

6 February 2026

HARGREAVE HALE AIM VCT PLC

(the "Company")

Interim Management Statement

Q1 2026

Introduction

This interim management statement covers the first quarter of the 2025/26 financial year, 1 October 2025 to 31 December 2025. Investment performance measures contained in this report include realised and unrealised gains and losses.

Overview

The first quarter of 2026 proved highly eventful. In keeping with recent times, the United States was again a dominant factor in the news cycle as the administration applied pressure to anyone or anything opposed to its agenda. Those on the receiving end were as varied as hostile states, allies, institutions and even the BBC. Whilst this might be a source of considerable concern for many observers and investors, the administration's unorthodox approach does not appear to be weighing on the US economy, which reported strong third quarter growth of 4.3%.

The same cannot be said of the United Kingdom. The delayed Autumn Budget heavily influenced business and consumer confidence throughout the period with confidence measures of both weakening into the budget. Households became increasingly cautious about employment prospects and the potential for higher taxes. Consumer sentiment has improved since.

UK economic growth remains weak, with the Office for Budget Responsibility projecting 1.5% growth for calendar year 2025 in its latest outlook, falling to 1.4% in 2026. The unemployment rate continues to grind higher, now at 5.1%, as companies continue to adjust their cost structures in response to increases in both the national minimum wage, national insurance contributions and, in many cases, significantly higher business rates. With the exception of food, consumer-facing companies continue to struggle.

Inflation remains persistent, CPI increased by 3.4% in the year to December 2025, down from 3.8% in September 2025. The outlook is for inflation to fall comfortably below 3.0% in the 3 months to June 2026. The Bank of England cut rates once in the quarter to 3.75% with the market currently pricing in up to two further cuts to interest rates in 2026.

UK borrowing costs remain high, although the additional cost the UK pays to borrow money relative to other borrowers such as the US, French and German Governments reduced in the quarter, suggesting the 2025 Autumn Budget was (reasonably) well received by the bond markets, if few others.

For domestically focussed UK indices, it was a quarter that revolved around the Autumn Budget on 26 November 2025, broadly characterised by weakness ahead of it and a subsequent rebound. Whilst AIM did not quite manage the round trip, events elsewhere have led investors to look at the UK markets through a different and more positive lens. With UK equities significantly undervalued, both relative to historical norms and other international markets, the renewed interest was enough to drive gains in other UK indices. The improved tone has continued into the New Year. AIM returned -0.97%⁽¹⁾ in the 3 months to 31 December 2025.

Performance

In the three months to 31 December 2025, the unaudited NAV per share decreased by 1.25 pence from 36.46 pence per share to 35.21 pence. There were no dividends paid in the period, giving a NAV total return to shareholders of -3.43%.

The qualifying investments returned -1.24 pence per share whilst the non-qualifying investments made a gain of 0.16 pence per share.

Qualifying Investments

Positive Contributors

Hardide (+157.1%, +£0.64m) continued to scale its operations and delivered a strong re-rating during the quarter following the publication of its FY25 trading update, which showed a return to profitability for the first time in many years. More recently the company reported that trading momentum continued into Q1 FY26, with revenues up almost 40% year-on-year to £1.8m, supporting double-digit operating margins and underpinning expectations for further progress in FY26.

Skillcast (+11.7%, +£0.31m) saw a re-rating during the period following strong interim results for the six months to 30 June 2025. Revenue increased 18% to £7.5m. Cash remained strong at £11.5m, supporting ongoing investment while maintaining a progressive dividend policy.

Tortilla Mexican Grill (+34.3%, +£0.30m) benefited from improved sentiment following a series of senior board changes announced during the period and the appointment of a new Non-Executive Chair in December 2025.

Negative Contributors

Cohort (-36.7%, -£1.97m) declined during the quarter despite reporting solid H1 FY26 results with revenue up 9% year-on-year to £128.8m and a strong order book of £604.5m. Share price weakness was catalysed by director selling earlier in the year and, more recently, investor caution around near-term margins and cash flows despite a supportive long-term backdrop of heightened geopolitical tensions and increased defence spending commitments.

Diaceutics (-23.3%, -£0.77m) declined despite the absence of company-specific news. The shares have subsequently recovered following a FY25 trading update in January, which highlighted strong commercial momentum with a growing number of large pharmaceutical clients.

Property Franchise Group (-13.2%, -£0.64m) fell despite a positive 2025 trading update in which management also reiterated confidence in delivering further growth in FY26. However, sentiment was negatively impacted by uncertainty in the lead up to the 2025 Autumn Budget, particularly around the potential implications of higher taxation and regulatory changes for landlords. A recent year end trading update flagged a modest beat to forecasts.

Non-Qualifying Investments

Within the non-qualifying portfolio, the IFSL Marlborough UK Micro-Cap Growth Fund and IFSL Marlborough Special Situations Fund increased in value over the period. The non-qualifying direct equity investments were broadly unchanged. Positive contributors included Hollywood Bowl, which issued solid results, and National Grid, which continued to perform well. This was offset by weakness in Chemring, which pulled back following a very strong run in the defence sector, and Trustpilot, where a short-seller report drove negative sentiment. The fixed income portfolio continues to provide positive returns.

Portfolio structure

The Company is comfortably above the HMRC defined investment test and ended the period at 84.11% invested, as measured by the HMRC venture capital trust ("VCT") investment test. By market value, the weighting to qualifying investments increased from 54.0% to 54.9%.

Reflecting the continued weakness in the market for initial public offerings (IPO), there was just one company that raised funds from AIM VCTs through an IPO in the period under review. Within the qualifying portfolio, we made two equity investments in the period totaling £2.8 million, one follow-on investment into an existing portfolio company listed on AIM and one new investment into a company listed on AIM. The new investment was into KRM22 and the follow-on investment was into Abingdon Health. We made one disposal, a complete exit from Polarean Imaging.

By market value, the VCT had an increased 16.4% weighting to non-qualifying fixed income, an increased combined 11.5% weighting to the IFSL Marlborough UK Micro-Cap Growth Fund and IFSL Marlborough Special Situations Fund and a reduced 6.1% (Sep 25: 6.3%) weighting to non-qualifying direct equities. The VCT had a reduced 11.1%⁽²⁾ weighting to cash. The VCT sold its position in the VanEck Gold Miners ETF.

The HMRC VCT investment tests are set out in Chapter 3 of Part 6 Income Tax Act 2007, which should be read in conjunction with this interim management statement. Funds raised by VCTs are first included in the investment tests from the start of the accounting period containing the third anniversary of the date on which the funds were raised. Therefore, the allocation of qualifying investments as defined by the legislation can be different to the portfolio weighting as measured by market value relative to the net assets of the VCT.

Share Buy Backs & Discount

The Company acquired 2.6 million of its own shares in the quarter at an average price of 34.14 pence per share. The share price decreased from 34.40 pence to 33.60 pence and on 31 December

2025 traded at a discount of 4.30% to the last published NAV per share (as at 24 December 2025), published on 30 December 2025.

Post Period End

The Company's unaudited NAV per share increased from 35.21 pence to 36.33 pence as at 31 January 2026, an increase of 3.18%. AIM⁽¹⁾ increased by 6.54% over the same period.

Since the period end, the Company has completed or committed to three new qualifying investments totaling £3.5 million. As a result, the Company has made or committed to £6.3 million of new qualifying investment in the four months to 31 January 2026.

END

For further information please contact:

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1: As measured by the Deutsche Numis Alternative Markets (excluding investment companies) Total Returns Index.

2: Net of prepayments and accruals.