

# Strategic Equity Capital plc

A specialist alternative equity  
investment trust with a concentrated  
UK smaller companies portfolio

Report & Financial Statements  
for the half-year ended 31 December 2025

  
**Gresham House**  
Specialist investment

## About Strategic Equity Capital (SEC: LN)

Strategic Equity Capital plc ("SEC" or the "Company") is a specialist equity investment trust.

Actively managed, it maintains a highly-concentrated portfolio of 15-25 high-quality, dynamic, UK smaller companies, each operating in a niche market offering structural growth opportunities.

The Company's investment manager is Gresham House and the lead manager is Ken Wotton. The investment team has a long-term track record of strong returns in the UK smaller companies sector.

SEC listed on the London Stock Exchange on 19 July 2005, having raised funds from a range of investors including institutions, pension funds and private banks. The Board consists of five Non-Executive Directors, all independent of the Investment Manager.

## Why Strategic Equity Capital?

**Expertise and track record:** The Gresham House fund management team specialise in identifying great investment opportunities in UK smaller companies, and have a proven, long-term performance track record. The team focus on companies that operate in a sector or niche market that offers opportunities for structural growth or an environment with scope to take market share.

**Distinctive:** SEC's investment process employs a 'private-equity approach to public markets', a rigorous and repeatable methodology based on private equity investing techniques to deliver value and returns on investment.

**A powerful network:** the Investment Manager's network of advisers and connections provides challenge, validation and insight to the investment team, which in turn drives better decision-making, stock-selection and ultimately, value to shareholders. The network and advisers can also be connected to portfolio companies to support their growth.

**Active and engaged:** the team invest in a highly-concentrated portfolio of between 15–25 companies. The investment team is actively engaged with investee companies working closely to build superior shareholder value.

**Focus within an investment trust structure:** the structure of the investment vehicle allows the investment team to be truly long term and to run a more concentrated portfolio of stocks with a high degree of conviction.

**Strong fundamentals:** Investment is made in companies that are able to demonstrate a fundamentally profitable business model, strong cash generation, attractive returns on capital and superior operating margins.

## Investment Objective

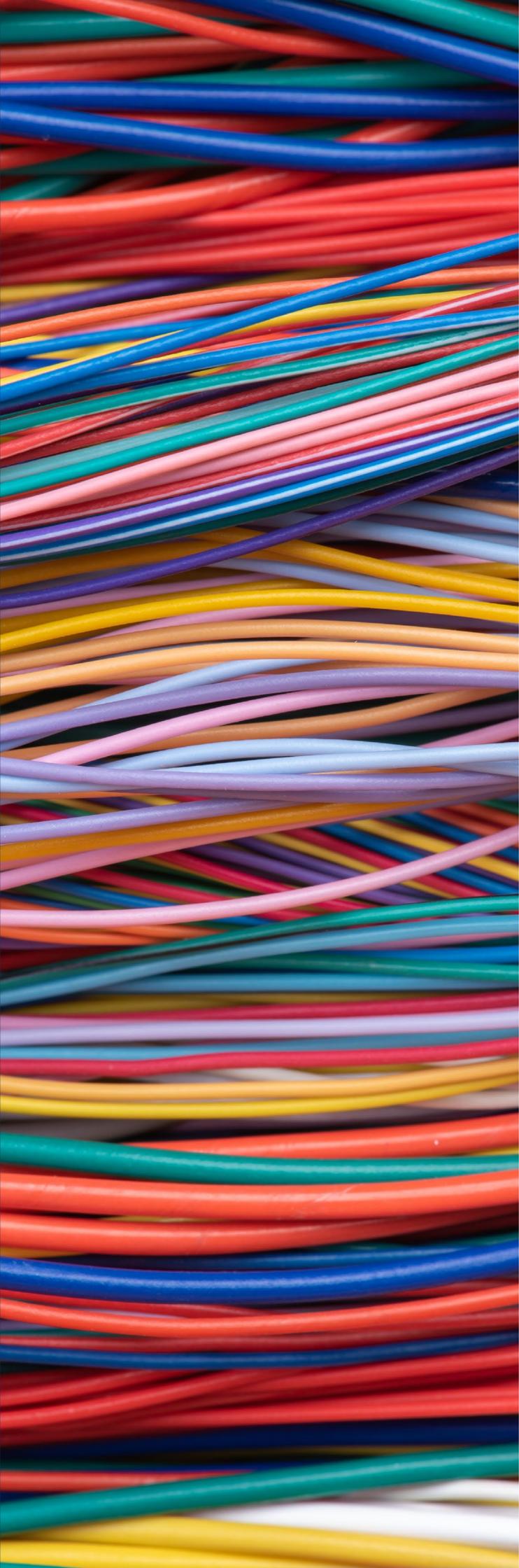
The investment objective of SEC is to achieve absolute returns (i.e. growth in the value of investments) rather than relative returns (i.e. attempting to outperform selected indices) over a medium-term period, principally through capital growth.

## Investment Manager

Gresham House is a specialist alternative asset management group, dedicated to sustainable investments across a range of strategies, with expertise across forestry, housing, infrastructure, renewable energy and battery storage, public and private equity.

Its origins stretch back to 1857, while its focus is on the future and the long term. Gresham House actively manages c.£10.7bn of assets on behalf of institutions, family offices, charities and endowments, private individuals and their advisers. It acts responsibly within a culture of empowerment that encourages individual flair and entrepreneurial thinking.

As a signatory to the UN-supported Principles for Responsible Investment (PRI), its vision is to always make a positive social or environmental impact, while delivering on its commitments to shareholders, employees and investors.



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# Financial Summary

Net Asset Value ("NAV")  
per Ordinary Share

**395.53 pence**

30 June 2025  
392.47 pence

+0.8%

Ordinary Share Price

**370 pence**

30 June 2025  
363 pence

+1.9%

NAV Total Return

**+1.8%**

Year ended  
30 June 2025  
-0.1%

Share Price Total Return

**+3.1%**

Year ended  
30 June 2025  
+0.4%

Discount of Ordinary  
Share Price to NAV

**-6.5%**

30 June 2025  
-7.5%

	At 31 December 2025	At 30 June 2025	At 31 December 2024	Six months % change to 31 December 2025
<b>Capital return</b>				
Net asset value ("NAV") per Ordinary share <sup>†</sup>	395.53p	392.47p	358.41p	0.8%
Ordinary share price	370.00p	363.00p	331.00p	1.9%
Comparative index <sup>‡</sup>	6,260.89	6,175.33	5,863.19	1.4%
Discount of Ordinary share price to NAV <sup>1</sup>	(6.5)%	(7.5)%	(7.6)%	
Average discount of Ordinary share price to NAV for the period <sup>1</sup>	(8.5)%	(8.4)%	(7.8)%	
Total assets (£'000)	149,585	174,399	167,072	(14.2)%
Equity shareholders' funds (£'000)	149,256	174,153	166,733	(14.3)%
Ordinary shares in issue with voting rights	37,735,567	44,373,800	46,520,577	

	Six month period to 31 December 2025	Year ended 30 June 2025	Six month period to 31 December 2024
<b>Performance</b>			
NAV total return for the period <sup>1</sup>	1.8%	(0.1)%	(8.8)%
Share price total return for the period <sup>1</sup>	3.1%	0.4%	(8.5)%
Comparative index total return for the period <sup>‡</sup>	3.1%	13.1%	5.2%
Ongoing charges – annualised <sup>1</sup>	1.30%	1.26%	1.20%
Ongoing charges (including performance fee) – annualised <sup>1</sup>	1.30%	1.26%	1.20%
Revenue return per Ordinary share	0.33p	5.03p	3.70p
Dividend yield <sup>1</sup>	n/a	1.17%	n/a
Proposed final dividend for the period	n/a	4.25p	n/a

Interim period's Highs/Lows	High	Low
NAV per Ordinary share	427.67p	302.97p
Ordinary share price	390.00p	272.00p

<sup>†</sup> Net asset value or NAV, the value of total assets less current liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.

<sup>‡</sup> FTSE Small Cap (ex Investment Trusts) Index.

1. **Alternative Performance Measure.** Please refer to [pages 27](#) and [28](#) for definitions and reconciliations of the Alternative Performance Measures to the half-year results.

# Chairman's Statement

I am pleased to present the Interim Report for Strategic Equity Capital plc for the six months ended 31 December 2025.

Most notably, the period saw the conclusion of the Company's scheduled realisation opportunity. The Board was delighted to note that the vast majority of shareholders (representing c. 78% of issued shares) chose to continue their investment in the Company, a decision the Board views as a strong endorsement of the Investment Manager's strategy and the long-term potential of the portfolio.

The Company's Net Asset Value (NAV) per share (on a total return basis) increased by 1.8% during the 6 months. Over the same period, the Company's share price delivered a total return of +3.1%. This compared to the FTSE Small Cap (ex Investment Trusts) Total Return Index ("FTSE Small Cap Index"), which also rose by 3.1%.

The period under review was characterised by continued volatility in equity markets, particularly within UK smaller companies. While the broader macroeconomic environment showed signs of stabilisation, sentiment towards UK equities was heavily impacted by the protracted lead-up to the UK Autumn Budget, which generated significant uncertainty regarding capital taxation and the treatment of smaller listed companies.

An overview of the reporting period, portfolio activity and outlook is set out in the Investment Manager's Report that follows.

## Performance

Market sentiment towards UK equities, and UK smaller companies specifically, remained subdued during the period. The differential between the strong performance of the FTSE 100 and more modest returns across smaller company indices continued, reflecting concentrated large-cap gains alongside broader risk aversion.

Against this backdrop, the Board continues to emphasise long-term outcomes and intrinsic value creation. Since September 2020, when Ken Wotton was appointed Lead Manager, the Company has delivered strong absolute returns. NAV per share (on a total return basis) growth of 72%, and a total share price return of 100%, both as at 31 December 2025, demonstrate a track record of identifying businesses where value can be realised through strategic, operational or corporate catalysts. By way of comparison, the FTSE Small Cap (ex-Investment Trusts) Index and the Investment Trust UK Smaller Companies sector generated total returns of 97.5% and 67.8% respectively over the same period.

Recent corporate activity, including the takeovers of Inspired plc and Ricardo plc at significant premia to undisturbed share prices, further demonstrates the potential for unlocking value within the portfolio. The Manager was able to leverage significant equity stakes (held by the Company and other funds under management) to catalyse value realisation by way of corporate activity. In the case of Inspired, this comprised publicly rejecting a Hostile Offer and subsequently giving irrevocable support for a competing, Recommended Cash Offer at a higher price. In the case of Ricardo this comprised negotiating between an agitating third party shareholder and the Board before helping deliver a Recommended Cash Offer with irrevocable support.

## Realisation Opportunity

A key strategic priority for the Board during the period was the implementation of the realisation opportunity whereby shareholders were given the opportunity to tender up to 100% of their shares held, as committed to in 2022.

In September 2025, the Board implemented a Tender Offer and realisation pool mechanism to provide shareholders with a NAV-based realisation opportunity. A total of 9,510,496 Ordinary Shares were validly tendered, representing approximately 22% of the Company's issued share capital. The vast majority of shareholders, representing c. 78% of issued shares, chose to remain invested in the Continuing Pool. This high level of retention represents a significant vote of confidence from our shareholder base in the Company's investment proposition and the Investment Manager's ability to deliver superior returns from the current valuation starting point.

Assets were allocated proportionately between the Tender Pool and the Continuing Pool, with shareholders who tendered set to receive realisation proceeds as underlying assets are sold. As at 19 February 2026, c. £19m of proceeds have been returned to shareholders by way of an interim distribution, representing c. 50% of the Tender Pool's proportionate value as at 25 November 2025. As announced on 19 February 2026, a second interim distribution of c. £10m will be returned to shareholders on 24 February 2026. Following this second distribution, around 75% of the Tender Pool's value will have been returned to shareholders. The Board currently anticipates that the realisation process will conclude by 31 October 2026, subject to market conditions.

## Discount and Discount Management

The Company's shares continued to trade at a discount to Net Asset Value during the period, reflecting broader market conditions rather than any change in the quality or prospects of the portfolio.

The Board remains committed to disciplined discount management in the Continuing Pool. In line with the terms set out in the Circular, 50% of net gains from realised profitable transactions will be allocated to share buybacks at discounts of up to 5% to NAV per share. The Board also reaffirmed its intention to provide a further realisation opportunity in 2030, ensuring ongoing alignment with shareholder liquidity requirements.

## Risk Management

The Investment Manager continues to apply a disciplined and research-driven approach to risk management, focusing on high-quality businesses with resilient balance sheets, strong cash generation and defensive revenue profiles. These attributes provide a degree of protection in uncertain macroeconomic conditions.

The portfolio remains diversified across sectors that are less exposed to global trade disruption and more reflective of the UK domestic economy, which we believe supports risk-adjusted outcomes for longer-term investors.

## Valuation

The Board maintains that the valuation opportunity within UK smaller companies remains compelling. Public market valuations for UK smaller companies are at historically depressed levels relative to both larger UK stocks and international peers, creating a meaningful relative value opportunity.

This valuation disconnect continues to attract corporate interest, contributing to elevated levels of takeover activity and private equity engagement. The Board believes this dynamic will support realisation opportunities over time and underscores the importance of patient capital in capturing intrinsic value.

## Marketing

Marketing and shareholder engagement remain strategic priorities. During the period, the Board oversaw ongoing outreach through investor briefings, portfolio commentary and media engagement. These activities are designed to deepen understanding of SEC’s differentiated investment proposition and to support demand for the Company’s shares.

Broader industry engagement continues to emphasise the structural opportunity within UK smaller companies, particularly in light of persistent valuation gaps and the potential for renewed investor interest in 2026.

## Gearing and Cash Management

The Company has maintained its policy of operating without a banking loan facility over the period. This policy is reviewed regularly by the Board in conjunction with the Investment Manager to ensure it remains appropriate in the context of market conditions and portfolio positioning.

## Board Succession

As previously noted in the Company’s 2025 Annual Report, Richard Locke will retire as a Director of the Company during the 2026 financial year, and I will retire as a Director of the Company at the conclusion of the 2026 Annual General Meeting.

The Board has commenced a formal process to identify suitable candidates to fill the two non-executive director roles resulting from these Board changes. Further announcements will be made in due course as this process progresses.

## Outlook

The Board believes the outlook for UK smaller companies is increasingly supportive in 2026. With the uncertainty of the UK Budget now behind us, we anticipate a period of greater stability which may encourage capital to return to the sector.

Despite ongoing negative domestic fund flows, international capital has begun to recognise the relative value opportunity in UK small and mid-cap equities, with even modest reallocation from markets such as the United States potentially having a meaningful impact given current valuation spreads.

Valuation dispersion between larger UK stocks and smaller companies remains historically wide, suggesting the potential for a relative re-rating should broader market confidence improve. Expected interest rate reductions and a gradual reopening of the IPO market could further support liquidity and investor appetite within the segment.

Elevated corporate activity, including takeover and private equity interest, continues to offer tangible catalysts for value realisation, a theme that has been evident in recent portfolio exits. This combination of valuation support, improving liquidity conditions and corporate engagement contributes to the Board’s constructive medium-term view for UK smaller companies.

Accordingly, the Board remains confident that the continuing pool is well positioned to benefit from these dynamics and that the Company’s strategy remains appropriate for delivering attractive long-term returns for shareholders.

The Board thanks shareholders for their continued support.



**William Barlow**  
Chairman

19 February 2026

# Investment Manager's Report – Introduction

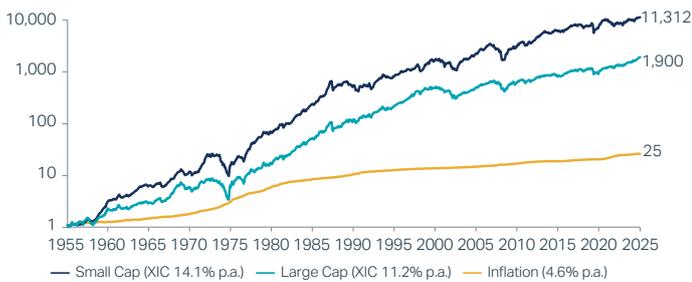
## Why Strategic Equity Capital?

### Expertise and Proven Track Record

Strategic Equity Capital benefits from the specialist expertise of fund manager Ken Wotton and his team, who excel in identifying compelling investment opportunities within UK smaller companies. With a demonstrable long-term track record, the team focuses on companies that operate in sectors or niche markets offering potential for structural growth or opportunities to gain market share.

**Figure 1: Long-term performance of UK Small Caps**

Cumulative Percentage Index Returns, 1955-2024 (log scale, rebased to 100)



% returns are rebased to 100 at 1 January 1955

Source: Scott Evans, Paul Marsh, Deutsche Numis Indices 2025 Annual Review, 16 January 2025.

## A Distinctive Approach

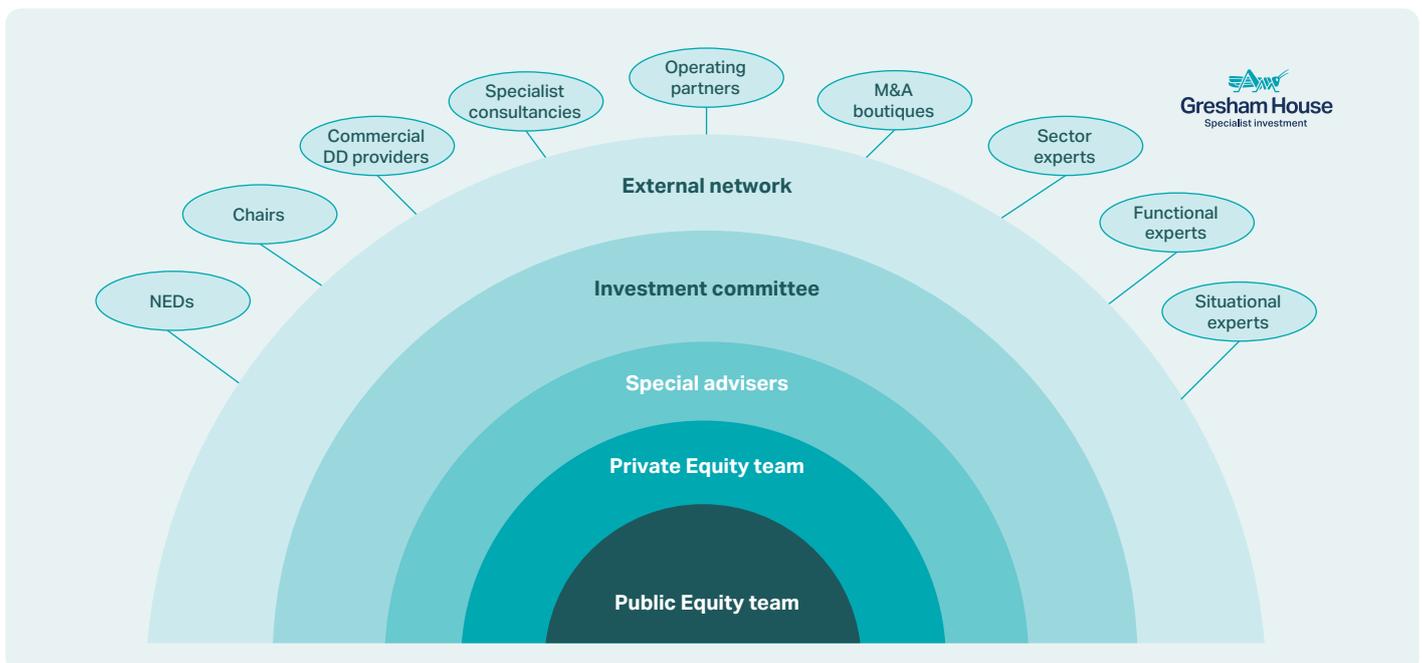
The SEC team applies Gresham House's highly disciplined private equity methodology in the public markets, combining constructive corporate engagement with rigorous due diligence. This approach has proven effective in generating strong returns. The team can invest strategically to support companies in various ways, including:

- providing primary capital
- facilitating strategic shifts or operational improvements
- pre-IPO funding
- acting as a catalyst for mergers and acquisitions

## Powerful Network

The Investment Manager's network of advisers and connections provides challenge, validation and insight to the investment team, which in turn drives better decision making, stock-selection and ultimately, value to SEC shareholders. The network and advisers can also be connected to portfolio companies to support their growth.

## Private Equity Network



For illustrative purposes only.

## Active and Engaged

SEC maintains a highly concentrated portfolio of 15–25 UK companies, allowing the investment team to engage actively with investee companies to build superior shareholder value. The investment trust structure further enables the team to take a long-term approach, focusing on high-conviction investments.

## Strong Fundamentals

The Investment Manager focuses on businesses that demonstrate fundamentally profitable business models, strong cash generation, attractive returns on capital and defensible market positions. Early-stage, pre-profit and highly cyclical businesses are deliberately avoided.

## Disciplined and repeatable process

The investment portfolio is constructed on a “bottom up” basis, with a focus on individual company fundamentals and idiosyncratic components of risk and reward, rather than “top down” thematic or macro positioning. Targeted due diligence is conducted on the critical judgements for each investment case, with a focus on identifying and mitigating key risk areas with a view to downside protection. Each investment is subject to a conviction score across six categories, upon which valuation and asymmetry of returns is overlaid, as outlined below:



Investment process breakdown is shown for discussion purposes only and the details can be updated without prior notice.

## Our Strategic Public Equity Strategy

The appointment of Gresham House as Investment Manager in May 2020, and Ken Wotton as Lead Fund Manager in September 2020, marked a strategic refocus, ensuring the investment strategy is rigorously applied and effectively leverages the extensive resources of the Gresham House Strategic Equity team, the broader group platform, and its network. This strategy is detailed in the Company’s 2025 Annual Report.

## Investment Focus

Our investment focus is to invest into high quality, publicly listed companies which we believe can materially increase their value over the medium to long term through strategic, operational or management change. To select suitable investments and to assist in this process we apply our proprietary Strategic Public Equity (“SPE”) investment strategy. This includes a much higher level of engagement with management than most investment managers adopt and is closer in this respect to a private equity approach to investing in public markets companies. Our path to achieving this involves constructing a high conviction, concentrated portfolio; focusing on quality business fundamentals; undertaking deep due diligence including engaging our proprietary network of experts and assessing ESG risks and opportunities through the completion of the ESG decision tool; and maintaining active stewardship of our investments.

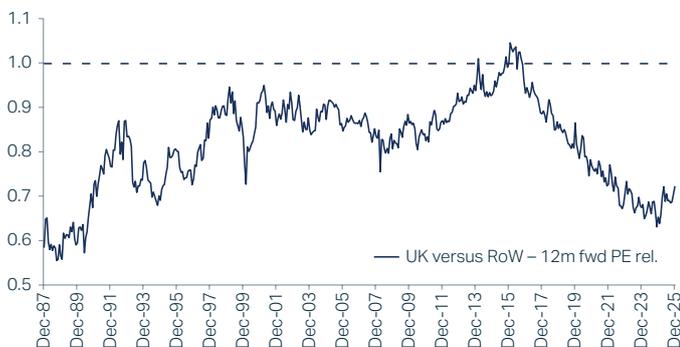
Through constructive, active engagement with the management teams and boards of directors, we seek to ensure alignment with shareholder objectives and to provide support and access to other resource and expertise to augment a company’s value creation strategy. We are long term investors and typically aim to hold companies for three-to-five years to back a thesis that includes an entry and exit strategy and a clearly identified route to value creation. We have clear parameters for what we will invest in and areas which we will deliberately avoid.

## Smaller Company Focus

We believe that UK Smaller Companies represent a structurally attractive part of the public markets. Academic research demonstrates that smaller companies in the UK have delivered substantial outperformance over the long term (see Figure 1 on page 6). This is partially because there are a large number of under-researched and under owned businesses that typically trade at a valuation discount to larger companies (see Figure 3 below) and relative to their prospects. A highly selective investor with the resources and experience to navigate successfully this part of the market can find exceptional long-term investment opportunities.

## The compelling UK small cap opportunity

Figure 2: UK 12-month forward P/E relative to global equities<sup>1</sup>

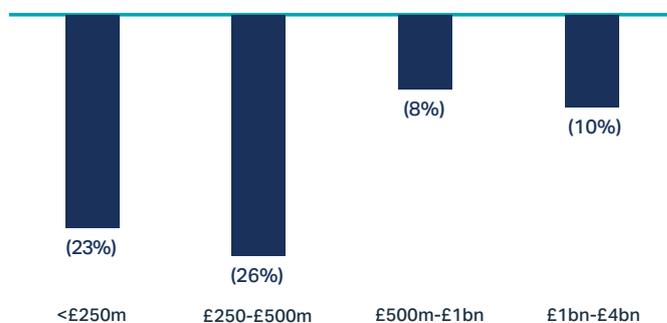


Past performance is not necessarily a guide to future performance.

Portfolio investments in smaller companies typically involve a higher degree of risk. Capital at risk.

1. Source: Berenberg, as at 31 December 2025
2. Source: Bloomberg, as at 31 December 2025

Figure 3: Median PE of small caps vs large caps<sup>2</sup>  
Median PE discount vs. companies over £4bn market cap



## Key Attractions of Smaller Companies:

**Inefficient Markets:** Smaller companies are often underresearched, presenting opportunities for those willing to devote time and resources.

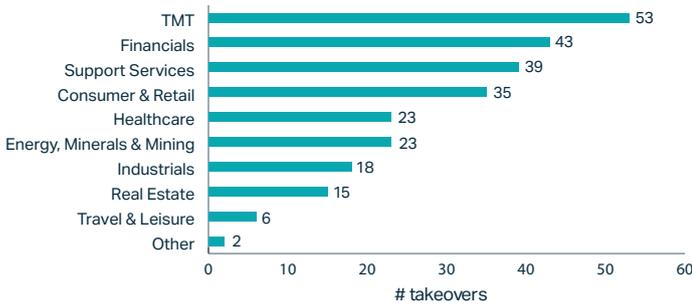
**Large Universe:** Most UK-listed companies fall into the smaller companies category, with two-thirds having a market capitalisation below £500m, offering a wide array of opportunities.

**Valuation Discounts:** These discounts present attractive entry points where the intrinsic value of a company’s longterm prospects is undervalued.

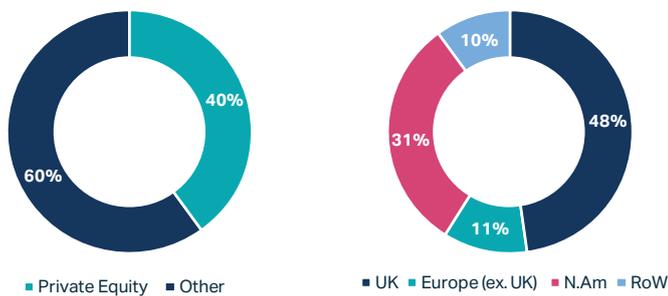
**M&A Activity:** Smaller companies often offer strategic opportunities within their niche markets and can become attractive acquisition targets for both trade and private equity buyers.

## UK takeovers in past five years

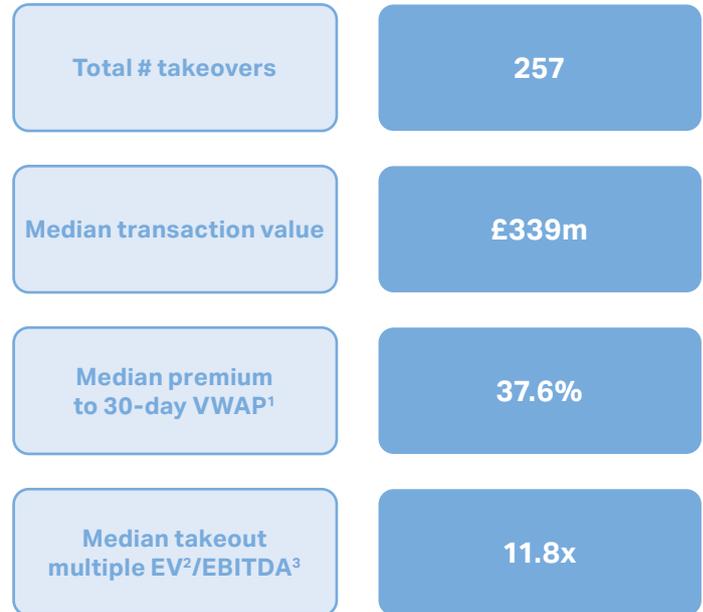
### Sector characteristics



### Acquirer characteristics



### Key statistics



Past takeover activity is not necessarily a guide to future takeover activity.

Source: Bloomberg, Factset as at 31 December 2025

1. Volume Weighted Average Price
2. Enterprise Value
3. Earnings Before Interest, Tax, Depreciation and Amortisation

## Portfolio Construction

We maintain a concentrated portfolio of 15-25 high conviction holdings with prospects for attractive absolute returns over our investment holding period. The majority of portfolio value is likely to be concentrated in the top 10 holdings, with other positions representing smaller initial “toehold” investments where we are awaiting a catalyst to increase our stake to an influential, strategic level. Bottom up stock picking determines SEC’s sector weightings, which are not explicitly managed relative to a target benchmark weighting. The absence of certain sectors such as oil & gas, mining, and banks, as well as limited exposure to overtly cyclical parts of the market, typically result in a portfolio weighted towards businesses with sustainable profit and cash generation characteristics. This is further reinforced by the absence of early stage or pre-profit businesses from the portfolio.

As a result, whilst the portfolio’s sector composition may vary between reporting periods, over the long term it is expected to comprise primarily technology, healthcare, business services, financials and industrials businesses.

The underlying value drivers are typically company-specific and they exhibit limited correlation even within the same broad sectors. The pie-chart on [page 17](#) sets out the sector exposure of the Company as at 31 December 2025. Our smaller company focus and specialist expertise leads us to prioritise companies with a market capitalisation between £100m and £300m at the point of investment. This focus, in combination with the size of the Company and its concentrated portfolio approach, provides the potential to build a strategic and influential stake in the highest conviction holdings. In turn this provides a platform to maximise the likelihood that our constructive active engagement approach will be effective and ultimately successfully contribute to shareholder value creation.

Once purchased there is no upper limit restriction on the market capitalisation of an individual investment. We may run active positions regardless of market capitalisation provided they continue to deliver the expected contribution to overall portfolio returns and subject to exposure limits and portfolio construction considerations.

## Constructive Active Engagement Approach

SEC strives to build consensus with stakeholders, aiming to unlock shareholder value and create stronger businesses in the long term. Our objective is to foster a constructive dialogue with management, positioning the Gresham House Asset Management ('GHAM') team and its network as trusted advisers. With a highly focused portfolio, SEC's management team can develop a deep understanding of its portfolio companies and their potential.

Where appropriate the GHAM team is able to leverage its combined interest in an SEC portfolio company, where additional shareholdings are held within other GHAM-managed investment vehicles, in order to maximise its engagement efficacy with the portfolio company.

The team engages with company management and boards in several areas, including:

- **Strategy:** Ensuring that business strategy and operations align with long-term value creation and focus on building strategic value within a company's market.
- **Corporate Activity:** Supporting acquisition and divestment activities through advice, network introductions, and cornerstone capital.

- **Capital Allocation:** Optimising capital allocation by prioritising the highest return and value-added projects.
- **Board Composition:** Ensuring boards are appropriately balanced and introducing high-quality candidates as needed.
- **Management Incentivisation:** Aligning management incentives with long-term shareholder value.
- **ESG:** Leveraging Gresham House's sustainable investing framework to identify, understand, and monitor key ESG risks and opportunities, with a particular focus on corporate governance.
- **Investor Relations:** Assisting management teams in refining their equity story and targeting investor relations activities to ensure market understanding and value creation.

Engagement is typically undertaken privately, leveraging the resources of the Gresham House group. We also seek to introduce portfolio companies to our network, supporting initiatives to create shareholder value. In summary, we follow a practice of constructive corporate engagement, working collaboratively with management teams and like-minded co-investors to enhance shareholder value.



# Investment Manager's Report for the half-year ended 31 December 2025

## 1) Overview – H2 2025

The six months to 31 December 2025 were characterised by continued volatility across global equity markets, with UK smaller companies remaining under pressure despite improving underlying economic fundamentals. Investor sentiment towards UK equities remained subdued, reflecting persistent domestic fund outflows, geopolitical uncertainty and the ongoing dominance of US equity market performance.

A dominant theme during the period was the domestic political environment. The protracted lead-up to the 2025 Autumn Budget created a vacuum of uncertainty that weighed heavily on risk appetite. Speculation regarding tax policy changes specifically impacted asset allocation decisions (through, for example, SIPP withdrawals), causing a hiatus in investment decision-making and exacerbating liquidity challenges in the sector. While the final Budget announcement provided clarity, the months of speculation delayed the recovery in sentiment that fundamental data otherwise supported.

Despite this backdrop, operational performance across the Company's portfolio was generally resilient. The majority of portfolio companies continued to trade in line with, or ahead of, management expectations, supported by strong balance sheets, recurring revenues and defensible market positions.

Importantly, depressed public market valuations continued to act as a catalyst for corporate activity, reinforcing the relevance of the Company's private equity-style investment approach.

## 2) Performance – H2 2025

The Company's Net Asset Value (NAV) per share (on a total return basis) increased by **1.8%** during the six months. Over the same period, the Company's share price delivered a total return of **+3.1%**. This compared to the FTSE Small Cap (ex Investment Trusts) Total Return Index ("FTSE Small Cap Index"), which also rose by **3.1%**.

Performance during the period was driven primarily by stock-specific factors rather than broader market movements. Corporate activity was a notable contributor, with realisations validating underlying investment theses. Elsewhere, share price movements reflected a combination of company-specific developments and broader market sentiment towards UK smaller companies, particularly during the pre-Budget volatility.

Key contributors to performance during the year included:

- **TruFin (+210 bps contribution to return "CTR")\***, following multiple forecast upgrades due to the continued strong performance of its Playstack division.
- **Next 15 Group (+131 bps CTR)**, after its interim results showed trading in line with full-year expectations supported by disciplined cost management and portfolio simplification, and the company completed the sale of non-core assets such as the Beyond unit, reinforcing strategic focus and strengthening operational momentum.
- **Tribal Group (+119 bps CTR)**, following a trading update that reaffirmed the group was on track to deliver full-year revenue in line with expectations, adjusted EBITDA ahead of consensus and the move to a net cash position.

### Top Five Absolute Contributors to Performance

Security	Valuation 31 December 2025 £'000	Period Contribution to return (basis points)
TruFin	14,461	210
Next 15 Group	7,867	131
Tribal Group	8,086	119
Costain Group	14,944	113
Active Ops	7,824	95

The main detractors over the period were:

- **Iomart Group (-154 bps CTR)**, reflecting a continuation of revenue pressure in its legacy self-managed infrastructure division, which had led to a profit downgrade in the period period.
- **Fintel (-78 bps CTR)**, despite encouraging business momentum (in particular SaaS revenue growth).
- **Spire Healthcare Group (-72 bps CTR)**, following a downgrade to 2026 profit expectations due to heightened uncertainty around the volume of NHS commissioning and below-inflation tariff increases proposed by NHS England.

\* CTR (Contribution To Return) for an instrument in the Company's portfolio is the daily total return multiplied by the daily weight, compounded over the reporting period.

### Bottom Five Absolute Contributors to Performance

	Valuation 31 December 2025 £'000	Period Contribution to return (basis points)
<b>Security</b>		
Iomart Group	4,386	(154)
Fintel	6,779	(78)
Spire Healthcare Group	2,064	(72)
Ricardo	–	(36)
Netcall	11,438	(31)

## 3) Portfolio Activity

### New investments

We made three new investments during the period:

- **ActiveOps**, a leading enterprise software provider specialising in back-office management which is led by a high-quality Executive Chair, operating in a structurally expanding market with a dominant position, and benefitting from attractive SaaS financial characteristics, including c.90% recurring revenue, double-digit organic growth, and strong cash flow generation.
- **Watkin Jones**, a specialist property development and management business focussed on the UK build-to-rent and purpose-built student accommodation sectors. Watkin Jones deploys a capital-light forward funding model, is well capitalised with a strong net cash balance sheet, and is already benefitting from the gradual recovery in development activity and the growth in its non-cyclical refurbishment and property management offerings. The business trades at a substantial discount to net tangible asset value and, the Manager believes, has the potential to re-rate materially from its current Enterprise Value multiple.
- **Spire Healthcare**, the UK’s largest private hospital group by revenue, which operates in a structurally attractive UK private healthcare market, is executing on a clear strategy to grow profit per theatre, is cutting costs materially to expand operating margins, and is building a scaled primary care business to drive referral income into the higher margin hospital business. Spire trades at a substantial discount to the freehold value of its property portfolio, the value of which could be catalysed by an ongoing Strategic Review process.

2. As at 14 February 2025

### Follow-on investments

During the period, the Investment Manager made selective follow-on investments into existing holdings where share price weakness was assessed to be disconnected from long-term fundamentals, including Diaceutics, Costain Group, Brooks Macdonald, Fintel and XPS Pensions Group.

### Full exits

Corporate activity continued to provide opportunities to crystallise value.

We made three full exits during the period:

- **Benchmark Holdings**, pursuant to a Tender Offer return of proceeds following the disposal of its Genetics division at a 48% premium to the ex-cash equity value of the company.
- **Inspired**, following an all-cash Recommended Takeover by HGGC, a US mid-market private equity firm, at 81p per share, a c. 33% premium to the undisturbed share price and a c. 103% premium to the 40p equity recapitalisation led by the Manager in January 2025.
- **Ricardo**, following the agreed all-cash Recommended Takeover by WSP Global at a c. 70% premium versus the 90-day volume-weighted average price.

These exits followed periods of active engagement and strategic progress, validating the Investment Manager’s assessment of intrinsic value.

## 4) Tender Offer and Realisation

A significant corporate development during the period was the completion of the Tender Offer announced in September 2025, following shareholder approval.

A total of 9,510,496 Ordinary Shares were validly tendered, representing approximately 22% of the Company’s issued share capital. Crucially, with 78% of shares electing to remain invested, the Continuing Pool exceeded the minimum size condition required to continue operating under the Company’s existing investment policy, providing a stable capital base for future growth.

Assets were allocated pro rata between the Continuing Pool and the Tender Pool. The Tender Pool is being managed with the objective of realising assets in an orderly and value-maximising manner, balancing liquidity considerations with the preservation of intrinsic value.

Shareholders who tendered will receive returns of capital as assets within the Tender Pool are realised. The Investment Manager and the Board currently expect the realisation process to conclude by 31 October 2026, subject to market conditions.

The Continuing Pool retains a concentrated portfolio aligned with the Company’s long-term investment strategy, alongside a clear framework for capital returns through ongoing discount management.

## 5) Outlook – FY 2025/26

Looking ahead, while macroeconomic and geopolitical risks remain elevated, we believe the outlook for UK smaller companies is increasingly constructive.

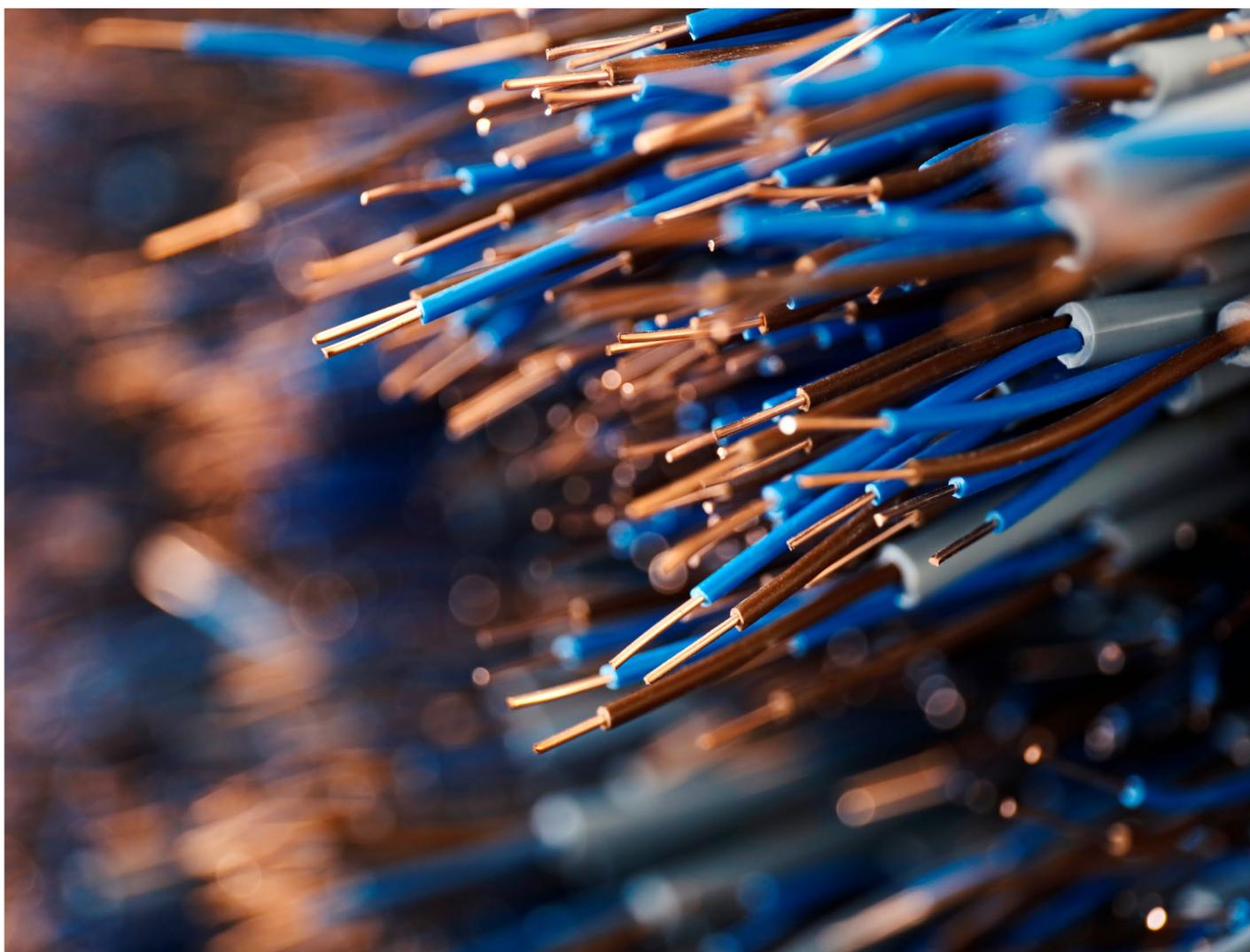
Valuation dispersion between UK equities and global peers remains historically wide, and within the UK market, smaller companies continue to trade at a substantial discount to larger capitalisation stocks and private market transaction multiples. We believe this valuation gap is unsustainable over the medium term.

As highlighted in broader public equity outlook work, several potential catalysts could support improved returns in 2026, including easing monetary policy, stabilising inflation, improving liquidity conditions and a gradual reopening of equity capital markets. Furthermore, with the uncertainties of the 2025 Budget now resolved, we expect corporate confidence to return, allowing management teams to refocus on growth and capital allocation rather than regulatory preservation. Even modest capital reallocation into UK equities could have a meaningful impact on valuations given the prolonged period of under-ownership.

Corporate activity remains a key theme. Strategic and private equity buyers continue to recognise the value opportunity in UK smaller companies, providing tangible routes to value realisation that do not rely on public market re-rating.

Importantly, the Company’s investment cases do not depend on a broad market recovery. The portfolio is constructed around company-specific value creation, supported by strong fundamentals, clear strategic drivers and active engagement. Any improvement in market sentiment represents upside optionality rather than a prerequisite for attractive returns.

The Investment Manager remains focused on executing its high-conviction, bottom-up strategy and believes the Continuing Pool is well positioned to deliver attractive long-term returns for shareholders.



# Top 10 Investee Company Review

(as at 31 December 2025)

Company	% of NAV <sup>1</sup>	Description	GHAM stake <sup>2</sup>	Company	% of NAV <sup>1</sup>	Description	GHAM stake <sup>2</sup>
 <b>COSTAIN</b>	10.0% Industrial Goods & Services	UK smart infrastructure delivery and consulting solutions provider	8.4%	 <b>Diaceutics</b>	7.0% Healthcare	A provider of subscription data solutions for commercialising precision medicine diagnostics	17.9%
 <b>TRU   FIN</b>	9.7% Technology	B2B procurement software and outsourced video game development	20.2%	 <b>The Property Franchise Group PLC</b>	6.6% Business Services	A franchised UK estate agency (primarily lettings) group	13.2%
 <b>BM</b> BROOKS MACDONALD	9.4% Financial Services	A UK national wealth manager and investment advisor	22.8%	 <b>XPS Pensions</b>	5.4% Business Services	A leading pensions consulting and administration services provider	7.3%
 <b>everplay</b>	8.6% Technology	An independent video game developer and publisher	9.4%	 <b>TRIBAL</b>	5.4% Technology	A global provider of technology solutions and services for the education, learning, and training sectors	10.6%
 <b>NETCALL</b>	7.7% Technology	A provider of intelligent automation and customer engagement software	24.2%	 <b>NEXT15</b>	5.3% Business Services	A network of specialist consultancies, agencies, product builders and venture creators	6.5%

Past performance is not necessarily a guide to future performance. Portfolio investments in smaller companies typically involve a higher degree of risk.

Gresham House plc, as at 31 December 2025

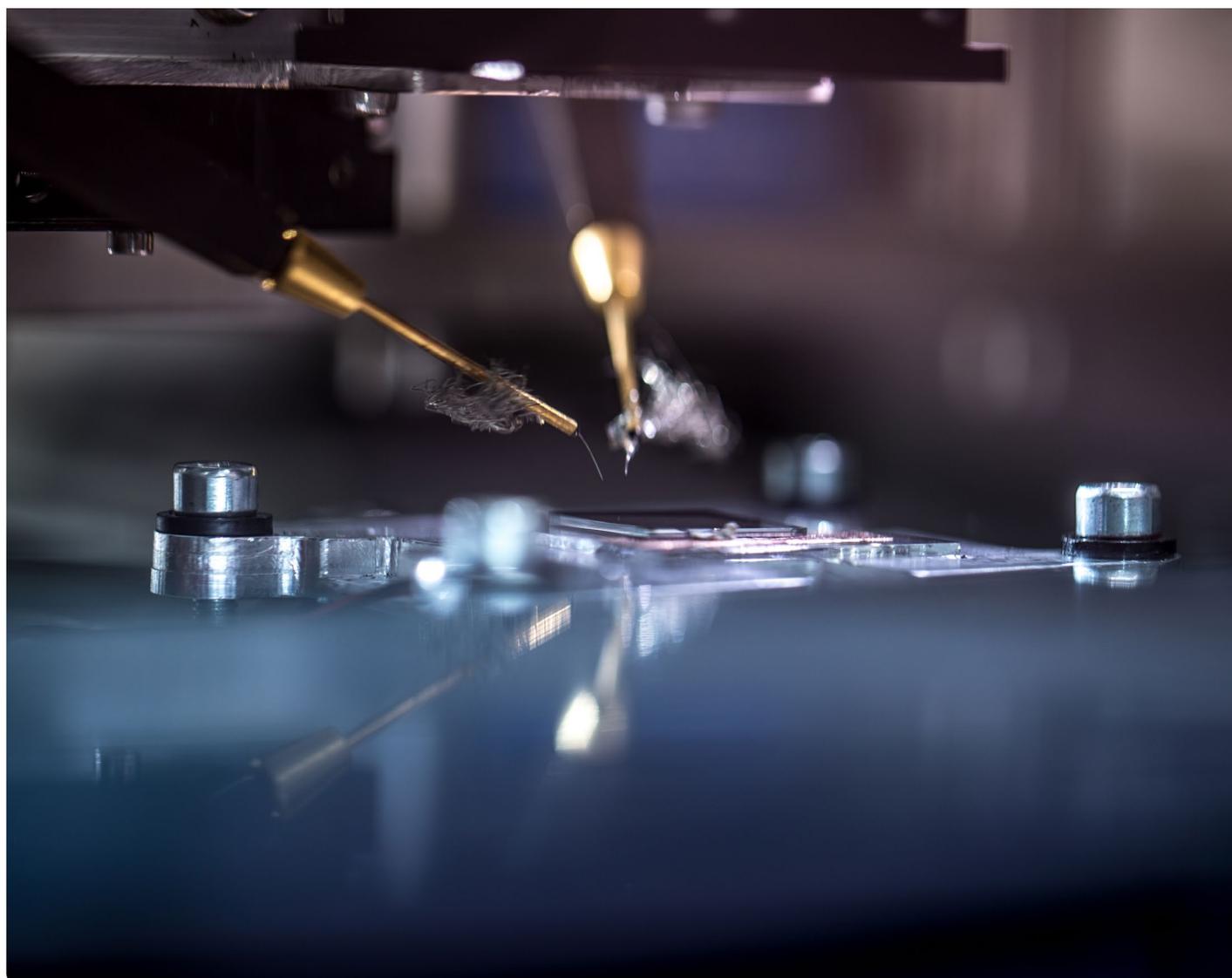
1. Top ten holdings representing 75.1% of NAV

2. GH discretionary funds typically invest in parallel, pooling their stakes for active management of portfolio companies; positions have therefore been reported at an aggregate Gresham House Asset Management level.

Company	Investment Thesis	Developments
<b>Costain Group</b>	<ul style="list-style-type: none"> <li>UK infrastructure delivery partner with particularly strong franchise presence across Rail and Water (secular growth markets).</li> <li>Significantly better capitalised versus history, with a substantially de-risked contracting model.</li> <li>Embedded consultancy offering delivering material margin upside above and beyond project delivery.</li> </ul>	<ul style="list-style-type: none"> <li>Continued orderbook momentum, particularly winning AMP8 framework agreements in the Water sector.</li> <li>H1 results demonstrated the successful mix-shift toward higher-margin consultancy revenue.</li> <li>Maintained strong net cash position, supporting the reinstatement of dividends.</li> </ul>
<b>TruFin</b>	<ul style="list-style-type: none"> <li>Provider of financing, payment and video game publishing software and services.</li> <li>Significant latent value when appraised on a sum-of-the-parts basis.</li> </ul>	<ul style="list-style-type: none"> <li>Multiple forecast upgrades driven by exceptional performance in the Playstack division.</li> <li>Successful launches of Balatro and Abiotic Factor drove revenue significantly ahead of market expectations.</li> </ul>

Company	Investment Thesis	Developments
<b>Brooks Macdonald</b>	<ul style="list-style-type: none"> <li>UK focused wealth management platform; structural growth given continuing transition to self-investment.</li> <li>Opportunity to leverage operational investments to grow margin and continue strong cash flow generation.</li> <li>A consolidating market; opportunity for Brooks as both consolidator and potential target.</li> </ul>	<ul style="list-style-type: none"> <li>Completed the disposal of its non-core international division, simplifying the group structure.</li> <li>Completed migration from AIM to the Main Market to broaden investor access.</li> <li>First net organic inflow period in 3 years (Q4 Calendar Year 2025)</li> </ul>
<b>Everplay Group</b>	<ul style="list-style-type: none"> <li>Leading independent video game publisher and developer.</li> <li>Earnings significantly underpinned by back catalogue sales (e.g. Worms franchise).</li> <li>Significant founder ownership and experienced management team.</li> </ul>	<ul style="list-style-type: none"> <li>Reported interim results demonstrating growth in back catalogue revenue, helping offset softer new release schedules across the broader industry.</li> </ul>
<b>Netcall</b>	<ul style="list-style-type: none"> <li>Provider of AI-driven process automation and customer engagement solutions.</li> <li>Structural tailwinds driving adoption of process automation and “Liberty Cloud” platform.</li> <li>High levels of revenue visibility due to contracted revenues and &gt;100% Net Revenue Retention.</li> </ul>	<ul style="list-style-type: none"> <li>FY25 trading update demonstrated double-digit organic growth driven by Cloud ACV.</li> <li>Increasing adoption of AI capabilities within the Liberty platform by existing customer base.</li> </ul>
<b>Diaceutics</b>	<ul style="list-style-type: none"> <li>Commercialisation data and service provider for the global pharmaceutical industry.</li> <li>High quality, recurring revenue model based on proprietary data and platform technology.</li> <li>Structural growth in precision medicine requires better diagnostic testing, directly benefiting Diaceutics.</li> </ul>	<ul style="list-style-type: none"> <li>Reported &gt;20% organic revenue growth and EBITDA ahead of expectations for 2025.</li> <li>Continued contract wins with top-tier global pharma clients, with 18 of the top 20 global pharma companies now clients.</li> </ul>
<b>The Property Franchise Group</b>	<ul style="list-style-type: none"> <li>Structurally growing UK residential lettings market leader.</li> <li>Exceptional quality of earnings due to franchisees’ bias towards lettings revenues and management service fees.</li> <li>Capital light and highly cash generative model supporting progressive dividends.</li> </ul>	<ul style="list-style-type: none"> <li>Analyst upgrades through 2025, reflecting growth in management service fees and demonstrating resilience against a stagnant sales market.</li> </ul>
<b>XPS Pensions Group</b>	<ul style="list-style-type: none"> <li>Leading ‘challenger’ brand in the pensions consulting and administration market.</li> <li>Highly defensive with high degree of revenue visibility and inflation pass-through ability.</li> <li>Beneficiary of regulatory change and increased demand for advisory services.</li> </ul>	<ul style="list-style-type: none"> <li>Delivered strong interim results with c.13% year-on-year revenue growth.</li> <li>Continued demand for advisory services driven by gilt volatility and “McCloud Remedy” regulations.</li> <li>Strong cash generation supporting both organic investment and dividends.</li> </ul>

Company	Investment Thesis	Developments
<b>Tribal Group</b>	<ul style="list-style-type: none"> <li>▪ Global provider of student information systems to the education sector.</li> <li>▪ Transitioned business model to Software as a Service (“SaaS”), improving quality of earnings vs. history.</li> <li>▪ Significant medium-term growth tailwind as legacy contracts roll off.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Double digit ARR growth in FY25 and Adjusted EBITDA ahead of consensus, driving a share price re-rating.</li> <li>▪ Substantially improved net cash position reduces balance sheet risk.</li> </ul>
<b>Next 15 Group</b>	<ul style="list-style-type: none"> <li>▪ Tech-enabled growth consultancy with a focus on data and digital marketing.</li> <li>▪ Trades at a significant valuation discount relative to its earnings growth and cash generation profile.</li> <li>▪ Potential value realisation from portfolio divestment.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Completed the sale of non-core assets (including the Beyond unit), reinforcing strategic focus on high-growth segments.</li> <li>▪ Disciplined cost management has protected margins during a period of slower client spend.</li> </ul>

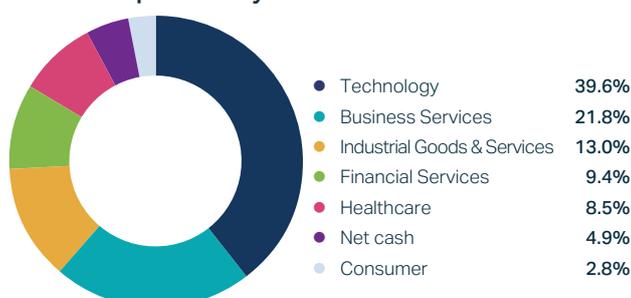


# Portfolio as at 31 December 2025

Company	Sector Classification	Date of first Investment	Cost £'000	Valuation £'000	% of invested portfolio at 31 December 2025	% of invested portfolio at 30 June 2025	% of net assets
Costain Group	Industrial Goods & Services	Jun 2024	8,664	14,944	10.5%	11.0%	10.0%
TruFin	Technology	Jul 2023	7,805	14,461	10.2%	6.5%	9.7%
Brooks Macdonald	Financial Services	Jun 2016	16,327	14,068	9.9%	10.5%	9.4%
Everplay Group	Technology	Dec 2023	8,481	12,888	9.1%	9.5%	8.6%
Netcall	Technology	Mar 2023	10,298	11,438	8.1%	7.3%	7.7%
Diaceutics	Healthcare	Sep 2024	11,088	10,520	7.4%	3.6%	7.0%
The Property Franchise Group	Business Services	Oct 2023	6,141	9,886	7.0%	7.8%	6.6%
XPS Pensions Group	Business Services	Jul 2019	3,305	8,087	5.7%	5.6%	5.4%
Tribal Group	Technology	Dec 2014	8,260	8,086	5.7%	2.2%	5.4%
Next 15 Group	Business Services	Oct 2024	8,218	7,867	5.5%	4.0%	5.3%
ActiveOps	Technology	Jul 2025	6,428	7,824	5.5%	–	5.2%
Fintel	Business Services	Oct 2020	6,448	6,779	4.8%	4.1%	4.5%
Watkin Jones	Industrial Goods & Services	Aug 2025	4,251	4,466	3.1%	–	3.0%
Iomart Group	Technology	Mar 2022	26,451	4,386	3.1%	3.0%	3.0%
Halfords Group	Consumer	Jun 2024	4,533	4,251	3.0%	3.5%	2.8%
Spire Healthcare Group	Healthcare	Sep 2025	2,964	2,064	1.5%	–	1.5%
R&Q Insurance*	Financial Services	Jun 2022	6,816	–	0.0%	0.0%	0.0%
<b>Total investments</b>				<b>142,015</b>			<b>95.1%</b>
Cash				7,358			4.9%
Net current liabilities				(117)			0.0%
<b>Total shareholders' funds</b>				<b>149,256</b>			<b>100.0%</b>

\* in liquidation

## Sector exposure by value



## Value by market cap band



**Ken Wotton**

Gresham House Asset Management

19 February 2026

# Statement of Directors' Responsibilities, Going Concern and Principal Risks and Uncertainties

## Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the Half-Yearly Report has been prepared in accordance with IAS 34, 'Interim Financial Reporting', and give a true and fair view of the assets, liabilities, financial position and profit of the Company as required by Disclosure Guidance and Transparency Rules ("DTR") 4.2.4R;
- the Half-Yearly Report includes a fair review of the information required by:
  - (a) DTR 4.2.7 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 4.2.8 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.

This Half-Yearly Report was approved by the Board of Directors on 19 February 2026 and the above responsibility statement was signed on its behalf by William Barlow, Chairman.

## Going Concern

The Company has adequate financial resources to meet its investment commitments and, and as a consequence, the Directors believe that the Company is well placed to manage its business risks. After making appropriate enquiries and due consideration of the Company's cash balances and the liquidity of the Company's investment portfolio, the Directors have a reasonable expectation that the Company has adequate available financial resources to continue in operational existence for the foreseeable future and accordingly have concluded that it is appropriate to continue to adopt the going concern basis in preparing the Half-Yearly Report, consistent with previous periods.

## Principal Risks and Uncertainties

The Board believes that the overriding risks to shareholders are events and developments which can affect the general level of share prices, including, for instance, inflation or deflation, economic recessions and movements in interest rates and currencies which are outside of the control of the Board.

The principal risks and uncertainties are set out on [pages 20 to 22](#) of the Annual Report for the year ended 30 June 2025, which is available at [www.strategiequitycapital.com](http://www.strategiequitycapital.com).

The Company's principal risks and uncertainties have not changed since the date of the Annual Report and are not expected to change for the remaining six months of the Company's financial year.

# Statement of Comprehensive Income

For the six month period to 31 December 2025

	Note	Six month period to 31 December 2025 unaudited			Year ended 30 June 2025 audited			Six month period to 31 December 2024 unaudited		
		Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
<b>Investments</b>										
Gains/(losses) on investments held at fair value through profit or loss	6	–	3,336	3,336	–	(4,998)	(4,998)	–	(18,649)	(18,649)
		–	3,336	3,336	–	(4,998)	(4,998)	–	(18,649)	(18,649)
<b>Income</b>										
Dividends	2	1,900	–	1,900	4,405	–	4,405	2,822	–	2,822
Interest	2	147	–	147	51	–	51	39	–	39
<b>Total income</b>		<b>2,047</b>	<b>–</b>	<b>2,047</b>	<b>4,456</b>	<b>–</b>	<b>4,456</b>	<b>2,861</b>	<b>–</b>	<b>2,861</b>
<b>Expenses</b>										
Investment Manager's fee	8	(660)	–	(660)	(1,256)	–	(1,256)	(669)	–	(669)
Other expenses	3	(1,246)	–	(1,246)	(870)	–	(870)	(447)	–	(447)
<b>Total expenses</b>		<b>(1,906)</b>	<b>–</b>	<b>(1,906)</b>	<b>(2,126)</b>	<b>–</b>	<b>(2,126)</b>	<b>(1,116)</b>	<b>–</b>	<b>(1,116)</b>
<b>Net return before taxation</b>		<b>141</b>	<b>3,336</b>	<b>3,477</b>	<b>2,330</b>	<b>(4,998)</b>	<b>(2,668)</b>	<b>1,745</b>	<b>(18,649)</b>	<b>(16,904)</b>
Taxation	10	–	–	–	–	–	–	–	–	–
<b>Net return and total comprehensive income for the period</b>		<b>141</b>	<b>3,336</b>	<b>3,477</b>	<b>2,330</b>	<b>(4,998)</b>	<b>(2,668)</b>	<b>1,745</b>	<b>(18,649)</b>	<b>(16,904)</b>
		<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
<b>Return per Ordinary share</b>	5	<b>0.33</b>	<b>7.87</b>	<b>8.20</b>	<b>5.03</b>	<b>(10.78)</b>	<b>(5.75)</b>	<b>3.70</b>	<b>(39.49)</b>	<b>(35.79)</b>

The total column of this statement represents the Statement of Comprehensive Income. The supplementary revenue and capital return columns are both prepared under guidance published by the AIC.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

The notes on [pages 23 to 26](#) form an integral part of these Half-Yearly financial statements.

# Statement of Changes in Equity

For the six month period to 31 December 2025

	Note	Share capital £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
<b>For the six month period to 31 December 2025 unaudited</b>							
1 July 2025		6,353	11,300	148,996	2,897	4,607	174,153
Net return and total comprehensive income for the period		–	–	3,336	–	141	3,477
Dividends paid	4	–	–	–	–	(1,830)	(1,830)
Share buy-backs		(476)	–	(26,544)	476	–	(26,544)
<b>31 December 2025</b>		<b>5,877</b>	<b>11,300</b>	<b>125,788</b>	<b>3,373</b>	<b>2,918</b>	<b>149,256</b>
<b>For the year to 30 June 2025 audited</b>							
1 July 2024		6,353	11,300	165,489	2,897	3,926	189,965
Net return and total comprehensive income for the year		–	–	(4,998)	–	2,330	(2,668)
Dividends paid	4	–	–	–	–	(1,649)	(1,649)
Share buy-backs		–	–	(11,495)	–	–	(11,495)
<b>30 June 2025</b>		<b>6,353</b>	<b>11,300</b>	<b>148,996</b>	<b>2,897</b>	<b>4,607</b>	<b>174,153</b>
<b>For the six month period to 31 December 2024 unaudited</b>							
1 July 2024		6,353	11,300	165,489	2,897	3,926	189,965
Net return and total comprehensive income for the period		–	–	(18,649)	–	1,745	(16,904)
Dividends paid	4	–	–	–	–	(1,648)	(1,648)
Share buy-backs		–	–	(4,680)	–	–	(4,680)
<b>31 December 2024</b>		<b>6,353</b>	<b>11,300</b>	<b>142,160</b>	<b>2,897</b>	<b>4,023</b>	<b>166,733</b>

The notes on [pages 23 to 26](#) form an integral part of these Half-Yearly financial statements.

# Balance Sheet

## As at 31 December 2025

	Note	As at 31 December 2025 unaudited £'000	As at 30 June 2025 audited £'000	As at 31 December 2024 unaudited £'000
<b>Non-current assets</b>				
Investments held at fair value through profit or loss	6	142,015	164,677	164,396
<b>Current assets</b>				
Trade and other receivables		212	203	312
Cash and cash equivalents		7,358	9,519	2,364
		7,570	9,722	2,676
<b>Total assets</b>		149,585	174,399	167,072
<b>Current liabilities</b>				
Trade and other payables		(329)	(246)	(339)
<b>Net assets</b>		149,256	174,153	166,733
<b>Capital and reserves</b>				
Share capital	7	5,877	6,353	6,353
Share premium account		11,300	11,300	11,300
Capital reserve		125,788	148,996	142,160
Capital redemption reserve		3,373	2,897	2,897
Revenue reserve		2,918	4,607	4,023
<b>Total shareholders' equity</b>		149,256	174,153	166,733
		pence	pence	pence
<b>Net asset value per share</b>		395.53	392.47	358.41
		number	number	number
<b>Ordinary shares in issue</b>	7	37,735,567	44,373,800	46,520,577

The notes on [pages 23 to 26](#) form an integral part of these Half-Yearly financial statements.

# Statement of Cash Flows

For the six month period to 31 December 2025

	Six month period to 31 December 2025 unaudited £'000	Year ended 30 June 2025 audited £'000	Six month period to 31 December 2024 unaudited £'000
<b>Operating activities</b>			
Net return before taxation	3,477	(2,668)	(16,904)
Adjustment for (gains)/losses on investments	(3,336)	4,998	18,649
Operating cash flows before movements in working capital	141	2,330	1,745
Increase in receivables	(9)	(37)	(139)
Increase/(decrease) in payables	61	(1,416)	(1,323)
Purchases of portfolio investments	(66,525)	(55,361)	(42,205)
Sales of portfolio investments	92,545	67,994	41,461
<b>Net cash flow from operating activities</b>	<b>26,213</b>	<b>13,510</b>	<b>(461)</b>
<b>Financing activities</b>			
Equity dividends paid	(1,830)	(1,649)	(1,648)
Shares bought back in the period	(26,544)*	(11,495)	(4,680)
<b>Net cash flow from financing activities</b>	<b>(28,374)</b>	<b>(13,144)</b>	<b>(6,328)</b>
<b>(Decrease)/increase in cash and cash equivalents for the period</b>	<b>(2,161)</b>	<b>366</b>	<b>(6,789)</b>
Cash and cash equivalents at start of period	9,519	9,153	9,153
<b>Cash and cash equivalents at period end</b>	<b>7,358</b>	<b>9,519</b>	<b>2,364</b>

The notes on [pages 23 to 26](#) form an integral part of these Half-Yearly financial statements.

\* Includes £19.3 million in relation to the Tender Offer.

# Notes to the Financial Statements

## 1.1 Corporate information

Strategic Equity Capital plc is a public limited company incorporated and domiciled in the United Kingdom, registered in England and Wales under the Companies Act 2006 whose shares are publicly traded. The Company is an investment company as defined by Section 833 of the Companies Act 2006.

The Company carries on business as an investment trust within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010.

## 1.2 Basis of preparation/statement of compliance

The Half-Yearly financial statements of the Company have been prepared on a going concern basis and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. They do not include all the information required for a full report and financial statements and should be read in conjunction with the report and financial statements of the Company for the year ended 30 June 2025, which have been prepared in accordance with IFRS. Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trust companies and venture capital trusts issued by the AIC is consistent with the requirements of IFRS, the Directors have sought to prepare financial statements on a basis compliant with the recommendations of the SORP.

The condensed Half-Yearly financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial statements for the six month periods to 31 December 2025 and 31 December 2024 have not been either audited or reviewed by the Company's Auditor. Information for the year ended 30 June 2025 has been extracted from the latest published Annual Report and financial statements, which have been filed with the Registrar of Companies. The report of the Auditor on those financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

### Convention

The financial statements are presented in Sterling, being the currency of the Primary Economic Environment in which the Company operates, rounded to the nearest thousand.

### Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

## 1.3 Accounting policies

The accounting policies, presentation and method of computation used in these condensed financial statements are consistent with those used in the preparation of the financial statements for the year ended 30 June 2025.

## 1.4 New standards and interpretations not applied

Implementation of changes and accounting standards in the financial periods, as outlined in the financial statements for the year ended 30 June 2025, had no significant effect on the accounting or reporting of the Company.

## 2. Income

	Six month period to 31 December 2025 unaudited £'000	Year ended 30 June 2025 audited £'000	Six month period to 31 December 2024 unaudited £'000
<b>Income from investments</b>			
UK dividend income	1,900	4,405	2,822
<b>Other operating income</b>			
Liquidity interest and other income	147	51	39
<b>Total income</b>	<b>2,047</b>	<b>4,456</b>	<b>2,861</b>

## 3. Other expenses

	Six month period to 31 December 2025 unaudited £'000	Year ended 30 June 2025 audited £'000	Six month period to 31 December 2024 unaudited £'000
Secretarial services	91	183	92
Auditor's remuneration for:			
Audit services	22	42	20
Directors' remuneration	86	171	86
Other expenses*	1,047	474	249
	<b>1,246</b>	<b>870</b>	<b>447</b>

\* Other expenses include £655,000 of costs in relation to the 2025 Tender Offer.

## 4. Dividend

The Company paid a final dividend of 4.25p in respect of the year ended 30 June 2025 (30 June 2024: 3.50p) per Ordinary share on 43,080,800 (30 June 2024: 47,080,561) shares, amounting to £1,830,000 (30 June 2024: £1,649,000). The dividend was paid on 26 November 2025 to Shareholders on the register as at 24 October 2025. In line with previous years, the Board does not intend to propose an interim dividend.

## 5. Return per Ordinary share

	Six month period to 31 December 2025			Year ended 30 June 2025			Six month period to 31 December 2024		
	Revenue return pence	Capital return pence	Total pence	Revenue return pence	Capital return pence	Total pence	Revenue return pence	Capital return pence	Total pence
Return per Ordinary share	0.33	7.87	8.20	5.03	(10.78)	(5.75)	3.70	(39.49)	(35.79)

Returns per Ordinary share are calculated based on 42,364,104 (30 June 2025: 46,346,499 and 31 December 2024: 47,224,964) being the weighted average number of Ordinary shares, excluding shares held in treasury, in issue throughout the period.

## 6. Investments

	31 December 2025 £'000
Quoted investments at fair value through profit or loss	142,015

The Company is required to classify its investments using a fair value hierarchy that reflects the subjectivity of the inputs used in measuring the fair value of each asset. The fair value hierarchy has the following levels:

Investments whose values are based on quoted market prices in active markets are classified within level 1 and include active listed equities. The Company does not adjust the quoted price for these instruments.

The definition of level 1 inputs refers to 'active markets' which is a market in which transactions take place with sufficient frequency and volume for pricing information to be provided on an ongoing basis. Due to the liquidity levels of the markets in which the Company trades, whether transactions take place with sufficient frequency and volume is a matter of judgement, and depends on the specific facts and circumstances. The Investment Manager has analysed trading volumes and frequency of the Company's portfolio and has determined these investments as level 1 of the hierarchy.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3 instruments include private equity, as observable prices are not available for these securities the Company has used valuation techniques to derive the fair value. In respect of unquoted instruments, or where the market for a financial instrument is not active, fair value is established by using recognised valuation methodologies, in accordance with International Private Equity and Venture Capital ("IPEV") Valuation Guidelines.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value of the investment.

### Financial instruments at fair value through profit or loss as at 31 December 2025

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	142,015	–	–	142,015
Liquidity funds	–	1	–	1
<b>Total</b>	142,015	1	–	142,016

A list of the portfolio holdings is given on [page 17](#).

	31 December 2025 £'000
<b>Analysis of capital gains/(losses):</b>	
(Losses) on sale of investments	(535)
Movement in investment holding losses	3,871
	3,336

## 7. Share capital

	Number	£'000
Allotted, called up and fully paid Ordinary shares of 10p each:		
Ordinary shares in circulation at 30 June 2025	63,529,206	6,353
Shares held in treasury at 30 June 2025	(19,155,406)	(1,915)
Ordinary shares in issue per Balance Sheet at 30 June 2025	44,373,800	4,438
Shares bought back and cancelled during the period	(4,755,233)	(476)
Shares bought back during the period to be held in treasury	(1,883,000)	(188)
Ordinary shares in issue per Balance Sheet at 31 December 2025	37,735,567*	3,774
Shares held in treasury at 31 December 2025	21,038,406	2,103
Ordinary shares in circulation at 31 December 2025	58,773,973	5,877

\* of the 37,735,567 Ordinary shares in issue at 31 December 2025, 4,755,263 are expected to be redeemed by 31 October 2026.

## 8. Investment Manager's fee

A basic management fee is payable to the Investment Manager at the annual rate of 0.75% of the NAV of the Company. The basic management fee accrues daily and is payable quarterly in arrears.

The Investment Manager is also entitled to a performance fee, details of which are set out in note 9.

## 9. Performance fee arrangements

The Company's performance is measured over rolling three-year periods ending on 30 June each year, by comparing the NAV total return per share over a performance period against the total return performance of the FTSE Small Cap (ex Investment Companies) Index. A performance fee is payable if the NAV total return per share (calculated before any accrual for any performance fee to be paid in respect of the relevant performance period) at the end of the relevant performance period exceeds both:

- (i) the NAV per share at the beginning of the relevant performance period as adjusted by the aggregate amount of (a) the total return on the FTSE Small Cap (ex Investment Companies) Index (expressed as a percentage) and (b) 2.0% per annum over the relevant performance period ("Benchmark NAV"); and
- (ii) the high watermark (which is the highest NAV per share by reference to which a performance fee was previously paid).

The Investment Manager is entitled to 10% of any excess of the NAV total return over the higher of the Benchmark NAV per share and the high watermark. The aggregate amount of the Management Fee and the Performance Fee in respect of each financial year of the Company shall not exceed an amount equal to 1.4% per annum of the NAV of the Company as at the end of the relevant financial period.

A performance fee of £nil has been accrued in respect of the six months ended 31 December 2025 (30 June 2025: £nil; 31 December 2024: £nil).

## 10. Taxation

The tax charge for the half year is £nil (30 June 2025: £nil; 31 December 2024: £nil). The estimated effective corporation tax rate for the year ended 30 June 2026 is 0%. This is because investment gains are exempt from tax owing to the Company's status as an investment company and there is expected to be an excess of management expenses over taxable income.

## Alternative Performance Measures

Alternative Performance Measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes IFRS and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies. The Alternative Performance Measures chosen are widely used in the investment trust sector and thus provide information for users of the accounts to compare the results with other closed-end investment companies.

### Discount

The amount by which the Ordinary share price is lower than the NAV per Ordinary share. The discount is normally expressed as a percentage of the NAV per share.

		Six month period to 31 December 2025	Year ended 30 June 2025	Six month period to 31 December 2024
NAV per Ordinary share	a	<b>395.53p</b>	392.47p	358.41p
Share price	b	<b>370.00p</b>	363.00p	331.00p
Discount	c $c=(b-a)/a$	<b>6.5%</b>	7.5%	7.6%

### Average discount

The average discount is calculated by taking the average of each day's share price discount to NAV over the course of the period. The discount range during the six month period to 31 December 2025 was 2.8% to 13.7% (six month period to 31 December 2024: 4.1% to 10.3% and year to 30 June 2025: 4.1% to 12.1%) and the average discount was 8.5% (six month period to 31 December 2024: 7.8% and year to 30 June 2025: 8.4%).

### NAV total return

NAV total return is the increase/(decrease) in NAV per Ordinary share plus dividends paid, which are assumed to be reinvested at the time the share price is quoted ex-dividend.

	Six month period to 31 December 2025	Year ended 30 June 2025	Six month period to 31 December 2024
Opening NAV	<b>392.47p</b>	396.87p	396.87p
Increase/(decrease) in NAV per Ordinary share	<b>3.06p</b>	(4.40)p	(38.46)p
Closing NAV	<b>395.53p</b>	392.47p	358.41p
% increase/(decrease) in NAV	<b>0.8%</b>	(1.1)%	(9.7)%
Impact of dividends reinvested	<b>1.0%</b>	1.0%	0.9%
NAV total return	<b>1.8%</b>	(0.1)%	(8.8)%

## Share price total return

Share price total return is the increase/(decrease) in share price plus dividends paid, which are assumed to be reinvested at the time the share price is quoted ex-dividend.

	Six month period to 31 December 2025	Year ended 30 June 2025	Six month period to 31 December 2024
Opening share price	363.00p	365.50p	365.50p
Increase/(decrease) in share price	7.00p	(2.50)p	(34.50)p
Closing share price	370.00p	363.00p	331.00p
% Increase/(decrease) in share price	1.9%	(0.7)%	(9.4)%
Impact of dividends reinvested	1.2%	1.1%	0.9%
Share price total return	3.1%	0.4%	(8.5)%

## Ongoing charges – annualised

Ratio of expenses as a percentage of average daily shareholders' funds calculated as per the Association of Investment Companies industry standard method.

		Six month period to 31 December 2025	Year ended 30 June 2025	Six month period to 31 December 2024
Investment management fee		1,177	1,256	1,332
Administrative expenses		1,668	870	819
Non recurring costs in relation to the 2025 Tender Offer		(837)	–	–
Ongoing charges	a	2,008	2,126	2,151
Average net assets	b	154,472	168,830	179,935
Ongoing charges ratio (%)	c c=a/b	1.30%	1.26%	1.20%

## Ongoing charges (including performance fee) – annualised

As per above, with the addition of the performance fee.

		Six month period to 31 December 2025	Year ended 30 June 2025	Six month period to 31 December 2024
Investment management fee		1,177	1,256	1,332
Administrative expenses		1,668	870	819
Non recurring costs in relation to the 2025 Tender Offer		(837)	–	–
Performance fee		–	–	–
Ongoing charges (including performance fee)	a	2,008	2,126	2,151
Average net assets	b	154,472	168,830	179,935
Ongoing charges ratio (including performance fee) (%)	c c=a/b	1.30%	1.26%	1.20%

# Directors and Advisers

## Directors

William Barlow (Chairman)  
Richard Locke (Deputy Chairman)  
Annie Coleman  
Brigid Sutcliffe  
Howard Williams

## Auditor

Johnston Carmichael LLP  
7 – 11 Melville Street  
Edinburgh EH3 7PE

## Broker

Panmure Liberum Limited  
Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9LY

## Custodian

J.P. Morgan Chase Bank N.A.  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Depository

J.P. Morgan Europe Limited  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Investment Manager

Gresham House Asset Management Limited  
80 Cheapside  
London EC2V 6EE  
Tel: 020 3837 6270

## Registrar

Computershare Investor Services plc  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZY  
Tel: 0370 707 1285  
Website: [www.computershare.com](http://www.computershare.com)

## Solicitor

Stephenson Harwood LLP  
1 Finsbury Circus  
London EC2M 7SH

## Company Secretary and Administrator

Juniper Partners Limited  
28 Walker Street  
Edinburgh EH3 7HR  
Tel: 0131 378 0500

## Registered Office

c/o Stephenson Harwood LLP  
1 Finsbury Circus  
London EC2M 7SH

# Shareholder Information

## Investment Policy

The Company invests primarily in equities quoted on markets operated by the London Stock Exchange where the Investment Manager believes the securities are undervalued and could benefit from strategic, operational or management initiatives. The Company also has the flexibility to invest up to 20% of the Company's gross assets at the time of investment in securities quoted on other recognised exchanges.

The Company may invest up to 20% of its gross assets at the time of investment in unquoted securities, provided that, for the purpose of calculating this limit, any undrawn commitments which may still be called shall be deemed to be an unquoted security.

The maximum investment in any single investee company will be no more than 15% of the Company's investments at the time of investment.

The Company will not invest more than 10%, in aggregate, of the value of its total assets at the time the investment is made in other listed closed-end investment funds.

Other than as set out above, there are no specific restrictions on concentration and diversification. The Board does expect the portfolio to be relatively concentrated, with the majority of the value of investments typically in the securities of 10 to 15 issuers across a range of industries. There is also no specific restriction on the market capitalisation of securities into which the Company will invest, although it is expected that the majority of the investments by value will be invested in companies too small to be considered for inclusion in the FTSE 250 Index.

The Company's Articles of Association permit the Board to take on borrowings of up to 25% of the NAV at the time the borrowings are incurred for investment purposes.

An investment company as defined under Section 833 of the Companies Act 2006.

REGISTERED IN ENGLAND AND WALES No. 5448627

A member of the Association of Investment Companies

## Financial calendar

Company's year-end	30 June
Annual results announced	September
Annual General Meeting	November
Company's half-year	31 December
Half-yearly results announced	February/March

## Share price

The Company's Ordinary shares are premium listed on the main market of the London Stock Exchange plc (the "London Stock Exchange"). The share price is quoted daily in the Financial Times under 'Investment Companies'.

## Share dealing

Shares can be traded through your usual stockbroker.

## Share register enquiries

The register for the Ordinary shares is maintained by Computershare Investor Services plc ("Registrar"). In the event of queries regarding your holding, please contact the Registrar, on 0370 707 1285. Changes of name and/or address must be notified in writing to the Registrar, whose address is shown on [page 29](#).

## Net Asset Value

The Company's NAV is announced daily to the London Stock Exchange.

## Website

Further information on the Company can be accessed via the Company's website: [www.strategicequitycapital.com](http://www.strategicequitycapital.com)



**Gresham House**  
Specialist investment