

British Smaller Companies VCT2 plc (the "Company")

Issue of Equity

On 25 September 2025 British Smaller Companies VCT2 plc and British Smaller Companies VCT plc (together the "Companies") launched offers for subscription (the "Offers") seeking to initially raise £60 million in aggregate for the 2025/26 tax year, with an over-allotment facility of £25 million, which was subsequently utilised in full. The Offers were closed to new applications on 18 December 2025.

The Companies announce that today, 7 January 2026, the allotment of the first £25 million of funds raised in the Offers has taken place, of which £9.4 million relates to the Company.

The second and final allotment of the Offers of the remaining £60 million of gross proceeds is expected to take place between 1 and 2 April 2026; funds awaiting allotment will receive additional shares equivalent to a 2.36 per cent per annum return, reducing to 2.06 per cent from 27 January 2026 due to a change by the receiving agent's banking provider (rate subject to change by the receiving agent's banking provider).

Under today's issue, the Company has allotted 16,978,814 ordinary shares of 0.01 pence each, raising gross proceeds of £9.4 million. This allotment was made in respect of the tax year 2025/26. In accordance with the pricing formula set out in the Prospectus, the new ordinary shares were allotted at offer prices of between 55.14 pence and 57.87 pence per share depending on the adviser charge (if applicable) and the number of shares issued pertaining to each application. Applicants received additional New Shares equivalent to receiving a 2.36 per cent per annum rate of return on funds awaiting allotment, calculated by reference to the number of days between the acceptance of an Application (including full receipt of cleared funds) and the date of allotment.

The net asset value ("NAV") used for the calculation of the issue price on 7 January 2026 is the last reported NAV of 53.90 pence per ordinary share, being the unaudited NAV as at 30 September 2025 of 55.40 pence per ordinary share, adjusted for the interim dividend of 1.50 pence per ordinary share paid on 31 October 2025.

Together, the Companies have in total allotted shares relating to gross proceeds of £25.0 million under the Offers, of which £9.4 million has been raised by the Company and £15.6 million has been raised by British Smaller Companies VCT plc.

In this allotment Roger McDowell, non-executive Director of the Company, has been allotted 90,155 ordinary shares of 0.01 pence each in the Company, bringing his aggregate total holding to 1,016,281 ordinary shares.

In this allotment the employees and members of the Manager, YFM Private Equity Limited, have been allotted 152,464 ordinary shares of 0.01 pence each in the Company, bringing their aggregate total holding to 1,089,616 ordinary shares.

Applications are now being made by the Company for the ordinary shares which were allotted on 7 January 2026 to be admitted to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities. Dealings are expected to commence on or around 20 January 2026.

The Companies have issued a prospectus relating to the Offers (the "Prospectus"). The proceeds will be allocated between the Companies in accordance with the terms set out in the Prospectus.

Following the allotment of 16,978,814 ordinary shares, the Company's issued share capital consists of 344,956,241 ordinary shares with voting rights ("Voting Capital") and 36,211,546 shares held in treasury.

The above statement of Voting Capital may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FCA's Disclosure and Transparency Rules.

7 January 2026

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