Gresham House
Specialist investment

Sustainable investment update:

Strategic Equity

July 2025

Strategic Equity

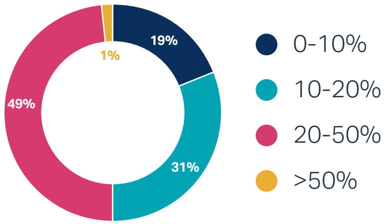
Private Equity

Gresham House's Private Equity strategy specialises in investing in high-growth, early-stage, and lower mid-market private companies, providing capital and strategic support to help them scale. Our focus is on businesses operating in sectors that benefit from long-term structural growth trends, including consumer markets, healthcare & education, and business-to-business (B2B) services. By partnering with ambitious management teams, we enable companies with innovative products and differentiated offerings to accelerate their growth and expand their market presence.

We invest primarily via venture capital (VCT) funds which are evergreen funds investing in earlier stage, fast-growing businesses. Our strategy offers investors access to entrepreneurial high growth, earlier stage, and lower mid-market private companies. We specialise in scaling software and digitally driven businesses in the healthcare, consumer, and services sectors.

We target businesses with revenues typically ranging from £1 million to £20 million, requiring investment between £2 million and £20 million. Our approach involves taking minority equity stakes, allowing founders to retain operational control while benefiting from our strategic expertise, extensive networks, and hands-on support. By providing more than just capital, we help these businesses scale efficiently, optimise governance structures, and navigate the complexities of rapid growth.

2024 portfolio companies by Gresham House equity stake



	2023	2024
Unquoted portfolio companies engaged with in 2023	100%	100%
Boards we attended as a director or observer for our portfolio companies	78%	81%

Public Equity

Gresham House's Public Equity strategy employs a private equity methodology when investing in public markets, focusing on UK and European smaller companies.

This strategy involves thorough due diligence and active engagement with investee companies, aiming to unlock value and achieve superior long-term returns for investors.

Our investment philosophy centres on active stock selection, targeting small and micro-cap companies with significant growth potential.

By adopting a long-term perspective, we seek to identify undervalued opportunities that can benefit from strategic guidance and operational improvements. This approach is underpinned by a deep understanding of each company's fundamentals, market positioning, and growth prospects.

Our UK strategy follows a high-conviction approach, investing in a select number of companies where we see compelling long-term value. Our Irish Public Equity strategy is similarly focused on fundamental quality and valuation, ensuring that each investment aligns with our disciplined investment criteria.

	UK		Ireland	
	2023	2024	2023	2024
% management met with	100	100	45	54
Votes for management (%)	89	95	91	94
Votes against management (%)	5	4	9	6

ESG integration

Across both private and public markets, Gresham House applies a rigorous ESG integration process rooted in long-term value creation. Our engagement-first approach allows us to influence company management on material ESG risks and opportunities, while aligning with our sustainable investment framework.

Governance ('G') is a critical component of our investment process. We meticulously assess factors such as board composition, governance structures, executive remuneration, shareholder rights, and company culture to ensure alignment with best practices. Strong governance frameworks contribute to better decision-making, risk management, and sustainable business growth.

Environmental ('E') and Social ('S') factors are evaluated as potential risk elements during due diligence. We aim to identify and mitigate environmental and social risks that could adversely affect investment performance. If certain risks are deemed unmanageable through engagement or governance enhancements, we may decide not to proceed with the investment.

ESG integration process

1 Initial appraisal

Identify material ESG matters requiring further investigation during due diligence. If certain risks are unlikely to be sufficiently managed or mitigated, we may choose not to proceed at this stage.

2 Due diligence

Utilising our ESG Decision Tool and engaging with management, we assess material ESG risks and opportunities that could drive value. Specialised consultants may be employed to provide additional insights.

3 Investment appraisal

A summary of the ESG analysis is included in every Investment Committee submission. We outline appropriate risk mitigation strategies and ensure that the business is receptive to implementing necessary improvements.

4 Ownership and engagement

Public Equity: We engage regularly with boards and management teams, focusing on strategic, financial, and operational matters, including ESG factors, and consistently exercise our voting rights.

Private Equity: A 100-day post-investment plan is developed to address immediate risks identified during due diligence. We conduct an annual ESG Survey, and we leverage our position as board members and active investors to influence management in proactively addressing longer-term risks and opportunities.

Private Equity

Governance is central to our private equity strategy, with a focus on ethical business models, strong leadership, and alignment of interests. We also support portfolio companies in embedding social responsibility and environmental awareness.

Through active ownership and engagement, we work closely with portfolio companies to enhance their sustainability performance, supporting initiatives that improve governance structures, advance social responsibility, and drive long-term value creation. Our Private Equity strategy is not just about financial returns; it is about investing in the future of responsible, high-growth businesses that make a meaningful impact in their industries and communities.

In 2024, we used outcomes from our ESG Survey to direct our engagement with portfolio companies in two ways.

Firstly, when completing the survey, investee businesses were able to signal whether they intended to undertake a particular initiative, such as undertaking a firmwide diversity and inclusion survey, over the following 12 months. In this instance we will engage to support businesses with their own sustainability ambitions.

Secondly, our own analysis of each company's ESG survey identified sustainability areas that we feel companies should be improving on. Both items have been included in quarterly reviews and board packs to ensure that investment directors engage regularly on such issues.

Case study: Mobility Mojo – driving inclusion through digital accessibility

Context

In January 2025, Gresham House Ventures committed a €4.25 million investment in Mobility Mojo, a Dublin-based Software as a Service (SaaS) platform designed to enhance accessibility and inclusion in built environments. The investment reflects Gresham House Ventures' strategy of backing innovative, high-growth businesses where commercial success aligns with positive societal impact.

Mobility Mojo provides a digital accessibility audit and benchmarking tool, enabling organisations to assess and improve accessibility across office spaces, retail locations, manufacturing sites, and other built environments. With a growing regulatory focus on accessibility and inclusion, the company is well-positioned to support businesses in meeting global standards while driving commercial value.

The investment reflects Gresham House Ventures' strategy of backing innovative, high-growth businesses where commercial success aligns with positive societal outcomes. It also demonstrates a clear recognition of the economic opportunities for businesses that deliver strong ESG-related solutions that link to commercial value.

The company's strong social credentials were evident in an ESG survey conducted as part of our investment due diligence. Mobility Mojo scored above the sector average, particularly in social impact metrics, reinforcing our confidence in the business's long-term sustainability and alignment with evolving regulatory landscapes.

Activity

Our investment in Mobility Mojo was designed to support the business in expanding its sales and marketing capabilities, further developing its AI-driven accessibility assessment tools, and recruiting key talent to drive continued growth.

Beyond capital investment, Gresham House Ventures has taken an active role in enhancing Mobility Mojo's governance and leadership structures. Recognising the importance of strong board oversight, we worked closely with the company's management to appoint a new independent Chair. This process aims to bring strategic leadership experience and reinforce governance best practices as Mobility Mojo scales.

To ensure a smooth transition, we have engaged management to establish an enhanced governance framework. We supported the company with an executive search process to procure an independent Chair. Our goal is to ensure that Mobility Mojo benefits from the same professionalised governance structures that have been instrumental in the success of other growth-stage businesses in our portfolio.

Outcome

While still in the early stages of our investment, several key developments have already taken shape:

- Strengthened leadership focus – The ongoing appointment process for a new Chair is set to bring additional expertise, ensuring strong governance oversight and strategic direction.
- Market expansion and commercial growth – The investment has positioned Mobility Mojo to accelerate client acquisition and expand its footprint across multiple industries.
- Advancement of accessibility standards – With increased resources, the company is enhancing its AI-driven accessibility solutions, providing businesses with the tools needed to create truly inclusive environments.

As Mobility Mojo continues to grow, Gresham House Ventures remains actively involved in supporting its strategic direction, ensuring the business not only scales successfully but continues to drive positive social and commercial impact.

Public Equity

Aligned with Gresham House's group-wide commitment to sustainable investment, our Public Equity teams adhere to the firm's Sustainable Investment Framework. This framework guides our ESG integration processes, ensuring that materiality and stakeholder assessments are central to both investment selection and stewardship activities.

Our focus on smaller companies with strong fundamentals enables us to uncover opportunities that may be overlooked by the broader market. Through active stewardship, rigorous ESG integration, and strategic engagement, we help portfolio companies enhance their governance structures, manage sustainability risks, and drive long-term performance. This approach ensures that our investments not only deliver financial returns but also contribute positively to the broader economy and society.

Case study: Enhancing ESG integration by onboarding a specialist data solution, Addidat

Context

Gresham House's UK Public Equity team embeds ESG factors within its investment process. However, analysing ESG risks and opportunities in the UK Small-Cap market presents challenges due to limited and inconsistent data coverage.

Traditional providers often lacked comprehensive datasets, making it difficult to compare companies, track ESG maturity, and identify emerging risks. Additionally, the lack of an integrated ESG tracking system meant the investment team faced inefficiencies in engagement planning, risk identification, and portfolio-wide analysis.

The team required a specialist ESG data solution tailored to the unique characteristics of UK small cap companies as previous providers failed to deliver reliable and complete coverage, resulting in gaps in analysis.

Activity

To address these challenges, Gresham House selected Addidat, a leading provider of ESG data and advisory services dedicated to the UK small-cap market. The Addidat platform provides:

- Comprehensive data coverage, including all AIM and UK small-cap companies, with over 110 key ESG metrics.
- Peer benchmarking capabilities, enabling the team to assess relative ESG maturity, trends, and risks.
- Integrated engagement tools, allowing for more targeted and data-driven discussions with company management.
- A consultative approach, providing specialist support in interpreting ESG data and aligning insights with the investment strategy.

Outcome

Integrating Addidat into the Public Equity team's ESG framework has transformed the investment team's ability to monitor and assess ESG risks and opportunities.

The platform enables the team to score companies, compare them against peer benchmarks, and track portfolio-wide ESG performance in a structured manner. These insights gained from the platform inform engagement plans, ensuring that discussions with management focus on material ESG risks and value-enhancing opportunities.

The system has also enhanced risk identification, enabling early detection of ESG-related red flags that could affect financial and reputational performance.

Impact and benefits

The platform has enhanced the team's ability to integrate ESG into investment decisions, drive engagement, and track portfolio-level ESG outcomes, reinforcing our position as active, responsible investors in the UK small-cap market.

Engagement

Engagement is a core element of our active ownership strategy, allowing us to influence corporate behaviour and ensure our investments align with long-term value creation. We believe that open and constructive dialogue with company management strengthens governance, improves business performance, and mitigates risks.

We engage with companies on a wide range of topics, including:

- Board composition and governance structures
- Climate-related risk management and net-zero commitments
- Diversity, Equity, and Inclusion (DEI) policies
- Executive remuneration and shareholder rights
- Social responsibility and supply chain practices

We encourage an open and honest dialogue between ourselves and the companies in which we invest as this is an essential part of being an effective steward of the investments we make. Investing in smaller businesses means we place great importance on our ability to work with company management through engagement activity to make improvements and protect long-term value.

Engagement process

Our Public Equity team follows a six-step engagement process, ensuring that all interactions are monitored, recorded and assessed against a set of objectives:

Materiality: Determine key engagement topics and prioritise companies based on materiality

Engage: Initiate discussions with company management to drive positive change with a clear objective

Prioritise: Assess which engagement activities will have the most meaningful impact

Monitor & respond: Track progress, escalate concerns if necessary, or adjust our investment stance

Plan: Develop an engagement strategy tailored to the company's risks and opportunities

Report: Disclose engagement outcomes in our annual reporting

Prioritisation of engagement

Due to the large number of portfolio holdings across the strategy, it is important that engagements are prioritised based on the following factors:

- **Shareholding size** – Larger stakes provide greater influence and stronger engagement opportunities.
- **Materiality** – Issues that significantly impact business value, such as climate transition risks or governance failings, take priority.
- **Company exposure** – We focus on holdings with the most meaningful impact on fund performance and net asset value.
- **Alignment with Corporate Sustainability Strategy** – Prioritisation is influenced by Gresham House's key sustainability themes, including climate action and responsible business practices.

Collaboration

Across our strategic equity activities, our primary means of engagement is directly with portfolio companies due to our active management approach. There may be reason however to collaborate with other shareholders (or stakeholders) to drive improvements in shareholder value.

We would consider collaborating on matters of governance as we believe strongly that this is one of the most important drivers of investment performance. We will explore collaboration with other shareholders in instances where we find this to offer the best route to effecting necessary change.

Case study: Collaborative engagement to stablilise the financial position at Inspired plc

Context

Inspired plc, a leading provider of commercial energy and sustainability advisory services, encountered liquidity challenges in Q4 2024 due to delays in a small number of material contracts, shifting revenue into H1 2025. This situation created financial pressure, prompting its lenders to grant a covenant extension until March 2025.

Strengthening its balance sheet and securing sufficient working capital were imperative to enabling the delivery of its backlog of projects and sustaining long-term growth. The need for a well-structured funding solution was clear, as traditional financing routes presented potential challenges, including excessive dilution or loss of investor confidence.

As the largest shareholder, with a c.29% equity stake, we recognised an opportunity to lead a recapitalisation that would stabilise the company's financial position, providing the necessary capital to execute its strong order pipeline and maintain momentum towards its net zero advisory objectives.

Activity

We engaged extensively with Inspired's board, including both executive and non-executive directors, as well as its financial advisor. Our objective was to explore funding solutions that would provide the company with stability while minimising dilution for existing shareholders. Additionally, we worked closely with the company's lenders and other shareholders to structure a recapitalisation plan that would de-risk the balance sheet while maintaining equity value.

Following detailed negotiations, we structured a funding solution that avoided the need for a deeply discounted equity raise, which could have significantly eroded shareholder value. The agreed approach ensured that Inspired retained the necessary capital to operate effectively while reinforcing investor confidence in its long-term prospects.

As part of the process, a critical regulatory requirement emerged. Our increased stake in the company could have triggered mandatory takeover provisions under Rule 9 of the Takeover Code. To proceed, we needed to secure a Rule 9 waiver from the Takeover Panel, which required obtaining majority approval from independent (non-Gresham House) shareholders, which was successfully approved in January 2025. This regulatory clearance enabled the successful completion of the fundraise, restoring liquidity and reinforcing the company's financial stability.

Outcome

The recapitalisation efforts delivered a number of significant outcomes:

- Financial Stability Restored – Inspired successfully secured the necessary working capital headroom, allowing it to execute its backlog of projects and maintain operational resilience.
- Shareholder Value Protected – By avoiding a highly dilutive equity raise, we ensured that existing shareholders retained their proportional value in the company.
- Market Confidence Rebuilt – Following the recapitalisation, Inspired's share price performed significantly positively in early 2025, reflecting renewed investor confidence in its financial health and strategic direction.

The proactive and collaborative approach taken in this case demonstrates our ability to support portfolio companies through financial challenges, ensuring long-term sustainability and continued alignment with our investment strategy.

Escalation strategy

If engagement does not result in the desired changes, we have a clear escalation strategy, built in stages.

1 **Further engagement – Additional discussions with management and non-executive directors.**

2 **Formal shareholder letters – Written concerns outlining our position and expectations.**

3 **Voting action – Using proxy votes to influence governance decisions.**

4 **Collaboration with other shareholders – Coordinated efforts to push for corporate change.**

5 **Public statements – Expressing concerns at AGMs or via media channels.**

6 **Exit from investment – Selling our position if engagement efforts fail to protect shareholder value.**

Examples of escalation topics can include:

- Takeover bids that do not align with shareholder value
- Mergers and acquisitions that present governance risks
- Executive pay structures that fail to incentivise long-term performance

Case study: Resolving a governance conflict at Cognassist

Context

In March 2023, Gresham House led a £4 million Series A investment in Cognassist, a neuro-inclusion platform supporting individuals in education and the workplace. As part of best-practice governance, an independent Chair was appointed at the time of investment, with background checks and referencing completed as part of the selection process. However, two months later, Gresham House was alerted to a potential conflict of interest related to the Chair's other board position at a recruitment services business, identified by another private equity fund. While no immediate conflict was present, it was acknowledged that a conflict could arise in the future.

Following discussions among key stakeholders, it was agreed that proactively addressing the potential conflict was in the best interest of all parties. In June 2023, the Chair stepped down, with an existing Non-Executive Director assuming the role of interim Chair while a permanent successor was identified.

This case highlights the importance of robust governance, proactive risk management, and strong stakeholder engagement in private equity investments. Ensuring appropriate board leadership was essential for Cognassist's continued success, particularly given its B Corp Certification, achieved in April 2023 shortly after our investment. Gresham House's role as an institutional investor included strengthening governance structures, ensuring ESG principles were embedded, and safeguarding long-term value creation.

Activity

Recognising the importance of preserving board stability, Gresham House engaged with Cognassist's management team, the other private equity fund, and the outgoing Chair to ensure a smooth and effective transition. It became clear that while the investment director sitting on the other company's board had no immediate concerns, the managing partner of the private equity fund viewed the dual board appointments as unacceptable based on their firm's policies.

Before taking further steps, we conducted a review of the initial due diligence and referencing process, confirming that while standard governance checks had been completed, a direct engagement with the other private equity fund had not been undertaken. This provided a key learning to strengthen our future recruitment processes.

To maintain stability, an existing Non-Executive Director stepped in as interim Chair. During this period, Gresham House's Talent Team worked closely with Cognassist to identify and engage an executive search firm to find a permanent successor. Following a competitive selection process, Essenta was appointed in September 2023, with Gresham House negotiating terms on behalf of Cognassist and overseeing the process to ensure a high-quality outcome.

Throughout Q4 2023 and Q1 2024, we reviewed shortlists, conducted interviews, and provided feedback to support the decision-making process. In January 2024, Mike McGrath was selected as the new Chair, with contracts agreed in February.

Outcome

The appointment of a highly experienced and engaged Chair has delivered tangible benefits to Cognassist:

- Strengthened governance and leadership – The new Chair has provided clarity on strategic direction, reinforcing board effectiveness and decision-making.
- Improved stakeholder management – With a deep understanding of both education and enterprise markets, the Chair has played a pivotal role in guiding Cognassist's leadership team through a rapidly evolving sector.
- Enhanced business focus – The Chair has ensured that resources (people and capital) are allocated effectively across Cognassist's education and enterprise divisions, balancing short-term execution with long-term strategic growth.

Voting

Voting is a fundamental part of our stewardship responsibilities and investment strategy for our Public Equity investments. We believe that effective voting enhances corporate governance, strengthens accountability, and supports long-term shareholder value creation. Our voting approach is guided by our Engagement and Voting Policy, ensuring that our decision reflects the best interests of our clients and the integrity of our investment principles.

Our voting decisions are informed by a combination of sources including:

- Internal research and investment team discussions
- Company engagements and dialogue with management
- Analysis of governance structures and voting proposals
- Consultation with other stakeholders, advisers, and industry bodies
- Consideration of broader ESG and sustainability issues

While we adhere to the principles outlined in our policy, portfolio managers retain discretion to vote differently if there is a compelling investment rationale. Any such deviation is reviewed by the team to ensure consistency and accountability.

Voting principles

While we do not set a prescriptive policy on all voting items, we apply the following key principles:

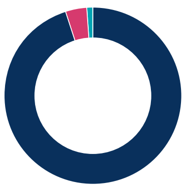
- Authority to allot shares – We vote against any proposals exceeding 33%.
- Disapplication of pre-emption rights – We vote against any proposals exceeding 20%.
- Authorisation to purchase own shares – We vote against any proposals exceeding 10%.
- Political donations – We vote against all political donations.
- Executive remuneration and incentive structures – We assess these on a case-by-case basis to ensure alignment with long-term shareholder value creation.

All resolutions are reviewed and voted on, unless an administrative impediment exists (e.g., power of attorney requirements or ineligibility due to participation in share placements).

Voting statistics and transparency

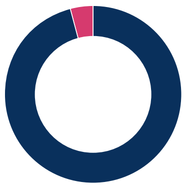
We are committed to transparency in our voting activity, ensuring our decisions reflect our stewardship responsibilities. In 2024, we exercised our voting rights across the majority of our holdings.

UK Equities



- We voted on 100% of all resolutions.
- We **supported 95%** of management recommendations.
- We voted **against 4%** of proposals.
- We **abstained on 1%** of resolutions.

Irish equities



- We voted on 100% of all resolutions.
- We **supported 94%** of management recommendations.
- We voted **against 6%** of proposals.
- We **abstained on 0%** of resolutions.

We publish our full voting records on our website, providing stakeholders with clear insight into our governance decisions. Our Engagement and Voting Policy is also publicly available to demonstrate our commitment to best practices in voting and stewardship.

Voting against management and escalation process

When we decide to vote against management, we seek to engage with the company in advance to communicate our concerns and explore potential resolutions. We aim to resolve governance concerns privately, wherever possible, before escalation to a formal vote.

Key reasons for votes against management in 2024 included:

- Resolutions that did not meet our voting policy requirements, such as non-pre-emptive share issuance thresholds.
- The proposal of transactions we did not support, where we believed they were not in the best interest of shareholders or long-term company value creation.

Where engagement is unsuccessful, we may escalate concerns through:

- Further engagement with boards.
- Collaboration with other shareholders where appropriate.
- Using our voting rights to drive change.
- Public statements or AGM interventions, if deemed necessary.
- Divesting our position, if governance risks remain unresolved.

Proxy voting and execution

We do not rely on proxy voting advisory services to inform decisions, but we utilise proxy voting platforms for vote execution. Votes are delivered by our middle office to an execution platform, ensuring decisions align with our internal voting policies and investment principles. In some cases, the depositary executes the vote in line with our instructions.

Stock lending policy

We do not engage in stock lending, ensuring we retain full control over voting decisions for our holdings. By maintaining full voting rights across all investments, we maximise our ability to act as effective stewards of shareholder capital.

Climate & nature-related disclosures

The Strategic Equity investment strategies integrates climate and nature related considerations as part of its material risk assessment and engagement analysis. While these strategies do not target specific environmental outcomes, we recognise the growing relevance of climate and nature risks to long-term value creation.

Our Private Equity ESG survey and Public Equity data platform provide the investment team with insightful information to assess these risks. Specific questions are included as part of our initial due diligence and form the basis of our engagement with companies. We recognise the opportunity to educate and support portfolio companies, especially smaller, earlier-stage businesses, as they navigate climate disclosure and nature impact expectations

Climate metrics

We calculate and monitor portfolio emissions across both Private and Public Equity strategies

Emissions attributed to our Public Equity strategy increased significantly in 2024, driven by an increase in AUM.

Climate and nature-related opportunities

The investment strategies employed by the Public and Private Equity teams can lead to investments in companies exposed to climate- and nature-related opportunities, particularly in the Gresham House Global Thematic Multi Asset Fund.

This fund looks to invest in companies that align with its sustainable themes, one of which is Climate & Energy. For all new investments made by the fund (except for cash or cash equivalents, or sovereign bonds), a company note including an investment and sustainability thesis must be produced prior to investment.

This includes an analysis of the thematic alignment of the security and includes detail such as the theme targeted and a description of how the asset aligns to the theme. One of the exclusion criteria of the fund is "Fossil Fuels Production and/or Exploration >10% Revenue".

		2023	2024
Public Equity	Scope 1 & 2 emissions (tCO_2e)	38,379	52,559
	Scope 3 emissions (tCO_2e)	253,249	372,686
	Carbon intensity (tCO_2e/£m invested)	214	267
Private Equity	Scope 1 & 2 emissions (tCO_2e)	11,119	8,809
	Scope 3 emissions (tCO_2e)	55,129	32,204
	Carbon intensity (tCO_2e/£m invested)	202	117

Climate & nature-related risks

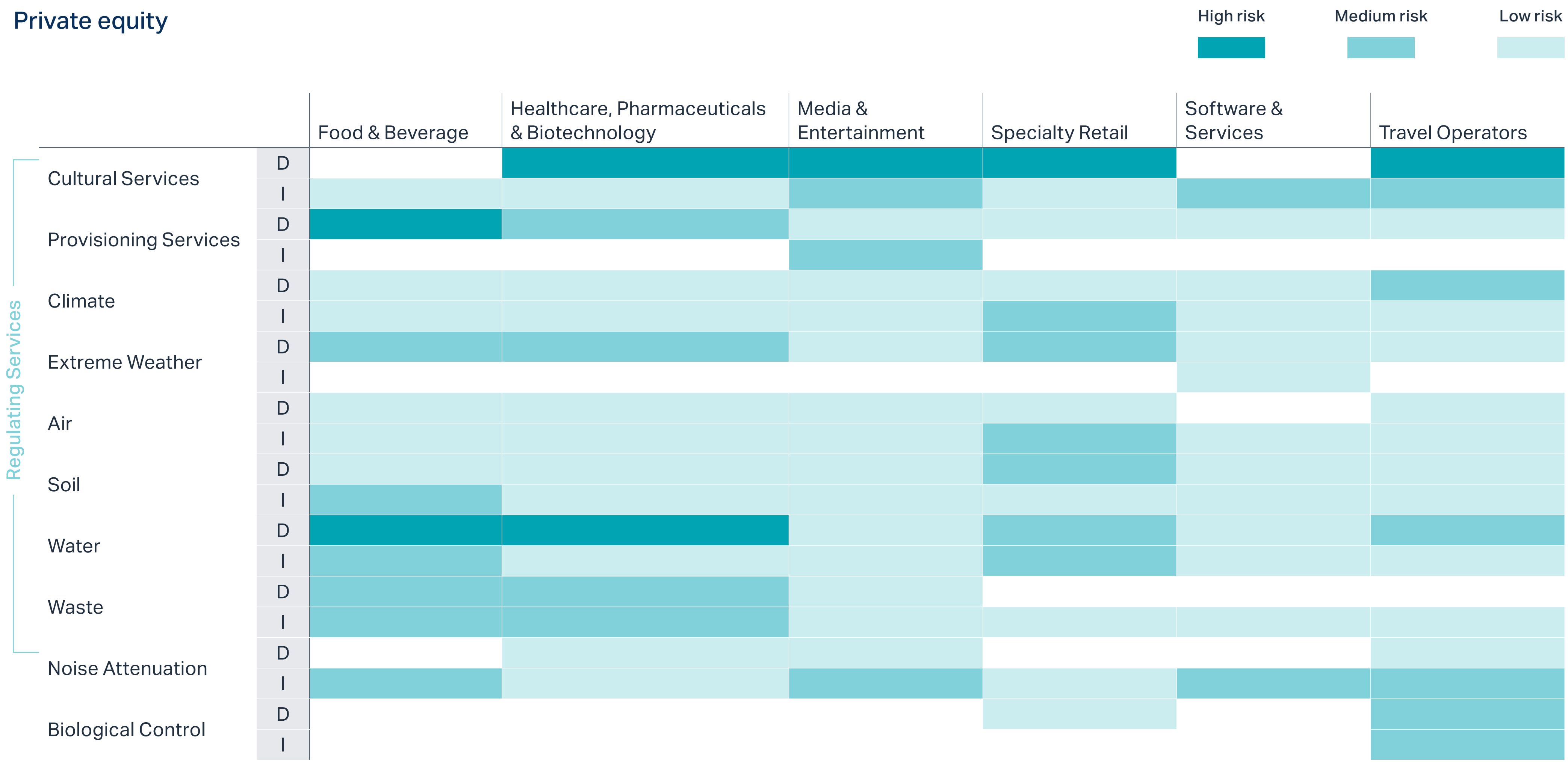
As well as risk analysis undertaken through completion of the ESG Decision Tool, research can be used to inform engagement objectives that the investment teams work with companies on throughout the holding period. The Public Equity teams can further leverage data from external data providers to better understand associated climate risks including exposure and management of material risks.

While most portfolio companies operate in low-emitting sectors, such as software and services, we do have limited exposure to higher-impact sectors like construction and oil & gas in one of Gresham House Ireland's funds. In 2025, we will develop targeted climate engagement plans for carbon-intensive holdings and evaluate transition risk across select portfolios.

Nature dependencies (D) & impacts (I)

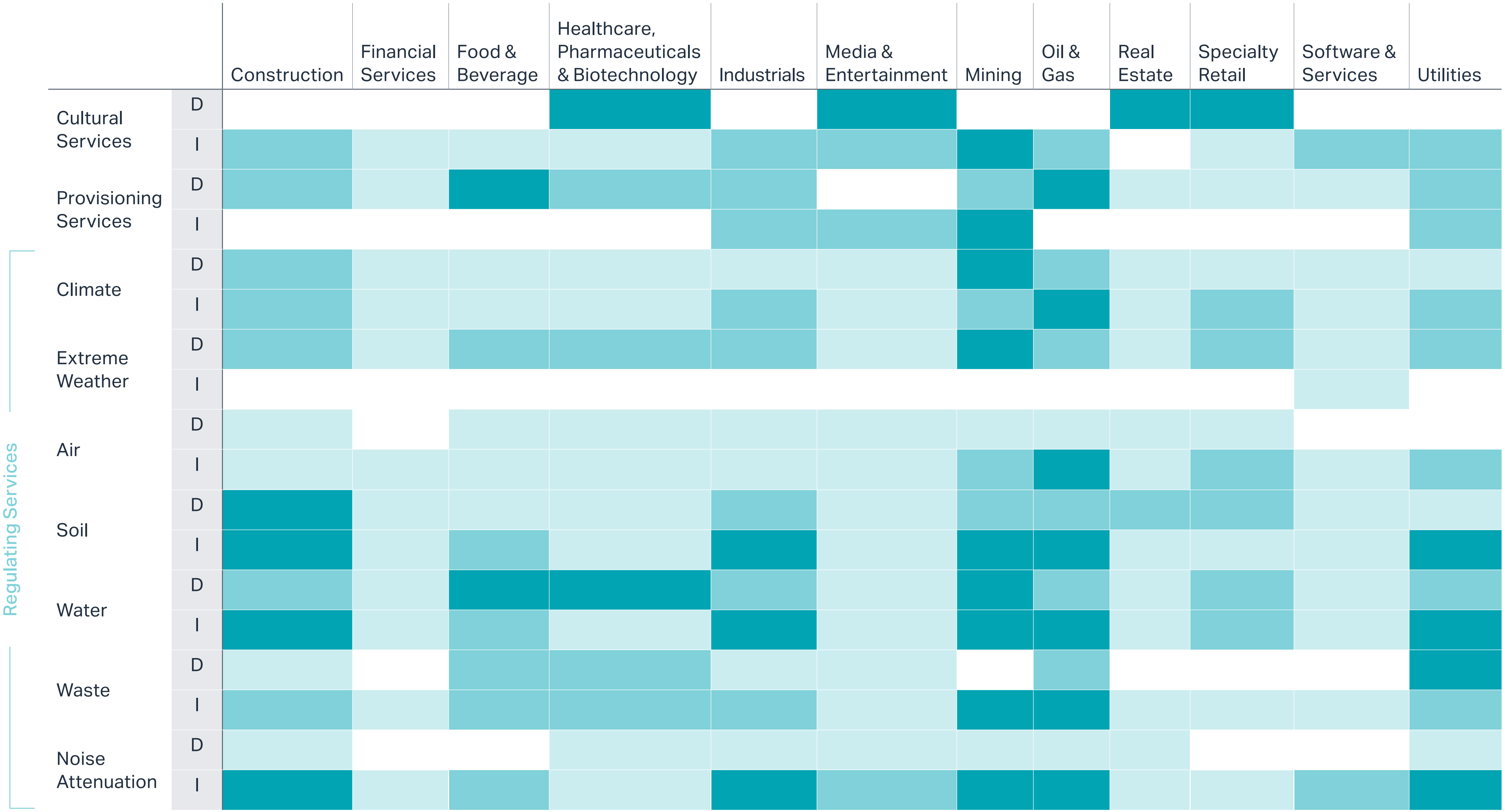
In 2024, we used The ENCORE tool to map nature-related dependencies and impacts across our portfolio. This analysis shows that our Private and Public Equity strategies have significant exposure to sectors that have a low impact or dependency on nature such as Financial Services and Software & Services. For other sectors, including Travel Operators and Healthcare, Pharmaceuticals & Biotechnology, there is a strong dependency on the cultural services provided by nature. Engagements should focus on what the companies are doing to benefit the natural sites that they rely on and what they do to minimise their negative impacts.

Private equity

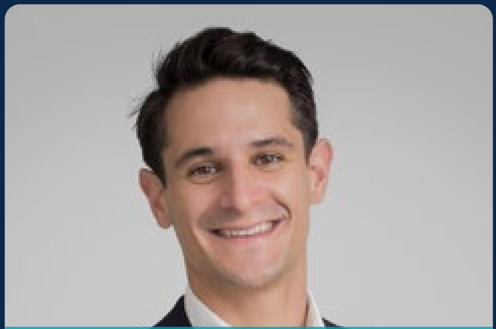


Public Equity

High risk
Medium risk
Low risk



Contacts



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Gresham House
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