BRITISH SMALLER COMPANIES VCT PLC (BSC)

INVESTOR UPDATE

AUTUMN 2026

YFM Equity Partners

The Company aims to provide investors with exposure to a diversified portfolio of UK businesses that leverage innovation in their products and services across established and emerging industries.

Dear Shareholder

We are pleased to provide an update on the progress of British Smaller Companies VCT plc (BSC or the Company).

Performance

In the quarter to 30 June 2026, BSC generated a 1.4 per cent increase on its opening Net Asset Value (NAV) per share. Following payment of an interim dividend of 2.0 pence per share on 17 July 2026, the Company's adjusted 30 June 2026 NAV per share stood at 76.0 pence.

Investments

The Company continues to benefit from access to a strong pipeline of investment opportunities in both new and existing portfolio companies. During the quarter to 30 June 2026, the Company invested £3.9 million into new investments StudentCrowd (£2.4 million) and Inploi (£1.5 million); and a further £6.5 million into two existing portfolio companies, Spotless Water (£3.6 million) and GEEIQ (£2.9 million).

Post-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 ESG. This takes the total amount invested so far this year to £14.8 million.

Portfolio

A number of businesses within the portfolio are showing strong underlying growth in revenue. Notable examples include Summize and Xapien, which both completed Series B funding rounds in 2026, bringing in European and US investors alongside the Company and British Smaller Companies VCT2 plc (together the BSC VCTs). These follow-on investments will enable both companies to scale their sales and marketing capabilities and continue to develop their product offerings.

Fundraising

The BSC VCTs have announced their intention to jointly raise £40 million in aggregate, with over-allotment facilities of up to a further £20 million in aggregate, before issue costs. The funds raised will be used by the BSC VCTs to invest into new and existing portfolio companies and to maintain the Companies' strong levels of liquidity.

The Offer is expected to open on or around 23 September 2026, with the application process being available from 30 September 2026. Further details will be sent to shareholders by email and post as appropriate. **A prospectus with full details of the proposed Offer will be available at www.bscfunds.com following publication.**

Shareholder Workshop

This year's shareholder workshop, held at the Royal Institution in London in June, was an enjoyable event that was well-attended by shareholders. Speakers from YFM provided updates on the Company and the broader VCT market, whilst the CEOs of two portfolio companies, Unbiased and TeamFeePay, shared insights into their businesses and their future ambitions. We look forward to seeing shareholders again at next year's event and will announce details for this in due course.

Thank you again for your continued support.

Jamie Roberts

Managing Partner, YFM Equity Partners

2026/2027 FUNDRAISING OFFERS

Subject to approval, the BSC VCTs intend to launch a new combined Offer for the 2026/2027 tax year. Further information will be emailed and/or posted out to shareholders on or around 23 September with the application process being available from 30 September. Full details will be available at www.bscfunds.com following publication.

INTENTION TO FUNDRAISE

£40m OFFER SIZE

£20m OVER ALLOTMENT

PROVIDING DIGITAL FUNERAL PLANS AND AT-NEED SERVICES THROUGH A SIMPLE, TRANSPARENT AND CUSTOMER-FIRST PLATFORM.

aura

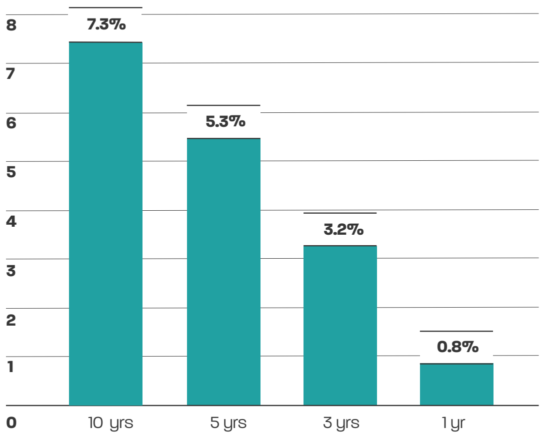
SECTOR: Tech-enabled Services
LOCATION: Godalming
DEAL TYPE: Growth Capital
BSC INVESTMENT SIZE: £1.5 million
INVESTMENT DATE: 2026
WEBSITE : aura.life

"Our mission has always been to bring greater transparency, compassion and simplicity to end-of-life planning. The market is changing rapidly, and we believe customers increasingly expect a more modern, digitally enabled experience. Partnering with YFM gives us the capital and strategic support to accelerate our growth, expand our offering and continue improving the experience we provide to families across the UK."

DAVE JAMESON, CEO & CO-FOUNDER OF AURA LIFE

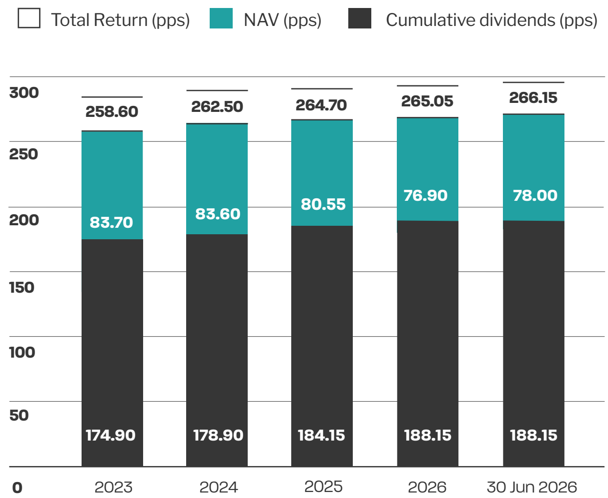
INVESTMENT RATE OF RETURN

Annualised rate of return* per annum
over 10, 5, 3 and 1 year periods to 30 June 2026



* Excluding DRIS and benefits of all tax reliefs

TOTAL SHAREHOLDER RETURN



As at 31 March unless otherwise stated

DEDICATED ONLINE RESOURCES FOR INVESTORS

www.bscfunds.com
As part of our drive to enhance the online experience of investors, the Company's website provides quick and easy access to key information and shareholder documentation, including Company performance and details on underlying portfolio companies. Please do visit www.bscfunds.com to explore the content and find out more.

https://bsc-funds.cityhub.uk.com
If you are looking for specific, personalised, information about your holdings, the Company's registrar, The City Partnership, has an online hub at https://bsc-funds.cityhub.uk.com. Details on how to access the hub and information on the Registrar in general, can be found in the FAQs section of the Company's website, along with a host of other helpful information for managing your investments.

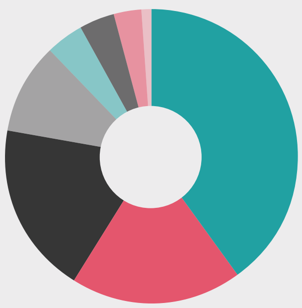
PORTFOLIO UPDATE

In the quarter to 30 June 2026, the investment portfolio delivered realised and unrealised gains of £3.7 million. There were positive valuation movements from over half the portfolio, with Summize and Xapien delivering particularly strong underlying revenue growth, driving their valuations higher. The Top 10 investments generated £2.1 million towards the overall value gain.

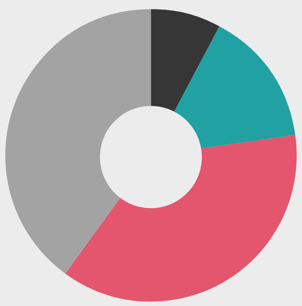
Company	Website	Audited investment valuation at 31 Mar 2026 £000	Proceeds £000	Additions £000		Valuation gains (losses) including profits on disposal £000	Unaudited investment valuation at 30 Jun 2026 £000	% of net asset value of £324.4m
Matillion	matillion.com	19,398	–	–	↓	(2,353)	17,045	5.3%
Summize	summize.com	13,533	–	–	↑	3,190	16,723	5.2%
Unbiased	unbiased.co.uk	16,141	–	–	↑	199	16,340	5.0%
Xapien	xapien.com	15,339	–	–	↑	781	16,120	5.0%
Vypr	vyprclients.com	11,750	–	–	↑	431	12,181	3.8%
Automate Pro	automatepro.com	8,172	–	–	↓	(780)	7,392	2.3%
Spotless Water	spotlesswater.co.uk	3,045	–	3,600	↑	313	6,958	2.1%
DrDoctor	drdoctor.co.uk	6,351	–	–	↑	96	6,447	2.0%
Plandek	plandek.com	5,779	–	–	↑	67	5,846	1.8%
GEEIQ	geeiq.com	2,541	–	2,867	↑	171	5,579	1.6%
TOP 10 TOTAL		**102,049**	**–**	**6,467**	↑	**2,115**	**110,631**	**34.1%**
Remainder of unquoted portfolio		57,094	(541)	3,900	↑	1,626	62,079	19.1%
TOTAL PORTFOLIO		**159,143**	**(541)**	**10,367**	↑	**3,741**	**172,710**	**53.2%**

PORTFOLIO AT A GLANCE

INDUSTRY SECTOR (%)



AGE OF INVESTMENT (%)



VALUE COMPARED TO COST (%)

INVESTMENT INSTRUMENT (%)

Data source: Based on BSC Valuations at 30 June 2026

KEY DATES

- **HALF YEAR END** – 30 SEP 2026
- **November 2026** – Half year results announced
- **END OF THIRD QUARTER** – 31 DEC 2026
- **March 2027** – Third quarter results announced
- **YEAR END** – 31 MAR 2027
- **June 2027** – Year end results announced
- **June 2027** – Shareholder Workshop
- **END OF FIRST QUARTER** – 30 JUN 2027

FOR YOUR RECORDS - DIVIDENDS AND DATES

The table below displays the dates when BSC dividends have been paid and we hope you find it useful in keeping and checking your records.

DATE PAID	PENCE PER SHARE
Cumulative to 31 March 2012	**79.15**
17 August 2012	3.00
14 January 2013	2.00
13 August 2013	4.50
21 March 2014	2.00
1 August 2014	3.50
7 January 2015	2.00
2 March 2015	2.50
4 August 2015	3.50
7 September 2015	3.50
15 January 2016	2.00
11 March 2016	1.00

DATE PAID	PENCE PER SHARE
5 August 2016	2.00
5 August 2016	3.50
18 January 2017	16.50
26 May 2017	5.75
18 May 2018	4.00
15 February 2019	7.00
12 June 2019	4.00
20 March 2020	2.00
31 July 2020	2.00
5 October 2020	2.00
23 July 2021	2.00
16 November 2021	5.00

DATE PAID	PENCE PER SHARE
5 January 2022	2.00
12 July 2022	2.00
3 October 2022	2.00
11 January 2023	4.50
28 July 2023	2.00
8 December 2023	2.00
26 July 2024	2.00
20 December 2024	2.00
27 January 2025	1.25
25 July 2025	2.00
19 December 2025	2.00
Cumulative to 30 June 2026	**188.15**
17 July 2026	2.00

IMPORTANT NOTICE

CONTACT US

Please call or email for further information on any shareholder issue, including switching to direct dividend payments, and for more details on the shareholder workshop.

- Dividends
- Shareholder workshop
- General

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Transforming small businesses