Oxford Technology 2 Venture Capital Trust Plc



Unaudited Half Yearly Report

For the Six Months Ended 31 August 2022

Company Number: 3928569

Registered Address: Magdalen Centre, Oxford Science Park, Oxford OX4 4GA

Financial Headlines
OT1 Share Class

	6 Months Ended 31 August 2022	12 months Ended 28 February 2022 *
Net Assets At Period End	£2.08m	£2.32m
Net Asset Value (NAV) Per Share	38.4p	42.7p
Cumulative Dividend Per Share (including 55.0p pre the merger with OT2 VCT)	55.0p	55.0p
Total NAV Return Per Share (including pre merger dividends)	93.4p	97.7p
Share Price At Period End (Mid-Market)	17.0p	27.5p
Earnings Per Share - pre merger	1.5p **	(7.0)p
- post merger	(5.8)p	n/a

* figures extracted from the unaudited Interim Report issued by Oxford Technology VCT Plc dated 21 April 2022
** The EPS pre merger figure here covers the 4 months of trading by Oxford Technology VCT Plc to 30 June 2022

Financial Headlines
OT2 Share Class

	6 Months Ended 31 August 2022	Year Ended 28 February 2022
Net Assets At Period End	£1.39m	£1.70m
Net Asset Value (NAV) Per Share	26.1p	32.0p
Cumulative Dividend Per Share	22.5p	22.5p
Total NAV Return Per Share	48.6p	54.5p
Share Price At Period End (Mid-Market)	26.5p	26.5p
Earnings Per Share	(5.9)p	7.2p

Financial Headlines
OT3 Share Class

	6 Months Ended 31 August 2022	12 months Ended 28 February 2022 *
Net Assets At Period End	£2.08m	£2.57m
Net Asset Value (NAV) Per Share	33.2p	41.1p
Cumulative Dividend Per Share (including 42.0p pre the merger with OT2 VCT of which 6.0p was paid in the 12 months ended 28 February 2022)	42.0p	42.0p
Total NAV Return Per Share (including pre merger dividends)	75.2p	83.1p
Share Price At Period End (Mid-Market)	27.0p	41.3p
Earnings Per Share - pre merger	0.6p **	5.3p
- post merger	(8.5)p	n/a

* figures extracted from the unaudited Interim Report issued by Oxford Technology 3 VCT Plc dated 21 April 2022
** The EPS pre merger figure here covers the 4 months of trading by Oxford Technology 3 VCT Plc to 30 June 2022

Financial Headlines
OT4 Share Class

	6 Months Ended 31 August 2022	12 months Ended 28 February 2022 *
Net Assets At Period End	£3.58m	£4.58m
Net Asset Value (NAV) Per Share	33.0p	39.8p
Cumulative Dividend Per Share (including 48.0p pre the merger with OT2 VCT)	48.0p	48.0p
Total NAV Return Per Share (including pre merger dividends)	81.0p	87.8p
Share Price At Period End (Mid-Market)	27.5p	25.0p
Earnings Per Share - pre merger	(0.4)p **	13.4p
- post merger	(6.7)p	n/a

* figures extracted from the unaudited Interim Report issued by Oxford Technology 4 VCT Plc dated 21 April 2022
** The EPS pre merger figure here covers the 4 months of trading by Oxford Technology 4 VCT Plc to 30 June 2022

Statement on behalf of the Board

This is my first report since the merger of your Company with the other three Oxford Technology VCTs. I would like to welcome those new shareholders to Oxford Technology 2 VCT Plc. You will see the results of your former companies shown as separate ring-fenced and quoted classes.

The last 6 months have been a transformational period for your Company. Not only has the merger been completed but shareholders approved the launch of an offer for subscription in a new class of Leisure Shares under a new Manager, Edition Capital Investments Limited ("Edition").

The world is a much-changed place in the last 6 months. Not only have we lost a greatly loved Queen but we have a new Prime Minister with a substantially different economic agenda. The new Chancellor's Growth Plan 2022 has confirmed his anticipated focus on growth, driven by tax cuts and funded by borrowing. The markets have marked sterling down in response and higher interest rates have followed. Interventions in domestic and business energy prices should somewhat dampen inflation while the economy is slowly entering recession territory. As a Board we are encouraged that government growth plans include a focus on small businesses, which sit well with VCT investments. We are very pleased that the government has given an early announcement that it remains supportive of VCTs and sees the value of extending them in the future beyond the current 2025 VCT Sunset clause expiry date. We await full details of their intentions. We believe that our past and future offerings have and will continue to be in the spirit of the legislation by promoting and developing new growth companies.

The period under review has included some extraordinary economic shocks. An economy struggling to recover after Covid-19 has been dealt a body blow by rampant inflation rising from multiple factors, including unprecedented increases in energy prices. This will continue to be exacerbated by knock-on effects impacting the cost of food, fertilizers, raw materials and labour: supply chains also have not fully recovered from the pandemic or Brexit. It is unclear how geopolitics events will unfold from here. All this has led to both increasing interest rates and market volatility.

Your Company's investments are not immune to this economic climate. Further details on our results and investee companies follow in later sections. It is against this background that I am pleased to present the unaudited results for both your Company and each asset class as at 31 August 2022.

Merger and Fund Raise

The merger completed on 30 June 2022, when Oxford Technology 2 VCT Plc (OT2 VCT) took on the assets from its sister companies Oxford Technology VCT, Oxford Technology 3 VCT, and Oxford Technology 4 VCT (the Target VCTs). Shareholders in all 4 companies gave a resounding endorsement of the merger plans, with between 32% and 43% of shareholders voting, and more than 97% in favour in each case. I would like to thank everyone for their support, and I am delighted to welcome more than 650 new shareholders to Oxford Technology 2 VCT Plc.

The Company's asset base has increased from £1.7m at the start of the period to £9.1m at 31 August 2022. It now has 4 distinct share pools - one representing the original ordinary share class now renamed OT2, and three additional ones to segregate the assets taken on from the Target VCTs (the OT1, OT3 and OT4 share pools). Most of the reporting for these new share pools will need to be compared with the values as taken on by OT2 VCT, rather than the costs when the investment was made in the original Target VCT, but we plan to also provide information incorporating some historic data as well as we believe this will help better understanding.

The Company now has 27,844,888 shares in total, following the issue of 5,431,655 new OT1 ordinary shares of 1p each, 6,254,596 new OT3 ordinary shares of 1p each and 10,826,748 new OT4 ordinary shares of 1p each (including the existing 5,331,889 OT2 ordinary shares).

The costs of the merger were in line with expectations. The costs attributed to the Target VCTs were charged before the assets were merged with OT2; those related to the OT2 share class are included in these figures and represented about 1p per OT2 Share.

Shareholders will also be aware that Edition are seeking to raise funds for a fifth share pool, focussed on the leisure sector, and it is expected that the first Leisure shares will be issued before our year end.

Results and Dividend

Across the whole portfolio, three investments (Arecor Therapeutics plc ("Arecor"), Scancell Holdings Plc ("Scancell") and STL Management Limited ("Select Technology")) represent 87% of the overall portfolio value. Our two quoted biotech companies, Scancell and Arecor, have both seen falls in value, reflecting the fact that the bio-pharma sector has seen a significant downturn, in part reflecting the end of the Covid-19 vaccine premium which the sector had been enjoying. Fortunately, both companies had recently raised significant funds. Given their volatility, the impact of changes in their share prices is illustrated below. Select Technology finished its year strongly, partly boosted by the addition of orders delayed by pandemic and supply chain issues. More details on these 3 investments, and others, are included in the portfolio review section. However, due to unprecedented post-1970s headwinds in terms of cost of living and a possible lack of energy availability, your Board has deemed it prudent to apply a (hopefully) short term 15% discount to its valuation method with respect to unquoted trading companies (to recognise that trading conditions and margins are likely to suffer significant negative pressures). A mild winter or other easing of the macroeconomic environment will be a possible trigger for a reversal of this discount.

The net asset value (NAV) per **OT1** share at 31 August 2022 was 38.4p, which compares to the merger value of 44.2p per OT1 share, and the value per share in Oxford Technology VCT of 42.7p at 28 February 2022. The portfolio is dominated by Select Technology and Scancell (representing 84% of the NAV and more than 80% of the investment valuation), with three other holdings. For every 1.0p change in Scancell's bid price, the NAV moves by about 1.0p per OT1 share. Due in part to the pro rata costs of participating in the merger – which over the longer term will reduce the cost base of share class – the OT1 Share Class currently has modest net current liabilities as at 31 August 2022. The OT1 share class expects to continue to receive dividends from two of its portfolio companies, and Directors are confident that the OT1 Share Class will be able to meet its short-, medium- and long-term operating liabilities in full.

The NAV per **OT2** share has decreased from 32.0p at 28 February 2022 to 26.1p as at 31 August 2022. The portfolio is dominated by Arecor, Select Technology and Scancell (representing more than 80% of the NAV and over 90% of the investment valuation), with four other holdings. For every 10p change in Arecor's bid price, the NAV moves by about 0.5p per OT2 share, and for every 1.0p change in Scancell's bid price, the NAV moves by about 0.2p per OT2 share.

The NAV per **OT3** share was 33.2p at 31 August 2022, which compares to the merger value of 41.7p per OT3 share, and the value per share in Oxford Technology 3 VCT of 41.1p at 28 February 2022. The portfolio is dominated by Arecor and Scancell (representing 83% of the NAV and nearly 87% of the investment valuation), with six other holdings. For every 10p change in Arecor's bid price, the NAV moves by about 0.73p per OT3 share, and for every 1.0p change in Scancell's bid price, the NAV also moves by about 0.73p per OT3 share.

The NAV per **OT4** share was 33.0p at 31 August 2022, which compares to the merger value of 39.7p per OT4 share, and the value per share in Oxford Technology 4 VCT of 39.8p at 28 February 2022.

The portfolio is dominated by Arecor and Select (representing 81% of the NAV and 83% of the investment valuation), with eight other holdings. For every 10p change in Arecor's bid price, the NAV moves by about 0.75p per OT4 share.

No dividends were paid during the period on any of the share classes, although 685,198 shares were bought back by Oxford Technology 4 VCT before the merger took place, costing £232k and one shareholder (holding 5,000 shares) exercised his right to dissent at the time of the merger and received a cash payment from the liquidator (based on an estimated break value) rather than shares in the new OT4 Share Class.

Portfolio Review

The portfolios across all 4 share classes continues to develop. No investments (or divestments) have been made in any of the share classes since 28 February 2022, although the Company did take on the investments from the Target VCTs as a result of the merger.

Arecor is a leader in the development of innovative formulation technology that enables differentiated biopharmaceutical products. It has developed a proprietary, patent backed formulation technology platform that has been proven to stabilize a broad range of molecules as aqueous compositions. It continues to make good commercial and technical progress and has announced another new partnership with an unnamed Top 5 Pharma company. Its various partnered programmes are progressing well. Arecor's Ultra Rapid Insulin was shown to have superior pharmacokinetics than the leading drugs in the market and showed statistically superior glucose lowering compared to one of the two and equivalent to the other. The Ultra Concentrated insulin programmes should yield new clinical results later this year. It is hoped AT247 will allow the control loop to be closed for insulin users – meaning that there will be no need for user input before or after meals. In August, Arecor purchased Tetris Pharma Ltd, which adds a commercial product – a glucagon injector – to Arecor's portfolio, as well as adding an existing experienced sales team to its existing specialty hospital products franchise, offering the potential to accelerate significant revenue growth for Arecor. Arecor raised approximately £6m to fund the development of this business. Its share price however has not reflected all this progress, sitting at just 270p at 31 August 2022 (although still up from its float price in June 2021 of 226p). It was at 350p at both 28 February 2022, and at the time of the merger. The Board believes one of the issues is a lack of liquidity in the stock.

Founded in 1981, **Select Technology** has gone through various reinventions. Its early hardware markets – such as specialist archiving photocopying technology – are a thing of the past. Now in its fifth decade, Select Technology's business model has proven to be resilient: it distributes high quality document management software via a carefully nurtured network of global channel partners. Trading has returned to somewhat approaching normality after the significant impact of various disruptions in recent years. The most recently completed full year of trading (to 31 July 2022) is up 25% on the previous 12 month period and has seen Select Technology return a modest profit. It is unclear how trading will be affected by the aforementioned challenging economic headwinds, but Select Technology's core trio of third-party products (PaperCut, Foldr and Square9) help end customers operate more efficiently: as such we can expect a degree of trading resilience. The company's ambition, however, is to put the recent difficult years behind it and deliver growth. I very much hope to be in a position to report on progress in the near future.

Scancell is an AIM listed biotechnology company. It is developing novel immunotherapies for cancer based on four platform technologies known as ImmunoBody, Moditope, Avidimab and GlyMab. They are also using their TCell stimulating vaccine platform to make a Covid vaccine aimed at the N capsid. The company is making progress with its clinical trials. It announced in August that the first patient had been dosed in the second cohort of the Moditope study. This follows two months after the safe dosing of the first cohort of patients. It is one of 3 clinical trials currently underway, the others being the Covidity trial of Scancell's Covid-19 vaccine and the Phase 2 trial of SCIB 1 in combination with checkpoint inhibitors. The SCIB1 vaccine is now being delivered via a needle free

injection. In terms of valuation, its share price reduced to 11p per Scancell share at 31 August 2022, compared to 12p at 28 February 2022, and 14.25p at the time of the merger.

ImmunoBiology Limited ("**ImmBio**") was founded to develop vaccines that engage dendritic cells based on the discovery of the role that Heat Shock Proteins play in activating the immune system. The company has programmes developing vaccines against Tuberculosis, Meningitis and Pneumonia. It is now looking to start a clinical trial in Malawi which could answer the question as to whether its vaccine could prevent or reduce carriage of pneumococcus in the nose. Preventing carriage is key to wiping out spread of the disease. PneumoVax should be able to block the activity of most if not all strains of Pneumococcus, while the current vaccines only deal with specific strains and are not effective in stopping carriage. The Directors considered there was no rationale to change its valuation from that at 28 February 2022, and at the time of the merger.

The OT VCTs were one of the original investors in **BioCote** Limited ("BioCote") when it was established in 1997. Since then, it has grown from a supplier of patented antimicrobial powder coatings to a market leading antimicrobial technology partner. Trusted by leading brands, manufacturers and product innovators worldwide, BioCote's technology is proven to reduce bacteria, mould and fungi that can cause material degradation, odours and staining by up to 99.99%. BioCote has continued to make good progress, with many people in the world becoming more concerned about germs in general during Covid-19. BioCote has been paying regular dividends and this is expected to continue – indeed, just before the merger, it made its highest ever distribution.

Insense Limited ("Insense") has developed a treatment for fungal nail disease which could be sold in pharmacies and which could potentially capture a large share of this large market. The treatment involves mixing two gels on the toes which then effect the treatment. At the time of writing the gels are undergoing stability trials to ensure that they remain effective after storage. The results after three months are encouraging.

Diamond Hard Surfaces Limited ("DHS") has developed an ultra-hard diamond-like coating which provides unusual properties to coated objects, including very high wear resistance and the ability to spread heat more evenly. Whilst the coating has attracted interest from a wide variety of companies, DHS has so far been unable to convert sampling activity into volume orders. The recent focus on using the coating as a heat sink has attracted interest and maybe holds promise for the future.

Dynamic Extractions Limited ("DE") is the owner of a unique technology high performance counter current chromatography (HPCCC) which enables individual chemicals in a mixture to be separated more efficiently than is possible by other methods. For example, DE has recently been able to extract and purify the active ingredient from a plant extract of a traditional Chinese medicine, which contained maybe 1,000 chemicals. DE has remained a small company but in the last year has attracted a record number of research projects from partners all over the world.

After having had a difficult time during Covid-19, **Getmapping** Plc has made a good recovery. The company reported a net profit of £226k on sales of £4.2m in the year to December 2021. Getmapping has made further good progress in 2022, winning some important contracts including a number of early adopters for its new annual high resolution city content program.

Post period end, the first instalment of deferred consideration following the sale of **Ixaris** last year was received in line with expectations (of £69k).

Just before the sign off of this half year report, the three management companies that had been required previously (OT1 Managers Ltd, OT3 Managers Ltd and OT4 Managers Ltd) (and which transferred across to Oxford Technology 2 VCT Plc as part of the merger) were placed into members voluntary liquidation, as they are no longer required. For administrative simplicity, the self-managed structure including OT2 Managers Ltd is being retained until Edition take over as manager of the VCT.

The Directors, along with the Investment Adviser, Oxford Technology Management (OTM), continue to take an active interest in the companies within the portfolios, both to support their management teams to achieve company development, but also to prepare companies for realisation at the appropriate time. It should however be noted that approaches do occur at other times, and the ability of the Directors and Investment Adviser to be able to provide support when such approaches occur is essential for maximising value.

VCT Qualifying Status

The merger has relieved some of the challenges of managing a very small company as regards meeting all the conditions laid down by HMRC for maintaining approval as a VCT, as all VCT tests are measures on a company wide basis. However, we will still be restricted from making follow on investments in most of the existing portfolio, should the opportunity and/or need apply. There have been no recent changes to VCT legislation which could have potential impact on either the VCT or its investee companies. The Board continues to monitor all the VCT requirements very carefully and has procedures in place to ensure that the Company continues to comply with these conditions, in particular the minimum 80% qualifying holding limit. As at 31 August 2022, the HMRC value of qualifying investments of our portfolio was 90%.

Presentation of half-yearly Report

As previously noted, in order to simplify this report and to reduce costs, we are making the half-year report available exclusively online and have omitted details of the Company's Advisers and Registrars and how to buy and sell shares in the Company. These details are all included in the latest Annual Report and can be accessed on the Company's website at www.oxfordtechnologyvct.com along with a copy of this report.

Share prices and RNS

As a result of the merger, the old stock exchange "tickers" are no longer valid for the Target VCTs. Instead, shareholders can see market prices for the new Share Classes using OT1, OT3 and OT4 respectively. The OT2 Share Class will continue to use OXH for the moment, so that historic data can still be accessed. All RNS will only be issued under the OXH banner, irrespective of which Share Class is referred to. Once Leisure Shares have been first issued, the Board will review this policy once again.

Shareholder Events

Your Company held both an online webinar and two physical meetings in June to give shareholders an opportunity to discuss the Directors' plans for the VCT. We are very grateful to those shareholders who attended these meetings (whether in person or remotely) and those who engaged by email. We really appreciate your input and continued support. It is likely we will continue to offer both in-person and remote options for future shareholder events.

New Articles, Investment Management Agreement and Investment Policy, and Reduction of Capital

At the general meeting on 20 June 2022, shareholders voted overwhelmingly in favour of the various resolutions that were pre-cursors for the merger and to enable the issue of Leisure Shares when the time comes. Full details were in the circular dated 18 May 2022 sent to OT2 shareholders. As a result, the new Articles now apply (the key difference from the old Articles being the clauses relating to the extra share classes that have been created). The various necessary contracts have also been signed to reflect the updated arrangements with Oxford Technology Management Ltd ("OTM"), that mirror those that were in place prior to the merger with the Target VCTs, but that needed OT2 VCT as a counter-party.

The new Investment Policy was also approved by shareholders at the same meeting, and a brief summary of this revised Investment Policy is on page 10. The changes have provided for a more generic policy of investing in unquoted companies, which was necessary both to enable the investments to be acquired from the Target VCTs as part of the Merger, and to cover the new Leisure Share Class which is also planned to exist going forwards.

Shareholders also approved the cancellation of certain reserves of the Company, which is a pre-cursor to creating additional distributable reserves, which can be used to pay dividends and/or buy back shares in the Company. The Board has now started the legal process to enable this and will make the required application to the High Court in due course. We hope the additional distributable reserves to be available before the end of our financial year.

Outlook

Following the successful merger with the other OT VCTs, our Company now has the critical mass we have been seeking for a long time. We continue to believe your VCT is an appropriate structure to hold your Company's investment and we now have a larger asset base to share the operating costs. We hope to achieve a further step change in the asset base with the issue of Leisure shares, and this would give an additional benefit of a significant further reduction in operating costs due to the cost cap agreed with Edition for the existing share classes. Shareholders are reminded that once Leisure shares have been issued, that Edition will take over as manager of the Company, although OTM will continue to be retained in an advisory role (on a reduced fee) for the current investments.

Edition are pleased with the initial reception to the Leisure Share offer. They have reported that advisors and potential investors alike have commented very positively on the offer which provides a unique investment strategy and significant diversification compared to the rest of the market. They currently expect significant funds to be received during Q4 2022, as the VCT season begins in earnest following a quiet summer, with an expectation of the initial allotment of the Leisure Shares during this period.

Edition are also making significant progress in identifying initial investment opportunities for the Leisure Shares. With a blend of follow-on investments into their existing EIS leisure portfolio as well as interesting new growth opportunities across the five key investment areas, Edition are aiming to make a significant number of investments by the end of the 2022/23 tax year to get the VCT funds working as soon as practicable.

Your Board and Investment Adviser continue to work to best position the existing portfolio such that, when valuations and liquidity allow, holdings can be exited and proceeds distributed to shareholders, whilst keeping a keen eye on maintaining costs as low as possible in the interim.

Richard Roth
Chairman
12 October 2022

Investment Policy

The Company will target unquoted companies which meet the relevant criteria under the VCT Rules and which it believes will achieve the objective of producing attractive income and capital return for Shareholders.

The share pools for the OT1, OT2, OT3 and OT4 Share Classes will be significantly invested in technology sector companies. These share pools are in a period of investment realisation but with no specified timing, therefore there may be the opportunity to make additional investments.

The Company is raising capital for a further new share pool that will intends to invest in early stage, UK leisure companies seeking an injection of growth capital to support their continued development

At least the minimum required percentage of the Company's assets will be invested in qualifying investments as required by the VCT rules, with the remainder held in cash and a range of permitted liquidity investments.

Dividend Policy

Subject to cash availability and the Company having sufficient distributable reserves, the Company intends to distribute a proportion of the net proceeds it receives from realisations in respect of the assets attributable to the OT1, OT2, OT3 and OT4 Share Classes to the holders of such shares by way of special tax-free dividends.

In relation to the Leisure Shares, once issued, it is the intention of the Board and Edition to commence the payment of regular dividends as soon as possible, subject to the requirements and best interests of the Company. In respect of the first full financial year following the year in which the Leisure Shares are first issued, the Board and Edition intend (but cannot guarantee) to pay a dividend of 3p per Leisure Share. The Company’s ability to pay any such dividend is subject to the existence of realised profits, legislative requirements and the available cash reserves of the Company.

Investment Portfolio – OT1 Share Class

Company	Description	Original Net Cost of investment in OT1 £'000 *	Cost of investment to OT2 £'000 **	Carrying value at 31/08/22 £'000	Change in value in 2 months since merger £'000	% Equity held OT1	% Equity held All OT2 VCT Share Classes	% Net assets of OT1 Share Class
Select STL Management	Specialist Photocopier interfaces	488	1,160	1,123	(37)	30.0	58.6	53.9
Scancell (bid price 11p)	Antibody based cancer therapeutics	286	816	630	(186)	0.7	1.5	30.2
BioCote	Bactericidal additives	85	242	197	(45)	6.6	6.6	9.5
Arecor (bid price 270p)	Protein stabilisation	90	139	108	(31)	0.1	5.2	5.1
Getmapping	Aerial photography	518	86	85	(1)	3.8	3.8	4.1
Total Investments		**1,467**	**2,443**	**2,143**	**(300)**			**102.8**
Other Net Liabilities				**(59)**				**(2.8)**
Net Assets				**2,084**				**100.0**

* This is the original cost of investments extracted from the unaudited Interim Report issued by Oxford Technology VCT Plc dated 21 April 2022. This is to help shareholders understand how an investment has performed since it was originally acquired.

** This is the cost of investment at the time of the merger, and against which all future financial reporting by OT2 VCT is required to be assessed.

Investment Portfolio – OT2 Share Class

Company	Description	Net cost of investment £'000	Carrying value at 31/08/22 £'000	Change in value for the 6 month period £'000	% equity held by OT2	% Equity held All OT2 VCT Share Classes	% net assets of OT2 Share Class
Arecor (bid price 270p)	Protein stabilisation	252	725	(215)	0.9	5.2	52.2
Select Technology – STL Mgt.	Specialist photocopier interfaces	132	278	(7)	7.4	58.6	20.0
Scancell (bid price 11.0p)	Antibody based cancer therapeutics	150	138	(12)	0.2	1.5	9.9
ImmBio	Novel vaccines	295	59	-	3.1	22.6	4.3
Insense	Wound healing dressings	204	52	-	1.6	5.6	3.7
Inaplex	Data integration software	138	2	-	21.5	34.8	0.1
Oxis Energy	Battery technology	540	0	-	0.1	0.3	-
Total Investments		**1,712**	**1,254**	**(234)**			90.2
Other Net Assets			**136**				9.8
Net Assets			**1,390**				**100.0**

Investment Portfolio – OT3 Share Class

Company	Description	Original Net Cost of investment in OT3 £'000 *	Cost of investment to OT2 £'000 **	Carrying value at 31/08/22 £'000	Change in value in 2 months since merger £'000	% Equity held OT3	% Equity held All OT2 VCT Share Classes	% Net assets of OT3 Share Class
Arecor (bid price 270p)	Protein stabilisation	443	1,593	1,229	(364)	1.5	5.2	59.2
Scancell (bid price 11p)	Antibody based cancer therapeutics	362	647	499	(148)	0.6	1.5	24.0
Select – STL Management	Specialist Photocopier interfaces	47	109	106	(3)	2.8	58.6	5.1
ImmBio	Novel vaccines	483	80	80	-	6.5	22.6	3.9
Insense	Wound healing dressings	333	60	60	-	1.9	5.6	2.9
Invro	Low power electronics	40	10	10	-	33.1	33.1	0.5
Inaplex	Data integration software	58	1	1	-	13.3	34.8	0.0
Microarray	Insense spinout	1	-	-	-	0.2	0.2	-
Total Investments		**1,768**	**2,500**	**1,985**	**(515)**			**95.6**
Other Net Assets				**91**				**4.4**
Net Assets				**2,076**				**100.0**

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** This is the cost of investment at the time of the merger, and against which all future financial reporting by OT2 VCT is required to be assessed.

Investment Portfolio – OT4 Share Class

Company	Description	Original Net Cost of investment in OT4 £'000 *	Cost of investment to OT2 £'000 **	Carrying value at 31/08/22 £'000	Change in value in 2 months since merger £'000	% Equity held OT4	% Equity held All OT2 VCT Share Classes	% Net Assets of OT4 Share Class
Arecor (bid price 270p)	Protein stabilisation	590	2,885	2,226	(659)	2.7	5.2	62.2
Select STL Management	Specialist photocopier interfaces	237	710	688	(22)	18.4	58.6	19.2
ImmBio	Novel vaccines	857	178	178	-	13.0	22.6	5.0
Diamond Hard Surfaces	Diamond coatings	640	176	157	(19)	49.9	49.9	4.4
Dynamic Extractions	Separation technology	377	122	122	-	30.4	30.4	3.4
Insense	Active wound healing dressings	476	67	67	-	2.1	5.6	1.9
Novacta	Antibiotics Development	347	59	59	-	2.3	2.3	1.7
Mirriad Advertising (bid price 5.5p)	Virtual product placement	-	9	3	(6)	0.0	0.0	0.1
Dynamic Discovery	E-mail archiving	-	-	-	-	5.6	5.6	-
Oxis Energy	Battery technology	305	-	-	-	0.2	0.3	-
Total Investments		**3,828**	**4,206**	**3,500**	**706**			**97.9**
Other Net Assets				**76**				**2.1**
Net Assets				**3,576**				**100.0**

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** This is the cost of investment at the time of the merger, and against which all future financial reporting by OT2 VCT is required to be assessed.

Responsibility Statement

Directors' Statement of Principal Risks and Uncertainties

The important events that have occurred during the period under review and the key factors influencing the financial statements are set out in the Chair's Statement on pages 4 to 9.

In accordance with DTR 4.2.7, the Directors consider that the principal risks and uncertainties facing the Company have not materially changed since the publication of the Annual Report and Accounts for the year ended 28 February 2022 (2022 Annual Report).

The principal risks faced by the Company include, but are not limited to:

- VCT qualifying status risk
- Investment risk
- Financial risk
- Cash flow risk
- Liquidity risk
- Regulatory risk
- Reputational risk
- Internal control risk

A more detailed explanation of these risks and the way in which they are managed can be found in the Business Review on pages 13 to 15, and in the Notes to the Financial Statements on page 68 and 69 of the 2022 Annual Report – a copy of which can be found via the Company's website: www.oxfordtechnologyvct.com.

Macroeconomic Events

Recent material market volatility, as a result of macroeconomic pressures, has caused disruption in global supply chains, materials and labour availability issues as a result of the Covid-19 pandemic, Brexit and the unfolding geopolitical events have contributed to inflationary pressures, cost of living rises and continued market uncertainties which have impacted equity markets. The military invasion of Ukraine by Russian forces has caused various countries to announce the imposition of sanctions on Russia. These sanctions may lead to unpredictable reactions from Russia, particularly in relation to the provision of, or access to, energy resources which may have a consequential impact on economic conditions globally, including the costs of living which could potentially impact labour costs for investee companies and the availability (and increased cost) of raw materials which may adversely affect the performance of some companies in which the Company has invested or may invest and may negatively impact on the number or quality of investment opportunities available to the Company.

Directors' Statement of Responsibilities in Respect of the Financial Statements

In accordance with Disclosure and Transparency Rule (DTR) 4.2.10, the Directors Richard Roth, (Chairman), Robin Goodfellow, David Livesley and Alex Starling) confirm that to the best of their knowledge:

- the condensed set of financial statements, which have been prepared in accordance with FRS 104 "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position and loss of the Company for the period ended 31 August 2022, as required by DTR 4.2.4;
- this half-yearly report includes a fair review of the information required as follows:

- the interim management report included within the Statement on behalf of the Board and details of the Investment Portfolios includes a fair review of the information required by DTR 4.2.7 being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties facing the Company for the remaining six months of the year; and
- the related party transactions in the first six months of the current financial year are disclosed in note 7 in accordance with DTR 4.2.8.

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

This half-yearly report was approved by the Board of Directors on 12 October 2022 and the above responsibility statement was signed on its behalf by:

Richard Roth
Chairman
12 October 2022

Income Statement - Combined

	Combined * Six months to 31 August 2022			Combined ** Six months to 31 August 2021			Combined ** Year to 28 February 2022		
	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	**-**	**-**	**-**	-	-	-	-	12	12
(Loss)/gain on valuation of fixed asset investments	**-**	**(1,756)**	**(1,756)**	-	211	211	-	425	425
Investment Income	**-**	**-**	**-**	-	-	-	4	-	4
Investment management fee net of cost cap	**(22)**	**-**	**(22)**	(7)	-	(7)	8	-	8
Other expenses	**(103)**	**-**	**(103)**	(30)	-	(30)	(68)	-	(68)
Return on ordinary activities before tax	**(125)**	**(1,756)**	**(1,881)**	(37)	211	174	(56)	437	381
Taxation on return on ordinary activities	**-**	**-**	**-**	-	-	-	-	-	-
Return on ordinary activities after tax	**(125)**	**(1,756)**	**(1,881)**	(37)	211	174	(56)	437	381

* As the OT1, OT3 and OT4 Share Classes of OT2 VCT did not exist prior to 30 June 2022, these figures only incorporate data for the 2 month period to 31 August 2022 for the OT1, OT3 and OT4 Share Classes, but the full 6 months' data for the OT2 Share Class

** As the OT1, OT3 and OT4 Share Classes of OT2 VCT did not exist prior to 30 June 2022, these figures are only for the OT2 Share Class

There was no other Comprehensive Income recognised during the period.

- The 'Total' column of the Income Statement is the profit and loss account of the Company; the supplementary revenue return and capital return columns have been prepared under guidance published by the Association of Investment Companies.
- 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.

The Company has no recognised gains or losses other than the results for the period as set out above.

The accompanying notes are an integral part of the Financial Statements.

Income Statement – OT2 Share Class

	OT2 Share Class Six months to 31 August 2022			OT2 Share Class Six months to 31 August 2021			OT2 Share Class Year to 28 February 2022		
	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	**-**	**-**	**-**	-	-	-	-	12	12
(Loss)/gain on valuation of fixed asset investments	**-**	**(234)**	**(234)**	-	211	211	-	425	425
Investment Income	**-**	**-**	**-**	-	-	-	4	-	4
Investment management fee net of cost cap	**(9)**	**-**	**(9)**	(7)	-	(7)	8	-	8
Other expenses	**(71)**	**-**	**(71)**	(30)	-	(30)	(68)	-	(68)
Return on ordinary activities before tax	**(80)**	**(234)**	**(314)**	(37)	211	174	(56)	437	381
Taxation on return on ordinary activities	**-**	**-**	**-**	-	-	-	-	-	-
Return on ordinary activities after tax	**(80)**	**(234)**	**(314)**	(37)	211	174	(56)	437	381
Earnings per share – basic and diluted	**(1.5)p**	**(4.4)p**	**(5.9)p**	(0.7)p	4.0p	3.3p	(1.0)p	8.2p	7.2p

Income Statement – OT1, OT3 and OT4 Share Classes

	OT1 Share Class Two months to 31 August 2022			OT3 Share Class Two months to 31 August 2022			OT4 Share Class Two months to 31 August 2022		
	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	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loss on valuation of fixed asset investments	**-**	**(300)**	**(300)**	**-**	**(515)**	**(515)**	**-**	**(706)**	**(706)**
Investment Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investment management fee	**(2)**	**-**	**(2)**	**(4)**	**-**	**(4)**	**(8)**	**-**	**(8)**
Other expenses	**(11)**	**-**	**(11)**	**(10)**	**-**	**(10)**	**(10)**	**-**	**(10)**
Return on ordinary activities before tax	**(13)**	**(300)**	**(313)**	**(14)**	**(515)**	**(529)**	**(18)**	**(706)**	**(724)**
Taxation on return on ordinary activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Return on ordinary activities after tax	**(13)**	**(300)**	**(313)**	**(14)**	**(515)**	**(529)**	**(18)**	**(706)**	**(724)**
Earnings per share – basic and diluted	**(0.2)p**	**(5.6)p**	**(5.8)p**	**(0.2)p**	**(8.3)p**	**(8.5)p**	**(0.2)p**	**(6.5)p**	**(6.7)p**

Balance Sheet - Combined

	Combined As at 31 August 2022		Combined ** As at 31 August 2021		Combined ** As at 28 February 2022	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		**8,881**		1,330		1,488
Current assets:						
Cash at bank and cash equivalents	**301**		117		184	
Debtors ***	**152**		64		56	
Creditors:						
Amounts falling due within one year ***	**(209)**		(14)		(24)	
Net current assets		**244**		167		216
Net assets		**9,125**		1,497		1,704
Called up share capital		**278**		53		53
Share premium reserve		**9,452**		376		376
Capital redemption reserve		**626**		626		626
Unrealised Capital reserve		**(1,439)**		(420)		316
Profit and Loss Account		**208**		862		333
Total equity shareholders' funds		**9,125**		1,497		1,704

*At fair value through profit and loss

** As the OT1, OT3 and OT4 Share Classes of OT2 VCT did not exist prior to 30 June 2022, these figures are only for the OT2 Share Class

*** The individual share classes include loans between each other for operational reasons; the combined balance sheet removes these on consolidation

Balance Sheet – OT2 Share Class

	OT2 Share Class As at 31 August 2022		OT2 Share Class As at 31 August 2021		OT2 Share Class As at 28 February 2022	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		**1,254**		1,330		1,488
Current assets:						
Cash at bank and cash equivalents	**60**		117		184	
Debtors	**234**		64		56	
Creditors:						
Amounts falling due within one year	**(158)**		(14)		(24)	
Net current assets		**136**		167		216
Net assets		**1,390**		1,497		1,704
Called up share capital		**53**		53		53
Share premium reserve		**376**		376		376
Capital redemption reserve		**626**		626		626
Unrealised Capital reserve		**82**		(420)		316
Profit and Loss Account		**253**		862		333
Total equity shareholders' funds		**1,390**		1,497		1,704
Net asset value per share		**26.1p**		28.1p		32.0p

Balance Sheet – OT1, OT3 and OT4 Share Classes

	OT1 Share Class As at 31 August 2022		OT3 Share Class As at 31 August 2022		OT4 Share Class As at 31 August 2022	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments*		**2,143**		**1,985**		**3,500**
Current assets:						
Cash at bank and cash equivalents	**13**		**68**		**160**	
Debtors	**10**		**117**		**10**	
Creditors:						
Amounts falling due within one year	**(82)**		**(94)**		**(94)**	
Net current (liabilities)/assets		**(59)**		**91**		**76**
Net assets		**2,084**		**2,076**		**3,576**
Called up share capital		**54**		**63**		**108**
Share premium reserve		**2,343**		**2,542**		**4,192**
Unrealised Capital reserve		**(300)**		**(515)**		**(706)**
Profit and Loss Account		**(13)**		**(14)**		**(18)**
Total equity shareholders' funds		**2,084**		**2,076**		**3,576**
Net asset value per share		**38.4p**		**33.2p**		**33.0p**

*At fair value through profit and loss

Statement of Changes in Equity – Combined *

	Called up Share Capital £'000	Capital Redemption Reserve £'000	Share Premium Reserve £'000	Unrealised Capital Reserve £'000	Profit & Loss Account £'000	Total £'000
As at 1 March 2021	**533**	**146**	**376**	**(631)**	**899**	**1,323**
Revenue return on ordinary activities after tax	-	-	-	-	(37)	(37)
Current period gains on fair value of investments	-	-	-	211	-	211
Share capital reclassification	(480)	480	-	-	-	-
Balance as at 31 August 2021	**53**	**626**	**376**	**(420)**	**862**	**1,497**
As at 1 March 2021	**533**	**146**	**376**	**(631)**	**899**	**1,323**
Revenue return on ordinary activities after tax	-	-	-	-	(56)	(56)
Current period gains on disposal	-	-	-	-	12	12
Current period gains on fair value of investments	-	-	-	425	-	425
Permanent diminution in value now realised	-	-	-	540	(540)	-
Prior year gains now realised	-	-	-	(18)	18	-
Share capital reclassification	(480)	480	-	-	-	-
Balance as at 28 February 2022	**53**	**626**	**376**	**316**	**333**	**1,704**
As at 1 March 2022	**53**	**626**	**376**	**316**	**333**	**1,704**
Issue of Consideration Shares	**225**	**-**	**9,076**	**-**	**-**	**9,301**
Revenue return on ordinary activities after tax	**-**	**-**	**-**	**-**	**(125)**	**(125)**
Current period losses on fair value of investments	**-**	**-**	**-**	**(1,756)**	**-**	**(1,756)**
Balance as at 31 August 2022	**278**	**626**	**9,452**	**(1,439)**	**208**	**9,125**

* As the OT1, OT3 and OT4 Share Classes of OT2 VCT did not exist prior to 30 June 2022, all these figures prior to this date are for the OT2 Share Class only. For the final 2 month period to 31 August 2022, the numbers include data on all 4 Share Classes

Statement of Changes in Equity – OT2 Share Class

	Called up Share Capital £'000	Capital Redemption Reserve £'000	Share Premium Reserve £'000	Unrealised Capital Reserve £'000	Profit & Loss Account £'000	Total £'000
As at 1 March 2021	**533**	**146**	**376**	**(631)**	**899**	**1,323**
Revenue return on ordinary activities after tax	-	-	-	-	(37)	(37)
Current period gains on fair value of investments	-	-	-	211	-	211
Share capital reclassification	(480)	480	-	-	-	-
Balance as at 31 August 2021	**53**	**626**	**376**	**(420)**	**862**	**1,497**
As at 1 March 2021	**533**	**146**	**376**	**(631)**	**899**	**1,323**
Revenue return on ordinary activities after tax	-	-	-	-	(56)	(56)
Current period gains on disposal	-	-	-	-	12	12
Current period gains on fair value of investments	-	-	-	425	-	425
Permanent diminution in value now realised	-	-	-	540	(540)	-
Prior year gains now realised	-	-	-	(18)	18	-
Share capital reclassification	(480)	480	-	-	-	-
Balance as at 28 February 2022	**53**	**626**	**376**	**316**	**333**	**1,704**
As at 1 March 2022	**53**	**626**	**376**	**316**	**333**	**1,704**
Revenue return on ordinary activities after tax	**-**	**-**	**-**	**-**	**(80)**	**(80)**
Current period losses on fair value of investments	**-**	**-**	**-**	**(234)**	**-**	**(234)**
Balance as at 31 August 2022	**53**	**626**	**376**	**82**	**253**	**1,390**

Statement of Changes in Equity – OT1 Share Class

	Share Capital £'000	Share Premium Reserve £'000	Unrealised Capital Reserve £'000	Profit and Loss Account £'000	Total £'000
As at 1 March 2022	**-**	**-**	**-**	**-**	**-**
Issue of Consideration Shares	**54**	**2,343**	**-**	**-**	**2,397**
Revenue return on ordinary activities after tax	**-**	**-**	**-**	**(13)**	**(13)**
Current period losses on fair value of investments	**-**	**-**	**(300)**	**-**	**(300)**
Balance as at 31 August 2022	**54**	**2,343**	**(300)**	**(13)**	**2,084**

Statement of Changes in Equity – OT3 Share Class

	Share Capital £'000	Share Premium Reserve £'000	Unrealised Capital Reserve £'000	Profit and Loss Account £'000	Total £'000
As at 1 March 2022	**-**	**-**	**-**	**-**	**-**
Issue of Consideration Shares	**63**	**2,542**	**-**	**-**	**2,605**
Revenue return on ordinary activities after tax	**-**	**-**	**-**	**(14)**	**(14)**
Current period losses on fair value of investments	**-**	**-**	**(515)**	**-**	**(515)**
Balance as at 31 August 2022	**63**	**2,542**	**(515)**	**(14)**	**2,076**

Statement of Changes in Equity – OT4 Share Class

	Share Capital £'000	Share Premium Reserve £'000	Unrealised Capital Reserve £'000	Profit and Loss Account £'000	Total £'000
As at 1 March 2022	**-**	**-**	**-**	**-**	**-**
Issue of Consideration Shares	**108**	**4,192**	**-**	**-**	**4,300**
Revenue return on ordinary activities after tax	**-**	**-**	**-**	**(18)**	**(18)**
Current period losses on fair value of investments	**-**	**-**	**(706)**	**-**	**(706)**
Balance as at 31 August 2022	**108**	**4,192**	**(706)**	**(18)**	**3,576**

Statement of Cash Flows – Combined

	Combined * Six months to 31 August 2022 £'000	Combined ** Six months to 31 August 2021 £'000	Combined ** Year to 28 February 2022 £'000
Cash flows from operating activities			
Return on ordinary activities before tax	**(1,881)**	174	381
Adjustments for:			
Decrease/(increase) in debtors ***	**27**	(56)	(23)
(Decrease)/increase in creditors ***	**(51)**	(1)	9
Gain on disposal of fixed asset investments	**-**	-	(12)
Loss/(gain) on valuation of fixed asset investments	**1,756**	(211)	(425)
Outflow from operating activities	**(149)**	(94)	(70)
Cash flows from investing activities			
Purchase of investments	**-**	-	-
Disposal of investments	**-**	-	68
Total cash outflow from investing activities	**-**	-	68
Cash flows from financing activities			
Cash brought in from merger	**266**	-	-
Short term interest free loan ****	**-**	-	(25)
Dividends paid	**-**	-	-
Total cash inflow/(outflow) from financing activities	**266**	-	(25)
Increase/(decrease) in cash and cash equivalents	**117**	(94)	(27)
Opening cash and cash equivalents	**184**	211	211
Closing cash and cash equivalents	**301**	117	184

* As the OT1, OT3 and OT4 Share Classes of OT2 VCT did not exist prior to 30 June 2022, these figures only incorporate data for the 2 month period to 31 August 2022 for the for the OT1, OT3 and OT4 Share Classes, but the full 6 months' data for the OT2 Share Class

** As the OT1, OT3 and OT4 Share Classes of OT2 VCT did not exist prior to 30 June 2022, these figures are only for the OT2 Share Class

*** The individual share classes include balances between each other for operational reasons; the combined cash flow removes these on consolidation

**** Pre merger, there was a loan between Oxford Technology 2 VCT Plc and Oxford Technology VCT Plc for operational reasons. This has been repaid following the merger. The combined cash flow removes this on consolidation post merger.

Statement of Cash Flows – OT2 Share Class

	OT2 Share Class Six months to 31 August 2022 £'000	OT2 Share Class Six months to 31 August 2021 £'000	OT2 Share Class Year to 28 February 2022 £'000
Cash flows from operating activities			
Return on ordinary activities before tax	**(314)**	**174**	**381**
Adjustments for:			
Decrease/(increase) in debtors *	**(202)**	**(56)**	**(23)**
(Decrease)/increase in creditors *	**133**	**(1)**	**9**
Gain on disposal of fixed asset investments	**-**	**-**	**(12)**
Loss/(gain) on valuation of fixed asset investments	**234**	**(211)**	**(425)**
Outflow from operating activities	**(149)**	**(94)**	**(70)**
Cash flows from investing activities			
Purchase of investments	**-**	**-**	**-**
Disposal of investments	**-**	**-**	**68**
Total cash inflow from investing activities	**-**	**-**	**68**
Cash flows from financing activities			
Short term interest free loan **	**25**	**-**	**(25)**
Dividends paid	**-**	**-**	**-**
Total cash outflow from financing activities	**25**	**-**	**(25)**
Decrease in cash and cash equivalents	**(124)**	**(94)**	**(27)**
Opening cash and cash equivalents	**184**	**211**	**211**
Closing cash and cash equivalents	**60**	**117**	**184**

* The individual share classes include balances between each other for operational reasons; the combined cash flow removes these on consolidation

* * Pre merger, there was a loan between Oxford Technology 2 VCT Plc and Oxford Technology VCT Plc for operational reasons. This has been repaid following the merger. The combined cash flow removes these on consolidation

Statement of Cash Flows – OT1, OT3 and OT4 Share Classes

	OT1 Share Class Two months to 31 August 2022 £'000	OT3 Share Class Two months to 31 August 2022 £'000	OT4 Share Class Two months to 31 August 2022 £'000
Cash flows from operating activities			
Return on ordinary activities before tax	**(313)**	**(529)**	**(724)**
Adjustments for:			
Decrease/(increase) in debtors *	**4**	**3**	**4**
(Decrease)/increase in creditors *	**9**	**11**	**14**
Gain on disposal of fixed asset investments	**-**	**-**	**-**
Loss/(gain) on valuation of fixed asset investments	**300**	**515**	**706**
			-
Outflow from operating activities	**-**	**-**	**-**
Cash flows from investing activities			
Purchase of investments	**-**	**-**	**-**
Disposal of investments	**-**	**-**	**-**
Total cash outflow from investing activities	**-**	**-**	**-**
Cash flows from financing activities			
Cash brought in from merger	**38**	**68**	**160**
Dividends paid	**-**	**-**	**-**
Intra-class short term loan **	**(25)**	**-**	**-**
Total cash inflow from financing activities	**13**	**68**	**160**
Increase in cash and cash equivalents	**13**	**68**	**160**
Opening cash and cash equivalents	**-**	**-**	**-**
Closing cash and cash equivalents	**13**	**68**	**160**

* The individual share classes include balances between each other for operational reasons; the combined cash flow removes these on consolidation.

* * Pre merger, there was a loan between Oxford Technology 2 VCT Plc and Oxford Technology 2 VCT for operational reasons. This has been repaid following the merger. The combined cash flow removes these on consolidation

Notes to the Half-Yearly Report

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 31 August 2022 have been prepared in accordance with the Financial Reporting Council's (FRC) Financial Reporting Standard 104 Interim Financial Reporting ('FRS 104') and the Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts (revised 2019)'. Details of the accounting policies and valuation methodologies are included within the 2022 Annual Report on Pages 58-69.

Since the Annual Report the combined holding of one investee company, Select Technology, now exceeds 50% as a result of the merger. Consolidated group financial statements have not been prepared including Select Technology as it is deemed to be an investment and not a subsidiary undertaking. The Directors consider this to be the most useful presentation for shareholders.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 31 August 2022 do not constitute statutory accounts within the meaning of Section 415 of the Companies Act 2006. The comparative figures for the year ended 28 February 2022 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 calculation of earnings per OT1 share for the 2 months to 31 August 2022 is based on the loss attributable to shareholders in the period divided by 5,431,655 shares, being the weighted average number of shares in issue during that period. The same weighted average number of shares were in issue during the four month pre-merger period to 30 June 2022 and the 12 month period to 28 February 2022 in Oxford Technology VCT Plc.

The earnings per OT2 share for the 6 months to 31 August 2022 is calculated using the loss attributable to shareholders in the period divided by 5,331,889 (28 February 2022: 5,331,889 and 31 August 2021: 5,331,889), being the weighted average number of shares in issue during the period.

The calculation of earnings per OT3 share for the 2 months to 31 August 2022 is based on the loss attributable to shareholders in the period divided by 6,254,596 shares, being the weighted average number of shares in issue during that period. The same weighted average number of shares were in issue for the 4 month pre-merger period to 30 June 2022 in Oxford Technology 3 VCT Plc, whilst the weighted average number of shares in issue for the 12 month period to 28 February 2022 pre-merger was 6,653,562.

The calculation of earnings per OT4 share for the 2 months to 31 August 2022 is based on the loss attributable to shareholders in the period divided by 10,826,748 shares, being the weighted average number of shares in issue during that period. The weighted average number of shares in issue for the 12 month period to 28 February 2022 pre-merger in Oxford Technology 4 VCT Plc was 11,516,946 and 11,505,713 for the 4 month pre-merger period to 30 June 2022.

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 OT1 share is based on the OT1 share pool net assets as at 31 August 2022 divided by 5,431,655 OT1 shares in issue at that date. The figure for 28 February 2022 is extracted from the unaudited Interim Report issued by Oxford Technology VCT Plc dated 21 April 2022.

The net asset value per OT2 share is based on the OT2 share pool net assets as at 31 August 2022 divided by 5,331,889 (28 February 2022: 5,331,889 and 31 August 2021: 5,331,889) OT2 shares in issue at that date.

The net asset value per OT3 share is based on the OT3 share pool net assets as at 31 August 2022 divided by 6,254,596 OT3 shares in issue at that date. The figure for 28 February 2022 is extracted from the unaudited Interim Report issued by Oxford Technology 3 VCT Plc dated 21 April 2022.

The net asset value per OT4 share is based on the OT4 share pool net assets as at 31 August 2022 divided by 10,826,748 OT4 shares in issue at that date. The figure for 28 February 2022 is extracted from the unaudited Interim Report issued by Oxford Technology 4 VCT Plc dated 21 April 2022.

5. Total Voting Rights

Note 4 details the number of shares of each class of OT2 VCT as at 31 August 2022. Each share has the same voting rights (one vote per share), and hence the Company's total voting rights at 31 August 2022 was 27,844,888. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Oxford Technology 2 VCT Plc under the FCA's Disclosure and Transparency Rules.

6. Principal risks and uncertainties

The Company's assets consist of equity and fixed interest investments, cash and liquid resources. Its principal risks are therefore market risk, credit risk and liquidity risk. Other risks faced by the Company include economic, loss of approval as a Venture Capital Trust, investment and strategic, regulatory, reputational, operational and financial risks. These risks, and the way in which they are managed, are described in more detail in the 2022 Annual Report.

In addition to the above, the Company is also facing risks resulting from the impact of macroeconomic events and inflationary pressures. The Company's Board and Investment Manager are focused on ensuring that investee companies are taking the required actions to minimise the potential impact that the Covid-19 pandemic, the war in Ukraine and subsequent market headwinds could have on them.

The Board and OTM will continue to review risks posed by these macroeconomic events and keep those risks under regular review.

7. Related party transactions

OT2 Managers Ltd, a wholly owned subsidiary which contracts services to OTM, provides investment management services to the Company for a fee of 1% of net assets per annum for the OT2/OT3/OT4 share pools, and 0.5% for the OT1 share pool. These rates are contracted to be reduced in half when Leisure Shares are issued. The 2022 Annual Report also provides details of the cost cap protection that existed for OT2 VCT pre-merger, which resulted in a refund from the manager in 2022. A similar cap exists currently, although with the higher asset base, it is not expected to be breached in 2023.

For operational reasons, at the time of the merger, OT2 VCT had loaned £25k to Oxford Technology VCT Plc under the Common Payments and Liquidity agreement held between the VCTs. Following

the merger, the loan has been repaid, and any such requirement will be covered via an intra-class balance.

Certain Directors and OTM (through its subcontracted arrangement with OT2 Managers Ltd) are entitled to participate in a performance bonus should a certain level of cash be returned to shareholders by any of the OT1, OT2, OT3 or OT4 Share Classes, subject to a formula driven by relative length of service. Details of the fee payable on the OT2 Share Class is detailed on page 38 and in note 3 of the 2022 Annual Report. A similar methodology applies for each of the OT1, OT3 and OT4 Share Classes, details of which were included in the prospectus issued by OT2 VCT on 18 May 2022 (pages 53/54 and 95). No performance bonus is due at the current levels of NAV in any of the Share Classes.

8. Events after the Balance Sheet Date

The Directors are not aware of any post balance sheet events which need to be brought to the attention of shareholders.

9. Further Information

Copies of this statement are available on the Company's website – www.oxfordtechnologyvct.com