

# Oxford Technology 2 Venture Capital Trust Plc



## Unaudited Half Yearly Report For the Six Months Ended 31 August 2023

Company Number: 3928569

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

**Financial Headlines**  
**OT1 Share Class**

	<b>6 Months Ended 31 August 2023</b>	<b>12 months Ended 28 February 2023</b>
<b>Net Assets At Period End</b>	£2.06m	£2.46m
<b>Net Asset Value (NAV) Per Share</b>	37.9p	45.3p
<b>Cumulative Dividend Per Share</b> (including 55.0p pre the merger with OT2 VCT)	55.0p	55.0p
<b>Total NAV Return Per Share</b> (including pre merger dividends)	92.9p	100.3p
<b>Share Price At Period End (Mid-Market)</b>	24.5p	25.0p
<b>Earnings Per Share - pre merger</b>	n/a	1.5p *
<b>- post merger</b>	(7.4)p	1.1p

\* 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**

	<b>6 Months Ended 31 August 2023</b>	<b>Year Ended 28 February 2023</b>
<b>Net Assets At Period End</b>	£1.09m	£1.34m
<b>Net Asset Value (NAV) Per Share</b>	20.5p	25.1p
<b>Cumulative Dividend Per Share</b>	22.5p	22.5p
<b>Total NAV Return Per Share</b>	43.0p	47.6p
<b>Share Price At Period End (Mid-Market)</b>	21.6p	25.0p
<b>Earnings Per Share</b>	(4.6)p	(6.9)p

## Financial Headlines OT3 Share Class

	6 Months Ended 31 August 2023	12 months Ended 28 February 2023
<b>Net Assets At Period End</b>	£1.48m	£2.11m
<b>Net Asset Value (NAV) Per Share</b>	23.6p	33.7p
<b>Cumulative Dividend Per Share</b> (including 42.0p pre the merger with OT2 VCT)	42.0p	42.0p
<b>Total NAV Return Per Share</b> (including pre merger dividends)	65.6p	75.7p
<b>Share Price At Period End (Mid-Market)</b>	25.0p	26.0p
<b>Earnings Per Share - pre merger</b>	n/a	0.6p *
<b>- post merger</b>	(10.1)p	(8.0)p

\* 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 2023	12 months Ended 28 February 2023
<b>Net Assets At Period End</b>	£2.75m	£3.22m
<b>Net Asset Value (NAV) Per Share</b>	25.4p	29.7p
<b>Cumulative Dividend Per Share</b> (including 48.0p pre the merger with OT2 VCT)	48.0p	48.0p
<b>Total NAV Return Per Share</b> (including pre merger dividends)	73.4p	77.7p
<b>Share Price At Period End (Mid-Market)</b>	18.0p	24.0p
<b>Earnings Per Share - pre merger</b>	n/a	(0.4)p *
<b>- post merger</b>	(4.3)p	(10.0)p

\* 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 second half year report since the merger of your Company with the other three Oxford Technology VCTs. You will continue to see the results of your former companies shown as separate ring-fenced and quoted classes.

The six months to 31 August 2023 have seen a continuation of the challenging conditions for smaller company investments that we outlined in our last annual report. Inflation has remained stubbornly high with the result that expectations for peak interest rates have risen and are now anticipated to remain higher into 2024. The market turbulence resulting from this has been particularly harsh on smaller companies in the key sectors in which we invest. Against this background it is disappointing to report the net asset value (NAV) of the VCT fell by 19.2% in the period and underperformed the AIM index, which was down by 14%.

These adverse market conditions have led to both our significant AIM listed companies, Arecor Therapeutics plc ("Arecor") and Scancell Holdings Plc ("Scancell"), being priced well below their recent peaks despite them both continuing to report very encouraging technical, clinical and commercial progress. Furthermore a few of our smaller unquoted companies have found it impossible to raise further funding from existing cornerstone investors and have gone into liquidation.

The merger continues to deliver the anticipated cost savings and has further protected shareholders against subsequent inflation and increased regulatory costs that would have applied had the separate VCTs continued. As a result of the merger we were required under VCT rules to reduce certain economic interests in STL Management Ltd ("Select Technology") to below 50%. This was successfully achieved within the 12 month regulatory timeframe.

As a Board we are encouraged that government growth plans still appear to include a focus on small businesses, which sit well with VCT investments. We were pleased that the government gave an early announcement that it remained supportive of VCTs and saw the value of extending them in the future beyond the current 2025 VCT sunset clause expiry date. However, we still await final details of the legislation.

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 Share Class as at 31 August 2023.

## Results and Dividend

Across the whole portfolio, three investments (Arecor, Scancell and Select Technology) represent nearly 90% of the overall portfolio value. As noted above, our two quoted biotech companies, Scancell and Arecor, have both seen falls in their share prices. Select Technology's sales have continued to grow, and the business is returning to stable levels of profitability. More details on these 3 investments, and others, are included in the portfolio review section. All valuations are based on similar criteria to that used in the 2023 annual report, apart from Dynamic Extractions Limited ("Dynamic Extractions") as explained below.

The Company's asset base totals £7.4m at 31 August 2023, with 4 distinct share pools.

The net asset value (NAV) per **OT1** share has decreased by 16.2% from 45.3p at 28 February 2023 to 37.9p as at 31 August 2023. The portfolio is dominated by Select Technology and Scancell (representing 87% of the NAV), with three other holdings. For every 1.0p change in Scancell's bid price, the NAV moves by about 1.0p per OT1 share.

The NAV per **OT2** share has decreased by 18.5% from 25.1p at 28 February 2023 to 20.5p as at 31 August 2023. The portfolio is dominated by Arecor, Select Technology and Scancell (representing more than 85% of the NAV), 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 has decreased by 30.1% from 33.7p at 28 February 2023 to 23.6p as at 31 August 2023. The portfolio is dominated by Arecor and Scancell (representing 86% of the NAV), 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 has decreased by 14.5% from 29.7p at 28 February 2023 to 25.4p as at 31 August 2023. The portfolio is dominated by Arecor and Select (representing nearly 84% of the NAV), 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, nor were any shares bought back.

### **Portfolio Review**

Despite tough market conditions, commercial progress in most of the portfolio companies has been reasonably positive. No investments (or divestments) have been made in any of the share classes since 28 February 2023.

**Arecor** stands as a frontrunner in formulation technology, which paves the way for the creation of unique biopharmaceutical products. Through extensive research and development, Arecor has established its exclusive, patent-protected formulation technology platform, which has demonstrated its ability to stabilize a wide array of molecules in aqueous compositions. Since our annual accounts were published, Arecor has announced two new collaborations with leading biopharma and pharmaceutical companies. It has also announced expansion of its distribution network for Ogluo, the glucagon product of its subsidiary company Tetris Pharma.

Further progress has also been made with its AT247 Ultra-rapid acting insulin, showing that it delivered accelerated insulin absorption compared to the current market leaders.

Following the half year period end, Arecor announced that the FDA have indicated that the AT307 product they have partnered with Hikma will be subject to the 505(b)(2) regulatory pathway which offers an efficient and streamlined development pathway with reduced risk.

Despite these achievements, Arecor's share price, as of August 31, 2023, stood at 185p, below its initial flotation price of 226p in June 2021. The Directors attribute this lacklustre performance, in part, to a shortage of liquidity in the company's stock and consider that as their partnered products move into the market, there should be a response in the share price. We have raised our concerns around the lack of liquidity with Arecor's management and their broker has assured us that they are seeking possible solutions.

**Select Technology** is a software distribution business. Over many years, Select Technology has nurtured an international network of value-added resellers through which it distributes a selection of third-party products such as PaperCut, Foldr and Square9. Select Technology has been growing consistently over the last few years – sales for the company's most recent accounting period (12 months to 31 July 2023) are up nearly 23% on the previous period to just under £7.8 million. Select Technology is trading profitably and has been paying regular dividends to the Oxford Technology VCTs ("OT VCTs").

A side-effect of the VCT merger is that Select Technology was required to undergo an independent audit of its year end 31 July 2022 accounts – while this was an unwanted distraction for the management team of Select Technology, they are to be congratulated on having successfully taken this additional task in their stride.

AIM-listed **Scancell** leverages its extensive proprietary research, which has been cultivated over many years of studying the human adaptive immune system, to develop innovative medications addressing unmet needs in cancer and infectious diseases. The company has been constructing a pipeline of groundbreaking products, utilizing its four core technology platforms: Moditope® and ImmunoBody® for vaccines, as well as GlyMab® and AvidiMab® for antibodies. It has recently clarified that in the short term it will be focussing its resources on the Moditope and SCIB1 clinical trials.

Scancell currently represents the third-largest single investment in the portfolio. Substantial progress has been achieved in clinical development. Since our annual report was published, Modi-1 has progressed to the point in the programme where it is being combined with multiple checkpoint inhibitors. At the end of July the company announced that the first and only patient who had been assessed had shown a positive response. Scancell are presenting three posters at the Seventh International Cancer Immunotherapy Conference taking place on 20-23 September 2023 in Milan. They will be sharing data on their preclinical programmes, in particular, on two lead cancer vaccine assets SCIB1/iSCIB-1+ and Modi-1 currently in Phase 1/2 clinical trials. They will also be presenting their encouraging data on both the Moditope® and GlyMab® platforms which could lead to out licensing opportunities with cell therapy companies. Scancell have also developed their corporate team, bringing in a new CFO and Head of Business Development.

Scancell's share price has fallen by 45.7% from 17.5p at 28 February 2023 to 9.5p at 31 August 2023. The trajectory of clinical results and fundraising efforts is likely to have a significant influence on the share price in the near future. Scancell's potential to address previously untreatable diseases remains intact.

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, in particular T cells. The company has programmes developing vaccines against Tuberculosis, Meningitis and Pneumonia. The core technology of ImmBio has been moved to Liverpool University to reduce costs whilst the technology transfer to ImmBio's licensee China National Biotech Group continues. Since the move, Liverpool University has won a grant to lay the foundations for a challenge/carriage study to determine the extent to which pneumococcus is carried in the nose of vaccinated people. Liverpool University has also applied for a grant to fund the production of the vaccine which will be tested. The grant is going through its multistage process. If the grant is successful this critical trial will be able to progress.

Established in 1997 with Oxford Technology VCT Plc as one of the original investors, **BioCote** Limited ("**BioCote**") 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's premium additives can be integrated into a wide range of materials, including polymers, silicones, powder coatings, liquid paints, ceramics and textiles. Covid turned out to be very good for BioCote, with everyone worldwide suddenly becoming focused on how to reduce the spread of germs. Sales and profits increased to an all-time high and the dividend was increased. However, post Covid, sales have declined to approximately their pre-Covid level and while the business remains profitable, the most recent dividend was less than the prior years.

**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 very low friction. The coating has the unusual properties of being an electrical insulator but a very good conductor of heat (3 times the thermal conductivity of copper). This coating is increasingly being used as a heat spreader on chips. This application now accounts for about 50% of sales and the DHS coating is now specified in several applications. The other major application is for coating mechanical seal faces (used in gas pumping applications where two discs spin at high speed with a tiny lubricated gap between them). If the lubrication fails, an uncoated seal will fail catastrophically within seconds. A DHS coated seal will continue to run for more than an hour. Almost all the world’s mechanical seal companies now use DHS coatings on some of their seals, but so far, the coating has not become standard.

Getmapping Limited (“**Getmapping**”) (no longer Plc as of 1 February 2023) has made some promising progress over the period. Summer flying has been good, and Getmapping has been able to progress its very high resolution (5cm) content capture programme for a substantial number of major cities in England, including Birmingham, Sheffield and Nottingham. Getmapping’s ‘on demand’ subscription platform is seeing very strong growth – albeit from a low base – and the company is strategically well positioned for further growth in various market verticals including insurance, property, energy and local government. In the period, Getmapping carried out a small equity fundraising to increase working capital in the run-up to the flying season – the fundraising was supported by the directors of Getmapping and various existing shareholders. The VCT was unable to invest due to the VCT qualifying rules.

**Dynamic Extractions** 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. During the period, Dynamic Extractions was advised that it would have to move its activities from its current location in Wales. It has been funded for some time by the founder who is also the chairman, and he was unwilling to fund the transition costs in addition to continuing to support its ongoing trading without full ownership. Once again, the VCT was unable to invest due to the VCT qualifying rules. Reluctantly we were forced to accept a miserly offer for our shares, with the sale expected to complete in the next few months. The valuation included in these accounts is based on these expected proceeds.

The first instalment of deferred consideration following the sale of **Ixaris** was received last year in line with expectations by the OT3 Share Class. The Investment Adviser continues to liaise with the other selling shareholders of Ixaris to expediate the payment of further R&D tax credits, and it is hoped a further consideration will be received before the year end. This is not accrued in these half year accounts.

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**

As I outlined in our full year report, 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 measured on a company wide basis. However, we are still 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. In 2015, a sunset clause for VCT income tax relief was introduced which meant that income tax relief would no longer be given to subscriptions made on or after 6 April 2025, unless the legislation was renewed by HM Treasury. In the Autumn Statement on 23 September 2022, the government announced its intention to extend the legislation, safeguarding venture capital schemes beyond 2025. This would be critical if the Company wanted to raise money in the future. The Directors are encouraged by this development but await substantive details, and the Board continues to monitor this risk and the potential impact on the Company.

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 2023, the HMRC value of qualifying investments of our portfolio was 91.9%.

### **Auditor**

We were disappointed to learn from our auditors, Hazlewoods LLP (“Hazlewoods”), that their firm had made the strategic decision to withdraw from auditing PIE (Public Interest Entities) companies: these include all companies quoted on the main market, and hence Oxford Technology 2 Plc (“OT2 VCT”). The demands placed on audit firms by their regulator, the FRC have become too burdensome to make this work viable for many of the smaller players. Hazlewoods have confirmed that there is nothing further that needs to be brought to the attention of shareholders.

This is the third time in five years that we have had to source a new audit firm - for exactly the same reason. After extensive research, and a competitive tender process, we are pleased to appoint Johnsons Financial Management Limited (trading as Johnsons, Chartered Accountants), a firm new to the VCT sector, but who are specifically looking to grow their PIE business. We look forward to working with them during our February year end audit process.

Unfortunately the audit fee will be substantially higher as a result. This is yet another increase in regulatory costs – and it is very hard to see how any of this benefits shareholders. The Directors note the cost saving benefits from the merger last year are even more meaningful than previously anticipated, given these higher audit costs would have been replicated across all four entities had they still existed.

### **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](http://www.oxfordtechnologyvct.com) along with a copy of this report.

### **Share prices and RNS**

Shareholders are reminded that all RNS will be issued under the OXH banner, irrespective of which Share Class is referred to.

### **Annual General Meeting**

We were pleased to welcome shareholders to our AGM in July, where I am delighted to report that all resolutions were passed unanimously on a show of hands.

### **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 investments and we now have a larger asset base over which to share the operating costs. We have worked tirelessly to try to find another partner seeking to establish a VCT



offering to further expand the Company's asset base and create greater longevity for shareholders in the fund who require this – indeed we have had discussions with six separate partners since the offer for Leisure Shares was withdrawn a few months ago.

Regretably we believe time is running out for us to be able to offer any such partner the use of our distributable reserves (the main attraction to enable them to pay early dividends to the new shareholders) without detriment to our existing shareholders. Whilst we will continue to engage with the two remaining leads, the Board is also actively considering alternative plans to manage the rump portfolio, once our primary assets have been realised and will try (if viable) to protect shareholders who still harbour deferred capital gains from their original subscriptions in the OT VCTs (although there can be no certainty that we will be successful in this regard).

We have a cash balance of nearly £150k at 31 August 2023, and with the dividends and deferred sales proceeds we expect to receive, we anticipate we will not need to realise any of our AIM stocks for at least 9 months – by which time we hope there will have been some recovery in their value.

Despite the buffeting caused by the knock-on impacts of Covid, inflation and the war in Ukraine, I am pleased to note that the performance of portfolio companies has generally been resilient through this turbulent period, although we are disappointed by the significant reductions in value of our AIM quoted stocks. The Board continues to believe that the portfolio has valuable upside, but that time is still needed for it to reach those significant value inflection points, as major investee company programmes reach maturity.

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.

I look forward to updating shareholders further with our full-year results, expected to be in May. In the meantime, if you have any questions, please feel free to contact me via [vcts@oxfordtechnology.com](mailto:vcts@oxfordtechnology.com).

**Richard Roth**  
**Chairman**  
**18 September 2023**

## **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.

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 tax-free dividends.

## Tables of Investments held by Company at 31 August 2023

### Investment Portfolio – OT1 Share Class

Company	Description	Original Net Cost of investment in OT1VCT £'000 *	Cost of investment to OT2 VCT £'000 **	Carrying value at 31/08/23 £'000	Change in value for the 6 month period £'000	% Equity held OT1	% Equity held All Share Classes	% Net assets of OT1 Share Class
Select STL Management	Specialist Photocopier interfaces	488	1,160	1,276	113	30.0	58.6 ***	61.9
Scancell (bid price 9.5p)	Antibody based cancer therapeutics	275	785	523	(441)	0.7	1.5	25.4
BioCote	Bactericidal additives	85	242	120	(41)	6.6	6.6	5.8
Arecor (bid price 185p)	Protein stabilisation	90	139	74	(22)	0.1	5.2	3.6
Getmapping	Aerial photography	518	86	66	-	3.8	3.8	3.2
<b>Total Investments</b>		<b>1,456</b>	<b>2,412</b>	<b>2,059</b>	<b>(391)</b>			<b>99.9</b>
Other Net Assets				<b>3</b>				<b>0.1</b>
<b>Net Assets</b>				<b>2,061</b>				<b>100.0</b>

\* 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.

\*\*\* Whilst the VCT holds a total of 58.6% of Select Technology, certain rights are restricted to 50% as set out in the Chairman's statement.

## Investment Portfolio – OT2 Share Class

Company	Description	Net cost of investment £'000	Carrying value at 31/08/23 £'000	Change in value for the 6 month period £'000	% Equity held by OT2	% Equity held All Share Classes	% Net assets of OT2 Share Class
Arecor (bid price 185p)	Protein stabilisation	252	496	(148)	0.9	5.2	45.5
Select Technology – STL Mgt.	Specialist photocopier interfaces	132	316	28	7.4	58.6 *	28.9
Scancell (bid price 9.5p)	Antibody based cancer therapeutics	150	119	(100)	0.2	1.5	10.9
ImmBio	Novel vaccines	295	59	-	3.1	22.6	5.4
Inaplex	Data integration software	138	2	-	21.5	34.8	0.2
Insense	Wound healing dressings	204	-	-	1.6	5.6	-
Oxis Energy	Battery technology	540	-	-	0.1	0.3	-
<b>Total Investments</b>		<b>1,712</b>	<b>992</b>	<b>(220)</b>			90.9
Other Net Assets			<b>99</b>				9.1
<b>Net Assets</b>			<b>1,091</b>				<b>100.0</b>

\* Whilst the VCT holds a total of 58.6% of Select Technology, certain rights are restricted to 50% as set out in the Chairman's statement.

## Investment Portfolio – OT3 Share Class

Company	Description	Original Net Cost of investment in OT3VCT £'000 *	Cost of investment to OT2 VCT £'000 **	Carrying value at 31/08/23 £'000	Change in value for the 6 month period £'000	% Equity held OT3	% Equity held All Share Classes	% Net assets of OT3 Share Class
Areacor (bid price 185p)	Protein stabilisation	443	1,593	842	(250)	1.5	5.2	57.0
Scancell (bid price 9.5p)	Antibody based cancer therapeutics	362	647	431	(363)	0.6	1.5	29.2
Select – STL Management	Specialist Photocopier interfaces	47	109	120	11	2.8	58.6 ***	8.1
ImmBio	Novel vaccines	483	80	80	-	6.5	22.6	5.4
Invro	Low power electronics	40	10	10	-	33.1	33.1	0.7
Inaplex	Data integration software	58	1	1	-	13.3	34.8	0.1
Insense	Wound healing dressings	333	60	-	-	1.9	5.6	-
Microarray	Insense spinout	1	-	-	-	0.2	0.2	-
<b>Total Investments</b>		<b>1,768</b>	<b>2,500</b>	<b>1,484</b>	<b>(602)</b>			<b>100.5</b>
Other Net Assets				<b>(8)</b>				<b>(0.5)</b>
<b>Net Assets</b>				<b>1,476</b>				<b>100.0</b>

\* This is the original cost of investments extracted from the unaudited Interim Report issued by Oxford Technology 3 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.

\*\*\* Whilst the VCT holds a total of 58.6% of Select Technology, certain rights are restricted to 50% as set out in the Chairman's statement.

## Investment Portfolio – OT4 Share Class

Company	Description	Original Net Cost of investment in OT4VCT £'000 *	Cost of investment to OT2 VCT £'000 **	Carrying value at 31/08/23 £'000	Change in value for the 6 month period £'000	% Equity held OT4	% Equity held All Share Classes	% Net assets of OT4 Share Class
Arecor (bid price 185p)	Protein stabilisation	590	2,885	1,525	(453)	2.7	5.2	55.5
Select STL Management	Specialist photocopier interfaces	237	710	781	69	18.4	58.6 ***	28.4
Diamond Hard Surfaces	Diamond coatings	640	176	182	19	49.9	49.9	6.6
ImmBio	Novel vaccines	857	178	178	-	13.0	22.6	6.5
Novacta	Antibiotics Development	347	59	59	-	2.3	2.3	2.1
Dynamic Extractions	Separation technology	377	122	3	(63)	30.4	30.4	0.1
Mirriad Advertising (bid price 1.7p)	Virtual product placement	-	9	1	(1)	0.0	0.0	-
Insense	Active wound healing dressings	476	67	-	-	2.1	5.6	-
Dynamic Discovery	E-mail archiving	-	-	-	-	5.6	5.6	-
Oxis Energy	Battery technology	305	-	-	-	0.2	0.3	-
<b>Total Investments</b>		<b>3,828</b>	<b>4,206</b>	<b>2,729</b>	<b>(429)</b>			<b>99.2</b>
Other Net Assets				<b>22</b>				<b>0.8</b>
<b>Net Assets</b>				<b>2,751</b>				<b>100.0</b>

\* This is the original cost of investments extracted from the unaudited Interim Report issued by Oxford Technology 4 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.

\*\*\* Whilst the VCT holds a total of 58.6% of Select Technology, certain rights are restricted to 50% as set out in the Chairman's statement.

## 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 Statement on behalf of the Board 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 2023 (2023 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 18 and 19, and in the Notes to the Financial Statements on page 86 and 87 of the 2023 Annual Report – a copy of which can be found via the Company's website: [www.oxfordtechnologyvct.com](http://www.oxfordtechnologyvct.com).

### Macroeconomic Events

The military invasion of Ukraine by Russian forces has caused various countries to announce the imposition of sanctions on Russia, and the provision of military aid to Ukraine. These sanctions have had an impact on the provision of, or access to, energy resources and may lead to further unpredictable reactions from Russia. There has already been a consequential impact on economic conditions globally as a result of these factors and others, including the costs of living: we are hopeful these have now peaked. These 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. Interest rates may also continue to rise over the near term, which, together with higher than targeted inflation, may have an adverse effect on the Company's investee companies and, therefore, the performance of the Company and the returns for investors.

### 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 2023, 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 18 September 2023 and the above responsibility statement was signed on its behalf by:

**Richard Roth**  
**Chairman**  
**18 September 2023**



## Income Statement - Combined

	Combined			Combined *			Combined **		
	Six months to 31 August 2023			Six months to 31 August 2022			Year to 28 February 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Loss on disposal of fixed asset investments	-	-	-	-	-	-	-	(17)	(17)
Loss on valuation of fixed asset investments	-	(1,642)	(1,642)	-	(1,756)	(1,756)	-	(1,699)	(1,699)
Investment Income	20	-	20	-	-	-	85	-	85
Investment management fee	(39)	-	(39)	(22)	-	(22)	(72)	-	(72)
Other expenses	(89)	-	(89)	(103)	-	(103)	(173)	-	(173)
<b>Return on ordinary activities before tax</b>	<b>(108)</b>	<b>(1,642)</b>	<b>(1,750)</b>	<b>(125)</b>	<b>(1,756)</b>	<b>(1,881)</b>	<b>(160)</b>	<b>(1,716)</b>	<b>(1,876)</b>
Taxation on return on ordinary activities	-	-	-	-	-	-	-	-	-
<b>Return on ordinary activities after tax</b>	<b>(108)</b>	<b>(1,642)</b>	<b>(1,750)</b>	<b>(125)</b>	<b>(1,756)</b>	<b>(1,881)</b>	<b>(160)</b>	<b>(1,716)</b>	<b>(1,876)</b>

\* 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 only incorporate data for the 8 month period to 28 February 2023 for the OT1, OT3 and OT4 Share Classes, but the full 12 months' data 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 – OT1 Share Class (non-statutory analysis)

	OT1 Share Class Six months to 31 August 2023			OT1 Share Class Two months to 31 August 2022			OT1 Share Class Eight Months to 28 February 2023		
	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	-	-	-	-	-	-	-	21	21
(Loss)/gain on valuation of fixed asset investments	-	(391)	(391)	-	(300)	(300)	-	38	38
Investment Income	20	-	20	-	-	-	44	-	44
Investment management fee	(6)	-	(6)	(2)	-	(2)	(8)	-	(8)
Other expenses	(22)	-	(22)	(11)	-	(11)	(31)	-	(31)
<b>Return on ordinary activities before tax</b>	<b>(8)</b>	<b>(391)</b>	<b>(399)</b>	<b>(13)</b>	<b>(300)</b>	<b>(313)</b>	<b>5</b>	<b>59</b>	<b>64</b>
Taxation on return on ordinary activities	-	-	-	-	-	-	-	-	-
<b>Return on ordinary activities after tax</b>	<b>(8)</b>	<b>(391)</b>	<b>(399)</b>	<b>(13)</b>	<b>(300)</b>	<b>(313)</b>	<b>5</b>	<b>59</b>	<b>64</b>
<b>Earnings per share – basic and diluted</b>	<b>(0.2)p</b>	<b>(7.2)p</b>	<b>(7.4)p</b>	<b>(0.2)p</b>	<b>(5.6)p</b>	<b>(5.8)p</b>	<b>0.1p</b>	<b>1.0p</b>	<b>1.1p</b>

### Income Statement – OT2 Share Class (non-statutory analysis)

	OT2 Share Class Six months to 31 August 2023			OT2 Share Class Six months to 31 August 2022			OT2 Share Class Year to 28 February 2023		
	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	-	(220)	(220)	-	(234)	(234)	-	(276)	(276)
Investment Income	-	-	-	-	-	-	10	-	10
Investment management fee	(6)	-	(6)	(9)	-	(9)	(17)	-	(17)
Other expenses	(22)	-	(22)	(71)	-	(71)	(82)	-	(82)
<b>Return on ordinary activities before tax</b>	<b>(28)</b>	<b>(220)</b>	<b>(248)</b>	<b>(80)</b>	<b>(234)</b>	<b>(314)</b>	<b>(89)</b>	<b>(276)</b>	<b>(365)</b>
Taxation on return on ordinary activities	-	-	-	-	-	-	-	-	-
<b>Return on ordinary activities after tax</b>	<b>(28)</b>	<b>(220)</b>	<b>(248)</b>	<b>(80)</b>	<b>(234)</b>	<b>(314)</b>	<b>(89)</b>	<b>(276)</b>	<b>(365)</b>
<b>Earnings per share – basic and diluted</b>	<b>(0.5)p</b>	<b>(4.1)p</b>	<b>(4.6)p</b>	<b>(1.5)p</b>	<b>(4.4)p</b>	<b>(5.9)p</b>	<b>(1.7)p</b>	<b>(5.2)p</b>	<b>(6.9)p</b>

### Income Statement – OT3 Share Class (non-statutory analysis)

	OT3 Share Class Six months to 31 August 2023			OT3 Share Class Two months to 31 August 2022			OT3 Share Class Eight months to 28 February 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Loss on disposal of fixed asset investments	-	-	-	-	-	-	-	(38)	(38)
Loss on valuation of fixed asset investments	-	(602)	(602)	-	(515)	(515)	-	(413)	(413)
Investment Income	-	-	-	-	-	-	4	-	4
Investment management fee	(11)	-	(11)	(4)	-	(4)	(17)	-	(17)
Other expenses	(22)	-	(22)	(10)	-	(10)	(30)	-	(30)
<b>Return on ordinary activities before tax</b>	<b>(33)</b>	<b>(602)</b>	<b>(635)</b>	<b>(14)</b>	<b>(515)</b>	<b>(529)</b>	<b>(43)</b>	<b>(451)</b>	<b>(494)</b>
Taxation on return on ordinary activities	-	-	-	-	-	-	-	-	-
<b>Return on ordinary activities after tax</b>	<b>(33)</b>	<b>(602)</b>	<b>(635)</b>	<b>(14)</b>	<b>(515)</b>	<b>(529)</b>	<b>(43)</b>	<b>(451)</b>	<b>(494)</b>
<b>Earnings per share – basic and diluted</b>	<b>(0.5)p</b>	<b>(9.6)p</b>	<b>(10.1)p</b>	<b>(0.2)p</b>	<b>(8.3)p</b>	<b>(8.5)p</b>	<b>(0.7)p</b>	<b>(7.3)p</b>	<b>(8.0)p</b>

### Income Statement – OT4 Share Class (non-statutory analysis)

	OT2 Share Class Six months to 31 August 2023			OT4 Share Class Two months to 31 August 2022			OT4 Share Class Eight Months to 28 February 2023		
	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	-	(430)	(430)	-	(706)	(706)	-	(1,047)	(1,047)
Investment Income	-	-	-	-	-	-	26	-	26
Investment management fee	(16)	-	(16)	(8)	-	(8)	(30)	-	(30)
Other expenses	(22)	-	(22)	(10)	-	(10)	(30)	-	(30)
<b>Return on ordinary activities before tax</b>	<b>(38)</b>	<b>(430)</b>	<b>(468)</b>	<b>(18)</b>	<b>(706)</b>	<b>(724)</b>	<b>(34)</b>	<b>(1,047)</b>	<b>(1,081)</b>
Taxation on return on ordinary activities	-	-	-	-	-	-	-	-	-
<b>Return on ordinary activities after tax</b>	<b>(38)</b>	<b>(430)</b>	<b>(468)</b>	<b>(18)</b>	<b>(706)</b>	<b>(724)</b>	<b>(34)</b>	<b>(1,047)</b>	<b>(1,081)</b>
<b>Earnings per share – basic and diluted</b>	<b>(0.4)p</b>	<b>(4.0)p</b>	<b>(4.3)p</b>	<b>(0.2)p</b>	<b>(6.5)p</b>	<b>(6.7)p</b>	<b>(0.3)p</b>	<b>(9.7)p</b>	<b>(10.0)p</b>

## Balance Sheet - Combined

	Combined As at 31 August 2023		Combined As at 31 August 2022		Combined As at 28 February 2023	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed asset investments*</b>		7,264		8,881		8,907
<b>Current assets:</b>						
Cash at bank and cash equivalents	148		301		292	
Debtors **	41		152		14	
<b>Creditors:</b>						
Amounts falling due within one year **	(74)		(209)		(83)	
Net current assets		115		244		223
<b>Net assets</b>		<b>7,379</b>		<b>9,125</b>		<b>9,130</b>
Called up share capital		278		278		278
Share premium reserve		-		9,452		-
Capital redemption reserve		-		626		-
Special distributable reserve		10,078		-		10,078
Unrealised Capital reserve		(3,025)		(1,439)		(1,383)
Profit and Loss Account		48		208		156
<b>Total equity shareholders' funds</b>		<b>7,379</b>		<b>9,125</b>		<b>9,130</b>

\*At fair value through profit and loss

\*\* The individual share classes at 31 August 2022 include loans between each other for operational reasons; the combined balance sheet removes these on consolidation

### Balance Sheet – OT1 Share Class (non-statutory analysis)

	OT1 Share Class As at 31 August 2023		OT1 Share Class As at 31 August 2022		OT1 Share Class As at 28 February 2023	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed asset investments*</b>		2,059		2,143		2,450
<b>Current assets:</b>						
Cash at bank and cash equivalents	10		13		18	
Debtors	-		10		-	
<b>Creditors:</b>						
Amounts falling due within one year	(7)		(82)		(7)	
Net current assets/(liabilities)		3		(59)		11
<b>Net assets</b>		<b>2,062</b>		<b>2,084</b>		<b>2,461</b>
Called up share capital		54		54		54
Share premium reserve		-		2,343		-
Capital redemption reserve		-		-		-
Special distributable reserve		2,343		-		2,343
Unrealised Capital reserve		(353)		(300)		38
Profit and Loss Account		18		(13)		26
<b>Total equity shareholders' funds</b>		<b>2,062</b>		<b>2,084</b>		<b>2,461</b>
<b>Net asset value per share</b>		<b>37.9p</b>		<b>38.4p</b>		<b>45.3p</b>

### Balance Sheet – OT2 Share Class (non-statutory analysis)

	OT2 Share Class As at 31 August 2023		OT2 Share Class As at 31 August 2022		OT2 Share Class As at 28 February 2023	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed asset investments*</b>		992		1,254		1,212
<b>Current assets:</b>						
Cash at bank and cash equivalents	100		60		164	
Debtors	40		234		13	
<b>Creditors:</b>						
Amounts falling due within one year	(41)		(158)		(50)	
Net current assets		99		136		127
<b>Net assets</b>		<b>1,091</b>		<b>1,390</b>		<b>1,339</b>
Called up share capital		53		53		53
Share premium reserve		-		376		-
Capital redemption reserve		-		626		-
Special distributable reserve		1,001		-		1,001
Unrealised Capital reserve		(180)		82		40
Profit and Loss Account		217		253		245
<b>Total equity shareholders' funds</b>		<b>1,091</b>		<b>1,390</b>		<b>1,339</b>
<b>Net asset value per share</b>		<b>20.5p</b>		<b>26.1p</b>		<b>25.1p</b>

### Balance Sheet – OT3 Share Class (non-statutory analysis)

	OT3 Share Class As at 31 August 2023		OT3 Share Class As at 31 August 2022		OT3 Share Class As at 28 February 2023	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed asset investments*</b>		1,484		1,985		2,086
<b>Current assets:</b>						
Cash at bank and cash equivalents	6		68		39	
Debtors	-		117		-	
<b>Creditors:</b>						
Amounts falling due within one year	(14)		(94)		(14)	
Net current (liabilities)/assets		(8)		91		25
<b>Net assets</b>		<b>1,476</b>		<b>2,076</b>		<b>2,111</b>
Called up share capital		63		63		63
Share premium reserve		-		2,542		-
Capital redemption reserve		-		-		-
Special distributable reserve		2,542		-		2,542
Unrealised Capital reserve		(1,015)		(515)		(413)
Profit and Loss Account		(114)		(14)		(81)
<b>Total equity shareholders' funds</b>		<b>1,476</b>		<b>2,076</b>		<b>2,111</b>
<b>Net asset value per share</b>		<b>23.6p</b>		<b>33.2p</b>		<b>33.7p</b>

### Balance Sheet – OT4 Share Class (non-statutory analysis)

	OT4 Share Class As at 31 August 2023		OT4 Share Class As at 31 August 2022		OT4 Share Class As at 28 February 2023	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed asset investments*</b>		2,729		3,500		3,159
<b>Current assets:</b>						
Cash at bank and cash equivalents	33		160		71	
Debtors	-		10		-	
<b>Creditors:</b>						
Amounts falling due within one year	(11)		(94)		(11)	
Net current assets		22		76		60
<b>Net assets</b>		<b>2,751</b>		<b>3,576</b>		<b>3,219</b>
Called up share capital		108		108		108
Share premium reserve		-		4,192		-
Capital redemption reserve		-		-		-
Special distributable reserve		4,192		-		4,192
Unrealised Capital reserve		(1,477)		(706)		(1,047)
Profit and Loss Account		(72)		(18)		(34)
<b>Total equity shareholders' funds</b>		<b>2,751</b>		<b>3,576</b>		<b>3,219</b>
<b>Net asset value per share</b>		<b>25.4p</b>		<b>33.0p</b>		<b>29.7p</b>

\*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	Special Distributable Reserve £'000	Unrealised Capital Reserve £'000	Profit & Loss Account £'000	Total £'000
<b>As at 1 March 2022</b>	<b>53</b>	<b>626</b>	<b>376</b>	<b>-</b>	<b>316</b>	<b>333</b>	<b>1,704</b>
Revenue return on ordinary activities after tax	-	-	-	-	-	(125)	(125)
Current period losses on fair value of investments	-	-	-	-	(1,756)	-	(1,756)
Issue of Consideration Shares	225	-	9,076	-	-	-	9,301
<b>Balance as at 31 August 2022</b>	<b>278</b>	<b>626</b>	<b>9,452</b>	<b>-</b>	<b>(1,439)</b>	<b>208</b>	<b>9,125</b>
<b>As at 1 March 2022</b>	<b>53</b>	<b>626</b>	<b>376</b>	<b>-</b>	<b>316</b>	<b>333</b>	<b>1,704</b>
Issue of Consideration Shares	225	-	9,077	-	-	-	9,302
Capital Reduction	-	(626)	(9,453)	10,078	-	-	-
Revenue return on ordinary activities after tax	-	-	-	-	-	(160)	(160)
Current period losses on disposal	-	-	-	-	-	(17)	(17)
Current period losses on fair value of investments	-	-	-	-	(1,699)	-	(1,699)
<b>Balance as at 28 February 2023</b>	<b>278</b>	<b>-</b>	<b>-</b>	<b>10,078</b>	<b>(1,383)</b>	<b>156</b>	<b>9,130</b>
<b>As at 1 March 2023</b>	<b>278</b>	<b>-</b>	<b>-</b>	<b>10,078</b>	<b>(1,383)</b>	<b>156</b>	<b>9,130</b>
Revenue return on ordinary activities after tax	-	-	-	-	-	(108)	(108)
Current period losses on fair value of investments	-	-	-	-	(1,642)	-	(1,642)
<b>Balance as at 31 August 2023</b>	<b>278</b>	<b>-</b>	<b>-</b>	<b>10,078</b>	<b>(3,025)</b>	<b>48</b>	<b>7,379</b>

\* 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 and the final 8 month period to 28 February 2023, the numbers include data on all 4 Share Classes.

## Statement of Changes in Equity – OT1 Share Class (non-statutory analysis)

	Share Capital £'000	Share Premium Reserve £'000	Special Distributable Reserve £'000	Unrealised Capital Reserve £'000	Profit and Loss Account £'000	Total £'000
<b>As at 1 March 2022</b>	-	-	-	-	-	-
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)
<b>Balance as at 31 August 2022</b>	<b>54</b>	<b>2,343</b>	<b>-</b>	<b>(300)</b>	<b>(13)</b>	<b>2,084</b>
<b>As at 1 March 2022</b>	-	-	-	-	-	-
Issue of Consideration Shares	54	2,343	-	-	-	2,397
Capital Reduction	-	(2,343)	2,343	-	-	-
Revenue return on ordinary activities after tax	-	-	-	-	5	5
Current period gains on disposal	-	-	-	-	21	21
Current period gains on fair value of investments	-	-	-	38	-	38
<b>Balance as at 28 February 2023</b>	<b>54</b>	<b>-</b>	<b>2,343</b>	<b>38</b>	<b>26</b>	<b>2,461</b>
<b>As at 1 March 2023</b>	<b>54</b>	<b>-</b>	<b>2,343</b>	<b>38</b>	<b>26</b>	<b>2,461</b>
Revenue return on ordinary activities after tax	-	-	-	-	(8)	(8)
Current period losses on fair value of investments	-	-	-	(391)	-	(391)
<b>Balance as at 31 August 2023</b>	<b>54</b>	<b>-</b>	<b>2,343</b>	<b>(353)</b>	<b>18</b>	<b>2,062</b>



## Statement of Changes in Equity – OT2 Share Class (non-statutory analysis)

	Called up Share Capital £'000	Capital Redemption Reserve £'000	Share Premium Reserve £'000	Special Distributable Reserve £'000	Unrealised Capital Reserve £'000	Profit & Loss Account £'000	Total £'000
<b>As at 1 March 2022</b>	53	626	376	-	316	333	1,704
Revenue return on ordinary activities after tax	-	-	-	-	-	(80)	(80)
Current period gains on fair value of investments	-	-	-	-	(234)	-	(234)
<b>Balance as at 31 August 2022</b>	53	626	376	-	82	253	1,390
<b>As at 1 March 2022</b>	53	626	376	-	316	333	1,704
Capital reduction	-	(626)	(376)	1,001	-	-	-
Revenue return on ordinary activities after tax	-	-	-	-	-	(89)	(89)
Current period losses on fair value of investments	-	-	-	-	(276)	-	(276)
<b>Balance as at 28 February 2023</b>	53	-	-	1,001	40	245	1,339
<b>As at 1 March 2023</b>	53	-	-	1,001	40	245	1,339
Revenue return on ordinary activities after tax	-	-	-	-	-	(28)	(28)
Current period losses on fair value of investments	-	-	-	-	(220)	-	(220)
<b>Balance as at 31 August 2023</b>	53	-	-	1,001	(180)	217	1,091

## Statement of Changes in Equity – OT3 Share Class (non-statutory analysis)

	Share Capital £'000	Share Premium Reserve £'000	Special Distributable Reserve £'000	Unrealised Capital Reserve £'000	Profit and Loss Account £'000	Total £'000
<b>As at 1 March 2022</b>	-	-	-	-	-	-
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)
<b>Balance as at 31 August 2022</b>	<b>63</b>	<b>2,542</b>	<b>-</b>	<b>(515)</b>	<b>(14)</b>	<b>2,076</b>
<b>As at 1 March 2022</b>	-	-	-	-	-	-
Issue of Consideration Shares	63	2,542	-	-	-	2,605
Capital Reduction	-	(2,542)	2,542	-	-	-
Revenue return on ordinary activities after tax	-	-	-	-	(43)	(43)
Current period losses on disposal	-	-	-	-	(38)	(38)
Current period losses on fair value of investments	-	-	-	(413)	-	(413)
<b>Balance as at 28 February 2023</b>	<b>63</b>	<b>-</b>	<b>2,542</b>	<b>(413)</b>	<b>(81)</b>	<b>2,111</b>
<b>As at 1 March 2023</b>	<b>63</b>	<b>-</b>	<b>2,542</b>	<b>(413)</b>	<b>(81)</b>	<b>2,111</b>
Revenue return on ordinary activities after tax	-	-	-	-	(33)	(33)
Current period losses on fair value of investments	-	-	-	(602)	-	(602)
<b>Balance as at 31 August 2023</b>	<b>63</b>	<b>-</b>	<b>2,542</b>	<b>(1,015)</b>	<b>(114)</b>	<b>1,476</b>

## Statement of Changes in Equity – OT4 Share Class (non-statutory analysis)

	Share Capital £'000	Share Premium Reserve £'000	Special Distributable Reserve £'000	Unrealised Capital Reserve £'000	Profit and Loss Account £'000	Total £'000
<b>As at 1 March 2022</b>	-	-	-	-	-	-
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)
<b>Balance as at 31 August 2022</b>	<b>108</b>	<b>4,192</b>	<b>-</b>	<b>(706)</b>	<b>(18)</b>	<b>3,576</b>
<b>As at 1 March 2022</b>	-	-	-	-	-	-
Issue of Consideration Shares	108	4,192	-	-	-	4,300
Capital Reduction	-	(4,192)	4,192	-	-	-
Revenue return on ordinary activities after tax	-	-	-	-	(34)	(34)
Current period losses on fair value of investments	-	-	-	(1,047)	-	(1,047)
<b>Balance as at 28 February 2023</b>	<b>108</b>	<b>-</b>	<b>4,192</b>	<b>(1,047)</b>	<b>(34)</b>	<b>3,219</b>
<b>As at 1 March 2023</b>	<b>108</b>	<b>-</b>	<b>4,192</b>	<b>(1,047)</b>	<b>(34)</b>	<b>3,219</b>
Revenue return on ordinary activities after tax	-	-	-	-	(38)	(38)
Current period losses on fair value of investments	-	-	-	(430)	-	(430)
<b>Balance as at 31 August 2023</b>	<b>108</b>	<b>-</b>	<b>4,192</b>	<b>(1,477)</b>	<b>(72)</b>	<b>2,751</b>

## Statement of Cash Flows – Combined

	Combined Six months to 31 August 2023 £'000	Combined * Six months to 31 August 2022 £'000	Combined ** Year to 28 February 2023 £'000
<b>Cash flows from operating activities</b>			
Return on ordinary activities before tax	(1,750)	(1,881)	(1,876)
Adjustments for:			
(Increase)/decrease in debtors ***	(27)	27	191
Decrease in creditors ***	(9)	(51)	(203)
Loss on disposal of fixed asset investments	-	-	17
Loss on valuation of fixed asset investments	1,642	1,756	1,699
Movement in investment debtors	-	-	(38)
<b>Outflow from operating activities</b>	<b>(144)</b>	<b>(149)</b>	<b>(210)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	-	-	-
Disposal of investments	-	-	52
<b>Total cash outflow from investing activities</b>	<b>-</b>	<b>-</b>	<b>52</b>
<b>Cash flows from financing activities</b>			
Cash brought in from merger	-	266	266
Short term interest free loan ****	-	-	-
Dividends paid	-	-	-
<b>Total cash inflow from financing activities</b>	<b>-</b>	<b>266</b>	<b>266</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(144)</b>	<b>117</b>	<b>108</b>
<b>Opening cash and cash equivalents</b>	<b>292</b>	<b>184</b>	<b>184</b>
<b>Closing cash and cash equivalents</b>	<b>148</b>	<b>301</b>	<b>292</b>

\* 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 only incorporate data for the 8 month period to 28 February 2023 for the for the OT1, OT3 and OT4 Share Classes, but the full 12 months' data for the OT2 Share Class

\*\*\* The individual share classes at 31 August 2022 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 – OT1 Share Class (non-statutory analysis)

	OT1 Share Class Six months to 31 August 2023 £'000	OT1 Share Class Two months to 31 August 2022 £'000	OT1 Share Class Eight months to 28 February 2023 £'000
<b>Cash flows from operating activities</b>			
Return on ordinary activities before tax	(399)	(313)	64
Adjustments for:			
Decrease in debtors *	-	4	14
Increase/(decrease) in creditors *	-	9	(66)
Gain on disposal of fixed asset investments	-	-	(21)
Loss/(gain) on valuation of fixed asset investments	391	300	(38)
<b>Outflow from operating activities</b>	<b>(8)</b>	-	(47)
<b>Cash flows from investing activities</b>			
Purchase of investments	-	-	-
Disposal of investments	-	-	52
<b>Total cash inflow from investing activities</b>	<b>-</b>	-	52
<b>Cash flows from financing activities</b>			
Cash brought in from merger	-	38	38
Short term interest free loan **	-	(25)	(25)
Dividends paid	-	-	-
<b>Total cash outflow from financing activities</b>	<b>-</b>	13	13
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(8)</b>	13	18
<b>Opening cash and cash equivalents</b>	<b>18</b>	-	-
<b>Closing cash and cash equivalents</b>	<b>10</b>	13	18

\* The individual share classes at 31 August 2022 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 – OT2 Share Class (non-statutory analysis)

	OT2 Share Class Six months to 31 August 2023 £'000	OT2 Share Class Six months to 31 August 2022 £'000	OT2 Share Class Year to 28 February 2023 £'000
<b>Cash flows from operating activities</b>			
Return on ordinary activities before tax	(248)	(314)	(365)
Adjustments for:			
(Increase)/decrease in debtors *	(27)	(202)	18
(Decrease)/increase in creditors *	(9)	133	26
Gain on disposal of fixed asset investments	-	-	-
Loss on valuation of fixed asset investments	220	234	276
<b>Outflow from operating activities</b>	<b>(64)</b>	<b>(149)</b>	<b>(45)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	-	-	-
Disposal of investments	-	-	-
<b>Total cash inflow from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Short term interest free loan **	-	25	25
Dividends paid	-	-	-
<b>Total cash outflow from financing activities</b>	<b>-</b>	<b>25</b>	<b>25</b>
<b>Decrease in cash and cash equivalents</b>	<b>(64)</b>	<b>(124)</b>	<b>(20)</b>
<b>Opening cash and cash equivalents</b>	<b>164</b>	<b>184</b>	<b>184</b>
<b>Closing cash and cash equivalents</b>	<b>100</b>	<b>60</b>	<b>164</b>

\* The individual share classes at 31 August 2022 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 – OT3 Share Class (non-statutory analysis)

	OT3 Share Class Six months to 31 August 2023 £'000	OT3 Share Class Two months to 31 August 2022 £'000	OT3 Share Class Eight months to 28 February 2023 £'000
<b>Cash flows from operating activities</b>			
Return on ordinary activities before tax	(635)	(529)	(494)
Adjustments for:			
Decrease in debtors *	-	3	121
Increase/(decrease) in creditors *	-	11	(69)
Loss on disposal of fixed asset investments	-	-	38
Loss on valuation of fixed asset investments	602	515	413
Movement in investment debtors	-	-	(38)
<b>Outflow from operating activities</b>	<b>(33)</b>	-	(29)
<b>Cash flows from investing activities</b>			
Purchase of investments	-	-	-
Disposal of investments	-	-	-
<b>Total cash inflow from investing activities</b>	-	-	-
<b>Cash flows from financing activities</b>			
Cash brought in from merger	-	68	68
Dividends paid	-	-	-
<b>Total cash outflow from financing activities</b>	-	68	68
<b>Decrease in cash and cash equivalents</b>	<b>(33)</b>	68	39
<b>Opening cash and cash equivalents</b>	<b>39</b>	-	-
<b>Closing cash and cash equivalents</b>	<b>6</b>	68	39

\* The individual share classes at 31 August 2022 include balances between each other for operational reasons; the combined cash flow removes these on consolidation

## Statement of Cash Flows – OT4 Share Class (non-statutory analysis)

	OT4 Share Class Six months to 31 August 2023 £'000	OT4 Share Class Two months to 31 August 2022 £'000	OT4 Share Class Eight months to 28 February 2023 £'000
<b>Cash flows from operating activities</b>			
Return on ordinary activities before tax	(468)	(724)	(1,081)
Adjustments for:			
Decrease in debtors *	-	4	14
Increase/(decrease) in creditors *	-	14	(69)
Gain on disposal of fixed asset investments	-	-	-
Loss on valuation of fixed asset investments	430	706	1,047
<b>Outflow from operating activities</b>	<b>(38)</b>	-	(89)
<b>Cash flows from investing activities</b>			
Purchase of investments	-	-	-
Disposal of investments	-	-	-
<b>Total cash inflow from investing activities</b>	-	-	-
<b>Cash flows from financing activities</b>			
Cash brought in from merger	-	160	160
Dividends paid	-	-	-
<b>Total cash outflow from financing activities</b>	-	160	160
<b>Decrease in cash and cash equivalents</b>	<b>(38)</b>	160	71
<b>Opening cash and cash equivalents</b>	<b>71</b>	-	-
<b>Closing cash and cash equivalents</b>	<b>33</b>	160	71

\* The individual share classes at 31 August 2022 include balances between each other for operational reasons; 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 2023 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 2021)'. The principal accounting policies and valuation methodologies have remained unchanged from those set out in the Company's 2023 Annual Report on Pages 73 to 88.

The Directors believe that, as no material uncertainties leading to significant doubt about going concern have been identified, it is appropriate to continue to adopt the going concern basis over a period of at least twelve months from when the financial statements are authorised for issue. In assessing the Company's ability to continue as a going concern, the Board has taken into account the current economic environment, including the potential impact of the war in Ukraine, rising inflation and interest rates.

### 2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 31 August 2023 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 2023 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 share (basic and diluted) for the period is based on the net profit/loss of each Share Class attributable to those shareholders divided by the weighted average number of shares in issue during the period.

The calculation of earnings per OT1 share for the 6 months to 31 August 2023 is based on the loss attributable to shareholders in the period divided by 5,431,655 shares (28 February 2023: 5,431,655 and 31 August 2022: 5,431,655), 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 in Oxford Technology VCT Plc.

The earnings per OT2 share for the 6 months to 31 August 2023 is calculated using the loss attributable to shareholders in the period divided by 5,331,889 (28 February 2023: 5,331,889 and 31 August 2022: 5,331,889), being the weighted average number of shares in issue during the period.

The calculation of earnings per OT3 share for the 6 months to 31 August 2023 is based on the loss attributable to shareholders in the period divided by 6,254,596 shares (28 February 2023: 6,254,596 and 31 August 2022: 6,254,596), 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 in Oxford Technology 3 VCT Plc.

The calculation of earnings per OT4 share for the 6 months to 31 August 2023 is based on the loss attributable to shareholders in the period divided by 10,826,748 shares (28 February 2023: 10,826,748 and 31 August 2022: 10,826,748), being the weighted average number of shares in issue during that period. The weighted average number of shares in issue for 4 month period to 30 June 2022 pre-merger in Oxford Technology 4 VCT Plc was 11,505,713.

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

#### **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 2023 divided by 5,431,655 (28 February 2023: 5,431,655 and 31 August 2022: 5,431,655) OT1 shares in issue at that date.

The net asset value per OT2 share is based on the OT2 share pool net assets as at 31 August 2023 divided by 5,331,889 (28 February 2023: 5,331,889 and 31 August 2022: 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 2023 divided by 6,254,596 (28 February 2023: 6,254,596 and 31 August 2022: 6,254,596) OT3 shares in issue at that date.

The net asset value per OT4 share is based on the OT4 share pool net assets as at 31 August 2023 divided by 10,826,748 (28 February 2023: 10,826,748 and 31 August 2022: 10,826,748) OT4 shares in issue at that date.

#### **5. Total Voting Rights**

Note 4 details the number of shares of each class of OT2 VCT as at 31 August 2023. Each share has the same voting rights (one vote per share), and hence the Company's total voting rights at 31 August 2023 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. The Company is also facing risks resulting from the impact of macroeconomic events and inflationary pressures. These risks, and the way in which they are managed, are described in more detail in the 2023 Annual Report.

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. The 2023 Annual Report also provides details of the cost cap protection that exists.

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 each Share Class is detailed on page 47 and in note 3 of the 2023 Annual Report. 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](http://www.oxfordtechnologyvct.com)