

British Smaller Companies VCT2 plc

Offers for Subscription: Allotment of Shares

British Smaller Companies VCT2 plc (the “Company”) and British Smaller Companies VCT plc launched joint offers for subscription (“Offers”) on 14 January 2014. Full details of the Offers are contained in a prospectus issued by the Company and British Smaller Companies VCT plc on that date (the “Prospectus”).

The Offers in relation to the tax year 2014/15 were intended to close on 30 April 2014 unless fully subscribed by an earlier date. However, in view of the ambiguity regarding proposed changes to regulations (contained in the Finance Bill 2014 published on 27 March 2014), which would have applied to VCT shares issued on or after 6 April 2014, the Company announced on 29 April 2014 that, in the interest of its shareholders, the Directors were postponing the allotment of new ordinary shares under the Offers pending resolution of these issues.

As a result of clarification from HM Revenue & Customs of the operation of these proposed changes to regulations the Company is satisfied that any potential for ambiguity has been removed. The Company therefore announces that on 29 May 2014 it made the fourth issue of ordinary shares pursuant to these Offers by allotting an aggregate of 2,414,375 ordinary shares of 10 pence each, raising gross proceeds of £1.7 million. This allotment was made in respect of the tax year 2014/2015 and is the final allotment to be made pursuant to the Offers, which are now closed. In accordance with the pricing formula set out in the Prospectus the new ordinary shares were allotted at offer prices of between 68.00 to 71.22 pence per ordinary share depending on the adviser charge (if applicable) and the number of shares issued pertaining to each application.

Together the Company and British Smaller Companies VCT plc have in total to date raised gross proceeds of £26.9 million and, after taking into consideration the costs of the Offers, this gives net total proceeds of approximately £25.5 million. The Company has raised net proceeds of approximately £10.2 million and British Smaller Companies VCT plc has raised net proceeds of approximately £15.3 million. The new funds will be used to support the strong levels of demand for investment that have been evident since early 2013.

In this allotment Peter Waller, non-executive Director of the Company, has been allotted 8,823 ordinary shares of 10 pence in the Company which takes his total shareholding to 25,979 ordinary shares in the Company.

Employees of the fund manager, YFM Private Equity Limited, have to date subscribed £0.21 million under the Offers for 240,128 ordinary shares in both the Company and British Smaller Companies VCT2 plc.

Applications are now being made by the Company for the ordinary shares allotted on 29 May 2014 to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on

the London Stock Exchange's main market for listed securities, and dealings are expected to commence on or around 12 June 2014.

Following the allotment of 2,414,375 ordinary shares, the Company's issued share capital consists of 61,955,178 ordinary shares with voting rights ("Voting Capital") and 1,777,722 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.

30 May 2014

For further information, please contact:

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