

**British Smaller Companies VCT2 plc**  
**Interim Management Statement**  
**For the quarter ended 31 March 2021**

British Smaller Companies VCT2 plc (the “Company”) presents its interim management statement for the quarter ended 31 March 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 March 2021 was 126.8 pence per ordinary share, representing an increase of 1.8 pence per ordinary share over the Total Return of 125.0 pence per ordinary share as at 31 December 2020.

The fundraising in the quarter was fully subscribed and raised net proceeds of £6.8 million.

**Performance**

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

	<b>31 December 2020</b>	<i>Increase in Value</i>	<i>Share issues including DRIS / buyback of shares</i>	<i>Dividends</i>	<b>Movement In Period</b>	<b>31 March 2021</b>
<b>Net Assets (£m)</b>	<b>70.9</b>	<i>2.5</i>	<i>6.4</i>	<i>(1.9)</i>	<b>7.0</b>	<b>77.9</b>
<b>NAV per share (PPS)</b>	<b>55.0p</b>	<i>1.9p</i>	<i>(0.1p)</i>	<i>(1.5p)</i>	<b>0.3p</b>	<b>55.3p</b>
<b>Cumulative dividends paid (PPS)</b>	<b>70.0p</b>	<i>-</i>	<i>-</i>	<i>1.5p</i>	<b>1.5p</b>	<b>71.5p</b>
<b>Total Return (PPS)</b>	<b>125.0p</b>	<i>1.9p</i>	<i>(0.1p)</i>	<i>-</i>	<b>1.8p</b>	<b>126.8p</b>
<b>Shares in issue</b>	<b>128,956,091</b>	<i>-</i>	<i>12,011,378</i>	<i>-</i>	<b>12,011,378</b>	<b>140,967,469</b>

The unaudited NAV per ordinary share increased from 55.0 pence per share to 56.9 pence per share, equivalent to 3.5 per cent in the period. Of this increase 1.5 pence per ordinary share was paid as an interim dividend on 5 March 2021, taking cumulative dividends paid at 31 March 2021 to 71.5 pence per ordinary share (31 December 2020: 70.0 pence per ordinary share). The resultant Net Asset Value at the end of the period is 55.3 pence per share.

The Company’s Total Return over five years is 23.9 per cent.

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

	£m	Pence per ordinary share
NAV at 31 December 2020	70.9	55.0
Increase in portfolio value	2.8	2.1
Net operating costs	(0.3)	(0.2)
Issue/buy-back of shares	6.4	(0.1)
	<u>8.9</u>	<u>1.8</u>
<b>NAV before payment of dividend</b>	<b>79.8</b>	<b>55.8</b>
Dividend paid	(1.9)	(1.5)
<b>NAV at 31 March 2021</b>	<b>77.9</b>	<b>55.3</b>

## Dividends and shares in issue

Following the payment of the interim dividend of 1.5 pence per share on 5 March 2021 the Company issued 742,805 ordinary shares under the DRIS.

The Company issued 12,756,951 ordinary shares on 11 March 2021 following the closure of the non-prospectus offer.

On 25 March 2021 the Company purchased 1,488,378 ordinary shares of 10 pence each at a price of 51.33 pence per ordinary share. These shares were placed in treasury.

The number of ordinary shares in issue at 31 March 2021 was 140,967,469 (31 December 2020: 128,956,091). In addition, at 31 March 2021 the Company held 13,864,815 ordinary shares in treasury (31 December 2020: 12,376,437).

## Investments

The investment portfolio at 31 March 2021 comprised:

	<b>Valuation</b>	<b>Valuation</b>
	<b>£000</b>	<b>as a % of</b>
		<b>net assets</b>
Matillion Limited	<b>14,053</b>	18.0%
Intelligent Office UK Limited	<b>3,132</b>	4.0%
Springboard Research Holdings Limited	<b>2,787</b>	3.6%
KeTech Enterprises Limited	<b>2,725</b>	3.5%
Unbiased EC1 Limited	<b>2,684</b>	3.4%
Elucidat Limited	<b>2,389</b>	3.1%
ACC Aviation Group Limited	<b>2,206</b>	2.8%
Arcus Global Limited	<b>2,096</b>	2.7%
Deep-Secure Limited	<b>2,062</b>	2.7%
Force24 Ltd	<b>1,934</b>	2.5%
	<b>36,068</b>	46.3%
Other investments	<b>17,710</b>	22.7%
<b>Total investments</b>	<b>53,778</b>	69.0%

Investments made prior to the November 2015 Budget represented 32 per cent of the value of the unquoted portfolio at 31 March 2021.

Following the period end three follow-on investments totalling £1.4 million have been completed.

## Portfolio performance

Over the quarter to 31 March 2021 the aggregate portfolio valuation has increased by £2.8 million.

The Company has exchanged contracts for the sale of its shareholding in Deep-Secure Ltd. The transaction is subject to regulatory review and customary closing conditions and is expected to close in or before August 2021. If the transaction completes it would result in an uplift in the Company's unaudited NAV per ordinary share as at 31 March 2021 of 0.9 pence per ordinary share, an increase of 1.6 per cent.

## Shareholder relations

Your Company will be holding an on-line version of the investor workshop on 25 June 2021, details of which have been communicated to shareholders.

## **Outlook**

This year's lockdown seems to have had less impact on the economy than those in 2020. The demand for capital from the UK's small businesses shows no signs of slowing down and this should see an increasing numbers of investment opportunities through the rest of the year.

Your Board is therefore reviewing its plans for fundraising and intends to raise further capital later this year and will be announcing more details in due course.

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 June 2021

### **For further information please contact:**

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