

## British Smaller Companies VCT2 plc (the “Company”) Payment of Final Dividend and Allotment of Shares

The Company announces that on 9 May 2016 it paid a final dividend of 2.5 pence per ordinary share to shareholders on the register of members of the Company as at the record date of 8 April 2016 (“Final Dividend”).

The Company further announces that on 9 May 2016 it issued and allotted 763,247 ordinary shares of 10 pence each pursuant to its dividend re-investment scheme (“DRIS”) at a price of 58.05 pence per share to shareholders of the Company who elected to receive shares instead of the Final Dividend. The subscription price of 58.05 pence per share was determined in accordance with the terms and conditions of the DRIS on the basis of the last reported Net Asset Value of 63.6 pence per ordinary share as at 31 March 2016 (adjusted for the Final Dividend of 2.5 pence per share to be paid today) less 5%. As a result 19% of the Interim Dividend paid by the Company, was re-invested in shares in the Company via the DRIS.

Under this allotment the employees of the investment adviser, YFM Private Equity Limited, have been allotted 1,531 ordinary shares of 10 pence each in the Company bringing their aggregate total shareholding to 174,073 ordinary shares of 10 pence each in the Company representing 0.19% of the current issued ordinary shares of the Company.

Application is now being made for the ordinary shares which were issued and allotted as set out above to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s Main Market for listed securities, and dealings are expected to commence on or around 23 May 2016.

Following such issue and allotment the Company’s issued share capital consists of 93,572,221 ordinary shares of 10 pence each with voting rights (“Voting Capital”) and 2,265,313 ordinary shares of 10 pence each held in treasury.

The above statement of Voting Capital 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 the Company under the FCA’s Disclosure and Transparency Rules.

For further information please contact:

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