

British Smaller Companies VCT2 plc
Interim Management Statement
For the quarter ended 31 March 2025

British Smaller Companies VCT2 plc (the “Company”) presents its interim management statement for the quarter ended 31 March 2025. 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

In the quarter to 31 March 2025 the Company saw a 0.2 per cent increase in its Net Asset Value (“NAV”) per share, prior to the payment of a special dividend of 1.00 pence per share in January 2025. The NAV at 31 March 2025 is 56.20 pence per share.

The Company’s Total Return at 31 March 2025 was up 0.10 pence at 146.45 pence per ordinary share.

During the quarter, the Company invested £4.2 million into three existing portfolio companies: DrDoctor, Workbuzz and Vypr; and £1.4 million into new investment Stormharvester. Subsequent to the period-end, a further £1.6 million has been invested into new investment S4labour, and £0.3 million into existing portfolio companies Force24 and Immunobiology.

In February 2025, the Company realised its investment in ACC Aviation, receiving £3.1 million in initial proceeds, with additional deferred consideration of £1.5 million anticipated to be received over the next two to four years. The ACC investment has generated an overall return of 6.7 million to date, a 4.8x return on the original cost of £1.4 million. Including deferred consideration, proceeds have the potential to rise to £8.2 million, and the return to 5.9x.

In the 2024/25 tax year the Company, alongside British Smaller Companies VCT plc, raised £75 million in aggregate under their joint offers. A total of £29.2 million was raised by the Company, of which £9.8 million was allotted on 30 January 2025 and £19.4 million was allotted shortly after the period-end, on 1 April 2025.

Performance

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

	31 December 2024	<i>Increase in value</i>	<i>Dividends paid</i>	<i>Issue/buy- back of shares</i>	Movement in period	31 March 2025
Net Assets (£m)	160.5	0.5	(2.8)	8.9	6.6	167.1
NAV per share (PPS)	57.10p	0.20p	(1.00p)	(0.10p)	(0.90p)	56.20p
Cumulative dividends paid (PPS)	89.25p	-	1.00p	-	1.00p	90.25p
Total Return (PPS)	146.35p	0.20p	-	(0.10p)	0.10p	146.45p
Shares in issue	281,031,132	-	-	16,273,321	16,273,321	297,304,453

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

	£m	Pence per ordinary share
NAV at 31 Dec 2024	160.5	57.10
Increase in portfolio value	1.3	0.45
Net operating costs	(0.8)	(0.25)
	<u>0.5</u>	<u>0.20</u>
Issue/buy-back of shares	8.9	(0.10)
Total Return in the period	9.4	0.10
NAV before dividends	169.9	57.20
Dividends paid	(2.8)	(1.00)
NAV at 31 March 2025	167.1	56.20

Net assets

Net assets at 31 March 2025 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	108,116	64.7
Cash and cash equivalents	57,074	34.2
Other net current assets	1,885	1.1
Net assets	167,075	100.0

Investments

The investment portfolio at 31 March 2025 comprised:

	Valuation £000	Cumulative valuation as a % of net assets
Matillion	19,629	11.7%
Unbiased	8,836	17.0%
Vypr	7,091	21.3%
Xapien	5,309	24.5%
SharpCloud	5,301	27.6%
AutomatePro	4,815	30.5%
Outpost	4,749	33.4%
Summize	4,244	35.9%
DrDoctor	4,230	38.4%
Workbuzz	4,079	40.9%
	68,283	40.9%
Other investments	39,833	64.7%
Total investments	108,116	64.7%

Portfolio performance

Over the quarter to 31 March 2025, the aggregate unquoted portfolio valuation increased by £1.3 million, reflecting good levels of underlying revenue growth in portfolio companies.

Dividends

On 27 January 2025 the Company paid a special dividend for the year ending 31 December 2025 of 1.00 pence per share, to shareholders on the register at 27 December 2024.

The Company previously announced the payment of an interim dividend for the year ending 31 December 2025 of 1.50 pence per ordinary share ("Interim Dividend"). The Interim Dividend will be paid on 23 June 2025, to shareholders on the Company's register at the close of business on 23 May 2025. The ex-dividend date was 22 May 2025. Following payment of the Interim Dividend the most recently announced NAV will be 54.70 pence per share.

Shareholder relations

Alongside British Smaller Companies VCT plc, the Company will be hosting its annual Investor Workshop on 19 June 2025 at 30 Euston Square, London NW1 2FB. For further details please contact Tracey Nice at bscfunds@yfmep.com.

Buy-backs and shares in issue

On 26 March 2025, the Company purchased 1,871,896 ordinary shares each at a price of 53.80 pence per ordinary share. These shares were placed in treasury.

On 27 January 2025 the Company issued 831,686 shares under the Company's Dividend Re-investment Scheme (DRIS).

On 30 January 2025 the Company issued 17,313,531 shares in relation to its 2024/25 fundraising.

The number of ordinary shares in issue at 31 March 2025 was 297,304,453 (31 December 2024: 281,031,132), with a further 30,642,859 ordinary shares held in treasury (31 December 2024: 28,770,963).

Subsequent to the quarter end, on 1 April 2025 the Company issued 33,460,903 shares in relation to the final allotment in relation to its 2024/25 fundraising, taking the number of shares in issue at that date to 330,765,356, with a further 30,642,859 in treasury.

Outlook

The outlook for UK and global markets continues to evolve, currently characterised by subdued growth in the UK and macroeconomic volatility that has been exacerbated by ongoing international conflicts and US trade policy. Nevertheless, there has been promising growth from a number of the portfolio companies in the quarter, driven by the quality of their products and services and by the specific market opportunities they are pursuing.

The allotment of funds arising from the successful fundraising in 2024/25, positions the Company well to continue to expand its portfolio with new additions, whilst also enabling it to support existing portfolio companies with follow-on capital that can help to accelerate their growth.

13 June 2025

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.

For further information please contact:

Marcus Karia YFM Equity Partners

Tel: 0113 244 1000

Alex Collins Panmure Liberum

Tel: 0207 886 2767