million into Mobility Mojo, a software platform supporting accessibility audits, and £0.97 million into Gentianes Solutions (trading as Much Better Adventures), an Adventure Travel Marketplace, and three further follow on investments comprising £0.27 million into Branchspace, £0.46 million into Preservica Limited and £0.10 million into FocalPoint Positioning Limited.

The Company generated £3.49 million in proceeds from the partial exit of MRG, whose value was fully reflected at the previous year-end. Over the life of this investment, the Company has received total proceeds of £6.62 million (including £0.42 million received after the period-end) which equates to a multiple on cost of 3.3x and an IRR of 26.0%. Conversely, the Company was unable to support further investment into Bleach Holdings Limited and was required to exit its holding for minimal proceeds. The Company had reduced its valuation of Bleach in previous periods such that a modest £0.04 million realised loss was incurred on disposal in the period. Further, the Company's holding in Northern Bloc was fully impaired recognising a loss of £0.06 million in the period.

Further details of this investment activity and the performance of the portfolio are contained in the Investment Adviser's Review and the Investment Portfolio Summary in the Annual Report.

#### Revenue account

The results for the period are set out in the Income Statement and show a revenue return (after tax) of 0.24 pence per share (year ended 31 December 2023: 0.73 pence per share).

The revenue return for the period of £0.45 million compares to the comparative full year figure of £1.22 million. This movement in revenue return is not directly comparable due to the current period reflecting nine months rather than the full year.

#### Liquidity & Fundraising

Cash and liquidity fund balances as at 30 September 2024 amounted to £31.26 million representing 21.7% of net assets. The majority of cash resources are held in liquidity funds with AAA credit ratings, the returns on which have benefitted from higher levels of interest rates and will help support future returns to Shareholders. The Board continues to monitor credit risk in respect of all its cash and near cash resources and still prioritises the security and protection of the Company's capital.

On 2 September 2024, the Company launched a Joint Offer for Subscription alongside The Income & Growth VCT plc ("I&G VCT") to each raise an initial amount of up to £35 million, as well as an over-allotment facility of £10 million for the tax year 2024/25. Following strong demand, the Company received applications for the full amount sought of £45 million (including the over-allotment facility). Two allotments took place after the period-end, on 1 October and 28 October 2024, issuing a total of 77,500,488 new Ordinary shares at an average effective offer price of 58.06 pence per share, raising net funds for the Company of £43.47 million. These additional funds will allow the Company to take advantage of new investment opportunities, fund further expansion of existing portfolio businesses, provide attractive returns for Shareholders in the form of dividend payments and buy back its shares from those Shareholders who may wish to sell.

#### Share buybacks

During the period, the Company bought back and cancelled 3,321,634 of its own shares (year ended 31 December 2023: 4,413,159), representing 2.0% of the shares in issue at the beginning of the period (year ended 31 December 2023: 2.8%), at a total cost of £1.80 million, inclusive of expenses (year ended 31 December 2023: £2.55 million).

It is the Company's policy to cancel all shares bought back in this way. The Board regularly reviews its buyback policy and seeks to maintain the discount at which the Company's shares trade at no more than 5% below the latest published NAV.

#### Change of Auditor

Under current legislation an Auditor can only serve for 20 years and BDO has reached this length of tenure. Following a comprehensive and robust audit tender process, the Board has decided to recommend the appointment of Johnston Carmichael as the Company's Auditors at the forthcoming AGM for the year ending 30 September 2025.

## Shareholder Communications & Annual General Meeting

May I remind you that the Company has its own website: <http://www.migvct.co.uk>.

The Investment Adviser held another virtual shareholder event on 1 March 2024, showcasing some exciting portfolio company growth journeys as well as a presentation by the Investment Adviser and representatives of the Mobeus VCTs, a recording of which is available on the Company's website or by registering for access here: <https://mvcts.connectid.cloud/>. It is anticipated that the next Shareholder Event will take place in September 2025.

The Board is pleased to be able to hold the next Annual General Meeting ("AGM") of the Company in person at 1.00 pm on 5 March 2025 at First Floor, 8 Fenchurch Place, London, EC3M 4PB. The Board is aware that a number of Shareholders also hold shares in I&G VCT, which shares a 30 September year-end. A joint presentation by the Investment Adviser to the Company and I&G VCT Shareholders will therefore take place at 1.30 pm and a light lunch will be available. The I&G AGM will be held following the presentation at 2.30 pm for joint Shareholders to attend.

A webcast will also be available at the same time for those Shareholders who cannot attend in person. However, please note that you will not be able to vote via this method and you are encouraged to return your proxy form before the deadline of 1.00 pm on Monday, 3 March 2025. There will however be the ability to send questions into the meeting via the link.

Information setting out how to join the meeting by virtual means will be shown on the Company's website a few days before the AGM. Directions to the AGM venue will also be available on the website. For further details, please see the Notice of the Meeting which can be found at the end of the Annual Report.

### VCT Regulations - Retirement Date of the UK Government's Venture Capital Schemes

The Board and Investment Adviser were pleased to see the European Commission approve the extension of the VCT scheme until 5 April 2035. This was formalised by UK legislation on 3 September 2024. The regulations bring into effect the extension of the Enterprise Investment Scheme ("EIS") and the Venture Capital Trust Scheme ("VCT") sunset clause to 2035. The Board welcomes this news and would like to thank the Investment Adviser, The Venture Capital Trust Association ("VCTA"), the Association of Investment Companies ("AIC") and other parties involved for their help in getting the new legislation enacted.

### Consumer Duty

The Financial Conduct Authority's ("FCA") new Consumer Duty regulation came into effect on 31 July 2023. Consumer Duty is an advance on the previous concept of 'treating customers fairly', which sets higher and clearer standards of consumer protection across financial services and requires all firms to put their customers' needs first.

As previously notified, the Company is not regulated by the FCA and does not therefore directly fall into the scope of Consumer Duty. However, Gresham House, as the Investment Adviser, and any IFAs or financial platforms used to distribute fundraising offers, are subject to Consumer Duty.

The Board will ensure that the principles behind Consumer Duty are upheld and will work with the Investment Adviser on the information now available to assist consumers and their advisers to discharge their obligations under Consumer Duty.

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

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

Gresham House has a dedicated sustainable investment team which conducts an annual survey of our unquoted portfolio companies to understand how they are responding to relevant ESG risks and opportunities. The results of the November 2023 survey of investee companies highlighted that the portfolio companies who participated were taking further action on implementing a range of sustainability initiatives within their businesses. Each portfolio company in the survey identified areas for improvement over the next 12 months which are being monitored by the Investment Adviser and their progress tracked throughout the year.

The FCA reporting requirements consistent with the Task Force on Climate-related Financial Disclosures ("TCFD") do not currently apply to the Company but will be kept under review, the Board being mindful of any recommended changes. The Board is aware of the FCA's Sustainability Disclosure Requirements and investment labels (together the "rules"). As the Company is classified as a Collective Investment Undertaking, the scope of the rules capture such UK-domiciled unauthorised funds, however given that the shares in the Company (the "product") do not have a sustainable investment objective, the rules only apply on a very limited basis (through the Investment Adviser) in relation to the Company. The Gresham House TCFD Report can be found on its website at: [TCFD report - Gresham House](#).

### Fraud Warning

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

The Board strongly recommends Shareholders take time to read the Company's Fraud warning section, including details of who to contact, contained within the Information for Shareholders section in the Annual Report.

### Outlook

Despite a recent return to some stability on the domestic front following the UK election and subsequent budget, the wider geopolitical and economic environment remains uncertain. The Company's portfolio companies have been operating under challenging economic conditions for some time now and the Board and Investment Adviser are encouraged with the level of resilience shown. With a more certain fiscal roadmap now laid out and the prospect for further interest rate reductions, the Board has cautious optimism that portfolio performance can be maintained and improved. The Investment Adviser continues to target new opportunities in exciting new businesses and is reporting a strong pipeline under current review.

The sole successful partial exit of MRG represents a somewhat quiet period for the Mobeus VCT portfolio in terms of realisations compared to past periods. Expectations are that the exit environment will likely remain subdued for the time being. However, a period of stability should facilitate more measured growth which will ultimately lead to exits but with no fixed timescale associated with the Company's investments, there is no imperative to force an exit, and the Investment Adviser is able to influence the best time to sell to optimise value.

In summary, the Company continues to add to its large, well-diversified portfolio which is managed by a professional and experienced investment team. The Board and Investment Adviser will continue to work together to drive shareholder returns further.

I would like to take this opportunity once again to thank all Shareholders for their continued support and to extend a warm welcome to our new members of the Company.

Clive Boothman

Chair

13 January 2025

## Investment Adviser's Review

### Portfolio Review

The period has been marked by continuing uncertainty, against which markets have delivered modest growth. Inflation and interest rates appear to have peaked, but concerns regarding geo-political tensions in Europe and the Middle East persist. The UK and US election results will hopefully allow more clarity on the future economic and political landscape although the impact of the UK Government's first budget has caused an element of market turbulence, potential

although the impact of the UK Government's first budget has caused an element of market turbulence, potential inflationary pressures and pausing of interest rate reductions.

Despite this unsettled environment, it is encouraging to see that the majority of the portfolio companies recorded continued growth in either revenues or profits over the last nine months. This steady positive progress contrasts with the observation that the companies within the portfolio have many projects under consideration with several companies contemplating top up rounds to enable them to reach a delayed breakeven. The ability to invest further VCT capital is a useful opportunity to build meaningful stakes as well as enhancing the Company's influence and protecting the VCTs' position. Over 70% of the portfolio recorded profit increases or reduced losses versus the previous year which is very encouraging and demonstrates the responsiveness and effectiveness of portfolio company boards in maintaining close cost management.

It is in the nature of VCT assets that many portfolio companies are seeking to prove and develop nascent business models. Most of the recent group of earlier stage investments are steadily building out their pipelines and capability as they balance investment with the rate of commercial development. At this stage of their development Gresham House is still hopeful that the majority will deliver the relevant commercial proof points, albeit it may take longer and probably require additional capital earlier than had originally been envisioned. In some cases, this could be a positive by allowing the Company to build more significant stakes on possibly more advantageous terms.

We are pleased to have been able to provide new funding to two significant investments during the period as well as follow on funding for a number of portfolio companies. The exit environment remains subdued, but the partial exit of Master Removers Group at the start of the period illustrates that investee companies can still be realised at attractive prices. Unless there is a change in market dynamics, it is likely that portfolio companies will be held for longer periods although looking forward, there are a number of assets starting to plan for exit in 2025. Gresham House believes that these are realistic prospects which could deliver significant realised value to the Company.

The Company's recent successful fundraise after the period-end will provide strong liquidity to take advantage of the improving new investment environment for the Company as the UK is starting to see some stability post the election and budget. Gresham House is seeing a number of interesting investment propositions which are expected in time to be value accretive to the VCT's portfolio.

The portfolio movements in the period/year are summarised as follows:

	<b>Period ended 30 September 2024 £m</b>	<b>Year ended 31 December 2023 £m</b>
Opening portfolio value	64.14	54.69
MIG 2 VCT acquisition	47.71	-
New and further investments	5.13	5.72
Disposal proceeds	(3.49)	(2.70)
Net investment portfolio movement in the period/year	(0.21)	6.43
<b>Portfolio value at period/year-end</b>	<b>113.28</b>	<b>64.14</b>

The value of the Company's portfolio has materially increased in size due to the acquisition of MIG 2 VCT's portfolio of assets, the vast majority in which the Company had existing holdings.

The Company made new and follow-on investments totalling £5.13 million (year ended 31 December 2023: £5.72 million) during the period, of which £1.55 million was into two new growth capital investments and £3.58 million was into five follow-on investments. Further details of these investments are on the following pages. After the period-end, new investments were made into Mobility Mojo and Much Better Adventures, as well as follow-ons into Branchspace, Preservica and FocalPoint.

The portfolio's largest investments have experienced some strong revenue growth which has continued to drive values over the period, in particular MPB, Active Navigation, and Caledonian Leisure. Pleasingly, Veritek Global, an historic MBO investment, has started to see material traction having pivoted its business model in recent years and returned to profitability. By contrast, there are also some portfolio companies that are experiencing a tough environment such as MyTutor and IPV reflecting the ongoing difficulties for consumer facing businesses to deliver growth. The portfolio companies continue to be focused on establishing a path to profitability.

During the period, the MRG partial exit generated proceeds of £3.49 million resulting in a return of 3.3x and an IRR of 26% over the life of the investment.

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

	<b>Period ended 30 September 2024 £m</b>	<b>Year ended 31 December 2023 £m</b>
<b>Investment Portfolio Capital Movement</b>		
Increase in the value of unrealised investments	6.51	11.40
Decrease in the value of unrealised investments	(6.62)	(5.37)
<b>Net (decrease)/increase in the value of unrealised investments</b>	<b>(0.11)</b>	<b>6.03</b>
Realised gains	-	0.62
Realised losses	(0.10)	(0.22)
<b>Net realised (losses)/gains in the period/year</b>	<b>(0.10)</b>	<b>0.40</b>
<b>Net investment portfolio movement in the period/year</b>	<b>(0.21)</b>	<b>6.43</b>

#### New Investments during the period

The Company made two new investments totalling £1.55 million during the period, as detailed below:

<b>Company</b>	<b>Business</b>	<b>Date of Investment</b>	<b>Amount of new investment (£m)</b>
SciLeads	Digital platform within the science verticals	March 2024	0.71

Based in Belfast, SciLeads (<https://scileads.com>) is a data and lead generation platform operating within life science verticals, allowing customers to identify, track and convert potential leads. SciLeads has grown ARR

significantly and this investment will be used to accelerate new customer acquisition and professionalise the product and customer success functions to cross-sell opportunities within the existing customer base.

OnSecurity	B2B cybersecurity business providing independent third-party penetration testing	June 2024	0.84
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Based in Bristol, OnSecurity (<https://www.onsecurity.io>) is a B2B cybersecurity business providing independent third-party penetration testing services, a type of ethical hacking that simulates a real-world attack on a computer system, network, or web application to identify and remediate vulnerabilities that could be exploited by malicious actors. OnSecurity is an agile and collaborative platform solution that provides high quality human pentesting with elements of automation to minimise low value, menial tasks. This investment will be used to drive growth through developing their platform to target larger potential clients and develop economies of scale.

#### Further investments during the period

A total of £3.58 million was invested into five existing portfolio companies during the period, as detailed below:

Company	Business	Date of Investment	Amount of further investment (£m)
MyTutor	Digital marketplace for online tutoring	January 2024	0.54

MyTutorweb (trading as MyTutor) (<https://www.mytutor.co.uk/>) is a digital marketplace that connects school age pupils who are seeking private online tutoring with university students. The business is aiming to satisfy a growing demand from both schools and parents to improve pupils' exam results. This further investment will aim to drive changes in product and margin through operating business improvements and seek to expand its offering to school and channel partners.

Orri	Specialists in eating disorder support	March 2024, July 2024	0.23
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Orri Limited (<https://www.orri-uk.com/>) is an intensive daycare provider for adults with eating disorders. Orri provides an alternative to expensive residential in-patient treatment and lighter-touch outpatient services by providing highly structured day and half day sessions either online or in-person at its clinic on Hallam Street, London. This additional funding represents a bridging round to provide sufficient funding to allow the business to reach break-even. Potential further funding will allow a targeted geographic roll out once the core business is proven.

ActiveNav	A provider of a rapid sustainability impact assessment tool	May 2024	1.79
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Data Discovery Solutions, trading as ActiveNav (<https://activenav.com>), is a data 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 out-dated documents. ActiveNav'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. This further funding will assist the development of ActiveNav's exciting new cyber breach response division 'Actfore', which was established in late 2022.

Dayrize	A provider of a rapid sustainability impact assessment tool	June 2024, September 2024	0.14
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Founded in 2020, Amsterdam-based Dayrize (<https://dayrize.io>) has developed a rapid sustainability impact assessment tool that delivers product-level insights for consumer goods brands and retailers. Its proprietary software platform and methodology bring together an array of data sources to provide a single holistic product level sustainability score that is comparable across product categories in under two seconds. This funding round is to help refine its business plan, establish greater product- market fit and drive conversion

of its customer pipeline. Capital structure terms have also been amended to encourage further funding from its existing angel network.

VivaCity	Provider of artificial intelligence & urban traffic control systems	August 2024	0.88
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VivaCity (<https://VivaCitylabs.com>) develops camera sensors with on-board video analytics software that enables real-time anonymised data gathering of road transport system usage. It offers city transport authorities the ability to manage their road infrastructure more effectively, enabling more efficient monitoring of congestion and pollution levels as well as planning for other issues, such as the changing nature of road usage (e.g. the increasing number of cyclists). The technology and software represent a significant leap forward for local planning authorities which have traditionally relied upon manual data collection.

#### Valuation changes of portfolio investments still held

The total valuation increases were £6.51 million, with the main increases being:

**Veritek Global:** £1.17 million

**Active Navigation:** £0.84 million

**MPB Group:** £0.73 million

**Caledonian Leisure:** £0.59 million

Veritek Global has undertaken a marked turnaround having pivoted its business model in recent years. Active Navigation continues to gain momentum for its incident response platform. MPB continues to grow revenues internationally and Caledonian is performing well through its demand for UK travel holidays.

The main reductions within total valuation decreases of £(6.62) million were:

**MyTutor:** £(2.65) million

**Bella & Duke:** £(1.02) million

**IPV:** £(0.58) million

**Dayrize B.V.:** £(0.58) million

MyTutor and Bella & Duke have been impacted by a challenging environment for consumer facing businesses. IPV has experienced delays in securing new contracts and partnerships, although through cost-saving initiatives has improved its profitability.

Dayrize has secured several new contracts, however its cash requirement has been higher than anticipated. Unfortunately, Dayrize's need for further capital has accelerated over recent months such that, post the period-end, the VCT has agreed to a capital structure plan to facilitate further funding from its existing angel network without requiring further funding from the VCT. This offers the prospect of a staged recovery of the VCT's loan capital over the next two years, but only a nominal recovery for the VCT's equity instruments. Although disappointing, this is believed to be the best outcome for Shareholders.

The Company's investment values have been partially insulated from market movements and lower revenue growth by the preferred investment structures utilised in the financing of many of the portfolio companies. This acts to moderate valuation swings and the net result can be more modest falls when portfolio company values decline. Conversely, this can mean value growth above the VCT's preference amounts may be limited for a time as enterprise values increase through the catch-up structure.

Growth capital investing involves companies which often have not achieved profitability and as a result, have to be measured on other metrics.

The table below shows the proportion of the portfolio that is represented by pre-profit companies (often valued by reference to revenue multiple), compared with more mature, established companies with a history of profitability and which are therefore valued on an earnings multiple:

Valuation methodology	30 September 2024 £m	% of total investments	31 December 2023 £m	% of total investments
Revenue multiple	78.27	69.1%	35.81	55.8%
Gross profit multiple	15.31	13.5%	8.77	13.7%
Earnings multiple	10.29	9.1%	9.33	14.5%
Bid Price	3.52	3.1%	2.24	3.5%
Net asset value	3.19	2.8%	2.09	3.3%
Cost less impairment	2.02	1.8%	1.02	1.6%
Estimated Realisation proceeds	0.68	0.6%	-	0.0%
Recent investment price (subsequently calculated as appropriate)	-	0.0%	4.88	7.6%
<b>Total</b>	<b>113.28</b>		<b>64.14</b>	

#### Realisations during the period

The Company completed one exit during the period, as detailed below:

Company	Business	Period of investment	Total cash proceeds over the life of the investment/ Multiple over cost
Master Removers Group	A specialist logistics, storage and removals business	December 2014 to February 2024	£6.62 million  3.3x cost

The Company sold its investment in Master Removers Group (2019) Limited ("MRG") to Elanders AB and alongside this, sold its shares in MRG's domestic removals business to management. The Company received £3.49 million from the sale plus £0.68 million after the period-end. Total proceeds received by the Company to date over the life of the investment are £6.62 million compared to an original investment cost of £2.03 million. On a combined MIG and MIG 2 VCT basis (MIG 2

VCT amounts being received prior to the Merger), including amounts received after period-end, total proceeds are £10.60 million compared to an original cost of £3.25 million. Overall, this investment generated a multiple on cost of 3.3x and an IRR of 26%.

#### Other losses during the period

The Company realised its investment in Bleach Holdings Limited ("Bleach") during the period. Bleach had significantly underperformed in the face of issues such as Covid-19 and the subsequent consumer downturn. Despite a restructuring in 2023, against a challenging backdrop across the retail sector, Bleach required further funding to support its scaling which the VCTs could not provide under current VCT rules. A well-known hair-care provider agreed to acquire the business and safeguard important jobs but disappointingly only at a level that generated a minimal return for the VCTs. The Company had reduced its valuation of Bleach materially in previous periods such that upon realisation a modest loss of just £0.04 million was recognised in the period. Northern Bloc Ice Cream has had similar trading difficulties such that this investment was recognised as a permanent impairment resulting in a £0.06 million realised loss in the period.

#### Portfolio income and yield

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

	Period ended 30 September 2024	Year ended 31 December 2023
Investment Portfolio Yield	£m	£m
Interest received in the period	0.47	0.54
Dividends received in the period	0.02	0.09
OEIC and bank interest received in the period	1.10	2.03
<b>Total portfolio income in the period</b>	<b>1.59</b>	<b>2.66</b>
<b>Net Asset Value at period</b>	<b>144.32</b>	<b>95.99</b>
<b>Income Yield (Income as a % of Net asset value at period-end)*</b>	<b>1.1%</b>	<b>2.8%</b>

\* Yield appears lower due to a shorter period under review, as well as the acquisition of MIG2 VCT's assets being reflected in the net asset value at the period-end with interest and dividend income only reflected for the period since the Merger.

#### Investments after the period-end

The Company made two new and three further investments totalling £2.22 million after the period-end, as detailed below:

##### New:

Company	Business	Date of investment	Amount of new investment (£m)
Mobility Mojo	A software platform supporting accessibility audits	October 2024	0.42

Based in Dublin, Mobility Mojo (<https://www.mobilitymojo.com/>) was founded in 2018 and empowers organisations worldwide to create more accessible and inclusive spaces. Mobility Mojo's innovative software platform enables companies to capture, track, enhance, promote and benchmark the accessibility of their buildings in a standardised and cost-effective way across their entire portfolio. The solution significantly reduces the time and expense typically associated with traditional paper-based accessibility audits and it is adaptable to a diverse set of environments, including office spaces, hotels and retail banks. The funding will support Mobility Mojo in expanding its marketing and sales teams, enhancing its SaaS platform with new AI-driven capabilities and recruiting key talent to its leadership team.

Much Better Adventures	Online travel operator specialising in creating unique 'adventure' group trips	November 2024	0.97
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Much Better Adventures (<https://www.muchbetteradventures.com/>) has developed a reliable, engaging, user-friendly platform that resonates with customers. This is reflected in the positive customer reviews and strong repeat rates. It has built a strong organic search presence in the UK through a combination of a high-quality website and social content, and curating trips that appeal to its clear Ideal Customer Profile, a highly marketable segment that fits with the product offering. With this investment the business will be robustly funded with the ability to tune expenditure to market conditions.

##### Existing:

Company	Business	Date of investment	Amount of further investment (£m)
Branchspace	Digital retail software provider to aviation and travel industry	November 2024	0.27

Branchspace (<https://www.branchspace.com/>) is a well-established specialist digital retailing consultancy and software provider to the aviation and travel industry. Branchspace's offering helps customers to transform their technology architecture to unlock best-in-class digital retailing capabilities, driving distribution efficiencies and an improved customer experience. Across two complementary service offerings, Branchspace can effectively cover the entire airline tech stack and has carved a defensible position as sector experts, serving clients including IAG, Lufthansa and Etihad. This funding round will seek to accelerate product development, increasing the customer reach of their SaaS offering to establish itself as the leading choice for airline digital retailing solutions.

Preservica	Seller of proprietary digital archiving software	December 2024	0.46
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Preservica (<https://preservica.com>) is a SaaS software business with blue chip customers and strong recurring revenues. It has developed market leading software for the long-term preservation of digital records, ensuring that digital content can remain accessible, irrespective of future changes in technology. The business has seen annual recurring revenues nearly double over the last two financial years. This additional funding will give the business extra headroom to deliver 20-25% ARR growth whilst seeking an exit in 2025.

FocalPoint	GPS enhancement software provider	December 2024	0.10
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Focal Point Positioning Limited (<https://focalpointpositioning.com/>) is a deep tech business with a growing IP and software portfolio. Its proprietary technology applies advanced physics and machine learning to dramatically improve

the satellite-based location sensitivity, accuracy, and security of devices such as smartphones, wearables, and vehicles and reduce costs. The further investment was agreed at the time of the original funding in September 2022.

#### **Environmental, Social, Governance considerations**

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

The Investment Adviser has a dedicated team which is focused on sustainability as well as the Investment Adviser's Sustainability Executive Committee who provide oversight and accountability for the Investment Adviser's approach to sustainability across its operations and investment practices. This is viewed as an opportunity to enhance the Company's existing protocols and procedures through the adoption of the highest industry standards. Each investment executive is responsible for setting and achieving their own individual ESG objectives in support of the wider overarching ESG goals of the Investment Adviser.

The Investment Adviser's Private Equity division has its own Sustainable Investment Policy, in which it commits to:

- Ensure its team understands the imperative for effective ESG management and is equipped to carry this out through management support and training.
- Incorporate ESG into the monitoring processes of the unquoted portfolio companies.
- Engage with the dedicated sustainable investment team and conduct regular monitoring of ESG risks, sustainability initiatives and performance in its investments.

Further detail on ESG can be found in the Chair's statement above and in the Director's Report in the Annual Report.

#### **Outlook**

Geo-political flux is likely to persist throughout 2025, although domestically the economic landscape is expected to be on a surer footing. This environment should also present attractive opportunities for your Company but, as a selective investor, it still has the advantage of being able to take a longer-term view of both new and portfolio follow-on investments. The early-stage cohort of investments are taking on the challenges presented and are expected to accelerate their funding plans, however this should also produce attractive further investment opportunities.

The first Budget under the new Labour Government was held after the period- end, the content of which weighed heavily on the overall health of the UK economy. Of particular note and concern for the portfolio and its companies, there is an expected impact of increased Employer's National Insurance contributions.

Gresham House's seasoned investment managers and advisers are a vital source of knowledge and experience available to support the Company's portfolio of management teams. In this respect, Gresham House is well placed by having one of the largest and most experienced portfolio teams in the industry with an average of over 18 years' relevant industry experience.

Pleasingly, the portfolio continues to perform in delivering growth against a challenging backdrop, although the early-stage companies will need careful monitoring and guidance. The new and further investment landscape should provide continued opportunities to expand the portfolio with assets with the potential to generate strong returns for investors. The Company's strong liquidity provides Gresham House with ample capacity to fulfil these prospects.

#### **Gresham House Asset Management Limited**

Investment Adviser

13 January 2025

## **Annual General Meeting**

The AGM will be held at 1.00 pm on Wednesday, 5 March 2025 on the 1st floor, 8 Fenchurch Place, London, EC3M 4PB and will also be webcast for those Shareholders who are unable to attend in person. Details of how to join the meeting by virtual means will be shown on the Company's website. Shareholders joining virtually should note you will not be able to vote at the meeting and therefore you are encouraged to lodge your proxy form. For further details, please see the Notice of the Meeting which can be found at the end of the Annual Report & Financial Statements.

## **Further Information**

The Annual Report and Accounts for the period ended 30 September 2024 will be available shortly on the Company's website: <http://www.migvct.co.uk>.

It will also be submitted shortly in full unedited text to the Financial Conduct Authority's National Storage Mechanism and will be available for inspection at [data.fca.org.uk/#/nsm/nationalstoragemechanism](http://data.fca.org.uk/#/nsm/nationalstoragemechanism) in accordance with DTR 6.3.5(1A) of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

#### **Contact:**

Gresham House Asset Management Limited

Company Secretary

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

+44 20 7382 0999

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