



Blackfinch Spring VCT plc
Annual Report and Financial Statements
for the year ended 31 December 2025

Companies House Number 12166417

Signatory of:



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Highlights

Offer for Subscription

In the year ended 31 December 2025, the Blackfinch Spring VCT plc's ("the Company") offers for subscription raised £26,874,128 (2024: £17,966,878), with the issue of 26,321,859 (2024: 17,418,561) shares.

Investments

The Company made 23 (2024: 22) qualifying investments in the period, at a cost of £17.4m (2024: £9.4m), adding 8 (2024: 7) new companies to its portfolio which now stands at 39 (2024: 32). There was an unrealised loss of £1.9m (2024: gain of £4.6m) on qualifying investments in the year, including a realised loss of £0.5m (2024: £0) on the full disposal of one investment. The total value of qualifying investments at the end of the period was £55.2m (2024: £39.7m). While the overall value of the qualifying holdings increased, the portfolio value on a like-for-like basis (excluding additions) declined during the period. The Company also held non-qualifying investments of between £3.5m and £7.0m in two money-market funds (2024: £0–£5.0m), which made a return of £0.3m in the year (2024: £0.02m).

Total Return

The combination of the decrease in NAV per share and dividends paid represented a reduction in value of 5.56p per share over the period; equating to a 5.4% decrease in NAV total return in the year. The three-year NAV total return is 13.5%.

Dividends

Two dividends were distributed in 2025: an interim of 2.5p paid on 9 May, and an interim of 2.7p paid on 8 August. Together they represented 5.0% of the NAV per share at the end of 2024. As the Company has not generated realised gains, these dividends were facilitated by the cancellation of the Share Premium in 2023.

An interim dividend of 2.5p per share was announced on 26 January 2026, which is to be paid on 15 May 2026.

Net Asset Value ("NAV") Movement

The NAV per share decreased by 10.4% from 103.62p to 92.86p, driven by dividend payments and a reduction in the value of unlisted investments.

Summary Data	Year ended 31/12/2025	Year ended 31/12/2024
Net asset value (£'000)	66,828	48,008
Shares in issue ('000)	71,963	46,333
Dividends paid	5.2p	5.1p
NAV per ordinary share	92.86p	103.62p
Share price as per the London Stock Exchange (mid-price)	92.00p	96.50p

Investment Objective

The objective of the Company is to invest in innovative growth-stage technology-enabled companies which are on their scale-up journey. Investments are targeted in unquoted companies with the potential for high growth and where there is likely to be a reasonable prospect of a trade sale or exit strategy in due course.

Chairman's Statement

I am pleased to be writing to Shareholders to present the sixth Annual Report and Financial Statements for the Blackfinch Spring VCT plc for the year ended 31 December 2025. It was a positive period despite the volatility of market valuations for investee companies, marked by strong fundraising, continued portfolio expansion and diversification, and the completion of the Company's first share buybacks.

Sustained Dividends

The Company has continued to meet its target objective of paying regular dividends equivalent to approximately 5% of Net Asset Value (NAV). Two dividends were paid in the year, totalling 5.2p per share. They bring the cumulative dividends to 10.3p, reflecting the Board's commitment to delivering tax-efficient income as a key component of your shareholder returns.

Following the end of the year, the Company announced an interim dividend of 2.5p in respect of the period covered by this report, which will be paid on 15 May 2026.

Record Fundraising

Fundraising remained strong over the full year. A total of 26 million shares were allotted, raising £26.9 million, which was an increase of 50% on the previous year. The 2024 share offer closed in August having raised £24.5 million, resulting in the use of the over-allotment facility for the first time since launch. The new share offer, which opened on 11 September 2025, had already raised over £5m by the end of December, ahead of the previous offer at the comparable date.

The continued growth in the Company's size supports greater diversification and enables participation in a broader range of investment opportunities, and I am pleased to see such strong investor confidence in our prospects.

Macro-Economic Considerations

The external environment remained challenging throughout the year, with global trade tensions and ongoing geopolitical uncertainty continuing to affect business confidence. Cyber-related risks became increasingly prominent, requiring many businesses to place greater emphasis on operational resilience.

Following the end of the period, renewed conflict in the Middle East has increased geopolitical uncertainty, which may adversely impact global and UK economies and contribute to inflationary pressures across asset classes. The Company's portfolio may experience valuation impacts, particularly given its linkage to comparable public market data.

UK inflationary pressures began to ease during the year, and monetary policy started to loosen, with the Bank of England implementing a series of interest rate reductions. In November, the UK Budget increased the investment limits applicable to VCT-backed companies, enabling us to support promising companies for longer. However, the change to limits was accompanied by a reduction in the rate of upfront income tax relief available to investors, from 30% to 20%, from April 2026. We consequently anticipate some reduction in fundraising in the next tax year but expect stronger inflows this tax year prior to the change becoming effective.

Portfolio Progress

Despite subdued UK economic growth, the portfolio demonstrated encouraging resilience, with 80% of investee companies reporting stable or increased revenues during the year. One exception was Illuma, which had been the Company's largest holding at the start of the year. In contrast to its previous rapid growth, it saw a decline in revenue over the year, which led to a significant drop of £2.4m in the value of our holding in the business.

In addition, as announced in the half-year report, portfolio company Kokoon entered administration in the period, despite extensive efforts by the company and the Investment Manager to sustain it. A loss of the full £0.5m invested has been realised. Cash remains tight for two other portfolio companies, Cogniss and Quin, but both were small investments, now with a combined portfolio value of just 0.5% of NAV.

The remainder of the portfolio delivered a positive return over the year, although not enough to offset the drop in value from Illuma. Overall, there was a disappointing reduction of £1.9m in the value of qualifying investments, which contributed to the NAV per share declining to 92.86p. However, some short-term fluctuation is to be expected in the Company's long-term illiquid investments, and it is encouraging that the three-year NAV Total Return remains strong at 13.5%.

Cutting-Edge Investments

During the year, £17.4 million was invested across 23 investments, including 15 follow-on investments to support the continued development of existing portfolio companies. At the year-end, the portfolio comprised 39 high-growth

companies, compared with 32 at the start of the year. Further diversification was achieved through investment in sectors including space technology, pest technology and financial technology.

Outlook

Overall, the Company has continued to make solid progress during the year, investing funds into promising technology businesses, maintaining its dividend objectives and enhancing liquidity for shareholders through the introduction of share buybacks. Heading into 2026, our Company's portfolio of qualifying investments is also better diversified than previously, with the value of our top ten holdings as a proportion of Net Asset Value having decreased to 36%, from 48% a year ago.

While economic and geopolitical uncertainties remain, the Board is confident that the Company is well positioned to continue executing its strategy. The Investment Manager reports a strong pipeline of potential new investments, which is expected to further diversify the portfolio and offer the potential for future attractive returns. Selected opportunities are outlined on pages 30 to 32.

Finally, I would like to thank the Investment Manager and my fellow Directors for their continued commitment and contribution throughout the year.

Peter L R Hewitt, JP, FCSI

Non-executive Chairman

20 April 2026

Companies House Number - 1216641

For any matters relating to your shareholding in the Company, please contact The City Partnership (UK) Limited on 01484 240 910, or by email at registrars@city.uk.com. For any other matters please contact Blackfinch Investments Limited ("Blackfinch") on 01452 717 070 or by email at: enquiries@blackfinch.com. Blackfinch maintains a website for the Company: blackfinch.ventures/vct

The Board

Peter Lionel Raleigh Hewitt, JP, FCSI (Chairman)

Peter has been a director or chairman of 13 public companies over the last 30 years, with 9 of these being IPOs including 7 years as Chairman and CEO of an AIM quoted construction and facilities management business, which he founded and built from zero to £25m turnover and 400 people in 4 years. He is co-chairman and co-founder of Universal Defence and Security Solutions Limited, a global defence consultancy with over 800 Associates. Peter's business partner Gen Sir Richard Barrons was one of the principal authors of the recent Strategic Defence Review with almost every area of the review being led by UDSS Associates.

Peter is a former Alderman of the City of London and inaugural Chairman of the City's £20m Social Investment Fund, creating investment strategy and policy. Peter is also an individually Chartered Fellow of the Chartered Securities Institute; a Justice of the Peace on the supplemental list and an Honorary Group Captain in 601 (County of London) Squadron, RauxAF, where his role is to partner with the SLT of the RAF.

Peter has been the Chairman of the Company since 11 November 2019.

Dr Katrina Tarizzo PhD, BA (Hons), Dip MRS (Chair of Audit Committee)

Katrina's involvement with early-stage company development has spanned over 30 years from the perspective of being both a founding shareholder and director of several companies across a variety of sectors and geographies including financial services, real estate, chemicals and technology. She was formerly a director of The Share Centre in its founding years, a pioneer of low-cost stock broking for retail investors that was subsequently listed on AIM through Share PLC, having been acquired by Interactive Investor and now a part of Aberdeen Group plc.

Katrina was heavily involved in the UK and French privatisation programmes, establishing Johnson Fry Privatisations Limited which has since become part of Legg Mason. She was also a founder of a speciality chemicals company based in Poland, manufacturing and shipping rubber to the worldwide chewing gum market. Moving with the times into the technology sector, Katrina was involved in the development of a US financial website company, listed on NASDAQ, and more recently co-founded Linescape.com, a search engine that provides shipping schedule data feeds to the logistics industry. She is currently a director and shareholder of City Living PCC Limited, which operates in the residential real estate and development sector across Poland.

She is a Doctoral graduate of the London Business School with a wealth of international business experience.

Katrina has been a director of the Company since 14 August 2023.

Dr Nicholas Henry Edmond Pillow M.Eng, D.Phil. FRSA

Nic has over two decades of experience in creating value for start-up, fast growth and multinational B2B technology companies. Since joining Blackfinch in 2019, he has helped launch and manage the Company, supported over 100 investments into high-tech Seed and Series A stage companies, and been an observer on the boards of numerous portfolio companies. Previously, Nic co-founded his own startup, Rhizome Live, a Software-as-a-Service business in the Education Tech sector. He raised £400,000 and gained access to a top accelerator. Prior to that, he led a global team at Nokia which exercised portfolio control over 15 software products that grew in annual revenue from £50 to £250 million. He has also held roles including Product Manager at Logica and Solution Architect at Portal Software. Nic holds a first-class degree in Engineering & Computing from the University of Oxford and a PhD. in Computer Vision from the Robotics Research Group at the University of Oxford.

Nic has been a director of the Company since 3 September 2024.

Investment Manager's Review

During the year, the Company deployed a total of £17.4 million across 23 investments. 15 were follow-on investments into existing portfolio companies, reflecting our continued focus on supporting businesses that are progressing well and delivering against their operational and commercial milestones.

The largest follow-on investment during the year was made into GT Wings (GT Green Technologies Ltd). Since our initial investment in 2024, the company has made strong technical progress, including successfully completing sea trials of its AirWing™ technology on a maiden transatlantic voyage. It was a crucial milestone in demonstrating the operational viability of the technology that gave us good confidence in its future potential.

A total of eight new companies were added to the portfolio. Four were made in the first half of the year, as described in the half-year report. They included Neuramics, which has developed the world's most sensitive magnetic sensor, and Minimal, which is manufacturing impressively designed lightweight electric delivery vehicles.

Four further innovative technology businesses were added in December. Arctech (Arctech Innovation Ltd), is a pest-control technology business that uses scent to smell pests such as bed bugs to enable the rapid elimination of infestations. Fulfilment.com (3PLS Platform Limited), is a data-driven marketplace giving brands material efficiency gains in working with third-party logistics providers.

Bracket (Bracket Group Ltd), is a profitable and rapidly-growing financial technology business that has developed an AI-enabled platform for mid-sized businesses to manage cross-border payments and treasury operations. Finally, Metris (Metris Energy Inc.) provides a sophisticated asset management platform for the owners of renewable energy assets such as solar farms.

As a result of this investment activity, the number of portfolio companies increased to 39, compared with 32 at the beginning of the year, enhancing diversification across the portfolio. There is better balance across the portfolio too, with the value of our top ten holdings as a proportion of Net Asset Value decreasing from 48% to 36% over the period.

While all portfolio companies are technology-enabled, sector diversification also increased during the year. For example, exposure to space technology was gained through investment in Spaceflux in the first half of the year. This company provides real-time tracking of satellites and space debris using a combination of ground-based telescopes and artificial intelligence. Since investment, Spaceflux has already secured significant contracts with the UK's National Space Operations Centre.

Inevitably some companies faced challenges. Most disappointingly, Illuma (Illuma Technology Ltd) saw its revenue decline as major customers reduced their advertising spend. Whilst there remains good longer-term potential for the business, its valuation reduced by 51% in the year, which had a substantial impact on Net Asset Value.

Kokoon Technology Ltd also went into administration in May, as we reported in the half-year report, whilst both Cogniss Holdings Ltd and Quin AI Ltd have faced difficult trading conditions and are running low on cash.

Meanwhile other companies have made excellent progress. Currensea continued to scale its operations, and especially its loyalty debit card proposition. Building on the success of its existing partnership with Hilton Hotels, it launched a new co-brand debit card with Marriott Hotels, which helped drive a 53% increase in the company's valuation. Another success was Brooklyn Solutions (Brooklyn Supply Chain Solutions Ltd), a supply chain technology business that had previously seen weak growth. It won new and expanded contracts to deliver a revenue increase of more than 2.5 times in the year.

As the Company has continued to grow in scale, we have been able to participate in larger and more competitive funding rounds. This ability has allowed us to be increasingly selective in the deployment of capital, and there remains an exciting pipeline of promising new businesses in which to invest. We remain positive about the outlook for the portfolio and have confidence in the year ahead.

Richard Cook

Founder and CEO, Blackfinch Investments Limited

20 April 2026

Investment Manager's Review

Environmental, Social and Governance Policy ("ESG")

It is intended that portfolio companies should act responsibly in a manner that benefits all stakeholders and, where possible, makes a positive contribution to the prospects of society and the world around us. By adopting such practices, portfolio companies not only create value for society and the planet, but they potentially mitigate long-term investment risks from potential impacts such as climate change or reputational damage from poor governance practices.

Public sentiment continues to reflect heightened concerns around societal and environmental issues with an increasing emphasis on accountability for claims related to these areas. Good governance underpins the effective management of these risks, while also serving as a foundation for maintaining trust with investors and wider stakeholders.

Alongside financial performance, as part of the investment process, the Investment Manager evaluates factors such as supply chains, environmental risk and the strength of governance in the business. These considerations are assessed prior to investment and monitored throughout the lifecycle of each investment. Risks that are likely to have a material impact on business performance are actively addressed.

The Investment Manager is a signatory of the Principles for Responsible Investment (PRI) demonstrating its public commitment to acting responsibly across all investments. This formal commitment underpins the broader aim of achieving a positive outcome for society while aiding the potential for sustainable growth within the portfolio.

Investing in growing, technology-enabled businesses that address real-world needs naturally leads us to support those that are set to try and change the way we live and work for the better. However, this cannot be taken for granted and each company is carefully assessed in several respects: its central purpose, what it really does in pursuit of that purpose, the manner of conducting its business, and importantly the attitude of its founders. Few early-stage companies have formalised an approach to acting responsibly but they must demonstrate an understanding of the principles involved.

Whilst all portfolio companies aim to deliver an economic benefit – creating jobs and growing the economy – some additionally have an explicit environmental or social purpose that the Investment Manager believes ties in with long-term trends in society. For example, Kelpi (Kelp Industries Ltd) is an exciting material tech company that has developed a seaweed-based waterproof coating for paper and card as an alternative to plastic in food packaging; and GoodLifeSorted (What Matters Now Ltd) is helping with the effects of an aging population by helping older people maintain independence in their own homes.

By embedding strong governance practices into companies during their early stages there is significant potential to create a foundation for broader and more far-reaching impacts as these businesses grow and mature. Establishing a culture of transparency and accountability early on provides a greater chance of these principles becoming ingrained, enabling companies to navigate future challenges effectively.

Investment Manager's Review

Investment Portfolio

	As at 31 December 2025				As at 31 December 2024		
	Cost £'000	Valuation £'000	Increase (decrease) in value in 2025 net of additions £'000	% of total net assets value	Cost £'000	Valuation £'000	% of total net assets value
3PLS Platform Ltd	1,220	1,220	-	1.8	-	-	-
Arcotech Innovation Ltd	1,120	1,120	-	1.7	-	-	-
Beings Beam Ltd	700	720	20	1.1	200	200	0.4
Bracket Group Ltd	1,275	1,275	-	1.9	-	-	-
Brooklyn Supply Chain Solutions Ltd	1,162	1,538	376	2.3	1,162	1,162	2.4
Client Share Ltd	858	1,404	(723)	2.1	858	2,128	4.4
Cogniss Holdings Ltd	600	300	(300)	0.4	300	300	0.6
Collectiveteck Ltd	1,650	1,841	24	2.8	1,060	1,228	2.6
Cultureshift Communications Ltd	1,140	1,648	(112)	2.5	1,140	1,760	3.7
Currensea Ltd	1,375	2,455	850	3.7	1,375	1,605	3.3
Cyclr Systems Ltd	1,405	1,442	38	2.2	1,300	1,300	2.7
Edozo Ltd	762	912	150	1.4	463	463	1.0
GT Green Technologies Ltd	1,290	1,608	318	2.4	310	310	0.6
H2CHP Ltd	280	280	-	0.4	-	-	-
Illuma Technology Ltd	1,517	2,323	(2,446)	3.5	1,517	4,769	9.9
Kelp Industries Ltd	500	475	0	0.7	500	475	1.0
Kokoon Technology Ltd	500	0	(260)	0.0	500	260	0.5
LSTN Inc.	1,800	1,800	0	2.7	1,000	1,000	2.1
Measure Protocol Ltd	1,980	2,202	182	3.3	680	720	1.5
Metris Energy Inc.	890	890	-	1.3	-	-	-
Minimal X Ltd	1,562	1,562	-	2.3	-	-	-

As at 31 December 2025

As at 31 December 2024

	Cost £'000	Valuation £'000	Increase (decrease) in value in 2025 net of additions £'000	% of total net assets value	Cost £'000	Valuation £'000	% of total net assets value
Neuranics Ltd	1,500	1,500	-	2.2	-	-	-
Oculo Technologies Ltd	2,140	3,098	352	4.6	1,290	1,897	4.0
Odore Ltd	830	1,255	381	1.9	830	874	1.8
Placed Recruitment Ltd	1,200	1,200	0	1.8	600	600	1.2
Polished Rock Ltd	500	500	(63)	0.7	300	363	0.8
Quin AI Ltd	300	50	(250)	0.1	300	300	0.6
Recruitment Smart Technologies Ltd	1,400	1,400	0	2.1	1,400	1,400	2.9
Spaceflux Ltd	528	622	94	0.9	-	-	-
Spotless Water Ltd	459	1,009	216	1.5	459	792	1.7
Staffcircle Ltd	1,713	1,835	122	2.7	1,713	1,713	3.6
Startpulsing Ltd	1,950	2,528	(63)	3.8	1,950	2,591	5.4
Supercritical Solutions Ltd	1,585	1,501	(84)	2.2	1,056	1,056	2.2
Tangle Software Inc.	870	870	0	1.3	490	490	1.0
Teamed Ltd	1,562	2,586	163	3.9	1,562	2,423	5.0
Tended Ltd	2,455	2,681	(260)	4.0	1,605	2,091	4.4
Transreport Ltd	770	770	(784)	1.2	770	1,554	3.2
Up Learn Ltd	1,135	1,351	(114)	2.0	1,135	1,465	3.1
Watchmycompetitor.com Ltd	1,430	2,285	278	3.4	1,430	2,006	4.2
What Matters Now Ltd	1,120	1,183	9	1.8	400	454	0.9
Total fixed asset investments	47,033	55,239	(1,886)	82.6	29,655	39,749	82.7
Money Market Funds	3,160	3,459	281	5.2	5,000	5,017	10.5
Net current assets	8,130	8,130	-	12.2	3,242	3,242	6.8
Net assets	58,323	66,828	(1,605)	100.0	37,897	48,008	100.0

A total of 23 investments were made in the period, five of which were made during the second half of the year. The number of investments is up from 22 made during 2024. Eight of the investments, equating to £8.3m, were in new companies. It is a significant increase on the £3.1m invested in seven new companies in 2024. One of these new investments had not previously or simultaneously received investment from the Blackfinch EIS Portfolios. A further 15 investments were follow-on investments into existing portfolio companies.

Four of the new investments were made in December, and they are all held at cost. Most other investments are valued on a financial multiple; a full breakdown of the valuation methods is given on page 110.

Kokoon Technology Ltd has realised a loss of the full investment amount, and there was an unrealised reduction of £2.4m in the value of Illuma Technology Ltd, which had been the largest holding at the start of the year. However, there was an aggregate unrealised gain of £0.8m across other portfolio companies. Excluding the new investments made in the period, there was an overall 3.3% decrease in the value of the portfolio.

Investment Manager's Review

Investment Portfolio - Top 10 Holdings (by value)



Oculo has developed cutting-edge construction technology that combines 360-degree photography with advanced computer vision to create immersive digital models of building sites. The platform provides managers with detailed oversight on a project's progress, comparing what has been built in real life to site plans, and even using AI to forecast future progress. It lets managers view elements such as cabling, insulation and plumbing behind walls, later in the build. By automating the data collection process, it also helps with project audits and inspections. Since investment in 2023, Oculo has more than doubled recurring revenue, driven by key contracts with the likes of Morgan Sindall. In addition, Oculo's newly developed 'Project Intelligence' product has received interest from more than 90% of its client base.

Company sector	Construction Tech
Stage	Scale-up
Asset class	Equity
Net assets 31/05/2024	£782k
Net liabilities 31/05/2023	£308k*
Revenue and profit	n/a **
Cost of investment	£2.14m
Value of investment	£3.10m
Basis of valuation	Price of Recent Investment
Equity held by Blackfinch Spring VCT	21.0%
Initial investment date	August 2023

*2023 accounts retrospectively amended in the 2024 filing.

** Revenue and profit are not publicly available because only abbreviated accounts are filed at Companies House.

Investment Manager's Review

Investment Portfolio



Tended designs intelligent personal safety wearables and monitoring systems. These wearables combine 'geofencing' technology with behavioural science to ensure on-site workers are kept out of harm's way. The company saw considerable success during the pandemic with a reliable social distancing product, and it now utilises this centimetre-accuracy positioning technology to help keep workers on construction sites and around railway tracks within safe zones, without crossing a 'virtual fence' into potential danger. Its products have a clear social benefit in improving working safety and saving lives. Since initial investment in 2021, Tended has more than doubled annual revenue supported by contracts with major employers such as Siemens and National Rail.

Company sector	Safety Tech
Stage	Scale-up
Asset class	Equity
Net liabilities 31/03/2025	£1.22m
Net liabilities 30/06/2024	£660k
Revenue and profit	n/a *
Cost of investment	£2.46m
Value of investment	£2.68m
Basis of valuation	Revenue Multiple
Equity held by Blackfinch Spring VCT	18.2%
Initial investment date	September 2021

* Revenue and profit are not publicly available because only abbreviated accounts are filed at Companies House.

Investment Manager's Review

Investment Portfolio

teamed.

Teamed simplifies the process of hiring and managing employees internationally, without needing to set up entities abroad. Teamed's "Employment-as-a-Service" solution lets employers seamlessly manage the entire hiring and employee management process, including employment, compliance, payroll and payments, and localised benefits, all in one place. Teamed saves employers the stress, time and cost of doing it all themselves. Since investment in 2022, Teamed has more than tripled its annual revenue and expanded to cover over 50 countries.

Company sector	HR Tech
Stage	Scale-up
Asset class	Equity
Net liabilities 31/03/2025	£660k
Net assets 30/11/2023	£287k
Revenue and profit	n/a *
Cost of investment	£1.56m
Value of investment	£2.59m
Basis of valuation	Price of Recent Investment
Equity held by Blackfinch Spring VCT	14.1%
Initial investment date	September 2022

* Revenue and profit are not publicly available because only abbreviated accounts are filed at Companies House.

Investment Manager's Review

Investment Portfolio



Startpulsing, trading as OnePulse, lets global brands gain feedback on ideas in 'real-time' from a community of thousands using a phone app. It helps companies to carefully tailor their products and campaigns to ensure customers are happy and engaged. It also lets consumers directly impact the decision-making of companies they use every day, while earning money and staying on top of product releases. Since investment in 2021, OnePulse has tripled its annual revenue and secured large enterprise clients including Netflix and TikTok.

Company sector	Market Intelligence Tech
Stage	Scale-up
Asset class	Equity
Net liabilities 31/07/2024	£2.11m
Net liabilities 31/07/2023	£1.00m*
Revenue and profit	n/a **
Cost of investment	£1.95m
Value of investment	£2.53m
Basis of valuation	Revenue Multiple
Equity held by Blackfinch Spring VCT	15.3%
Initial investment date	March 2021

*2023 values were restated in the 2024 accounts.

** Revenue and profit are not publicly available because only abbreviated accounts are filed at Companies House.

Investment Manager's Review

Investment Portfolio



Currensea offers the UK's first travel-focused direct debit card that connects directly with the user's traditional high street current account. The card lets customers spend money abroad at the lowest exchange fees, while removing the need to top up, or set up a new bank account. The company also operates corporate and affinity partnerships. Since investment in 2022, Currensea has more than tripled its revenue and has developed pioneering loyalty debit cards with both Hilton Hotels and Marriott, paving the way for other partnership cards with large enterprises.

Company sector	Financial Tech
Stage	Scale-up
Asset class	Equity
Net assets 30/06/2024*	£771k
Net assets 30/06/2023	£2.88m
Revenue and profit	n/a **
Cost of investment	£1.38m
Value of investment	£2.45m
Basis of valuation	Revenue Multiple
Equity held by Blackfinch Spring VCT	5.7%
Initial investment date	August 2022

*Accounting period extended to December 2025 making June 2024 the latest published financials.

** Revenue and profit are not publicly available because only abbreviated accounts are filed at Companies House.

Investment Manager's Review

Investment Portfolio



Illuma uses AI to deliver advanced, contextual targeting for advertisers. It selects the best websites on which to deploy adverts to generate the highest response rates, enabling brands to run advertising campaigns without relying on collecting personal data or cookies. Illuma's product offers an alternative to traditional cookie-based targeting, which suffers from privacy concerns. Since investment in 2021, Illuma has expanded to the US, and has secured large global customers such as Amazon, Coca Cola and Walmart.

Company sector	Advertising Tech
Stage	Scale-up
Asset class	Equity
Net assets 31/12/2024	£3.46m
Net assets 31/12/2023	£3.49m
Revenue and profit	n/a *
Cost of investment	£1.52m
Value of investment	£2.32m
Basis of valuation	Revenue Multiple
Equity held by Blackfinch Spring VCT	10.8%
Initial investment date	August 2021

* Revenue and profit are not publicly available because only abbreviated accounts are filed at Companies House.

Investment Manager's Review

Investment Portfolio



WatchMyCompetitor offers a business intelligence platform that lets organisations monitor competitors, clients and key partners, tracking product launches, promotions and important business changes. The company's cloud-based platform uses machine learning technology to track the public developments of companies all over the world. Since investment in 2021, the company has tripled annual revenue, aided by large enterprise clients including IKEA and Aviva.

Company sector	Market Intelligence Tech
Stage	Scale-up
Asset class	Equity
Net assets 31/12/2024	£1.43m
Net assets 31/12/2023	£2.65m
Revenue and profit	n/a *
Cost of investment	£1.43m
Value of investment	£2.28m
Basis of valuation	Revenue Multiple
Equity held by Blackfinch Spring VCT	10.8%
Initial investment date	August 2021

* Revenue and profit are not publicly available because only abbreviated accounts are filed at Companies House.

Investment Manager's Review

Investment Portfolio

MEASURE

Measure Protocol enables leading technology companies to access highly granular customer experience data. Users on Measure Protocol's platform are asked to perform specific tasks for brands while their activity is captured through screen recording technology. The company's proprietary technology then uses image processing to extract behaviour and data, such as the layout of icons on a mobile phone screen. Since investment in 2022, the company has signed key contracts with large enterprise clients such as Google, alongside which Measure Protocol is the key data provider for Project Lantern, a research initiative launched by a collaboration of Channel 4, Sky, ITV and YouView.

Company sector	Market Intelligence Tech
Stage	Scale-up
Asset class	Equity
Net assets 28/02/2025	£1.43m
Net assets 28/02/2024	£1.29m
Revenue and profit	n/a*
Cost of investment	£1.98m
Value of investment	£2.20m
Basis of valuation	Revenue Multiple
Equity held by Blackfinch Spring VCT	10.6%
Initial investment date	April 2022

* Revenue and profit are not publicly available because only abbreviated accounts are filed at Companies House.

Investment Manager's Review

Investment Portfolio



Collectivetech, trading as RideTandem, partners with employers and organisations to enable their people to commute cost-effectively, reliably, and sustainably. The company's technology turns the best local taxis, minibuses and coaches into smart, shared shuttles to create low-cost, sustainable ways to get people to employment and educational opportunities. Since investment in 2023, RideTandem has more than doubled monthly recurring revenue and has been listed on the Startups 100 Index for the second year running in 2025.

Company sector	Transport Tech
Stage	Scale-up
Asset class	Equity
Net liabilities 31/03/2025	£498k
Net liabilities 31/03/2024	£381k
Revenue and profit	n/a*
Cost of investment	£1.65m
Value of investment	£1.84m
Basis of valuation	Revenue Multiple
Equity held by Blackfinch Spring VCT	10.9%
Initial investment date	March 2023

* Revenue and profit are not publicly available because only abbreviated accounts are filed at Companies House.

Investment Manager's Review

Investment Portfolio



StaffCircle is an agile business whose online human resources (HR) platform lets companies engage and manage their staff, especially remote workers or those without desk jobs. The platform allows effective communication through any device, from desktop computers to mobile phones, a flexibility which is proving invaluable for remote workers. It is led by a committed founder who has an impressive track record founding and exiting three previous start-ups. Since initial investment in 2022, the company has approximately doubled revenue, driven by upsells including AI Product Innovations.

Company sector	HR Tech
Stage	Scale-up
Asset class	Equity
Net assets 31/03/2025	£7.76k
Net assets 31/03/2024	£441k
Revenue and profit	n/a *
Cost of investment	£1.71m
Value of investment	£1.83m
Basis of valuation	Revenue Multiple
Equity held by Blackfinch Spring VCT	13.8%
Initial investment date	April 2022

* Revenue and profit are not publicly available because only abbreviated accounts are filed at Companies House.

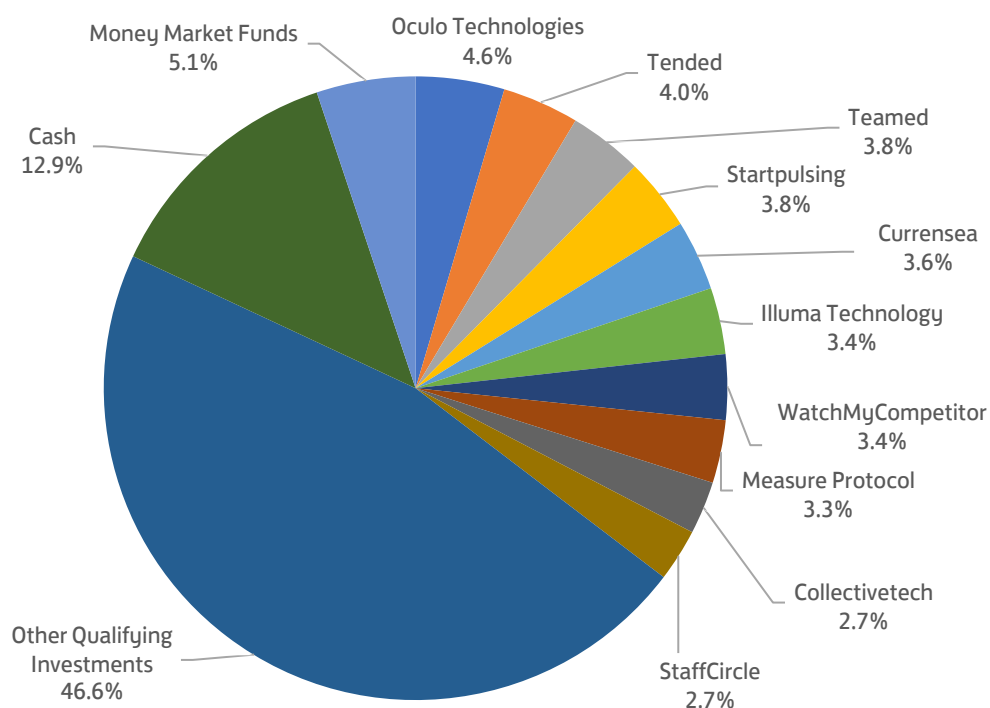
Investment Manager's Review

Portfolio Statistics

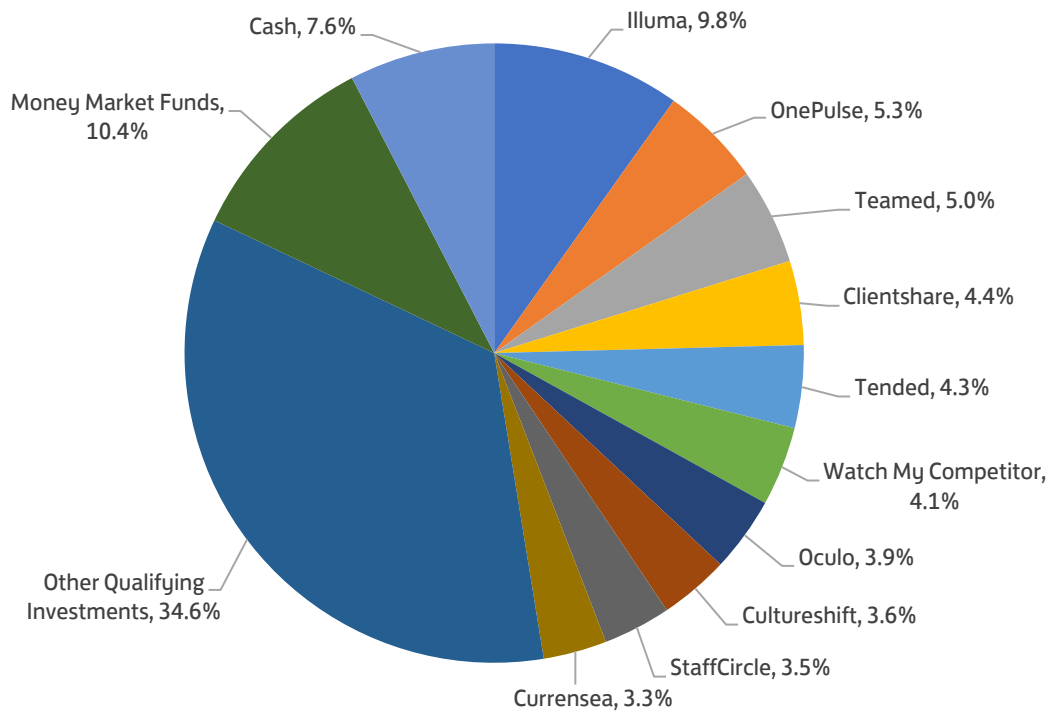
By the end of the reporting period, cash and liquid investments represented approximately 18.2% of the Company's £66.8m net assets (compared to 18.1% of £48m at the end of 2024). This value includes monies held in money market funds.

Investments in qualifying portfolio companies constituted approximately 82.7% (82.7% in 2024) of the Company's net assets. A full break-down of these investments is shown in the chart below, together with a comparison from the previous year.

2025 Portfolio split by valuation

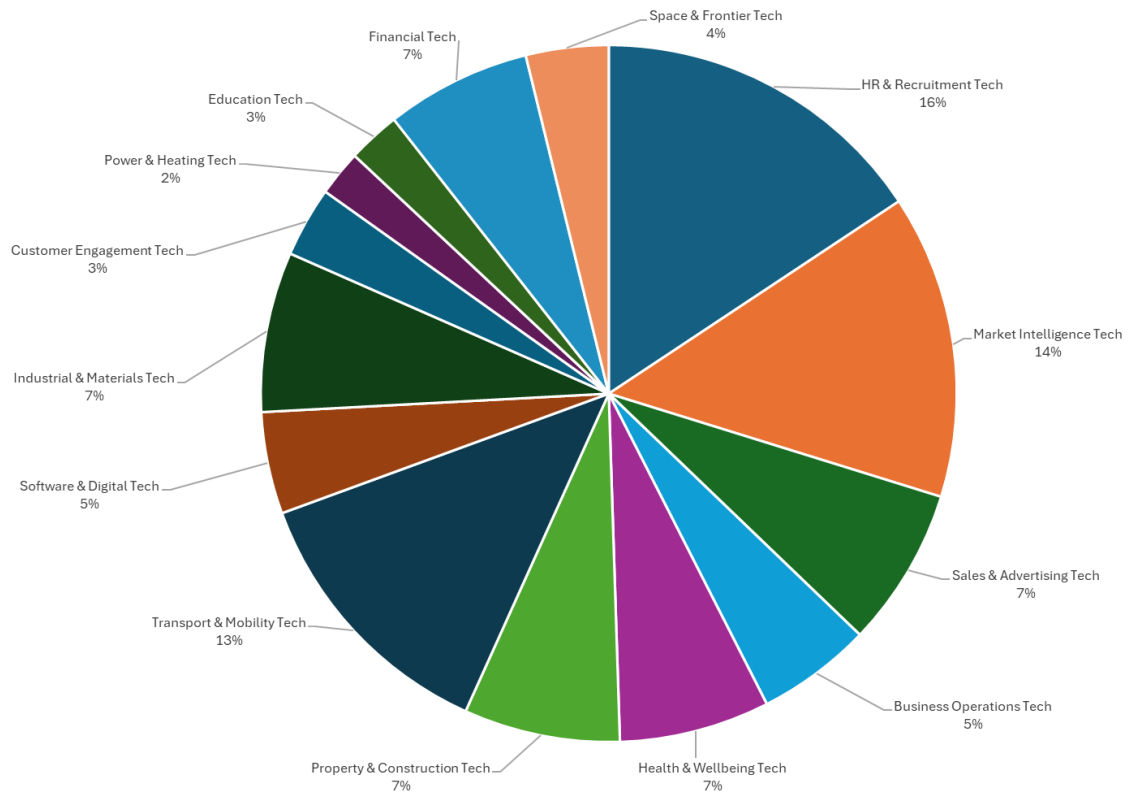


2024 Portfolio split by valuation

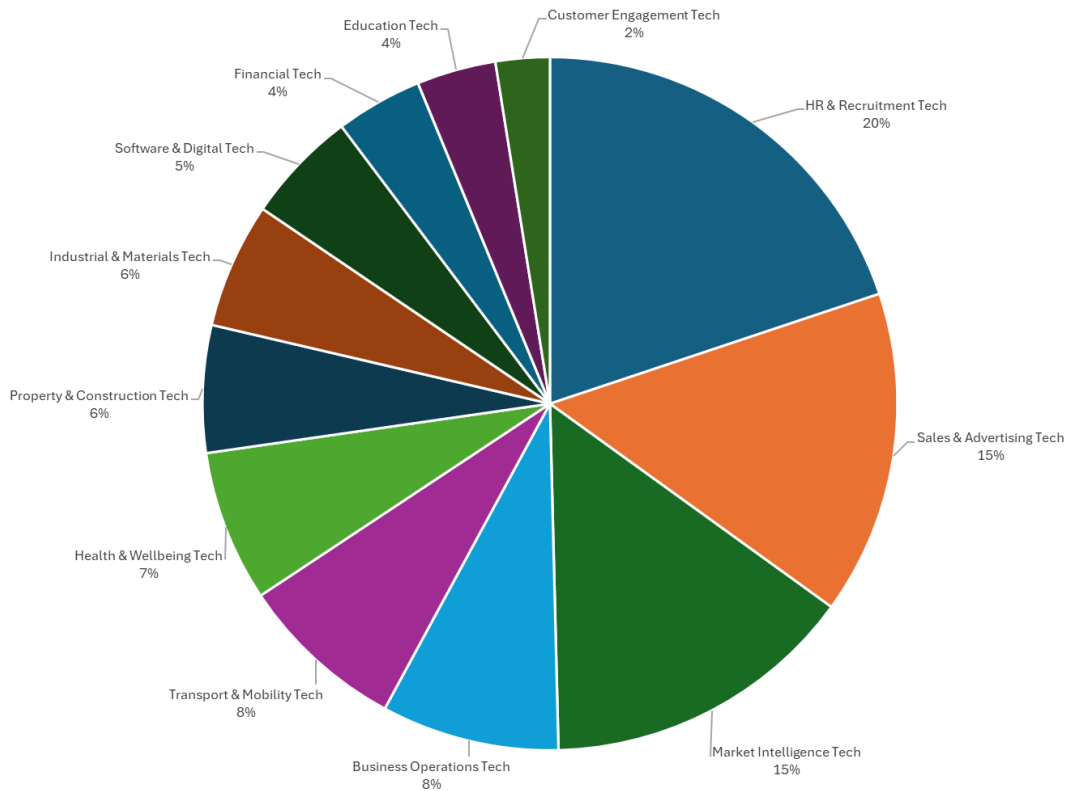


The 39 companies to date are in distinct industry sectors, illustrating the diversification that is being built into the portfolio. It is worth noting that the three largest sectors – HR & Recruitment Technology, Market Intelligence Technology and Sales and Advertising Technology – serve business customers across many sectors and are not tied to any particular industry. A further five sub-sectors have been added since 2025 including Space Technology, Pest Technology and Sensor Technology.

2025 Portfolio Split by Sector (excluding cash & equivalents)

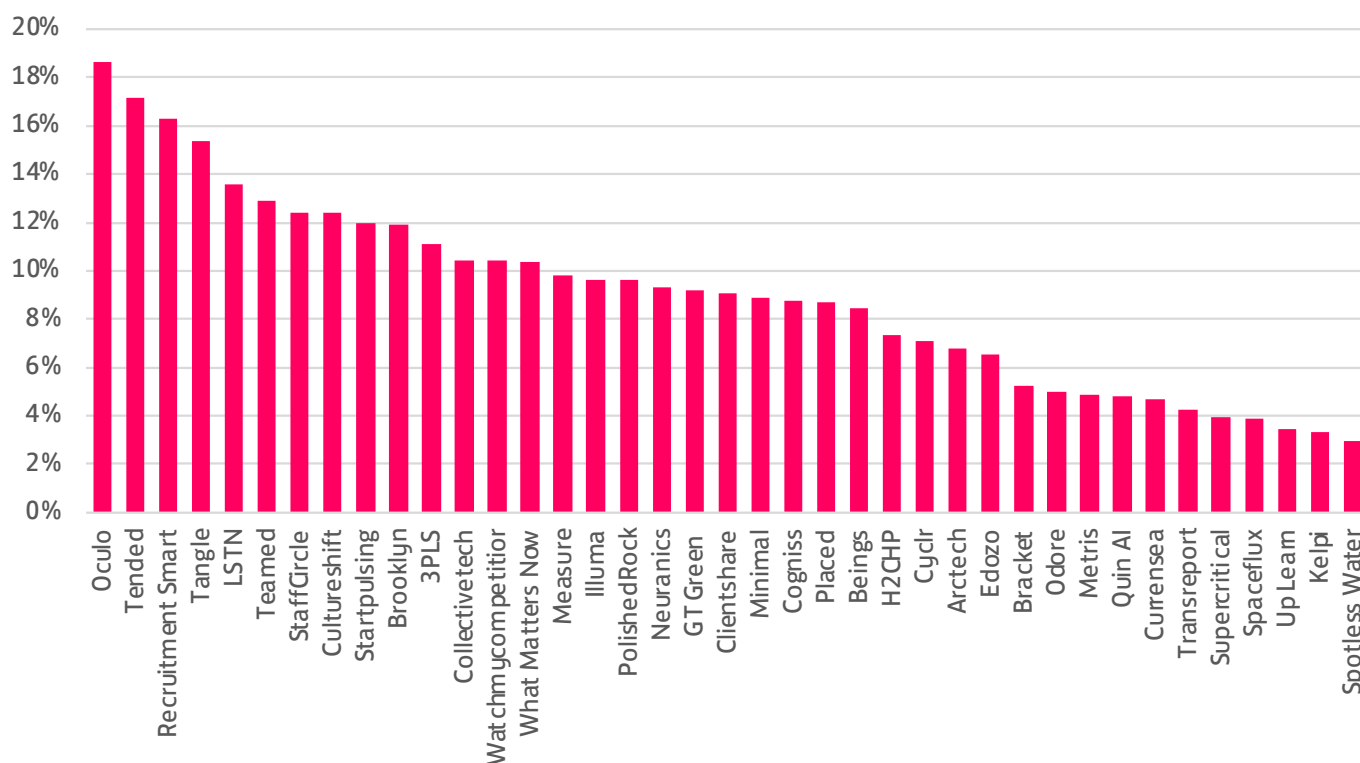


2024 Portfolio Split by Sector (excluding cash & equivalents)



The Company holds minority stakes in each of its portfolio companies ranging from 3.3% to 21.0% (up from 2.9% to 17.1% in 2024). The average stake for the portfolio is 10.0% and it is likely that forthcoming investments will be of a similar size in terms of equity holding. On a fully diluted basis the average stake is slightly lower at 9.0%.

% of Equity Held on a Fully Diluted Basis



Investment Manager's Review

Pipeline Overview

The Investment Manager continues to benefit from a solid pipeline of opportunities. Some of the new companies being considered for investment are described below, though it is likely that only some will complete as they move further through the evaluation process.

Company 1

A space technology business with a unique visual sensor that is modelled on the human eye. Rather than continuously recording what it sees, it captures information only about what changes or moves. This approach is less affected by glare and cuts power use by 10x. It has already secured government contracts and has sent a sensor to the International Space Station.

Company sector	Sensor Tech
Stage	Scale-up
Asset class	Equity

Company 2

Spinning out of the University of Glasgow, this company is building next-generation chips for quantum computers. Using a material that makes them more stable and easier to scale, it aims to deliver its first chip within 18 months. With rare UK manufacturing capability and world-class expertise, this is an exciting early opportunity to back critical quantum infrastructure.

Company sector	Quantum Tech
Stage	Scale-up
Asset class	Equity

Investment Manager's Review

Pipeline Overview

Company 3

This highly technical business is bringing a breakthrough laser system to market that can deliver powerful bursts of energy repeatedly without overheating. Built on 15 years of development in a leading UK research lab and already proven in top European facilities, it is now moving from research into real-world use. Demand is growing across areas such as defence, manufacturing and next-generation energy research.

Company sector	Laser Tech
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Stage	Scale-up
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Asset class	Equity
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Company 4

This business helps labs run chemistry experiments with far less hands-on work. It turns rough written instructions into clear, step-by-step methods, then uses its own robotic system to carry them out automatically. By making experiments faster and more consistent, it has the potential to modernise how research and development labs operate.

Company sector	Chemistry Tech
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Stage	Scale-up
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Asset class	Equity
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Investment Manager's Review

Pipeline Overview

Company 5

Satellite operators are collecting far more data than today's standard radio links can send back to Earth. This high-flying business is solving that problem with compact laser ground stations that can be deployed quickly and cheaply, making fast "high-volume" data downloads practical. After years of technical development, it is now starting to win real customers — and looks well placed to grow quickly as demand for space data continues to accelerate.

Company sector	Space Tech
Stage	Scale-up
Asset class	Equity

Strategic Report

Investment Policy, Strategy and Objectives

Investment Policy

The Company will focus its investment in unquoted companies with some or all of the following characteristics:

- Innovative growth-stage and technology-enabled, and which are on their scale-up-journey;
- The capability to grow quickly through disrupting their markets;
- Strong performance against previous investment round milestones.

The Company's portfolio companies will be:

- Requiring investment of at least £0.25m;
- Entering large growing markets and have the potential for high return multiples;
- Generally able to show evidence of product-market-fit.

Investment Strategy

The Company invests in innovative growth-stage technology-enabled companies which are on their scale-up journey and have the potential for high growth alongside reasonable exit timescales, and that are underpinned by responsible values. To be considered for investment, companies must demonstrate to the Investment Manager that they are capable of growth through disrupting large growing markets - typically a market value of at least £1bn - and be capable of achieving significant predicted exit multiples. Highly regulated industries, for example MedTech, are considered only in exceptional cases due to the timescales involved in bringing products to market. On behalf of the Company, the Investment Manager will be pursuing an active investment strategy.

A key premise of the strategy is identifying companies that have already delivered convincingly on the milestones associated with any previous investment rounds. Companies will need to show evidence of product-market-fit through traction, often in the form of revenue, which is a strong indicator they are past the inflection point of their growth curve. They will also need to demonstrate an ability to control the acquisition of new customers, typically verifying the success of campaigns through carefully monitored growth metrics. Companies showing these characteristics have a higher chance of efficient, quantified growth, which is a key ingredient for future success.

When assessing investment opportunities, strong emphasis is placed on the founding team who must be highly motivated, driven, focussed and have a track record of making excellent decisions under pressure. This team must complement each other in their skills, which should, in aggregate, cover the core operating areas of the company. Their interests must be strongly aligned to increasing the valuation of the company and their own shareholding or options, rather than only short-term personal remuneration. The team's work ethic is constantly assessed as is their responsiveness, as a measure of how prepared they are for the challenges of entering the next stage of their company's growth.

Every company that is selected for potential investment will have to pass through a comprehensive due diligence exercise which aims to test its innovations, financials and VCT eligibility. A relevant technical expert will assess the company's proposition and status, from high level architecture to low level code and designs. Analysts model the company's performance and growth, and a VCT tax specialist will typically be instructed by the Investment Manager to give an opinion as to whether the investment is expected to be VCT qualifying.

Diversification is intended to be achieved across both sector and stage, with the Company planning to invest in a broad range of high-calibre technology-enabled opportunities across many sectors. Although Series A is preferred, the Company diversifies stage risk by balancing earlier opportunities with those slightly further along their traction curve. This approach gives the potential for significant returns whilst mitigating the effect of companies that underperform or fail. The Company will typically invest in opportunities that are bringing disruptive innovations to large growing markets and are judged to be capable of significant exit multiples.

The Investment Manager's existing Blackfinch EIS Portfolios create a strong opportunity for follow-on and co-investment. If approved by the Investment Committee and compliant with VCT Rules, follow-on opportunities should benefit from a higher chance of success due to a deep understanding of the proposition and growth data from previous years as a portfolio company. Where co-investments are made simultaneously, an allocation policy determines the proportion of the overall investment made by the EIS Portfolios and the Company, with exceptions requiring approval from the Investment Committee and in some cases the Investment Manager's Conflicts Committee. Approval of this Conflicts Committee is also required in handling any subsequent conflict between the funds for the investment.

Where possible, the Investment Manager will look to lead on the investment round to ensure that timescales and due diligence are within its control. This approach reduces technology, company and compliance risk and, for founders, the speed and confidence of execution is attractive, resulting in a pick of the better opportunities. The Company will often co-invest with other investment firms and will look to secure strong working relationships with those firms during and after the deal-making process.

The Investment Manager will not appoint its own Ventures manager or director as the NED on the board of its portfolio companies to ensure independence. Instead, where appropriate it aims to appoint a NED from its network of Venture Partners who are experienced founders, industry leaders and experts brought together for this purpose. These Venture Partners add meaningful value through their experience and network, and founders cite this approach as a key differentiator from competitor VCT funds. The Investment Manager's portfolio team works with the Venture Partners and also collects monthly financial and KPI data from the companies.

Qualifying Investments

Qualifying Investments comprise investments in companies which are carrying out a qualifying trade (as defined under the relevant VCT legislation), and have a permanent establishment in the UK, although some may also trade overseas. The Qualifying Companies in which investments are made before

6th April 2026 must have no more than £15m of gross assets immediately prior to the investment (or £16m immediately after the investment), fewer than 250 employees (or fewer than 500 employees in the case of a Knowledge Intensive Company) and generally cannot have been trading for more than seven years (or ten years in the case of a Knowledge Intensive Company) at the time of the Company's investment. Several other conditions must be met for an investment to be classed as a VCT Qualifying Investment.

As part of the Finance Bill 2025–2026, the relevant limits are expected to be amended. The gross assets threshold is proposed to increase from £15m prior to investment (£16m post-investment) to £30m prior to investment (£35m post-investment). The annual investment limit is proposed to increase to £10m (from £5m), and the lifetime investment limit to £24m (from £12m), with different limits continuing to apply to knowledge-intensive companies.

These changes would increase the size and stage of companies that may be supported by VCTs. However, they are due to be accompanied by a reduction in the rate of upfront Income Tax relief from 30% to 20%.

The Directors and the Investment Manager will continue to monitor these developments closely until the legislation is formally enacted, and thereafter.

The Company intends to invest the net proceeds from its share offers in building its portfolio of Qualifying Investments complying with VCT legislation. At least 30% of the funds raised will be invested in Qualifying Investments within 12 months of the end of the Company's accounting period in which the relevant shares were allotted, and at least 80% of its net assets will, by the start of the Company's accounting period in which the third anniversary of the date the relevant shares are allotted falls and continuously thereafter, be invested in Qualifying Investments.

Non-Qualifying Investments

Subject to the rules applicable to VCTs, funds not employed in Qualifying Investments will be invested in a limited range of investments for the purposes of liquidity management, specifically in listed shares, shares or units in alternative investment funds and UCITS (each of which must be redeemable on seven days'

notice by the investor) and short-term cash deposits. Such investments are subject to market fluctuations. At the end of 2025, any funds not employed into Qualifying Investments were held as either cash or liquid investments within money market funds. The value of money market funds as at 31 December 2025 was £3,458,765, compared to £5,017,343 at 31 December 2024.

Borrowing Policy

The Company has no present intention of utilising gearing as a strategy for improving or enhancing returns. Under the Company's Articles of Association, the borrowings of the Company are not permitted to exceed 25% of the aggregate total amount received on the subscription of Shares in the Company without a special resolution being passed by shareholders.

Share Buyback Policy

The Shares are intended to be traded on the London Stock Exchange's main market for listed securities. Although it is likely that there will be an illiquid market for such shares and, in such circumstances, shareholders may find it difficult to sell their Shares in the market. Income tax relief is only available on the primary issue of new VCT shares. The Company intends to pursue an active buy back policy to improve the liquidity in the Shares where the Company may repurchase Shares, which shareholders wish to sell, at a discount of 5% to the latest published Net Asset Value per Share, (adjusted as appropriate for any dividends approved by shareholders at general meeting, subsequently paid or in respect of which the record date has passed), subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable cash resources available for the purpose. The making and timing of any share buybacks will remain at the absolute discretion of the Directors. Investors wishing to participate in buybacks are subject to costs which include brokerage fees as well as the fees for the VCT, which typically amount to 0.5p per share such costs being deducted from any sales proceeds paid.

Aligning with the share buyback policy of the Company, and in response to requests from shareholders wishing to sell their shares, three buybacks were facilitated in 2025. In total 691,485 shares were repurchased for the consideration of £646,481.

Dividend policy

The Company intends, but cannot guarantee, to pay a regular annual dividend equivalent to approximately 5% of the Company's Net Asset Value. The ability to pay the intended dividends may also be constrained by, in particular, the existence of realised profits regulations and the available cash reserves of the Company and always subject to the discretion of the Directors. No forecast or projection is implied or inferred.

On 9 May 2025 the Company paid out an interim dividend of 2.5p per share to Shareholders. A second interim dividend of 2.7p per share was paid on 8 August 2025. Both dividends were in respect of the Company's financial year ended 31 December 2024, and together they delivered on the Company's target to pay regular annual dividends of approximately 5% of its Net Asset Value.

A first interim dividend of 2026, to be paid with respect to the financial year ended on 31 December 2025, was announced to the market on 26 January 2026. It has a rate of 2.5p per share, with a payment date of 15 May 2026, and will be paid to all shareholders on the register on 10 April 2026.

Dividend Reinvestment Scheme

The Company has adopted a dividend reinvestment scheme which allows existing and new shareholders to elect to apply all or part of any cash dividends they are entitled to receive in respect of their Ordinary Shares in subscribing for further Ordinary Shares. The scheme ultimately provides flexibility, optionality and autonomy to the Company's growing shareholder base. The terms and conditions of the Dividend Reinvestment Scheme can be found on the Company's website (blackfinch.investments/vct).

The price at which shares will be issued under the Dividend Reinvestment Scheme will effectively be the last published NAV per share as close as reasonably practical to the dividend payment date. The Company bears all the costs of operating the Dividend Reinvestment Scheme. Dividend reinvestment enables shareholders to increase their total holding in the Company without incurring dealing costs or issue costs. Subject to the limits on investments in VCTs, shares issued under the Dividend Reinvestment Scheme should qualify for the VCT tax reliefs that are applicable to subscriptions for new VCT shares.

Shares subscribed for under the Dividend Reinvestment Scheme will form part of the relevant shareholder's annual limit for investing in VCTs.

Key Performance Indicators (“KPIs”) and Alternative Performance Measures (“APMs”)

The objective of the Company is to provide long-term returns where shares are invested for at least five years, whilst enabling shareholders to benefit from available VCT tax reliefs. The main KPI monitored by the board towards that objective is Total Return over the last year. Additionally, the following APMs are monitored:

- The Total Return per Share
- The increase in the value of investments.
- Operational expenses as a proportion of NAV and shareholders' funds.
- Ongoing charges figure, as defined below.

Total Return is the change in NAV plus dividends paid in the period. It is calculated as end-period NAV per share plus all dividends paid in the period, divided by beginning-period NAV per share, as shown below.

	2025	2024
Beginning NAV per Share	103.62p	101.54p
Dividends Paid Per Share in Period	2.5p (interim dividend) 2.7p (interim dividend) 5.2p (total dividends paid)	2.5p (interim dividend) 2.6p (final dividend) 5.1p (total dividends paid)
End NAV Per Share	92.86p	103.62p
Change in NAV Per Share	$92.86p - 103.62p = (10.76)p$ $(10.76)p \div 103.62p = (10.38)\%$	$103.62p - 101.54p = 2.08p$ $2.08p \div 101.54p = 2.05\%$
Total Return Per Share	$92.86p + 5.2p = 98.06p$ $(98.06p \div 103.62p) - 1 = (5.37)\%$	$103.62p + 5.1p = 108.72p$ $(108.72p \div 101.54p) - 1 = 7.07\%$

Total Return per share is expected to be the best overall measure of long-term performance, particularly as it reflects dividend payments as well as the current NAV. While the overall value of qualifying holdings increased, the portfolio, net of additions, declined during the period. The decline was primarily due to Illuma, previously the Company's largest holding, which experienced a significant drop in revenue, resulting in a £2.4m reduction in the value of the Company's investment. The reduction in Illuma's valuation contributed to the 5.37% decrease in total return.

Operational expenses in the period totalled £1.9m, representing 2.87% of the Company's NAV at the end of the period compared to 2.77% in 2024. The slight increase in operational expenses reflected expenses rising at a faster rate than NAV. Operational expenses are central running costs of the Company, including Directors' fees, annual investment advisory fees, administration fees and audit fees but excluding transactions related fees and expenses, any incentive fee, any regulatory and compliance costs, and any trail commissions payable by or on behalf of the Company. A breakdown of the costs can be found in the appendix on page 120. The percentage figures are calculated as the costs in the year divided by the NAV at the end of the period.

The ongoing charges figure (OCF) is calculated in accordance with AIC guidance and represents the annualised operational expenses divided by the average NAV over the period. It includes all operational expenses expected to be regularly incurred, be they of a capital or revenue nature, and that are payable by the Company, but excludes the costs of acquisition or disposal of investments, financing charges, and gains or losses on investments. The OCF includes the full Investment Management Fee paid to the Investment Manager. However, the Investment Manager rebates part of this fee back to shareholders, allowing them to pay any ongoing advice fees and otherwise to buy more shares in the VCT. Although a cost to the VCT, it is not a cost to shareholders. For comparison with other products, where trail commissions are excluded from the OCF, the Directors also consider the OCF net of the shareholder rebate.

	Year to 31 December 2025 (%)	Year to 31 December 2024 (%)
Ongoing Charges Figure	3.38	3.69
Ongoing Charges Figure less Shareholder Rebate	2.88	3.19

A breakdown of the above figures can be found within the appendix on page 121.

The ongoing charges figure has decreased compared to the prior year, reflecting lower marketing costs and a higher NAV, which has resulted in ongoing charges comprising a smaller proportion of net assets.

While there is significant overlap between the Operational Expenses and the OCF, the OCF is based on a standardised methodology and may differ due to its use of average NAV and broader cost inclusion criteria.

The Company's share price over the period is shown in the graph on page 75. The overall future prospects and outlook for the VCT are discussed in the Chairman's Statement.

The Board also closely monitors the measures defined by HMRC for its VCT tests, such as those discussed in Portfolio Statistics on pages 26 to 29, so that the Company may continue to qualify as a VCT. No test failures or related issues were identified during the period.

Key Contracts

Investment Management Agreement

Under the terms of the Agreement dated 10 December 2020 (the “Effective Date”), Blackfinch Investments Limited was appointed as the Company’s Alternative Investment Fund Manager (AIFM) and investment manager to provide investment management services to the Company in respect of its portfolio of Qualifying Investments and Non-Qualifying Investments and valuations of its portfolio interest. The Investment Manager receives an annual fee equal to 2.5% of the prevailing Net Asset Value payable quarterly in arrears. This is known as the Investment Management Fee. Of this, 0.5% of Net Asset Value per annum is rebated to investors per annum, out of which any Adviser Ongoing Charges, Execution-Only Intermediary Ongoing Fees and Direct Investor Ongoing Fees will be paid, making the Effective Investment Management Fee 2% of the Net Asset Value per annum.

The Investment Manager is entitled to reimbursement of expenses incurred in performing its duties under the agreement, and will also be entitled to receive and retain transaction and introductory fees, directors’ fees, monitoring fees, consultancy fees, corporate finance fees, syndication fees, exit fees and commissions in relation to Portfolio Companies from those Companies.

The appointment of the Investment Manager in relation to the investment management services commenced on the Effective Date and will continue unless and until terminated by either party giving to the other not less than 12 months’ notice in writing, such notice not to take effect before the end of the fifth anniversary following the last allotment of Shares pursuant to an offer for subscription made by the Company. The Investment Management Agreement is subject to earlier termination by either party in certain circumstances, such as in the event of certain breaches or the insolvency of either party.

Key Contracts

The Company is responsible for its normal third-party costs including (amongst other things) listing fees, audit and taxation services, legal fees, sponsor fees, registrars' fees, Directors' fees and other incidental costs. The Investment Manager has agreed to indemnify the Company by such amount as is equal to the excess of the Company's Annual Running Expenses above a maximum of 3.5% of the Net Asset Value, calculated on an annual basis with respect to the Net Asset Value at the end of the year. The Annual Running Expenses for the period of this report are given as the operational expenses above on page 41.

A maximum of 75% of the Company's management expenses will be capable of being charged against capital reserves with the balance charged against revenues. The split of fees was determined by the Board as it is consistent with the recommendations of paragraph 58 of the AIC SORP – Financial Statements of Investment Trust Companies and Venture Capital Trusts. The provision by the Investment Manager of any discretionary investment management services is subject to the overall control, direction and supervision of the Directors.

Performance Incentive

As is customary in the venture capital industry, the Investment Manager is incentivised with a performance related incentive payable in relation to each accounting period, subject to the Performance Value per Share being at least 130p at the end of the relevant accounting period. The amount of the performance incentive fee is equal to 20% of the amount by which the Performance Value per Share at the end of an accounting period exceeds the High Water Mark (being the higher of 130p and the highest Performance Value per Share at the end of any previous accounting period), and multiplied by the number of Shares in issue at the end of the relevant period. As at 31 December 2025 the Performance Value per Share was 103.16p. The Directors believe that the performance incentive structure provides a strong incentive for the Investment Manager to increase the value of the Company and to make distributions as high and as soon as possible.

Key Contracts

The methodology for calculating the Performance Value per Share is defined as the total of:

- i. the Net Asset Value,
- ii. all Performance Fees previously paid or accrued by the Company to the Investment Manager for all previous accounting periods since the inception of the Company, and
- iii. the cumulative amount of dividends or any other distributions paid by the Company before the relevant accounting reference date. This includes the amount of those dividends in respect of which the ex-dividend date has passed as at that date,

divided by the number of Shares in issue in the Company on the relevant date.

At the end of the year, the Performance Value per Share was 103.16p which is less than the initial High Water Mark of 130p and so no performance incentive fee is payable.

Administration Agreement

Under the terms of the administration agreement dated 11 November 2019, Blackfinch Investments Limited agreed to provide certain administration services and company secretarial services to the Company. In exchange for these services, the Company has agreed to pay to the Administrator an annual fee of either 0.3% of Net Asset Value or £60,000 (plus VAT if applicable), whichever is higher. This agreement will continue until either party chooses to terminate after giving the other party no less than 12 months' notice of termination in writing. Termination should not take effect before the end of the fifth anniversary following the last offer for subscription made by the Company, but the agreement is subject to early termination in certain circumstances, such as in the event of certain breaches or the insolvency of either party.

Receiving Agent Agreement

Under the terms of the receiving agent agreement dated 31 August 2025, Blackfinch Investments Limited agreed to provide receiving agent services to the Company. In exchange for these services, the Company has agreed to pay the Receiving Agent an annual fee of £10,000 plus 0.12% of monies subscribed for

Key Contracts

Shares under the Offer (plus VAT if applicable). This agreement will continue until either party chooses to terminate after giving the other party no less than 30 days' notice of termination in writing. The agreement is subject to early termination in certain circumstances, such as in the event of certain breaches or the insolvency of either party.

Custody Agreement

A Custody Agreement, dated 11 November 2019, was signed between the Company and Blackfinch Investments Limited. Blackfinch agreed to act as custodian and hold securities in certificated form on behalf of the Company. The annual fee associated with this responsibility is £5,000 (plus VAT if applicable). This agreement is terminable by either party giving to the other no less than 12 months' notice in writing. Such notice will not take effect before the end of the fifth anniversary following the last allotment of Shares pursuant to an offer for subscription made by the Company, but may be subject to early termination in certain circumstances.

As required by the Listing Rules, the Directors can confirm that, in their opinion it is in the best interests of the shareholders as a whole to continue the appointment of Blackfinch Investments Limited as the Investment Manager, Administrator, Custodian and Receiving Agent. In order to come to a conclusion, the Directors have taken into account the length of notice period, performance to date and the standard of service received.

Principal and Emerging Risks

The Company completes a robust assessment of principal risks which is a process that includes reviewing the magnitude and the likelihood of the risks.

As at the end of 2025, the key emerging risks identified for the Company relate to the reduction in VCT upfront income tax relief effective from April 2026 and the potential impact of ongoing geopolitical conflicts, both of which continue to be closely monitored by the Board and the Investment Manager. The Board has listed below details of these risks including the measures taken in order to mitigate them as far as practicable. The below list of risks is by no means exhaustive, but the Directors deem those listed below to be the main risks of which they are aware at this time.

RISK	DESCRIPTION	MITIGATION	CHANGE TO RISK
Loss of VCT Qualifying Status	The Company must comply with all relevant regulations to maintain its qualifying VCT status. Failure to meet these requirements could result in the loss of approval, leading to significant consequences for investors. As a result, investors could lose the tax benefits associated with the VCT, including the repayment of the initial Income Tax relief, the liability of Income Tax on dividends and the loss of Capital Gain Tax exemptions on disposals of shares.	The Investment Manager, in close collaboration with the Board, actively monitors the VCT's qualifying status to ensure ongoing compliance. Regular reports are prepared and reviewed with the Board. The VCT's qualifying status is formally assessed on a quarterly basis. To further strengthen oversight, Philip Hare & Associates has been appointed as Tax Adviser, providing bi-annual monitoring reports to the board.	Maintained risk level

RISK	DESCRIPTION	MITIGATION	CHANGE TO RISK
Investment Performance	<p>The Company primarily invests in unquoted, growth-stage, technology-enable companies. By nature, these investments carry a higher level of risk, tend to be more volatile and are less liquid compared to publicly traded companies. Early-stage businesses often have limited financial resources, less predictable revenue streams and may be highly depended on a few key individuals. Additionally, investments in these companies cannot be readily realised in the same way as listed equities and successful exits are not guaranteed.</p>	<p>The Board and Investment Manager seek to minimise investment risk across the portfolio by implementing a robust and structured approach to investment selection, monitoring and realisation. Diversification is a key strategy, achieved through exposure to multiple sectors and a balanced mix of early-stage and more established opportunities along their growth trajectory. The investment portfolio is reviewed regularly by the Board and the Investment Manager to ensure alignment with the VCTs objectives and risk management framework.</p>	Maintained risk level
Portfolio Valuations	<p>The Company primarily invests in unquoted, growth-stage, technology-enabled companies. By nature, determining the Fair Value of these companies can be more complex and less transparent compared to listed equities as there are fewer publicly available reference points to utilise in the valuation process.</p>	<p>The portfolio companies are valued in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. Valuations are conducted by experienced individuals, with oversight provided by the Investment Manager's Valuation Committee. Additionally, all valuations are subject to Board approval and are audited annually to ensure compliance with industry standards.</p>	Maintained risk level
Regulatory and Compliance	<p>The company must comply with all applicable legislation and regulatory directives, including the Alternative Investment Fund Managers Directive ("AIFMD"), the Companies Act 2006, the rules of the UK Listing Authority, and UK Accounting Standards. Failure to adhere to these regulations could result in serious consequences including financial penalties, regulatory sanction and reputational damage.</p>	<p>The Company has appointed the Investment Manager to oversee its day-to-day operations. The Board receives updates at least quarterly on regulatory, financial, and compliance matters to ensure effective governance. Where necessary, third-party specialists are engaged to provide additional oversight and support the Company in meeting its regulatory obligations.</p>	Maintained risk level

RISK	DESCRIPTION	MITIGATION	CHANGE TO RISK
Operational	<p>There is a risk that failures in the systems and controls of the Company's advisers could result in an inability to adequately service shareholders' needs, provide accurate reporting and accounting and ensure compliance with VCT legislations and regulations. Such failure could have operational, financial, and regulatory implications, potentially impacting the Company's ability to meet its obligations effectively.</p>	<p>The Company has appointed several third-party service providers, including the Investment Manager, to deliver essential support services such as Sponsor, Company Secretary, Receiving Agent, Registrar, Solicitors, and Tax Advisers. The Board conducts regular reviews of internal controls to ensure that these third parties maintain adequate risk management frameworks. Additionally, the performance of service providers is regularly assessed to confirm they continue to have the expertise, resources, and capabilities necessary to deliver the expected level of service effectively.</p>	Maintained risk level
Economic, political and external factors	<p>The investment companies within the portfolio may be impacted by economic, political, and external factors, including interest rate fluctuations, labour shortages, high inflation, rising energy costs, recession concerns, macro-economic instability, and geopolitical conflicts. These factors can influence business performance, market sentiment, and valuation outcomes, potentially affecting the overall return and risk profile of the portfolio.</p>	<p>The Board and Investment Manager continuously monitor economic, political, and external factors affecting the UK and global economies, ensuring that portfolio risks are identified and managed. This proactive approach allows the Company to adapt its investment strategy, mitigating potential adverse effects and addressing emerging risks. To support this, the Company maintains a diversified portfolio across various stages, sectors and geography of customer base while holding sufficient cash reserves for follow-on investments as needed.</p> <p>The Company's investee businesses, which mostly supply services rather than goods, have very little direct impact from US tariffs.</p> <p>While all investee companies have a UK permanent establishment, the Board and the Investment Manager closely monitor the potential wider impacts of geopolitical conflicts on the Company, including but not limited to developments in the Middle East.</p>	Amended to account for tariffs and geopolitical conflicts

RISK	DESCRIPTION	MITIGATION	CHANGE TO RISK
Governance	<p>Ineffective Board governance could have significant financial, regulatory, and reputational consequences for the Company. Poor decision-making or oversight may lead to mismanagement of investments, increased regulatory scrutiny, compliance breaches, and loss of investor confidence. Ensuring that the Board operates effectively with strong governance practices is essential to maintaining strategic direction, regulatory compliance, and shareholder trust.</p>	<p>The Board recognises that effective leadership and a well-composed Board are critical to the Company's success. To ensure high standards of governance, an annual evaluation process is conducted, allowing the Board to assess its performance, structure, and effectiveness. Where necessary, actions are taken to address any identified areas for improvement. Additionally, the City Partnership has been appointed as Company Secretary, responsible for monitoring corporate governance best practices and ensuring that the Company remains compliant with regulatory requirements and industry standards.</p>	Maintained risk level
Liquidity	<p>The Company requires sufficient liquidity to meet its financial obligations, pay dividends, and facilitate share buybacks. Effective liquidity management is essential to ensure the smooth operation of the Company, enabling it to fulfil its commitments while maintaining financial stability and investor confidence.</p>	<p>The Company prepares cash flow forecasts and budgets, which are regularly reviewed by the Board to ensure adequate liquidity and minimise the risk of insufficient cash to meet financial obligations. To maintain financial stability, all cash is securely held in the nominated company bank account or allocated to money market funds for efficient liquidity management.</p>	Maintained risk level
Legislative	<p>In Budget 2025, the rate of upfront income tax relief for new VCT investments was reduced from 30% to 20% (with effect from April 2026). This may reduce the attractiveness of qualifying investments, potentially impacting fundraising levels and capital availability and valuations. A decline in demand for tax-efficient products could affect deployment, growth prospects and overall return outcomes.</p>	<p>The Company monitors changes to the tax environment and their impact on fundraising and liquidity, with cash flow forecasts reviewed regularly by the Board. The Manager maintains strong relationships with clients and advisers to provide visibility over expected inflows, while retaining flexibility on investment pacing and holding cash securely to support prudent liquidity management.</p>	New Risk

RISK	DESCRIPTION	MITIGATION	CHANGE TO RISK
Key Person Risk	The Company is dependent on the skills, experience and judgement of the Investment Manager, and the loss of key personnel could adversely affect its ability to identify and manage suitable investment opportunities.	The Investment Manager implements a team-based investment approach, reducing reliance on any single individual and ensuring that responsibility and expertise are shared across multiple members of the team.	New Risk

Section 172 Statement

Section 172 of the Companies Act 2006 requires the Directors of the Company to act in a way that they consider, in good faith, will most likely promote the success of the Company for the benefit of the members as a whole. In doing so, the Directors should have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

The Board considers its significant stakeholder groups to be its Shareholders, its third-party advisers and its portfolio companies. The Company takes several steps to understand the views of its key stakeholders and considers these, along with the matters set out above, in Board discussions and decision making.

The Company has no employees and no customers in a traditional sense and therefore there is nothing to report in relation to these relationships. In line with normal practice for Venture Capital Trusts, the day-to-day management and administration is delegated to the relevant third parties. The Board regularly engages with the third parties to set, approve and oversee the execution of the agreed business strategy and related policies. Ad hoc meetings and communications are convened where necessary to address specific issues to ensure an appropriate and transparent response is formulated.

The Board's principal concern is the interest of the Company's Shareholders taken as a whole. The Board engages and communicates with Shareholders by various means. At the Annual General Meeting, Shareholders will be given the opportunity to engage with the Board and the Investment Manager. All Shareholders will be encouraged to vote on the resolutions at the Annual General Meeting. During the year, Shareholders were also given the opportunity to hear from many of the portfolio companies and to meet representatives from them.

During the year, after carefully considering the volume and quality of investment opportunities being seen by the Investment Manager, the Board issued a prospectus on 11 September 2025 to raise up to £20m with an over-allotment facility of £20m. As at 31 December 2025, funds totalling £5.43m had been allotted to the VCT.

Given the significance of maintaining the Company's VCT status to the Company's objectives of maximising the net asset value return and of delivering attractive tax-free dividends to shareholders, the Board monitors the Company's compliance with the relevant HMRC Regulations at each of its meetings. The Board also reviews at each meeting the risks to which the Company is exposed and the internal controls designed to reduce the probability of such risks arising and to mitigate the effect if they should occur.

The Board works closely with the Investment Manager in reviewing how stakeholder issues are handled, ensuring good governance and responsibility in managing the Company's affairs. As well as having a Director from the Investment Manager on the Board of the VCT, key stakeholders from the Investment Manager also attend Board meetings. The Investment Manager has therefore been well informed of any decisions the Board has made during the period and as a result has had opportunity to discuss the impact these decisions may make. The Investment Manager provides updates to the Board on the entire portfolio at least quarterly, and works closely with management teams of the portfolio companies to ensure that they maintain sufficient oversight.

Responsible Investing, Human Rights and Community Issues

The Board seeks to carry out the Company's affairs in a responsible manner and maintain high standards in respect of a range of non-financial factors such as risks to the environment, impact on society and strength of governance. The Company is required by law to provide details of environmental, employee, human rights, social and community issues. As a VCT the Company does not have any employees and as a result does not maintain specific policies in relation to these matters. The Company does, however, encourage the Investment Manager to consider these issues, where appropriate, with regard to investment decisions.

The Board considers that the Company's investment operations create employment, aid economic growth, generate tax revenues and produce wealth, thus benefiting the community and the economy more generally. When considering portfolio companies, the Investment Manager strives to ensure that each one makes at least a small positive, sustainable contribution to the world.

In assessing any potential investment or portfolio companies, the following are considered:

1. The central purpose of the business: this must be worthwhile at least in some small way. An economic benefit is considered worthwhile, as explained above.
2. What the business does and plans to do in pursuit of its purpose.
3. How the business is conducted, especially for governance.
4. The attitude of the directors and especially the founders, and their commitment to responsible investing.

Responsible investing is instrumental to the Company. It invests in companies that can make a difference in the world. With a strong commitment to investing responsibly and a technology mandate, the Company supports firms that are breaking new ground. These firms are innovating with products that address real-world needs. When making investment decisions, the Investment Manager assesses firms' credentials and views. Responsible investing is also integrated into the Investment Manager's internal processes and the way in which it works with firms. A detailed assessment is made of the responsible practices in each company, which is then included in the Investment Committee Paper for approval; it will list any relevant risks and mitigation plans. The Investment Manager engages with the Company's portfolio companies in relation to their corporate governance practices and in developing their policies on environmental, social and community issues on an ongoing basis. Further details on how the Investment Manager incorporates responsible investing into its investment processes and assesses the potential investment risks are detailed on page 53 and can be found within the Blackfinch Responsible Investing Policy at blackfinch.com/sustainability/.

Environment Policy & Greenhouse Gas Emissions

As a VCT with no physical assets, property, employees or operations, the Company has no direct environmental responsibilities. It is also not subject to the requirements of the Companies Act 2006 (Strategic Report and Directors' Reports) regulations 2013 regarding greenhouse gas emissions.

Additionally, the Company does not fall within the scope of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which came into effect on 1 April 2019. These regulations require companies that have consumed over 40,000 kilowatt-hours of energy to report on their energy use and carbon emissions. As the Company has no direct carbon usage, it is not required to make any disclosure under these rules. As a result, the Board has not adopted a specific environmental policy.

However, the Company recognises the importance of conducting its business and making investment decisions in a responsible manner than considered environmental impacts wherever possible.

The Investment Manager is a signatory of the Principles for Responsible Investment (PRI), demonstrating a public pledge to responsible investment practices. This places the Investment Manager within a global community, striving to build a more sustainable financial system.

VCT Regulations

The Company has engaged Philip Hare & Associates LLP to advise it on compliance with VCT requirements, including evaluation of investment opportunities as appropriate and regular review of the portfolio. Although Philip Hare & Associates LLP works closely with the Investment Manager, they report directly to the Board. Compliance with the main VCT regulations as at 31 December 2025 and for the period then ended is summarised as follows:

- a. The Company's income in the period has been derived wholly or mainly (70% plus) from shares or securities.
- b. The Company has not retained more than 15% of its income from shares and securities.
- c. The Company has not made a prohibited payment to shareholders.
- d. At least 80% by value of the Company's investments has been represented throughout the period by shares or securities comprised in qualifying holdings of the Company.
- e. At least 70% by value of the Company's qualifying holdings has been represented throughout the period by holdings of eligible shares.
- f. At least 30% of the funds raised are invested in qualifying holdings by the anniversary of the end of the accounting period in which those funds are raised.
- g. No holding in any company has at any time in the period represented more than 15% by value of the Company's investments at the time of investment.
- h. The Company's ordinary capital has throughout the period been listed on a regulated European market.
- i. The Company has not made an investment in a company which causes it to receive more than the permitted investment from State Aid sources.
- j. Since 17 November 2015, the Company has not made an investment in a company which exceeds the maximum permitted age requirement.
- k. Since 17 November 2015, funds invested by the Company in another company have not been used to make a prohibited acquisition.
- l. Since 6 April 2016, the Company has not made a prohibited non-qualifying investment.

Fair Balanced and Understandable Statement

In accordance with provision 4.27 of The UK Corporate Governance Code published by the Financial Reporting Council in January 2024 (the “Code”), the Directors consider the Annual Report and accounts to be fair, balanced, and understandable.

Statement on Long-Term Viability

In line with provision 4.31 of the Code the Directors have assessed the Company’s prospects over the five-year period to 31 December 2030. This period has been considered appropriate for a business of this nature and size, because it is the minimum recommended investment period and the period for which investors are required to hold their shares in order to retain tax relief.

The Directors have carried out a robust assessment of the principal and emerging risks faced by the Company, considering its business model, future performance, solvency and liquidity. They deliberated over the Company’s ability to maintain its VCT status with HM Revenue and Customs, and over the valuation of investments. Given the extent of available resources, the Board particularly assessed the ability of the Company to raise finance, as well as its ability to deploy capital. It reviewed income and expenditure projections, and examined robust stress-tested cash flows to understand the impact of different scenarios. Given the announced reduction in income tax relief from 30% to 20% from 6th April 2026, base scenarios assumed a material reduction in fundraising in that tax year, followed by a £3–5m increase in annual fundraising each year over the remainder of the period. These scenarios also adopted the Investment Manager’s conservative estimate of the likely size and timing of exits for older investments, and for newer investments assumed none would exit until 5 years after investment, at which point it would return 2.5 times the amount invested. Alternative scenarios included a period of 12 months in which no new funds were raised, and newer investments making lower returns of 1.5 times the amount invested. In planning any new investment or distribution, the Board requires sufficient cash to be held to cover at least the next 12 months’ budgeted costs. The Board also assessed the Investment Manager and the processes in place for dealing with risks and identifying emerging threats. A detailed risk register is monitored and reviewed by the Board at every Board meeting.

The Board has determined that the Company will be able to continue in operation, maintain compliance with the VCT rules and meet its liabilities as they fall due for a period of at least five years from the accounts approval date.

Other Disclosures

The Board of the Company is made up of three Directors, two of which are male and one is female. The Company has no employees. The Board is aware that the Company has not met the three diversity targets set out in Listing Rule 9.8.6(9). However, the Board would point out that it comprises only three Directors, two of whom are independent. One of the two independent Directors is a woman of mixed ethnicity who chairs the Company's Audit Committee. The Board believes in the value and importance of diversity in the boardroom but does not consider it appropriate or in the best interests of the Company to set prescriptive targets.

The Board has disclosed the following information in relation to its diversity based on the position at the Company's financial year ended 31st December 2025:

Gender	Number of Board Members	Percentage of Board Members	Number of Senior Roles
Men	2	66.6%	1*
Women	1	33.3%	-

Ethnicity	Number of Board Members	Percentage of Board Members	Number of Senior Roles
White British (or any other white background)	2	66.6%	1*
Mixed/Multiple Ethnic Groups	1	33.3%	-

* Peter Hewitt currently holds the position Non-Executive Chairman

The above statistics have been determined internally through the knowledge of the board of directors.

On behalf of the Board

Peter L R Hewitt, JP, FCSI

Non-executive Chairman

20 April 2026

Companies House Number - 12166417

Directors' Report

The Statement of Corporate Governance on pages 63 to 69 forms part of the Directors' Report.

Principal Activity and Status

The Company is registered as a public limited company under the Companies Act 2006 (Registration number 12166417). The address of the registered office is Meadow Barn, Elkstone Studios, Cheltenham GL53 9PQ. The Company is a generalist VCT focused on investments in innovative growth-stage technology-enabled companies which are on their scale-up journey. A review of the Company's business during the year is contained in the Chairman's Statement and Investment Manager's Review.

Directors

The Directors of the Company during the period under review were Peter Hewitt, Katrina Tarizzo and Nicholas Pillow. The Company indemnifies its directors and officers against potential personal losses in the event of litigation arising from the organisation's vendors, customers or other parties.

Dividends

Two dividends were distributed in 2025: an interim dividend of 2.5p paid on 9 May, and an interim dividend of 2.7p paid on 8 August. Together they represented approximately 5.0% of the NAV per share at the end of 2024. An interim dividend of 2.5p per share was announced on 26 January 2026, which is to be paid on 15 May 2026. The ability to pay the intended dividends may be constrained by, in particular, the existence of realised profits, regulations and the available cash reserves of the Company and are at the discretion of the Board.

Share Capital

As shown in note 15 to the financial statements, the Company has only one class of share, being ordinary shares of 1p each.

Buy back and Issue of ordinary shares

691,485 shares were bought back by the Company during the period, at a cost of £646,481. At the year-end, authority remained for the Company to buy back 9,025,667 (2024: 6,945,271) shares. There were 74,098,057 (2024: 46,332,697) ordinary shares in issue at the year end. During the year a total of 26,321,859 (2024: 17,418,561) ordinary shares in the Company were issued as a result of offers for subscription at an average price of £1.0210 (2024: £1.0315) pence per share raising £26,874,128 (2024: £17,966,878).

Capital Disclosures

The rights and obligations attached to the Company's ordinary shares are set out in the Company's Articles of Association, copies of which can be obtained from Companies House. The Company has one class of share, ordinary shares, which carry no right to fixed income. The holders of ordinary shares are entitled to receive dividends when declared, to receive the Company's report and accounts, to attend and speak at general meetings, to appoint proxies and to exercise voting rights. There are no restrictions on the voting rights attaching to the Company's shares or the transfer of securities in the Company.

Co-Investment Allocation Policy

Given the Investment Manager's considerable experience of, and exposure to, the EIS investment sector, the Board has reviewed and is satisfied with the revised co-investment allocation policy and conflicts paper produced by the Investment Manager and discussed at a board meeting held on 20 November 2025.

Annual General Meeting ("AGM")

The full Notice of the Annual General Meeting is on pages 122 to 127 of these financial statements.

A resolution is proposed to re-elect Katrina Tarizzo as a Director of the Company. The Board has chosen not to comply with the Provision of the UK Corporate Governance Code for the annual re-election of all directors. The Board believes that given the size and early stage of the Company, annual re-election would be inappropriate. However, the Board has decided that each of its two independent Directors will stand for re-election every second year with only one such Director standing in any given year. Nic Pillow, as a non-independent Director is subject to annual re-election in accordance with the Listing Rules.

The Notice of AGM includes the following resolutions:

- Resolution 7, an ordinary resolution, is proposed to ensure the Directors retain the authority to allot shares in the Company until the date of the 2027 Annual General Meeting up to an aggregate nominal amount of £500,000 (representing approximately 62 per cent of the issued ordinary share capital of the Company as at 1 April 2026).
- Resolution 8, an ordinary resolution, is proposed to ensure the Directors are granted the authority to allot shares in the Company pursuant to the terms and conditions of the dividend reinvestment scheme until the date of the 2027 Annual General Meeting up to an aggregate nominal amount representing 10% of the issued ordinary share capital of the Company from time to time (approximately 8m shares at the date of the notice of this AGM).
- Resolution 9, a special resolution, is proposed to empower the Directors to allot shares under the authority granted by resolution 7 without regard to any rights of pre-emption on the part of the existing shareholders.

- Resolution 10, a special resolution, is proposed to empower the Directors to allot shares under the authority granted by resolution 8 without regard to any rights of pre-emption on the part of the existing shareholders.
- Resolution 11, a special resolution, is proposed to renew the existing share buyback authority to ensure that authority to buy back shares is in place until the date of the 2027 Annual General Meeting.

Auditor

A resolution to reappoint BDO LLP as auditor of the Company will be proposed at the AGM.

Substantial Shareholdings

With the exception of Transact Nominees Limited which, as at 31 December 2025 held ordinary shares as noted below, the Company is not aware of any holdings, at 31 December 2025 and as at the date of this report, representing (directly or indirectly) 3% or more of the voting rights attached to the issued share capital of the Company.

Name of shareholder	31 December 2025		31 December 2024	
	No of ordinary shares held ('000)	% of shares in issue	No of ordinary shares held ('000)	% of shares in issue
Transact Nominees Limited	2,896	4.03	2,075	4.78

Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in business for the foreseeable future (being a period of twelve months from the date these financial statements were approved). In reaching this conclusion the Directors took into account the nature of the Company's business and Investment Policy, its risk management policies, its investments, and the cash holdings. As at 31 December 2025 the Company held cash and liquid balances with a value of £12,163,105 (2024: £8,679,034) Cash flow projections show the Company has sufficient funds to meet all its expected expenditure for the foreseeable future for a period of twelve calendar months after the date of the financial statements. The largest expenditure lines are linked to the NAV of the company and would therefore reduce proportionally should the value of assets decrease. Stress tests indicate that the company has sufficient cash to meet its expenditure obligations even if there were no additional inflows over the next twelve months. The Directors have reviewed the portfolio of qualifying investments and expect the Company to continue to satisfy the conditions of VCT compliance. Businesses in this increasingly diversified portfolio are performing well, and the Company has the resources to provide additional short-term funding to those that require it. Thus, the Directors believe it is appropriate to continue to apply the going concern basis in preparing the financial statements.

Accountability and Audit

The independent auditor's report is set out on pages 77 to 93 of this report. The Directors who were in office on the date of approval of these Annual Report and Financial Statements have confirmed that, as far as they were aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors has taken all the steps they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Financial Instruments

The Company's financial instruments comprise investments held by the VCT, equity, cash balances and liquid resources including debtors and creditors.

Indemnity Payments

There are no qualifying indemnity payments made on behalf of the Directors.

Risk Management

Further details, including details about risk management, are set out in the Strategic Report and in note 18 on pages 114 to 116. Social, environmental and carbon reporting disclosures are included in the Strategic Report.

Events after Reporting Date and Future Development

Significant events which have occurred after the year end are detailed in note 20 on pages 116 to 117. Future developments which could affect the Company are discussed in the outlook section of the Chairman's Statement and in the Investment Manager's Review.

On behalf of the Board

Peter L R Hewitt, JP, FCSI

Non-executive Chairman

20 April 2026

Companies House Number - 12166417

Statement of Corporate Governance

The Board is committed to the principle and application of sound corporate governance and confirms that the Company has taken steps, appropriate to a venture capital trust and relevant to its size and operational complexity to comply with the provisions and recommendations of The UK Corporate Governance Code published by the Financial Reporting Council in January 2024 (the “Code”), other than Provision 29 which will apply to financial years beginning on or after 1 January 2026. The Code can be found on the website of the FRC at www.frc.org.uk.

The Directors acknowledge the section headed “Reporting on the Code” in the preamble to the Code which recognises that an alternative to complying with a provision may be justified in particular circumstances based on a range of factors, including the size, complexity, history and ownership structure of a company. Accordingly, the provisions of the Code have been complied with save that (i) the Company does not have a senior independent director (although the Chairman is an independent director), (ii) the Company will not conduct on an annual basis a formal review as to whether there is a need for an internal audit function as the Directors do not consider that an internal audit would be an appropriate control for a VCT, (iii) as all of the Directors are non-executive and not anticipated to change during the life of the Company, it is not considered appropriate to appoint a nomination or remuneration committee, (iv) papers to accompany the appointment of the newest director were

not created as the size of the current Board allows all existing directors to be actively involved in the recruitment process, (v) neither open advertising nor an external consultancy have been used to recruit directors to the Board due to the internal recruitment team the Investment Manager has access to which allows the costs of the exercise to be kept to a minimum, (vi) the Board does not currently comply with the Code’s diversity targets due to the size of the Board, and (vii) other than Nicholas Pillow, who as an employee of the Investment Manager is not considered independent and is therefore obliged to resign and stand for re-election as a Director on an annual basis pursuant to the Listing Rules, the Directors will not stand for re-election on an annual basis. The Company’s Articles require that all Directors must retire at or before the third AGM after the AGM at which they were last elected to hold office. As mentioned earlier within the report, to fall in line with the Articles, the independent Directors are to stand for re-election every second year with only one Director standing in any given year.

The Board considers that these provisions of the Code are not relevant to the position of the Company due to the size and specialised nature of the Company, the fact that all directors are non-executive and the costs involved.

The directors consider the annual report and financial statements taken as a whole are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s position, performance, business model and strategy.

The Board

The Board has overall responsibility for the Company's affairs, including determining its investment policy and having overall control, direction, and supervision of the Investment Manager. The investment management agreement between the Company and Blackfinch Investments Limited sets out the matters over which the Investment Manager has authority. This includes monitoring of the Company's assets. All other matters, including strategy, investment and dividend policies and corporate governance proceedings are reserved for the approval of the Board. The Board meets at least quarterly and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow the Directors to discharge their responsibilities. In addition, the Directors are responsible for ensuring that the policies and operations are in the best interests of all the Company's shareholders and that the best interests of creditors and suppliers to the Company are properly considered. The Chairman and the company secretary establish the agenda for each Board meeting. The necessary papers for each meeting are distributed well in advance of each meeting ensuring all Directors receive accurate, timely and clear information. The Board has direct access to corporate governance and compliance services through the company secretary who is responsible for ensuring that Board procedures are followed and compliance requirements are met.

The Board comprises three non-executive Directors, two of whom act independently of the Investment Manager. Accordingly, the majority of the Board, including the Chairman, are independent of the Investment Manager. The Directors have a wide range of investment, business, financial skills and knowledge relevant to the Company's business. Brief biographical details of each Director are set out on page pages 7 and 8.

The Company may by ordinary resolution appoint any person who is willing to act as a Director, either to fill a vacancy or as an additional Director. Directors are initially

appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be elected by shareholders. Thereafter, the Company's Articles require that all Directors must retire at or before the third AGM after the AGM at which they were last elected to hold office. Subject to the performance evaluation carried out each year, the Board will agree whether it is appropriate for a Director to seek a further term. The Board, when making a recommendation, will take into account the ongoing requirements of The UK Corporate Governance Code, including the need to refresh the Board and its Committees. The Board seeks to maintain a balance of skills and the Directors are satisfied that as currently composed, the balance of experience and skills of the individual directors is appropriate for the Company. The Directors also have access as required to independent professional advice.

No Director has a contract of service with the Company. All of the Directors have been provided with letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the annual general meeting.

The Board is committed to ensuring that the Company is run in the most effective manner. The Board monitors the diversity of all Directors to ensure an appropriate level of experience and qualification. When making new appointments the Board takes into account other demands on directors' time and prior to appointment significant commitments would be disclosed. There are no specific guidelines set on length of directors' service, including the Chairman, as the Board believes that continuity of experience is most important.

Independence of Directors

The Board regularly reviews the independence of each Director and of the Board as a whole in accordance with the guidelines in the Code. Nicholas Pillow, as an employee of Blackfinch Investments Limited is not considered independent.

Directors' interests are noted at the start of each Board meeting and any Director would not participate in the discussion concerning any investment in which he or she had an interest. The Board does not consider that length of service will necessarily compromise the independence or effectiveness of Directors and no limit has been placed on the overall length of service. The Board considers that continuity and experience can be of significant benefit to the Company and its shareholders. The Board believes that Peter Hewitt and Katrina Tarizzo have demonstrated that they are independent in character and judgment and there are no relationships or circumstances which could affect their objectivity.

Board Performance

The Directors, in consultation with the Company Secretary, carried out an informal evaluation of the performance of the Board, the Audit Committee and individual Directors. The review concluded that all were performing effectively.

The Board has determined that an external evaluation is not currently necessary. This conclusion was reached having regard to several factors, including the relevant provisions of the Code, attendance and participation at Board and Audit Committee meetings, commitment to Board activities and the effectiveness of individual contributions.

The Board also assessed and monitored its own culture, including its policies, practices and behaviour and was satisfied it was aligned with the Company's purpose, values and strategy.

Investment Manager and Advisers' Performance

The Board reviewed the performance of the Investment Manager and the Company's other advisers and was satisfied that all were performing effectively.

Board and Committee Meetings

The following table sets out the Directors' attendance at full Board and Audit Committee meetings held during the period ended 31 December 2025.

Director	Board Meetings		Audit Committee Meetings	
	Held	Attended	Held	Attended
Peter Hewitt	8	8	6	6
Katrina Tarizzo	8	8	6	6
Nicholas Pillow*	8	8	6	6

*Nicholas Pillow is not a member of the Audit Committee but he has attended the Audit Committee meetings.

The Board is in regular contact with the Investment Manager between Board meetings.

Board Committees

The Board has not established a nomination or remuneration committee as they consider the Board to be small and to comprise non-executive Directors. These functions are carried out by current members of the Board. Appointments of new Directors and Directors' remuneration are dealt with by the full Board.

Report of the Audit Committee

The Audit Committee ("the Committee") comprises the two independent non-executive Directors, Katrina Tarizzo (Audit Chair) and Peter Hewitt. Due to the small size of the Board and his independence and experience, the Board believes it is appropriate that the chairman of the board is a member of the Audit Committee. The Board is also satisfied that the Committee as a whole has competence relevant to the venture capital trust sector and the requisite skills and experience to fulfil the responsibilities of the Audit Committee and meets the requirements of the Code as to recent and relevant financial experience.

The committee meets at least twice a year. The Company's auditor may be required to attend such meetings. The committee will prepare a report each year addressed to shareholders for inclusion in the Company's annual report and accounts. The duties of the Committee are:

- to monitor and make recommendations to the Board in relation to the Company's published financial statements and other formal announcements relating to the Company's financial performance;
- to monitor and make recommendations to the Board on internal control and risk management systems; and
- to make recommendations to the Board in relation to the appointment of the external auditor, to monitor its independence and objectivity, the level of audit fees and to discuss with the external auditor the nature and scope of the audit.

Copies of the terms of reference of the Audit Committee can be found on the Company's website: blackfinch.investments/vct/.

During the period ended 31 December 2025 the Audit Committee met six times and:

- reviewed the financial statements released by the Company (including the half-yearly report);
- reviewed the appropriateness of the Company's accounting policies;
- reviewed the internal controls operated by the Investment Manager and assessed the effectiveness of those controls in minimising the impact of key risks;
- reviewed the external auditor's terms of engagement, independence and fees;
- reviewed the external auditor's comprehensive report to the committee on the annual financial statements; and
- reviewed the valuation of unquoted investments.

The Directors carried out a robust assessment of the principal and emerging risks facing the Company and concluded that the key areas of risk which threaten the business model, future performance, solvency or liquidity of the Company are:

- compliance with HM Revenue & Customs to maintain the Company's VCT status;
- valuation of investments; and
- safeguarding of cash.

These matters are monitored regularly by the Investment Manager and reviewed by the Board at every Board meeting. They were also discussed with the Investment Manager and the auditor at the Audit Committee meeting held to discuss these annual financial statements.

The Committee concluded:

VCT status - the Investment Manager confirmed to the Audit Committee that the conditions for maintaining the Company's status had been complied with throughout the period. The Company's VCT status is also reviewed by the Company's tax adviser, Philip Hare & Associates, as described on page 56.

Valuation of investments - the Investment Manager confirmed to the Audit Committee that the basis of valuation for unquoted companies was in accordance with published industry guidelines. The valuation of unquoted companies takes account of the latest available information about investee companies and current market data. A comprehensive report on the valuation of unquoted investments is presented and discussed at every Board meeting; Directors are also consulted about material changes to those valuations between Board meetings.

Having reviewed the reports received from the Investment Manager, the Audit Committee is satisfied that the key areas of risk and judgement have been properly addressed in the financial statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust.

Relationship with the Auditor

The Audit Committee is responsible for overseeing the relationship with the external auditor, assessing the effectiveness of the external audit process and making recommendations on the appointment and removal of the external auditor. When assessing the effectiveness of the process for the year under review the Committee considered the auditor's technical knowledge and that it has a clear understanding of the business of the Company; that the audit team is appropriately resourced; that the auditor provided a clear explanation of the scope and strategy of the audit and that the auditor maintained independence and objectivity. As part of the review of auditor effectiveness and independence, BDO LLP has confirmed that it is independent of the Company and has complied with applicable auditing standards. BDO LLP does not provide any non-audit services to the Company. BDO LLP has held office as auditor since the inception of the Company. Public interest entities are required to put the external audit contract out to tender at least every ten years. BDO LLP has held office as auditor for five years; in accordance with ethical standards the engagement partner is rotated after at most five years. The previous partner had served for five years and was rotated ahead of the current engagement, in line with these standards.

Following the review as noted above, the Audit Committee is satisfied with the performance of BDO LLP and recommends the services of BDO LLP to the shareholders in view both of that performance and the firm's extensive experience in auditing VCTs.

Internal control and Risk management

The Board acknowledges that it is responsible for the Company's internal control systems and for reviewing their effectiveness. In accordance with the Code, the Audit Committee has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. The internal control systems aim to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are made and which is used for publication, and that the assets of the Company are safeguarded. Internal controls can only provide reasonable and not absolute assurance against material misstatement or loss. The financial controls operated by the Board include the authorisation of the investment strategy and regular reviews of the results and investment performance.

The Board has delegated contractually to third parties, as set out on pages 43 to 46, the management of the investment portfolio, the custodial services, including the safeguarding of the assets and the day-to-day accounting, company secretarial and administration requirements. The Board receives and considers regular reports from the Investment Manager. Ad hoc reports and information are supplied to the Board as required. It remains the role of the Board to keep under review the terms of the investment management agreement with the Investment Manager. The Board also receives annual reports from its principal third party service providers on their systems and controls. The Board concluded that it was satisfied with the effectiveness of the controls carried out by their service providers.

Regular review of the control systems is carried out which covers consideration of the key risks. Each risk is considered with regard to the controls exercised at Board level, reporting by service providers and controls relied upon. The company secretary reviews the annual statutory accounts to ensure compliance with Companies Acts and the Code and the Audit Committee reviews financial information prior to its publication. Quarterly management accounts are produced for review and approval by the Investment Manager and the Board.

Shareholder Reporting

The Directors believe that communication with shareholders is important. Shareholders have access to a copy of the Company's annual report and accounts (expected to be published each April) and a copy of the Company's half-yearly report (expected to be published each August). These will be made available on the Investment Manager's website (noted below). Shareholders and their advisers (if applicable) will also receive updated reports from the Company and the Investment Manager on the progress of the Company.

In order to reduce the administrative burden and cost of communicating with shareholders, the Company intends to publish all notices, documents and information to be sent to shareholders generally on the Investment Manager's website (blackfinch.investments/vct/). Increased use of electronic communications will deliver significant savings to the Company in terms of administration, printing and postage costs, as well as speeding up the provision of information to shareholders. The reduced use of paper will also have environmental benefits. Shareholders will be notified when documents are published on the Investment Manager's website. Such notification will be delivered electronically (or by post where no email address has been provided for that purpose).

The Company welcomes the views of shareholders and places great importance on communication with its shareholders. Shareholders will have the opportunity to meet the Board at the annual general meeting. All shareholders are welcome to attend the meeting and to ask questions of the Directors. The Board is also happy to respond to any written queries made by shareholders during the course of the year. All communication from shareholders is recorded and reviewed by the Board to ensure that shareholder enquiries are promptly and adequately resolved.

On behalf of the Board

Peter L R Hewitt, JP, FCSI

Non-executive Chairman

20 April 2026

Companies House Number - 12166417

Statement Of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with UK adopted international accounting standards, applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable UK accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Strategic Report, a Directors' Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Annual Report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Statement Of Directors' Responsibilities

Website Publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. This website is maintained by the Investment Manager on behalf of the Company. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The financial statements which have been prepared in accordance with UK Generally Accepted Accounting Practice give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces.

The Board considers the annual report and accounts, taken as a whole, are fair, balanced and understandable and that it provides the necessary information for shareholders to assess the Company's performance, business model and strategy.

On behalf of the Board

Peter L R Hewitt, JP, FCSI

Non-executive Chairman

20 April 2026

Companies House Number - 12166417

Directors' Remuneration Report

Introduction

This report has been prepared in accordance with the requirements of the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "Regulations"). Ordinary resolutions for the approval of the Directors' Remuneration Policy and the Directors' Annual Report on remuneration will be put to members at the Company's AGM to be held on 4 June 2026.

The Company's auditor, BDO LLP, is required to give its opinion on certain information included in this report. The disclosures which have been audited are indicated as such. The auditor's opinion on these and other matters is included in the Independent Auditor's Report on pages 77 to 93.

Annual Statement from the Chairman of the Company

Directors' fees are reviewed annually and are set by the Board to attract individuals with the appropriate range of skills and experience. In determining the level of fees their duties and responsibilities are considered, together with the level of time commitment required in preparing for and attending meetings. During the annual review, it was discovered that the Director fees being paid were no longer competitive when compared to the market. The Directors fees were increased by 20% from June 2025. This aligns the Company with its peers in the market of comparable size and tenure.

Directors' Remuneration Policy

The Board as a whole considers Directors' remuneration and, as such, a remuneration committee has not been established. The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, be fair and comparable with that of other companies that are similar in size and nature to the Company and have similar objectives and structures. Directors' fees are set with a view to attracting and retaining the Directors required to oversee the Company effectively and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs. It is the intention of the Board that, unless any revision to this policy is deemed necessary, this policy will continue to apply in the forthcoming and subsequent financial years. The Board has not received any views from the Company's shareholders in respect of the levels of Directors' remuneration.

The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office.

Directors' Annual Report on Remuneration

Terms of appointment

No Director has a contract of service with the Company. Each of the Directors entered into an agreement with the Company dated 11 November 2019 (in the case of Peter Hewitt), 14 August 2023 (in the case of Katrina Tarizzo) and 3 September 2024 (in the case of Nicholas Pillow) whereby he or she is required to devote such time to the affairs of the Company as the Board reasonably requires consistent with their role as non-executive Director. Peter Hewitt is entitled to receive an annual fee of £30,000 (plus VAT if applicable), Katrina Tarizzo is entitled to receive an annual fee of £27,000 (plus VAT if applicable) and for the services that are provided by Nicholas Pillow, Blackfinch Investments Limited is entitled to receive an annual fee of £18,000 (plus VAT if applicable). Each party can terminate the agreement by giving to the other at least six months' notice in writing to expire at any time after the date 15 months from the respective commencement dates. No benefits are payable on termination. Directors are subject to election by shareholders at the first annual general meeting after their appointment. The Company's Articles of Association provide for a maximum level of total remuneration for the Directors of £100,000 per annum in aggregate.

Directors are remunerated exclusively by fixed fees and do not receive bonuses, share options, long term incentives, pension or other benefits. There is no comparative information in respect of employee remuneration as the Company has no employees.

Directors' fees for the year (Audited)

The fees payable to individual Directors in respect of the year ended 31 December 2025 are shown in the table below.

Director	Total annual fixed fee £	Total fixed fee for the year ended 31 December 2025 £	Total annual fixed fee £	Total fixed fee for the year ended 31 December 2024* £
Peter Hewitt	30,000	27,500	25,000	25,000
Katrina Tarizzo	27,000	24,750	22,500	22,500
Nicholas Pillow**	18,000	16,500	3,750	3,750
Reuben Wilcock **	-	-	11,250	11,250
Total	75,000	68,750	62,500	62,500

The total fixed fee for the year ended 31 December 2025 does not correspond to the Total Annual Fixed Fee disclosed above, as an increase in Directors' fees was agreed with effect from August 2025.

* The aggregated amount of NI contribution paid on directors' remuneration totalled to £6,195 (2024: £842).

Contributions paid on remuneration of Peter Hewitt and Katrina Tarizzo were £3,300, £2,895 respectively (2024: £Nil, £842).

** Reuben Wilcock resigned from the Board on 3 September 2024, and Nicholas Pillow was appointed as a director on 3 September 2024.

Annual Absolute and Percentage change in Directors' remuneration

The following table, which is not an audited disclosure, sets out the annual director fees paid and the percentage change in Director's fees, excluding taxable expenses. Where a director joined or left the board during a year, the percentage change is based on the annualised rate at which they were paid.

Director's name	Director Fee and % change for the year ended 31 December 2025	Director Fee and % change for the year ended 31 December 2024	Director Fee and % change for the year ended 31 December 2023	Director Fee and % change for the year ended 31 December 2022	Director Fee and % change for the year ended 31 December 2021
Peter Hewitt	£27,500 (10%)	£25,000 (25%)	£20,000 (nil)	£20,000 (1%)	£19,841 (10%)
Kate Jones	-	-	£11,146 (nil)	£18,000 (nil)	£18,000 (nil)
Katrina Tarizzo	£24,750 (10%)	£22,500 (25%)	£11,146 (n/a)	-	-
Nicholas Pillow	£16,500 (10%)	£3,750 (n/a)	-	-	-
Reuben Wilcock	-	£11,250 (25%)	£12,000 (nil)	£12,000 (nil)	£12,000 (nil)

Relative importance of spend on pay

The table below shows the remuneration paid to Directors and shareholder distributions in the year ended 31 December 2025:

	2025 (£)	2024 (£)	2023 (£)
Total dividend paid to shareholders	3,322,766	2,205,444	n/a
Total repurchase of own shares	646,480	n/a	n/a
Total directors' fees	68,750	62,500	50,069

Directors' shareholdings (Audited)

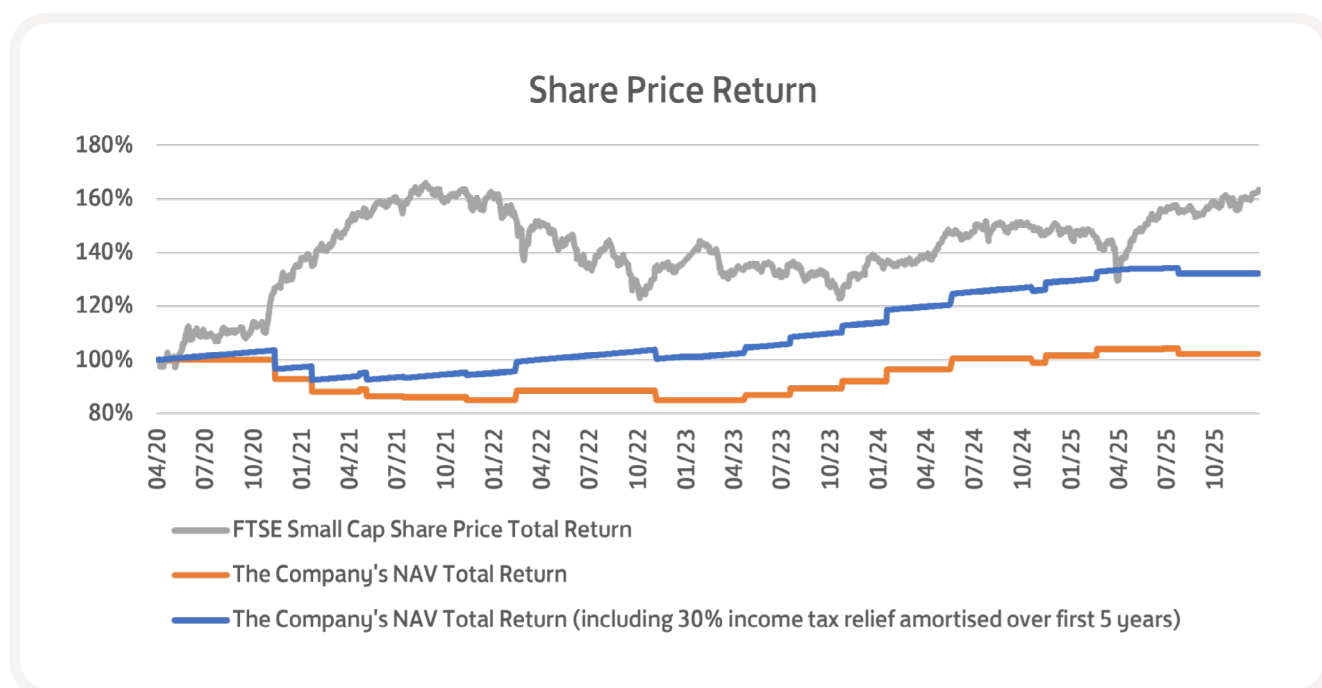
The Directors who held office at 31 December 2025 and their interests in the shares of the Company (including beneficial and family interests) were:

	31 December 2025		31 December 2024	
	Shares held	% of issued share capital	Shares held	% of issued share capital
Peter Hewitt	5,139	0.007	5,112	0.011
Katrina Tarizzo	-	-	-	-
Nicholas Pillow	-	-	-	-

Subsequent to the Company's year-end no shares were allotted to any of the directors.

The Company confirms that it has not set out any formal requirements or guidelines for a Director to own shares in the Company.

Company Performance



FTSE SmallCap share price values as at 31 December 2025

The Board is responsible for the Company's investment strategy and performance, although the management of the Company's investment portfolio is delegated to the Investment Manager through the investment management agreement. The graph above compares the share price total return of the FTSE Small Cap index (this includes dividends), the Net Asset Value Total Return for the VCT, and the Net Asset Value Total Return for the VCT inclusive of the initial 30% income tax relief. Performance for the Company is shown for the period from the launch of the VCT. This index was chosen as the benchmark for investment performance because its constituents are smaller UK listed companies and therefore closest to the small private companies held by the Company. It should be noted that the companies included within the FTSE Small Cap Index would not be qualifying investments for the VCT.

Shareholder Voting

At the last Annual General Meeting, 94 per cent of shareholders who exercised their voting rights voted for the resolution approving the Directors' Remuneration Report. Out of a total of 752,239 votes cast, 708,232 were in favour of the report, while 6,912 votes (1%) were cast against it and 37,095 votes (5%) were withheld. This outcome demonstrated strong shareholder support for the Remuneration Report.

On behalf of the Board

Peter L R Hewitt, JP, FCSI

Non-executive Chairman

20 April 2026

Companies House Number - 12166417

Independent Auditor's Report

to the members of Blackfinch Spring VCT plc

Report On The Audit Of The Financial Statements Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Blackfinch Spring VCT plc (the 'Company') for the year ended 31 December 2025 which comprise the following:

Income Statement

Statement of Changes in Equity

Balance Sheet

Statement of Cash Flows

Notes 1 to 24 to the Financial Statements

A summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the VCT compliance reports prepared by management's expert during the year and as at year end and reviewing the calculations therein to check that the Company was meeting its requirements to retain VCT status;

- Consideration of the Company's expected future compliance with VCT legislation, the absence of bank debt, contingencies and commitments and any market or reputational risks;
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern, challenging assumptions and judgements made in the forecasts, and assessing them for reasonableness. In particular, we considered the available cash resources relative to the forecast expenditure which was assessed against the prior year for reasonableness;
- Performing stress testing of key assumptions within the cash flow forecasts supporting the Directors' going concern assessment, together with an evaluation of plausible downside scenarios (including the potential absence of further fundraising) in order to assess the resilience of the Company and its ability to continue as a going concern; and
- Evaluating the Directors' method of assessing the going concern in light of market volatility.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters	2025	2024
Valuation of unquoted investments	✓	✓

Materiality

Company financial statements as a whole

£1,336,000 (2024: £960,000) based on 2% (2024: 2%) of net assets.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, the applicable financial reporting framework and the system of internal control. We identified and assessed the risks of material misstatement of the financial statements. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risk of material misstatement to the financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the risk of material misstatement to an acceptable level, to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Valuation of unquoted investments (related to use of judgemental inputs and selection of appropriate valuation methodology)

(Note 6 and Note 11)

We consider the valuation of unquoted investments to be the most significant audit area as there is a high level of estimation uncertainty involved in determining the unquoted investment valuations. This is linked to both the use of judgemental inputs within the investment valuations as well as the selection of appropriate methodology.

There is an inherent risk of management override arising from the unquoted investment valuations being prepared by the Investment Manager, who is remunerated based on net asset value.

How the scope of our audit responded to the risk

Our sample for the testing of unquoted investments was stratified according to risk considering, inter alia, the value of individual investments, the nature of the investment, the extent of the fair value movement from the previous year end and the subjectivity of the valuation technique.

For all unquoted investments in our sample we:

- Challenged whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation (“IPEV”) Guidelines and the applicable financial reporting framework.
- Recalculated the value attributable to the Company, having regard to the application of enterprise value across the capital structures of the investee companies and vouching key inputs to supporting documentation.

For investments sampled that were valued using less subjective valuation techniques (price of recent investment including milestone) we:

- Verified the price of recent investment to supporting documentation.
- Considered whether the investment was an arm's length transaction through reviewing the parties involved in the transactions and considering whether or not they were already investors of the investee company.
- Considered whether there were any indications that the price of recent investment was no longer representative of fair value considering, inter alia, the current performance of the investee company and the milestones and assumptions set out in the investment proposal.
- Considered whether the price of recent investment is supported by alternative valuation techniques.
- For pre-revenue or startup investee companies, we assessed their performance against established milestones by reviewing their board reports or progress updates.

For investments sampled that are valued using more subjective techniques (revenue multiples and probability weighted expected return) we:

- Challenged and corroborated the inputs to the valuation with reference to management information of investee companies, market data and our own understanding and assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements.
- Reviewed the historical financial statements and any recent management information available to support assumptions about maintainable revenues used in the valuations.

Key audit matter

How the scope of our audit responded to the risk

- Challenged the consistency and appropriateness of adjustments made to such market data in establishing the revenue multiple applied in arriving at the valuations adopted by obtaining independent multiples and recalculating our own point estimate on the investment valuations.

Where appropriate, we have developed our own point estimate where we considered that alternative input assumptions could reasonably have been applied and we considered the overall impact of such differences on the portfolio of investments in determining whether the valuations as a whole are reasonable and free from bias.

Key observations

Based on the procedures performed we consider the investment valuations to be appropriate considering the level of estimation uncertainty.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Company financial statements

	2025 £'000	2024 £'000
Materiality	1,336	960
Basis for determining materiality	2% of net assets (2024: 2% of net assets)	
Rationale for the benchmark applied	In setting materiality, we have had regard to the nature and disposition of the investment portfolio. Given that the VCT's portfolio is comprised of unquoted investments which would typically have a wider spread of reasonable alternative possible valuations, we have applied a percentage of 2% of net assets (2024: 2% of net assets).	
Performance materiality	1,002	720
Basis for determining performance materiality	75% of Materiality (2024: 75% of Materiality)	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £66,000 (2024: £48,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the 'Annual Report and Financial Statements' other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The UK Listing Rules sourcebook requires us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 61;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 57; and
- The Directors' statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities set out on page 57.

Other Code provisions

- Directors' statement on fair, balanced and understandable set out on page 57;
 - Board's confirmation that it has carried out a robust assessment of the emerging and principal risks 67;
 - The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 67; and
 - The section describing the work of the audit committee set out on page 67.
-

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Directors' remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
 - the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
 - certain disclosures of Directors' remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit.
-

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with the Investment Manager and Those Charged With Governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the Companies Act 2006, the FCA listing and Disclosure Guidance and Transparency Rules, the principles of the UK Corporate Governance Code, industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") and updated in July 2022 with consequential amendments and the applicable financial reporting framework. We also considered the Company's qualification as a VCT under UK tax legislation.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of the Investment Manager and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Obtaining the VCT compliance reports prepared by management's expert during the year and as at year end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status; and

- Reviewing minutes of meeting of Those Charged With Governance throughout the period for instances of non-compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Investment Manager and Those Charged With Governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of Those Charged With Governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud be valuation of unquoted investments (linked to both judgmental inputs and selection of valuation methodology) and management override of controls.

Our procedures in respect of the above included:

- In addressing the risk of valuation of unquoted investments, the procedures set out in the key audit matter section in our report were performed;
- In addressing the risk of management override of controls, we:
 - Considered the opportunity and incentive to manipulate accounting entries and target tested relevant adjustments made in the period end financial reporting process;
 - Reviewed the significant judgements made in the unlisted investment valuations and considered whether the valuation methodology is the most appropriate;
 - Considered any indicators of bias in our audit as a whole; and
 - Performed a review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were deemed to have the appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board of Directors on 27 January 2021 to audit the financial statements for the period ended 31 December 2020.

Our total uninterrupted period of engagement is 6 years, covering the periods ended 31 December 2020 to 31 December 2025.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R - 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Jamie Smith (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

20 April 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

Income Statement

for the year ended 31 December 2025

	Note	Revenue £'000	Capital £'000	Total £'000
Loss on unquoted investments held at fair value	11	-	(1,887)	(1,887)
Bank interest		15	-	15
Gain on quoted investments held at fair value	11	233	50	283
Investment Manager's fee	7	(397)	(1,193)	(1,590)
Other expenses	8	(561)	-	(561)
(Loss) before taxation		(710)	(3,030)	(3,740)
Taxation	9	-	-	-
(Loss) attributable to equity shareholders		(710)	(3,030)	(3,740)
Return per Ordinary shares (pence)	10	(1.15)	(4.90)	(6.05)

Income Statement

for the year ended 31 December 2024

	Note	Revenue £'000	Capital £'000	Total £'000
Gain on unquoted investments held at fair value	11	-	4,612	4,612
Gain on quoted investments held at fair value	11	17	-	17
Investment Manager's fee	7	(266)	(799)	(1,065)
Other expenses	8	(504)	-	(504)
(Loss)/profit before taxation		(753)	3,813	3,060
Taxation	9	-	-	-
(Loss)/profit attributable to equity shareholders		(753)	3,813	3,060
Return per Ordinary shares (pence)	10	(1.91)	9.68	7.77

The total column of this Income Statement represents the profit and loss account of the Company, prepared in accordance with Financial Reporting Standard 102 ("FRS 102"). The supplementary revenue and capital return columns are prepared in accordance with the Statement of Recommended Practice, "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") revised in November 2014 and updated in July 2022. A separate Statement of Comprehensive Income has not been prepared as all comprehensive income is included in the Income Statement.

All the items above derive from continuing operations of the Company.

The notes on pages 101 to 118 are an integral part of the financial statements.

Statement of Changes in Equity for the year ended 31 December 2025

	Non-distributable reserves				Distributable reserves		Total
	Called up share capital £'000	Share premium £'000	Capital reserve (unrealised) £'000	Capital redemption reserve £'000	Capital reserve (realised) £'000	Revenue reserve £'000	Total reserves £'000
Opening balance as at 1 January 2025	463	18,908	10,093	-	20,663	(2,119)	48,008
Total comprehensive loss for the year	-	-	(1,837)	-	(1,193)	(710)	(3,740)
Contributions by and distributions to owners:							
Shares issued	256	25,966	-	-	-	-	26,222
Share issue expenses	-	(341)	-	-	(3)	-	(344)
Shares bought back	(7)	-	-	7	(647)	-	(647)
Investment disposal/write off	-	-	500	-	(500)	-	-
Dividends paid	-	-	-	-	(2,671)	-	(2,671)
Dividends reinvested	7	644	-	-	(651)	-	-
Closing balance as at 31 December 2025	719	45,177	8,756	7	14,998	(2,829)	66,828

For the year ended 31 December 2025, the distributable reserves available totalled £12,168,107 (2024: 18,543,858).

Statement of Changes in Equity

for the year ended 31 December 2024

	Non-distributable reserves				Distributable reserves		Total
	Called up share capital £'000	Share premium £'000	Capital reserve (unrealised) £'000	Capital redemption reserve £'000	Capital reserve (realised) £'000	Revenue reserve £'000	Total reserves £'000
Opening balance as at 1 January 2024	289	1,288	5,481	-	23,667	(1,366)	29,359
Total comprehensive income for the period	-	-	4,612	-	(799)	(753)	3,060
Contributions by and distributions to owners:							
Shares issued	174	17,793	-	-	-	-	17,967
Share issue expenses	-	(173)	-	-	-	-	(173)
Dividends paid	-	-	-	-	(2,205)	-	(2,205)
Closing balance as at 31 December 2024	463	18,908	10,093	-	20,663	(2,119)	48,008

The notes on pages 101 to 118 are an integral part of the financial statements.

Balance Sheet

as at 31 December 2025

	Note	31 December 2025 £'000	31 December 2024 £'000
Fixed assets			
Investments	11	58,698	44,766
Current assets			
Debtors	13	21	10
Cash at bank and in hand		8,704	3,679
		8,725	3,689
Creditors: amounts falling due within one year	14	(595)	(447)
Net current assets		8,130	3,242
Net assets		66,828	48,008
Capital and reserves			
Called up share capital	15	719	463
Share premium account		45,177	18,908
Capital redemption reserve		7	-
Capital reserves		23,754	30,756
Revenue reserves		(2,829)	(2,119)
Total shareholders' funds		66,828	48,008
Net asset value per Ordinary share (pence)	17	92.86	103.62

The Financial Statements were approved by the Directors and authorised for issue on 20 April 2026 and signed on their behalf by:

Peter LR Hewitt, FCSI

Non-executive Chairman

20 April 2026

Companies House Number - 12166417

Statement of Cash Flow

for the year ended 31 December 2025

	Notes	Year ended 31 Dec 2025 £'000	Year ended 31 Dec 2024 £'000
Operating activities			
(Loss)/Profit before taxation for the period		(3,740)	3,060
Net (Loss)/ gain on unquoted investments	11	1,887	(4,612)
Net gain on quoted investments	11	(283)	(17)
(Increase)/decrease in debtors		(11)	200
Increase in creditors		148	104
Net cash outflow from operating activities		(1,999)	(1,265)
Cash flows from investing activities			
Purchase of unquoted investments	11	(17,376)	(9,379)
Purchase of quoted investments (Money Market Funds)	11	(2,000)	(5,000)
Sale of quoted investments (Money Market Funds)	11	3,840	-
Net cash outflow from investing activities		(15,536)	(14,379)
Net cash outflow before financing		(17,535)	(15,644)
Cash flows from financing activities			
Proceeds from share issues		*26,222	*17,628
Share issue costs		(344)	(173)
Dividends paid		** (2,671)	** (1,866)
Shares bought back		(647)	-
Net cash inflow from financing activities		22,560	15,589
Increase/(decrease) in cash and cash equivalents		5,025	(55)
Cash and cash equivalents at the beginning of the period		3,679	3,734
Cash and cash equivalents at the end of the period		8,704	3,679

* This figure excludes the proceeds from those shares issued as part of the Dividend Reinvestment Scheme (“DRIS”). The total proceeds from share issues including the DRIS totals £26.874m (2024: £17.967m).

** This figure excludes dividends paid and reinvested under the DRIS. If such dividends were included, then the total dividends paid in the year total £3.323m (2024: £2.205m).

The notes on pages 101 to 118 are an integral part of the financial statements.

Notes To The Financial Statements

1. Company information

The Company is a Public Limited Company limited by shares, incorporated in England and Wales. The registered address is Meadow Barn, Elkstone Studios, Cheltenham, GL53 9PQ. The principal activity is investing in unquoted growth companies.

2. Basis of preparation

These Financial Statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006 and in accordance with the SORP issued by the Association of Investment Companies ("AIC") in July 2022. The Financial Statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The Financial Statements are prepared in pounds sterling, which is the functional currency of the company. All values in these financial statements are rounded to the nearest thousand (£'000), except where stated.

3. Going concern

The Board of Directors is satisfied that the Company has adequate ability to continue as a going concern and is satisfied that the Company has adequate resources to continue in business for the foreseeable future (being a period of twelve months from the date these Financial Statements were approved). In reaching this conclusion the Directors took into the account the nature of the Company's business and Investment Policy, its risk management policies, and the cash holdings. As at 31 December 2025 the Company held cash and liquid balances with a value of £12,163,105 (2024: £8,679,034). Cash flow projections show the Company has sufficient funds to meet all its expected expenditure for a period of twelve calendar months after the date of the financial statement. The Directors have reviewed the portfolio of qualifying investments and expect the Company to continue to satisfy the conditions of VCT compliance. More than 80% of investee companies delivered stable or increasing revenue in 2025, and an even greater proportion either have, or the Investment Manager believes have strong prospects of securing, sufficient funds to continue trading into 2027. Businesses in the increasingly diversified portfolio are performing well overall, supported by the periodic monitoring of the cash flow requirements of investee companies. Thus, the Directors believe it is appropriate to continue to apply the going concern basis in preparing the financial statements.

4. Segmental reporting

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

5. Significant judgements and estimates

The preparation of the Financial Statements may require the Board to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities and income and expenses. Estimates and assumptions mainly relate to the fair value of the fixed asset investments, particularly unquoted investments. Fair value is determined through such measures as revenue multiples and recent transactions which aligns with the International Private Equity and Venture Capital (IPEV) Valuation Guidelines. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions are under continuous review with attention paid to the carrying value of the investments.

More information related to the unquoted investment and their valuations is included in note 11 and the Investment Manager's Review on pages 13 and 14.

6. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

a. Investments

The Company held quoted investments (Money Market Funds) during the reporting period. The Money Market Funds fair value is established by reference to last market prices at the close of business on the balance sheet.

Investments in unquoted companies are held at fair value through profit or loss. Information about the portfolio is provided internally to the Directors on that basis and the Directors consider the basis to be consistent with the Company's investment strategy. The fair value of unquoted investments is assessed by the Directors with reference to the International Private Equity and Venture Capital Valuation Guidelines December 2025 ("IPEV guidelines") which include the following techniques:

(i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company within the last twelve months. This value will be used only if, after careful consideration of all the facts and circumstances it is considered the best measure of fair value.

(ii) In the absence of (i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:

- a) an earnings multiple basis. The shares may be valued by applying a suitable price-earnings ratio to that company's historical, current, or forecast post-tax earnings before interest and amortisation, or to the revenues (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Manager compared with the sector including, inter alia, a lack of marketability); or
- b) an assessment of other relevant, objective evidence such as adherence to R&D timelines since investment and alignment with forecast milestones.

(iii) Where an earnings multiple or other objective evidence is not appropriate and overriding factors apply, discounted cash flow or net asset valuation bases may be applied.

(iii) Where an earnings multiple or other objective evidence is not appropriate and overriding factors apply, discounted cash flow or net asset valuation bases may be applied.

b. Expenses

All expenses are accounted for on an accruals basis. In respect of analysis between revenue and capital items presented within the income statement, all expenses have been accounted for as revenue except as follows:

Expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated, and accordingly the investment management fee is currently allocated 25% to revenue and 75% to capital, which reflects the Directors' expected long-term view of the nature of the investment returns of the Company.

Expenses which are incidental to the purchase of an investment are charged through the capital reserve.

c. Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The Company's financial instruments comprise its investment portfolio, cash balances and most debtors and creditors. These financial assets and financial liabilities are carried either at fair value or, in the case of debtors, creditors and cash, using amortised cost.

d. Equity

Called up share capital

Equity instruments (ordinary shares and redeemable preference shares) issued by the Company are recorded at the nominal amount.

Share premium

The share premium account is a non-distributable reserve which represents the price paid for shares and the nominal value of the shares, less issue costs.

Non-distributable capital reserve

The non-distributable capital reserve represents the cumulative unrealised gains and losses arising from the revaluation of investments held at the year end.

Distributable capital reserve

The following are disclosed in this reserve:

- gains and losses realised on disposal of investments;
- expenses allocated to this reserve in accordance with the above policies;
- credits arising from the cancellation of any share premium account;
- dividends paid to shareholders; and
- amounts relating to share buybacks, including the cost of shares repurchased and subsequently cancelled.

Revenue reserve

The revenue reserve represents accumulated profits and losses, and any surplus profit is distributable by way of dividends.

e. Taxation

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue return on the “marginal” basis as recommended in the SORP.

Any tax relief obtained in respect of management fees allocated to capital is reflected in the capital column of the Statement of Comprehensive Income and a corresponding amount is charged against the revenue column. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense/(income) is presented either in the Income Statement or Statement of Changes in Equity depending on the transaction that resulted in the tax expense/(income). Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

7. Investment Manager's fee

	Year ended 31 December 2025			Year ended 31 December 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Blackfinch Investments Limited	397	1,193	1,590	266	799	1,065

Blackfinch Investments Limited has been appointed as the Company's Investment Manager. As per the agreement on pages 43 to 44, the Company pays an annual fee to the Investment Manager equal to 2.5% of the prevailing Net Asset Value (plus VAT if applicable), quarterly in arrears. A full list of the fees charged by Blackfinch Investments Limited to the Company is given in Note 22 on page pages 117 and 118.

The investment management agreement permits the Investment Manager to charge portfolio companies arrangement, syndication and monitoring fees, and to recover from them costs incurred from investing in them, including professional, legal, technical, consultancy and accountancy fees. These fees amounted to £1.21m in 2025 (compared to £0.70m in 2024). With approval from the Company, the Investment Manager may also charge portfolio companies additional fees for certain corporate activities, including mergers, scheme of arrangements, share class consolidations, dividend schemes, balance sheet reconstructions and any other similar activities. No such fees were levied during the period or the prior period.

This appointment shall continue for a period of a period of five years following the allotment of any Ordinary shares until terminated by the expiry of not less than 12 months' notice in writing given by either party. The appointment may also be terminated in circumstances of material breach by either party.

Details of the appointment may be found in the Strategic Report on pages 33 to 39.

8. Other expenses

	Year ended 31 December 2025		Year ended 31 December 2024	
	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000
Directors' remuneration fees	75	-	67	-
Administration fees	191	-	128	-
Registrars and receiving agent fee	60	-	36	-
Auditor's remuneration – audit of Statutory Financial Statements	78	-	65	-
Other professional fees	12	-	135	-
Other costs	60	-	1	-
Irrecoverable VAT	85	-	72	-
	561	-	504	-

The Company has no employees.

Information relating to Director's remuneration can be found in the audited section of the Director's Remuneration Report on page 73.

9. Taxation

a) Analysis of tax charge	2025	2024
	£'000	£'000
Current year charge:		
Revenue charge	-	-
Credited to capital return	-	-
Current tax charge (Note 9b)	-	-
Prior year charge:		
Revenue charge	-	-
Credited to capital return	-	-
Total current and prior year tax charge (Note 9b)	-	-

b) Factors affecting tax charge for the year	2025	2024
	£'000	£'000
(Loss)/profit on ordinary activities before taxation	(3,739)	3,060
Effect of:		
(Loss)/profit before taxation multiplied by average rate of corporation tax in uk of 25% (2024: 25%)	(935)	765
Effect of non allowable losses (non taxable gains)	401	(1,157)
Effect of timing difference loss not recognised carried forward	534	392

Tax charge for the year (Note 9a)

No asset or liability has been recognised for deferred tax in relation to capital gains or losses on revaluing investments as the Company is exempt from corporation tax in relation to capital gains or losses as a result of qualifying as a Venture Capital Trust.

No deferred tax asset has been recognised on surplus expenses carried forward as it is not envisaged that any such tax will be recovered in the foreseeable future. The value of the unrecognised deferred tax asset is £1,533,082 (2024: £999,359) based on losses carried forward of £6,132,327 (2024: £3,997,435) and using a corporation tax rate of 25% (2024: 25%) which is the rate at which it is deemed that any losses would be utilised.

10. Return per share

	2025			2024		
	Net (loss) / profit £'000	Weighted average Shares '000	Earnings per share pence	Net (loss) / profit £'000	Weighted average Shares '000	Earnings per share pence
Revenue	(710)	61,828	(1.15)	(753)	39,396	(1.91)
Capital	(3,030)	61,828	(4.90)	3,813	39,396	9.68
Total	(3,740)	61,828	(6.05)	3,060	39,396	7.77

The Company has no securities that would have a dilutive effect and hence basic and diluted earnings per ordinary share are the same.

The Company has no potentially dilutive shares and consequently, basic and diluted earnings per ordinary share are equivalent in the year ended 31 December 2025.

11. Investments

Movements in investments during the period are summarised as follow:

	Notes	Unquoted Investments £'000	Money Market Funds £'000	Total £'000
Opening valuation at 1 January 2025				
Opening cost		30,206	5,000	35,206
Valuation gains to qualifying holdings		10,093	-	10,093
Realised (losses)		(550)	-	(550)
Valuation gains to non-qualifying holdings		-	17	17
Opening fair value at 1 January 2025		39,749	5,017	44,766
Movements in the year:				
Purchases at cost		17,376	2,000	19,376
Disposals at cost		-	(3,840)	(3840)
Valuation (losses)/gains		(1,387)	283	(1,104)
Realised (losses)		(500)	-	(500)
Total movements in period		15,489	(1,557)	13,932
Closing valuation at 31 December 2025:				
Closing cost		47,582	3,160	50,742
Valuations gains	16	8,706	300	9,006
Realised (losses)		(1,050)	-	(1,050)
Closing fair value at 31 December 2025		55,238	3,460	58,698

The Company is required to report the category of fair value measurements used in determining the value of its investments, to be disclosed by the source of inputs, using a three-level hierarchy:

Level 1: quoted prices in active markets for identical assets or liabilities. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is defined as a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1 and comprise AIM quoted investments and other fixed income securities classified as held at fair value through profit or loss.

The Company has no qualifying investments classified in this category. The money market funds, which are non-qualifying investments, are classified in this category.

Level 2: the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The Company has no investments classified in this category.

Level 3: the fair value of financial instruments that are not traded in an active market (for example, investments in unquoted companies) is determined by using valuation techniques such as revenue or earnings multiples. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

All of the Company's qualifying investments fall into this category at 31 December 2025.

Most companies were valued using a multiple of revenue, while those that had recently received investment, or are in the process of concluding investment at an expected price, were valued at the price of that investment. Two investments are valued on a weighted probability basis, reflecting the probabilities of different outcomes with materially different valuations. Three investments are valued on a milestone basis, which is an assessment on how the company is meeting R&D milestones rather than a revenue basis. The milestone approach is deemed appropriate for those companies which are pre-revenue. The overall value of investments according to these different methods is shown in the table below.

Valuation methodology	Total value of investments 2025 £ '000	Total value of investments 2024 £ '000
Revenue multiple	33,705	19,718
Recent Investment	17,709	19,294
Probability Weighted Expected Return	350	260
Milestone	3,476	475

Each method is subject to uncertainties. Revenue multiples are based on the multiples of comparable public companies. A change in the value of a market multiple could lead to a significant change in the fair value of the portfolio. Similarly, the prices of new investments that are agreed are subjective and could affect the value of any prior holding in that company. The weighted probability valuation method is assessed by the Investment Manager's valuation committee and takes account of risks to the business. The milestones applied to any company valued by the Milestone methodology are reviewed and assessed in conjunction with business progress. The milestones imposed are unique to the individual company and apply to a business that has a high percentage of Research & Development. When setting a valuation by the price of a new investment, other valuation methodologies are also considered in the context of the company's circumstances, and the investment price may be adjusted or even disregarded. The Board has adjusted the inputs to the valuation calculations to determine the impact of changing these parameters on the fair value of the portfolio, as follows:

Valuation methodology	Input modified	Change to input	Change in fair value of investments £ '000	Increase/(decrease) in NAV per share
Revenue multiple	Reference public revenue multiple	+1x	3,267	4.54p
		-1x	(3,283)	(4.56p)
Price of Recent investment	Price of Recent investment	+20%	831	1.16p
		-20%	(662)	(0.92p)
Price of Recent investment	Revenue Multiple	Change of Methodology	(85)	(0.12p)

The aggregate effect of these impacts could be to increase the value of the Company's unquoted investments by £4.10m (6.1%) (2024: £4.09m) or decrease it by £4.03m (6.0%) (2024: £1.69m). For valuations determined from a revenue multiple, the ranges and weighted averages of the multiple and the premium/discount relative to market comparables are shown below. The range of premiums is very wide, reflecting the early-stage nature of many of the companies, which can have higher growth rates or other indicators of greater future potential relative to their revenues than much more established public companies.

		31 December 2025	31 December 2024
Revenue Multiple	Range	3.9 - 20.1	4.8 – 28.1
	Weighted average	5.8	8.1
Premium (discount)	Range	(60%)-80%	(50%) – 140%
	Weighted average	(20%)	(17%)

12. Significant interest

The Company will often co-invest alongside the Investment Manager's existing Blackfinch EIS portfolios. The table below provides a summary of the equity held by the Company and by the Investment Manager's Blackfinch EIS portfolios where co-investment has occurred.

Investment	Total Equity held by Blackfinch EIS Portfolios (%)	Equity held by the Company (%)
3PLs Platform Ltd	2.7%	11.9%
Arctech Innovation Ltd	1.9%	7.6%
Beings Beam Ltd	14.3%	9.4%
Bracket Group Ltd	1.5%	6.4%
Brooklyn Supply Chain Solutions Ltd	22.6%	12.2%
Client Share Ltd	18.4%	9.7%
Cogniss Holdings Ltd	16.4%	9.9%
Collectivetech Ltd	9.5%	10.9%
Cultureshift Communications Ltd	11.2%	12.8%
Currensea Ltd	1.8%	5.7%
Cyclr Systems Ltd	15.6%	8.8%
Edozo Ltd	19.0%	7.4%
GT Green Technologies Ltd	5.6%	10.2%
H2CHP Ltd	12.7%	8.9%
Illuma Technology Ltd	6.7%	10.8%
Kelp Industries Ltd	4.1%	3.8%
Kokoon Technology Ltd	12.5%	4.7%
Lstn Inc.	5.1%	14.8%
Measure Protocol Ltd	7.5%	10.6%
Metris Energy, Inc.	0.0%	6.5%
Minimal X Ltd	5.0%	9.9%
Neuranics Ltd	5.9%	11.8%
Oculo Technologies Ltd	8.1%	21.0%
Odore Ltd	2.9%	5.4%
Placed Recruitment Ltd	8.0%	9.8%
Polished Rock Ltd	36.4%	10.4%
Quin AI Ltd	12.4%	5.3%
Recruitment Smart Technologies Ltd	7.5%	17.1%
Spaceflux Ltd	0.0%	4.4%
Spotless Water Ltd	7.3%	3.3%
Staffcircle Ltd	35.4%	13.8%
Startpulsing Ltd	20.9%	15.3%
Supercritical Solutions Ltd	0.0%	4.3%
Tangle Software Inc.	15.4%	17.2%
Teamed Ltd	6.8%	14.1%
Tended Ltd	30.5%	18.2%
Transreport Ltd	7.6%	4.9%
Up Learn Ltd	3.4%	3.7%
Watchmycompetitor.com Ltd	5.8%	10.8%
What Matters Now Ltd	7.8%	11.0%

The voting rights attributed to each company match the issued shareholdings detailed above apart from the below companies:

Minimal X Ltd

Voting rights held by Blackfinch EIS Portfolios: 5.09%

Voting rights held by the Company: 9.94%

Oculo Technologies Ltd

Voting rights held by Blackfinch EIS Portfolios: 8.15%

Voting rights held by the Company: 21.09%

Recruitment Smart Technologies Ltd

Voting rights held by Blackfinch EIS Portfolios: 4.29%

Voting rights held by the Company: 9.80%

What Matters Now Ltd

Voting rights held by Blackfinch EIS Portfolios: 8.21%

Voting rights held by the Company: 11.52%

Details of holdings may be found in the Investment Manager's Review and Investment Portfolio on pages 13 to 15.

13. Debtors

	2025	2024
	£'000	£'000
Amounts falling due within one year:		
Prepayments	21	10
	21	10

14. Creditors

	2025	2024
	£'000	£'000
Amounts falling due within one year:		
Trade creditors	7	16
Accruals	588	431
	595	447

15. Called up share capital

During the year, the Company issued 26,321,859 Ordinary shares for consideration of £26,874,128. In accordance with the share buyback policy, and at the request of shareholders wishing to sell their shares, the Company bought back 691,485 Ordinary shares for consideration of £646,480, representing 0.96% of share capital.

	2025		2024	
Ordinary shares (1p shares)	Number '000	Nominal Value £'000	Number '000	Nominal Value £'000
Allotted, issued, and fully paid during the period:				
Ordinary shares issued	26,321	263	46,333	463
Ordinary shares bought back	691	7	-	-
	25,630	256	46,333	463

16. Reserves

Called up share capital represents the nominal value of the shares that have been issued.

Share premium account includes any premiums received on issue of share capital less any transaction costs associated with the issuing of shares and any amounts transferred to the distributable reserve.

Capital reserves includes all costs which are considered capital in nature, and amount transferred from share premium account. As at 31 December 2025 there were total realised losses of £1,050,000 (2024: £550,000), and unrealised gains of £8,756,453 (2024: £10,093,199).

Revenue reserve includes all retained profits and losses. The balance on the account is distributable.

The Company declared and paid two dividends in 2025, the first in May 2025 and the second in August 2025. The dividend rates totalled 5.2 pence (2024: 5.1 pence) per share for shareholders, and equated to £2,671,267 being paid (2024: £2,205,444). These dividends were facilitated from the capital reserves.

In line with the Company's share buyback policy and shareholder demand, three buybacks were completed during 2025. A total of 691,485 shares were repurchased at a cost of £646,481, funded from the Company's capital reserves.

17. Net Asset Value per Ordinary Share

	2025			2024		
	Net assets £'000	Ordinary shares '000	NAV per share pence	Net assets £'000	Ordinary shares '000	NAV per share pence
Ordinary share	66,828	71,963	92.86	48,008	46,333	103.62

18. Financial Instruments

The Company's financial instruments comprise equity, cash balances and liquid resources including debtors and creditors.

The Company holds financial assets in accordance with its investment policy to invest in qualifying investments.

The Company held the following categories of financial instruments at 31 December 2025:

	2025		2024	
	Cost £'000	Fair value £'000	Cost £'000	Fair value £'000
Assets at fair value through profit or loss:				
Equity investments	47,583	55,239	29,676	39,749
Money Market Funds	3,160	3,459	5,000	5,017
Assets measured at amortised cost:				
Cash at bank	8,704	8,704	3,679	3,679
Liabilities measured at amortised cost:				
Creditors	(7)	(7)	(16)	(16)
Accruals	(588)	(588)	(431)	(431)
	58,852	66,807	37,908	47,998

The Investment Manager reviews the value of the investments in the Blackfinch Spring VCT plc portfolio on a quarterly basis. Valuations are determined in accordance with the most recent IPEV (International Private Equity and Venture Capital) Valuation Guidelines.

When an investment has been made recently, the value of that investment is based on its cost, reviewed for impairment or uplift. This valuation is also calibrated with the most appropriate choice of a market-based multiple or discounted cash flow analysis, and considering any significant triggers or events that may affect it. This same valuation model will typically be used to value the investment when there has been no recent investment to provide firm evidence of the market price of an investment, subject to a review to confirm it is still most appropriate. Adjustments consistent with the IPEV guidelines may be made to the resulting company valuation if deemed appropriate by the board.

The Company's technology-enabled thesis means that many portfolio companies invest for long-term growth and will not reach sustained profitability for some years. Consequently, a revenue multiple will often be the most appropriate market-based methodology to use for the calibration and valuation models. However, the Company would expect to switch to an earnings multiple when an investment has achieved the scale required for consistent profitability.

In the valuation models and calibration exercise, comparable trading multiples are selected, based on the most relevant combination of sector, size, growth rate, developmental stage, and strategy. The multiple for each company is calculated by dividing the enterprise value of the comparable by its revenue or earnings as appropriate, and adjusting for other considerations such as illiquidity, growth-rate, territories served, and other company specific circumstances.

Further details of the bases on which financial instruments, including investments, are held may be found in Notes 11 and in the Investment Manager's Review on pages 9 to 32.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company is exposed to credit risk through its debtors, creditors and cash held with its nominated bank and in money-market funds.

Credit risk arising on transactions with debtors and creditors relates to transactions awaiting settlement. In the case of creditors, credit risk arises when the Company has agreed to purchase financial instruments, but the transaction has not yet been settled. There is a risk the counterparty may fail to complete the transaction or meet its obligations. Risk related to unsettled transactions is considered to be small due to the short settlement period involved.

At 31 December 2025, the Company's cash was held by Lloyds Bank plc which has a credit rating of A+, A1, AA- by Standard & Poor's, Moody's and Fitch respectively. Bankruptcy or insolvency of the bank may cause the Company's rights with respect to the cash held by it to be delayed or limited. Should the credit quality or the financial position of the bank deteriorate significantly the Company has the ability to move the cash holdings to another bank.

Interest risk

The Company has exposure to interest rate risk via the investments in MMFs (Money Market Funds). Although rising interest rates can increase the yield earned, this can also cause the capital value of the investments to fall. The potential impact to Portfolio Companies of interest rates is kept under review by the Investment Manager. Where debt financing is required, this debt typically requires Investment Manager approval and is generally structured at fixed rather than variable rates, helping to mitigate the impact of interest rate increases. During the 2025 calendar year, interest rates have decreased however due to distribution timing, a full calendar year of MMF distributions was not achieved until January 2026.

Counterparty risk

The Company is exposed to counterparty risk through its investments in MMFs, as these funds rely on the creditworthiness and stability of financial institutions managing them. A counterparty default or financial distress could impact the liquidity and capital preservation of the Company. To mitigate this counterparty risk, the Company diversifies across more than one institution for MMFs.

Investment valuation risk

The Board tracks the investment valuation risk inherent in the Company's portfolio on the risk register that is reviewed quarterly. It maintains an appropriate spread of risk and ensures full and timely access to relevant information from the Investment Manager. The Company does not use derivative instruments to hedge against market risk. The equity of the

Company's unquoted investee companies are not traded and, as such, their prices are more uncertain than those of more frequently traded stocks.

Investment valuations are derived from investee company valuations, which in turn are based on inputs such as the price of recent investments and the revenue multiples of comparable public companies. A sensitivity analysis on these inputs is given in note 11 above. The Board has additionally estimated that a 30% fall in the carrying value of the Company's unquoted investments would reduce profit before tax for the year and the Company's net asset value per share by £16.57m and 26.80p per share respectively. Such a drop is considered to be an appropriate illustration given historical volatility and market expectations of future performance.

Liquidity risk

The Company's financial instruments include investments in unquoted equity investments which are not traded in an organised public market, and require a mid to long term commitment, which generally may be illiquid. The Company retains a portion of the portfolio in cash in order to finance new investment opportunities.

19. Capital Management Policies and Procedures

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern;
- to satisfy the relevant HMRC requirements; and
- to maximise the income and capital return to its shareholders.

As a VCT, the Company must hold at least 80% of its assets by value in Qualifying Investments by the second anniversary of the end of the accounting period in which the Company issued the shares. In addition, at least 30% of all new funds raised by the Company must be invested in Qualifying Investments within 12 months of the end of the accounting period in which the Company issued the shares. Qualifying Investments will be made in companies which are carrying out a qualifying trade, and have a permanent establishment in the UK, although some may trade overseas.

The Company will target an annual dividend equivalent to approximately 5% of its Net Asset Value, and special dividends, where appropriate, from the proceeds of successful exits of portfolio companies that are not reinvested. Dividends will be subject to the existence of realised profits, legislative requirements, and the available cash reserves of the Company.

20. Post Balance Sheet Events

Non-adjusting event

Since 31 December 2025 the Company has completed the following additional investment transactions:

- investment of £220,000 in Quantcore Technologies Ltd
- investment of £1,719,999 in Keel Holdings Ltd
- investment of £1,515,276 in Archangel Lightworks Ltd

- investment of £1,051,893 in Chemastery Group Ltd
- investment of £1,666,798 in Dipole Systems Ltd
- investment of £551,899 in 3PLs Platform Ltd
- investment of £650,000 in What Matters Now Ltd
- investment of £426,899 in GT Green Technologies Ltd
- investment of £100,000 in H2CHP Ltd
- investment of £434,384 in Oculo Technologies Ltd
- investment of £447,592 in Optera Holdings Ltd
- investment of £177,104 in Quantcore Technologies Ltd
- investment of £707,040 in Spaceflux Ltd
- investment of £699,997 in Teamed Ltd
- investment of £476,903 in Virtual Class Ltd

21. Contingencies, Guarantees and Financial Commitments

Under the terms of the Investment Management Agreement, the running expenses of the Company which are provided for in an annual budget approved by both the Board and the Investment Manager are restricted to a maximum of 3.50% of the Net Asset Value of the Company at the end of each year. Such excess, if occurred, is to be either paid by the Investment Manager or to be refunded by way of a reduction to its annual investments advisory fee.

The running expenses incurred in the year were 2.87% of the total Net Asset Value as at 31 December 2025 (2024: 2.77%).

There were no other contingencies or guarantees as at 31 December 2025 (2024: none).

22. Transactions with the Investment Manager

The Company retains Blackfinch Investments Limited for the following services, for which the following amounts were paid during the period.

FEE	SUMMARY	AMOUNT PAID FOR THE PERIOD ENDING 31 DECEMBER 2025 (£)	AMOUNT PAID FOR THE PERIOD ENDING 31 DECEMBER 2024 (£)
Investment Management Fee	The Company will pay the Investment Manager an annual Investment Management Fee of 2.5% of the NAV. However, the Investment Manager will rebate 0.5% of the NAV per annum to Investors making the effective annual investment management fee 2% of the NAV.	1,590,468	947,822

Administration Fee	The Company pays the Administrator a Fee of the higher of 0.3% of the prevailing Net Asset Value or £60,000 (plus VAT if applicable) per annum, payable quarterly in arrears in consideration for the administration services provided by the Administrator to the Company.	190,856	136,593
Receiving Agent fee	The Company pays the Receiving Agent a fee of £10,000 plus 0.12% of the monies subscribed for Shares under the Offer (plus VAT if applicable), for providing receiving agent services to the Company in connection with the Offer.	41,274	24,095
Initial Promotion Fee	The fee payable by the Company to the Promoter pursuant to the Offer Agreement for an amount equal to 2.5% of the Subscription Amount under the Offer, less any discounts for early investment and Existing Blackfinch Group Investors.	307,445	172,748
Total		2,130,043	1,281,258

23. Related Party Transactions

The remuneration and shareholdings of the Directors, who are key management personnel of the Company, is disclosed in the Directors' Remuneration Report on pages 72 to 76.

24. Geographical Analysis

The operation of the Company is wholly in the United Kingdom.

Directors and Advisers

Directors (all non-executive)

Peter Lionel Raleigh Hewitt (Chairman)

Katrina Tarizzo

Nicholas Pillow

Solicitors and Sponsor

Howard Kennedy Corporate Services LLP

No. 1 London Bridge

London

SE1 9BG

All of:

Registered Office at

Meadow Barn, Elkstone Studios

Cheltenham

GL53 9PQ

Auditor

BDO LLP

55 Baker Street

London

W1U 7EU

Secretary

The City Partnership (UK) Limited

The Mending Rooms

Park Valley Mills, Meltham Road

Huddersfield

HD4 7BH

Registrars

The City Partnership (UK) Limited

The Mending Rooms

Park Valley Mills, Meltham Road

Huddersfield, HD4 7BH

01484 240 910

VCT Tax Adviser

Philip Hare & Associates LLP

Bridge House

181 Queen Victoria Street

City of London

EC4V 4EG

Investment Manager, Promoter, Receiving Agent and Administrator

Blackfinch Investments Limited

Meadow Barn

Elkstone Studios

Cheltenham

GL53 9PQ

Appendix

Operational Expenses

The table below sets out the calculation of the Company's cost cap as at the end of the period.

Running Expenses % as per Year End NAV	Period ending 31 December 2025 (12 months) (£)	Period ending 31 December 2024 (12 months) (£)
Total costs	2,150,624	1,569,051
Costs excluded from the cost cap calculation	(232,745)	(239,182)
Balance of costs (Operational Expenses)	1,917,879	1,329,869
NAV as at the end of the period	66,828,435	48,007,660
3.5% of NAV	2,338,995	1,680,268
Operational Expenses as % of year end NAV	2.87%	2.77%

Ongoing Charges

Presented below is the calculation for the ongoing charges both including and excluding shareholders' rebate.

The ongoing charges figure is calculated based on average NAV throughout the period.

	Period ending 31 December 2025 (12 months) (£)	Period ending 31 December 2024 (12 months) (£)
Investment Manager's Fee	1,590,486	1,065,336
Directors' Fee	75,723	66,772
Administration Fee	190,857	127,929
Registrar's Fee	18,558	36,411
Receiving Agent Fee	41,274	-
Audit Fees ¹	77,859	61,888
Shareholder Communications ¹	5,054	82,136
VCT Status Fees ¹	8,000	9,500
LSE Fees ¹	12,130	10,650
Broking Fees ¹	9,176	5,684
RNS Fees ¹	6,663	7,480
CT Compliance Fees ¹	2,784	1,913
FCA Fees ¹	8,401	8,209
Insurance ¹	5,749	-
Other Professional Fees ¹	11,884	12,304
Irrecoverable VAT ¹	85,045	72,032
Bank Charges ²	999	807
Total Costs	2,150,624	1,569,051
Ongoing Charges ²	2,149,625	1,568,244
Average NAV	63,598,206	42,510,396
Ongoing charge % as per average NAV	3.38%	3.69%
Shareholders' rebate (20% of Investment management fee)	(318,094)	(213,067)
Average NAV less shareholders' rebate	63,280,112	42,297,329
Ongoing charge less shareholders' rebate % as per average NAV	2.88%	3.19%

¹ Values excluded from the cost cap as detailed in the relevant agreements and prospectus

² Bank charges are excluded from the ongoing charges figure.

Blackfinch Spring VCT plc

(Registered in England and Wales with registered number 12166417)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Blackfinch Spring VCT plc (“the Company”) will be held at Howard Kennedy’s offices, 1 London Bridge, London SE1 9BG on 4 June 2026 at 11.00am for the purposes of considering and, if thought fit, passing the following resolutions, resolutions 1 to 8 as ordinary resolutions and resolutions 9 and 11 as special resolutions:

It is the Board’s opinion that all resolutions are in the best interests of shareholders as a whole and the Board recommends that shareholders should vote in favour of all resolutions. Any shareholder who is in doubt as to what action to take should consult an appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your shares in the Company, please forward this document to the purchaser, transferee, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

The Board encourages those who are unable to attend to submit questions on either the Company or the portfolio to the Board via email to registrars@city.uk.com by 28 May 2026, being one week prior to the date of the AGM. Answers will be published on the Company’s website at the time of the AGM.

Ordinary Resolutions

1. To receive the Directors’ Report and Financial Statements of the Company for the financial year ended 31 December 2025 together with the Independent Auditor’s Report thereon.
2. That the Directors’ Remuneration Report for the year ended 31 December 2025 be approved other than the part of such report containing the Directors’ Remuneration Policy.
3. To appoint BDO LLP as auditor of the Company from the conclusion of the AGM until the conclusion of the next AGM of the Company to be held in 2027 at which financial statements are laid before the Company.
4. To authorise the Company’s directors (“Directors”) to fix the remuneration of the auditor.

5. To re-elect Katrina Tarizzo as a director of the Company.
6. To re-elect Nicholas Pillow as a director of the Company.
7. That, the Directors be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the “Act”) to exercise all of the powers of the Company to allot ordinary shares of 1 pence each in the capital of the Company (“Shares”) or to grant rights to subscribe for or to convert any security into Shares up to an aggregate nominal value of £500,000, representing approximately 61% of the issued share capital of the Company as at 1 April 2026, being the latest practical date prior to publication of this document, provided that the authority conferred by this Resolution 7 shall expire at the conclusion of the Company’s next annual general meeting or on the expiry of fifteen months following the passing of this Resolution 7, whichever is the later (unless previously renewed, varied or revoked by the Company in general meeting).
8. That, in accordance with article 34 of the Company’s articles of association (the “Articles”) and in addition to existing authorities, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot and issue the following Shares pursuant to the terms and conditions of the dividend reinvestment scheme adopted by the Company on 6 June 2024 and in connection with any dividend declared or paid in the period commencing on the date of this Resolution 8 and ending on the later of the date of the Company’s next annual general meeting or the date falling 15 months after the date of the passing of this Resolution 8 (unless previously renewed, varied or revoked by the Company in general meeting):
 - Shares up to an aggregate nominal amount representing 10% of the issued share capital from time to time (approximately 9m Shares at the date of this notice).

Special Resolutions

9. That, the Directors be and hereby are empowered pursuant to Section 570(1) of the Act to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the Act) for cash pursuant to the authority given in accordance with Section 551 of the Act by Resolution 7 above as if Section 561(1) of the Act did not apply to such allotments, provided that the power provided by this Resolution 9 shall expire at the conclusion of the Company’s next annual general meeting or on the expiry of fifteen months following the passing of this Resolution 9, whichever is the later (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may, prior to such expiry, make offers or agreements which would or might require equity securities to be allotted after the expiry of the said power and the Directors may allot equity securities of such offers or agreements notwithstanding the expiry of such power.
10. That, in accordance with section 570(1) of the Act, the Directors be and are hereby given power to allot or make offers or agreements to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authorities conferred by Resolution 8 above as if section 561 of the Act did not apply to any such allotment, and so that:

a. Reference to allotment of equity securities in this Resolution 10 shall be construed in accordance with section 560 of the Act; and

b. The power conferred by this Resolution 10 shall expire at the conclusion of the Company's next annual general meeting or on the expiry of fifteen months following the passing of this Resolution 10, whichever is the later (unless previously renewed, varied or revoked by the Company in general meeting) save that the Company may prior to such expiry make offers or agreements which would or might require equity securities to be allotted after the expiry of the said power and the Directors may allot equity securities of such offers or agreements notwithstanding the expiry of such power.

11. That, the Company be and is hereby authorised to make one or more market purchases (within the meaning of section 693(4) of the Act) of Shares provided that:

11.1 the maximum aggregate number of Shares authorised to be purchased is an amount equal to 14.99% of the issued Shares as at the time of this notice (approximately 6m shares);

11.2 the minimum price which may be paid for a Share is their nominal value;

11.3 the maximum price which may be paid for a Share is an amount equal to the higher of (i) 105% of the average of the middle market quotation per Share taken from the London Stock Exchange daily official list for the five Business Days immediately preceding the day on which such Share is to be purchased; and (ii) the amount stipulated by the UK version of Article 5(6) of Market Abuse Regulation (596/2014/EU); and

11.4 unless renewed, the authority hereby conferred shall expire either at the conclusion of the annual general meeting of the Company following the passing of this Resolution 11 or on the expiry of fifteen months from the passing of this Resolution 11, whichever is the later, save that the Company may, prior to such expiry, enter into a contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry.

Notes

Entitlement to vote

The right to vote at the Annual General Meeting is determined by reference to the register of members 48 hours before the time of the Annual General Meeting. Accordingly, to be entitled to vote, Shareholders must be entered in the register of members by close of business on 2 June 2026.

Appointment of proxies

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting. For this purpose, you may use the Form of Proxy which will have been sent to you unless you opted for electronic communications. As an alternative to completing the hard copy Form of Proxy, Shareholders can appoint a proxy electronically on-line, as explained below. If you opted for electronic communications, then you will have been sent an email which includes information on how to appoint a proxy electronically on-line. You can only appoint a proxy using the procedures set out in these notes.
2. A proxy does not need to be a member of the Company. Details of how to appoint the Chair of the meeting or another person as your proxy using the Form of Proxy are set out in these notes.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please complete a Form of Proxy for each proxy specifying which of your shares the proxy will be acting in respect of.
4. If you do not give your proxy an indication of how to vote on the resolutions, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy using hard copy Form of Proxy

5. These notes explain how to direct your proxy to vote on the resolutions or withhold their vote.

To appoint a proxy using the Form of Proxy, the form must be:

- completed and signed;
- sent or delivered to The City Partnership (UK) Limited, The Mending Rooms, Park Valley House, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH; and
- received by The City Partnership (UK) Limited no later than 11.00 a.m. on 2 June 2026 in respect of the Annual General Meeting or, if the meeting is adjourned, by no later than 48 hours prior to the adjourned Annual General Meeting.

In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

Electronic appointment of proxies

6. As an alternative to completing the hard copy Form of Proxy, you can appoint a proxy electronically by accessing the 'Vote Here' button/link on the Company's website: blackfinch.investments/vct/. You will need your City Investor Number (CIN) and your Access Code which may be found either on the Form of Proxy or in the email sent to you.

For an electronic proxy appointment to be valid, your appointment must be received by The City Partnership (UK) Limited no later than 48 hours prior to the time of the meeting, i.e. by 11.00 a.m. on 2 June 2026.

Appointment of proxy by joint members

7. In the case of joint shareholders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact The City Partnership (UK) Limited, The Mending Rooms, Park Valley House, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to The City Partnership (UK) Limited, The Mending Rooms, Park Valley House, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
 - By sending an e-mail to proxies@city.uk.com with a signed revocation attached to the email such that the revocation would have been valid had it been sent by ordinary mail. This email address should not be used for any other purpose unless expressly stated.

- By amending your proxy vote online by accessing the ‘Vote Here’ button/link on the Company’s website:
blackfinch.investments/vct/

Whichever method is used, the revocation notice must be received by the Company no later than 11.00 a.m. on 2 June 2026 in respect of the Annual General Meeting or, if the meeting is adjourned, by no later than 48 hours prior to the adjourned Annual General Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Communication

10. Except as provided above, members who have general queries about the meeting should contact the Company Secretary by post at The City Partnership (UK) Limited, The Mending Rooms, Park Valley House, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH, or by email at enquiries@city.uk.com (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in the notice of the Annual General Meeting; or
- any related documents (including the Form of Proxy),

to communicate with the Company for any purposes other than those expressly stated.

IMPORTANT INFORMATION

Capital at Risk. Blackfinch Spring VCT Plc, Meadow Barn, Elkstone Studios, Cheltenham, GL53 9PQ. Registered company in England and Wales Company no. 12166417.