

British Smaller Companies VCT2 plc
Interim Management Statement
For the quarter ended 31 March 2022

British Smaller Companies VCT2 plc (the “Company”) presents its interim management statement for the quarter ended 31 March 2022. 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.

Overview

The Company’s Total Return at 31 March 2022 was unchanged at 139.5 pence per ordinary share. During the same period the FTSE Small Cap Market Overview fell by 6.8 per cent.

In the quarter the Company made one new investment, providing £2.0 million of funding to Relative Insight, a company which delivers scenario planning and forecasting solutions for supply chain, finance and operations. The investment enables the business to continue its global expansion strategy and product development. Two follow-on investments were also made in the period, into Arraco and Sipsynergy, totalling £0.5 million.

Following the quarter end one new investment and two follow-on investments totalling £1.3 million have been completed.

Performance

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

| | 31 December 2021 | <i>Increase in Value</i> | <i>Issue/Buyback of shares</i> | Movement In Period | 31 March 2022 |
|--|-----------------------------|------------------------------|------------------------------------|-------------------------------|--------------------------|
| Net Assets (£m) | 87.4 | <i>0.6</i> | <i>23.5</i> | 24.1 | 111.5 |
| NAV per share (PPS) | 61.5p | <i>0.3p</i> | <i>(0.3p)</i> | - | 61.5p |
| Cumulative dividends paid (PPS) | 78.0p | - | - | - | 78.0p |
| Total Return (PPS) | 139.5p | <i>0.3p</i> | <i>(0.3p)</i> | - | 139.5p |
| Shares in issue | 142,155,199 | - | <i>39,041,964</i> | 39,041,964 | 181,197,163 |

The unaudited NAV per ordinary share was unchanged at 61.5 pence per share (31 December 2021: 61.5 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 31 December 2021 | 87.4 | 61.5 |
| Increase in portfolio value | 1.0 | 0.6 |
| Net operating costs | (0.4) | (0.3) |
| Issue/buy-back of shares | <u>23.5</u> | <u>(0.3)</u> |
| | 24.1 | - |
| NAV at 31 March 2022 | 111.5 | 61.5 |

Following payment of an interim dividend of 1.5 pence per ordinary share for the year ending 31 December 2022 on 6 May 2022, the unaudited net asset value is 60.0 pence per ordinary share.

Dividends and shares in issue

On 7 January 2022, the Company issued 40,224,521 ordinary shares arising from the 2021/22 fundraising, at offer prices between 61.74 pence and 66.16 pence per ordinary share.

On 29 March 2022, the Company purchased 1,182,557 ordinary shares of 10 pence each at a price of 58.93 pence per ordinary share. These shares were placed in treasury.

The number of ordinary shares in issue at 31 March 2022 was 181,197,163 (31 December 2021: 142,155,199). In addition, at 31 March 2022 the Company held 17,112,331 ordinary shares in treasury (31 December 2021: 15,929,774)

Following payment of the first interim dividend for the year ending 31 December 2022 of 1.5 pence per ordinary share on 6 May 2022, the Company issued 903,714 ordinary shares under the DRIS, taking cumulative dividends paid to 79.5 pence per ordinary share and the number of ordinary shares in issue to 182,100,877 at that date.

Net assets

Net assets at 31 March 2022 comprised the following:

| | £000 | % of net assets |
|------------------------------------|----------------|--------------------|
| Unquoted investments at fair value | 73,569 | 66.0% |
| Cash and cash equivalents | 41,721 | 37.4% |
| Other net current liabilities | (3,782) | (3.4%) |
| Net assets | 111,508 | 100.0% |

Investments

The investment portfolio at 31 March 2022 comprised:

| | Valuation | Cumulative valuation |
|--------------------------|------------------|---------------------------------|
| | £000 | as a % of net assets |
| Matillion | 23,696 | 21.3% |
| Springboard Research | 4,425 | 25.2% |
| Unbiased | 4,153 | 28.9% |
| Wooshii | 3,399 | 32.0% |
| Intelligent Office UK | 3,368 | 35.0% |
| Elucidat | 3,084 | 37.8% |
| SharpCloud | 2,865 | 40.3% |
| Force24 | 2,665 | 42.7% |
| ACC Aviation | 2,436 | 44.9% |
| DisplayPlan | 2,366 | 47.0% |
| | 52,457 | 47.0% |
| Other investments | 21,112 | 66.0% |
| Total investments | 73,569 | 66.0% |

Shareholder relations

We are pleased to confirm the return of an in-person Investor Workshop for 2022. This will be held jointly with British Smaller Companies VCT plc on 29 June 2022 at 1 Great George Street, Westminster, London SW1P 3AA. After the success of the webinars over the past couple of years, we will also continue providing these once per year, with the next event planned for December 2022.

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 your portfolio. There is minimal direct impact, which has principally been in a small number of cases where portfolio company software development teams have been 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

Whilst the current UK and global economic backdrop presents an overall challenging environment the search for those smaller higher growth businesses that can develop and adapt over the medium term continues with the characteristics sought unchanged. In all the businesses there will be an even greater emphasis on focussing capital on those areas delivering a shorter term impact, but we believe that the requirement and demand for equity from the UK's smaller businesses is likely to be heightened over the coming months which will give your Company opportunity to add to its portfolio.

Following the recent fundraise we are well placed to take advantage of this opportunities as they arise.

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.

21 June 2022

For further information please contact:

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