

KEY INFORMATION DOCUMENT

Purpose

This document provides you with key information about Mobeus Income & Growth 2 VCT plc. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products. This document is prepared on the basis that an investor is either subscribing for new shares in the Company via an offer for subscription ("Offer") or purchasing secondary shares on the London Stock Exchange ("Secondary Market Purchase").

Product

Mobeus Income & Growth 2 VCT plc ("Company") is incorporated and registered in England and Wales as a public company limited by shares under the Companies Act 1985 with registered number 03946235. The Company is run by a board of directors ("Board"), details of which are registered at Companies House and published in the annual accounts and on the company's website: www.mig2vct.co.uk. Call 0207 024 7600 for more information. Legal Entity Identifier: 213800LY62XLI1B4VX35. ISIN: GB00B0LKLZ05. London Stock Exchange Code: MIG Competent Authority: UK Listing Authority (part of Financial Conduct Authority ("FCA")) Date of production of this Key Information Document ("KID"): 16 October 2019 Investment Adviser to the Company: Mobeus Equity Partners LLP ("Mobeus") (www.mobeus.co.uk), authorised and regulated by the FCA (reference number 456538)

You are about to purchase a product that is not simple and may be difficult to understand

What is this product?

The Company is a venture capital trust ("VCT") with one class of ordinary shares of 1p each which are listed on the London Stock Exchange. The Company's shares are typically subscribed for via an Offer which, for eligible VCT investors, will attract income tax relief on the amount subscribed, as well as other VCT tax reliefs. Existing shares can also be bought and sold via a Secondary Market Purchase. The purchaser of such shares does not benefit from the initial upfront income tax relief, but may still benefit from the other VCT tax benefits. Shares typically trade on the stock market with a bid-offer spread such that, at any point in time, the price that you can buy them for (offer price) will be more than what you can sell them for (bid price). The objective of the Company is to provide investors with a regular income stream, by way of tax-free dividends generated from income and capital returns, while continuing, at all times, to qualify as a VCT. The life of the Company will be periodically voted on by shareholders, although the Company's shares do not have a specified maturity date or unilateral termination date.

The Company's policy is to invest primarily in a diverse portfolio of young unquoted UK companies for the purpose of their growth and development. Investments are made in companies that are deemed qualifying in accordance with HM Revenue & Customs ("HMRC") requirements and are typically made alongside three other VCTs also advised by Mobeus. The Company aims to pay returns to shareholders by way of dividends (tax-free for eligible VCT investors) which arise from a) income generated from the investments it holds, and b) capital gains arising from profitable investment disposals.

By focusing on VCT-qualifying companies, the Company intends to maintain its status as a VCT thereby enabling investors to benefit from connected tax advantages. The value of the Company's shares, and returns received thereon, will depend on the performance of the investments selected.

If investing via an Offer, in order to benefit from 30% initial income tax relief, investors are required to hold the investment for a minimum of five years. If the investor were to sell before this date any initial income tax relief will be repayable to HMRC. A typical retail investor for this product would be a relatively high net worth individual, who already owns a quoted investment portfolio, and wishes to allocate funds to a relatively higher risk product as part of a balanced portfolio. They will be able to utilise the tax advantages of the product and could afford to withstand any losses that may arise from an investment in a VCT.

What are the risks and what could I get in return?

Summary Risk Indicator

| | | | | | | |
|------------|---|---|---|-------------|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| -----> | | | | | | |
| Lower risk | | | | Higher risk | | |

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because you are not able to realise any value from your shares.

You may get back less than the amount invested. You may not be able to sell your shares easily or you may have to sell at a price that is significantly less than anticipated or significantly impacts on the total return achieved. Although the Company has a share buyback policy (see 'How do I sell my shares?' below), the shares of the Company are otherwise relatively illiquid and may be difficult to return value to

We have classified this product as 2 out of 7, which is a low risk class. However, the required summary risk indicator solely reflects historic share price volatility of the company's shares. It excludes other risks inherent in the product and, therefore, does not show the full risk to the investor. Due to the young age and small size of the companies held within the portfolio, the risk may be much higher.

The Company's investments are in unquoted entities which have valuation and performance uncertainties and liquidity risk. Other risks: Economic, VCT Conditions, Regulatory, Financial, Market, Market Liquidity, Counterparty.

The value and tax benefits are conditional on the shares being held for at least five years and the Company maintaining VCT status.

| | |
|--|---|
| shareholders if a substantial number of shareholders all want to sell at the same time. The risk indicator assumes you keep the product for a minimum of five years. The actual risk and returns can vary significantly if you sell your shares before this date. | This product does not include any protection from future market performance so you could lose some or all of your investment. If the company's investment performance is poor, you could lose your entire investment. |
|--|---|

Performance scenarios

| Investment of £10,000 Scenarios | | 1 year | 3 years | 5 years (Recommended minimum holding period) |
|------------------------------------|--|---------|---------|---|
| Stress scenario | What you might get back after costs | £6,384 | £8,443 | £8,289 |
| | Average return each year | -36% | -5% | -4% |
| Unfavourable scenario | What you might get back after costs | £10,348 | £11,840 | £13,730 |
| | Average return each year | 3% | 6% | 7% |
| Moderate scenario | What you might get back after costs | £10,876 | £12,991 | £15,517 |
| | Average return each year | 9% | 9% | 9% |
| Favourable scenario | What you might get back after costs | £11,614 | £14,483 | £17,818 |
| | Average return each year | 16% | 13% | 12% |

This table shows the money you could get back over the next five years, under different scenarios, assuming that you invest £10,000. Investors who invest via an Offer should note that the data has not been adjusted for the impact of Offer costs of up to 3.00% or for the likely difference (currently 5%) between the offer price paid for the shares and the share price at which you could sell – See ‘How do I sell my shares?’ section below. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past (share price total return (including dividends) over the last five years) on how the value of this investment varies. They are not an exact indicator. What you get will vary depending on how the stock market and the Company performs and how long you keep the investment. The value of shares can go down as well as up and you may not get back the full amount you invested. **Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.**

The stress scenario shows what you might get back in extreme stock market circumstances but it does not take into account a situation where you are unable to realise any value from your shares.

This product can be realised, but it may be costly to do so in the short-term. It is particularly difficult to estimate how much you would get back if you sell before the end of the recommended minimum holding period. You can sell your shares early but you may make a large loss if you do so and will lose your tax reliefs. Whether sold early or not, your maximum loss would be that you will lose all of your investment.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, or any VCT tax reliefs, which may also affect how much you get back.

Past performance is not necessarily a guide to its performance in the future. The data above is derived from the past 5 years' performance. It principally reflects the successful application of a strategy to invest primarily in financing management buyouts (MBOs), which yielded good returns for shareholders. From November 2015, VCTs are no longer permitted to fund MBO investments, but can retain those acquired prior to that date. Instead, a VCT must now invest in smaller younger companies that can carry higher risk, albeit with the prospect of higher but more volatile returns.

What happens if Mobeus Income & Growth 2 VCT plc is unable to pay out?

If the Company is unable to pay out, you might lose all of your investment. As a shareholder of the Company, you would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event that you lose money on your shares in the Company.

What are the costs?

The reduction in yield (“RIY”) shows what impact the total costs you pay will have on the investment return that you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself for three different holding periods. The figures assume that you invest £10,000. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, as well as other costs such as any applicable taxes, and show you the impact that all such costs will have on your investment over time.

| Investment of £10,000 Scenarios | 1 year | 3 years | 5 years (Recommended minimum holding period) |
|---|--------|---------|---|
| Offer – Total costs | 618 | 1,254 | 1,890 |
| Offer - Impact on return (RIY) per year | 6.18% | 4.18% | 3.78% |
| Secondary Market Purchase – Total costs | 318 | 954 | 1,590 |
| Secondary Market Purchase - Impact on return (RIY) per year | 3.18% | 3.18% | 3.18% |

The table below shows the impact each year of the different types of costs on the investment return that you might get at the end of recommended holding period and the meaning of the different cost categories.

| | | Prospectus | Secondary market | |
|------------------|-----------------------------|------------|------------------|--|
| One-off costs | Entry costs | 0.60% | - | The impact of the costs you pay when making your investment. Initial Offer costs are up to 3.00% of the Investment amount. This is the most you are likely to pay under an Offer, and you could pay less. SDRT of 0.5% is payable if the shares are purchased on the secondary market. See Other relevant information. |
| | Exit costs | - | - | The impact of the costs of exiting your investment when it matures. See the 'How do I sell my shares?' section below. |
| Ongoing costs | Portfolio transaction costs | 0.17% | 0.17% | The impact of the costs of the Company buying and selling underlying investments for the product. These costs include investee company paid due diligence prior to investment, as well as arrangement fees payable to Mobeus upon initial investment. |
| | Other ongoing costs | 3.01% | 3.01% | The impact of the running costs of the Company (which is a publicly listed company), include Mobeus advising upon the Company's investments. This figure also includes the indirect costs of a non-executive director appointed by Mobeus on the board of each portfolio company, paid for by that portfolio company. |
| Incidental costs | Performance fees | 0.00% | 0.00% | The impact of any performance fee Mobeus may earn from the Company but only if the Company outperforms its benchmark [^] . |
| | Carried interests | - | - | Not applicable. |

[^] - Mobeus is entitled to 20% of the excess of dividends paid to shareholders over a target rate (currently 7.99 pence per annum), subject to the VCT's average NAV for the year exceeding the average Base NAV for the year. No fee was payable for 2019, nor is one anticipated for 2020. The only performance fee ever paid since the launch of the Company was £2,692 in 2017.

How long should I hold it and can I take money out early?

This is a long term investment. If you invest via an Offer, you should be prepared to hold your shares for a minimum of five years. If you decide to sell your shares before then, you will be required to repay to HMRC the 30% upfront income tax relief you claimed.

How do I sell my shares?

VCT share prices are quoted on the London Stock Exchange, so you can buy or sell shares through a stockbroker or a share dealing account. It is worth noting that, since previously owned VCT shares do not qualify for the 30% upfront income tax relief, the market for buying second-hand VCT shares is limited. The open market price may therefore not reflect the underlying net asset value of the shares. The Company aims to offer a 'share buyback facility' for investors, provided that the Company has funds and reserves available. This facility allows existing investors in the Company to sell their shares back to the Company at a discount to NAV. The current policy agreed by the Board is to aim to buy shares back at a 5% discount to their NAV. Share buybacks are conducted at the Board's discretion, and therefore there can be no guarantees you will always be able to sell shares on request. Due to regulations governing public companies, there are restrictions as to when the Company may conduct a share buyback – for example, during a period when the Company is preparing its annual and half-year report and accounts.

How can I complain?

As a shareholder in the Company, you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of the Company.

If you have a complaint about the Company or this KID, please email: vcts@mobeus.co.uk, call us on 020 7024 7600 or write to us at: Mobeus Equity Partners LLP, 30 Haymarket, London, SW1Y 4EX, and we will do our best to help. We will also send you a printed copy of our complaints procedure, which follows the rules set out by the FCA.

Other relevant information

This document is not a prospectus and any decision to invest should be based on all relevant available information on Mobeus Income & Growth 2 VCT plc. Further information on the Company's investment strategy and other relevant documents, such as the Company's most recent *Offer for Subscription Prospectus*, *Half-Year and Annual Reports* are available on the Company's website at www.mig2vct.co.uk. If you have any questions, or require any further information, please send an email to vcts@mobeus.co.uk.

Depending on how you buy these shares you may incur other costs, including broker commission, platform fees and Stamp Duty. The distributor will provide you with additional documents where necessary.

The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules. If you are in any doubt about the action you should take, you should seek independent financial advice.