

Baronsmead Second Venture Trust plc
Half-yearly report for the six months ended 31 March 2026

The Directors of Baronsmead Second Venture Trust plc are pleased to announce the unaudited half-yearly financial report for the six months to 31 March 2026. Copies of the half-yearly report can be obtained from the following website: www.baronsmeadvcts.co.uk.

Our investment objective

- Baronsmead Second Venture Trust plc (the "Company") is a tax efficient listed company which aims to achieve long-term positive investment returns for private investors, including tax free dividends.

Investment policy¹

- To invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on the Alternative Investment Market ("AIM").
- Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value.

Dividend policy²

- The Board will, where possible, seek to pay two dividends to shareholders in each financial year, typically an interim dividend in September and a final dividend following the Annual General Meeting in February/March.
- 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 (adjusted for dividends declared) of that financial year.

1. This is a summary of the Company's investment policy that is set out on page 2 of the Company's Annual Report and Financial Statements for the year ended 30 September 2025.

2. This is a summary of the Company's dividend policy that is set out on page 2 of the Company's Annual Report and Financial Statements for the year ended 30 September 2025.

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 Manager's approach to investing

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 interesting 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 that 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.

A more detailed explanation of how the business model is applied is provided in the Other Matters section of the Strategic Report on pages 28 to 31 in the Company's Annual Report and Financial Statements for the year ended 30 September 2025.

Financial highlights

310.5p Net Asset Value total return^{1,4} (as at 31 March 2026)

March 2025: 314.3p

Net Asset Value ("NAV") total return to shareholders for every 100.0p invested at launch (January 2001).

-9.3% Change in Net Asset Value per share^{1,2} (six months to 31 March 2026)

March 2025: -7.1%

NAV per share changed - 9.3 per cent to 47.0p, for the six months to 31 March 2026.

£16.5mn Funds raised¹ (six months to 31 March 2026)

March 2025: £13.8mn

£16.5mn raised in the period (before costs); and a further £0.3mn raised (before costs) since the period end.

** Includes amounts allotted on 2 April 2026*

£11.1mn New investments^{1,3} (six months to 31 March 2026)

March 2025: £3.8mn

Unquoted: £8.8mn | Quoted: £2.3mn

3 new and 8 follow-on investments in 11 companies

£8.2mn Realisation proceeds and £5.6mn gain³ (six months to 31 March 2026)

March 2025 proceeds: £0.3mn

March 2025 gain: -£2.9mn

£197.5mn Net assets under management (as at 31 March 2026)

March 2025: £204.7mn

1. Alternative Performance Measures ("APM")/Key Performance Indicators ("KPIs") - please refer to glossary on page 32 of the full Half-yearly Report for definitions.

2. Please refer to the table on page 6 of the full Half-yearly Report for breakdown of NAV per share movement.

3. Direct investments only - please refer to glossary on page 32 of the full Half-yearly Report for definitions.

4. AIC methodology: The net asset value total return to the investor, including the original amount invested (rebased to 100) from launch, assuming that dividends paid were reinvested at the NAV of the Company at the time the shares were quoted ex-dividend.

Chair's statement

Heightened geopolitical uncertainty, including the Iran war and its implications for the oil market, inflation and global supply chains, coupled with a sell off in equity markets, particularly in the business software sector, contributed to a decline of 4.8p per share (9.3 percent) in the Company's net asset value (NAV) over the six months to 31 March 2026. This was disappointing and did not fully reflect the robust fundamentals of many of the Company's investee companies. This can be seen in the recovery in the value of many of the listed investments after the period end and the increase in NAV to 49.95p per share by 31 May 2026.

Equity markets, particularly in the technology sector, experienced a sharp fall during the final two months of the period. Developments in artificial intelligence, including the step change in accessibility of software development tools, have contributed to a reassessment of valuation frameworks across software businesses, resulting in a significant reduction in Software as a Service ("SaaS") valuation multiples. This had the greatest impact on certain growth-stage software investments within the portfolio, where valuations are linked to the revenue-based multiples of comparable public companies. As the portfolio has evolved to include a higher proportion of earlier-stage growth businesses, many of which sell a variety of software-based services, our portfolio is more sensitive to such changes.

It is likely that further macroeconomic and geopolitical headwinds will continue. However, your Board continues to believe that, in aggregate, the business models of the underlying portfolio companies are still robust and the Company's investment policy of having a combination of unquoted and listed assets supports a more consistent total return to shareholders over the medium to long term. Having said that, it is in the nature of VCT qualifying investments that some portfolio companies will continue to require more capital to scale and generate value.

	Pence per ordinary share
NAV as at 1 October 2025	
(after deducting the final dividend of 2.25p)	51.8
Valuation decrease (9.3 per cent.)	(4.8)
NAV as at 31 March 2026	47.0

The Board continues to work with the Manager to focus on improving and sustaining unquoted performance, which we know has been an issue for shareholders, and recognises that the Manager has significantly increased the levels of operational support provided to portfolio companies in recent quarters.

Results

During the six months to 31 March 2026, the Company's NAV per share decreased 9.3 per cent from 51.8p to 47.0p after the payment of the final dividend of 2.25p per share on 24 March 2026.

The table above shows the movement in NAV over the 6 months to 31 March 2026.

Dividends

The Board has declared an interim dividend of 1.75p per share to be paid on 7 September 2026 to shareholders on the register as of 7 August 2026.

The Board is aware that dividends are an important part of the total return to the shareholders' investment in the Company. As such, the Board is aiming to achieve its dividend policy objective of an annual yield of 7.0 per cent based on the NAV at the beginning of the financial year. I must remind shareholders this is not a guarantee and that payment dates and the amount of future dividends depend on the level and timing of profitable realisations.

As reported in the 2025 Annual Report, the Board is phasing out the payment of dividends by cheque. The decision reflected the risks associated with cheque payments, including fraud and postal disruption, as well as the potential for dividends to remain unclaimed. A reminder to those Shareholders who continue to receive dividend payments by cheque was included with the Company's March 2026 dividend payment.

As explained in these communications, the Board strongly encourages Shareholders to provide the Company's Registrar, City Partnership, with bank account information so that future dividends can be received together with any outstanding dividend monies due. This will also ensure that all future dividends are paid automatically into your bank account.

Portfolio review

The table below provides a summary of each asset class and the return generated during the period under review.

Asset class	NAV* (£mn)	% of NAV*	Number of investee companies [‡]	% return in the period [†]
Unquoted	64	33	40	(1)
AIM-traded companies	67	34	42	(14)
Collective Investment Vehicles**	57	29	72	(10)
Liquid assets [#]	9	4	N/A	2

Total	197	100%	154	(9)
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* By value at 31 March 2026.

† Includes investee companies with holdings by more than one fund. Total number of individual companies held is 154.

‡ Return includes interest received on unquoted realisations during the period.

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

Represents cash, OEICs and net current assets.

Collective Investment Vehicle Benchmark index	% Return in the period Benchmark index performance
WS Gresham House UK Micro Cap <i>IA UK Smaller Companies sector</i>	(6.7%) (7.1%)
WS Gresham House UK Smaller Companies Fund <i>IA UK Smaller Companies sector</i>	(15.5%) (7.1%)
WS Gresham House UK Multi Cap Fund <i>IA UK Equity Income sector</i>	(11.4%) 4.9%
Strategic Equity Capital plc <i>FTSE Small Cap index (ex Investment Companies)</i>	(6.3%) (5.2%)

The value of the unquoted portfolio displayed some resilience but decreased by 1% for the six months to 31 March 2026. 25 per cent of the portfolio registered an increase in value during the period, 25 per cent remained flat and 50 per cent registered reductions in value. The main drivers of positive movements in value were the investments in Equipme and Ori with both showing good trading momentum and increases in revenue during the period. The main detractors from performance were the investments in Counting Ltd and Pointr, with both valuations hit by lower quoted comparable valuation multiples as a result of the volatility in the equity markets, as well as by weaker commercial activity. The Manager continues to focus on improving and sustaining unquoted performance.

The Company's direct investments in AIM-traded companies had an overall performance return of -14.5 per cent in the six months to 31 March 2026. The table above shows the performance of the Company's investments into the Collective Investment Vehicles during the period along with their respective benchmarks. The decrease in performance across the AIM and Collective Investment Vehicle portfolios was as a result of the ongoing geopolitical tensions and war in the Middle East along with the sharp and broad-based sell-off in software, professional services and data platform businesses during the second half of the period. The latter was triggered by multiple Artificial Intelligence product launches that raised fears over the long-term viability of traditional subscription-based software business models. It is somewhat encouraging to note, however, that almost all of the companies in our portfolio had announced trading updates in line or ahead of expectations during the period and most, we believe, have some degree of resilience with respect to AI threats.

Despite this turbulence in public markets, I am pleased to report that the Company's portfolio of AIM traded companies along with the Collective Investment Vehicles increased by 8.4 per cent and 8.2 per cent respectively in the month to 30 April 2026. This was subsequently followed by a further increase of 0.9 per cent and 3.5 per cent respectively in the month to 31 May 2026.

Budget 2025

In her Budget Statement in November 2025, the Chancellor announced a significant expansion of the Enterprise Investment Scheme ("EIS") and Venture Capital Trust ("VCT") investment limits. We welcomed the expansion of these limits which will allow VCTs to follow on more of their investments for longer. This has already had a positive impact, especially on quoted deployment.

Investments

In the six months to 31 March 2026, the Company made three new investments totalling £4.5mn as follows:

- **Tembo Money** (unquoted) - a digital-first savings and mortgage broking platform - (£1.7mn)
- **Veremark** (unquoted) - an employee background screening and verification platform - (£2.0mn) and
- **Vulcan Two Group** (quoted) - an e-pharmacy consolidation platform - (£0.8mn)

The Company also made eight follow-on investments with a combined value of £6.5mn during the period under review, making a total of £11.1mn for the period.

Realisations

In the listed portfolio, the takeover of Idox by US investment firm Long Path Partners resulted in proceeds of £7.8mn representing a gross money multiple of 7.6x of original cost.

In the unquoted portfolio, the sale of portfolio company IWP completed in January 2026 resulting in proceeds of £0.4mn, a gross money multiple of 0.25x of original cost, with modest potential for further upside through an expected earn out over the next two years.

Fundraising

In the 2025/26 tax year, the Company successfully raised £16.5mn (before costs) through an offer for subscription. The Board decided to extend the offer into the 2026/27 tax year in April 2026 with a further £0.3mn being allotted on 14 May 2026, taking the total amount raised to £16.8mn. The Directors want to welcome the 650 new shareholders who invested for the first time and also thank the 494 existing shareholders who continue to support the Company.

The Board will consider whether to raise additional funds in the 2026/27 tax year. This will be determined by the Company's cashflow, the overall balance of the Company's portfolio, and its anticipated requirements and opportunities to fund new and follow-on investments over the next two to three years. The Board appreciates that shareholders would like plenty of notice of its fundraising intentions and will ensure that shareholders are informed of the Board's intention to raise new funds, as soon as it becomes practical.

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.

Shareholder Survey

Shareholder Survey

Thank you to those of you who took part on the recent Shareholder Survey. Your feedback is crucial in helping us build a clearer picture of who our shareholders are, how you invest, and what you value most from your investment with us.

We are particularly keen to understand your motivations for investing in VCTs, the factors that influenced your decision to invest in Baronsmead, and how well our communications and reporting meet your expectations. We also sought your views on your future investment intentions and how changes in the wider VCT landscape may influence your plans.

The insights you have provided will play an important role in shaping how we develop the Company and how we work closely with our Investment Manager to deliver outcomes that align with your goals and expectations. Your feedback will also inform how we engage with shareholders and we will share initial findings from this survey in Q3 and will include a summary of planned actions in the Annual Report, ensuring transparency on how your feedback is being used.

Outlook

The global economic outlook remains uncertain, reflecting geopolitical instability, including conflict in the Middle East, and ongoing inflationary pressures. These factors are expected to continue to weigh on consumer and business confidence in the near term.

Structural changes within certain sectors, including the impact of artificial intelligence on software development and valuation frameworks, are also likely to continue to affect portfolio company performance and valuations, particularly among earlier-stage growth businesses operating in that sector. The Manager is regularly engaging with its portfolio companies to assess and evaluate the threats and opportunities provided by AI development, supporting them to make the most of the efficiencies and opportunities presented by AI, whilst mitigating the threat of disruption that it poses.

The Company's portfolio remains well diversified, with the hybrid structure of the investment portfolio helping to mitigate the risks. In addition, the portfolio is largely focused on sectors which the Manager believes are well positioned to deliver long-term growth, with many operating predominantly within the UK domestic market.

We remain committed to investing throughout the economic cycle, as experience indicates that this approach can generate superior long-term returns. Periods of uncertainty can also create attractive opportunities for the Company to make high-quality investments and establish strategic positions in businesses with strong growth potential at compelling valuations. This approach applies to both new investments and follow-on funding for existing portfolio companies. The Manager continues to see a healthy pipeline of prospective investments and remains confident that it is well placed to provide the necessary support to portfolio companies, while maintaining its focus on preserving, recovering and growing value across both existing and future investee companies.

Sarah Fromson

Chair

15 June 2026

Investments in the period

Company	Location	Sector	Activity	Book cost £'000
New Unquoted investments				
Veremark Ltd	London	Technology	Global employee background screening and verification platform	2,048
Tembo Money Ltd	London	Technology	Digital mortgage brokerage and savings platform	1,657
Total unquoted new investments				3,705
New AIM-traded investments				
Vulcan Two Group plc	London	Healthcare & education	An investment company with focus on the ePharmacy market	833
Total AIM-traded new investments				833
Total new investments				
4,538				
Follow-on Unquoted investments				
SecureCloud+ Ltd	Berkshire	Technology	Defence and public sector IT systems	2,650
Fu3e Ltd	London	Technology	Real estate collaboration and workflow tool provider	910
Airfinity Ltd	London	Healthcare & education	Provides real time life science intelligence as a subscription service	780
Mobility Mojo (UK) Ltd	Northamptonshire	Technology	Provider of software to evaluate the accessibility of building environments	414
Focal Point Positioning Ltd	Cambridgeshire	Technology	Research and development focused technology business focusing on global navigation and satellite systems	186
Ori Ltd	London	Healthcare & education	Provider of intensive day care treatments for eating disorders	125
Total unquoted follow-on investments				5,065
Follow-on AIM-traded investments				

AIM-traded investments				
KRM22 plc	London	Technology	Development and sale of risk management software to the financial services industry	737
Eden Research Plc	Oxfordshire	Business services	Development and sale of biopesticide.	715
Total AIM-traded follow-on investments				1,452
Total follow-on investments				6,517
Total investments in the period*				11,055

* Includes unquoted and AIM investments only

Realisations in the period

Company		First investment date	Original book cost# £'000	Proceeds‡ £'000	Overall multiple return (x)
Unquoted realisations					
IWP Holdings Ltd	Full trade sale	Jul 19	1,587	398	0.3
MXC Capital Ltd	Liquidation	May 15	18	4	0.2
Total unquoted realisations			1,605	402	
AIM-traded realisations					
IDOX plc	Market sale	May 02	1,028	7,804	7.6
Total AIM-traded realisations			1,028	7,804	
Total realisations in the period*			2,633	8,206	

Residual book cost at realisation date.

‡ Proceeds at time of realisation including interest.

* Includes unquoted and AIM investments only.

Responsibility statement of the Directors in respect of the half-yearly report

Half-yearly report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal uncertainties for the remaining six months of the financial year are set out in the Chair's statement and the Strategic report.

Notwithstanding the advancement and developments of artificial intelligence technologies as set out in the Chair's statement, the principal risks facing the Company are unchanged since the date of the Company's Annual Report for the financial year ended 30 September 2025 and continue to be as set out in that Report on pages 23 and 24. The risks associated with developments in artificial intelligence are assessed under Investment performance risk and Operational risk. The Board considers that the present processes for mitigating those risks remain appropriate.

Risks faced by the Company include but are not limited to; loss of approval as a Venture Capital Trust, legislative risk, investment performance risk, risk of economic, political and other external factors, regulatory and compliance risk and operational risk. 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 conflict, can influence UK government policies, corporate spending, investment plans and consumer confidence, and their impacts for the remaining six months of the year continue to be kept under review.

Responsibility statement

Each Director confirms that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with FRS 104 Interim Financial Reporting Standards and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.
- This half-yearly report includes a fair review of the information required by:
 - a) DTR 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 year; and
 - b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

The half-yearly report was approved by the Board of Directors on 15 June 2026 and was signed on its behalf by Ms Sarah Fromson, Chair.

Sarah Fromson
Chair
15 June 2026

Financial Statements

Condensed income statement

For the six months to 31 March 2026 (Unaudited)

		Six months to 31 March 2026			Six months to 31 March 2025			Year to 30 September 2025		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	5	-	(19,163)	(19,163)	-	(14,718)	(14,718)	-	4,125	4,125
Income		1,596	-	1,596	1,869	-	1,869	4,194	-	4,194
Investment management fee		(585)	(1,755)	(2,340)	(611)	(1,834)	(2,445)	(1,254)	(3,761)	(5,015)
Other expenses		(389)	-	(389)	(383)	-	(383)	(735)	-	(735)
Profit/(loss) before taxation		622	(20,918)	(20,296)	875	(16,552)	(15,677)	2,205	364	2,569
Taxation		-	-	-	-	-	-	-	-	-
Profit/(loss) for the period, being total comprehensive income for the period		622	(20,918)	(20,296)	875	(16,552)	(15,677)	2,205	364	2,569
Return per ordinary share:										
Basic and Diluted	2	0.15p	(5.03p)	(4.88p)	0.22p	(4.19p)	(3.97p)	0.55p	0.09p	0.64p

All items in the above statement derive from continuing operations.

There are no recognised gains and losses other than those disclosed in the Income Statement.

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the realised and unrealised profit or loss on investments and the proportion of the management fee charged to capital.

The total column of this statement is the unaudited Statement of Total Comprehensive Income of the Company prepared in accordance with the Financial Reporting Standard ("FRS"). The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies ("AIC SORP").

Condensed statement of changes in equity

For the six months to 31 March 2026 (Unaudited)

	Non-distributable reserves			Distributable reserves		
	Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital Reserve* £'000	Revenue reserve £'000	Total £'000
At 1 October 2025	46,434	32,099	36,836	104,487	1,331	221,187
(Loss)/Profit after taxation	-	-	(22,790)	1,872	622	(20,296)
Net proceeds of share issues, share buybacks & sale of shares from treasury	1,900	8,421	-	(4,316)	-	6,005
Dividends paid	-	-	-	(8,099)	(1,331)	(9,430)
At 31 March 2026	48,334	40,520	14,046	93,944	622	197,466

For the six months to 31 March 2025 (Unaudited)

	Non-distributable reserves			Distributable reserves		
	Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital Reserve* £'000	Revenue reserve £'000	Total £'000
At 1 October 2024	43,742	20,193	33,476	126,093	3,940	227,444
(Loss)/profit after taxation	-	-	(12,018)	(4,534)	875	(15,677)
Net proceeds of share issues, share buybacks & sale of shares from treasury	1,203	5,330	-	(4,832)	-	1,701
Dividends paid	-	-	-	(7,833)	(980)	(8,813)
At 31 March 2025*	44,945	25,523	21,458	108,894	3,835	204,655

* Of the distributable reserves noted above £20,452,000 (March 2025 - £52,321,000) is not available for dividend distribution due to the provisions of the Companies Act 2006.

For the year ended 30 September 2025 (Audited)

	Non-distributable reserves			Distributable reserves		Total £'000
	Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital Reserve* £'000	Revenue reserve £'000	
At 1 October 2024	43,742	20,193	33,476	126,093	3,940	227,444
Profit/(loss) after taxation	-	-	3,360	(2,996)	2,205	2,569
Net proceeds of share issues, share buybacks & sale of shares from treasury	2,692	11,906	-	(7,513)	-	7,085
Dividends paid	-	-	-	(11,180)	(4,814)	(15,994)
Return of unclaimed dividends	-	-	-	83	-	83
At 30 September 2025	46,434	32,099	36,836	104,487	1,331	221,187

* Of the distributable reserves noted above £20,452,000 is not available for dividend distribution due to HMRC VCT rules.

Condensed balance sheet

As at 31 March 2026 (Unaudited)

	Notes	As at 31 March 2026 £'000	As at 31 March 2025 £'000	As at 30 September 2025 £'000
Fixed assets				
Unquoted investments	5	64,473	56,869	56,969
Traded on AIM	5	66,943	76,600	83,942
Collective investment vehicles	5	63,783	71,294	78,223
Investments	5	195,199	204,763	219,134
Current assets				
Debtors		2,969	549	3,038
Cash at bank and on deposit		580	689	484
		3,549	1,238	3,522
Creditors (amounts falling due within one year)		(1,282)	(1,346)	(1,469)
Net current assets/(liabilities)		2,267	(108)	2,053
Net assets		197,466	204,655	221,187
Capital and reserves				
Called-up share capital	3	48,334	44,945	46,434
Share premium		40,520	25,523	32,099
Capital reserve		93,944	108,894	104,487
Revaluation reserve	5	14,046	21,458	36,836
Revenue reserve		622	3,835	1,331
Equity shareholders' funds		197,466	204,655	221,187
Net asset value per share		47.0p	51.3p	54.1p
Number of ordinary shares in circulation		420,422,164	399,201,045	409,114,475

Condensed statement of cash flows

For the six months to 31 March 2026 (Unaudited)

	Six months to 31 March 2026 £'000	Six months to 31 March 2025 £'000	Year to 30 September 2025 £'000
Net cash outflow from operating activities	(1,970)	(1,893)	(3,672)
Net cash inflow from investing activities	5,984	9,336	12,707
Net cash inflow before financing activities	4,014	7,443	9,035
Net cash outflow from financing activities	(3,918)	(7,111)	(8,908)
Increase in cash	96	332	127
Reconciliation of new cash flow to movement in net cash			
Increase in cash	96	332	127

Increase in cash	2025	2024	2023
Opening cash at bank and on deposit	484	357	357
Closing cash at bank and on deposit	580	689	484
Reconciliation of (loss)/profit before taxation to net cash outflow from operating activities			
(Loss)/profit before taxation	(20,296)	(15,677)	2,569
Losses/(gains) on investments	19,163	14,718	(4,125)
Changes in working capital and other non-cash items	(837)	(934)	(2,116)
Net cash outflow from operating activities	(1,970)	(1,893)	(3,672)

Notes to the financial statements

For the six months to 31 March 2026 (Unaudited)

1 Basis of preparation

The condensed financial statements for the six months to 31 March 2026 comprise the unaudited financial statements set out on pages 14 to 18 of the full half-yearly report together with the related notes on pages 19 to 23. The Company applies FRS 102 and the AIC SORP for its annual financial statements. The condensed financial statements for the six months to 31 March 2026 have therefore been prepared in accordance with FRS 104 'Interim Financial Reporting' and the principles of the AIC SORP. They have been prepared on a going concern basis. The financial statements have been prepared on the same basis as the accounting policies set out in the Company's Annual Report and Financial Statements for the year ended 30 September 2025.

The financial information contained in this half-yearly report does not constitute statutory accounts as defined in sections 434 - 436 of the Companies Act 2006. The half-yearly report for the six months ended 31 March 2026 and for the six months ended 31 March 2025 have been neither audited nor reviewed by the Company's Auditor. The information for the year to 30 September 2025 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the Auditor for the audited financial statements for the year to 30 September 2025 was: (i) unqualified; (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. No statutory accounts in respect of any period after 30 September 2025 have been reported on by the Company's Auditor or delivered to the Registrar of Companies.

The Company's half yearly report has been made available on the Company's website (www.baronsmeadvets.co.uk) and sent to shareholders where requested.

2 Performance and shareholder returns

Return per share is based on a weighted average of 416,215,976 ordinary shares in issue (31 March 2025 - 395,163,475 ordinary shares; 30 September 2025 - 403,346,281 ordinary shares).

Earnings for the first six months to 31 March 2026 should not be taken as a guide to the results of the full financial year to 30 September 2026

3 Called-up share capital

The below table details the movement in called-up share capital during the period.

Allotted, called-up and fully paid:

Ordinary shares	£'000
464,333,731 ordinary shares of 10p each listed at 30 September 2025	46,434
19,000,674 ordinary shares of 10p each issued during the period	1,900
483,334,405 ordinary shares of 10p each listed at 31 March 2026	48,334
55,219,256 ordinary shares of 10p each held in treasury at 30 September 2025	(5,523)
9,002,985 ordinary shares of 10p each repurchased during the period and held in treasury	(900)
1,310,000 ordinary shares of 10p each sold from treasury during the period	131
62,912,241 ordinary shares of 10p each held in treasury at 31 March 2026	(6,292)
420,422,164 ordinary shares of 10p each in circulation* at 31 March 2026	42,042
* Carrying one vote each.	

During the six months to 31 March 2026 the Company issued 19,000,674 shares at net proceeds of £10,222,000 (after costs). During the same period, the Company purchased 9,002,985 shares to be held in treasury at a cost of £4,792,000 (including costs). The Company also sold 1,310,000 shares from treasury for proceeds of £575,000. At 31 March 2026, the Company held 62,912,241 ordinary shares in treasury. Shares may be sold out of treasury below Net Asset Value as long as the discount at issue is narrower than the average discount at which the shares were bought into treasury.

Excluding treasury shares, there were 420,422,164 ordinary shares in circulation at 31 March 2026 (31 March 2025 - 399,201,045 ordinary shares; 30 September 2025 - 409,114,475 ordinary shares).

4 Dividends

The final dividend for the year ended 30 September 2025 of 2.25p per share (1.93p capital, 0.32p revenue) was paid on 24 March 2026 to shareholders on the register on 27 February 2026. The ex-dividend date was 26 February 2026.

During the year to 30 September 2025, the Company paid an interim dividend on 8 September 2025 of 1.75p per share (0.82p capital, 0.93p revenue).

An interim dividend of 1.75p per share has been declared for the year to 30 September 2026 and is payable on 7 September 2026 to shareholders on the register as of 7 August 2026. The ex-dividend date is 6 August 2026.

5 Investments

All investments are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the Income Statement.

The methods of fair value measurement are classified into a hierarchy based on reliability of the information used to determine the valuation.

- Level 1 - Fair value is measured based on quoted prices in an active market.
- Level 2 - Fair value is measured based on directly observable current market prices or indirectly being derived from market prices.
- Level 3 - Fair value is measured using a valuation technique that is not based on data from an observable market.

The valuation of unquoted investments contained within level 3 of the Fair Value hierarchy involves key assumptions dependent upon the valuation methodology used. The primary methodologies applied are:

- Cost of recent investment.
- Multiple basis.
- Offer less 10 per cent.

The multiple basis approach involves more subjective inputs than the cost of recent investment and offer approaches and therefore presents a greater risk of over or under estimation. Key assumptions for the multiple basis approach are the selection of comparable companies and the use of either historic or forecast revenue or earnings, as considered most appropriate. Other assumptions include the appropriateness of the discount magnitude applied for reduced liquidity and other qualitative factors. These assumptions are described in more detail in note 2.3 in the Company's Report and Financial Statements for the year to 30 September 2025. The techniques used in the valuation of unquoted investments have not changed materially since the date of that report.

	Level 1		Level 2		Level 3	
	Traded on AIM £'000	Collective investment vehicles £'000	Unquoted £'000	Collective investment vehicles £'000	Unquoted £'000	Total £'000
Opening book cost	53,257	5,018	2,332	50,077	71,614	182,298
Opening unrealised appreciation/(depreciation)	30,685	(252)	(1,842)	23,380	(15,135)	36,836
Opening fair value	83,942	4,766	490	73,457	56,479	219,134
Movements in the period:						
Transfer between levels	176	-	-	-	(176)	-
Purchases at cost	2,285	-	-	1,894	8,819	12,998
Sale - proceeds	(7,804)	-	-	(9,564)	(402)	(17,770)
Sale - realised gains	1,650	-	-	-	4	1,654
Unrealised gains/(losses) realised during the period	3,182	-	-	-	(1,209)	1,973
(Decrease)/increase in unrealised appreciation	(16,488)	(302)	-	(6,468)	468	(22,790)
Closing fair value	66,943	4,464	490	59,319	63,983	195,199
Closing book cost	52,746	5,018	2,332	42,407	78,650	181,153
Closing unrealised appreciation/(depreciation)	14,197	(554)	(1,842)	16,912	(14,667)	14,046
Closing fair value	66,943	4,464	490	59,319	63,983	195,199
Equity shares	66,943	-	490	-	11,190	78,623
Preference shares	-	-	-	-	45,037	45,037
Loan notes	-	-	-	-	7,756	7,756
Collective investment vehicles	-	4,464	-	59,319	-	63,783
Closing fair value	66,943	4,464	490	59,319	63,983	195,199

In the 6 months ending 31 March 2026, one Level 3 investment, MXC Capital plc, was liquidated. As part of the liquidation, shares in Tialis Essential IT plc held by MXC Capital plc were distributed. This distribution is reflected in the table above as a transfer from Level 3 to Level 1, as Tialis Essential IT plc is listed on AIM.

6 Other required disclosures

6.1 Segmental reporting

The Company has one reportable segment being investing in primarily a portfolio of UK growth businesses, whether unquoted, traded on AIM or collective investment vehicles.

6.2 Principal risks and uncertainties

The Company's assets consist of equity and fixed interest investments, shares in collective investment schemes, cash and liquid resources. Its principal risks are therefore market risk, price risk, credit risk and liquidity risk. Other risks faced by the Company include loss of approval as a Venture Capital Trust, legislative, investment performance, economic, political and other external factors, regulatory and compliance and operational risks. These risks, and the way in which they are managed, are described in more detail in the principal risks and uncertainties table within the Strategic report section in the Company's Annual Report and Financial Statements for the year ended 30 September 2025. The Board continues to regularly review the risk environment in which the Company operates.

6.3 Related parties

Gresham House Asset Management Ltd (the "Manager") manages the investments of the Company. The Manager also provides or procures the provision of secretarial, accounting, administrative and custodian services to the Company. Under the management agreement, the Manager receives a fee of 2.5 per cent per annum of the net assets of the Company up to and including £209,658,860 (being the total net assets of the Company as at 30 September 2023) and 2.0 per cent per annum of the amount by which the net assets of the Company exceed £209,658,860. This is described in more detail under the heading 'The management agreement' within the Strategic Report in the Company's Annual Report and Financial Statements for the year ended 30 September 2025.

During the period, the Company incurred the following fees payable to the Manager:

	Six months to 31 March 2026 £'000	Six months to 31 March 2025 £'000	Year to 30 September 2025 £'000
Management fees	2,340	2,445	5,015
Secretarial and accounting fees	92	92	182
Performance fees	-	-	-

The performance fee is described in more detail under the heading 'Performance fees' within the Strategic Report in the Company's Annual Report and Financial Statements for the year to 30 September 2025.

Under the terms of an Offer for Subscription, launched on 13 October 2025, the Manager was entitled to fees of 4.50% of the investment amount received from investors. This amount totalled £243,000, out of which all the costs associated with the allotments were met.

associated with the arrangements were met.

6.4 Going concern

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Directors have considered the Company's cash balances, the liquidity of the Company's investments and the absence of any gearing. The Directors are therefore also satisfied that the Company has adequate financial resources to continue in operation for at least the next 12 months and that, accordingly, it is appropriate to adopt the going concern basis in preparing the financial statements.

6.5 Post balance sheet events

The following events occurred between the balance sheet date and the signing of these financial statements:

- The 30 April 2026 NAV of 49.35p was announced on 11 May 2026 and the 31 May 2026 NAV of 49.95p was announced on 4 June 2026. At the date of publishing this report, the Board is unaware of any matter that will have caused the NAV per share to have changed significantly since the latest NAV.
- 12.4mn shares were issued on 2 April 2026 at an average price of 48.01p per share under the current Offer.
- 0.6mn shares were issued on 14 May 2026 at an average price of 51.01p per share under the current Offer.
- One new investment, BBLHD Ltd (trading as 01Health), completed in April 2026 totalling £1.6mn.
- Six follow-on investments, into Eden Research plc, Ixico plc, Penfold, OnSecurity, Veremark and Counting Up, completed between April and June 2026, totalling £4.4mn

Corporate Information

Directors Sarah Fromson (Chair) [†] Adriana Stirling [*] Graham McDonald ^Δ Tim Farazmand [#]	Brokers Panmure Liberum Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY Tel: 020 3100 2000
Secretary Gresham House Asset Management Ltd	Auditor BDO LLP 55 Baker Street London W1U 7EU
Registered Office 5 New Street Square London EC4A 3TW	Solicitors Howard Kennedy LLP 1 London Bridge London SE1 9BG
Investment Manager Gresham House Asset Management Ltd 5 New Street Square London EC4A 3TW Tel: 020 7382 0999	VCT Status Adviser PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Registered Number 04115341	Website www.baronsmeadvcts.co.uk
Registrars and Transfer Office The City Partnership (UK) Ltd The Mending Rooms Park Valley Mills Meltham Road Huddersfield HD4 7BH Tel: 01484 240 910	

[†] Chair of the Nomination Committee.

^{*} Chair of the Audit & Risk Committee.

^Δ Senior Independent Director

[#] Chair of the Management Engagement and Remuneration Committee.

NATIONAL STORAGE MECHANISM

A copy of the half-yearly financial report will be submitted shortly to the National Storage Mechanism ("NSM") and will be available for inspection at the NSM at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

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