British Smaller Companies VCT plc

Interim Management Statement for the quarter ended 30 June 2026

British Smaller Companies VCT plc (the "Company") presents its interim management statement for the quarter ended 30 June 2026. 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

As initially announced on 6 August 2026, at 30 June 2026 the Company's NAV per ordinary share totalled 78.00 pence. This represents a 1.10 pence increase in the quarter to 30 June 2026, a 1.4 per cent increase on the opening NAV per share.

On 17 July 2026 an interim dividend of 2.00 pence per ordinary share was paid in respect of the year ending 31 March 2027, resulting in a corresponding reduction in the 30 June 2026 net asset value per share, to 76.00 pence.

The Company's Total Return at 30 June 2026 was up 1.10 pence, to 266.15 pence per ordinary share.

During the quarter, the Company invested £3.9 million into new investments StudentCrowd (£2.4 million) and Inploi (£1.5 million); and invested a further £6.5 million into existing portfolio companies Spotless Water (£3.6 million) and GEEIQ (£2.9 million). Subsequent to the quarter-end, the Company invested £1.8 million into new portfolio company NextWave and £2.6 million into five existing portfolio companies, Xapien, Biorelate, Tonkotsu, Force24 and Integrum. This takes the total amount invested so far this year to £14.8 million.

The final allotment of the Company's 2025/26 fundraise took place on the first day of the quarter, with net proceeds of £36.1 million allotted on 1 April 2026.

Performance

The table below sets out movements in key metrics for the Company.

	31 March 2026	*Increase in value*	*Shares issued*	*Buy-back of shares*	Movement In period	30 June 2026
Net Assets (£m)	285.5	*3.7*	*36.1*	*(0.9)*	38.9	324.4
NAV per share (PPS)	76.90	*0.90*	*0.20*	-	1.10	78.00
Cumulative dividends paid (PPS)	188.15	-	-	-	-	188.15
Total Return (PPS)	265.05	*0.90*	*0.20*	-	1.10	266.15
Shares in issue	371,350,925	-	*45,900,519*	*(1,255,653)*	44,644,866	415,995,791

Cumulative dividends paid at 30 June 2026 were 188.15 pence per ordinary share (31 March 2026: 188.15 pence per ordinary share). Following the payment of the interim dividend of 2.00 pence per ordinary share on 17 July 2026, cumulative dividends paid are now 190.15 pence per ordinary share.

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

	£m		Pence per ordinary share	
NAV at 31 March 2026		285.5		76.90
Increase in portfolio value	3.9		0.95	
Net operating income	(0.2)		(0.05)	
	3.7		0.90	
Issue/buy-back of shares	35.2		0.20	
Total Return in the period		**38.9**		**1.10**
NAV at 30 June 2026		**324.4**		**78.00**

Dividends and shares in issue

On 1 April 2026 the Company issued 45,900,519 shares in relation to the second and final allotment from its 2025/26 fundraising.

Under its standing buy-back authority, on 22 June 2026 the Company purchased 1,255,653 shares at 71.66 pence per share at a cost of £0.9 million. These shares are held in treasury.

Post-period end, on 17 July 2026, a dividend of 2.00 pence per ordinary share for the year ending 31 March 2027 was paid, resulting in a corresponding reduction in the Company's NAV per ordinary share, adjusting the last reported NAV to 76.00 pence per ordinary share. Cumulative dividends paid are now 190.15 pence per ordinary share.

On 17 July 2026 the Company also issued 1,597,553 shares under the Company's Dividend Re-investment Scheme (DRIS), following which the Company's issued share capital consists of 417,593,344 ordinary shares with voting rights and 42,580,195 shares held in treasury.

Net assets

Net assets at 30 June 2026 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	**172,710**	53.2
Cash and money market funds	**147,287**	45.4
Other net assets	**4,396**	1.4
Net assets	**324,393**	100.0

Investments

The investment portfolio at 30 June 2026 comprised:

	Valuation £000	Valuation as a % of net assets
Matillion	17,045	5.3
Summize	16,723	5.2
Unbiased	16,340	5.0
Xapien	16,120	5.0
Vypr	12,181	3.8
AutomatePro	7,392	2.3
Spotless Water	6,958	2.1
DrDoctor	6,447	2.0
Plandek	5,846	1.8
GEEIQ	5,579	1.6
	110,631	34.1
Other investments	62,079	19.1
Total investments	172,710	53.2

Portfolio performance

Over the quarter to 30 June 2026, the aggregate unquoted portfolio valuation has increased by £3.9 million. Several portfolio companies are demonstrating strong underlying growth of revenues, which has driven positive revaluation uplifts across several assets.

2026/27 fundraising

On 28 July 2026, the Company announced its intention to launch a new joint offer for subscription for the tax year 2026/27 later this year, alongside British Smaller Companies VCT2 plc (together the "BSC VCTs"). The current intention is for the BSC VCTs to raise up to £40 million in aggregate, with over-allotment facilities of up to a further £20 million in aggregate, before issue costs. Any election to make use of the over-allotment facilities will be subject to the decision of the Board of each company at the relevant time.

A prospectus with full details of the proposed Offer is expected to be published on or around 23 September, with applications expected to open one week following publication. Once published, the prospectus will be available from the BSC VCTs' website, www.bscfunds.com.

Outlook

Global growth prospects continue to hinge on whether a lasting settlement can be reached in the conflict between the US and Iran. Domestically, the UK economy continues to expand at a modest pace, and the Bank of England remains cautious on interest rate policy as it monitors the trajectory of inflation.

Valuation multiples across the software and technology sector have strengthened somewhat over the summer months, contributing positively to net asset value during the quarter. Whilst it remains premature to predict how these multiples will move through the remainder of 2026, we continue to believe that, over the longer term, companies delivering innovative products and services alongside strong financial results will attract significant interest from acquirers when the time comes to exit.

With a number of portfolio companies delivering meaningful rates of growth, we believe the portfolio remains well-placed to help the Company meet its investment objectives over the long-term. The Company's healthy balance sheet also allows it to continue its established strategy of backing high-growth businesses, helping them scale, and returning capital to shareholders via dividends and the share buy-back programme.

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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