

Baronsmead Venture Trust plc

**Annual Report and Audited Financial Statements
for the year ended 30 September 2025**

The Directors of Baronsmead Venture Trust plc are pleased to announce the Annual Financial Report for the year ended 30 September 2025. The Annual Report and Financial Statements can be obtained from the following website: www.baronsmeadvcts.co.uk

Financial Highlights

- Net Asset Value ("NAV") total return of 428.5p (as at 30 September 2025) to shareholders for every 100.0p invested at launch (April 1998).
- NAV per share increased 1.5 per cent to 53.6p, before the deduction of dividends, for the 12 months to 30 September 2025.
- Annual tax free dividend yield of 7.1 per cent based on 3.75p dividends paid (including proposed final dividend of 2.00p) and opening NAV of 52.8p.
- £10.1mn net investments (12 months to 30 September 2025) made into six new and fourteen follow-on investments in 19 companies.
- Realisation proceeds of £11.4mn and gain of £1.6mn, for the 12 months to 30 September 2025.
- Total net assets under management of £216.7mn as at 30 September 2025.

Investment policy

Baronsmead Venture Trust plc's ("the Company") investment policy is to invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM, which are substantially based in the UK, although many of these investees may have some trade overseas.

Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value and which will diversify the portfolio.

The Company will make investments in accordance with the prevailing VCT legislation which places restrictions, inter alia, on the type and age of investee companies as well as the maximum amount of investment that such investee companies may receive.

Investment securities

The Company invests in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and permitted non-qualifying investments as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks or preference shares, while AIM-traded investments are primarily held in ordinary shares. No single investment may represent more than 15 per cent at the time of investment (by VCT value) of the Company's total investments.

Liquidity

Pending investment in VCT qualifying investments, the Company's cash and liquid funds are held in permitted non-qualifying investments.

Investment style

Investments are selected in the expectation that the application of private equity disciplines, including active management of the investments, will enhance value and enable profits to be realised on the sale of investments.

Co-investment

The Company typically invests alongside Baronsmead Second Venture Trust plc in unquoted and quoted companies sourced by the Manager. Following the Manager's acquisition of the Gresham House VCTs in September 2021, the Company now also co-invests alongside the Gresham House VCTs in new unquoted VCT qualifying investments. All new qualifying AIM dealflow will continue to be exclusively allocated between the Company and Baronsmead Second Venture Trust plc.

As detailed in the Management retention section of the Strategic Report in the full Annual Report and Accounts, the Manager's staff and portfolio consultants are entitled to invest in unquoted investments alongside the Company. This arrangement is in line with current practice of private equity houses and its objective is to attract, recruit, retain and incentivise the Manager's team and is made on terms which align the interests of shareholders and the Manager.

Borrowing powers

Should it be required, the Company's policy is to use borrowing for short term liquidity purposes only up to a maximum of 25 per cent of the Company's gross assets, as permitted by the Company's Articles of Association.

Investment objective

The Company is a tax efficient listed company which aims to achieve long-term positive investment returns for private investors, including tax-free dividends.

Dividend policy

The Board will decide the annual dividends each year and the level of the dividends will depend on investment performance, the level of realised returns and available liquidity. The dividend policy guidelines below are not binding and the Board retains the ability to pay higher or lower dividends relevant to prevailing circumstances and actual realisations. However, the Board confirms the following two guidelines that shape its dividend policy:

- The Board will, wherever possible, seek to pay two dividends to shareholders in each calendar year, typically an interim in September and a final dividend following the AGM in February/March; and
- The Board will use, as a guide, when setting the dividends for a financial year, a sum representing 7 per cent of the opening Net Asset Value of that financial year.

About Baronsmead Venture Trust Plc

Key elements of the business model

Access to an attractive, diverse portfolio

The Company gives shareholders access to a diverse portfolio of growth businesses.

The Company will make investments in growth businesses, whether unquoted or traded on AIM, which are substantially based in the UK in accordance with the prevailing VCT legislation. Investments are made selectively across a range of sectors.

The Company invests alongside other VCTs managed or advised by Gresham House enabling the pooling of capital to create a larger, more meaningful shareholding in the target company. This collective investment not only strengthens the financial support available to the business but also enhances the Manager's ability to influence strategic direction through greater board representation and voting power. It also typically enables more constructive engagement with management, improved governance oversight, and a clearer alignment of interests, ultimately supporting stronger long-term outcomes for both investors and the company.

The Manager's approach to investing

Gresham House Asset Management Ltd ("the Manager") endeavours to select the best opportunities and applies a distinctive selection criteria based on:

- Primarily investing in parts of the economy which are experiencing long term structural growth.
- Businesses that demonstrate, or have the potential for, market leadership in their niche.
- Management teams that can develop and deliver profitable and sustainable growth.
- Companies with the potential to become an attractive asset appealing to a range of buyers at the appropriate time to sell.

In order to ensure a strong pipeline of opportunities, the Manager invests in building deep sector knowledge and networks and undertakes significant proactive marketing to target companies in preferred sectors. This approach generates a network of potentially suitable businesses with which the Manager maintains a relationship ahead of possible investment opportunities.

The Manager as an influential shareholder

The Manager is an engaged and supportive shareholder (on behalf of the Company) in both unquoted and significant quoted investments.

For unquoted investments, representatives of the Manager often join the investee board.

The role of the Manager with investees is to ensure that strategy is clear, the business plan can be implemented and the management resources are in place to deliver profitable growth. The intention is to build on the business model and grow the company into an attractive target which can be sold or potentially floated in the medium term.

CHAIR'S STATEMENT

Introduction

I am pleased to report a second successive year of headline growth in the Company's Net Asset Value ('NAV'), despite the significant loss of value at the interim stage. This was as a result of an increase in the value of the unquoted portfolio and a recovery in the value of the AIM listed portfolio in the second half of the year.

The Company's NAV per share increased by 0.78p (an increase of 1.5 per cent), from 52.84p to 53.62p, over the twelve months to 30 September 2025. This is before accounting for the interim dividend of 1.75p per share paid on 8 September 2025.

The Board has declared a final dividend of 2.0p per share payable in March 2026, subject to shareholder approval. When combined with the interim dividend of 1.75p paid in September 2025, the yield on the Company's shares will have been 7.1 per cent, in accordance with the Company's dividend policy.

Listening to shareholders

Although we are encouraged by this second year of growth in Net Asset Value and the exit activity set out later in this report, the Board recognises that there needs to be a sustained improvement in investment performance to recover the loss of value suffered in previous years. To that end, during the year, the Boards of both Baronsmead VCTs have been working with the Manager to agree a range of strategic and operational performance indicators which we will use to continually hold the Manager accountable. Further details are provided in the Report of the Management Engagement and Remuneration Committee. We will report on progress against these performance indicators in future reports.

The Board is also attuned to shareholder concerns on fees, particularly performance fees, across the broad VCT sector. In the case of performance fees, no such fees have been paid by BVT in this period and were such fees to become payable by the Company in future periods, any performance fee is capped at 5 per cent of NAV.

Budget

In her Budget Statement of 26 November 2025, the Chancellor announced a significant expansion of the Enterprise Investment Scheme ('EIS') and Venture Capital Trust ('VCT') investment limits. She also announced a reduction in the upfront tax relief available on investments in new VCT shares from 30 per cent to 20 per cent. These changes are due to come into effect from 6 April 2026 and are described in more detail below. We welcome the expansion of the investment limits which will mean more companies will benefit from EIS and VCT investment and will also allow VCTs to follow on more of their investments for longer. However, it remains to be seen how much the reduction in the upfront tax relief constrains the VCT industry's ability to raise new funds and benefit from the expansion of the investment limits.

Results

The Company's Net Asset Value per share decreased by 3.4p per share in the six-month period to 31 March 2025, before rebounding and increasing 4.2p per share in the six months to 30 September 2025. This performance reflects the difficulties faced by smaller UK companies given the continued fragility of the UK macroeconomic environment as well as uncertainties that followed the announcement of President Trump's 'Liberation Day' tariffs at the beginning of April earlier this year.

The increase in the Company's Net Asset Value is primarily attributable to the positive performance of its unquoted investment portfolio, which increased 6.6 per cent in value during the second half of the period. Having decreased in value by 12.8 per cent at the interim stage, the Company's AIM listed portfolio also recovered significantly in the second half of the period recording a decrease of 1.9 per cent over the year.

The table below shows the movement in Net Asset Value over the year.

	Pence per ordinary share
NAV as at 1 October 2024 (after final dividend)	52.84
Valuation increase (1.5 per cent)	0.78
NAV as at 30 September 2025 before dividends	53.62
Less:	
Interim dividend paid on 8 September 2025	(1.75)
Proposed final dividend of 2.0p payable, after shareholder approval, on 24 March 2026	(2.00)
Illustrative NAV as at 30 September 2025 after proposed dividend	49.87

- The final dividend is payable on 24 March 2026, subject to shareholder approval

Portfolio Review

At 30 September 2025, the Company's AIM listed and unquoted investment portfolios were valued at £118.1 million and comprised a diverse portfolio of 44 direct investments in AIM-listed companies and 39 direct investments in unquoted companies.

The Company's investments in three Gresham House Equity Funds were valued at £65.5 million at 30 September. During the year, the Company invested £5.0 million in Strategic Equity Capital plc, a UK smaller companies focused Investment Trust also managed by Gresham House. More information is available in the Manager's review in the full Annual Report. These four investments provide further diversity through indirect investments in an additional 79 companies.

The performance on the unquoted portfolio has improved in the last twelve months which included the successful divestment from Panthera Biopartners, where the Company received proceeds of £9.5 million and a 3x money multiple on cost, and there are a number of further potential exits being negotiated by the Company's Manager. Despite difficult trading conditions the Company's unquoted investment portfolio increased 6.6 per cent.

The Company's portfolio of AIM-listed and other listed investments decreased by 1.9 per cent during the year. This compares to the FTSE AIM All Share Index which increased by 5.8 per cent over the same period. However, as noted above there was a significant recovery in the value of this portfolio in the second half of the period with significant gains in The Property Franchise Group plc and Netcall plc. The Manager's review on pages 11 to 14 of the full Annual Report and Accounts provides more detail.

Investments and Divestments

Your Board is once again pleased to report that the Manager continues to see attractive opportunities for investment. During the year, the Company deployed a total of £10.1 million in 19 companies with £5.2 million being invested in new portfolio companies and £4.9 million in follow-on investments. Further details of these investments are included in the Manager's review on pages 11 to 14 of the full Annual Report and Accounts but highlights include:

- £1.6 million invested in Nu Quantum, a developer of quantum networking hardware that is used to scale quantum computing systems by interconnecting multiple quantum processors
- £1.2 million invested in Much Better Adventures which is an online travel operator specialising in creating 'unique' adventure trips for travellers

As we have communicated to shareholders previously, the requirement to make investments in earlier stage companies may result in the need for multiple funding rounds and greater volatility of returns over time. However, the more mature, established portfolio of existing investments in both quoted and unquoted companies should assist in sustaining returns and dividends for shareholders as the new portfolio develops and grows.

As well as the divestment of Panthera in the unquoted portfolio mentioned above, the Company also successfully exited Inspired plc in the AIM portfolio, receiving proceeds of £1.5 million and a 2.6x money multiple on cost. We recognise that we will need more successes like Panthera and have been challenging the Manager to deliver more successful realisations in the coming year.

Dividends

The Board is pleased to declare a final dividend of 2.00p per share for the year to 30 September 2025. This will be payable on 24 March 2026, subject to shareholder approval. An interim dividend of 1.75p per share was paid in September and means that the total dividends for the year are 3.75p. Thus, once again, the Board is pleased to have paid or declared dividends representing a yield 7.1 per cent yield based on the opening Net Asset Value of 52.8p, in line with its dividend policy objective.

Following a review of dividend payment practices, the Board is considering phasing out the payment of dividends by cheque. Should this occur, a phased transition will take place and shareholders who receive their dividends by cheque will receive communications from the Company's Registrar, City Partnership (UK) Ltd, on the process for transitioning to bank payments.

Principle Risks and Uncertainties

The Company faces a number of risks and uncertainties including macro-economic and geopolitical uncertainties. The outlook for the UK economy in particular as well as factors influencing the global economy including political uncertainties and armed conflicts can influence UK government policies, corporate spending and investment plans and consumer confidence. These factors provide a significant source of risk for our existing investment portfolio as well as the number and quality of future investment opportunities for future. The Company seeks to mitigate these risks by investing in a diverse portfolio of VCT qualifying companies which operate in different sectors and which have different stages of maturity. Further detail on the Risks and Uncertainties faced by the Company are set out in the full Annual Report and Accounts.

FCA regulations - Private Markets Valuation Practices review

The Company's portfolio valuation methodology has continued to be applied consistently and in line with IPEV guidelines. The Board regularly considers comparable performance of other VCTs as well as strategic and regulatory announcements which may impact the wider VCT market. The Board and Gresham House noted the findings of the FCA's Private Markets Valuation Practices review issued in March 2025. Following this, Gresham House undertook a review of valuation practices applied to the VCTs portfolio of investments, the results of which were presented to the Board for review. The Board was assured by the results of the internal review noting that overall Gresham House demonstrated a sound and well-structured valuation process, underpinned by professional judgement and appropriate external assurance. Gresham House also took the opportunity to implement some minor enhancements to align more closely with the FCA's recommendations.

Autumn Budget 2025

The government is increasing the EIS and VCT limits as follows to allow investors to follow-on as companies grow beyond the start-up phase:

- A. double the annual VCT and EIS company investment limit to £10 million, and £20 million for Knowledge Intensive Companies (KICs);
- B. double the lifetime company investment limit to £24 million, and £40 million for KICs; and
- C. the gross assets test will increase to £30 million before share issue, and £35 million after.

To 'better balance' the amount of upfront tax relief offered by VCTs compared to the EIS, the government is reducing the upfront VCT Income Tax relief from 30 per cent to 20 per cent. However, with the proposed 2 per cent increase in the tax on dividends, we note that the value of tax-free dividends to VCT shareholders is enhanced. Over the medium to longer term this will lessen the impact of the reduction in upfront income tax relief.

These changes are due to come into effect from 6 April 2026 through the 2025/2026 Finance Bill.

Fundraising & Share price discount management

The Company has established various policies aimed at providing shareholders long-term investment returns as well

as financial planning opportunities. These include the Company's dividend policy as noted above, the share price discount management and associated share buy-back policies as well as regular new fund raisings.

Fundraising

The Company successfully raised £25 million during the year. We would like to extend thanks to our existing shareholders for their continued support, and we warmly welcome our new shareholders.

Following this, on 4 September 2025, the Company announced its intention to fundraise an additional £15 million in new funds in the 2025/26 tax year with an additional £10 million over allotment facility in a joint offer for subscription alongside our sister VCT, Baronsmead Second Venture Trust plc. The first allotment was on 20 November 2025 and raised £5.0 million, with further allotments due in January, February and April 2026.

Share price discount and buy back policies

The Board intends to continue with the policy of seeking to maintain a share price discount to NAV of 5 per cent, and to buy back shares at that level from time to time with the objective of maintaining liquidity in the market for its existing shares. To that end it will also sell shares out of Treasury in certain circumstances. The day-to-day management of these policies is undertaken by the Manager on behalf of the Board and are subject to the prevailing market circumstances, and on the basis that the Company has adequate resources to make new and follow-on investments and pay dividends to shareholders. More details regarding the number of shares bought in and out of Treasury during the year can be found in the Director's report in the full Annual Report and Accounts.

Annual General Meeting ("AGM")

The Company intends to hold the next AGM on 19 March 2026. Shareholders are invited to attend the Baronsmead Venture Trust plc AGM at 10.30am which will be followed by the Manager's presentation at 11.30am, which will include case studies as well as a Q&A session. This will be followed by lunch.

This year's AGM will again provide shareholders opportunities to engage with the Board and the Manager and I would encourage as many shareholders as possible to attend. Please see the inside cover for more details and how to register. Registration details will also be included in the Notice of AGM and on the Baronsmead Venture Trust website.

Outlook

The risks to the global economy continue to be exacerbated by geopolitical instability and the unpredictability of the US Government's tariff policy. Confidence remains subdued, businesses have become more cautious, and neither is expected to improve quickly, given the UK's fiscal and political challenges.

The unquoted portfolio companies, which are predominantly young and early-stage in nature, may feel the impacts of any further economic disruption more than their more mature counterparts. The Board has also been encouraged by the focus of the newly recruited head of the Portfolio Team on value creation and exit strategies for portfolio companies. The Board is hopeful that the portfolio performance will continue to improve.

Past experience of investing throughout the cycle, provided that appropriate targets can be sourced, suggests that this volatile period could also provide an opportunity for the Company to source and make high quality investments whilst building strategic stakes in existing portfolio businesses with significant potential for the future.

The Manager continues to identify pockets of innovation and technological development such as Fintech, AI, digital health and quantum computing technology.

Following a somewhat subdued exit environment in recent years there are positive signs of increased acquisitions activity. The Board welcomes the increase in exit activity but remains conscious that the evergreen nature of VCTs requires patient strategic choices to be made by the Manager to ensure that long-term shareholder value is maximised.

The Board also welcomes the expansion of the VCT investment limits due to come into effect from 6 April 2026. Over the coming years these changes will allow the Company to continue to support portfolio companies for longer and benefit from the increase in their value generated by earlier rounds of investment. Less welcome is the reduction in the upfront income tax relief available to investors in new VCT shares, which may present some challenges for the Company's ability to raise new funds in the future. However, our current fundraising, future realisations and access to capital through our investments in the various Gresham House Equity Funds provide us with an opportunity for attractive investment and future value for our shareholders.

Fiona Miller Smith

Chair

22 December 2025

MANAGER'S REVIEW

The evolving macroeconomic landscape has continued to present challenges for the types of businesses eligible for VCT investment. The imposition of US trade tariffs along with the increase in Employers' National Insurance introduced by the UK Government during the year and the later than expected UK budget all placed additional cost pressures on portfolio companies, particularly in the second half. Despite these headwinds, it is encouraging that the portfolio, which is well diversified, with exposure to over 160 quoted and unquoted companies, has delivered an increase in Net Asset Value total return of 1.5 per cent over the year.

Portfolio review

Overview

The net assets of £217 million were invested as follows:

Asset class	NAV (£mn)	% of NAV*	Number of investees companies	% return in the year**
Unquoted	54	25	39	7
AIM-traded companies	64	30	44	(2)
Collective Investment Vehicles***	70	32	79	5
Liquid assets [#]	29	13	N/A	4
Total	217	100	162	1

* By value as at 30 September 2025.

** Includes investee companies with holdings by more than one fund.

*** Excludes OEICs and investee companies with holdings by more than one fund.

Represents cash, OEICs and net current assets. % return in the period relates only to the cash liquidity funds.

The tables in the full Annual Report and Accounts show the breakdown of new investments and realisations over the course of the year and below is a commentary on some of the key highlights in both the unquoted and quoted portfolios.

Investment activity - unquoted and quoted

The Company's investment strategy is primarily focused on companies operating in parts of the economy that we believe are benefiting from long-term structural growth trends and in sectors where we have deep expertise and network. The amount of capital invested in each business is matched to the scale, maturity and underlying risk profile of the company seeking investment.

During the year, there were 20 investments into 19 companies totalling £10.1 million. There were 6 new additions to the portfolio and 14 follow-on investments made.

Six new unquoted investments were completed during the year, totalling £5.2 million.

- Mobility Mojo is a disability access assessment platform
- Gentianes Solutions Ltd (trading as Much Better Adventures) is an online travel operator specialising in creating unique 'adventure' group trips
- Penfold Savings is a pension platform providing the infrastructure and back- end administration for customers to manage and consolidate their pensions
- Nu Quantum is a developer of quantum networking hardware that is used to scale quantum computing systems by interconnecting multiple quantum processors
- Spinners Group is a multi venue competitive socialising company, offering customers activities such as darts, bowling and clay shooting alongside food and drink
- Modo25 Limited (trading as AskBosco) is a digital advertising agency and AI-powered software platform

There were no new quoted investments completed during the year.

The Company made fourteen additional investments totalling £4.9 million into thirteen existing portfolio companies, 10 unquoted and 3 quoted, across the year. This is consistent with the investment strategy of continuing to back our high potential assets with further capital to support future growth. We anticipate the level of follow-on investment will continue to grow as the earlier stage portfolio continues to mature.

Investment diversification at 30 September 2025 by value

Sector*

Technology	65%
Healthcare & education	18%
Consumer markets	9%
Business services	8%

Total assets

Collective Investment Vehicles	32%
AIM	30%
Unquoted	25%
Cash liquidity funds	13%

Length of time investments held*

Pre-VCT rule change**	42%
Between 3 and 5 years	29%

Between 5 years and VCT rule change	13%
Between 1 and 3 years	11%
Less than 1 year	5%

* Direct investments only, not held by the Collective Investment Vehicles.

** Investments made prior to the VCT rule change that took effect from 18 November 2015.

Unquoted Portfolio

Performance

The unquoted portfolio increased in value by 6.6 per cent during the year demonstrating resilience and achieving steady growth in valuations. These results were achieved against a backdrop of continued global uncertainty with market volatility heightened by the imposition of US trade tariffs and an upcoming budget in the UK. Gresham House's experienced non-executive directors and portfolio consultants continue to support the portfolio companies during these turbulent times.

Panthera Biopartners and CitySwift were the two investments that made the biggest positive contributions in the year. Panthera is a provider of recruitment services for clinical trials and was divested in full during the year following an M&A process, receiving £9.5 million and a money multiple on cost of 3.1x. CitySwift is a SaaS platform for bus operators and local authorities. The company secured significant new contracts during the year, including one with Transport for London (TfL), and continued to demonstrate consistent growth in earnings and cash flow.

The largest detractors from performance were TravelLocal and Orri. TravelLocal struggled with challenges from macroeconomic pressures and emerging AI-driven disruption within the travel sector. Orri underwent a period of operational and structural change, focusing on stabilisation and cost control in an attempt to build a path toward sustainable recovery.

As Investment Manager we remain highly engaged with the management teams within the portfolio, sharing insight and best practice to help them both manage risk and spot opportunities in a quickly changing environment. We have continued to invest in our portfolio and in-house talent teams, which alongside our extensive network of earlier stage, high growth company experts, ensure we are well positioned to help the companies we invest in to navigate the challenges they face whilst also continuing to develop and scale.

Divestments

Other than Panthera Biopartners, there were no other unquoted realisations during the year. Our investments in Cisiv and Silkfred were written off at the end of the year. The value of these investments had decreased in previous years so the incremental impact to Net Asset Value per share during the period was immaterial. In addition, our investments in Azarc and Mable Therapy were also written off at the year end. A portion of the value of these investments had also decreased in previous years. As is the nature of risk with growth capital investing, the business models of these companies proved not to be sufficiently viable in the current economic environment.

Quoted Portfolio

(AIM-traded investments)

Performance

Disappointingly, the quoted portfolio decreased 1.9 per cent during the year, reflecting the ongoing elevated levels of geopolitical and macroeconomic uncertainty in the markets but specifically reflected the impact of a de-rating of the largest AIM investment Cerillion. For reference the AIM market in the UK increased 5.8 per cent over the same period.

The largest detractors from performance were Cerillion and Bioventix. Cerillion, the VCTs largest investment (8 per cent of Net Asset Value), suffered from share price weakness as a result of the CEO, Louis Hall, tendering a portion of his personal shareholding at a significant discount to the prevailing share price during the year. Mr Hall continues to hold a considerable shareholding (20.12 per cent) and the placing was significantly oversubscribed with strong institutional support. The fundamental performance of the business remains strong with substantial contract win momentum delivered during the year and the Manager remains confident in the long-term outlook. Bioventix suffered from share price weakness during the year driven by disappointing earnings as a result of their core business facing challenges in downstream markets, particularly in China.

The largest positive contributors to performance were Netcall and Property Franchise Group. Netcall continued to execute successfully on its transition to a cloud-based business model, with cloud services revenue and annual contract value both rising strongly. Property Franchise Group, a property management, sales, real estate investment and other related services company also performed positively during the year posting record first half results in 2025.

Overall, the AIM portfolio remains in good financial health with the portfolio delivering positive returns excluding the impact of Cerillion. We continue to closely monitor our AIM portfolio with a rolling programme of reviews of top AIM holdings and continue to be positive on the long-term investment prospects of the majority of these companies. Many of the larger quoted investments have been long-term holdings. These companies are typically profitable, cash generative businesses with low levels of financial gearing and continue to have attractive long-term growth prospects.

Divestments

There were two full realisations of note during the year, both corporate actions, in Inspired and Science in Sport. Inspired accepted an all-cash takeover offer from HGGC LLC. The Company received proceeds of £1.5 million representing a 2.6x money multiple on cost. This represented a good outcome for Baronsmead shareholders and demonstrated the effectiveness of the Manager's proactive engaged investment strategy which through its combined

demonstrated the effectiveness of the Manager's proactive engaged investment strategy which through its combined large shareholding, strong non-executive board and retained corporate finance advisers were able to defend against an unwanted hostile takeover approach attracting an alternative buyer at a much enhanced price. Science in Sport was taken over by Einstein Bidco, with the Company receiving £0.2 million representing a 0.6x money multiple on cost.

Our investment in Totally plc, a health care services provider, was written off during the year following its delisting. The majority of the value of this investment had decreased in previous years. Our investment in Crossword Cybersecurity, a provider of cybersecurity solutions, has been substantially written down during the period. The investment consisted of equity shares and a convertible loan note. The equity shares were written off during the year when the company entered into administration in November 2024. The convertible loan investment has prudently been fully provided for although there remains potential for some value recovery in due course through the administration process.

Collective investment vehicles

The Company's investments in the WS Gresham House UK Micro Cap Fund ("Micro Cap"), WS Gresham House UK Multi Cap Income Fund ("Multi Cap") and WS Gresham House UK Smaller Companies Fund ("Small Cap") remain a core component of the Company's portfolio construction. These investments provide shareholders with additional diversification through exposure to an additional 79 underlying companies, as well as access to the potential returns available from a larger and more established group of companies that fall within the Manager's core area of expertise.

Over the year, Small Cap and Micro Cap delivered positive returns of 3.2 per cent and 9.5 per cent respectively, compared to the IA UK Smaller Companies sector which returned 2.5 per cent. Multi Cap delivered a positive return of 2.3 per cent, compared to the IA UK Equity Income sector which returned 10.7 per cent. The long-term absolute and relative returns from each fund remain strong although Multi Cap has lagged its sector in recent years largely due to its small cap positioning during a period when larger cap UK companies have outperformed their smaller peers materially.

During the final quarter of the year, the Company invested in Strategic Equity Capital plc ("SEC"), a UK smaller companies focused Investment Trust managed by Gresham House. SEC is actively manage and maintains a highly-concentrated portfolio of 15-25 high-quality, dynamic UK smaller companies, each operating in a niche market offering structural growth opportunities. The Company invested £5 million at an average 7 per cent discount to the prevailing Net Asset Value, after all potential conflicts had been assessed and cleared by the Manager's Conflicts Committee and reviewed by the Board. The company's share price was down 5 per cent since investment, and the discount widened to 13.3 per cent, as a result of the announcement of a tender offer for up to 100 per cent of its issued share capital. Its Net Asset Value Total Return for the quarter was up 6.6 per cent significantly outperforming the FTSE Small Cap Index (ex Investment Trusts) which decreased 0.1 per cent. This share price discount has since recovered to 6.6 per cent in early December following the successful conclusion of the tender offer process post period end.

Liquid assets (cash and near cash)

The Company had cash and liquidity OEIFCs of approximately £26.6 million at the year-end. This asset class is conservatively managed to take minimal or no capital risk. The average 7 day yield on the liquidity OEIFCs was c3.9 per cent at the end of the year.

Budget

The Government's decision to increase VCT investment limits provides the VCT with greater capacity to support portfolio companies at later stages of their development. This enables us to follow high-performing businesses further on their growth journey while maintaining appropriate portfolio balance. Although the reduction in upfront income tax relief to 20% from April 2026 may influence investor behaviour in future fundraising cycles, it does not affect the fundamentals of our investment strategy. We remain focused on identifying and backing scalable, high-growth companies where additional capital can accelerate value creation and deliver attractive long-term returns for shareholders.

Outlook

Macroeconomic uncertainty will continue to impact all sectors and businesses to varying degrees. The UK economy remains sluggish with little improvement evidenced during the latter half of the year. However, Gresham House continues to believe this will present attractive opportunities for your Company which, by its evergreen nature, has the advantage of being able to take a longer-term view of both new and portfolio follow-on investments. Pockets of innovation exist and technological developments such as fintech, AI, digital health and quantum computing technology are sectors which Gresham House believe will present growth opportunities for company equity value and investor returns. The Company's portfolio contains investments in these areas and Gresham House will continue to pursue additional opportunities supporting high quality management teams who have a deep appreciation of their industries.

The knowledge and experience of our dedicated investment team will be increasingly important for the foreseeable future as they support their portfolio management teams in times of uncertain markets. In this respect, Gresham House is well placed by having one of the largest and most experienced teams in the industry. Despite this knowledge pool, the Manager is acutely aware of the evolving risk profile of the pool of potential high quality VCT investments which are increasingly commanding higher entry prices. Experience has shown that successful growth capital investments can have longer hold periods, whilst failures can materialise sooner impacting performance in the medium-term.

Nevertheless, the portfolio as a whole remains well funded and is exhibiting resilience. The varied portfolio, as a result of the hybrid nature of the investment strategy, across a wide range of sectors, positions the Company to take advantage of the long-term investment horizon of VCTs and affords Gresham House the ability to choose the optimal time to exit an investment to maximise shareholder value.

Gresham House Asset Management Ltd

Investment Manager
22 December 2025

Investments in the year

Investments in the year

Category	Description	Sector	Activity	Book Cost £000
Company	Investment	Sector	Activity	Book Cost £000

Company	Location	Sector	Activity	£ 000
New Unquoted investments				
Nu Quantum Ltd	Cambridge	Technology	Developing the components needed to interconnect quantum processors, enabling the creation of distributed, scalable quantum computing systems	1,625
Gentianes Solutions Ltd (trading as Much Better Adventures)	Bristol	Consumer markets	Adventure travel marketplace	1,052
Spinners Group Ltd	Reading	Consumer markets	Offers customers playful twists on classic games including bowling, crazy golf, and darts	836
Modo25 Ltd (trading as AskBosco)	Leeds	Business services	Digital marketing services	836
Mobility Mojo (UK) Ltd	Northamptonshire	Technology	Provider of software to evaluate the accessibility of building environments	459
Penfold Technology Ltd	London	Technology	Pension platform that enables customers to manage and consolidate their pensions	415
Total new investments				5,223
Follow-on Unquoted investments				
Patchworks Integration Ltd	London	Technology	Leading integration platform for fast growing retail and ecommerce businesses	1,440
Orri Ltd	London	Healthcare & education	Provider of intensive day care treatments for eating disorders	566
SecureCloud+ Ltd	Berkshire	Technology	Defence and public sector IT systems	470
Scileads Ltd	Belfast	Technology	A data-intelligence platform that enables companies operating within life science sector to identify, track and convert potential customers	419
Airfinity Ltd	London	Healthcare & education	Provides real time life science intelligence as a subscription service	384
Branchspace Ltd	London	Technology	Specialist digital retailing consultancy and software provider to the aviation and travel industry	220
Gentianes Solutions Ltd (trading as Much Better Adventures)	Bristol	Consumer markets	Adventure travel marketplace	171
Revifter Ltd	London	Technology	AI platform using advanced behavioural analytics to deliver tailored promotions to users	168
Counting Ltd	London	Business services	Banking and accounting software for small businesses	117
Inlights.IO Ltd (formerly Yappy Ltd)	Manchester	Consumer markets	A B2B personalisation technology business	94
Focal Point Positioning Ltd	Cambridgeshire	Technology	Research and development technology business focusing on global navigation and satellite systems	90
Total unquoted follow-on investments				4,139
Follow-on AIM-traded investments				
IXICO plc	London	Healthcare & education	Provides technology enabled services to the biopharmaceutical industry worldwide	473
SEEN plc#	London	Technology	A video technology business	148
Oberon Investments Group plc	London	Business services	Wealth advisory service for individuals and businesses	146
Total AIM-traded follow-on investments				767

Total investments	follow-on				4,906
Total investments in the year*					10,129

Investments into unquoted convertible loan note

* includes unquoted and AIM investments only.

Realisations in the year

		First investment date	Original book cost# £'000	Proceeds‡ £'000	Overall multiple return (x)
Company					
Unquoted realisations					
Panthera Biopartners Ltd	Full trade sale	Sep-20	3,081	9,472	3.1
MXC Capital Ltd	Tender offer	May-15	52	24	0.5
Cisiv Ltd	Written off	Oct-18	700	-	-
Azarc.lo Inc	Written off	Dec-23	659	-	-
Mable Therapy Ltd	Written off	Jul-23	670	-	-
Silkfred Ltd	Written off	Aug-17	790	-	-
Total unquoted realisations			5,952	9,496	
AIM-traded realisations					
Inspired plc	Tender offer	Nov-11	574	1,478	2.6
SEEN plc	Market sale	Sep-19	716	176	0.2
Science in Sport plc	Tender offer	Nov-15	288	165	0.6
Cerillion plc	Market sale	Nov-15	2	44	19.6
Crossword Cybersecurity plc*	Written off	Jul-21	2,144	-	-
Totally plc	Written off	Sep-15	70	-	-
Total AIM-traded realisations			3,794	1,863	
Total realisations in the year**			9,746	11,359	

Residual book cost at realisation date.

‡ Proceeds at time of realisation including interest.

* Only equity written off. Convertible loan note still held

** Includes unquoted and AIM investments only

Final Dividend

Subject to shareholder approval at the AGM, a final dividend of 2.00p per share will be paid on 24 March 2026 to shareholders on the register at 27 February 2026. The ex-dividend date will be 26 February 2026, and the last date for registering DRIP instructions will be 3 March 2026.

Annual General Meeting

The AGM will be held on 19 March 2026 at Saddlers' Hall EC2V 6BR. There will be a welcome reception at 10.00am. Shareholders are then invited to attend the Baronsmead Venture Trust plc AGM at 10.30am which will be followed by the Manager's presentation at 11.30am, which will include case studies as well as a Q&A session. This will be followed by lunch.

The 2026 Notice of Annual General Meeting can be found on the Company's website and will be posted to shareholders shortly.

Further Information

The Annual Report and Accounts for the year ended 30 September 2025 and the 2026 Notice of Annual General

The Annual Report and Accounts for the year ended 30 September 2020 and the 2020 Notice of Annual General Meeting will both be available today on www.baronsmeadvcts.co.uk.

The Annual Report will be submitted shortly in full unedited text to the Financial Conduct Authority's National Storage Mechanism and will be available for inspection at data.fca.org.uk/#/nsm/nationalstoragemechanism in accordance with DTR 6.3.5(1A) of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

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Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on this announcement (or any other website) is incorporated into, or forms part of, this announcement.

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