

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT OR AS TO WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA").

THIS DOCUMENT HAS BEEN PREPARED IN ACCORDANCE WITH THE PROSPECTUS REGULATION RULES MADE UNDER FSMA (THE "PROSPECTUS REGULATION RULES") AND HAS BEEN APPROVED BY THE FINANCIAL CONDUCT AUTHORITY ("FCA") IN ACCORDANCE WITH FSMA AND CONSTITUTES A SUPPLEMENTARY PROSPECTUS (THE "SUPPLEMENTARY PROSPECTUS") ISSUED BY BRITISH SMALLER COMPANIES VCT PLC ("BSC") AND BRITISH SMALLER COMPANIES VCT2 PLC ("BSC2") (BSC AND BSC2 TOGETHER THE "VCTS"). THIS SUPPLEMENTARY PROSPECTUS IS SUPPLEMENTAL TO AND SHOULD BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 22 SEPTEMBER 2021 (THE "PROSPECTUS"), THE PROSPECTUS CONTAINING OFFERS FOR SUBSCRIPTION OF ORDINARY SHARES IN THE CAPITAL OF EACH OF THE VCTS ("OFFER SHARES") TO RAISE UP TO £40 MILLION, IN AGGREGATE, WITH AN OVER-ALLOTMENT FACILITY OF A FURTHER £20 MILLION, IN AGGREGATE ("THE OFFERS"). EXCEPT AS EXPRESSLY STATED HEREIN, OR UNLESS THE CONTEXT OTHERWISE REQUIRES, THE DEFINITIONS USED OR REFERRED TO IN THE PROSPECTUS ALSO APPLY IN THIS SUPPLEMENTARY PROSPECTUS.

PERSONS RECEIVING THIS DOCUMENT SHOULD NOTE THAT HOWARD KENNEDY CORPORATE SERVICES LLP IS ACTING FOR THE VCTS AND NO-ONE ELSE IN CONNECTION WITH THE OFFERS AND THIS SUPPLEMENTARY PROSPECTUS AND, SUBJECT TO ITS RESPONSIBILITIES AND LIABILITIES IMPOSED BY FSMA OR THE REGULATORY REGIME ESTABLISHED HEREUNDER, WILL NOT BE RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTIONS AFFORDED TO CUSTOMERS OF HOWARD KENNEDY CORPORATE SERVICES LLP OR FOR PROVIDING ADVICE IN CONNECTION WITH THE OFFERS. HOWARD KENNEDY CORPORATE SERVICES LLP IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.

THIS DOCUMENT HAS BEEN PREPARED FOR THE PURPOSES OF COMPLYING WITH THE UK VERSION OF REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION"), ENGLISH LAW AND THE RULES OF THE FCA AND THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD BE DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF A JURISDICTION OUTSIDE ENGLAND.

Each VCT and the Directors of each of the VCTS accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of each VCT and its Directors, the information contained in this Supplementary Prospectus is in accordance with the facts and this Supplementary Prospectus makes no omission likely to affect its import.

British Smaller Companies VCT PLC
(Incorporated in England and Wales with registered number 03134749)

British Smaller Companies VCT2 PLC
(Incorporated in England and Wales with registered number 04084003)

Events arising since publishing the Prospectus

The publication of this Supplementary Prospectus is a regulatory requirement under the Prospectus Regulation Rules and Section 87G FSMA following the publication by the VCTS of their NAVs as at 30 September 2021. The Prospectus Regulation Rules and section 87G FSMA require the issue of a supplementary prospectus if, in the relevant period (being, for these purposes, the later of the closure of the Offers and the time when trading in the Offer Shares issued under the Offers on the London Stock Exchange begins), there exists or is noted a significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus. This Supplementary Prospectus has been approved for publication by the FCA.

This Supplementary Prospectus has been prepared in accordance with the Prospectus Regulation and has been approved by the FCA, as competent authority under the Prospectus Regulation. The FCA only approves this Supplementary Prospectus as meeting the standards of completeness, comprehensibility and consistency

imposed by the Prospectus Regulation and such approval shall not be considered as an endorsement of the securities or the issuers that are the subject of the Prospectus.

Save as otherwise amended in this Supplementary Prospectus, the Offers are being made on the terms and subject to the conditions set out in full in the Prospectus. Investors who have already submitted Application Forms for Offer Shares in the VCTs, and who have not yet received an allotment of those Offer Shares, may withdraw such applications under Prospectus Regulation Rule 3.4.1UK and Article 23 of the Prospectus Regulation, with the VCTs accepting withdrawals of such applications until 5pm on 8 December 2021. Investors should seek their own legal advice in regard to such withdrawal rights. Investors who wish to withdraw their applications for Offer Shares should contact YFM Private Equity Limited on telephone number 0113 261 6478 or 07500 330986 (no investment advice can be given). Withdrawals of applications can only be made by telephone.

Copies of this Supplementary Prospectus and the Prospectus may be viewed on the National Storage Mechanism (NSM) of the FCA at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> and this Supplementary Prospectus and the Prospectus are available free of charge from the registered office of the VCTs at 5th Floor, Valiant Building, 14 South Parade, Leeds, LS1 5QS.

1. Significant new factors

On 18 November 2021 BSC and BSC2 announced an unaudited NAV per BSC Share and BSC2 Share of 90.9p and 66.7p respectively as at 30 September 2021 (the "30 September 2021 NAVs"), an increase of 5.45% and 5.04% for BSC and BSC2 respectively in the unaudited NAV per BSC Share and BSC2 Share as at the date of the Prospectus, which was 86.2p per BSC Share and 63.5p per BSC2 Share.

2. Supplement to the Summary

As a result of the release of the 30 September 2021 NAVs, the information relating to BSC under the heading "What is the key financial information relating to the issuer" in the summary document which forms part of the Prospectus shall be amended to include after the financial information relating to BSC the following wording:

The unaudited NAV per BSC Share as at 30 September 2021 was 90.9p.

As a result of the release of the 30 September 2021 NAVs, the information relating to BSC2 under the heading "What is the key financial information relating to the issuer" in the summary document which forms part of the Prospectus shall be amended to include after the financial information relating to BSC2 the following wording:

The unaudited NAV per BSC2 Share as at 30 September 2021 was 66.7p.

3. Supplement to Part Four

As a result of the release of the 30 September 2021 NAVs, the following sentence shall be added at the end of the second paragraph on page 34:

The unaudited NAV per BSC Share and BSC2 Share as at 30 September 2021 was 90.9p and 66.7p respectively.

4. Supplement to Part Seven

As a result of the release of the 30 September 2021 NAVs, the following sentence shall be added at the end of the paragraph 8.8 on page 65:

The unaudited NAV per BSC Share and BSC2 Share as at 30 September 2021 was 90.9p and 66.7p respectively.

5. No Significant Change

As a result of the publication of the 30 September 2021 NAVs, the “no significant change” statements at the top of page 47 of the Prospectus are hereby supplemented as follows:

Save for the publication of the unaudited NAV per BSC Share as at 30 September 2021 of 90.9p, there have been no significant changes in the financial position of BSC since 30 September 2021, the date of the last unaudited published financial information of BSC, to the date of this document.

Save for the publication of the unaudited NAV per BSC2 Share as at 30 September 2021 of 66.7p, there have been no significant changes in the financial position of BSC2 since 30 September 2021, the date of the last unaudited published financial information of BSC2, to the date of this document.

6 December 2021