

**British Smaller Companies VCT plc**  
**Interim Management Statement**  
**For the quarter ended 31 December 2023**

British Smaller Companies VCT plc (the “Company”) presents its interim management statement for the quarter ended 31 December 2023. 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**

In the quarter to 31 December 2023, the Company’s Net Asset Value per share was up by 3.3 pence, or 4.0 per cent of the opening NAV, prior to the payment of the interim dividend of 2.0 pence on 8 December 2023. The FTSE Small Cap Index rose by 5.4 per cent during the period.

The Company’s Total Return at 31 December 2023 was up 3.3 pence, to 262.6 pence per ordinary share.

During the quarter, the Company invested a further £0.8 million into Force24 and £0.5 million into Vuealta. Subsequent to the quarter end, the Company has invested £1.8 million into three follow on investments; Outpost, Relative Insight and SharpCloud.

In November 2023 the Company exited its investment in E2E for £2.0 million, representing a 2.5x return on the Company’s cost. Also in November, the investment in MacroArt was realised for £1.5 million, representing a 2.0x return on cost for the Company.

The Company has seen further realisations post-quarter-end, partially realising its investments in KeTech and Arcus in January 2024, and fully exiting its investment in Displayplan in February 2024, all at valuations in line with fair value at 31 December 2023.

To maximise shareholder value, the KeTech business was split into its two component parts, Rail and Defence. The Defence business subsequently sold in January 2024, generating proceeds of £1.5 million. To date, the Company has realised proceeds of £4.1 million from its KeTech investment, a 2.0x return on cost, while still retaining its investment in the Rail Business, which at the period end was valued at £1.3 million.

In February 2024, the Company sold its investment in Displayplan for £9.0 million. Total proceeds received over the life of the investment are £12.5 million, an excellent 9.6x return on the Company’s cost. There is the potential for further deferred proceeds in due course.

## Performance

The table below sets out movements in key metrics for the Company.

	<b>30 September 2023</b>	<i>Increase in Value</i>	<i>Shares issued/divid end paid</i>	<i>Buyback of shares</i>	<b>Movement In Period</b>	<b>31 December 2023</b>
<b>Net Assets (£m)</b>	<b>198.6</b>	7.8	(3.8)	(0.8)	<b>3.2</b>	<b>201.8</b>
<b>NAV per share (PPS)</b>	<b>82.4</b>	3.3	(2.0)	-	<b>1.3</b>	<b>83.7</b>
<b>Cumulative dividends paid (PPS)</b>	<b>176.9</b>	-	2.0	-	<b>2.0</b>	<b>178.9</b>
<b>Total Return (PPS)</b>	<b>259.3</b>	3.3	-	-	<b>3.3</b>	<b>262.6</b>
<b>Shares in issue</b>	<b>240,991,484</b>	-	1,220,008	(975,567)	<b>244,441</b>	<b>241,235,925</b>

Cumulative dividends paid at 31 December 2023 were 178.9 pence per ordinary share (30 September 2023: 176.9 pence per ordinary share) following the interim dividend of 2.0 pence paid on 8 December 2023.

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

	£m	Pence per ordinary share
NAV at 30 September 2023	198.6	82.4
Increase in portfolio value	7.6	3.2
Net operating income	0.2	0.1
	<u>7.8</u>	<u>3.3</u>
Issue/buy-back of shares	0.2	-
<b>Total Return in the period</b>	<b>8.0</b>	<b>3.3</b>
<b>NAV before dividends</b>	<b>206.6</b>	<b>85.7</b>
<b>Dividends paid</b>	<b>(4.8)</b>	<b>(2.0)</b>
<b>NAV at 31 December 2023</b>	<b>201.8</b>	<b>83.7</b>

## Dividends and shares in issue

On 8 December 2023 the Company issued 1,220,008 shares under the Company's Dividend Re-investment Scheme (DRIS).

Under its standing buyback authority, on 18 December 2023 the Company purchased 975,567 shares at 76.88 pence per share at a cost of £0.8 million. These shares are held in treasury.

On 30 January 2024 the Company issued 22,560,594 shares in relation to its 2023/24 fundraising, following which the Company's issued share capital consists of 263,796,519 ordinary shares with voting rights and 24,501,263 shares held in treasury.

## Net assets

Net assets at 31 December 2023 comprised the following:

	<b>£000</b>	% of net assets
Unquoted investments at fair value	<b>135,649</b>	67.2
Cash and money market funds	<b>63,490</b>	31.5
Other net assets	<b>2,655</b>	1.3
Net assets	<b>201,794</b>	100.0

## Investments

The investment portfolio at 31 December 2023 comprised:

	<b>Valuation £000</b>	<b>Cumulative valuation as a % of net assets</b>
Matillion	<b>26,440</b>	13.1%
Unbiased	<b>12,545</b>	19.3%
Outpost	<b>8,819</b>	23.7%
Displayplan	<b>8,806</b>	28.1%
Elucidat	<b>6,596</b>	31.3%
Force24	<b>6,189</b>	34.4%
Wooshii	<b>5,457</b>	37.1%
SharpCloud	<b>4,965</b>	39.6%
Vypr	<b>4,834</b>	41.9%
ACC Aviation	<b>4,340</b>	44.1%
	<b>88,991</b>	44.1%
Other investments	<b>46,658</b>	67.2%
<b>Total investments</b>	<b>135,649</b>	67.2%

## Portfolio performance

Over the quarter to 31 December 2023, the aggregate unquoted portfolio valuation has increased by £7.6 million.

## Fundraising

The Company announced a new share offer on 20 September 2023, alongside British Smaller Companies VCT2 plc, with the intention of raising up to £90 million, in aggregate, which included an over-allotment facility of £25 million, in aggregate. The offers closed to new Applications on 16 February 2024. Gross Applications of £90 million have been received, of which c.£55.5 million relate to the Company. The first allotment of £30 million (£18.6 million relating to the Company) took place on 30 January 2024; the second and final allotment will take place in early April 2024.

## Outlook

In the last quarter of the year, there was a notable upturn in the economic forecast. We witnessed a decline in inflation rates and a growing consensus that interest rates might be lowered in 2024. Nevertheless, we're keeping a close eye on any potential shifts, particularly given recent instability in the Middle East, which have raised concerns about a resurgence in input costs. Additionally, upcoming elections in both the UK and US in 2024 may influence the economic outlook.

The portfolio has demonstrated robust revenue growth in an efficient manner through a tough trading period, which should leave portfolio companies well positioned to continue their positive trajectory as the economic environment improves. Moreover, the close of the Company's 2023/24 fundraising in February positions the Company strongly to continue supporting the portfolio and to invest further in new opportunities in the year ahead.

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.

15 March 2024

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