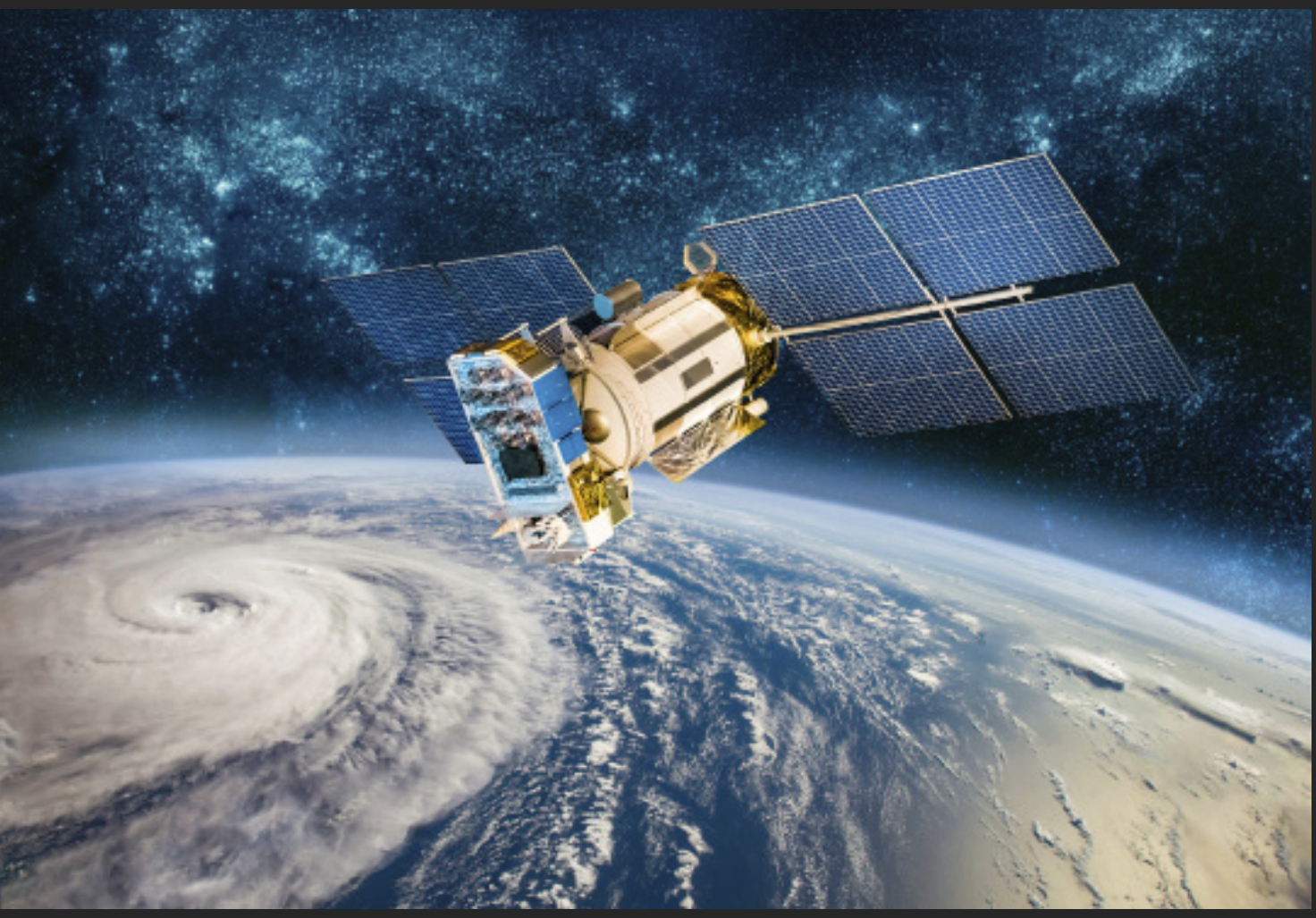
BlackRock

BlackRock Smaller Companies Trust plc

Half Yearly Financial Report 31 August 2026



Keeping in touch

We know how important it is to receive up-to-date information about the Company.

To ensure that you are kept abreast, please scan the QR code to the right of this page to visit our website. If you have a smartphone, you can activate the QR code by opening the camera on your device and pointing it at the QR code. This will then open a link on the relevant section on the Company's website. By visiting our website, you will have the opportunity to sign up to our monthly newsletter which includes our latest factsheets and market commentary, as well as upcoming events and webinars. Information about how we process personal data is contained in our privacy policy available on our website.

Use this QR code to take you to the Company's website where you can click to subscribe to monthly insights and factsheets.

Further information about the Company can be found on our website at www.blackrock.com/uk/brsc.

General enquiries about the Company should be directed to the Company Secretary at: cosec@blackrock.com.





Corporate summary

The Company	The Company is an investment trust and its shares are listed on the London Stock Exchange. The Company aims to attract long-term private and institutional investors wanting to benefit from the growth prospects of smaller companies.
Investment objective	To achieve long-term capital growth for shareholders through investment mainly in smaller UK quoted companies.
Benchmark index	Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index.
Alternative Investment Fund Manager	BlackRock Fund Managers Limited (The Manager or AIFM).
Investment Manager	BlackRock Investment Management (UK) Limited (BIM (UK)) – Portfolio Manager: Roland Arnold.
Board	The Company has an independent Board of Directors which is responsible for the governance of the Company, monitors its performance and keeps the investment strategy under review.
Website	Information about the Company can be found on the website www.blackrock.com/uk/brsc.
AIC	The Company is a member of the Association of Investment Companies.

Financial calendar

September 2026	First quarterly dividend paid in respect of the year to 28 February 2027
October/ November 2026	Announcement of results for six months ending 31 August 2026
December 2026	Second quarterly dividend paid in respect of the year to 28 February 2027
February 2027	Third quarterly dividend paid in respect of the year to 28 February 2027
April/May 2027	Announcement of results for year ending 28 February 2027
June 2027	Fourth quarterly dividend paid in respect of the year to 28 February 2027
June 2027	Annual General Meeting

Depositary, Custodian and Fund Accountant	The Bank of New York Mellon (International) Limited (BNY).

Key highlights

for the six month period ended 31 August 2026

Net asset value (NAV) total return (debt at fair value)

+2.7%[1,2]

Total net assets £732.1m

Share price total return

+1.7%[1,2]

Share price at period end: 276.50p

Benchmark index total return

+4.3%[1]

Share price discount to NAV

-12.5%[2]

28 February 2026: -11.2%

Revenue earnings per share

5.30p

+2.9%

The above financial highlights are as at 31 August 2026. The percentage change for revenue earnings per share is against the six months ended 31 August 2025.

[1] The performance of the NAV per ordinary share, share price and benchmark index are calculated on a total return basis in Sterling terms with dividends reinvested. The benchmark index is the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index.

[2] Alternative Performance Measures, see Glossary on pages 45 to 49.

Why BlackRock Smaller Companies Trust plc?

Further information

Further details about the Company, including the latest annual and interim reports, factsheets and stock exchange announcements, are available on the website at www.blackrock.com/uk/brsc.

Reasons to invest

Long-term outperforming asset class

The Company offers investors exposure to UK smaller companies, an asset class that has over the long term outperformed larger companies by circa 2.7%[1] per annum.

Strong performance record

The Company has a proven strategy with a consistent track record, outperforming its benchmark index over the long term for 19 out of the last 23 financial years[3].

Differentiated source of income

Investing in high quality, cash generative businesses has enabled the Company to increase its total annual dividend every year for 23 years utilising its closed-end fund structure, making it an 'AIC Dividend Hero' for its consistent, long-term growth in dividends. Quarterly dividend payments provide a regular income stream.

Highly experienced Emerging Companies team[2] with a robust investment process

The BlackRock team has excellent access to company managements and undertakes about 700 company meetings each year. The team looks to find hidden gems and invest in growth companies with the potential to become much larger. When selecting stocks the team looks for high quality, cash generative companies with strong management teams that are able to generate their own growth regardless of the wider economic environment.

Opportunities for active managers

There are at least 917 small and mid-cap companies listed on the UK stock market that are well diversified across a broad range of sectors and geographies. BlackRock believes that this area of the market represents an attractive hunting ground since these companies operate in an inefficient and under-researched area of the market thereby presenting attractive opportunities to generate good returns for investors over the long term.

IPO opportunities

Due to the high standards of governance, strong accounting standards and consistent rule of law, London is attractive for companies seeking an initial public offering (IPO). There are often significant IPO opportunities within the UK smaller companies' sector, and many companies purchased at IPO have been extremely strong contributors to performance.

Globally diversified portfolio

The UK small and mid-cap universe contains many industry leaders often operating and selling globally. This allows BlackRock to construct a portfolio of global businesses. Currently around 38%[3,4] of the portfolio's revenues are generated from overseas operations. In addition, the Company may invest up to 15% of the portfolio in global small cap companies.

Benefits of a closed-ended vehicle

Closed-end funds do not have to deal with daily liquidity requirements that come with open-ended funds. As a result, the Company can invest more freely in exciting smaller companies that might be further down the market cap scale or less liquid.

Additional exposure through leverage

The Company has the ability to borrow up to 15% of net assets, offering investors the ability to increase exposure to high quality businesses, potentially enhancing returns over the longer term.

Past performance is not a reliable indicator of current or future results and should not be the sole consideration when selecting a product or strategy. The value of investments and the income from them can fall as well as rise and is not guaranteed. The investor may not get back the amount originally invested.

1 Source: LSEG Datastream. For the period 1955 to 2026. Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index (previously known as Hoare Govett). Barclays Equity Total Return (December 1955 to December 2006). FTSE All-Share Total Return (January 2007 to August 2026).

2 Previously referred to as UK small and mid-cap team.

3 Sources: BlackRock and LSEG Datastream, for the period ended 31 August 2026.

4 Based on total revenue earned during the period.

Details about the Company are available on the website at www.blackrock.com/uk/brsc.

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The Association of Investment Companies

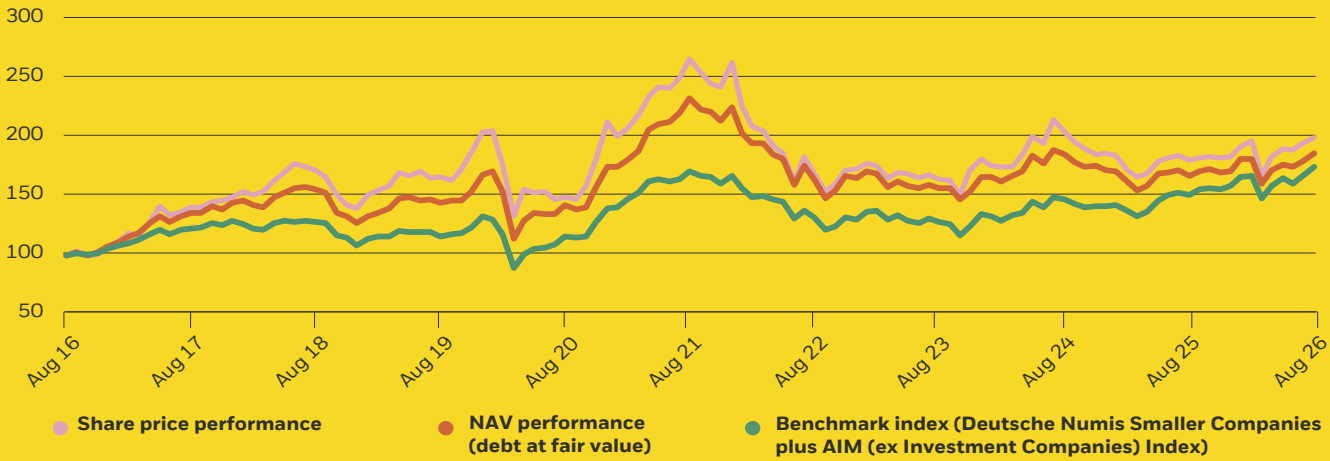
Performance record

	As at 31 August 2026	As at 28 February 2026	Change %
Net asset value per ordinary share (debt at par value) (pence)[1,5]	304.20	303.34[2]	+0.3
Net asset value per ordinary share (debt at fair value) (pence)[1,5]	315.82	315.82[2]	–
Ordinary share price (pence)	276.50	280.40[2]	-1.4
Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index[3]	20,415.55	19,578.62	+4.3
Assets			
Total assets less current liabilities (£'000)	801,728	673,413	+19.1
Equity shareholders' funds (£'000)[4]	732,143	603,842	+21.2
Ongoing charges ratio[5,6]	0.8%	0.8%	
Dividend yield[5]	4.0%	3.2%	
Gearing[5]	12.1%	5.7%	

Performance with dividends reinvested	For the six months ended 31 August 2026	For the year ended 28 February 2026
Net asset value per ordinary share (debt at par value)[3,5]	3.2%	11.5%
Net asset value per ordinary share (debt at fair value)[3,5]	2.7%	11.2%
Ordinary share price (pence)[3,5]	1.7%	14.2%
Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index[3,5]	4.3%	21.5%

Revenue	For the six months ended 31 August 2026	For the six months ended 31 August 2025	Change %
Revenue return per ordinary share	5.30p	5.15p[2]	+2.9

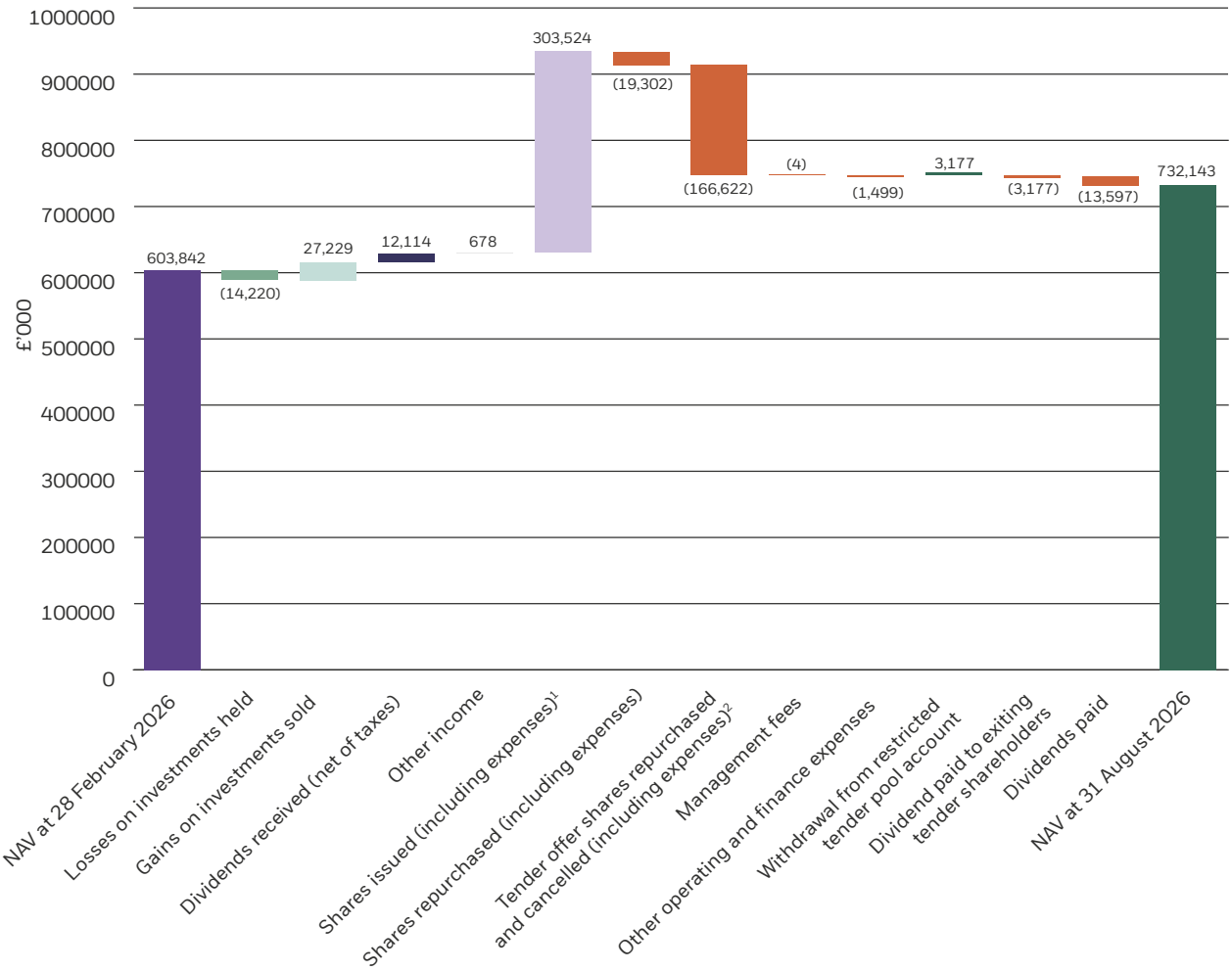
Performance from 31 August 2016 to 31 August 2026



Sources: BlackRock and LSEG Datastream.
Share price, NAV and benchmark index performance is with dividends reinvested and rebased to 100.

1 Without dividends reinvested.
2 This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.
3 Total return basis with dividends reinvested.
4 The change in equity shareholders' funds represents the portfolio movements, shares repurchased into treasury, shares issued, shares tendered and dividends paid during the period.
5 Alternative Performance Measures, see Glossary on pages 45 to 49. Full details setting out how calculations with dividends reinvested are performed are set out in the Glossary on page 47.
6 Ongoing charges ratio calculated as a percentage of average daily net assets and using the management fee and all other operating expenses, excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items in accordance with AIC guidelines. The ongoing charges ratio has been presented above for the annual period ended 28 February 2026 and is not recalculated for the six month period ended 31 August 2026.

NAV bridge



[1] The Combination with BlackRock Throgmorton Trust plc (Throgmorton) saw the Company acquire net assets of £303.5 million in consideration for the issue of 104,462,895[3] new ordinary shares.

[2] In connection with the Combination, eligible shareholders were given the option to elect for a cash exit by way of a tender offer. 55,737,905[3] shares were repurchased for a total cost of £166,622,000.

[3] This figure has been adjusted to reflect the share sub-division.

Chairman's Statement

for the six months ended 31 August 2026

Dear Shareholder



Ronald Gould
Chairman

Overview

So far at least, this has not been the year we all hoped for in terms of share price performance for our smaller company investors, but we have made progress on several levels. We completed the successful merger with BlackRock Throgmorton Trust increasing the overall size of the Company, we introduced quarterly dividend payments to provide a steady income stream to our shareholders, and we reduced the cost of managing the Company by agreeing a new management fee with BlackRock.

During the six months under review, the global economic and geopolitical backdrop was volatile, confusing and unquestionably difficult for investors. The US and Israeli action in Iran coincided with the start of this performance period and significantly impacted financial markets, investor attitudes and the global economy, driving up energy prices, inflation expectations and interest rates. It also increased the risk of commodity-shortages, undermined confidence in the reliability of trade flows and heightened concerns over supply bottlenecks. This deterioration in sentiment contrasts with the strong, underlying company fundamentals of our portfolio companies and is proving to be a headwind for UK smaller company share prices with "Quality Growth" strategies, including our Company. Continued outflows from UK equities are depressing valuations leaving UK smaller companies offering excellent value. Continued bid activity indicates that corporate buyers clearly recognise this value, but asset allocators have yet to do so. We believe UK smaller companies will generate rising returns for investors as the geopolitical environment and investor confidence improve.

Recent versus historic performance

For the period under review the merger with BlackRock Throgmorton Trust resulted in your Company's net asset value (NAV) rising to £732 million up 2.7% per share on a total return basis with dividends reinvested (debt at fair value). This lagged our benchmark index return of 4.3%[3]. Frustratingly, the share price performance returned 1.7% as the discount to NAV widened. Despite this disappointing relative performance, we are encouraged that most of our portfolio companies continued to grow earnings and maintain strong balance sheets, demonstrating our strong investment process and suggesting greater economic resilience than returns imply. As a reminder, notwithstanding the disappointing shorter-term performance, the Company's NAV has delivered a cumulative total return of 802.7%[4] since BlackRock took over the mandate in 2004, significantly outperforming its benchmark index return of 295.2%. It is also worth noting that since ISAs were introduced in 1999, a hypothetical investor putting the maximum permitted annual ISA contribution each year into BlackRock Smaller Companies Trust plc and reinvesting all dividends would have accumulated an ISA worth more than £1 million at the present time.

Performance to 31 August 2026	6 Months change %	1 Year change %	3 Years change %	5 Years change %	10 Years change %	Since December 2004 %
Net asset value per share (with dividends reinvested)[1,2,3]	2.7	11.0	18.7	-20.0	86.6	802.7[4]
Share price (with dividends reinvested)[1,3]	1.7	10.7	21.2	-24.7	100.5	952.7
Benchmark (with dividends reinvested)[1,3,5]	4.3	15.3	36.2	2.0	75.4	295.2

1 Percentages in Sterling terms with dividends reinvested.

2 Debt at fair value.

3 Alternative Performance Measure, see Glossary on pages 45 to 49.

4 Source: AIC statistics.

5 Benchmark Index (the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index).

Chairman's Statement
continued

More detail on significant contributors to and detractors from performance during the period are given in the Investment Manager's Report on pages 13 to 16. The Company's longer-term performance is set out in the table on the previous page.

Returns and dividends

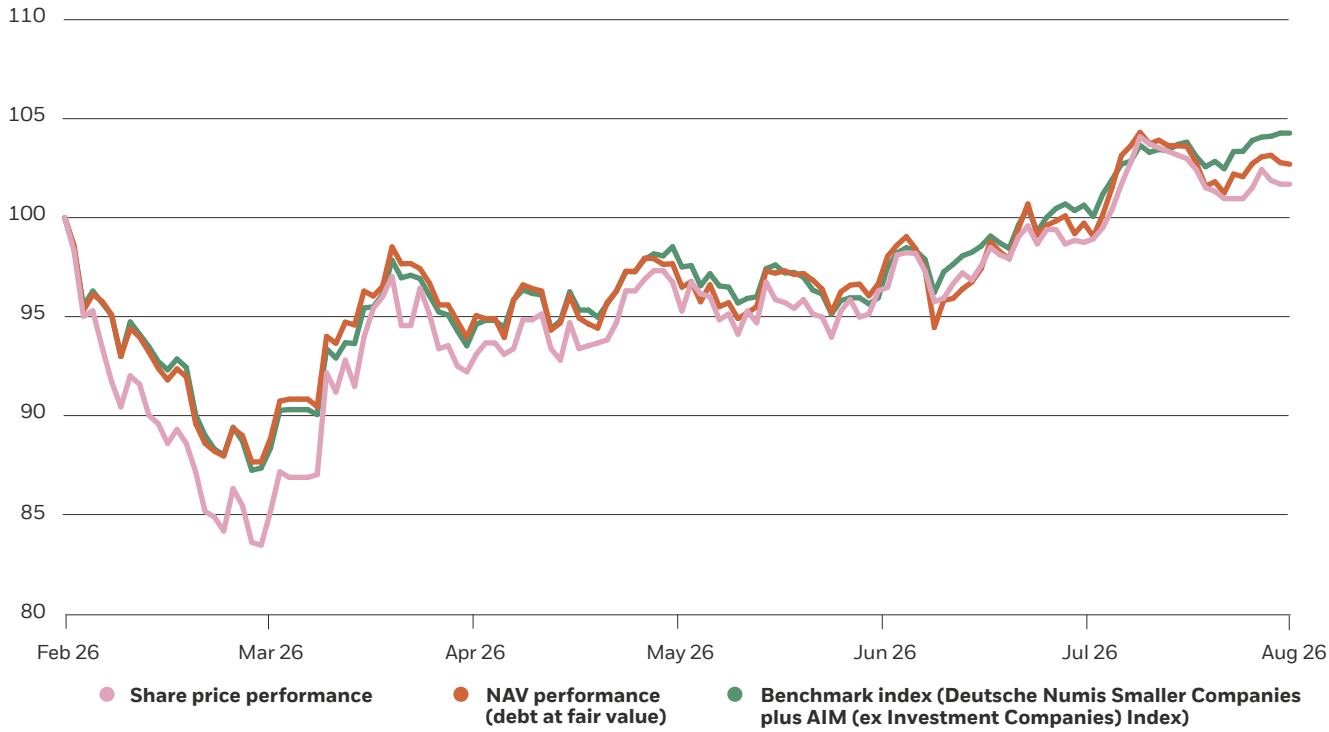
Dividend revenue from portfolio companies increased this period, with the Company's earnings per share for the six months ended 31 August 2026 up by 2.9% to 5.30p per share (when adjusted for the five-for-one share sub-division, this compares to 5.15p earnings per share for the six months to 31 August 2025). This increase largely reflects an increase in regular dividend income from portfolio companies.

Although the Company is not primarily an income-oriented investment vehicle, the Board recognises the importance of our dividend to shareholders. The Company has increased its annual dividend every year since 2003 at an annualised rate of 10.7%, earning the Company recognition as an 'AIC Dividend Hero' for consistent long-term dividend growth. The Company's investment trust structure allows the Company to retain up to 15% of annual revenue building reserves that can support dividends in leaner times. The Company has substantial distributable reserves (£281.6 million as at 31 August 2026, including revenue reserves of £13.2 million). For context, the current level of annual dividend distribution based on dividends declared for the most recent financial year totalled 8.90 pence per share after adjusting for the share sub-division based on 240,678,950 shares at 31 August 2026, which represented an annual distribution of £21.4 million.

As previously announced, the Company replaced bi-annual dividends with quarterly dividend payments from 1 March 2026. It is the Board's intention to make three dividend payments in September, December and February each year equal to one quarter of the previous year's total dividend, followed by a final dividend for the full year (payable in June) reflecting the final amount required to ensure an appropriate level of full year dividend. The first quarterly dividend under this policy was 2.225 pence per share (equal to one quarter of the previous financial year's total dividend of 44.50 pence per share adjusting for the five-for-one share sub-division). The Board is pleased to declare a second interim dividend in respect of the year to 28 February 2027 of 2.225 pence per share, payable on 10 December 2026 (ex-dividend date of 5 November 2026). As a point of reference, the projected yield on the shares as at 31 August 2026 was 3.2% (based upon total projected annual dividends of 8.90 pence per share on the current 2.225 pence quarterly run-rate and a share price of 276.50 pence).

Despite the change in payment frequency, the Board will remain focused on ensuring the sustainability of dividends and their future growth through investment in companies with strong balance sheets, solid management and sustainable business growth models.

Performance for the six months to 31 August 2026



Sources: BlackRock and LSEG Datastream.
Share price, NAV (debt at fair value) and benchmark index data is with dividends reinvested and rebased to 100.

Combination with BlackRock Throgmorton Trust plc (Throgmorton)

The combination with Throgmorton, effected by way of a scheme of reconstruction of Throgmorton, was implemented on 16 April 2026, following shareholders of both companies voting overwhelmingly in favour of the combination. This combination brought together two investment trust companies with similar objectives that have both been in existence for over sixty years, delivering substantially increased economies of scale from our enlarged asset base. The combination has also delivered lower management charges from BlackRock (described in more detail below) along with an enhanced profile, greater liquidity in the Company's shares and operating cost efficiencies.

Investment policy changes

As part of the Combination with Throgmorton, the Board made a number of amendments to the Company's investment policy which were approved by shareholders at the General Meeting on 30 March 2026. Under the revised investment policy, the Investment Manager continues to seek to achieve the Company's investment objective through investing predominantly in listed UK smaller companies but has additional flexibility to invest in small cap stocks outside of the Benchmark Index. It can invest up to 15% of the Company's gross assets, at the time of acquisition, in global small cap stocks which are listed overseas and which do not have a primary or secondary UK listing.

These changes respond to shareholder feedback and give the Investment Manager greater flexibility to diversify risk and generate alpha when the UK smaller-company market is under pressure, while retaining the core UK mandate. Further details in respect of the portfolio's international smaller-company exposure appear in the Investment Manager's report on pages 13 to 16.

Sub-division of shares

Following the completion of the tender offer, the Board implemented a sub-division of each of the existing ordinary shares of 25 pence each in the capital of the Company into five new ordinary shares of 5 pence each with effect from 1 July 2026. The decision to sub-divide the shares was driven by the fact that the market price of the Company's shares has increased from 204 pence in 2004 when BlackRock took on the mandate to over £14 per share (as at 28 February 2026). In order to assist the Company's growing base of individual investors, monthly savers and those who reinvest their dividends or are looking to invest smaller amounts, the Board implemented a sub-division of the Company's shares on a five-for-one basis, effective on 1 July 2026. Following this sub-division, each shareholder received five sub-divided shares for each existing share. Whilst the sub-division increased the number of ordinary shares the Company has in issue, the Net Asset Value per share and market price immediately after the sub-division became one-fifth of their respective values immediately preceding the sub-division and hence there was no impact on the overall value of a shareholder's holding in the Company. The sub-divided shares will carry the same rights as the existing shares, including the same rights to participate in dividends paid by the Company. The Board anticipates that this share sub-division will improve the liquidity in and marketability of the Company's ordinary shares, to the benefit of all shareholders. More details can be found in the shareholder information section on page 42.

Tender, discount control mechanism and management of share rating

The Board regards the Company's share rating at any particular time as primarily a reflection of sentiment towards the sector alongside portfolio performance, both in absolute terms and relative to the peer group, and recognises that there are a number of other factors which can have a material impact on demand for the Company's shares. As part of the Combination with Throgmorton, the Board offered the Company's shareholders a tender opportunity for up to 28% of issued share capital (excluding treasury shares). The results of the tender were announced on 13 April 2026, with the tender oversubscribed and a total of 18,893,897 shares tendered (47.46% of the Company's issued share capital). Accordingly, the tender was scaled back, and 11,147,581 shares were repurchased representing 28% of the Company's issued share capital. A Tender Pool was established on 16 April 2026 representing a pro-rata share of assets held by the Company on this date, with these assets being realised in a phased and orderly manner to preserve value for shareholders. The realisation of the assets held in the Tender Pool was completed and proceeds paid out to tendering shareholders by 23 June 2026, for a final tender price of £14.61 per share. This compared to a NAV per share of £14.74 per share for ongoing shareholders as at 23 June 2026.

Chairman's Statement
continued

Alongside the tender offer, the Combination proposals introduced additional features designed to enhance the attraction of our Company in several important ways.

- We refreshed our investment proposition with additional flexibility to diversify risk and enhance returns;
- We negotiated a new, highly competitive management fee structure leading to a reduced estimated OCR for the ongoing vehicle; and
- We created a formal discount control mechanism with the introduction of a triennial 100% performance-related conditional tender offer to be made available to all shareholders.

These initiatives are described in more detail below.

Share buyback programme

In addition to the tender described above, and other measures to increase the attractiveness of the Company to investors, the Board closely monitors the Company's share rating. We recognise the importance of discount control to shareholders and have maintained a consistent effort to reduce our discount to NAV through share buybacks in the market. Despite these efforts, persistent market volatility meant the Company's shares traded at a disappointingly wide discount to NAV ranging from 10.3% to 15.5%.

To address the persistent discount the Board maintained an active buyback programme over the six months to 31 August 2026, with (after adjusting for the share split) a total of 7,110,000 ordinary shares repurchased at a total cost of £19.3 million to be held in treasury. All shares were bought back at a significant discount to NAV, delivering an uplift to the NAV per share of 0.3% for continuing shareholders for the period under review. The Board believes that its actions helped to minimise discount volatility. The Company's shares traded at an average discount to NAV (with debt at fair value) over the period under review of 12.7%. To put this in context, the average discount for companies in the AIC UK Smaller Companies sector for the same period was 8.7%. Since our buyback programme began on 3 March 2023 (and adjusted for the share sub-division), we have acquired a total of 55.2 million ordinary shares repurchased at a cost of £146.6 million. We are committed to an ongoing discount control process and as outlined below, together with improving performance, we look for a narrowing discount ahead. The Board believes that the proactive share buyback policy, coupled with the introduction of the initiatives summarised above and set out in more detail below, will make a sustained single-digit discount achievable for the Company in normal market conditions.

Renewal of share buyback authority and result of General Meeting

Given the effect of the share sub-division and the extent to which share buybacks have been undertaken since the 2026 AGM, the Board anticipated that the Company's share buyback authority taken at the AGM would be fully utilised well in advance of the Company's 2027 AGM. The Board considered it prudent to avoid any interruption to its ability to implement its discount management policy and as the ability to repurchase shares was deemed a necessary element of that policy, the Board held a General Meeting on 9 October 2026 to renew the Company's buyback authority. The resolution to effect this was approved by a significant majority of shareholders and was passed by an overwhelming majority with 99.8% of shares voted in favour.

Management fees

As previously announced, and with effect from 16 April 2026, the Board agreed revised management fee arrangements with BlackRock, moving to charge a fee on net assets instead of total assets less current liabilities and with effect from that date introduced a new tiered rate as follows:

- 0.5% per annum on the first £500 million of the Company's NAV;
- 0.475% per annum on NAV between £500 million and £750 million; and
- 0.45% per annum on NAV in excess of £750 million.

In addition to the revised fee, BlackRock has agreed to waive the management fee for six months with effect from 16 April 2026 which broadly covered the costs of the transaction. The new fee arrangements combined with the larger asset base post-combination has resulted in a significant reduction in the Company's operating charges ratio, which has fallen to 0.63% on an annualised basis (0.45% taking the fee waiver into account) compared to 0.8% for the year to 28 February 2026. The fee also represents the lowest fee in the AIC UK Smaller Companies sector for trusts without a performance fee in place.

Conditional triennial tender offer

As part of its commitment to improved discount control, the Company will offer shareholders the ability to tender up to 100% of their shares at a 4% discount to NAV (less costs) if the Company's NAV per share underperforms its Benchmark, the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index, over the three-year period ending 30 June 2029 (to be carried out before the end of 2029). The decision to commence the performance period on 1 July 2026 was because this was the first full month following the completion of the realisation of assets in the tender pool on 23 June 2026.

Board composition

As mentioned in the Annual Report, as a consequence of the combination with Throgmorton, Angela Lane and Louise Nash were appointed as non-executive Directors of the Company on 17 April 2026 and stood for election at the Company's Annual General Meeting on 17 June 2026. Both resolutions for their appointment were passed with at least 99.74% of the votes cast on a poll.

Agreement with Saba

On 22 January 2025, the Company announced that it had entered into an agreement with Saba Capital Management L.P. (Saba), pursuant to which Saba has given a number of undertakings to the Company regarding its shareholding in the Company. The full announcement can be viewed at the following link: https://www.londonstockexchange.com/news-article/%20BRSC/agreement-with-Saba/16863463. The agreement was to last until the earlier of the day following the completion of the Company's 2027 AGM or 31 August 2027 and does not limit Saba's ability to acquire or dispose of shares in the Company. As announced on 20 February 2026, both parties have subsequently agreed an extension of the period of this standstill agreement to June 2030. No other terms have been amended.

Your Board believes that the extension of this agreement is in the long-term interest of shareholders as we continue to invest for your future benefit.

Gearing and sources of finance

Gearing can play an important role in portfolio performance over time although your Company continues to maintain a very conservative capital structure. The Company has current borrowing facilities of long-term fixed rate funding in the form of a £25 million senior unsecured fixed rate private placement notes issued in May 2017 at a coupon of 2.74% with a 20 year maturity, £20 million senior unsecured fixed rate private placement notes issued in December 2019 at a coupon of 2.41% with a 25 year maturity and £25 million senior unsecured fixed rate private placement notes issued in September 2021 at a coupon of 2.47% with a 25 year maturity. Shorter-term variable rate funding consists of an uncommitted overdraft facility of £60 million with The Bank of New York Mellon (International) Limited with interest charged at SONIA plus 100 basis points.

It is the Board's intention that net gearing will not exceed 15% of the net assets of the Company at the time of the drawdown of the relevant borrowings. Under normal operating conditions it is envisaged that gearing will be within a range of 0%-15% of net assets. As at 31 August 2026, the Company's net gearing was 12.1% of net assets.

Marketing

During the six months ended 31 August 2026, the Company partook in BlackRock's expanded investment trust marketing programme, alongside dedicated trust specific activity to increase awareness of the Company and its investment proposition. Marketing initiatives included new digital advertising, portfolio manager videos, thought leadership content, independent research and targeted investor communications. The wider investment trust marketing programme generated over 45 million media impressions and 18 million video views. Encouragingly, engagement with the Company's website also increased significantly, with visits rising by 92% year on year based on data for the period 1 January 2026 to 28 September 2026.

Targeted public relations activity supported communications surrounding the merger with Throgmorton and secured coverage in leading investment publications, including Citywire, Investment Week and Portfolio Adviser. Looking ahead, marketing efforts will focus on building the Company's profile further and converting increased awareness into greater investor engagement and consideration of its long-term investment proposition.

Chairman's Statement

continued

Outlook

Since the period end, the Company's NAV (as at 19 October 2026) has decreased by 0.7%, against a decrease in the benchmark of 0.4%, and the share price has fallen by 2.7%.

Against the turbulent backdrop of the first half and the continued uncertainties presented by an environment of economic disruption, political division and both European and Middle East conflicts, your Board believes that with the combination with Throgmorton, it has positioned your Company well to weather the challenges across equity markets, with a larger asset base, lower fees and operating charges, and portfolio management team with additional flexibility under a refreshed investment policy. None of these changes will matter without improved performance and we are working hard with the Manager to produce better results. The Company's portfolio remains weighted towards companies with well-capitalised balance sheets and entrepreneurial management teams that are able to rapidly adapt their businesses to shifting market dynamics. Their results have been successfully demonstrating these skills through the challenging environment we have faced. UK assets are inexpensive by global standards and we have companies with real growth and exciting long-term prospects. As such we believe that the enlarged Company is well-positioned and prepared to take advantage of the investment opportunities that lie ahead despite the uncertain market conditions. If shareholders would like to contact me, please write to BlackRock Smaller Companies Trust plc, Dundas House, 20 Brandon Street, Edinburgh, EH3 5PP marked for the attention of the Chairman.

Ronald Gould

Chairman
22 October 2026

Investment Manager's report

for the six months ended 31 August 2026



Roland Arnold

Introduction

I always hope to begin these reports by discussing company fundamentals, lauding active and functioning capital markets, or highlighting the dynamism and entrepreneurial spirits of management teams. But as has so often been the case in recent years, the macro and political narrative is dictating the direction of travel for both bond and equity markets. For a Company that has a performance period beginning on 1 March, the US and Israeli action in Iran on 28 February has cast a long shadow, impacting on the economy, markets, and ultimately portfolio companies.

Indeed Iran has acted as the primary catalyst for many changes this year; rapidly increasing oil and gas prices, shifting of inflation expectations, and the re-pricing of forward interest rate curves as the bias of central banks transitions to increasing rates. The supply disruptions in the Strait of Hormuz have now been amplified by those in the Bab el-Mandeb Strait, raising concerns of shortages not just in oil and gas, but also non-oil commodities like fertilisers, industrial metals and chemicals.

Domestically there appears to be a crisis of confidence, as two punitive budgets have damaged sentiment and a third looms, the first under the new leadership of Andy Burnham as Prime Minister and John Healey as Chancellor of the Exchequer. Expectations are low, as rising yields eat into the slim headroom gained by the previous budget of Chancellor Rachel Reeves, despite the accompanying significant tax increases. If debt interest were a government department, it would be the second biggest spender after the Department of Health and Social Care. At £110 billion, spending on government debt is higher than on education, and nearly three times more than is spent on defence. Bond markets matter in the UK, and with the clear correlation between the oil price and the yield on UK debt there will be further inflationary pressure from the up-coming price cap increase, which on current projections could be as high as 25%. Macro factors are dominating the UK, driving sentiment, central bank policy, government tax and spend decisions, and ultimately driving flows out of equity markets. I continue to believe these flows are the biggest cause of the valuation anomaly that exists in the UK market.

At the micro-economic level, management teams complain about government policy, fiscal outlook, housing costs and uncertainty. But at the same time these teams are delivering on earnings, and the companies they run are well-capitalised and well-positioned to take advantage of asset prices to conduct value enhancing acquisitions, were they able to resist the lure of buying back their own significantly undervalued equity. If I look across the ten largest portfolio holdings at the period

end I see ten companies that have upgraded expectations over the last six months. Amongst them are producers of food, electronic equipment and construction materials, as well as property and pension advisory businesses and hospitality firms. The breadth suggests a market where earnings expectations are appropriately set, and the economy isn't quite as bad as the popular narrative suggests.

Merger with Throgmorton

Before I move the discussion on to the performance of the portfolio companies, it would be amiss not to focus on the Company's own corporate action this year, the merger with BlackRock Throgmorton Trust plc (Throgmorton). As already covered in the Chairman's Statement we believe merging the two trusts offers investors a more liquid way of gaining exposure to the growth opportunity available in UK small and medium sized companies. However, we have not presumed that we have nothing to learn or improve from Throgmorton's investment philosophy, and have adopted their allocation to international small and medium sized companies. Whilst we remain encouraged by the opportunity and particularly the valuation of the UK, there are areas where we struggle to gain exposure, for instance artificial intelligence or data centres, or areas where overseas companies offer a cleaner exposure. We now have holdings in companies such as VSE Corporation (aerospace aftermarket and spares), SPX Technologies (leading position in HVAC), and Advanced Energy Industries (provider of power solutions with a growing exposure to data centres). We apply the same analysis and stock selection procedures to these international holdings as we do to our UK investments, and they must stand on their merits in the portfolio, adding something different rather than just amplifying the same exposures. It is our intention to limit ourselves to approximately ten holdings, and in normal conditions the international allocation will be c. 8-10% of the portfolio (as of October the Company had just under 8% and we are looking at opportunities to add).

Fundamentally our investment process is unchanged. Perhaps a real example is the best way to bring the process to life. We have maintained a position in **Morgan Sindall** for many years, a business that operates in markets that have had their difficulties. Firstly we look at the market position. Morgan Sindall operates in UK construction and infrastructure markets, areas where there is regulated spend that helps drive revenue predictability, however these markets have historically been challenging, with companies entering into fixed price contracts where they often either mis-priced or misunderstood the risk. Two stand out examples of this were Connaught and Carillion. Both these firms forgot that it is profit and cash flow that matter, not revenue. This is where management matters, and in the case of Morgan Sindall there is a steady hand at the tiller, with the founder John Morgan still operating as CEO. He has ensured that the business doesn't overextend, that it avoids entering into large contracts with unpredictable outcomes, and does not operate in areas with limited understanding. While even the strongest management teams can make mistakes, our investment process also involves a detailed scrutiny of company balance sheets, to ensure that there is the financial capacity to weather difficult conditions. In the case of Morgan Sindall, the company has c. £400 million of cash in reserve, ensuring that this business isn't pressured in the way others can be if conditions deteriorate or unforeseen events arise. We have seen from the insolvency of Morgan Sindall's close peer, Interior Services Group, what can happen when balance sheets are insufficiently collateralised, and of course when peers do struggle, it is often an opportunity to pick up work, which in Morgan Sindall's case has resulted in a number of upgrades at their market leading fit-out operations. By focusing on market position, management, cash flow, balance sheet and track record we believe we can identify businesses which face into structural growth markets and are capable of many years of profitable expansion.

Performance attribution

During the period under review the net asset value per share rose by 2.7%, underperforming our benchmark which returned 4.3%. It is both disappointing and frustrating to be reporting on another period of underperformance. There have been many stocks within the portfolio that have demonstrated positive operational momentum, but sadly not all of these have been greeted with a positive share price response. At the AGM I shared details of the top 10 holdings in the portfolio, and how nine of them had increased earnings forecasts during the year, but the majority had seen their share price de-rate on the news. The same trend can be observed for the six months to 31 August, where again the top ten holdings have all increased earnings forecasts, but five have underperformed the market and six have de-rated.

That is not to say that all companies went unrewarded for their performance. Shares in **Polar Capital Holdings** reacted positively as assets under management at the firm increased significantly from £30 billion at the end of March 2026 to £44 billion in June 2026. Encouragingly this growth is from both market performance and client flow. Polar's exposure to technology shares explains a significant amount of this asset growth. Being an owner of **IntegraFin** shares has been a difficult journey for some time, as the market seemingly lost confidence in management's ability to drive operational gearing in the business model. Asset growth has never been the issue, but a number of investment-led cost increases caused many to question how well developed the platform was. The last couple of statements have started to address this uncertainty, with management laying out clearly to the market how costs should progress, delivering upgrades which have started to be

rewarded with a modest re-rating. We continue to believe there is a significant advantage to this platform business utilising their own technology platform rather than relying on a third-party provider, and the investment in technology will be further rewarded over time. **Computacenter** was a relatively recent addition to the portfolio. It is a business and management team we have known for a very long time, but until we changed the investment guidelines it frustratingly sat just outside of our investible universe. Computacenter is one of the few ways to gain exposure to the IT megatrends driving so much of the market. Its US operations are a direct beneficiary of the hyper-scaler capex, as demonstrated by the 89% increase in Technology Sourcing revenue disclosed in their recent interims. Any exposure to the UK construction or housebuilding sector has been a challenge, but fortunately we have avoided owning shares in **Vistry**, where the share price has been rocked by management changes and balance sheet concerns. We continue to monitor the situation, although we prefer to gain exposure through companies with less perceived financial risk.

As in all periods there are companies that underperform, some for fundamental reasons, and some purely due to sentiment. **Boku** fits squarely in the fundamental camp, and was our most costly investment in the period detracting by 1%. A large position for the Company we were both surprised and concerned by their profit warning in July 2026. The downgrade had been caused by a delayed customer roll out, compounded by the suspension of two contracts in one market. We have reduced the position to 1% whilst awaiting clarity on both these issues, but continue to believe the core product offering significantly simplifies the payment journey for their customers. The most recent trading update suggests no worsening of the situation. The only other company to fundamentally disappoint in the period was housebuilder **Crest Nicholson**. Rising yields have directly impacted on mortgage costs, and with the already mentioned lack of confidence in the domestic outlook the housing market has ground to a halt. **Serco's** performance has been driven by sentiment rather than a fundamental downgrade, in this case the market has reacted to negative rhetoric around public sector outsourcing from new Prime Minister Andy Burnham. The shares fell over 20% in the period, however fundamentally we believe nothing has changed and with no major contracts ending soon the earnings risk is minimal. There is a final category, shares we don't own that have performed strongly. **CMC Markets** has delivered a significant upgrade on the back of contract wins enabled by their Business-to-Business "B2B" strategy. They were the third biggest detractor to relative performance in the period (46 basis points).

Transactions

Serica Energy returns to the portfolio. The US and Israeli action in Iran has caused a rapid rise in the UK gas price. Serica has come through a period where one of their non-operated assets, the Triton FPSO, has disappointed. A net cash balance sheet, improving operational results, and some Mergers & Acquisitions (M&A) all add to the upside. We originally held a position in **Bytes Technology Group** when the shares listed, selling post a period of significant share price appreciation that caused the valuation to become stretched. Following a change in contract terms with Microsoft and some poorly managed organisational changes the valuation has become more attractive, and with recent statements suggesting these issues are now behind them we have returned to the shares.

M&A has been a bigger feature in this period. We have seen approaches for the outsourcer **MITIE**, aerospace firm **Senior**, engineers **Gooch & Housego** and **Bodycote**. We have exited the positions in MITIE, Senior and Gooch & Housego, but maintain the holding in Bodycote at this time given the potential for an increased offer. Following the promotion up to the FTSE 100 Index we sold the position in **IG Group**. The shift in UK interest rate expectations has led to a logical slowdown in mortgage activity and housing transactions. Against this backdrop we felt it appropriate to sell our position in **OSB Group**.

There have been several situations where an unusual share price reaction has allowed us to significantly increase exposure. We were surprised at the market's reaction to **Greencore's** interim statement. Seemingly disappointed with a lack of upgrade the shares fell 20% in a short period. We always felt it unlikely management would allow the market to upgrade so soon after the acquisition of Bakkavor, and the opportunity presented by the irrational fall too good to miss. 2026 is the year "SaaS-pocalypse" (spelt a myriad of ways) entered the lexicon. The fear of AI disruption indiscriminately impacted any company the market decided was exposed. Our view is many of these companies have been unfairly impacted. Despite the rhetoric from AI leaders of the ubiquity of their models, there are some areas where incumbents have an advantage. Financial Services, regulated in nature, is one such area. AI models are probabilistic, regulators require determinism, that rules and regulations are accurately followed, that a client is given the same advice today as they will be tomorrow. We used the sell off to add to our position in **MONY Group**. We take heart that OpenAI themselves have adopted MONY as one of the providers on their app store, suggesting our theory is in some way correct.

As a reminder, our strategy for portfolio construction is to manage positions around what we believe to be a suitable weight, taking profits as businesses outperform. As an example of this, during the period we took some profits in **Polar Capital Holdings** post the upgrades discussed earlier. There are other situations where we make a more active decision to reduce a

position because we believe the near-term sentiment towards the shares may weaken, but fundamentally we believe in the longer-term opportunity. The widening of yields and five-year swap rates has an impact on property valuations, leading us to reduce our position in **Great Portland Estates**. We still believe the shares trade on a large and unjustified discount to their asset value but must acknowledge the short-term pressure.

Outlook

What of the next six months? The first step is to get through the UK budget, an event that will allow the new Labour leadership to set their priorities. As we have seen, the ripples of these events can be felt long after the Chancellor has sat down. The market needs to see consistency, a well thought out credible path that can last for the rest of Parliament. Poorly thought-out policies will impact on confidence, see further pressure on yields and raise justified questions as to whether the UK is indeed open for business or has become untouchable for the next three years.

Perhaps we are about to tread a different path. The early rhetoric has been more positive, with Burnham walking back from some of his more expensive initial promises. There have been some suggestions of looking at government spending and of investing in UK infrastructure and housing. Importantly, and for the first time since Labour came to power, I feel able to say that it looks as though Burnham is actually doing "things" and that there is a plan in place. Labour has now announced the approval of the Jackdaw gas field, an encouraging sign of how it intends to balance the drive towards net zero with the case for extending the life of existing assets and infrastructure, and the economic and carbon implications of both.

Inevitably there will be wider macro-economic and political influences in the second half. We have a US election to contend with, ongoing issues in Iran and Ukraine, France teetering on the first European debt crisis for a decade, significant inflationary pressures globally, and ongoing disruption in supply chains. We will no doubt continue to hear of the tectonic shifts that will be driven by AI, a technology that has the potential to fundamentally impact on employment markets, provide unimaginable technological progress, or if you believe the more sensationalist interpretations, to obliterate the human race.

We continue to believe in the underlying quality of the companies and management teams in which we invest. We believe market leading businesses with strong balance sheets can maintain their position and pricing power through appropriate investments in technology, brands or marketing. We believe investing in companies at an earlier stage of their development often means they have the opportunity to grow despite market uncertainty. Ultimately we believe valuations for UK growth companies are at remarkably depressed levels. In many cases, high-quality businesses are trading at prices that bear little relation to their long-term prospects, creating a compelling opportunity for patient investors.

Roland Arnold
BlackRock Investment Management (UK) Limited
22 October 2026

Portfolio of investments

1 ▶ **Greencore Group** (2026: 1st)
Food Producers
Market value: £25,864,000
Share of investments: 3.2% (2026: 2.8%)

Manufacturer of convenience foods in the UK and US

2 ▲ **XPS Pensions** (2026: 5th)
Investment Banking & Brokerage Services
Market value: £23,002,000
Share of investments: 2.8% (2026: 2.6%)

Pension consulting and administration business

3 ▲ **IntegraFin** (2026: 4th)
Investment Banking & Brokerage Services
Market value: £22,596,000
Share of investments: 2.8% (2026: 2.6%)

UK investment platform and software provider for financial advisers

4 ▲ **Tatton Asset Management** (2026: 8th)
Investment Banking & Brokerage Services
Market value: £22,404,000
Share of investments: 2.7% (2026: 2.4%)

Provision of discretionary fund management services to the IFA market

5 ▼ **Great Portland Estates** (2026: 2nd)
Real Estate Investment Trusts
Market value: £22,378,000
Share of investments: 2.7% (2026: 2.8%)

Owner of commercial real estate in central London

6 ▶ **Morgan Sindall** (2026: 6th)
Construction & Materials
Market value: £21,443,000
Share of investments: 2.6% (2026: 2.6%)

UK construction and regeneration group

7 ▲ **DiscoverIE** (2026: 17th)
Electronic & Electrical Equipment
Market value: £20,810,000
Share of investments: 2.5% (2026: 1.7%)

International designer, manufacturer and supplier of customised electronics

8 ▲ **Young & Co's Brewery** (2026: 11th)
Travel & Leisure
Market value: £17,936,000
Share of investments: 2.2% (2026: 2.1%)

Owner and operator of pubs and hotels across London and southern England

9 ▲ **AJ Bell** (2026: 57th)
Investment Banking & Brokerage Services
Market value: £17,546,000
Share of investments: 2.1% (2026: 0.8%)

UK investment platform for financial advisers and individual investors

10 ▲ **4imprint Group** (2026: 56th)
Media
Market value: £16,333,000
Share of investments: 2.0% (2026: 0.8%)

Supplier of promotional merchandise

All percentages reflect the value of the holding as a percentage of total investments. For this purpose, where more than one class of securities is held, these have been aggregated.

The percentages in brackets represent the value of the holding as at 28 February 2026.

Arrows indicate the change in relative ranking of the position in the portfolio compared to its ranking as at 28 February 2026.

Portfolio of investments

continued

#	Company	£'000	%	Description
11	**Helios Towers** Telecommunications Service Providers	15,921	1.9	Provider of telecommunications infrastructure
12	**Grafton** Industrial Support Services	15,762	1.9	European distributor of construction-related products and solutions across Ireland, Great Britain, Northern Europe and Iberia, alongside home-improvement retail in Ireland
13	**Bodycote** Industrial Engineering	15,457	1.9	Global provider of heat treatment and specialist metallurgical services that improve the strength, durability and performance of industrial components
14	**Sigmaroc** Construction & Materials	15,165	1.8	A buy-and-build lime and limestone group operating across the UK and Europe
15	**Hill & Smith** Industrial Metals & Mining	15,104	1.8	Production of infrastructure products and supply of galvanizing services
16	**Bloomsbury** Media	13,875	1.7	Independent publishing house
17	**Elementis** Chemicals	13,127	1.6	Global specialty chemicals company supplying performance additives for personal care, coatings and other industrial applications
18	**FRP Advisory** Industrial Support Services	13,018	1.6	A business advisory firm providing services in corporate restructuring, insolvency, debt advisory and financial solutions to businesses
19	**Volution Group** Construction & Materials	12,630	1.5	Ventilation products for the residential and commercial construction markets
20	**Oxford Instruments** Electronic & Electrical Equipment	11,956	1.5	Designer and manufacturer of tools and systems for industry and scientific research
21	**Pollen Street Group** Investment Banking & Brokerage Services	11,936	1.5	Alternative asset manager with strategies across private equity and private credit
22	**Sirius Real Estate** Real Estate Investment Trusts	11,887	1.4	Owner and operator of multi-let business parks, offices and flexible workspaces across Germany and the UK
23	**MONY Group** Software & Computer Services	11,773	1.4	Technology-led consumer savings group operating price-comparison, cashback and money-guidance brands
24	**Rosebank Industries** Electronic & Electrical Equipment	11,579	1.4	Investment business that buys, improves and sells industrial and manufacturing businesses
25	**CVS Group** Health Care Providers	11,498	1.4	Veterinary services group operating practices, specialist referral centres, laboratories and complementary pet-care services
26	**Breedon** Construction & Materials	11,386	1.4	International construction materials company that quarries, manufactures, and supplies essential building products like aggregates, cement, and asphalt in Great Britain, Ireland, and the United States
27	**Watches of Switzerland** Personal Goods	11,290	1.4	Luxury watch and jewellery retailer with operations in the UK, US and Europe
28	**Genus** Pharmaceuticals & Biotechnology	11,014	1.3	Animal genetics company providing breeding genetics and technology to dairy, beef and pork producers globally
29	**Safestore** Real Estate Investment Trusts	10,438	1.3	Provider of self-storage units
30	**Moonpig Group** Retailers	10,319	1.3	Online greeting-card and gifting platform offering personalised cards, gifts, flowers and other gifting products
31	**Atalaya Mining** Industrial Metals & Mining	10,184	1.2	Copper miner
32	**Boku** Industrial Support Services	9,866	1.2	Global payments company, specialising in local payment methods, including direct carrier billing and digital wallets

#	Company	£'000	%	Description
33	**Genuit** Construction & Materials	9,832	1.2	Manufacturer of water management, heating and ventilation products for residential and commercial buildings
34	**Funding Circle Holdings** Finance & Credit Services	9,783	1.2	Technology-led lending platform providing finance to small businesses through online origination and credit-assessment capabilities
35	**Alfa Financial Software** Software & Computer Services	9,743	1.2	Provider of software solutions for the global asset finance industry
36	**Polar Capital Holdings** Investment Banking & Brokerage Services	9,377	1.1	Specialist active asset manager offering investment strategies across a range of sectors, geographies and asset classes
37	**Ithaca Energy** Oil, Gas & Coal	9,372	1.1	Independent oil and gas producer focused on exploration, development and production assets in the UK North Sea
38	**Pan African Resources** Precious Metals & Mining	9,331	1.1	UK listed gold producer with mining operations in South Africa and Australia
39	**TP ICAP** Investment Banking & Brokerage Services	9,191	1.1	Financial markets intermediary providing broking, trade execution and market data services
40	**Chemring Group** Aerospace & Defence	9,081	1.1	Provider of advanced technologies, components and services for defence and security, including countermeasures, energetics and sensors
41	**Serica Energy** Oil, Gas & Coal	8,933	1.1	Oil and gas producer with production and development assets focused on the UK North Sea
42	**Essentra** Industrial Support Services	8,704	1.1	Manufacturer and distributor of essential industrial components such as caps, plugs, fasteners and access hardware for a broad range of end markets
43	**Premier Foods** Food Producers	8,582	1.0	UK branded food manufacturer producing a broad range of ambient grocery products for major retailers and consumers
44	**Mears Group** Real Estate Investment & Services	8,491	1.0	UK housing services provider delivering repair, maintenance, management and accommodation services, primarily for public-sector and social-housing customers
45	**Computacenter** Software & Computer Services	7,839	1.0	Technology solutions and services provider delivering IT infrastructure sourcing, integration, professional services and managed services to corporate and public-sector customers
46	**VSE Corporation** Aerospace & Defence	7,769	0.9	Provider of aftermarket distribution and maintenance, repair and overhaul services to the aviation sector
47	**Ashmore Group** Investment Banking & Brokerage Services	7,723	0.9	Emerging market focused investment manager
48	**Mortgage Advice Bureau** Finance & Credit Services	7,578	0.9	Leading mortgage intermediary providing mortgage advice and protection insurance
49	**Hammerson** Real Estate Investment Trusts	7,427	0.9	Owner, operator and investor in retail-led destinations across the UK, France and Ireland
50	**SPX Technologies** Construction & Materials	7,330	0.9	Supplier of engineered infrastructure equipment for heating, cooling, detection and measurement applications
51	**Cranswick** Food Producers	7,207	0.9	Food producer and supplier of premium, fresh and added-value food products
52	**Porvair** Electronic & Electrical Equipment	7,070	0.9	UK based specialist filtration laboratory and environmental technology group
53	**Luceco** Electronic & Electrical Equipment	7,041	0.9	Designer, supplier and manufacturer of high-quality and efficient LED lighting products, as well as electrical wiring accessories
54	**Advanced Energy Industries** Technology Hardware & Equipment	6,729	0.8	Provider of precision power conversion, measurement and control solutions for semiconductor equipment, data centres, industrial, medical and telecom applications

Portfolio of investments

continued

#	Company	£'000	%	Description
55	**Costain Group** Construction & Materials	6,583	0.8	Infrastructure solutions company providing engineering, construction and consulting services across transport, water, energy and defence markets
56	**Hollywood Bowl Group** Travel & Leisure	6,529	0.8	Operator of ten-pin bowling and family entertainment centres across the UK and Canada
57	**Crane Co.** Electronic & Electrical Equipment	6,321	0.8	Manufacturer of highly engineered components and technologies for aerospace, process-flow and other mission-critical industrial applications
58	**GBG** Software & Computer Services	6,256	0.8	Identity verification, location intelligence and fraud prevention company
59	**XP Power** Electronic & Electrical Equipment	6,090	0.7	Provider of power-conversion solutions for semiconductor, industrial, medical and other high-reliability applications
60	**Construction Partners** Construction & Materials	6,071	0.7	US infrastructure company specialising in road construction, maintenance and asphalt production
61	**Molten Ventures** Investment Banking & Brokerage Services	5,993	0.7	Venture capital investor focused on private technology companies across Europe
62	**Uniphar** Personal Care Drug & Grocery Stores	5,849	0.7	Diversified healthcare services group providing pharmaceutical, medical technology, supply chain and retail services
63	**Cohort** Aerospace & Defence	5,814	0.7	Defence and security technology group providing communications, surveillance and sensing systems
64	**Renishaw** Electronic & Electrical Equipment	5,732	0.7	Global provider of manufacturing technologies, analytical instruments and medical devices, with core expertise in precision measurement and engineering
65	**AO World** Retailers	5,709	0.7	Online retailer of electrical products, including domestic appliances and consumer electronics
66	**Rambus** Technology Hardware & Equipment	5,503	0.7	US-listed designer and provider of memory-interface chips and silicon IP for data centre and other computing applications
67	**Sylvania Platinum** Precious Metals & Mining	5,226	0.6	Producer of platinum group metals through the processing of chrome tailings in South Africa
68	**Repligen** Medical Equipment & Services	5,117	0.6	Developer and manufacturer of bioprocessing products and technologies used in the production of biological drugs
69	**Boot Barn Holdings** Retailers	5,037	0.6	US specialty retailer of western and workwear, offering boots, apparel and accessories through stores and e-commerce
70	**Vesuvius** Industrial Engineering	4,885	0.6	Provider of metal flow engineering services and solutions to the steel and foundry industries
71	**Bytes Technology Group** Software & Computer Services	4,747	0.6	Provider of software, cloud and IT security solutions to corporate and public-sector customers
72	**Volex** Electronic & Electrical Equipment	4,457	0.5	Manufacturer of power and data connectivity products for consumer, industrial, medical and automotive applications
73	**Team 17** Leisure Goods	4,319	0.5	Developer and publisher of video games and educational entertainment content
74	**Yellow Cake** Industrial Metals & Mining	4,095	0.6	Investment company providing exposure to the uranium price through holdings of physical uranium
75	**Oxford Biomedica** Pharmaceuticals & Biotechnology	4,087	0.6	Provider of development and manufacturing services for cell and gene therapies
76	**B&M European Value Retail** Retailers	4,084	0.6	Discount retailer of general merchandise and grocery products, operating stores in the UK and France
77	**Bellway** Household Goods & Home Construction	3,901	0.5	Residential property developer and housebuilder
78	**Goodwin** General Industrials	3,846	0.5	Mechanical and refractory engineering company
79	**Cairn Homes** Household Goods & Home Construction	3,805	0.5	Irish residential developer building houses, apartments and new residential communities

#	Company	£'000	%	Description
80	**WH Smith** Retailers	3,467	0.4	Global travel retailer operating stores in airports, railway stations, hospitals and other travel hubs, selling food, books, health and beauty, technology and travel essentials
81	**Diaceutics** Health Care Providers	3,069	0.4	Provider of data and technology solutions supporting the development and commercialisation of precision medicines
82	**Gamma Communications** Telecommunications Service Providers	2,717	0.3	Provider of business communication and connectivity solutions across the UK and Europe
83	**Princes Group** Food Producers	2,685	0.3	Food and beverage group producing branded and own-label food, soft drinks and edible oils across the UK and Europe
84	**Filtronic** Telecommunications Equipment	2,604	0.3	Designer and manufacturer of radio frequency and microwave products for telecommunications, space, aerospace and defence applications
85	**Norcros** Construction & Materials	2,332	0.3	Designer and supplier of bathroom and kitchen products across Europe and South Africa
86	**Victrex** Chemicals	2,259	0.3	Manufacturer of high-performance polymer materials used across industrial, aerospace, automotive, electronics and medical applications
87	**Ceres Power Holdings** Alternative Energy	2,132	0.3	Developer and licensor of solid oxide technology for power generation and green hydrogen applications
	Total	**820,951**	**100.0**	

All investments are in equity shares unless otherwise stated.

Percentages shown reflect the value of the holding as a percentage of total investments. For this purpose, where more than one class of securities is held, these have been aggregated.

The total number of investments held at 31 August 2026 was 87 (28 February 2026: 80).

Portfolio holdings in excess of 3% of issued share capital

At 31 August 2026, the Company did not hold any equity investments comprising more than 3% of any company's share capital other than as disclosed in the table below:

Company	% of issued share capital held
Tatton Asset Management	5.3
FRP Advisory	4.3
XPS Pensions	3.5
Young & Co's Brewery	3.4
Boku	3.1

Distribution of investments

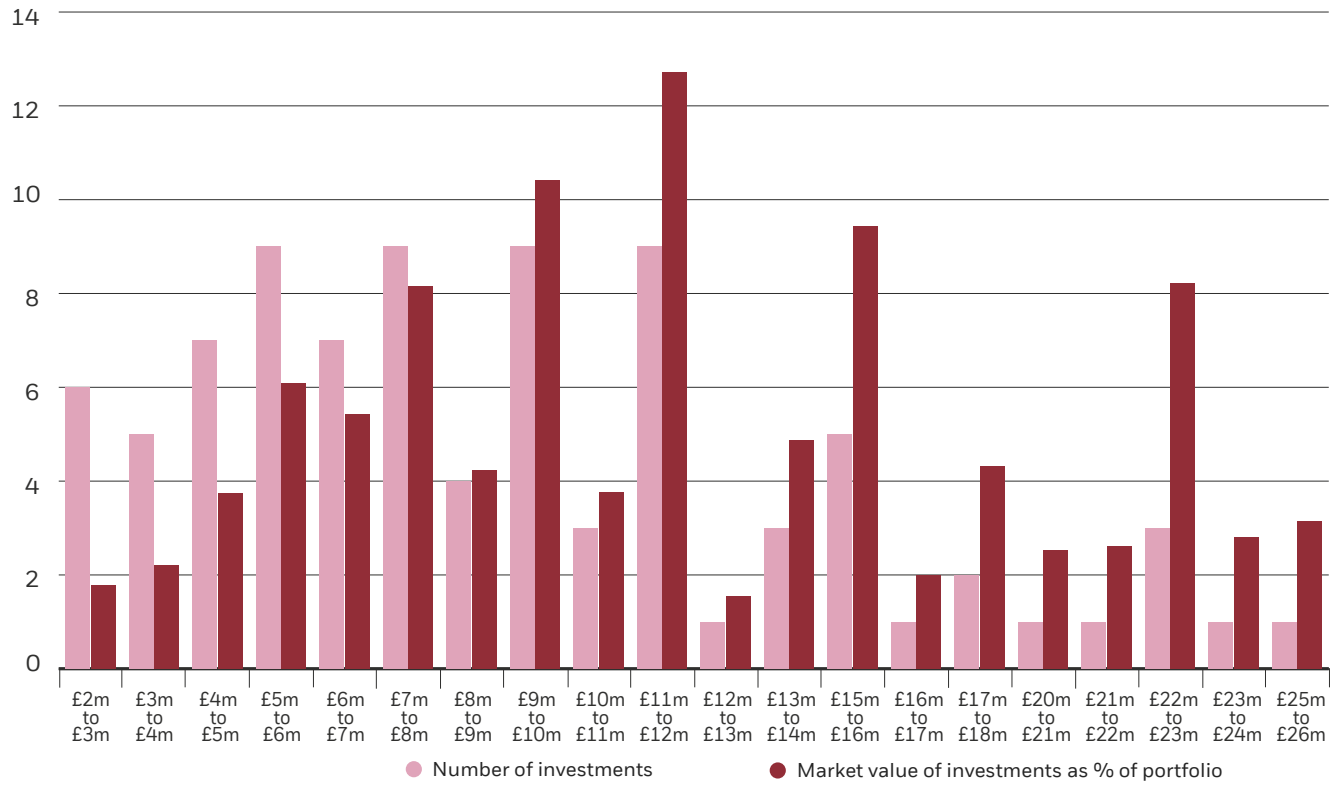
as at 31 August 2026

Sector	% of portfolio
Chemicals	1.9
Industrial Metals & Mining	3.6
Precious Metals & Mining	1.7
Basic Materials	**7.2**
Household Goods & Home Construction	1.0
Leisure Goods	0.5
Media	3.7
Personal Goods	1.4
Retailers	3.6
Travel & Leisure	3.0
Consumer Discretionary	**13.2**
Food Producers	5.4
Personal Care Drug & Grocery Stores	0.7
Consumer Staples	**6.1**
Alternative Energy	0.3
Oil, Gas & Coal	2.2
Energy	**2.5**
Finance & Credit Services	2.1
Investment Banking & Brokerage Services	15.7
Financials	**17.8**
Health Care Providers	1.8
Medical Equipment & Services	0.6
Pharmaceuticals & Biotechnology	1.9
Health Care	**4.3**
Aerospace & Defence	2.7
Construction & Materials	11.2
Electronic & Electrical Equipment	9.9
General Industrials	0.5
Industrial Engineering	2.5
Industrial Support Services	5.8
Industrials	**32.6**
Real Estate Investment & Services	1.0
Real Estate Investment Trusts	6.3
Real Estate	**7.3**
Software & Computer Services	5.0
Technology Hardware & Equipment	1.5
Technology	**6.5**
Telecommunications Equipment	0.3
Telecommunications Service Providers	2.2
Telecommunications	**2.5**
Total Investments	**100.0**

Investment exposure

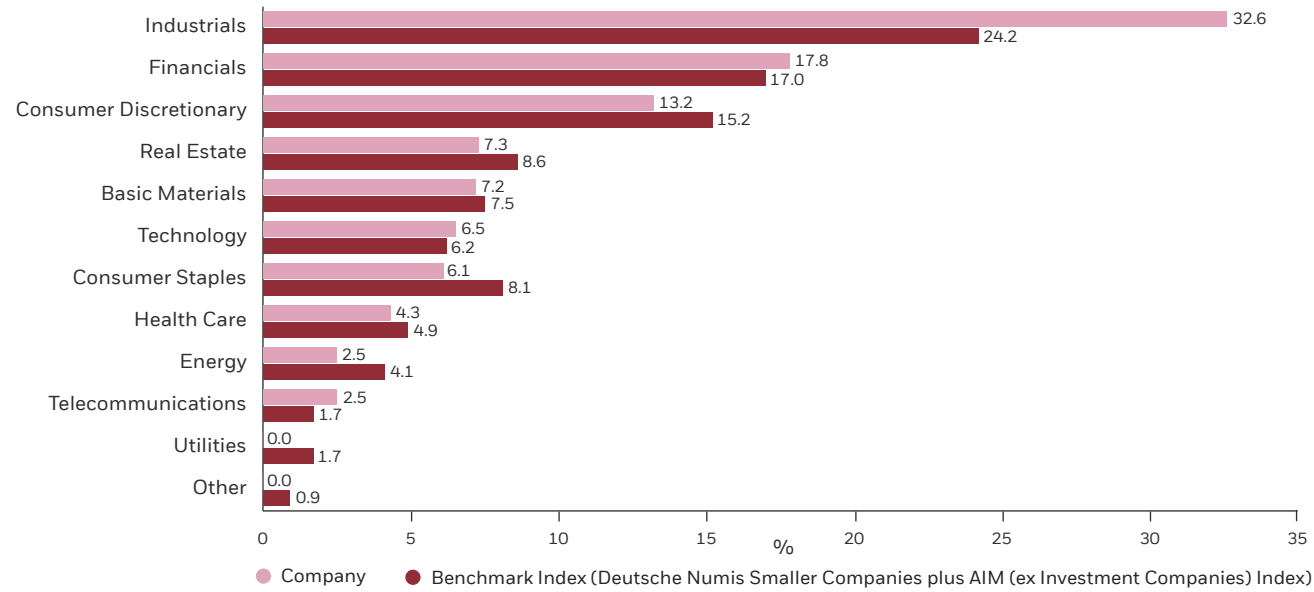
as at 31 August 2026

Investment size



Source: BlackRock.

Analysis of portfolio value by sector



Sources: BlackRock and LSEG Datastream.

Interim Management Report and Responsibility Statement

The Chairman's Statement on pages 7 to 12 and the Investment Manager's Report on pages 13 to 16 give details of the important events which have occurred during the period and their impact on the financial statements.

Principal risks and uncertainties

The principal risks faced by the Company can be divided into various areas as follows:

- Investment performance;
- Market;
- Income/dividend;
- Legal and compliance;
- Operational;
- Financial; and
- Marketing

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 28 February 2026. A detailed explanation can be found in the Strategic Report on pages 36 to 51 and note 17 on pages 103 to 110 of the Annual Report and Financial Statements which is available on the website maintained by BlackRock at www.blackrock.com/uk/brsc.

The Board and the Investment Manager continue to monitor investment performance in line with the Company's investment objectives, and the operations of the Company and the publication of net asset values are continuing.

In the view of the Board, there have not been any changes to the fundamental nature of the principal risks and uncertainties since the previous report and these are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Going concern

The Board is mindful of the risk that unforeseen or unprecedented events including (but not limited to) heightened geopolitical tensions such as the conflicts in Ukraine and in the Middle East, their longer-term effects on the global economy, high inflation and the current cost of living crisis could have a significant impact on global markets. Notwithstanding these uncertainties, the Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective, the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound. Therefore, for the reasons set out above, the Directors continue to adopt the going concern basis in preparing the financial statements.

Related party disclosure and transactions with the AIFM and Investment Manager

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the management and marketing fees payable are set out in notes 4 and 5 respectively on pages 31 and 32 and note 14 on page 39. The related party transactions with the Directors are set out in note 15 on pages 39 and 40.

Directors' Responsibility Statement

The Disclosure Guidance and Transparency Rules (DTR) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge and belief that:

- the condensed set of financial statements contained within the Half Yearly Financial Report has been prepared in accordance with the applicable UK Accounting Standard FRS 104 Interim Financial Reporting; and
- the Interim Management Report together with the Chairman's Statement and Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's (FCA) Disclosure Guidance and Transparency Rules.

The Half Yearly Financial Report has not been audited or reviewed by the Company's Auditor.

The Half Yearly Financial Report was approved by the Board on 22 October 2026 and the above Responsibility Statement was signed on its behalf by the Chairman.

Ronald Gould
for and on behalf of the Board
22 October 2026

Income Statement

for the six months ended 31 August 2026

		Six months ended 31 August 2026 (unaudited)			Six months ended 31 August 2025 (unaudited)			Year ended 28 February 2026 (audited)		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investments held at fair value through profit or loss		–	13,081	13,081	–	4,083	4,083	–	45,554	45,554
(Losses)/gains on foreign exchange		–	(72)	(72)	–	17	17	–	39	39
Income from investments held at fair value through profit or loss	3	12,129	–	12,129	11,660	–	11,660	19,609	797	20,406
Other income	3	678	–	678	570	–	570	1,194	–	1,194
Total income		**12,807**	**13,009**	**25,816**	**12,230**	**4,100**	**16,330**	**20,803**	**46,390**	**67,193**
Expenses										
Investment management fee	4	(1)	(3)	(4)	(498)	(1,495)	(1,993)	(977)	(2,931)	(3,908)
Other operating expenses	5	(537)	(7)	(544)	(459)	(14)	(473)	(1,127)	(27)	(1,154)
Total operating expenses		**(538)**	**(10)**	**(548)**	**(957)**	**(1,509)**	**(2,466)**	**(2,104)**	**(2,958)**	**(5,062)**
Net profit before finance costs and taxation		**12,269**	**12,999**	**25,268**	**11,273**	**2,591**	**13,864**	**18,699**	**43,432**	**62,131**
Finance costs	6	(239)	(716)	(955)	(238)	(714)	(952)	(468)	(1,399)	(1,867)
Net profit before taxation		**12,030**	**12,283**	**24,313**	**11,035**	**1,877**	**12,912**	**18,231**	**42,033**	**60,264**
Taxation		(15)	–	(15)	(23)	–	(23)	(59)	–	(59)
Net profit after taxation		**12,015**	**12,283**	**24,298**	**11,012**	**1,877**	**12,889**	**18,172**	**42,033**	**60,205**
Earnings per ordinary share (pence) – basic and diluted	**8**	**5.30**	**5.41**	**10.71**	**5.15[1]**	**0.88[1]**	**6.03[1]**	**8.75[1]**	**20.25[1]**	**29.00[1]**

[1] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

The total columns of this statement represent the Company's profit and loss account. The supplementary revenue and capital accounts are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period. All income is attributable to the equity holders of the Company.

The net profit/(loss) for the period disclosed above represents the Company's total comprehensive income/(loss).

The notes on pages 30 to 40 form part of these financial statements.

Statement of Changes in Equity

for the six months ended 31 August 2026

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the six months ended 31 August 2026 (unaudited)							
At 28 February 2026		12,498	51,980	1,982	519,397	17,985	603,842
Total comprehensive income:							
Net profit for the period		–	–	–	12,283	12,015	24,298
Transactions with owners, recorded directly to equity:							
Net proceeds from issue of new shares		5,223	298,414	–	–	–	303,637
Share issue costs		–	(113)	–	–	–	(113)
Ordinary shares repurchased into treasury		–	–	–	(19,212)	–	(19,212)
Share repurchase costs		–	–	–	(90)	–	(90)
Tender offer shares repurchased and cancelled		(2,786)	–	–	(160,130)	–	(162,916)
Tender offer shares repurchase cost		–	–	–	(3,706)	–	(3,706)
Dividend paid to exiting shareholders[1]		–	–	–	3,177	(3,177)	–
Dividends paid[2]	7	–	–	–	–	(13,597)	(13,597)
At 31 August 2026		**14,935**	**350,281**	**1,982**	**351,719**	**13,226**	**732,143**
For the six months ended 31 August 2025 (unaudited)							
At 28 February 2025		12,498	51,980	1,982	529,771	18,548	614,779
Total comprehensive income:							
Net profit for the period		–	–	–	1,877	11,012	12,889
Transactions with owners, recorded directly to equity:							
Ordinary shares repurchased into treasury		–	–	–	(27,577)	–	(27,577)
Share repurchase costs		–	–	–	(185)	–	(185)
Dividends paid[3]	7	–	–	–	–	(12,285)	(12,285)
At 31 August 2025		**12,498**	**51,980**	**1,982**	**503,886**	**17,275**	**587,621**
For the year ended 28 February 2026 (audited)							
At 28 February 2025		12,498	51,980	1,982	529,771	18,548	614,779
Total comprehensive income:							
Net profit for the year		–	–	–	42,033	18,172	60,205
Transactions with owners, recorded directly to equity:							
Ordinary shares repurchased into treasury		–	–	–	(51,753)	–	(51,753)
Share repurchase costs		–	–	–	(354)	–	(354)
Tender offer costs		–	–	–	(300)	–	(300)
Dividends paid[4]	7	–	–	–	–	(18,735)	(18,735)
At 28 February 2026		**12,498**	**51,980**	**1,982**	**519,397**	**17,985**	**603,842**

[1] Second and final interim dividend paid in respect of the year ended 28 February 2026 of 5.70p[5] per share was declared on 31 March 2026 and paid on 8 May 2026. This dividend was paid to exiting tender shareholders and was funded by a withdrawal from the restricted tender pool account.

[2] Second and final interim dividend paid in respect of the year ended 28 February 2026 of 5.70p[5] per share was declared on 31 March 2026 and paid on 8 May 2026. First quarterly interim dividend paid in respect of the year ending 28 February 2027 of 2.225p per share was declared on 21 July 2026 and paid on 28 August 2026.

[3] Final dividend paid in respect of the year ended 28 February 2025 of 5.70p[5] per share was declared on 7 May 2025 and paid on 26 June 2025.

[4] Interim dividend paid in respect of the year ended 28 February 2026 of 3.20p[5] was declared on 24 October 2025 and paid on 10 December 2025. Final dividend paid in respect of the year ended 28 February 2025 of 5.70p[5] was declared on 7 May 2025 and paid on 26 June 2025.

[5] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

For information on the Company's distributable reserves, please refer to note 12.

The notes on pages 30 to 40 form part of these financial statements.

Balance Sheet

as at 31 August 2026

	Notes	31 August 2026 (unaudited) £'000	31 August 2025 (unaudited) £'000	28 February 2026 (audited) £'000
Non current assets				
Investments held at fair value through profit or loss	13	820,951	620,043	638,084
Current assets				
Current taxation asset		142	105	76
Debtors		8,347	3,842	7,014
Cash and cash equivalents - cash at bank		–	40,458	36,146
Total current assets		**8,489**	**44,405**	**43,236**
Current liabilities				
Cash and cash equivalents - bank overdraft		(19,201)	(168)	(262)
Creditors – amounts falling due within one year		(8,511)	(7,102)	(7,645)
Net current (liabilities)/assets		**(19,223)**	**37,135**	**35,329**
Total assets less current liabilities		**801,728**	**657,178**	**673,413**
Creditors – amounts falling due after more than one year	9,10	(69,585)	(69,557)	(69,571)
Net assets		**732,143**	**587,621**	**603,842**
Total equity				
Called up share capital	11	14,935	12,498	12,498
Share premium account	12	350,281	51,980	51,980
Capital redemption reserve	12	1,982	1,982	1,982
Capital reserves	12	351,719	503,886	519,397
Revenue reserve	12	13,226	17,275	17,985
Total shareholders' funds	**8**	**732,143**	**587,621**	**603,842**
Net asset value per ordinary share (debt at par value) (pence)	**8**	**304.20**	**282.06[1]**	**303.34[1]**
Net asset value per ordinary share (debt at fair value) (pence)	**8**	**315.82**	**295.43[1]**	**315.82[1]**

[1] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

The financial statements on pages 26 to 40 were approved and authorised for issue by the Board of Directors on 22 October 2026 and signed on its behalf by Ronald Gould, Chairman and Mark Little, Director and Audit Committee Chairman.

BlackRock Smaller Companies Trust plc

Registered in Scotland, No. SC006176

The notes on pages 30 to 40 form part of these financial statements.

Statement of Cash Flows

for the six months ended 31 August 2026

	Six months ended 31 August 2026 (unaudited) £'000	Six months ended 31 August 2025 (unaudited) £'000	Year ended 28 February 2026 (audited) £'000
Operating activities			
Net profit before taxation[1]	24,313	12,912	60,264
Changes in working capital items:			
(Increase)/decrease in other debtors	(2,899)	(820)	407
Increase/(decrease) in other creditors	2,417	(3,485)	(2,033)
Decrease in amounts due from brokers	1,566	6,695	2,317
Decrease in amounts due to brokers	(1,562)	(933)	(926)
Other adjustments:			
Finance costs	955	952	1,867
(Gains)/losses on investments held at fair value through profit or loss	(13,081)	(4,083)	(45,554)
Net (gains)/losses on foreign exchange	72	(17)	(39)
Special dividends allocated to capital	–	–	(797)
Sale of investments held at fair value through profit or loss	433,273	325,929	545,696
Purchase of investments held at fair value through profit or loss	(306,072)[2]	(245,316)	(440,856)
Net cash inflow from operating activities before taxation	**138,982**	**91,834**	**120,346**
Taxation paid	(81)	(23)	(51)
Net cash inflow from operating activities	**138,901**	**91,811**	**120,295**
Financing activities			
Proceeds from ordinary shares issued	6,650[2]	–	–
Share issue costs	(113)	–	–
Ordinary shares repurchased into treasury	(19,212)	(28,903)	(53,994)
Share repurchase costs	(90)	(185)	(354)
Tender offer shares repurchased and cancelled	(162,916)	–	–
Tender offer share repurchase costs	(3,706)	–	(300)
Interest paid	(930)	(935)	(1,837)
Withdrawal from restricted tender pool account	3,177	–	–
Dividend paid to exiting tender shareholders	(3,177)	–	–
Dividends paid	(13,597)	(12,285)	(18,735)
Net cash outflow from financing activities	**(193,914)**	**(42,308)**	**(75,220)**
(Decrease)/increase in cash and cash equivalents	**(55,013)**	**49,503**	**45,075**
Effect of foreign exchange rate changes	(72)	17	39
Cash and cash equivalents at start of period/year	35,884	(9,230)	(9,230)
Cash and cash equivalents at end of period/year	**(19,201)**	**40,290**	**35,884**
Comprised of:			
Cash at bank	–	17	–
Cash Fund[3]	–	40,441	36,146
Bank overdraft	(19,201)	(168)	(262)
	(19,201)	**40,290**	**35,884**

[1] Dividends and interest received in cash during the six months ended 31 August 2026 amounted to £10,845,000 and £801,000 (six months ended 31 August 2025: £10,908,000 and £463,000; year ended 28 February 2026: £19,988,000 and £1,071,000).

[2] The purchase of investments and proceeds from ordinary shares issued exclude a non-cash in-specie asset transfer of £296,987,000 arising from the combination with BlackRock Throgmorton Trust plc. Refer to note 1 on page 30 and note 11 on page 36 for further details.

[3] Cash Fund represents funds held on deposit with the BlackRock Institutional Cash Series plc - Sterling Liquid Environmentally Aware Fund.

The notes on pages 30 to 40 form part of these financial statements.

Notes to the Financial Statements

for the six months ended 31 August 2026

1. Principal activity

The principal activity of the Company is that of an investment trust company within the meaning of Section 1158 of the Corporation Tax Act 2010.

On 20 February 2026, the Board announced a proposed Scheme of Combination with BlackRock Throgmorton Trust plc (Throgmorton) ('the Combination'), which was approved by the Company's shareholders at a General Meeting held on 30 March 2026. The Combination was affected by way of a scheme of reconstruction and members' voluntary winding up of Throgmorton under Section 110 of the Insolvency Act, and the issue of new ordinary shares in the Company to Throgmorton's shareholders who are deemed to have elected to roll over their investment into the enlarged Company.

The Combination of the Company with Throgmorton took effect on 16 April 2026, pursuant to which the Company acquired net assets of approximately £303.5 million from Throgmorton in consideration for the issue of 20,892,579 (104,462,895[1] after share sub-division) new ordinary shares which were admitted to trading on the main market for listed securities of the London Stock Exchange with effect from 17 April 2026. Following this issue of new shares, the Company's share capital consisted of 60,705,371 (303,526,855[1] after share sub-division) ordinary shares (excluding treasury shares), and the existing 10,180,731 (50,903,655[1] after share sub-division) ordinary shares held in treasury.

As part of the Combination process, the Board proposed changes to the Company's investment policy giving the Investment Manager additional latitude to invest in small cap stocks outside of the Benchmark Index and to invest up to 15% of the Company's gross assets, at the time of acquisition, in global small cap stocks which are listed overseas and which do not have a primary or secondary UK listing. Shareholders approved the changes to the Company's investment policy at the General Meeting held on 30 March 2026, and this new policy was implemented on completion of the Combination on 16 April 2026.

[1] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

2. Basis of preparation

The financial statements of the Company are prepared on a going concern basis in accordance with Financial Reporting Standard 104 Interim Financial Reporting (FRS 104) applicable in the United Kingdom and Republic of Ireland and the revised Statement of Recommended Practice – Financial Statements of Investment Trust Companies and Venture Capital Trusts (SORP), issued by the Association of Investment Companies (AIC) in December 2025, and the provisions of the Companies Act 2006.

The accounting policies and estimation techniques applied for the condensed set of financial statements are as set out in the Company's Annual Report and Financial Statements for the year ended 28 February 2026.

3. Income

	Six months ended 31 August 2026 (unaudited)	Six months ended 31 August 2025 (unaudited)	Year ended 28 February 2026 (audited)
	£'000	£'000	£'000
Investment income[1]:			
UK dividends	9,509	9,427	14,966
UK special dividends	361	441	691
UK property income distributions	331	430	649
Dividends from UK REITs[2]	404	367	514
Overseas dividends	1,136	560	1,424
Overseas special dividends	–	168	966
Dividends from overseas REITs[2]	388	267	399
Total investment income	**12,129**	**11,660**	**19,609**
Other income:			
Bank Interest	338	15	18
Interest from Cash Fund	340	555	1,176
Total other income	**678**	**570**	**1,194**
Total	**12,807**	**12,230**	**20,803**

[1] UK and overseas dividends are disclosed based on the country of domicile of the underlying portfolio company.
[2] REITs - real estate investment trusts.

There have been no special dividends recognised in capital during the six months ended 31 August 2026 (six months ended 31 August 2025: £nil; year ended 28 February 2026: £797,000).

Dividends and interest received in cash during the period amounted to £10,845,000 and £801,000 (six months ended 31 August 2025: £10,908,000 and £463,000; year ended 28 February 2026: £19,988,000 and £1,071,000).

4. Investment management fee

	Six months ended 31 August 2026 (unaudited)			Six months ended 31 August 2025 (unaudited)			Year ended 28 February 2026 (audited)		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment management fee	443	1,330	1,773	498	1,495	1,993	977	2,931	3,908
Investment management fee waiver	(442)	(1,327)	(1,769)	–	–	–	–	–	–
Total	**1**	**3**	**4**	**498**	**1,495**	**1,993**	**977**	**2,931**	**3,908**

Up to 16 April 2026, the investment management fee was based on a rate of 0.6% of the first £750 million of total assets (excluding current year income) less the current liabilities of the Company (the "Fee Asset Amount"), reducing to 0.5% above this level. The fee was calculated at the rate of one quarter of 0.6% of the Fee Asset Amount up to the initial threshold of £750 million, and one quarter of 0.5% of the Fee Asset Amount in excess thereof, at the end of each quarter. With effect from 16 April 2026, the AIFM receives a revised management fee equal to: (i) 0.5% per annum on the first £500 million of the Company's Net Asset Value (NAV); (ii) 0.475% per annum on the Company's NAV between £500 million and £750 million; and (iii) 0.45% per annum on the Company's NAV in excess of £750 million.

In addition to the revised fee, BlackRock has agreed to waive an amount of management fees as a contribution to the costs of the combination with Throgmorton. The management fee waiver is equal to 182 days of the management fee calculated based on the estimated NAV (cum income, debt at fair value) of the Company immediately following transfer of the assets to the Company from Throgmorton, amounting to £1,768,857 (the "Waived Value"). Effective from 16 April 2026, at the end of each quarter in which the management fee becomes payable, the quarterly management fee payable will be reduced as much as possible by the value of the Waived Value or any remaining balance of the Waived Value in any quarter.

The investment management fee is allocated 25% to the revenue account and 75% to the capital account of the Income Statement.

Notes to the Financial Statements

continued

5. Other operating expenses

	Six months ended 31 August 2026 (unaudited) £'000	Six months ended 31 August 2025 (unaudited) £'000	Year ended 28 February 2026 (audited) £'000
Allocated to revenue:			
Custody fee	2	4	6
Depositary fees	28	34	68
Auditors' remuneration	35	30	61
Registrar's fee	6	23	55
Directors' emoluments	140	105	205
Marketing fees	107	59	269
AIC fees	15	12	26
Bank charges	12	12	24
Broker fees	13	26	35
Stock exchange listings fees	20	23	45
Printing and postage fees	22	27	60
Legal fees	51	10	44
Write back of prior year expenses[1]	(1)	–	–
Other administrative costs	87	94	229
Total revenue expenses	**537**	**459**	**1,127**
Allocated to capital:			
Custody transaction charges[2]	8	14	27
Other administrative costs	(1)	–	–
Total capital expenses	**7**	**14**	**27**
Total	**544**	**473**	**1,154**

[1] Relates to miscellaneous fees written back during the six months ended 31 August 2026 (six months ended 31 August 2025: none; year ended 28 February 2026: none).

[2] For the six month period ended 31 August 2026, expenses of £8,000 (six months ended 31 August 2025: £14,000; year ended 28 February 2026: £27,000) were charged to the capital account of the Income Statement. These relate to transaction costs charged by the custodian on sale and purchase trades.

The direct transaction costs incurred on the acquisition of investments amounted to £1,174,000 for the six months ended 31 August 2026 (six months ended 31 August 2025: £1,153,000; year ended 28 February 2026: £2,019,000). Costs relating to the disposal of investments amounted to £195,000 for the six months ended 31 August 2026 (six months ended 31 August 2025: £274,000; year ended 28 February 2026: £436,000). All direct transaction costs have been included within capital reserves.

6. Finance costs

	Six months ended 31 August 2026 (unaudited)			Six months ended 31 August 2025 (unaudited)			Year ended 28 February 2026 (audited)		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Interest on 2.74% loan note 2037	87	260	347	87	260	347	173	518	691
Interest on 2.41% loan note 2044	60	182	242	60	182	242	121	362	483
Interest on 2.47% loan note 2046	76	228	304	76	228	304	152	456	608
Interest on bank overdraft	12	36	48	11	34	45	14	43	57
2.74% Amortised loan note issue expenses	2	5	7	2	5	7	4	10	14
2.41% Amortised loan note issue expenses	1	2	3	1	2	3	2	5	7
2.47% Amortised loan note issue expenses	1	3	4	1	3	4	2	5	7
Total	**239**	**716**	**955**	**238**	**714**	**952**	**468**	**1,399**	**1,867**

Finance costs have been allocated 25% to the revenue account and 75% to the capital account of the Income Statement.

7. Dividends

The Company announced on 24 October 2025 that, with effect from 1 March 2026, the Company would move to paying dividends on a quarterly basis, with the intention of paying dividends in September, December and March each year equal to a quarter of the previous years total dividend. The Company will declare a final quarterly dividend for the full year, payable in June, reflecting the final amount required to ensure an appropriate level of full year dividend.

The Board declared a second and final interim dividend of 5.70p[1] per share in respect of the year ended 28 February 2026, paid on 8 May 2026.

The Board has declared a first quarterly interim dividend of 2.225p per share (31 August 2025: 3.20p[1] per share), payable on 3 September 2026 to shareholders on the Company's register as at 31 July 2026; the ex dividend date is 30 July 2026. The total cost of this dividend, based on 243,928,950 shares in issue at 31 July 2026, is £5,427,000 (31 August 2025: £6,450,000).

[1] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

Dividends paid on equity shares during the period:	Six months ended 31 August 2026 (unaudited) £'000	Six months ended 31 August 2025 (unaudited) £'000	Year ended 28 February 2026 (audited) £'000
Year ended 28 February 2025			
Final dividend of 5.70p[1] paid on 26 June 2025	–	12,285	12,285
Year ended 28 February 2026			
First interim dividend of 3.20p[1] paid on 10 December 2025	–	–	6,450
Second and final interim dividend of 5.70p[1] paid on 8 May 2026	8,170	–	–
Second and final interim dividend of 5.70p[1] paid to exiting tender shareholders on 8 May 2026	3,177	–	–
Year ending 28 February 2027			
First quarterly interim dividend of 2.225p paid on 28 August 2026	5,427	–	–
Accounted for in the financial statements	**16,774**	**12,285**	**18,735**

[1] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

Notes to the Financial Statements

continued

8. Consolidated earnings and net asset value per share

Revenue earnings, capital earnings and net asset value per share are shown below and have been calculated using the following:

	Six months ended 31 August 2026 (unaudited)	Six months ended 31 August 2025 (unaudited)	Year ended 28 February 2026 (audited)
Revenue return attributable to ordinary shareholders (£'000)	12,015	11,012	18,172
Capital profit attributable to ordinary shareholders (£'000)	12,283	1,877	42,033
Total profit attributable to ordinary shareholders (£'000)	**24,298**	**12,889**	**60,205**
Total shareholders' funds (£'000)	**732,143**	**587,621**	**603,842**
The weighted average number of ordinary shares in issue during the period on which the earnings per ordinary share was calculated was:	226,828,338	213,695,995[1]	207,586,235[1]
The actual number of ordinary shares in issue at the end of each period on which the undiluted net asset value was calculated was:	240,678,950	208,328,960[1]	199,063,960[1]
Earnings per ordinary share			
Revenue earnings per share (pence) - basic and diluted	5.30	5.15[1]	8.75[1]
Capital earnings per share (pence) - basic and diluted	5.41	0.88[1]	20.25[1]
Total earnings per share (pence) - basic and diluted	**10.71**	**6.03[1]**	**29.00[1]**

	As at 31 August 2026 (unaudited)	As at 31 August 2025 (unaudited)	As at 28 February 2026 (audited)
Net asset value per ordinary share (debt at par value) (pence)	304.20	282.06[1]	303.34[1]
Net asset value per ordinary share (debt at fair value) (pence)	315.82	295.43[1]	315.82[1]
Ordinary share price (pence)	276.50	260.80[1]	280.40[1]

[1] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

9. Creditors – amounts falling due after more than one year

	As at 31 August 2026 (unaudited) £'000	As at 31 August 2025 (unaudited) £'000	As at 28 February 2026 (audited) £'000
Amounts falling due after more than one year			
2.74% loan note 2037	25,000	25,000	25,000
Unamortised loan note issue expenses	(147)	(161)	(154)
	24,853	**24,839**	**24,846**
2.41% loan note 2044	20,000	20,000	20,000
Unamortised loan note issue expenses	(117)	(124)	(120)
	19,883	**19,876**	**19,880**
2.47% loan note 2046	25,000	25,000	25,000
Unamortised loan note issue expenses	(151)	(158)	(155)
	24,849	**24,842**	**24,845**
Total	**69,585**	**69,557**	**69,571**

The fair value of the 2.74% loan note has been determined based on a comparative yield for UK Gilts for similar duration maturity and spreads, and as at 31 August 2026 equated to a valuation of 72.22p per note (31 August 2025: 72.48p; 28 February 2026: 76.33p), a total of £18,055,000 (31 August 2025: £18,120,000; 28 February 2026: £19,083,000). The fair value of the 2.41% loan note has been determined based on a comparative yield for UK Gilts for similar duration maturity and spreads, and as at 31 August 2026 equated to a valuation of 54.81p per note (31 August 2025: 54.72p; 28 February 2026: 59.41p), a total of £10,962,000 (31 August 2025: £10,944,000; 28 February 2026: £11,882,000). The fair value of the 2.47% loan note has been determined based on a comparative yield for UK Gilts for similar duration maturity and spreads, and as at 31 August 2026 equated to a valuation of 50.41p per note (31 August 2025: 50.63p; 28 February 2026: 55.09p), a total of £12,603,000 (31 August 2025: £12,658,000; 28 February 2026: £13,772,000).

The first £25 million loan note was issued on 24 May 2017. Interest on the note is payable in equal half yearly instalments on 24 May and 24 November in each year. The loan note is unsecured and is redeemable at par on 24 May 2037.

The £20 million loan note was issued on 3 December 2019. Interest on the note is payable in equal half yearly instalments on 3 December and 3 June in each year. The loan note is unsecured and is redeemable at par on 3 December 2044.

The second £25 million loan note was issued on 16 September 2021. Interest on the note is payable in equal half yearly instalments on 16 March and 16 September each year. The loan note is unsecured and is redeemable at par on 16 September 2046.

The Company also has available an uncommitted overdraft facility of £60 million with The Bank of New York Mellon (International) Limited, of which £19,201,000 had been utilised at 31 August 2026 (31 August 2025: £168,000; 28 February 2026: £262,000).

The Company has complied with all covenants during the period related to the loan and borrowings.

10. Reconciliation of liabilities arising from financing activities

	Six months ended 31 August 2026 (unaudited) £'000	Six months ended 31 August 2025 (unaudited) £'000	Year ended 28 February 2026 (audited) £'000
Debt arising from financing activities at beginning of period/year:			
Cash at bank - bank overdraft	262	9,230	9,230
Loan notes	69,571	69,543	69,543
Loan note interest payable	583	581	581
Total	**70,416**	**79,354**	**79,354**
Cash flows:			
Movement in bank overdraft[1]	18,987	(9,017)	(8,911)
Bank overdraft interest paid[1]	(48)	(45)	(57)
Loan notes interest paid[1]	(882)	(890)	(1,780)
Non-cash flows:			
Amortisation of loan note issue expenses	14	14	28
Debt arising from financing activities at end of period/year			
Cash at bank - bank overdraft	19,201	168	262
Loan notes	69,585	69,557	69,571
Loan note interest payable[1]	594	584	583
Total	**89,380**	**70,309**	**70,416**

[1] Movement on interest and finance costs expense and payments on borrowings have now been included in the reconciliation above to reflect movements in financing activities.

Notes to the Financial Statements

continued

11. Share capital

	Ordinary shares in issue (number)	Treasury shares (number)	Total shares (number)	Nominal value £'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 5p[1] each				
At 28 February 2025 (audited)	**219,023,960[1]**	**30,943,655[1]**	**249,967,615[1]**	**12,498**
Ordinary shares repurchased into treasury	(10,695,000)[1]	10,695,000[1]	–	–
At 31 August 2025 (unaudited)	**208,328,960[1]**	**41,638,655[1]**	**249,967,615[1]**	**12,498**
Ordinary shares repurchased into treasury	(9,265,000)[1]	9,265,000[1]	–	–
At 28 February 2026 (audited)	**199,063,960[1]**	**50,903,655[1]**	**249,967,615[1]**	**12,498**
Ordinary shares repurchased into treasury	(7,110,000)	7,110,000	–	–
Ordinary shares issued	104,462,895	–	104,462,895	5,223
Ordinary shares repurchased and cancelled	(55,737,905)	–	(55,737,905)	(2,786)
At 31 August 2026 (unaudited)	**240,678,950**	**58,013,655**	**298,692,605**	**14,935**

On 20 February 2026, the Board announced a proposed Scheme of Combination with Throgmorton ('the Combination'), which was approved by the Company's shareholders at a General Meeting held on 30 March 2026. The Combination was affected by way of a scheme of reconstruction and members' voluntary winding up of Throgmorton under Section 110 of the Insolvency Act, and the issue of new ordinary shares in the Company to Throgmorton's shareholders who are deemed to have elected to roll over their investment into the enlarged Company.

The Combination of the Company with Throgmorton took effect on 16 April 2026, pursuant to which the Company acquired net assets of £303.5 million from Throgmorton in consideration for the issue of 104,462,895[1] new ordinary shares which were admitted to trading on the main market for listed securities of the London Stock Exchange with effect from 17 April 2026.

In connection with the Combination, eligible shareholders were given the option to elect for a cash exit in respect of a proportion of their shareholding in the Company at a discount of 1.0% to NAV. The Company's cash exit was implemented by way of a tender offer and was limited up to 28% of the Company's issued share capital (excluding shares held in treasury). The tender offer for 28% of issued share capital was oversubscribed, and accordingly, 11,147,581 (55,737,905[1] after sub-division) shares were repurchased for a total cost of £166,622,000 representing 28% of the Company's issued share capital.

On 1 July 2026, the Company implemented a sub-division of the Company's shares on a five-for-one basis. Following this sub-division, each shareholder holds five new sub-divided shares for each previous share held. Whilst the sub-division increased the number of ordinary shares in issue, the net asset value per share and market price immediately after the sub-division became one-fifth of their respective values immediately preceding the sub-division. Following the completion of the share sub-division, the Company had 245,388,950 ordinary shares in issue at 5 pence each (excluding treasury shares) (49,077,790 shares in issue at 25 pence each prior to the sub-division), and 53,303,655 ordinary shares held in treasury (10,660,731 ordinary shares prior to the sub-division). All comparative figures relating to the number of ordinary shares, returns, net asset value per share and market price have been restated to reflect the sub-division as if the event had occurred at the beginning of the comparative period.

During the six months ended 31 August 2026, the Company has repurchased 7,110,000 shares (six months ended 31 August 2025: 10,695,000[1]; year ended 28 February 2026: 19,960,000[1]) into treasury for a total consideration of £19,302,000 (six months ended 31 August 2025: £27,762,000; year ended 28 February 2026: £52,107,000).

Since 31 August 2026 and up to the latest practicable date of 19 October 2026, a further 2,995,000 ordinary shares have been repurchased into treasury for a total consideration of £8,021,000.

The ordinary shares (excluding any shares held in treasury) carry the right to receive any dividends and have one voting right per ordinary share. There are no restrictions on the voting rights of the ordinary shares or on the transfer of ordinary shares.

[1] This figure has been adjusted to reflect the share sub-division.

12. Reserves

The share premium account of £350,281,000 (31 August 2025: £51,980,000; 28 February 2026: £51,980,000) and capital redemption reserve of £1,982,000 (31 August 2025: £1,982,000; 28 February 2026: £1,982,000) are not distributable reserves under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the capital reserves of £351,719,000 (31 August 2025: £503,886,000; 28 February 2026: £519,397,000) may be used as distributable reserves for all purposes and, in particular, the repurchase by the Company of its ordinary shares and for payments such as dividends. In accordance with the Company's Articles of Association, the capital reserve and the revenue reserve may be distributed by way of dividend. The gain on the capital reserve arising on the revaluation of investments of £83,378,000 (31 August 2025: £67,560,000; 28 February 2026: £97,594,000) is subject to fair value movements and may not be readily realisable at short notice. The distributability of this portion of the reserve has not been analysed as it is complex to determine. This complexity is explained further in ICAEW Technical Release 02/17BL, which offers guidance on the realised and distributable profits under the Companies Act 2006, as such it may not be entirely distributable. The investments are subject to financial risks, as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

As at 31 August 2026, the Company's distributable reserves (excluding capital reserves on the revaluation of investments) amounted to £281,567,000 (31 August 2025: £453,601,000; 28 February 2026: £439,788,000).

13. Valuation of financial instruments

The Company's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The risks are substantially consistent with those disclosed in the previous annual financial statements.

Market risk arising from price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, climate change or other events could have a significant impact on the Company and its investments and could result in increased premiums or discounts to the Company's net asset value.

Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Balance Sheet at their fair value (investments) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash and cash equivalents and bank overdrafts). Section 34 of FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note on page 93 of the Annual Report and Financial Statements for the year ended 28 February 2026.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

The fair value hierarchy has the following levels:

Level 1 – Quoted market price for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices for similar instruments in markets that are considered less than active, or other valuation techniques where significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation technique includes inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

Notes to the Financial Statements
continued

13. Valuation of financial instruments continued

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability, including an assessment of the relevant risks including but not limited to credit risk, market risk, liquidity risk, business risk and sustainability risk. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager and these risks are adequately captured in the assumptions and inputs used in the measurement of Level 3 assets or liabilities.

Fair values of financial assets and financial liabilities

The table below is an analysis of the Company's financial instruments measured at fair value at the balance sheet date.

Financial assets at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments at 31 August 2026 (unaudited)	820,951	–	–	820,951
Equity investments at 31 August 2025 (unaudited)	620,043	–	–	620,043
Equity investments at 28 February 2026 (audited)	626,656	–	11,428	638,084

The Company did not hold any Level 3 securities as at 31 August 2026 (31 August 2025: none; 28 February 2026: one).

A reconciliation of fair value measurement of Level 3 is set out in the table below.

Level 3 financial assets at fair value through profit or loss	Six months ended 31 August 2026 (unaudited) £'000	Six months ended 31 August 2025 (unaudited) £'000	Year ended 28 February 2026 (audited) £'000
Opening fair value	11,428	2,217	2,217
Additions at cost	–	–	11,303
Sale of investments	–	–	(2,009)
Assets transferred to Level 1 during the period	(11,672)	(2,217)	–
Total profit or loss included in net profit/(loss) on investments in the Income Statement			
– realised gain on investments sold	–	–	280
– unrealised gains/(losses) on assets held at the end of the period/year	244	–	(363)
Closing balance	**–**	**–**	**11,428**

As at 28 February 2026, the investment in Rosebank Industries was a Level 3 investment due to there being a temporary suspension of trading in the ordinary shares of the company and the price used to value the investment is the last available market price. The suspension was lifted on 6 March 2026 and the investment was subsequently reclassified as a Level 1 investment as active market pricing became available.

For exchange listed equity investments, the quoted price is the bid price. Substantially, all investments are valued based on unadjusted quoted market prices. Where such quoted prices are readily available in an active market, such prices are not required to be assessed or adjusted for any business risks, including climate change risk, in accordance with the fair value related requirements of the Company's financial reporting framework.

14. Transactions with the Investment Manager and AIFM

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed on page 53 of the Directors' Report in the Company's Annual Report and Financial Statements for the year ended 28 February 2026.

The investment management fee payable for the six months ended 31 August 2026 amounted to £1,773,000 (six months ended 31 August 2025: £1,993,000; year ended 28 February 2026: £3,908,000). At the period end, £1,449,000 was outstanding in respect of the management fee (31 August 2025: £977,000; 28 February 2026: £1,915,000).

As part of the combination with Throgmorton, BlackRock has agreed to waive an amount of management fee as a contribution to the costs of the combination with Throgmorton. The management fee waiver is equal to 182 days of the management fee calculated based on the estimated NAV (cum income, debt at fair value) of the Company immediately following transfer of the assets to the Company from Throgmorton, amounting to £1,768,857 (the "Waived Value"). Effective from 16 April 2026, at the end of each quarter in which the management fee becomes payable, the quarterly management fee payable will be reduced as much as possible by the value of the Waived Value or any remaining balance of the Waived Value in any quarter. The investment management fee waived for the six months ended 31 August 2026 amounted to £1,768,857.

In addition to the above services, BIM (UK) has provided the Company with marketing services. The total fees paid or payable for these services for the six months ended 31 August 2026 amounted to £107,000 including VAT (six months ended 31 August 2025: £59,000; year ended 28 February 2026: £269,000). At the period end, £189,000 was outstanding in respect of the marketing fees (31 August 2025: £195,000; 28 February 2026: £240,000).

During the period, the Manager pays the amounts due to the Directors. These fees are then reimbursed by the Company for the amounts paid on its behalf. As of 31 August 2026, an amount of £165,000 (31 August 2025: £140,000; 28 February 2026: £240,000) was payable to the Manager in respect of Directors' fees.

The Company holds an investment in the BlackRock Institutional Cash Series plc – Sterling Liquid Environmentally Aware Fund of £nil as at 31 August 2026 (31 August 2025: £40,441,000; 28 February 2026: £36,146,000) which has been presented in the financial statements as a cash equivalent. This is a fund managed by a company within the BlackRock Group. The Company's investment in the Cash Fund is held in a share class on which no management fees are paid to BlackRock to avoid double dipping.

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc., a company incorporated in Delaware, USA.

15. Related party disclosure

Directors' emoluments

As at 31 August 2026, the Board consisted of seven non-executive Directors, all of whom are considered to be independent of the Manager by the Board. None of the Directors has a service contract with the Company. With effect from 1 March 2026, the Chairman receives an annual fee of £53,664, the Audit Committee Chairman receives an annual fee of £42,312, the Senior Independent Director and the Chair of the Nomination and Remuneration Committee receives an annual fee of £38,184, and each of the other Directors receive an annual fee of £36,120. With effect from 1 September 2026, the Chairman receives an annual fee of £60,000, the Audit Committee Chairman receives an annual fee of £50,000, the Senior Independent Director receives an annual fee of £40,000, the Chair of the Nomination and Remuneration Committee receives an annual fee of £40,000 and the Chair of the Marketing Committee receives an annual fee of £40,000.

As at 31 August 2026, an amount of £25,000 (31 August 2025: £17,000; 28 February 2026: £17,000) was outstanding in respect of Directors' fees.

Notes to the Financial Statements
continued

15. Related party disclosure continued
At the period end members of the Board held ordinary shares in the Company as set out below:

	As at 31 August 2026 Ordinary shares	As at 31 August 2025 Ordinary shares	As at 28 February 2026 Ordinary shares
Ronald Gould (Chairman)	17,720	17,720[1]	17,720[1]
Mark Little	2,795	2,710[1]	2,740[1]
James Barnes	12,500	12,500[1]	12,500[1]
Helen Sinclair	4,940	4,940[1]	4,940[1]
Dunke Afe	–	–	–
Angela Lane[2]	26,912	n/a	n/a
Louise Nash[2]	12,350	n/a	n/a

[1] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

[2] Appointed as a Director on 17 April 2026.

Significant holdings
The following investors are:

a. funds managed by the BlackRock Group or are affiliates of BlackRock, Inc. (Related BlackRock Funds); or

b. investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are, as a result, considered to be related parties to the Company (Significant Investors).

	Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
As at 31 August 2026	2.9	n/a	n/a
As at 31 August 2025	5.9	n/a	n/a
As at 28 February 2026	4.7	n/a	n/a

16. Contingent liabilities
There were no contingent liabilities at 31 August 2026, 28 February 2026 or 31 August 2025.

17. Publication of non-statutory accounts
The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the six months ended 31 August 2026 and 31 August 2025 has not been audited, or reviewed, by the Company's auditors.

The information for the year ended 28 February 2026 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the auditor in those financial statements contained no qualification or statement under Sections 498(2) or (3) of the Companies Act 2006.

18. Annual results
The Board expects to announce the annual results for the year ending 28 February 2027 in early May 2027.

Copies of the results announcement can be obtained from the Secretary on 020 7743 3000 or at cosec@blackrock.com. The Annual Report should be available by the beginning of May 2027 with the Annual General Meeting being held in June 2027.

Management and other service providers

Directors

Ronald Gould (Chairman)
James Barnes (Chairman of the Nomination and Remuneration Committee)
Mark Little (Chairman of the Audit Committee)
Helen Sinclair (Senior Independent Director)
Dunke Afe (Chair of the Marketing Committee)
Angela Lane
Louise Nash

Registered Office

(Registered in Scotland, No. 006176)
Dundas House
20 Brandon Street
Edinburgh EH3 5PP

Investment Manager And Company Secretary

BlackRock Investment Management (UK) Limited[1]
12 Throgmorton Avenue
London EC2N 2DL
Email: cosec@blackrock.com

Alternative Investment Fund Manager

BlackRock Fund Managers Limited[1,2]
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

Depositary

The Bank of New York Mellon (International) Limited[1]
160 Queen Victoria Street
London EC4V 4LA

Registrar

Computershare Investor Services PLC[1]
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1649

Stockbroker

Investec Bank plc[1]
30 Gresham Street
London EC2V 7QP

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
More London
7 More London Riverside
London
SE1 2RT

[1] Authorised and regulated by the Financial Conduct Authority.

[2] BlackRock Fund Managers Limited (BFM) was appointed as the Alternative Investment Fund Manager on 2 July 2014. BlackRock Investment Management (UK) Limited continues to act as the Investment Manager of the Company under a delegation agreement with BFM.

Shareholder information

Financial calendar

The timing of the announcement and publication of the Company's results may normally be expected in the months shown below:

February	Third quarterly interim dividend paid.
April/May	Fourth quarterly interim dividend announced.
April/May	Annual results for year announced and Annual Report and Financial Statements published.
June	Fourth quarterly interim dividend paid.
June	First quarterly interim dividend announced.
June	Annual General Meeting.
September	First quarterly interim dividend paid.
October	Second quarterly interim dividend announced.
October/November	Half yearly results announced and Half Yearly Financial Report published.
December	Second quarterly interim dividend paid.
December	Third quarterly interim dividend announced.

Quarterly interim dividend

The second quarterly interim dividend in respect of the year ending 28 February 2027 is 2.225p per share.

Ex-dividend date (shares transferred without the dividend)	5 November 2026
Record date (last date for registering transfers to receive the dividend)	6 November 2026
Last date for registering DRIP instructions	19 November 2026
Dividend payment date	10 December 2026

Payment of dividends

Cash dividends will be sent by cheque to the first-named shareholder at their registered address. Dividends may also be paid direct into a shareholder's bank account via BACSTEL-IP (Bankers' Automated Clearing Service – Telecom Internet Protocol). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC, through their secure website investorcentre.co.uk, or by telephone on 0370 707 1649, or by completing the Mandate Instructions section on the reverse of your dividend counterfoil. Confirmation of dividends paid will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

Dividend reinvestment scheme (DRIP)

Shareholders may request that their dividends be used to purchase further shares in the Company. Dividend reinvestment forms may be obtained from Computershare Investor Services PLC through their secure website investorcentre.co.uk, or on 0370 707 1649. Shareholders who have already opted to have their dividends reinvested do not need to reapply. The last date for registering for this service for the forthcoming dividend is 19 November 2026.

Share price

The Company's mid-market ordinary share price is quoted daily in The Financial Times under "Investment Companies" and in The Daily Telegraph and The Times under "Investment Trusts". The share price is also available on the BlackRock website at www.blackrock.com/uk/brsc.

ISIN/SEDOL numbers

The ISIN/SEDOL numbers and mnemonic codes for the Company's shares are:

	Ordinary shares
ISIN	GB0006436108
SEDOL	0643610
Reuters Code	BRSC
Bloomberg Code	BRSC LN

Share dealing

Investors wishing to purchase more shares in the Company or sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service. Alternatively, please go to www.computershare.com/dealing/uk for a range of Dealing services made available by Computershare.

CREST

The Company's shares may be held in CREST, an electronic system for uncertificated securities trading. Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

Electronic communications

We encourage you to play your part in reducing our impact on the environment and elect to be notified by email when your shareholder communications become available online. This means you will receive timely, cost-effective and greener online annual reports, half yearly financial reports and other relevant documentation. Shareholders who opt for this service will receive an email from Computershare with a link to the relevant section of the BlackRock website where the documents can be viewed and downloaded. Please submit your email address by visiting investorcentre.co.uk/ecomms.

You will need your shareholder reference number which you will find on your share certificate or tax voucher. You will continue to receive a printed copy of these reports if you have elected to do so. Alternatively, if you have not submitted your email address nor have elected to receive printed reports, we will write and let you know where you can view these reports online.

Risk factors

- Past performance is not necessarily a guide to future performance.
- The value of your investment in the Company and the income from it can fluctuate as the value of the underlying investments fluctuate.
- The price at which the Company's shares trade on the London Stock Exchange is not the same as their net asset value (NAV) (although they are related) and therefore you may realise returns which are lower or higher than NAV performance.

Nominee code

Where shares are held in a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Publication of net asset value/portfolio analysis

The net asset value (NAV) per share of the Company is calculated daily, with details of the Company's investments and performance being published monthly. The daily NAV per share and monthly information are released through the London Stock Exchange's Regulatory News Service and are available on the website at www.blackrock.com/uk/brsc and through the Reuters News Service under the code 'BLRKINDEX', on page 8800 on Topic 3 (ICV terminals) and under 'BLRK' on Bloomberg (monthly information only).

Online access

Other details about the Company are also available on the website at www.blackrock.com/uk/brsc. The financial statements and other literature are published on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Shareholders can also manage their shareholding online by using Investor Centre, Computershare's secure website at investorcentre.co.uk. To access Computershare's website you will need your shareholder reference number which can be found on paper or electronic communications you have previously received from Computershare. Listed below are the most frequently used features of the website.

Shareholder information
continued

- **Holding enquiry** – view balances, values, history, payments and reinvestments.
- **Payments enquiry** – view your dividends and other payment types.
- **Address change** – change your registered address.
- **Bank details update** – choose to receive your dividend payment directly into your bank account instead of by cheque.
- **Outstanding payments** – reissue payments using the online replacement service.
- **Downloadable forms** – including dividend mandates, stock transfer, dividend reinvestment and change of address forms.

Dividend tax allowance
The annual tax-free allowance on dividend income across an individual's entire share portfolio is £500. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances.

The Company continues to provide registered shareholders with confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is a shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries, please contact a financial advisor.

Individual savings accounts (ISA)
ISAs are a tax-efficient method of investment and the Company's shares are eligible investments for inclusion within a stocks and shares Individual Savings Accounts. In the 2025/2026 tax year investors have an annual ISA allowance of £20,000 (2024/2025: £20,000) which can be invested in either cash or shares.

Shareholder enquiries
The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information needs to be input accurately to gain access to an individual's account. This includes your shareholder reference number, available from either your share certificate, tax voucher or other communications you have previously received from Computershare. The address of the Computershare website is investorcentre.co.uk. Alternatively, please contact the registrar on 0370 707 1649.

Changes of name or address must be notified in writing either through Computershare's website, or to the registrar at:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

General enquiries
Enquiries about the Company should be directed to:

The Secretary
BlackRock Smaller Companies Trust plc
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Glossary

Alternative Performance Measure (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements.

The Company's APMs are set out below and are cross-referenced where relevant to the financial inputs used to derive them as contained in other sections of the Half Yearly Financial Report.

Closed-end company

An investment trust works along the same lines as a unit trust, in that it pools money from investors which is then managed on a collective basis. The main difference is that an investment trust is a company listed on the Stock Exchange and, in most cases, trading takes place in shares which have already been issued, rather than through the creation or redemption of units. As the number of shares which can be issued or cancelled at any one time is limited, and requires the approval of existing shareholders, investment trusts are known as closed-end funds or companies. This means that investment trusts are not subject to the same liquidity constraints as open-ended funds and can therefore invest in less liquid investments.

Discount and premium*

Investment trust shares can frequently trade at a discount to NAV. This occurs when the share price (based on the mid-market share price) is less than the NAV (debt at fair value) and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV.

Discount calculation	Page	As at 31 August 2026 pence (unaudited)	As at 31 August 2025 pence (unaudited)	As at 28 February 2026 pence (audited)	
Ordinary share price	34	276.50	260.80[1]	280.40[1]	(a)
Net asset value per ordinary share (debt at fair value)	34	315.82	295.43[1]	315.82[1]	(b)
(Discount)/premium (c = ((a-b)/b)) (%)		**(12.5)**	**(11.7)**	**(11.2)**	**(c)**

[1] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

The approach to calculate the discount at the period end shown above is used on a daily basis to calculate the daily discount. This daily discount is then averaged over the period (being the number of days that the Company's share price and NAV (with debt at fair value) are available).

The average share price, NAV (debt at fair value) and discount for the period are shown in the table below.

Average share price	Average NAV (debt at fair value)	Average discount
261.85p	300.02p	12.7%

A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 100p and the NAV 90p, the premium would be 11.1%.

Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

Gearing*

Investment companies can borrow to purchase additional investments. This is called 'gearing'. It allows investment companies to take advantage of a favourable situation or a particularly attractive stock without having to sell existing investments.

Gearing has the effect of magnifying a company's performance. If a company 'gears up' and then the value of the company's investments rises and the returns on those investments outstrip the costs of borrowing, the overall returns to investors will be greater. But if the value of the company's investments falls then losses suffered by the investor will also be magnified.

The Company may achieve gearing through borrowings or the effect of gearing through an appropriate balance of equity capital and borrowings.

Gearing is calculated in line with AIC guidelines and represents net gearing. This is defined as total assets of the Company less

* Alternative Performance Measure.

Glossary
continued

current liabilities (excluding bank overdrafts), less any cash or cash equivalents held minus total shareholders' funds, divided by total shareholders' funds. Cash and cash equivalents are defined by the AIC as net current assets or net current liabilities (as relevant). To the extent that the Company has net current liabilities, the net current liabilities total is added back to the total assets of the Company to calculate the numerator in this equation. The calculation and the various inputs are set out in the table below.

Net gearing calculation	Page	As at 31 August 2026 £'000 (unaudited)	As at 31 August 2025 £'000 (unaudited)	As at 28 February 2026 £'000 (audited)	
Net assets	28	732,143	587,621	603,842	(a)
Borrowings[1]	28	88,786	69,725	69,833	(b)
Total assets (a + b)		**820,929**	**657,346**	**673,675**	**(c)**
Current assets[2]	28	8,489	44,405	43,236	(d)
Current liabilities (excluding borrowings)[3]	28	(8,511)	(7,102)	(7,645)	(e)
Cash and cash equivalents (d + e)		**(22)**	**37,303**	**35,591**	**(f)**
Net gearing figure (g = (c – f – a)/a) (%)		**12.1**	**5.5**	**5.7**	**(g)**

[1] Includes bank overdraft of £19,201,000 (31 August 2025: £168,000; 28 February 2026: £262,000).
[2] Includes cash at bank of £nil (31 August 2025: £17,000; 28 February 2026: £nil), funds held on deposit with the BlackRock Institutional Cash Series plc - Sterling Liquid Environmentally Aware Fund of £nil (31 August 2025: £40,441,000; 28 February 2026: £36,146,000) debtors of £8,347,000 (31 August 2025: £3,842,000; 28 February 2026: £7,014,000) and taxation assets of £142,000 (31 August 2025: £105,000; 28 February 2026: £76,000).
[3] Represents creditors – amounts falling due within one year of £8,511,000 (31 August 2025: £7,102,000; 28 February 2026: £7,645,000).

Leverage

Leverage is defined in the AIFM Directive as "any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means".

Leverage is measured in terms of 'exposure' and is expressed as a ratio of net asset value:

$$\text{Leverage ratio} = \frac{\text{Total assets}}{\text{Net assets}}$$

The Directive sets out two methodologies for calculating exposure. These are the Gross Method and the Commitment Method. The process for calculating exposure under each methodology is largely the same, except that, where certain conditions are met, the Commitment Method enables instruments to be netted off to reflect 'netting' or 'hedging' arrangements and the entity's exposure is effectively reduced.

Net asset value per share (NAV)

This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing total shareholders' funds by the total number of ordinary shares in issue (excluding treasury shares). Shareholders' funds are calculated by deducting the Company's current and long-term liabilities and any provision for liabilities and charges from its total assets.

NAV (debt at par value) calculation	Page	As at 31 August 2026 (unaudited)	As at 31 August 2025 (unaudited)	As at 28 February 2026 (audited)	
Equity shareholders' funds (£'000)	28	732,143	587,621	603,842	(a)
Ordinary shares in issue	34	240,678,950	208,328,960[1]	199,063,960[1]	(b)
NAV (c = a/b) (pence)		**304.20**	**282.06[1]**	**303.34[1]**	**(c)**

NAV (debt at fair value) calculation	Page	As at 31 August 2026 (unaudited)	As at 31 August 2025 (unaudited)	As at 28 February 2026 (audited)	
Equity shareholders' funds (£'000)	28	760,108	615,456	628,676	(a)
Ordinary shares in issue	34	240,678,950	208,328,960[1]	199,063,960[1]	(b)
NAV (c = a/b) (pence)		**315.82**	**295.43[1]**	**315.82[1]**	**(c)**

[1] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

Net asset value per share – debt at fair value (debt at fair value NAV)

The Company has in issue a number of tranches of long-term debt as described in detail on note 9 on pages 34 and 35. For accounting purposes and in accordance with UK GAAP, this debt is valued at par less amortised costs on the Company's balance sheet. However, the fair value of this debt reflects instead the market price that investors would be willing to buy it for, which differs from the book value on the balance sheet.

To the extent that a company's debt is publicly traded, the most recently available quoted offer price is typically used to value it. For private placement debt, the fair value is typically calculated using a discounted cash flow technique utilising inputs including interest rates obtained from comparable loans on the market.

The calculation of the Company's NAV per share with debt at fair value is set out in the table on page 48.

Net asset value and share price return (with dividends reinvested)*

Performance statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The performance measures the combined effect of any dividends paid together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/share price (please see the performance record on page 5 for the inputs to the calculations which are set out in the tables below).

NAV total return (debt at par value)	Page	Six months to 31 August 2026 pence (unaudited)	Six months to 31 August 2025 pence (unaudited)	Year ended 28 February 2026 pence (audited)	
Closing NAV per share	34	304.20	282.06[1]	303.34[1]	
Add back interim and final dividends	27	7.93	5.70[1]	8.90[1]	
Effect of dividend reinvestment		0.81	0.03[1]	0.74[1]	
Adjusted closing NAV		312.94	287.79[1]	312.98[1]	(a)
Opening NAV per share	34	303.34	280.69[1]	280.69[1]	(b)
NAV total return (c = ((a – b)/b)) (%)		**3.2**	**2.5**	**11.5**	**(c)**

NAV total return (debt at fair value)	Page	Six months to 31 August 2026 pence (unaudited)	Six months to 31 August 2025 pence (unaudited)	Year ended 28 February 2026 pence (audited)	
Closing NAV per share	34	315.82	295.43[1]	315.82[1]	
Add back interim and final dividends	27	7.93	5.70[1]	8.90[1]	
Effect of dividend reinvestment		0.61	0.04[1]	0.70[1]	
Adjusted closing NAV		324.36	301.17[1]	325.42[1]	(a)
Opening NAV per share	34	315.82	292.69[1]	292.69[1]	(b)
NAV total return (c = ((a – b)/b)) (%)		**2.7**	**2.9**	**11.2**	**(c)**

Share price total return	Page	Six months to 31 August 2026 pence (unaudited)	Six months to 31 August 2025 pence (unaudited)	Year ended 28 February 2026 pence (audited)	
Closing share price	34	276.50	260.80[1]	280.40[1]	
Add back interim and final dividends	27	7.93	5.70[1]	8.90[1]	
Effect of dividend reinvestment		0.72	0.06[1]	0.83[1]	
Adjusted closing share price		285.15	266.56[1]	290.13[1]	(a)
Opening share price	34	280.40	254.00[1]	254.00[1]	(b)
Share price total return (c = ((a – b)/b)) (%)		**1.7**	**4.9**	**14.2**	**(c)**

[1] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

* Alternative Performance Measure.

Glossary
continued

Net asset value per share with debt at fair value

The net asset value per share adjusted to include the debt at fair value rather than at par value is as follows:

	As at 31 August 2026		As at 31 August 2025		As at 28 February 2026	
	NAV[1] per share (pence)	Shareholders' funds £'000	NAV[1] per share (pence)	Shareholders' funds £'000	NAV[1] per share (pence)	Shareholders' funds £'000
Net asset value (debt at par value)	304.20	732,143	282.06[2]	587,621	303.34[2]	603,842
Add back: 2.74% loan note 2037 - debt at par	10.33	24,853	11.92[2]	24,839	12.48[2]	24,846
Add back: 2.41% loan note 2044 - debt at par	8.26	19,883	9.54[2]	19,876	9.99[2]	19,880
Add back: 2.47% loan note 2046 - debt at par	10.32	24,849	11.92[2]	24,842	12.48[2]	24,845
Less: 2.74% loan note 2037 - debt at fair value	(7.50)	(18,055)	(8.69)[2]	(18,120)	(9.58)[2]	(19,083)
Less: 2.41% loan note 2044 - debt at fair value	(4.55)	(10,962)	(5.25)[2]	(10,944)	(5.97)[2]	(11,882)
Less: 2.47% loan note 2046 - debt at fair value	(5.24)	(12,603)	(6.07)[2]	(12,658)	(6.92)[2]	(13,772)
Net asset value (debt at fair value)	**315.82**	**760,108**	**295.43**[2]	**615,456**	**315.82**[2]	**628,676**

[1] Based on 240,678,950 ordinary shares in issue as at 31 August 2026 (31 August 2025: 208,328,960[2]; 28 February 2026: 199,063,960[2]).

[2] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

Ongoing charges ratio*

$$\text{Ongoing charges (\%)} = \frac{\text{Annualised ongoing charges for the year}}{\text{Average net asset value (debt at par) in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management charge.

As recommended by the AIC in its guidance, ongoing charges are the Company's annualised revenue and capital expenses (excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items) expressed as a percentage of the average daily net assets (debt at par value) of the Company during the year.

The inputs that have been used to calculate the ongoing charges percentage are set out in the following table:

Ongoing charges calculation	Page	Year ended 28 February 2026 £'000 (audited)	Year ended 28 February 2025 £'000 (audited)	
Management fee	31	3,908	4,611	
Other operating expenses[1]	32	1,060	890	
Total management fee and other operating expenses		4,968	5,501	(a)
Average daily net assets in the year		588,913	719,731	(b)
Ongoing charges (c = a/b) (%)		**0.8**	**0.8**	**(c)**

[1] Excludes prior year expenses written back in the year ended 28 February 2026 of £nil and non-recurring expenses of £67,000 (year ended 28 February 2025: prior year expenses written back of £11,000 and non-recurring expenses of £61,000).

* Alternative Performance Measure.

Quoted and unquoted securities

Quoted securities are securities that trade on an exchange and therefore there is a publicly quoted price. Unquoted securities are securities that do not trade on an exchange and therefore there is not a publicly quoted price.

Revenue return and revenue reserves

Revenue return represents the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the Company. Revenue reserves is the undistributed income that the Company keeps as reserves. Investment trusts do not have to distribute all the income they generate, after expenses. They may retain up to 15% of revenue generated each year which will be held in a revenue reserve. This reserve can be used at a later date to supplement dividend payments to shareholders.

Treasury shares

Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares do not pay dividends, have no voting rights and are not included in a company's total issued share capital amount for calculating percentage ownership. Treasury shares may have come from a repurchase or buy back from shareholders, or it may never have been issued to the public in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

Total dividends and yield*

Total dividends represent total quarterly and final dividends declared by the Company for a particular year. The yield is the amount of cash (in percentage terms) that is returned to the owners of the security, in the form of interest or dividends received from it. Normally, it does not include the price variations, distinguishing it from the total return.

	Page	As at 31 August 2026 pence	As at 31 August 2025 pence	As at 28 February 2026 pence	
Interim and final dividends paid/payable[1]	33	11.125	8.90[2]	8.90[2]	(a)
Ordinary share price		276.50	260.80[2]	280.40[2]	(b)
Yield (c = a/b) (%)		**4.0**	**3.4**	**3.2**	**(c)**

[1] Comprising dividends declared/paid for the twelve months to 31 August 2026, 31 August 2025 and 28 February 2026 respectively.

[2] This figure has been adjusted to reflect the share sub-division. Refer to note 11 on page 36 for further details.

* Alternative Performance Measure.

Share fraud warning

Be ScamSmart

FCA
FINANCIAL CONDUCT AUTHORITY

Investment scams are designed to look like genuine investments

Spot the warning signs



Have you been:

- **contacted out of the blue**
- **promised tempting returns and told the investment is safe**
- **called repeatedly, or**
- **told the offer is only available for a limited time?**

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1. **Reject cold calls**
   If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2. **Check the FCA Warning List**
   The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3. **Get impartial advice**
   Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at **www.fca.org.uk/consumers**. You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at **www.fca.org.uk/scamsmart**

Remember: if it sounds too good to be true, it probably is!

SGN001

How to invest

Retail Investors advised by IFAs

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers ("IFAs") in the UK to ordinary retail investors in accordance with the Financial Conduct Authority ("FCA") rules in relation to non-mainstream investment products and intends to continue to do so. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Computershare – Share Dealing Service

A share dealing service is available through the Company's registrar, Computershare. This provides a simple way for UK shareholders of BlackRock Smaller Companies Trust plc to buy or sell the Company's shares. For full details and terms and conditions simply log onto www.computershare.com/dealing/uk. This service is only available to shareholders of BlackRock Smaller Companies Trust plc who hold shares in their own name, with a UK registered address and who are aged 18 and over. Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE is registered in England and Wales with number 03498808. Computershare Investor Services PLC is authorised and regulated by the Financial Conduct Authority.

Investment Platforms

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. The following is a list of some of them, which is not comprehensive and does not constitute any form of recommendation:

AJ Bell Youinvest www.ajbell.co.uk

Barclays Stockbrokers www.barclays.co.uk/smart-investor

Bestinvest www.bestinvest.co.uk

Charles Stanley Direct www.charles-stanley-direct.co.uk

Halifax Share Dealing www.halifaxsharedealing-online.co.uk

Hargreaves Lansdown www.hl.co.uk

HSBC www.hsbc.co.uk/investments/products/invest-direct

iDealing www.idealing.com

Interactive Investor www.ii.co.uk

IWEB www.iweb-sharedealing.co.uk

Saxo Capital Markets www.home.saxo

WealthClub www.wealthclub.co.uk

Risk warnings

Past performance is no guarantee of future performance. The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stock markets in which the Company invests and by the supply and demand for the Company's shares. As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with the supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons investors may not get back the original amount invested. Although the Company's shares are denominated in sterling, it may invest in stocks and shares which are denominated in currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. As a result the value of your investment may rise or fall with movements in exchange rates. Investors should note that tax rates and reliefs may change at any time in the future. The value of ISA tax advantages will depend on personal circumstances. The favourable tax treatments of ISAs may not be maintained.

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