

# British Smaller Companies VCT plc

## Interim Management Statement

### For the quarter ended 31 December 2021

British Smaller Companies VCT plc (the “Company”) presents its interim management statement for the quarter ended 31 December 2021. The statement also includes relevant financial information between the end of the quarter and the date of this statement. A copy of this interim management statement can be found at [www.bscfunds.com](http://www.bscfunds.com).

#### Overview

The Company’s Total Return at 31 December 2021 was 251.9 pence per ordinary share, representing an increase of 1.6 pence per ordinary share over the Total Return of 250.3 pence per ordinary share as at 30 September 2021. The increase is 1.8 per cent of the opening net asset value at the beginning of the quarter of 90.9 pence per share.

The Company completed the realisation of 15 per cent of its investment in Matillion as part of its Series E funding round during the quarter. The proceeds from this partial exit were £5.0 million which, together with previous proceeds received of £2.1 million, represents a total return to date of 2.7x the total cost of the Company’s investment. The value of the Company’s residual investment in Matillion at 31 December 2021 is £29.7 million. This is an outstanding outcome to date, in a company which is experiencing continued fast growth.

Total proceeds from all full and partial realisations in the quarter were £6.4 million, a gain of £3.5 million over cost. £0.2 million was invested in the quarter.

Following its previously announced offer for subscription (alongside British Smaller Companies VCT2 plc, together “the Offers”), on 7 January 2022 the Company made the first and final issue of ordinary shares pursuant to the Offers by allotting 39,514,174 ordinary shares of 10 pence each, raising gross proceeds of £34.6 million (£33.2 million net).

#### Performance

The movement in **Total Return** in pence per ordinary share is set out in the table below:

	<b>30 September 2021</b>	<i>Increase in Value</i>	<i>Dividends paid/shares issued</i>	<i>Buyback of shares</i>	<b>Movement In Period</b>	<b>31 December 2021</b>
<b>Net Assets (£m)</b>	<b>131.7</b>	<i>2.5</i>	<i>(5.4)</i>	<i>(0.4)</i>	<b>(3.3)</b>	<b>128.4</b>
<b>NAV per share (PPS)</b>	<b>90.9</b>	<i>1.6</i>	<i>(5.0)</i>	-	<b>(3.4)</b>	<b>87.5</b>
<b>Cumulative dividends paid (PPS)</b>	<b>159.4</b>	-	<i>5.0</i>	-	<b>5.0</b>	<b>164.4</b>
<b>Total Return (PPS)</b>	<b>250.3</b>	<i>1.6</i>	-	-	<b>1.6</b>	<b>251.9</b>
<b>Shares in issue</b>	<b>144,873,228</b>	-	<i>2,306,826</i>	<i>(526,365)</i>	<b>1,780,461</b>	<b>146,653,689</b>

The unaudited NAV increased in value by 1.6 pence; after payment of 5.0 pence of dividends, the unaudited NAV per ordinary share stood at 87.5 pence per share at the period end. Cumulative dividends paid at 31 December 2021 were 164.4 pence per ordinary share (30 September 2021: 159.4 pence per ordinary share).

The movements in NAV per ordinary share are set out in the table below:

	£m	Pence per ordinary share
NAV at 30 September 2021	131.7	90.9
Increase in portfolio value	3.0	2.0
Net operating costs	(0.5)	(0.4)
	<u>2.5</u>	<u>1.6</u>
Issue/buy-back of shares	1.4	-
<b>Total Return in the period</b>	<u>3.9</u>	<u>1.6</u>
<b>NAV before the payment of dividends</b>	135.6	92.5
<b>Dividends paid</b>	(7.2)	(5.0)
<b>NAV at 31 December 2021</b>	<b>128.4</b>	<b>87.5</b>

Following payment of the third interim dividend of 2.0 pence per ordinary share for the year ending 31 March 2022 on 5 January 2022 the unaudited net asset value is 85.5 pence per ordinary share.

#### Dividends and shares in issue

On 16 November 2021, the Company issued 2,306,826 shares under the DRIS, following the payment of the second interim dividend.

Under its standing buyback authority, on 15 December 2021 the Company purchased 526,365 shares at 80.21 pence at a cost of £0.42 million. These shares are held in treasury.

Subsequent to the quarter end, on 5 January 2022 the Company issued 940,963 shares under the DRIS following the payment of the third interim dividend, and on 7 January 2022 the Company issued 39,514,174 shares arising from the Offers, taking the number of shares in issue to 187,108,826 at that date, with a further 17,986,301 shares held in treasury.

#### Net assets

Net assets at 31 December 2021 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	<b>95,297</b>	74.2
Listed investment funds	<b>5,146</b>	4.0
Cash and cash equivalents	<b>27,056</b>	21.1
Other net current assets	<b>873</b>	0.7
Net assets	<u><b>128,372</b></u>	100.0

## Investments

The investment portfolio at 31 December 2021 comprised:

	<b>Valuation</b>	<b>Cumulative valuation</b>
	<b>£000</b>	<b>as a % of net assets</b>
Matillion Limited	<b>29,655</b>	23.1%
Springboard Research Holdings Limited	<b>5,938</b>	27.7%
Intelligent Office UK	<b>4,744</b>	31.4%
Wooshii Limited	<b>4,743</b>	35.1%
Unbiased EC1 Limited	<b>4,624</b>	38.7%
Elucidat Ltd	<b>4,397</b>	42.1%
SharpCloud Software Limited	<b>4,392</b>	45.6%
Force24 Ltd	<b>4,160</b>	48.8%
ACC Aviation Group Limited	<b>3,661</b>	51.7%
Displayplan Holdings Limited	<b>3,512</b>	54.4%
	<b>69,826</b>	54.4%
Other investments	<b>25,471</b>	19.8%
<b>Total investments</b>	<b>95,297</b>	74.2%

Investments made since November 2015 represented 77 per cent of the value of the unquoted portfolio at 31 December 2021.

## Portfolio performance

Over the quarter to 31 December 2021, the aggregate portfolio valuation has increased by £3.0 million.

## Ukraine

During the build up to and subsequent to the recent invasion of Ukraine by Russia, we have been closely monitoring the impact of the war on our portfolio. There is minimal direct impact, which has principally been where two portfolio companies have had a small section of their software development teams based in Ukraine. From a business perspective, continuity of supply and service has been secured, although we are aware of a small number of developers who we believe are directly caught in the conflict and our thoughts are with them and all those suffering the humanitarian impact of the war.

## Outlook

The current environment is clearly a demanding one for many companies, dealing with supply chain inflation, a competitive hiring environment and wider political challenges. But as the pandemic has shown, the key to a company's success is having a strong management team, ready access to capital and remaining agile. We are confident that the Company's portfolio is well placed to navigate these challenges. We also continue to see a number of promising investment opportunities and look forward to updating you on progress with deploying the Company's newly raised funds over the coming quarters.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU No. 596/2014). Upon the publication of this announcement via Regulatory Information Service this inside information is now considered to be in the public domain.

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