

British Smaller Companies VCT2 plc
Interim Management Statement
For the quarter ended 30 September 2025

British Smaller Companies VCT2 plc (the “Company”) presents its interim management statement for the quarter ended 30 September 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 30 September 2025 the Company saw a 0.6 per cent increase in its Net Asset Value (“NAV”) per share. The NAV at 30 September 2025 is 55.40 pence per share.

The Company’s Total Return at 30 September 2025 was up 0.35 pence, to 147.15 pence per ordinary share.

During the quarter, the Company invested £2.6 million into three existing portfolio companies: AutomatePro, Fuuse and Panintelligence; and £1.2 million into new investment DynaRisk. Subsequent to the period-end, a further £1.1 million has been invested into existing portfolio company Plandek, taking the total amount invested so far this year to £12.5 million.

In July 2025 the sale of the trade and liabilities of Wooshii was completed; no proceeds were received on exit, in line with its minimal carrying value, although there is the potential for a small return for the Company depending on future trading.

In October 2025, the Company realised its investment in Elucidat, receiving £3.6 million in initial proceeds, with additional deferred consideration of £0.5 million anticipated to be received over the next 18 months. To date, the Elucidat investment has generated a 1.3x return on the original cost of £2.8 million. Including deferred consideration, proceeds have the potential to rise to £4.1 million, and the return to 1.45x.

Performance

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

	30 June 2025	<i>Increase in value</i>	<i>Issue/buy-back of shares</i>	Movement in period	30 September 2025
Net Assets (£m)	182.1	1.1	(0.8)	0.3	182.4
NAV per share (PPS)	55.05p	0.35p	-	0.35p	55.40p
Cumulative dividends paid (PPS)	91.75p	-	-	-	91.75p
Total Return (PPS)	146.80p	0.35p	-	0.35p	147.15p
Shares in issue	330,808,564	-	(1,543,959)	(1,543,959)	329,264,605

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

	£m	Pence per ordinary share
NAV at 30 June 2025	182.1	55.05
Increase in portfolio value	1.6	0.50
Net operating costs	(0.5)	(0.15)
	1.1	0.35
Issue/buy-back of shares	(0.8)	-
Total Return in the period	0.3	0.35
NAV at 30 September 2025	182.4	55.40

Net assets

Net assets at 30 September 2025 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	116,842	64.1
Cash and cash equivalents	63,084	34.6
Other net current assets	2,443	1.3
Net assets	182,369	100.0

Investments

The investment portfolio at 30 September 2025 comprised:

	Valuation £000	Cumulative valuation as a % of net assets
Matillion	17,249	9.5%
Unbiased	10,732	15.3%
Vypr	7,260	19.3%
AutomatePro	6,825	23.1%
Xapien	6,801	26.8%
Summize	6,066	30.1%
SharpCloud	5,685	33.2%
DrDoctor	4,228	35.6%
Workbuzz	4,115	37.8%
Force24	4,036	40.0%
	72,997	40.0%
Other investments	43,845	64.1%
Total investments	116,842	64.1%

Portfolio performance

Over the quarter to 30 September 2025, the aggregate unquoted portfolio valuation increased by £1.6 million, reflecting good levels of underlying revenue growth in portfolio companies.

Dividends, buy-backs and shares in issue

Under its standing buyback authority, on 22 September 2025 the Company purchased 1,543,959 shares at 52.80 pence per share, at a cost of £0.8 million. These shares are held in treasury.

Post-period end, on 31 October 2025, a dividend of 1.50 pence per ordinary share for the year ending 31 December 2025 was paid, resulting in a corresponding reduction in the Company's NAV per ordinary share, adjusting the last reported NAV to 53.90 pence per ordinary share. Cumulative dividends paid are now 93.25 pence per ordinary share.

On 31 October 2025 the Company also issued 1,396,003 shares under the Company's Dividend Re-investment Scheme (DRIS), following which the Company's issued share capital consists of 330,660,608 ordinary shares with voting rights and 33,528,365 shares held in treasury.

Fundraising

Having assessed its expected cash requirements, the Company announced a new share offer on 25 September 2025, alongside British Smaller Companies VCT plc, with the intention of raising up to £85 million (in aggregate), which includes an over-allotment facility of £25 million. Applications exceeding £58 million have been received as of the date of this report, of which £22 million relate to the Company. The allotment of the first £25 million of gross proceeds will take place between 2 and 31 January 2026. All other applications accepted will be allotted between 1 and 2 April 2026. Funds awaiting allotment will receive additional shares equivalent to a 2.36 per cent per annum return (rate subject to change by the receiving agent's banking provider).

Outlook

The short to medium term economic outlook remains impacted by concerns around sticky inflation and pressures on fiscal headroom.

Despite this uncertainty, innovative companies are still prevailing and it is encouraging to see several of the underlying holdings in the portfolio delivering strong levels of growth, as they develop their offerings and take on more customers in new and existing markets.

With a well-positioned portfolio and a new fundraising offer that has been well-received to date by existing and new shareholders, the Company is well positioned to benefit from the increased VCT investment limits announced in this week's Budget, allowing the Company to back its best performing companies for longer.

28 November 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.

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