

British Smaller Companies VCT2 plc (“the Company”)

Postponement of Dividend and Postponement of Issue of Equity under the Joint Offers for Subscription and Extension of Closing Date of the Joint Offers for Subscription

On 27 March 2014, the Government published the Finance Bill 2014. Following the publication of the 2014 Finance Bill on 27 March 2014 we have been advised that there is some ambiguity around the drafting of certain of the provisions relating to VCTs which, depending on interpretation, could have an adverse effect on VCT investors’ tax reliefs for allotments taking place after 5 April 2014. To remove this ambiguity certain amendments to the legislation are being discussed with HM Revenue & Customs, and our current expectation is that this issue will be satisfactorily resolved by the end of May 2014. In the meantime we are therefore taking the following actions:

1. Postponement of allotment of shares

On 14 January 2014, the Company and British Smaller Companies VCT plc issued a prospectus (which is comprised of a securities note, a registration document and a summary document, together “the Prospectus”) and circulars relating to joint offers for subscription to raise up to £30 million in aggregate (“the Offers”). While we await clarification from HM Revenue & Customs, our advisers have suggested that it would be sensible to postpone the allotment of the tax year 2014/15 shares applied for under the Offers from the closing date of 30 April 2014 as stated in the Prospectus. We expect this situation will be resolved in May 2014, and hope the allotment can take place around the end of that month, unless further advised. The closing date of the Offers is hereby extended accordingly.

2. Postponement of the Company’s 2.5 pence per ordinary share final dividend payment

The 2.5 pence per ordinary share final dividend was announced on 28 March 2014 with a Record and Payment Date of 9 May 2014 and 9 June 2014 respectively. However, because of the share allotment delay, to ensure the Company’s new shareholders receive this dividend (as anticipated on page 15 of the securities note of the Prospectus), we are proposing moving the Record Date to 30 May 2014, with the payment made at the end of June 2014.

Further announcements will be made should it become necessary to revise the above proposals.

For further information please contact:

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