BRITISH SMALLER COMPANIES VCT PLC (BSC)

INVESTOR UPDATE

AUTUMN 2025

YFM Equity Partners

Dear Shareholder

We are pleased to provide an update on the progress of British Smaller Companies VCT plc (BSC or the Company).

Performance

The Company registered a 1.0 per cent increase in its Net Asset Value (NAV) per share in the quarter to 30 June 2025, reflecting good levels of underlying revenue growth in portfolio companies.

The Company's Total Return at 30 June 2025 was up 0.80 pence, to 265.50 pence per ordinary share, and at the quarter-end BSC's NAV per share stood at 81.35 pence.

Post-period end, on 25 July 2025, an interim dividend of 2.0 pence per ordinary share was paid. This resulted in a corresponding reduction in the Company's NAV per ordinary share, adjusting the last reported NAV to 79.35 pence per ordinary share.

Investments

During the quarter, the Company invested £2.4 million into new portfolio company S4labour. A further £0.6 million was invested into existing portfolio companies Force24 and Relative Insight. Subsequent to the quarter end, the Company invested £1.8 million into new portfolio company DynaRisk, and £3.9 million into three existing portfolio companies: AutomatePro, Fuuse and Panintelligence. This takes the total amount invested so far this year to £8.7 million.

Realisation

Following the period end, the sale of the trade and liabilities of Wooshii was completed. No proceeds were received on exit, in line with its minimal carrying value at the period end.

Fundraising

In the 2024/25 tax year the Company, alongside British Smaller Companies VCT2 plc (together the BSC VCTs), raised £75 million in aggregate under their joint offers. A total of £45.8 million was raised by the Company, of which £15.2 million was allotted on 30 January 2025 and £29.6 million on 1 April 2025.

On 25 September 2025, the BSC VCTs launched a joint offer for the 2025/26 tax year (the Offers). The Offers seek to raise £60 million, with a £25 million over-allotment facility. They will close on 27 March 2026, or earlier if fully subscribed.

In line with the previous fundraising, capital raised through the Offers will be used to (i) take advantage of the high level and quality of new opportunities available throughout the UK regions; (ii) continue to support existing portfolio companies with follow-on funding; and (iii) manage ongoing cashflow requirements of the BSC VCTs.

We hope that existing shareholders will take up the opportunity to participate in the Offers and thank you all once again for your continued support.

Jamie Roberts

Managing Partner, YFM Equity Partners

Past performance is no guide to future performance and the value of an investment in British Smaller Companies VCT plc may go down as well as up and you may not get back the full amount invested.

S4labour

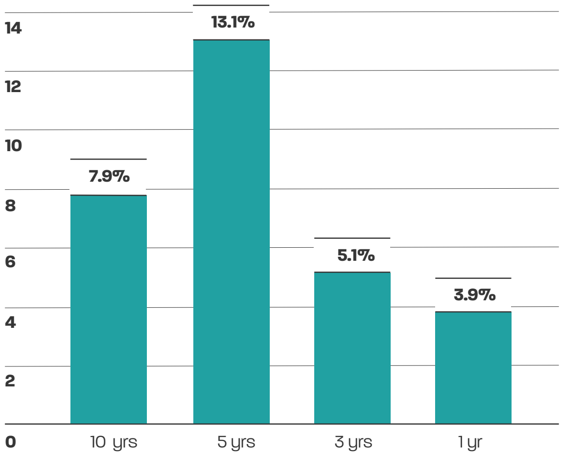
SECTOR: Application Software
LOCATION: Banbury
DEAL TYPE: Growth Capital
INVESTMENT SIZE: £2.4 million
INVESTMENT DATE: 2025
WEBSITE : s4labour.co.uk

"We are delighted to welcome YFM as an investor. Their experience in scaling SaaS businesses and their strategic approach to growth will be invaluable as we continue to develop our platform and reach new customers. This investment marks an exciting new chapter for S4labour, and we look forward to working closely with the YFM team."

ALASTAIR SCOTT, FOUNDER

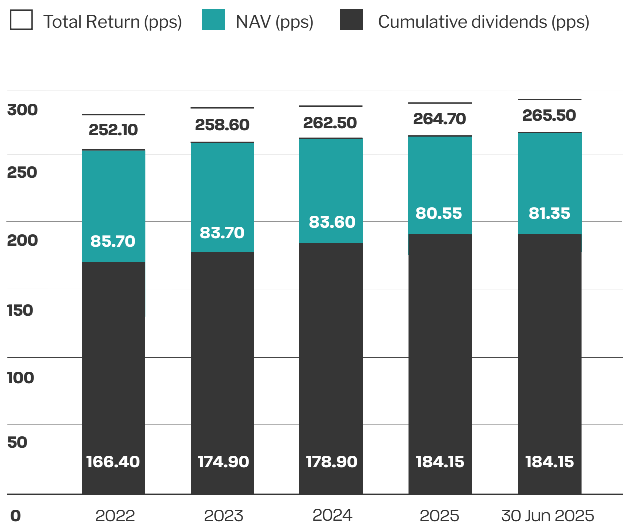
BSC INVESTMENT RATE OF RETURN

Annualised rate of return* per annum
over 10, 5, 3 and 1 year periods to 30 June 2025



* Excluding DRIS and benefits of all tax reliefs

BSC TOTAL SHAREHOLDER RETURN



As at 31 March unless otherwise stated

IMPROVED ONLINE RESOURCES FOR INVESTORS

www.bscfunds.com
Alongside a recent brand refresh for the BSC VCTs and the Fund Manager (YFM), the Company has launched a revised and improved website. A new, intuitive, navigation format provides quick and easy access to key information and shareholder documentation, as part of our drive to enhance the online experience for investors. Please do visit www.bscfunds.com to explore the content and find out more.

https://bsc-funds.cityhub.uk.com
If you are looking for specific, personalised, information about your holdings, the Company's registrar, The City Partnership, has an online hub at https://bsc-funds.cityhub.uk.com. Details on how to access the hub and information on the Registrar in general, can be found in the FAQs section of the Company's website, along with a host of other helpful information for managing your investments.

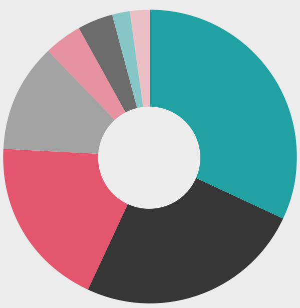
PORTFOLIO UPDATE

Over the quarter to 30 June 2025, the aggregate unquoted portfolio valuation has increased by £2.7 million. Several portfolio companies are demonstrating strong underlying growth of revenues, which has driven positive revaluation uplifts across several assets. This has been balanced by a downward movement in the valuation of Matillion, driven by foreign exchange movements.The ten largest investments generated £4.1 million of net value gain in the quarter.

Company	Website	Audited investment valuation at 31 Mar 2025 £000	Proceeds £000	Additions £000		Valuation gains (losses) including profits on disposal £000	Unaudited investment valuation at 30 Jun 2025 £000	Cumulative % of net asset value of £288.36m
Matillion	matillion.com	23,238	–	–	↓	(1,776)	21,462	7.4%
Unbiased	unbiased.co.uk	13,253	–	–	↑	1,301	14,554	12.5%
Vypr	vyprclients.com	10,638	–	–	↑	300	10,938	16.3%
Xapien	xapien.com	7,964	–	–	↑	762	8,726	19.3%
Automate Pro	automatepro.com	7,222	–	–	↑	1,181	8,403	22.2%
SharpCloud	sharpcloud.com	7,952	–	–	↑	241	8,193	25.1%
Summize	summize.com	6,366	–	–	↑	1,505	7,871	27.8%
DrDoctor	drdoctor.co.uk	6,345	–	–	↑	64	6,409	30.0%
Workbuzz	workbuzz.com	6,119	–	–	↑	185	6,304	32.2%
Force24	force24.co.uk	5,934	–	–	↑	325	6,259	34.4%
TOP 10 TOTAL		**95,031**	**–**	**–**	↑	**4,088**	**99,119**	**34.4%**
Remainder of unquoted portfolio		58,379	–	2,981	↓	(1,432)	59,928	55.2%
TOTAL PORTFOLIO		**153,410**	**–**	**2,981**	↑	**2,656**	**159,047**	**55.2%**

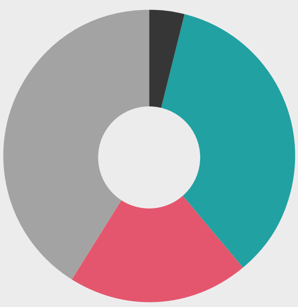
PORTFOLIO AT A GLANCE

INDUSTRY SECTOR (%)



Application Software	32%
Data	25%
Tech-enabled Services	19%
Cloud & DevOps	12%
New Media	4%
Retail & Brands	4%
Business Services	2%
Advanced Manufacturing / Other	2%

AGE OF INVESTMENT (%)

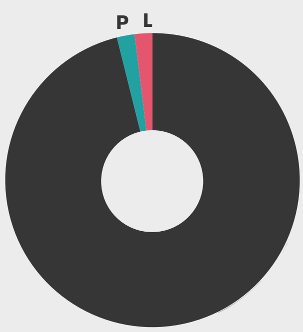


Less than 1 year	4%
1 – 3 years	35%
3 – 5 years	20%
5+ years	41%

VALUE COMPARED TO COST (%)

Value above cost	87%
At cost	7%
Value below cost	6%

INVESTMENT INSTRUMENT (%)



Ordinary shares	96%
P Preference shares	4%
L Loan	

Data source: Based on BSC Valuations at 30 June 2025

KEY DATES

Date	Event
30 SEP 2025	HALF YEAR END
November 2025	Half year results announced
31 DEC 2025	END OF THIRD QUARTER
January 2026	FUNDRAISING first allotment up to £25m
March 2026	Third quarter results announced
27 March 2026	FUNDRAISING application closing date
31 MAR 2026	YEAR END
1-2 April 2026	FUNDRAISING second and final allotment
June 2026	Year end results announced
18 June 2026	Shareholder Workshop
30 JUN 2026	END OF FIRST QUARTER

FOR YOUR RECORDS - DIVIDENDS AND DATES

The table below displays the dates when BSC dividends have been paid and we hope you find it useful in keeping and checking your records

DATE PAID	PENCE PER SHARE
Cumulative to 31 March 2012	**79.15**
17 August 2012	3.00
14 January 2013	2.00
13 August 2013	4.50
21 March 2014	2.00
1 August 2014	3.50
7 January 2015	2.00
2 March 2015	2.50
4 August 2015	3.50
7 September 2015	3.50
15 January 2016	2.00
11 March 2016	1.00

DATE PAID	PENCE PER SHARE
5 August 2016	2.00
5 August 2016	3.50
18 January 2017	16.50
26 May 2017	5.75
18 May 2018	4.00
15 February 2019	7.00
12 June 2019	4.00
20 March 2020	2.00
31 July 2020	2.00
5 October 2020	2.00
23 July 2021	2.00
16 November 2021	5.00

DATE PAID	PENCE PER SHARE
5 January 2022	2.00
12 July 2022	2.00
3 October 2022	2.00
11 January 2023	4.50
28 July 2023	2.00
8 December 2023	2.00
26 July 2024	2.00
20 December 2024	2.00
27 January 2025	1.25
Cumulative to 30 June 2025	**184.15**
25 July 2025	2.00

IMPORTANT NOTICE

CONTACT US

Please call or email for further information on any shareholder issue, including switching to direct dividend payments, or for further information on the Fundraising Offers.

Tracey Nice, Investor Relations Manager
0113 208 2646
bscfunds@yfmep.com
bscfunds.com

2025/2026 FUNDRAISING OFFERS: IN A NUTSHELL

£60m OFFER SIZE
£25m OVER ALLOTMENT

£6,000
MINIMUM SUBSCRIPTION*
*Across both BSC & BSC2

JANUARY 2026
FIRST ALLOTMENT UP TO £25m
1-2 APRIL 2026
SECOND AND FINAL ALLOTMENT

27 MARCH 2026
APPLICATION CLOSING DATE*
*Including cleared funds, or earlier if fully subscribed

Full details and documentation available via the **Fundraising tab at bscfunds.com.** Please refer to page 12 of the Prospectus for a full list of risk factors. Before you make your decision to invest, we recommend that you seek the relevant financial advice from an appropriately authorised independent financial adviser. If you require any further assistance please contact our Investor Relations Manager, Tracey Nice.