

SHIRES INCOME PLC

HALF YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

Legal Entity Identifier (LEI): 549300HVCIHQNZAYA89

INVESTMENT OBJECTIVE

The Company's investment objective is to provide shareholders with a high level of income, together with the potential for growth of both income and capital from a diversified portfolio substantially invested in UK equities but also in preference shares, convertibles and fixed income securities.

BENCHMARK

The Company's benchmark is the FTSE All-Share Index (total return).

Performance Highlights

Net asset value per Ordinary share total return ^A Six months ended 30 September 2025		Share price total return ^A Six months ended 30 September 2025	
+15.0%		+12.7%	
Year ended 31 March 2025	+9.4%	Year ended 31 March 2025	+22.4%
Benchmark index total return Six months ended 30 September 2025		Earnings per Ordinary share (revenue) Six months ended 30 September 2025	
+11.6%		9.56p	
Year ended 31 March 2025	+10.5%	Six months ended 30 September 2024	8.15p
Dividend yield ^A As at 30 September 2025		Discount to net asset value ^A As at 30 September 2025	
5.6%		5.7%	
As at 31 March 2025	5.8%	As at 31 March 2025	3.7%

^A Considered to be an Alternative Performance Measure.

Financial Calendar and Financial Highlights

Financial Calendar

Expected payment dates of quarterly dividends	30 January 2026
	30 April 2026
	31 July 2026
	30 October 2026
Financial year end	31 March 2026
Expected announcement of results for year ended 31 March 2026	May 2026
Annual General Meeting	July 2026

Financial Highlights

	30 September 2025	31 March 2025	% change
Total assets (£'000)	136,294	125,686	+8.4
Shareholders' funds (£'000)	117,313	106,711	+9.9
Net asset value per share	295.78p	265.23p	+11.5
Share price (mid-market)	279.00p	255.50p	+9.2
Discount to net asset value (cum-income) ^A	5.7%	3.7%	
Dividend yield ^A	5.6%	5.8%	
Net gearing ^A	15.1%	16.5%	
Ongoing charges ratio ^A	1.02%	1.00%	

^A Considered to be an Alternative Performance Measure.

Performance (total return)

	Six months ended 30 September 2025	Year ended 30 September 2025	Three years ended 30 September 2025	Five years ended 30 September 2025
Net asset value ^A	+15.0%	+17.8%	+46.8%	+69.5%
Share price ^A	+12.7%	+20.5%	+45.3%	+73.5%
FTSE All-Share Index	+11.6%	+16.2%	+50.0%	+84.1%

^A Considered to be an Alternative Performance Measure.

All figures are for total return and assume reinvestment of net dividends excluding transaction costs.

For further information, please contact:

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Chairman's Statement

Highlights

- Net Asset Value ("NAV") total return of 15.0%.
- Share price total return of 12.7%.
- Dividend yield of 5.6%.

Review of the Period

I am pleased to report a period of strong performance, with the Company continuing to deliver on its objective of providing a high level of income and capital growth.

The Net Asset Value ("NAV") total return for the six month period to 30 September 2025 was 15.0%. This compares favourably to a wider market return of 11.6% as measured by the FTSE All-Share Index. The share price total return was 12.7%. It is pleasing that we have seen a five year share price total return of 73.5%, with some growth in dividends paid to shareholders, as well as more stability in the share price over the last two years, partly achieved by using share buyback powers.

At the start of the period, trade tariffs introduced by the US government caused equity markets to fall but they recovered as tariffs were negotiated and revised. However, the net result remains one of additional cost for businesses that export to the US. Markets recovered with the prospect of interest rate reductions and strong earnings growth globally. The UK market performed well despite an economic backdrop that continues to be challenging, not helped by uncertainty on UK fiscal circumstances.

The total return from the equity holdings within the portfolio was 15.6%. This return was driven by good stock selection, with positive contributions from several of the holdings. The total return from the distinct portfolio of preference shares was lower, at 5.1%, but in line with expectations as these investments have the performance attributes of fixed interest instruments. The preference share holdings represented 17.1% of the portfolio at the end of the period and are a differentiating factor of the Company, providing a reliable source of income at a yield above that of the benchmark index.

A detailed review of performance and investment activity is contained in the Investment Manager's Review.

Earnings and Dividends

The revenue earnings per share for the period were 9.56p, an increase of 17.3% compared to the equivalent period last year. Companies within the portfolio have continued to generate solid earnings and dividend growth. The Company also benefited from the receipt of a special dividend relating to the tender of one of its preference share holdings.

A first interim dividend of 3.40p per Ordinary share in respect of the year ending 31 March 2026 was paid on 31 October 2025

(2025: first interim dividend 3.20p). The Board is declaring a second interim dividend of 3.45p per Ordinary share, payable on 30 January 2026 to shareholders on the register at close of business on 5 January 2026. Subject to unforeseen circumstances, it is proposed to pay a further interim dividend of 3.45p per Ordinary share and a final dividend of at least 5.20p per share, being the level of final dividend paid last year. This would result in a total dividend for the year of at least 15.50p per share which represents a dividend yield of 5.6% based on the share price of 279p at the end of September. The aim was to pay three interim dividends of 3.45p per share but due to an administrative oversight the first interim dividend was announced and paid at a rate of 3.40p per share rather than at a rate of 3.45p per share, which will be rectified in the payment made in the final dividend.

The Board considers the Company's high level of dividend to be one of its key attractions and recognises that, in the current economic environment, there is likely to be a continuing demand for an attractive and reliable level of income. We have a very high proportion of our investors invested through retail platforms and many of those will be 'tax protected' in ISAs or SIPPs. Some will have elected for periodic saving into the shares of the Company and some for reinvestment of dividends, both historically good ways of obtaining a long-term return on investments made in income funds, especially if held through ISAs.

Discount and Share Buy Backs

At the end of the period, the discount of the share price to the NAV was 5.7%, slightly wider than the discount of 3.7% at the start of the period reflecting an average discount of 4.4% over the period.

In accordance with the share buy-back authority provided by shareholders, the Company bought back 569,354 Ordinary shares during the period (1.4% of the issued share capital) at a cost of £1.5 million and this provided a small enhancement to NAV for continuing shareholders. All shares bought back are held in treasury. Since commencing share buybacks in March 2024, at the date of this Report the Company has bought back an aggregate of 2.1 million shares (5.0% of the issued share capital) and the implementation of buybacks has had positive effect on the share price rating which had drifted at one point to a double digit discount.

Corporate

In the last few years, the Board has worked hard with Aberdeen to try and find ways of reducing operating costs, finding fresh demand for the Company's shares and providing for secondary market liquidity. As a result, the Company combined successfully with abrdn Smaller Companies Investment Trust in December 2023, has applied share buybacks where necessary and continues to have a largely retail held register. The market and demand background for closed-ended funds with listed equity mandates has not been propitious. The Board firmly believes that high income from UK listed equities can best be provided by a closed-ended vehicle that uses gearing effectively, allocates expenses to capital, and uses reserves to sustain and grow income, and can avoid volatility in its share price - which is what the Board and Manager will continue to try and provide through Shares Income.

Gearing

The Company has a £20 million loan facility of which £19 million was drawn down at the period end. Net of cash, this represented gearing of 15.1% on 30 September, compared to 16.5% at the start of the period. The weighted average borrowing cost at the period-end was 4.7% (31 March 2025: 4.9%) and the gearing provided a positive contribution to performance during the period.

The Board monitors the level of gearing regularly. Strategically, we take the view that the borrowings are notionally invested in the less volatile fixed income part of the portfolio which generates a higher and more secure level of income, giving the Investment Manager greater scope to invest in a range of equity shares with lower yields and higher growth prospects. The Board believes that this combination puts the Company in the best position to achieve a high and potentially growing level of dividend and to deliver some capital appreciation for shareholders - as has been the case in the past. The Board and Manager continue to review borrowing facilities and the cost thereof to ensure that the Company can benefit from a positive geared return for its shareholders.

Outlook

The UK economic picture remains a challenging one, with growth limiting factors such as the cost of servicing public debt and increasing welfare costs. However, with the prospect of interest rates falling, there is the potential for economic conditions to improve. As always, there is uncertainty regarding the measures that will be introduced in the Budget on 26 November and the impact that these will have on companies and individuals.

Notwithstanding these uncertainties and the strong portfolio returns generated during the first half of the financial year, the Investment Manager considers that the UK equity market continues to be attractively valued compared to other global markets. When combined with the good earnings and dividend potential from the companies in the portfolio, the Board is confident that the Company is well placed to continue to deliver its investment objective in terms of both income and capital growth.

Robin Archibald
Chairman
21 November 2025

Investment Manager's Review

Market Background

Financial markets had a positive six-month period, with equities continuing to deliver high returns. Those returns have come despite elevated levels of geopolitical uncertainty. At the start of the period, the US administration introduced much higher tariffs on imports in the so called 'Liberation Day' announcement. This rattled markets in the short term, sending global equities down by 12% in two weeks. Since that point, there has been continued negotiation and revision of tariff proposals, and, while the direction of travel has been positive, the costs for importers to the US remain significantly higher than previously with an average tariff rate of 15%. The subsequent strength of global equities has surprised many, but the prospect of falling interest rates globally, combined with resilient earnings growth and lower taxation in the US, has propelled stocks to new highs. While the large-cap US listed technology companies have continued to be strong performers, we have seen value names globally pulled higher in the rally, and European and UK markets have performed well.

Despite the initial expectation that tariffs would prove to be inflationary for the US consumer, we are yet to see that impact. This has allowed the Federal Reserve (the "Fed") to decrease interest rates modestly, with a quarter point cut to 4.25% in September and to 4.0% in October. There is still potential for the inflationary effect to come through, however, given the lag before imported orders reach the consumer. Despite that, we expect continued cuts to the Fed rate in the next year. The Bank of England has also been able to reduce rates, with the official bank rate at 4.0%, down from 4.5% at the end of March. Central banks in both countries continue to balance inflation against the signs of a weakening labour market. Although unemployment has not risen significantly, vacancies are reducing and there are signs of the market being looser than we have seen for some time.

For the UK specifically, economic growth remains lacklustre and the current account deficit a concern. Policies introduced in late 2024, raising employer National Insurance contributions and the living wage, have placed a cost burden on companies. At the same time, higher costs of debt and a failure to reform social spending have limited headroom for the government. That has created pressure on the Chancellor's budget in November, and the long lead into this event has created an overhang on UK domestically focused companies. In Europe, markets have been boosted by the relaxation of debt limits in Germany. This has allowed a re-investment into European defence capability and we expect fiscal policy to feed through into better corporate earnings growth. Offsetting this, France has undergone a period of continued political instability and a budgetary deficit even worse than that of the US or UK.

Commodities have been mixed, with a weaker oil price but strength in mined commodities. Precious metals, most notably gold, have been strong as investors search for stores of value. Other metals such as copper, have also moved higher on continued demand growth and downward supply revisions.

Investment Performance

It was a strong period for the portfolio, with a NAV total return of 15.0%. This is a strong absolute return for the six month period and compares positively with the FTSE All-Share Index benchmark return of 11.6%. Relative performance was driven by stock selection, most notably in the energy and industrial sectors. The Company's exposure to preference shares and fixed income securities detracted from returns on a relative basis, but this is as we would expect in a strongly rising market and was more than compensated for by the outperformance of the equity portfolio. By sector, industrials (+35%), financials (+18%) and utilities (+13%) were notable sources of strength. Energy (+3%), consumer discretionary (+3%) and healthcare (+2%) were relatively weak, although no sector produced a negative return over the period.

On an individual stock basis, there were good returns from our conviction position in the UK construction contractors. Kier returned 79%, Balfour Beatty 52% and Morgan Sindall 38%. These companies have performed well for several years now but remain well valued and have a robust outlook as the UK invests in power, water and infrastructure.

The financials sector also delivered continued share price performance as banks benefited from volume growth and yield curves which remain supportive. OSB's shares returned 35% and Close Brothers returned 78% after the company benefitted from a better-than-expected outcome from the FCA inquiry into historic motor finance. Insurance companies Chesnara (+28%) and Aviva (+32%) also performed well, as did asset manager M&G (+31%).

We had few disappointments during the period. In some cases, we have bought into companies after a period of weakness and perhaps been a little early. Greggs fell 11% after purchase, Victrex 11%, Mdwich 10% and Pets at Home 21%. All are companies we have added after a period of significant share price weakness and where we see potential for a turnaround over the next three-to-five-year period. Timing the bottom is difficult, but our view on these companies remains that expectations are low and there is more upside risk than downside. One benefit of a closed end structure is that we can be patient for the turnaround.

The one genuine disappointment was Wood Group, which saw debt increase, the announcement of an inquiry into historic accounting and the departure of its CFO. As it stands, the company is the subject of a bid from a private peer, so could yet deliver a positive outcome, but its shares are currently not trading and we have prudently marked the value of the holding to zero.

Portfolio Activity

April was a quiet month for trading. The market volatility through the month was extremely high, and changes to US policy on a daily basis caused a high degree of variability in share prices. In this environment it is sometimes better not to do too much - what looks like the right trade one day may turn out to be the wrong one the next and we try and hold positions we are happy to retain for the long term. At the start of May we sold out of Convatec. This is a very well-run company which has performed well, but with the yield compressed to below 2% we see other positions more suited to the goals of the Company. The proceeds were reinvested in Informa, which is a commercial information and exhibition business and has been a long-term compounder with a track record of dividend growth.

Following a bid for Assura, we sold out of the position and switched into other high conviction UK real estate holdings; SafeStore, Sirius Real Estate and London Metric. We also sold the position in Engie after a few weeks of holding the shares. In that time the share price had risen and we had collected the annual dividend, so this was a chance to reallocate capital to other ideas.

We bought back into Greggs, having sold out in June last year. Since that time, the shares had underperformed the benchmark by approximately 40%, creating a chance to buy back into what remains a high-quality retailer at a more reasonable price. To fund the purchase, we sold out of Dunelm. This was another short holding period, as its shares had delivered a 30% return since purchase three months beforehand, and had hit our target price. We also bought into audio-visual supplier Mdwich, which has struggled cyclically but has long term recovery potential. It is a founder-led business with a great track record which we think will get back to growth once the cycle improves.

We sold out of the holding in 4Imprint. The shares had bounced post tariff introduction, but it remains a cyclical business. Given the weaker outlook for the US Dollar, the appeal of overseas earnings is also lower for now. We used the proceeds to buy into UK retailer Pets at Home which we consider is valued attractively given the strength of its vet business and with potential for the retail business to improve after a more difficult period.

The tender process for the General Accident preference shares held in the portfolio completed in June. We saw the tender price as fair, giving a 5.6% yield at the sale price. The proceeds were primarily used to add to the position in the Nationwide 10.25% perpetual debt, which had a yield of 7.8% at purchase, a nice uplift to income.

Also in June, we took the decision to exit ASML for now. There is no debate that this is one of the highest quality companies in the market, with seemingly insurmountable barriers to competition in a structurally growing end market. However, we saw some risk to earnings estimates in 2026/27, and with a low dividend yield we saw other opportunities that fit the objectives of

the Company more closely. The proceeds were used to introduce Victrex, a specialist chemical manufacturer which has faced a cyclical downturn for some time but is starting to see signs of improvement in its higher margin healthcare end market and recently signed a material order to supply material for subsea piping.

At the end of July we bought back into IT distributor Bytes Technology, having sold the position in November. The shares pulled back recently on a weaker trading update, but we saw this as backward looking and reflecting historic changes to partner incentive structures. The business remains well positioned as one of the largest software sellers in the UK, with a growth end market and strong client relations. The valuation, with a 5%+ dividend yield, offers decent upside and it acts as a genuine diversifier in the portfolio.

Finally, we added one new holding in September, starting a position in Hilton Food. The company supplies meat and fish to UK and international supermarkets and has built a track record of compound growth over time as it grows in scale, with a contract structure that protects it from pricing fluctuations. At the start of September, the shares fell by around 20% following a profit warning for this year, as it has had to build fish inventory due to supply shortages. We see this as a short-term impact and a chance to acquire a position in a good quality company with a dividend yield now over 5%. Hilton is a company we've been watching for a while and it is a useful diversifier in the portfolio, adding to consumer staples where it is hard to find businesses of sufficient quality and yield to fit our requirements.

Investment Income

The revenue earnings per share for the period were 9.56p, which compares to 8.15p for the equivalent period last year. Over the period, the portfolio continued to deliver income growth and the Company also benefited from the receipt of a special dividend relating to the tender of the General Accident preference shares. Although there has been a continued trend for companies to allocate more capital to share buybacks over dividend growth in recent years, there is still strong dividend growth available from companies with growing cashflows. A mild headwind to income generation over the period was the weaker US Dollar, given a number of companies pay dividends denominated in Dollars.

Outlook

On a global basis, our outlook is for a continued 'late-cycle' macro environment, in which the US economy is slowing but avoids recession, policy rates are cut and the Federal Reserve resumes easing, a slowing nominal growth environment in China but with ongoing policy support and the increasing emergence of 'AI winners' in its corporate sector, and an ongoing interest rate cutting cycle across many emerging markets as the focus shifts from containing inflation to supporting growth.

Certainly, there are considerable economic and geopolitical risks around these expectations. The deterioration in the US labour market could morph into a broader downturn and recession amid 'stall speed' dynamics, although a mini-cyclical pickup now that peak tariff uncertainty appears to have passed is also possible. Political interference at the Fed could de-anchor inflation expectations and eventually trigger a bond market rout. Alternatively, AI-driven productivity growth could see a sustained supply-side expansion in coming years. This creates a supportive environment for continued strength in equities, but the risk-reward is more balanced than for some time. High valuations and an extreme level of concentration, most notably in the US equity market, mean that any downturn could be meaningful.

In the UK, government finances remain a concern, with low productivity and increasing fiscal burden limiting growth. The increased cost of debt and lack of reform to social spending means the ability of the government to change the path is limited. However, this picture can change quickly in our view. Slowing inflation into the year-end would give the Bank of England clearance to reduce interest rates more rapidly than expected. This would have the double impact of both stimulating growth but also reducing government borrowing costs. We should not rule out an economic picture that looks more optimistic in six months' time.

We see significant sources of value in the UK equity market. It remains well valued compared to other global markets, and although it lacks a significant technology sector that does not mean there is no growth from a wide range of high quality companies. Distribution yields are also highly attractive, with the combination of dividends and buybacks at the highest level amongst all major markets. Those distributions also look safe, with payout ratios still well below pre-Covid levels.

Our aim is to identify those companies with long term potential which are currently undervalued by the market. The current degree of scepticism of UK mid-cap and domestically focussed companies means that this is a particularly rich hunting ground and we retain a high level of optimism for future returns.

Iain Pyle
Aberdeen
21 November 2025

Interim Management Statement

Directors' Responsibility Statement

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements within the Half Yearly Financial Report has been prepared in accordance with IAS 34 'Interim Financial Reporting'; and
- the Interim Board Report (constituting the Interim Management Report) includes a fair review of the information required by rules 4.2.7R of the Disclosure Guidance and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year) and 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could so do).

Principal and Emerging Risks and Uncertainties

The Board regularly reviews the principal and emerging risks and uncertainties faced by the Company together with the mitigating actions it has established to manage the risks. These are set out within the Strategic Report contained within the

Managing external risks is essential to manage the risks. These are covered in the Strategic Report contained within the Annual Report for the year ended 31 March 2025 and comprise the following risk headings:

- Strategic objectives and investment policy
- Investment performance
- Failure to maintain, and grow the dividend over the longer term
- Share price and shareholder relations
- Gearing
- Accounting and financial reporting
- Regulatory
- Operational
- The Board
- Exogenous risks such as health, social, financial, economic, climate and geo-political

In addition to these risks, various global conflicts and other geo-political tensions continue to present exogenous risks as does the recent introduction of trade tariffs and the impact that has on global trade and financial markets. The impending UK Budget, fiscal constraints and elevated global market valuations, with high levels of concentration, also provide uncertainties for a UK equity investment company.

In all other respects, the Company's principal and emerging risks and uncertainties have not changed materially since the date of the Annual Report and are not expected to change materially for the remaining six months of the Company's financial year.

Going Concern

The Company's assets consist mainly of equity shares in companies listed on the London Stock Exchange. The Board has performed stress testing and liquidity analysis on the portfolio and considers that, in the absence of unforeseen circumstances, the majority of the Company's investments are realisable within a relatively short timescale.

The Board has set limits for borrowing and regularly reviews actual exposures, cash flow projections and compliance with banking covenants, including the headroom available. The Company has a £20 million loan facility which is due to mature in April 2027. £9 million of this amount is drawn down on a short-term basis through a revolving credit facility and can be repaid without incurring any financial penalties.

Having taken these factors into account, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and has the ability to meet its financial obligations as they fall due for the period to 30 November 2026, which is at least twelve months from the date of approval of this Report. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the Board
Robin Archibald
Chairman
21 November 2025

Investment Portfolio - Equities

As at 30 September 2025

	Market value £'000	Total portfolio %
Shell	4,265	3.2
Morgan Sindall	4,218	3.1
AstraZeneca	3,931	2.9
HSBC	3,863	2.9
Chesnara	3,841	2.9
Balfour Beatty	3,295	2.4
National Grid	3,194	2.4
Diversified Energy	3,167	2.3
M&G	3,051	2.3
Sirius Real Estate	2,995	2.2
Ten largest investments	35,820	26.6
Kier	2,937	2.2
Rio Tinto	2,920	2.2
Imperial Brands	2,867	2.1
Lloyds Banking	2,860	2.1
SSE	2,750	2.0
TelecomPlus	2,739	2.0

Energear	2,528	1.9
Safestore	2,489	1.9
Barclays	2,477	1.9
Anglo American	2,342	1.7
Twenty largest investments	62,729	46.6
Standard Chartered	2,322	1.7
Taylor Wimpey	2,319	1.7
Reckitt Benckiser Group	2,293	1.7
Intermediate Capital	2,290	1.7
Intesa Sanpaolo	2,078	1.6
Ashmore	2,019	1.5
Inchcape	1,981	1.5
Melrose Industries	1,887	1.4
Drax	1,797	1.3
Aviva	1,796	1.3
Thirty largest investments	83,511	62.0
Conduit Holdings	1,764	1.3
Hunting	1,725	1.3
LondonMetric	1,720	1.3
Serica Energy	1,692	1.2
MOBY Group	1,684	1.2
Victrix	1,669	1.2
Hilton Food	1,610	1.2
ME Group	1,453	1.1
OSB	1,423	1.1
Greggs	1,345	1.0
Forty largest investments	99,596	73.9
Bytes Technology	1,285	1.0
Hollywood Bowl	1,284	0.9
Bodycote	1,282	0.9
Pets at Home	1,214	0.9
Informa	1,168	0.9
Mdwich	1,163	0.9
IP Group	1,100	0.8
RS	1,048	0.8
Gaztransport Et Technigaz	1,039	0.8
Close Brothers	852	0.6
Fifty largest investments	111,031	82.4
Smurfit Westrock	697	0.5
Wood Group ^A	-	0.0
Total equity investments	111,728	82.9

^A Shares are temporarily suspended on the London Stock Exchange effective 1 May 2025.

Investment Portfolio - Other Investments

As at 30 September 2025

	Market value £'000	Total portfolio %
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Preference shares and Fixed Interest investments ^A		
Ecclesiastical Insurance Office 8.625%	6,510	4.8
Nationwide 10.25%	5,966	4.4
Santander 10.375%	4,906	3.7
Standard Chartered 8.25%	3,485	2.6
Lloyds Bank 11.75%	1,052	0.8
REA Holdings 9%	798	0.6
Standard Chartered 7.375%	290	0.2
Total preference shares and fixed interest investments	23,007	17.1
Total equity investments	111,728	82.9
Total investments	134,735	100.0

^A None of the preference shares and fixed interest investments listed above have a fixed redemption date.

Distribution of Assets and Liabilities

	Valuation at 31 March 2025		Movement during the period			Valuation at 30 September 2025	
	£'000	%	Purchases £'000	Sales £'000	Gains £'000	£'000	%
Listed investments							
Equities	99,870	93.6	20,446	(20,718)	12,130	111,728	95.2
Preference shares and Fixed Interest investments	23,473	22.0	1,037	(1,560)	57	23,007	19.6
Total investments	123,343	115.6	21,483	(22,278)	12,187	134,735	114.8
Current assets	2,980	2.8				2,200	1.9
Current liabilities	(637)	(0.6)				(641)	(0.5)
Non-current liabilities	(18,975)	(17.8)				(18,981)	(16.2)
Net assets	106,711	100.0				117,313	100.0
Net asset value per Ordinary share	265.23p					295.78p	

Condensed Statement of Comprehensive Income

Note	30 September 2025 (unaudited)			30 September 2024 (unaudited)			31 March 2025 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments at fair value	-	12,187	12,187	-	4,253	4,253	-	4,472	4,472
Currency gains/(losses)	-	8	8	-	(18)	(18)	-	(5)	(5)
Investment income									
Dividend income	4,359	-	4,359	3,911	-	3,911	7,165	-	7,165
Interest income	2	-	2	8	-	8	8	-	8
Other income	37	-	37	92	-	92	92	-	92
Money market interest	16	-	16	14	-	14	31	-	31
	4,414	12,195	16,609	4,025	4,235	8,260	7,296	4,467	11,763
Expenses									
Management fee	(140)	(210)	(350)	(124)	(187)	(311)	(261)	(392)	(653)
Administrative expenses	(235)	-	(235)	(232)	-	(232)	(428)	(19)	(447)
Finance costs	(189)	(283)	(472)	(206)	(308)	(514)	(402)	(603)	(1,005)
	(564)	(493)	(1,057)	(562)	(495)	(1,057)	(1,091)	(1,014)	(2,105)

Profit before taxation	3,850	11,702	15,552	3,463	3,740	7,203	6,205	3,453	9,658
Taxation	2	(42)	-	(42)	(92)	(19)	(111)	(108)	(108)
Profit attributable to equity holders		3,808	11,702	15,510	3,371	3,721	7,092	6,097	9,550
Earnings per Ordinary share (pence)	4	9.56	29.38	38.94	8.15	8.99	17.14	14.80	23.18

The Company does not have any income or expense that is not included in the profit for the period, and therefore the profit for the period is also the "Total comprehensive income for the period", as defined in IAS 1 (revised).

The total column of this statement represents the Statement of Comprehensive Income of the Company, prepared in accordance with UK adopted International Accounting Standards. The revenue and capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

The accompanying notes are an integral part of the financial statements.

Condensed Balance Sheet

	Note	As at 30 September 2025 (unaudited) £'000	As at 30 September 2024 (unaudited) £'000	As at 31 March 2025 (audited) £'000
Non-current assets				
Equities		111,728	101,815	99,870
Preference shares and Fixed Interest investments		23,007	25,237	23,473
Securities at fair value		134,735	127,052	123,343
Current assets				
Accrued income and prepayments		952	1,230	1,658
Cash and cash equivalents		1,248	901	1,322
		2,200	2,131	2,980
Creditors: amounts falling due within one year				
Trade and other payables		(641)	(475)	(637)
		(641)	(475)	(637)
Net current assets		1,559	1,656	2,343
Total assets less current liabilities		136,294	128,708	125,686
Non-current liabilities				
Revolving credit facility ^A		(9,000)	(9,000)	(9,000)
Loan due in more than one year		(9,981)	(9,969)	(9,975)
Net assets		117,313	109,739	106,711
Share capital and reserves				
Called-up share capital	6	21,166	21,166	21,166
Special reserve	1	49,952	49,952	49,952
Capital reserve	7	38,217	31,172	28,055
Revenue reserve		7,978	7,449	7,538
Equity shareholders' funds		117,313	109,739	106,711
Net asset value per Ordinary share (pence)	5	295.78	265.14	265.23

^A The prior interim balance for the revolving credit facility has been reclassified from current to non-current liabilities.

The accompanying notes are an integral part of the financial statements.

Condensed Statement of Changes in Equity

Six months ended 30 September 2025 (unaudited)

	Share				
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	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
As at 31 March 2025	21,166	-	49,952	28,055	7,538	106,711
Repurchase of Ordinary shares into treasury	-	-	-	(1,540)	-	(1,540)
Profit for the period	-	-	-	11,702	3,808	15,510
Equity dividends	-	-	-	-	(3,368)	(3,368)
As at 30 September 2025	21,166	-	49,952	38,217	7,978	117,313

Six months ended 30 September 2024 (unaudited)

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
As at 31 March 2024	21,166	49,952	-	27,451	7,388	105,957
Cancellation of share premium account (note 1)	-	(49,952)	49,952	-	-	-
Profit for the period	-	-	-	3,721	3,371	7,092
Equity dividends	-	-	-	-	(3,310)	(3,310)
As at 30 September 2024	21,166	-	49,952	31,172	7,449	109,739

Year ended 31 March 2025 (audited)

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
As at 31 March 2024	21,166	49,952	-	27,451	7,388	105,957
Repurchase of Ordinary shares into treasury	-	-	-	(2,849)	-	(2,849)
Cancellation of share premium account (note 1)	-	(49,952)	49,952	-	-	-
Profit for the period	-	-	-	3,453	6,097	9,550
Equity dividends	-	-	-	-	(5,947)	(5,947)
As at 31 March 2025	21,166	-	49,952	28,055	7,538	106,711

The capital reserve at 30 September 2025 is split between realised gains of £23,824,000 and unrealised gains of £14,393,000 (30 September 2024: realised gains of £28,291,000 and unrealised gains of £2,881,000; 31 March 2025: realised gains of £24,383,000 and unrealised gains of £3,672,000).

The Company's reserves available to be distributed by way of dividends or buybacks include the special reserve, the revenue reserve and the realised element of the capital reserve amounting to £81,754,000 (30 September 2024 - £85,692,000; 31 March 2025 - £81,873,000).

Condensed Cash Flow Statement

	Six months ended 30 September 2025 (unaudited) £'000	Six months ended 30 September 2024 (unaudited) £'000	Year ended 31 March 2025 (audited) £'000
Net cash inflow from operating activities			
Dividend income received	5,091	4,461	7,183
Interest received from money market funds	16	14	31
Bank interest received	(8)	8	8
Management fee paid	(341)	(266)	(439)
Other cash expenses	(214)	(278)	(483)
Cash generated from operations	4,544	3,939	6,300
Interest paid	(466)	(516)	(1,008)
Overseas tax paid	(51)	(102)	(119)
Net cash inflow from operating activities	4,027	3,321	5,173

Cash flows from investing activities			
Purchases of investments	(21,483)	(33,346)	(58,872)
Sales of investments	22,278	32,579	62,170
Net cash inflow/(outflow) from investing activities	795	(767)	3,298
Cash flows from financing activities			
Equity dividends paid	(3,368)	(3,310)	(5,947)
Repurchase of Ordinary shares into treasury	(1,540)	-	(2,872)
Net cash outflow from financing activities	(4,908)	(3,310)	(8,819)
Net decrease in cash and cash equivalents	(86)	(756)	(348)
Reconciliation of net cash flow to movements in cash and cash equivalents			
Decrease in cash and cash equivalents as above	(82)	(756)	(348)
Net cash and cash equivalents at start of period	1,322	1,675	1,675
Effect of foreign exchange rate changes	8	(18)	(5)
Cash and cash equivalents at end of period	1,248	901	1,322

Notes to the Financial Statements

For the six months ended 30 September 2025

1. Accounting policies - Basis of accounting

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 34 'Interim Financial Reporting', as adopted by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC). They have also been prepared using the same accounting policies applied for the year ended 31 March 2024 financial statements, which were prepared in accordance with International Financial Reporting Standards (IFRS) and received an unqualified audit report.

The financial statements have been prepared on a going concern basis. In accordance with the Financial Reporting Council's guidance on 'Going Concern and Liquidity Risk', the Directors have undertaken a review of the Company's assets which primarily consist of a diverse portfolio of listed equity shares and in most circumstances, are realisable within a very short timescale.

During the year to 31 March 2025, the Company cancelled its share premium account and transferred the proceeds to a newly created special reserve, which is distributable in nature.

2. Taxation

The taxation charge for the period represents withholding tax suffered on overseas dividend income.

3. Dividends

The following table shows the revenue for each period less the dividends declared in respect of the financial period to which they relate.

	Six months ended 30 September 2025 £'000	Six months ended 30 September 2024 £'000	Year ended 31 March 2025 £'000
Revenue	3,808	3,371	6,097
Dividends declared	(2,716) ^A	(2,648) ^B	(5,947) ^C
	1,092	723	150

^A Dividends declared relate to first two interim dividends (3.40p and 3.45p) in respect of the financial year 2025/26.

^B Dividends declared relate to first two interim dividends (3.20p each) in respect of the financial year 2024/25.

^C Dividends declared relate to three interim dividends (9.60p each) and the final dividend (5.20p) in respect of the financial year 2024/25.

4. Earnings per Ordinary share

	Six months ended 30 September 2025 £'000	Six months ended 30 September 2024 £'000	Year ended 31 March 2025 £'000
Returns are based on the following figures:			
Revenue return	3,808	3,371	6,097
Capital return	11,702	3,721	3,453
Total return	15,510	7,092	9,550

Weighted average number of Ordinary shares in issue	39,829,099	41,369,542	41,196,795
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5. Net asset value per Ordinary share

The net asset value per Ordinary share and the net asset values attributable to Ordinary shareholders at the period end were as follows:

	As at 30 September 2025 (unaudited)	As at 30 September 2024 (unaudited)	As at 31 March 2025 (audited)
Net assets per Condensed Balance Sheet (£'000)	117,313	109,739	106,711
3.5% Cumulative Preference shares of £1 each (£'000)	(50)	(50)	(50)
Attributable net assets (£'000)	117,263	109,689	106,661
Number of Ordinary shares in issue	39,645,242	41,369,542	40,214,596
Net asset value per Ordinary share (p)	295.78	265.14	265.23

The Company has a policy of calculating the net asset value per Ordinary share based on net assets less an amount due to holders of 3.5% Cumulative Preference shares of £1 each equating to £1 per share (£50,000), divided by the number of Ordinary shares in issue.

6. Called up share capital

	30 September 2025		30 September 2024		31 March 2025	
	Number	£'000	Number	£'000	Number	£'000
Allotted, called up and fully paid Ordinary shares of 50 pence each:						
Balance brought forward	40,214,596	20,107	41,369,542	20,684	41,369,542	20,684
Ordinary shares bought back	(569,354)	(285)	-	-	(1,154,946)	(577)
Balance carried forward	39,645,242	19,822	41,369,542	20,684	40,214,596	20,107
Treasury shares:						
Balance brought forward	2,018,478	1,009	863,532	432	863,532	432
Ordinary shares bought back to treasury	569,354	285	-	-	1,154,946	577
Balance carried forward	2,587,832	1,294	863,532	432	2,018,478	1,009
Allotted, called up and fully paid 3.5% Cumulative Preference shares of £1 each						
Balance brought forward and carried forward	50,000	50	50,000	50	50,000	50
		21,166		21,166		21,166

During the six months ended 30 September 2025, 569,354 (six months ended 30 September 2024 - nil; year ended 31 March 2025 - 1,154,946) Ordinary shares were bought back to treasury .

7. Capital reserve

The capital reserve reflected in the Condensed Balance Sheet at 30 September 2025 includes £14,393,000 (September 2024 £2,881,000; 31 March 2025 £3,672,000) which relate to the revaluation of investments held at the reporting date. The balance relates to realised gains of £23,824,000 (30 September 2024 - £28,291,000; 31 March 2025 - £24,383,000).

8. Analysis of changes in financial liabilities

	Six months ended 30 September 2025 £'000	Six months ended 30 September 2024 £'000	Year ended 31 March 2025 £'000
Opening balance at 1 April	(18,975)	(18,963)	(18,963)
Other movements ^A	(6)	(6)	(12)
Closing balance	(18,981)	(18,969)	(18,975)

^A The other movements represent the amortisation of the loan arrangement fees.

On 3 May 2022, the Company entered into a five year £20 million loan facility with The Royal Bank of Scotland International Limited, London Branch. £10 million of the loan facility has been drawn down and fixed at an all-in interest rate of 3.903% until 30 April 2027. £9 million of the facility has been drawn down on a short-term basis at an all-in interest rate of 5.62%, maturing 20 October 2025.

9. Transactions with the Manager

The Company has an agreement with abrdn Fund Managers Limited ("aFML") for the provision of management, secretarial, accounting and administration services and for the carrying out of promotional activities in relation to the Company.

The management fee is based on 0.45% per annum up to £100 million and 0.40% per annum over £100 million, by reference to the net assets of the Company and including any borrowings up to a maximum of £30 million, and excluding commonly managed funds, calculated monthly and paid quarterly. In addition, a further fee of £120,000 per annum is charged for other services provided under the terms of the management agreement. The fees are allocated 40% to revenue and 60% to capital (31 March 2024 - 50% to revenue and 50% to capital). The agreement is terminable on not less than six months' notice. For the period 1 December 2023 to 30 May 2024, there was a management fee waiver in place as a result of the transaction with abrdn Smaller Companies Income Trust plc ("ASCI"). For this period the fee was calculated at 0.29% per annum of net assets up to £100 million and 0.26% per annum of net assets over this threshold. After this waiver period ended the fee returned to the existing fee rates. Should the Company terminate the management agreement within three years of the date of the transaction with ASCI (ie before 1 December 2026), then the Company undertakes to repay all or a proportion of the management fees waived by the Manager based on the time elapsed since completion of the transaction.

The total of the fees paid and payable during the period to 30 September 2025 was £350,000 (30 September 2024 - £311,000; 31 March 2025 - £653,000) and the balance due to aFML at the period end was £350,000. (30 September 2024 - £173,000; 31 March 2025 - £341,000).

The management agreement with aFML also provides for the provision of promotional activities, which aFML has delegated to abrdn Investments Limited. The total fees paid and payable in relation to promotional activities were £30,000 (30 September 2024 - £27,000; 31 March 2025 - £55,000) and the balance due to aFML at the period end was £30,000 (30 September 2024 - £13,000; 31 March 2025 - £15,000).

10. Segmental information

For management purposes, the Company is organised into one main operating segment, which invests in equity securities and debt instruments. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

11. Fair value hierarchy

IFRS 13 'Fair Value Measurement' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (ie as prices) or indirectly (ie derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets and liabilities measured at fair value in the Condensed Balance Sheet are grouped into the fair value hierarchy as follows:

At 30 September 2025	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted investments	a)	134,735	-	-	134,735
Net fair value		134,735	-	-	134,735

At 30 September 2024	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted investments	a)	127,052	-	-	127,052
Net fair value		127,052	-	-	127,052

At 31 March 2025	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted investments	a)	123,343	-	-	123,343

Statement of Financial Position	31 March 2025	31 March 2024	31 March 2023
Net fair value	123,343	-	-

- a) Quoted investments. The fair value of the Company's quoted investments has been determined by reference to their quoted bid prices at the reporting date. Quoted investments included in Fair Value Level 1 are actively traded on recognised stock exchanges.

12. The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 - 436 of the Companies Act 2006. The financial information for the six months ended 30 September 2025 and 30 September 2024 has not been reviewed or audited by the Company's independent auditor.

The information for the year ended 31 March 2025 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the independent auditor on those accounts contained no qualification or statement under Section 498 (2), (3) or (4) of the Companies Act 2006.

13. This Half Yearly Financial Report was approved by the Board on 21 November 2025.

Alternative Performance Measures

Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes IAS and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Discount to net asset value per Ordinary share

The difference between the share price and the net asset value per Ordinary share expressed as a percentage of the net asset value per Ordinary share.

		30 September 2025	31 March 2025
NAV per Ordinary share (p)	a	295.78	265.23
Share price (p)	b	279.00	255.50
Discount	(a-b)/a	5.7%	3.7%

Dividend yield

The annual dividend divided by the share price, expressed as a percentage.

		30 September 2025 ^A	31 March 2025
Annual dividend per Ordinary share (p)	a	15.50	14.80
Share price (p)	b	279.00	255.50
Dividend yield	a/b	5.6%	5.8%

^A The annual dividend yield is based on the first interim dividend of 3.40p, second and third interim dividends of 3.45p each and last year's final dividend of 5.20p. The final dividend for the year ending 31 March 2026 will be decided after the financial year end, following a review of the Company's earnings for the full year and outlook for the following year.

Net gearing

Net gearing measures total borrowings less cash and cash equivalents divided by shareholders' funds, expressed as a percentage. Under AIC reporting guidance, cash and cash equivalents includes net amounts due to and from brokers at the period end as well as cash and short term deposits.

		30 September 2025	31 March 2025
Borrowings (£'000)	a	18,981	18,975
Cash (£'000)	b	1,248	1,322
Amounts due to brokers (£'000)	c	-	-
Amounts due from brokers (£'000)	d	-	-
Shareholders' funds (£'000)	e	117,313	106,711
Net gearing	(a-b+c-d)/e	15.1%	16.5%

Ongoing charges

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average daily net asset values published throughout the year. The ratio for 30 September 2025 is based on forecast ongoing charges for the year ending 31 March 2026.

	30 September 2025	31 March 2025
Investment management fees (£'000)	708	653
Administrative expenses (£'000)	468	447
Less: non-recurring charges ^A (£'000)	(8)	(6)
Ongoing charges (£'000)	1,168	1,094
Average net assets (£'000)	114,831	109,660
Ongoing charges ratio	1.02%	1.00%

^A Comprises professional fees (31 March 2025 - promotional activities) not expected to recur.

Total return

NAV and share price total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. Share price and NAV total returns are monitored against open-ended and closed-ended competitors, and the Benchmark, respectively.

Six months ended 30 September 2025		NAV	Share Price
Opening at 1 April 2025	a	265.23p	255.50p
Closing at 30 September 2025	b	295.78p	279.00p
Price movements	$c=(b/a)-1$	11.5%	9.2%
Dividend reinvestment ^A	d	3.5%	3.5%
Total return	c+d	15.0%	12.7%

Year ended 31 March 2025		NAV	Share Price
Opening at 1 April 2024	a	256.00p	222.00p
Closing at 31 March 2025	b	265.23p	255.50p
Price movements	$c=(b/a)-1$	3.6%	15.1%
Dividend reinvestment ^A	d	5.8%	7.3%
Total return	c+d	9.4%	22.4%

^A NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

Please note that past performance is not necessarily a guide to the future and that the value of investments and the income from them may fall as well as rise. Investors may not get back the amount they originally invested

By order of the Board
abrdn Holdings Limited
Company Secretary
21 November 2025

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