

10 November 2025

**HARGREAVE HALE AIM VCT PLC**  
(the “Company”)

**Interim Management Statement**

**Q4 2025**

**Introduction**

This interim management statement covers the final quarter of the 2024/25 financial year, 1 July 2025 to 30 September 2025. Investment performance measures contained in this report include realised and unrealised gains and losses.

**Overview**

The final quarter of 2025 marked a period of gradual improvement in both sentiment and stability across UK financial markets, as investors began to look beyond the turbulence of the early summer. The quarter opened amid concern that persistent inflation and weak household demand might derail the fragile recovery. Monthly GDP reports were weak but in line for July and August. PMI reports suggested further weakness through September followed by an uptick in October. This pattern of moribund growth is expected to persist into 2026.

UK CPI increased to 3.8% July and then plateaued in August and September. The September reading was lower than expected and will hopefully herald in a period of lower inflation.

With unemployment continuing to grind higher to 4.8% in August and inflation starting to ease, the Bank of England will have further scope to ease interest rates following a 25bps cut to 4.00% in August. Markets expect a further two or three cuts over the next 12 months, with the next cut expected in December 2025 or February 2026.

Consumer sentiment, whilst still fragile, improved steadily. UK households continued to be cautious with an elevated savings rate and further reductions in household debt, potentially reflecting concerns about weakening employment markets and the risk of higher taxes.

Gilt yields increased steadily through the quarter as markets became more restless about UK public spending, fiscal headroom and persistently high inflation, setting the scene for a difficult 2025 Autumn Budget. Companies have taken note with business confidence surveys rolling over.

Moves by the US Government to soften some of its more extreme positioning on trade were well received by global equity markets, including the UK. AIM posted another quarter of positive returns and gained 1.21%<sup>1</sup>, broadly in line with the domestically focussed FTSE 250 Index.

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<sup>1</sup> As measured by the Deutsche Numis Alternative Markets (excluding investment companies) Total Returns Index.

## **Performance**

In the three months to 30 September 2025, the unaudited NAV per share increased from 36.43 pence per share to 36.46 pence. An interim dividend for the six months to 31 March 2025 of 0.75 pence and a special dividend of 0.50 pence were paid on 25 July 2025, giving a NAV total return to shareholders of +1.28 pence per share, which translates to a gain of +3.51%.

The qualifying investments increased by 1.21 pence per share whilst the non-qualifying investments returned 0.25 pence per share.

## **Qualifying Investments**

### **Positive Contributors**

Qureight (+102.4%, +£2.56m) continued to scale its AI-driven clinical analytics platform. The valuation increased reflecting strong commercial traction with a range of pharmaceutical partners.

Diaceutics (+41.7%, +£0.98m) delivered H1 revenue of £14.6m, up 22% at constant currency, with a 3-year CAGR of 25%. Annual recurring revenues rose 16% to £16.4m and now represent 61% of total revenues. Gross margins remained strong at 83% and adjusted EBITDA turned positive at £0.1m. The balance sheet is robust with £10.4m cash. The company signed its eighth enterprise-wide agreement, and the order book increased 14% to £31.7m, providing good future visibility. Management expects profitability for FY25, supported by a high level of recurring revenues coupled with expanding pharma partnerships.

Fusion Antibodies (+174.2%, +£0.87m) reported FY25 revenue of £1.97m, up 73% year-on-year, and reduced losses. The company secured a US patent for its unique OptiMAL antibody discovery platform, and the company's continued its collaboration with the National Cancer Institute demonstrates the strategic opportunity for OptiMAL. Cash at year-end was £0.4m, following a £1.17m fundraise, and the company estimates that current funds provide cash runway into FY27.

### **Negative Contributors**

RC Fornax (-62.5%, -£0.35m) issued a disappointing update which pointed to a significant slowdown in the second half of the financial year and increased revenue uncertainty for FY25. Whilst the medium-term outlook for defence spending is positive, the company has been impacted by customer delays as a result of the UK Ministry of Defence Strategic Defence Review.

Blackbird (-62.2%, -£0.33m) delivered positive EBITDA in its core cloud video editing business, supported by renewals with key clients including IMG and CBS Sports. However, scaling elevate.io remains a challenge and during the period paid user numbers were impacted by reduced marketing spend and a shift to full pricing. Following a £2.1m fundraise

in June 2025, the company had cash of £2.3m, supporting the company's continued investment in elevate.io.

Animalcare (-19.3%, -£0.33m) delivered in-line H1 results with revenue of £43.8m (+18.5%), and underlying EBITDA up 39.5% to £9.2m. The recent Randlab acquisition contributed strongly to both revenue and profit. Organic growth of 1.3% was lower than expectations with strong growth in some product areas offset by temporary headwinds faced by one specific product which the company expects to normalise in future periods. Cash generation remained robust and net debt fell to £7.9m, with leverage in line with expectations at 0.7x EBITDA. The company continues to pursue its strategy of building a portfolio of proprietary products which should deliver value over the medium term.

### **Non-Qualifying Investments**

The IFSL Marlborough UK Micro-Cap Growth Fund (+3.25%, +£0.24m) and IFSL Marlborough Special Situations Fund (+3.41%, +£0.23m) made positive contributions over the period. Within the non-qualifying portfolio, WH Smith fell after warning that it had uncovered accounting irregularities in its US travel business which had resulted in overstated profits. The Company subsequently exited the position. Positive contributors included defence supplier Chemring, and industrial valve control manufacturer Rotork which both continued to benefit from robust end market demand. The direct equity holdings fell in value by £0.23m whilst the fixed income portfolio returned £0.23m. The Vaneck Gold ETF increased in value by £0.44m.

### **Portfolio structure**

The Company is comfortably above the HMRC defined investment test and ended the period at 98.98% invested, as measured by the HMRC venture capital trust ("VCT") investment test. By market value, the weighting to qualifying investments increased from 53.7% to 54.1%.

The market remained very subdued with no further VCT qualifying IPOs within the quarter and just two within the last 12 months. There was one new follow-on equity investment in the period (into Verici, a company listed on AIM). This was a disappointing outcome that did not reflect the healthy pipeline that the Company remains actively engaged with. The Company has made a better start to the current financial year and remains hopeful that improving market conditions will help drive an increase in deal flow during the new financial year.

The Company made three full exits within the quarter (Aquis Exchange, K3 Business Technology and TrakM8) and trimmed its investment in Cohort following a period of strong share price performance.

There were no substantial changes to the allocations for the two IFSL Marlborough Funds, non-qualifying equities or ETFs, which respectively represented 10.9%, 6.3% and 0.9% of the Company's net assets. There was a further investment into a non-qualifying investment

grade corporate bond, which lifted the allocation from 13.4% to 15.6% of net assets. Cash fell by a similar amount to 12.2%<sup>2</sup> of net assets.

*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 3.7 million shares of its own shares in the quarter at an average price of 33.31 pence per share. The share price increased from 34.10p to 34.40p and on 30 September 2025 traded at a discount of 3.83% to the last published NAV per share (as at 26 September 2025), published on 30 September 2025.

### **Post Period End**

The Company's unaudited NAV per share decreased from 36.46 pence to 35.84 pence as at 31 October 2025, a decrease of 1.70%. AIM<sup>(1)</sup> decreased by 1.58% over the same period.

### **END**

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<sup>2</sup> Net of prepayments and accruals.