Herald
LEADING-EDGE INVESTING

Herald Investment Trust plc

2026

Half-yearly financial report

For the six months ended 30 June 2026

INVESTMENT OBJECTIVE

Herald Investment Trust plc's ("Herald" or the "Company") objective is to achieve capital appreciation through investments in smaller quoted companies in the areas of technology and communications. Investments may be made across the world. The business activities of investee companies will include technology and communications, and the supply of equipment and services to these companies.

INVESTMENT POLICY

The policy is global investment in smaller quoted companies in technology and communications, and the approach is to construct a diversified portfolio through the identification of individual companies which offer long-term growth potential, typically over a five-year horizon or more. The portfolio is actively managed and does not seek to track any comparative index. With a remit to invest in smaller companies with market capitalisation generally below $5bn at the point of purchase, there tends to be a correlation with the performance of smaller companies, as well as that of the technology and communications sectors. A degree of volatility relative to the overall market should be expected.

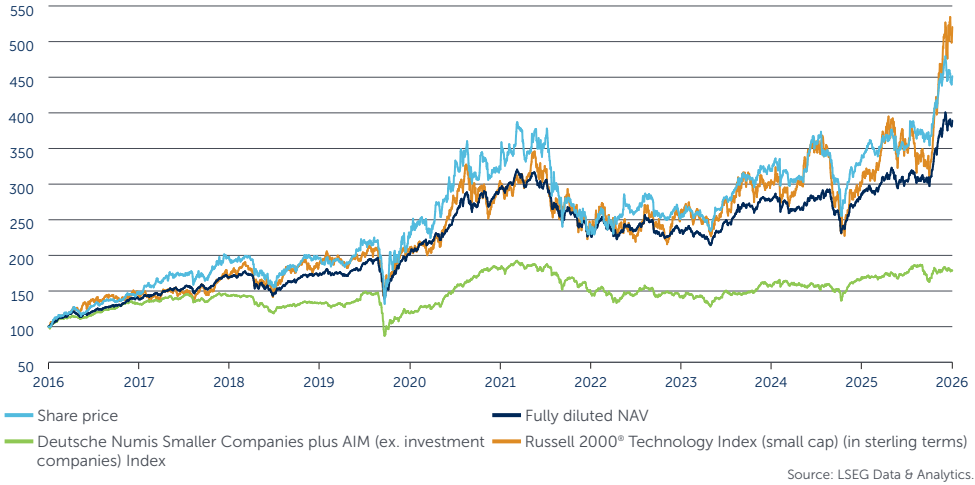
A number of investments are in early-stage companies, which have a higher stock specific risk but the potential for above average growth. Stock specific risk is reduced by having a diversified portfolio. The limit for any single holding (excluding cash and cash equivalents) is 10% of net assets (measured at time of investment), though in practice to contain the risk of any one holding, the Manager generally takes profits when a holding reaches more than 5% of the portfolio. The Manager actively manages the exposure within the constraint that illiquid positions cannot be traded for short-term movements.

The Company has a policy not to invest more than 15% of gross assets in other UK-listed investment companies. From time to time, fixed interest holdings, non-equity or unquoted investments may be held on an opportunistic basis.

The Company recognises the long-term advantages of gearing and has a maximum gearing limit of 50% of net assets. Borrowings are invested primarily in equity markets but the Manager is permitted to invest in other securities in the companies in the target areas when it is considered that the investment grounds merit the Company taking a geared position. The board's intention is to gear the portfolio when appropriate, taking into account current and future cashflow requirements of the Manager.

The Company may use derivatives which will be principally, but not exclusively, for the purpose of efficient portfolio management (i.e. for the purpose of reducing, transferring or eliminating investment risk in its investments, including protection against currency risk).

10 YEAR TOTAL RETURN OF NAV, SHARE PRICE AND COMPARATIVE INDICES
(FIGURES HAVE BEEN REBASED TO 100 AT 30 JUNE 2016)



Source: LSEG Data & Analytics.

SUMMARY OF PERFORMANCE

NET ASSET VALUE (NAV)[A] PER SHARE 30 JUNE 2026
£34.59

CHANGE IN NAV[A] PER SHARE SINCE 31 DECEMBER 2025
+28.1%

TOTAL NAV RETURN PER SHARE SINCE INCEPTION
+3,677.3%

SHARE PRICE 30 JUNE 2026
£30.70

CHANGE IN SHARE PRICE SINCE 31 DECEMBER 2025
+27.7%

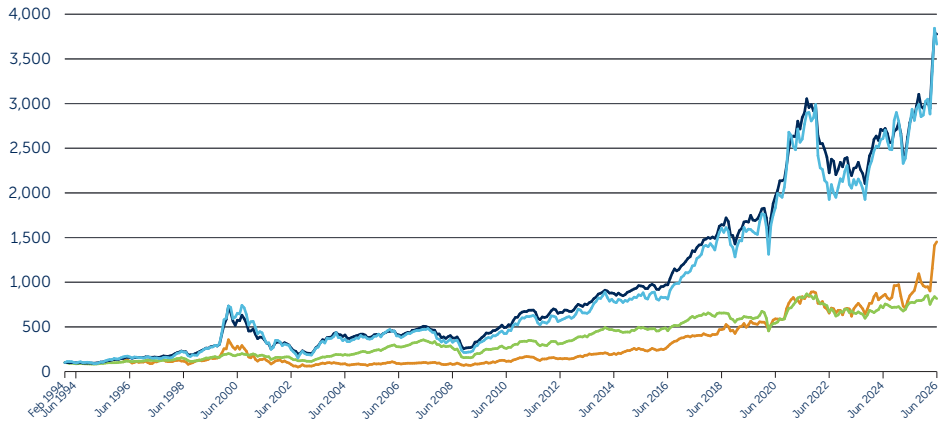
SHARE PRICE TOTAL RETURN SINCE INCEPTION
+3,564.6%

NAV AT 31 DECEMBER 2025		TOTAL RETURN IN PERIOD	SHARE BUYBACKS IN PERIOD		NAV AT 30 JUNE 2026
£1,292.4m	+	363.2m	+ 0.0m	=	£1,655.6m

Total return for the period	At inception 16 February 1994	At 1 January 2026	At 30 June 2026	Performance since 1 January 2026	Performance since inception
Net asset value[A] per ordinary share (including current year revenue)	98.7p	2,700.5p	3,459.4p	28.1%	3,677.3%
Net asset value[A] per ordinary share (excluding current year revenue)	98.7p	2,700.5p	3,459.7p	28.1%	3,677.3%
Share price	90.9p	2,405.0p	3,070.0p	27.7%	3,564.6%*
Deutsche Numis Smaller Companies plus AIM (ex. investment companies) Index (total return)	2,299.9	18,515.7	18,785.4	1.5%	716.8%
Russell 2000® Technology Index (small cap) (in sterling terms) (total return)†	674.7	6,003.3	9,105.1	51.7%	1,249.5%**

[A] Alternative Performance Measure (APM) — See page 20.
* Share Price Total Return based on 90.9p, the 1994 CGT base subscription price for shareholders adjusting for warrants, which were issued on a 1 for 5 basis.
** At 9 April 1996 being the date funds were first available for international investment.
† The Russell 2000® Technology Index (small cap) was rebased during 2009 following some minor adjustments to its constituents. The rebased index is used from 31 December 2008 onwards.

TOTAL RETURN SINCE INCEPTION
(FIGURES HAVE BEEN REBASED TO 100 AT 16 FEBRUARY 1994)



Share price
Fully diluted NAV
Deutsche Numis Smaller Companies plus AIM (ex. investment companies) Index
Russell 2000® Technology Index (small cap) (in sterling terms)

Source: LSEG Data & Analytics.

Past performance is not a reliable indicator of future returns.

CHAIRMAN'S STATEMENT

INTRODUCTION

The six months to 30 June 2026 have been among the most consequential in the Company's history. The period saw the resolution of the impasse between 31% shareholder Saba Capital and most of the Company's other shareholders, detailed in the recent General Meeting circular of 2 June 2026 and other announcements. The solution enables the Company to continue with the same founding investment manager, Katie Potts, and at the same time, to offer those shareholders who wanted it the chance to exit on acceptable terms. As part of the resolution, a new AIFM, Aberdeen Investments, ('Aberdeen') will replace Herald Investment Management Limited ('HIML') as the Company's AIFM on 1 August 2026, when Katie Potts and a number of the HIML team will move to Aberdeen. This is a new opportunity for the Company and its shareholders, with the manager and the Board both freed from recent distractions, in a vibrant market and backed by a major fund house with extensive experience of managing closed end investment companies on both sides of the Atlantic.

CORPORATE DEVELOPMENTS

On 30 June shareholders including Saba Capital voted almost unanimously in favour of the Board's proposal to allow the Company to continue and for those shareholders that chose to, to exit at close to NAV. The latter is being implemented by way of a Tender Offer under which shareholders who have so chosen have tendered their shares for either an *in specie* distribution of investee company shares, or for cash at a discount of 2% of NAV. As announced earlier this month, the *in specie* share of the Tender Offer was fully subscribed; the cash portion was undersubscribed. Between the two, some 60.1% of shares were tendered, compared to 66% had both parts of the Tender Offer been fully subscribed. It was always expected that the *in specie* portion would be fully subscribed given that Saba Capital had pre-agreed to tender all their holding in the *in specie* tender, representing on its own over 90% of the *in specie* tender allocation. The fact that the cash portion was materially undersubscribed is encouraging, all the more so if one reckons with the fact that a lot of the cash tender was accounted for by other hedge funds who only ever had a short-term, arbitrage perspective and elected to tender 100%, plus some index trackers adjusting their positions mechanically. Tenders from genuine long-term investors amounted to less than 10% of the issued share capital. This is welcome on two fronts: one, by their behaviour shareholders demonstrated again that they wished to see a continuation of the Company; two, anyone wishing to exit has been able to do so in full, meaning there is no overhang of unfulfilled sellers of the Company's shares.

Following settlement of the tender the Company has a NAV of approximately £650m, an appropriate size for the investment strategy focused on small and micro caps, but large enough to remain relevant and liquid. It will continue with the same investment policy as before, with the same investment manager, which combined have been responsible for Company's exceptional performance over a prolonged period of time, starting from inception in 1994.

The vote at the General Meeting and the Tender Offer follow on from a prolonged period of uncertainty about the Company's future, starting in late 2024. At more than one point in that period Saba Capital sought to take control of the board by appointing its own nominees, with a view to changing the investment strategy. It was evident from earlier votes that such a change did not appeal to most of the Company's other shareholders and it was therefore pleasing that your board, Saba Capital, HIML and Aberdeen were able to reach a constructive outcome, allowing the Company to continue and Saba Capital and others to exit. As part of the resolution, Saba Capital have agreed a standstill in respect of the Company for three years, as detailed in the circular accompanying the notice of the General Meeting held on 30 June 2026.

Recognising the smaller size of the Company following the tender, and the benefits that can accrue to being part of a larger group, on 1 August 2026 Katie Potts and a number of her colleagues from HIML are joining Aberdeen and will continue to manage the Company's investments. Aberdeen played a pivotal role in resolving the impasse with the principal shareholder who wished to exit, and the Board welcomes their involvement.

This brings to an end one long chapter of the Company's history, which makes it an appropriate time to pay tribute to the spectacular success of the Company since its founding in 1994, with shareholders being rewarded handsomely. Since inception, the Company's NAV per share has multiplied some 37 times. The Board on behalf of shareholders is very grateful to HIML, led by Katie Potts, for this truly remarkable achievement which deserves to be widely recognised and celebrated.

Now starts a new chapter, but with welcome continuity. The opportunity remains exciting: investing in smaller, under researched and emerging companies in the tech and communications sector globally, at a time when tech is growing and becoming an ever more dynamic and international space. There are few if any other fund managers who focus on genuinely small cap stocks in this sector in the way that the Company does. It is research intensive and by definition the funds needed are smaller than those which focus on the large caps, meaning that management fees are smaller. This creates a relative vacuum in the ways in which investors can gain exposure to the space in a diversified and well-managed way. Katie Potts and colleagues have shown over a long period that they are masters of this. Aberdeen itself brings advantages of scale and also investment insights, especially useful in relation to Asia where the market is complex and Aberdeen's successful Asian smaller company franchise will be a good complement to the Company's growing Asia exposure. Aberdeen also has a successful track record marketing to the private individual shareholder market, which accounts for a growing proportion of demand for investment companies now that many institutional shareholders have reduced their exposure across the board.

PERFORMANCE IN THE SIX MONTHS TO 30 JUNE 2026

The investment manager details in her report the excellent results over the six months to 30 June 2026, with the NAV up 28.1 %. This follows a rise of 8.5% over calendar year 2025. Shareholders will not be surprised that the results in the six months, and for some time before, have been mainly reflective of the AI stock boom. From the start of 2023 effectively all of the uplift in the Company's NAV can be attributed to stocks in the AI supply chain. Initially gains were concentrated in a small number of the Company's larger holdings, including Super Micro Computer, Fabrinet and BE Semiconductor Industries. This select group, some of which had been held in the portfolio for a number of years before increasing materially, achieved impressive multiples of cost, most of which has now been realised in cash. In the six month period being reported on, the AI effect broadened out into a wider number of smaller participants, some 49 in all, considered by the market to benefit from the AI boom. Collectively this cohort outperformed the Company's larger ones in the period.

Performance would have been even better had it not been for the need to build up cash reserves in anticipation of the Tender Offer described earlier. The Company needed to do this gradually, over an extended period of time, to avoid being (and being seen to be) a forced seller in the market for what in some cases are relatively illiquid holdings. These tactics have been successfully executed by HIML. Although the cash and near cash holding (amounting to more than £700m at the period end date, pending completion of the Tender on 9 July 2026) have weighed on the relative performance of the Company, the process has mitigated what could otherwise have been material value destruction that may have ensued if sales had been required under pressure. The timely build up of cash has also provided certainty in a volatile world.

BOARD AND ADVISERS

It was with regret that we announced last month that Henrietta Marsh had decided not to seek re-election at the AGM. Henrietta played an important part on the Board, most recently during the protracted period of uncertainty and its resolution, and we are very grateful for her contribution then and over the years before. Henrietta's role as Senior Independent Director has been taken on by Christopher Metcalfe. Joanne Parfrey joined as a director on 1 July 2026, following an open recruitment process. Jo, already an experienced investment company audit chair, will take over that role from Stephanie Eastment on 1 October. Stephanie will remain on the Board and give us the benefit of her experience and continuity. The Board will therefore continue to comprise five people.

I would like to repeat my thanks to HIML for their perseverance over recent months as well as their superlative performance over the long-term. I would also like to thank all the Board for their time and work over the last 18 months which has gone far beyond what would usually be expected of non-executive Board members.

In addition to my thanks to HIML and to other Board members I would like to thank all the Company's professional advisers for their exceptional efforts during the protracted period of corporate action. This includes the company secretary, NSM Group, who will be passing their responsibilities to Aberdeen at the beginning of August 2026. Finally, thanks are due to the Company's shareholders who have given the Board time to find an acceptable resolution to the long-standing uncertainty.

OUTLOOK

To repeat what I said earlier: the sector your Company is investing in is growing and dynamic, and the team selecting and managing the investments is led by Katie Potts, who has an unrivalled track record in the sector based on deep knowledge and excellent stock picking skills. In addition, the Company welcomes Aberdeen as the new AIFM, bringing relevant experience and institutional scale. The stock market may have its short-term ups and downs, influenced by geopolitics and other external factors, and the value placed on technology companies can itself exhibit cycles, but the longer outlook remains highly positive. The Board looks forward to a more settled future and the rewards that accrue to the patient investor.

ANDREW JOY
CHAIRMAN
21 July 2026

INVESTMENT MANAGER'S REPORT

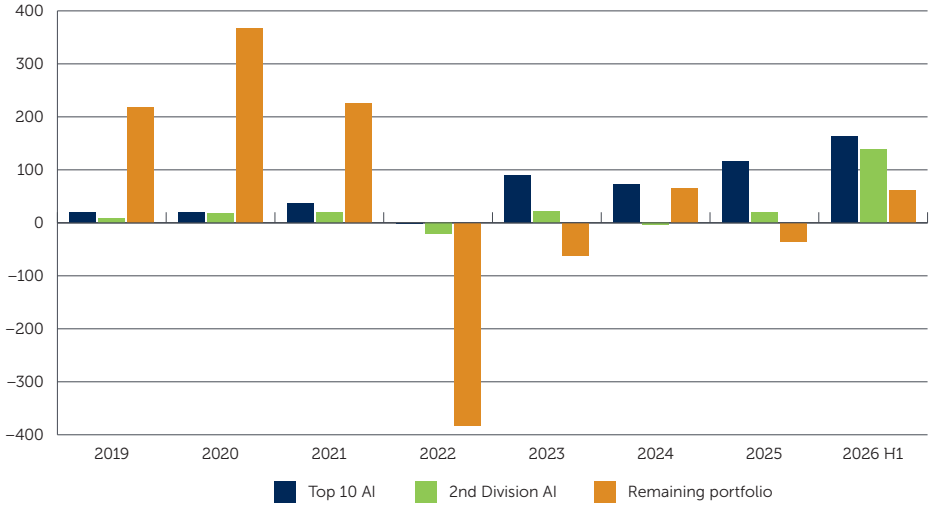
The instability in the share register has led to a challenging year, so I am relieved to report a further rise in the Company's Net Asset Value per share of 28.1%. However, it is frustrating because the result would have been considerably better, both in absolute and relative terms, if we had been in a position to remain fully invested. The fact is we started raising cash well in advance of the anticipated tender offer, being fearful of raising cash in smaller illiquid companies in a forced way. In fact, at the start of the year, we had already increased cash and cash equivalents to an abnormally high level of 15.8%. Furthermore, had we made all the sales during the year on the valuations at the end of June 2026 instead of throughout H1 2026 then realisations could have been £83.7m higher. As it turned out, the exceptional rerating for the Artificial Intelligence ("AI") related holdings in the second quarter made liquidating stocks to raise the remaining required cash for the tender relatively easy and it also seems an appropriate time to have reduced weightings.

The catalysts were rapid further progress in AI capabilities, with agentic systems extending beyond coding into broader knowledge work, and continued upward revisions to the hyperscalers' capital expenditure. This somewhat dampened investor enthusiasm for the larger companies and at the same time the market woke up to the fact that a plethora of small companies in the supply chain were benefiting from this capital expenditure boom. In the first quarter these companies performed reasonably well, while software companies sagged with the perception that AI coding was so powerful cheap, AI-native solutions could replace incumbent SaaS (software-as-a-service) providers, so the quarter was flat overall. This software pessimism in part reflected, in my view, the final sell-off from the overvalued SaaS mania in 2021 but was overdone and there was recovery in the second quarter so that the return of the software sector was +0.60% in H1 2026. Meanwhile AI attention moved to the smaller companies and the technology hardware and semiconductor sector which delivered strong returns for the Company.

In previous reports we have discussed how well Super Micro Computer, BE Semiconductor Industries, Celestica and Fabrinet have performed, but in this period Silicon Motion Technology and Vicor have been exceptional too. Digital Ocean and Vishay Precision are relatively new positions and also contributed well. In fact, since the beginning of 2023 the total return of the Company to the end of March was £283m and the return from the top ten AI companies was £317m. In the second quarter these top ten contributed a further £126m (IRR 73.7%). However, the performance broadened so that the total return was £363m after expenses in the second quarter. The second real driver has been another 49 holdings exposed to the AI capital expenditure boom, which delivered a further £109m in returns in the second quarter (IRR 104.3%). In all these stocks have therefore delivered a return of £303m, versus £363m for the Company as a whole in H1 2026, and for the half year the IRR for the second division was 146.7% versus the top ten returning 97.0%. In the current market I believe that you make the biggest returns when small companies grow into the radar screen of the index trackers so in price terms the growth in earnings is magnified by the growth in valuation multiples. The sterling returns of the US Russell 2000® Technology Index (small cap) returned +51.7%, the Russell Microcap Technology Index +77.2% and the Russell 1000 Technology Index +18.8%. Against this our North American return of +58.5% was satisfactory. In contrast the UK return was only +3.6% versus the Deutsche Numis Smaller Companies plus AIM (ex. Investment Companies) Index which returned +1.5%. The UK market is cheaper again, but not a buyer in sight. We have withdrawn a further £100m from the UK (£394m over the last 5.5 years). EMEA returned 30.4% with BE Semiconductor Industries performing well supported by useful contributions from Nordic Semiconductor, Aixtron and Soitec. Asia returned 40.1% with a number of AI beneficiaries led by Kulicke & Soffa Industries and Bizlink, having reached the top 10 AI performers.

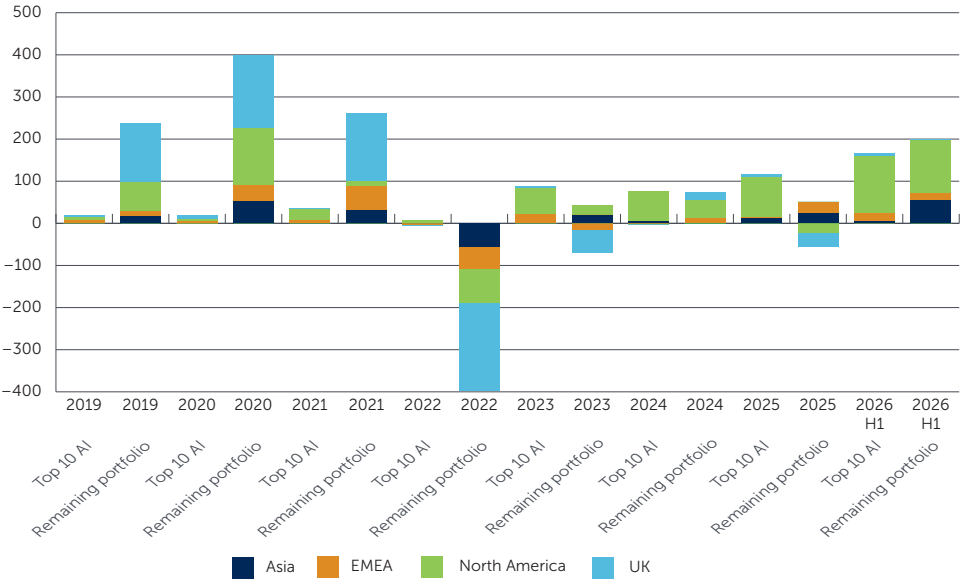
The graph below shows that the strong years from 2018 to 2022 were not driven by the AI companies, but since then the returns from non-AI companies have been minimal.

PERIODIC RETURNS (£M): TOP 10 AI VS 2ND DIVISION AI VS REMAINING PORTFOLIO



This has had a regional effect. The UK did well when software and media were doing well but has negligible exposure to AI.

PERIODIC RETURNS BY REGION (£M): TOP 10 AI VS REMAINING PORTFOLIO



Basically, this is because the AI supply chain is about hardware, and hardware is generally built in Asia. Even the returns outside Asia in terms of listing have largely been derived from subsidiaries manufacturing in Asia. It is simply not rational to build a factory in the UK for example where labour, land, capital and power prices are all too expensive. Trump has realised there are similar issues in the US, hence his tariff plan.

So where next? I do believe that AI is a dramatic development. The early winners in the development of the internet were companies like Cisco Systems (networking) and EMC (storage), the enabling technologies. The internet companies such as Amazon, Alphabet and Meta came later. We are now at the infrastructure stage for AI, and applications will come next, and there will be winners and losers. It is not rational that valuations for the infrastructure suppliers have expanded quite so much when it is inconceivable that the pace of capital expenditure can do anything but fall. In addition, there is currently unusual pricing power. It is a revenue and profits bubble rather than a p/e bubble. That is not to say I know precisely when the top is, because all the evidence is that there are still capacity shortages. Meanwhile the rest of the sector has been derated so that salivating valuations are emerging, and it will take time and care to redeploy the cash we now have to best advantage.

It is challenging in a MiFID world where commissions have been minimised and research costs introduced, to have access to all the regional brokers who cover small companies. In overseas markets we are dependent on brokers to enable corporate access, because overseas companies rarely do UK roadshows anymore, so you have to travel there. Aberdeen's presence in Asia is an attraction in this respect, because that is the region where so many opportunities lie, and overall, we feel confident that we will continue to enjoy the required level of access.

While it is a relief to have resolved the Saba overhang, this is my last report from HIML. I cannot pretend that I am not devastated, and sad for my fellow shareholders and employees, to be winding up the fund management business. In particular I should like to thank my colleagues who have remained conscientious to the end, whether or not they are coming with me to Aberdeen. I wish them all the best for the future. Personally, I have no plans or desire to retire and will try my best to adapt to a new and very different environment and I am excited by the productivity benefits I am already enjoying with Claude et al. I am grateful for the opportunity that Aberdeen is providing and cannot wait to get back to investing rather than divesting. I am also grateful to the many long-standing shareholders who have stuck with the Company through this very uncertain period.

KATIE POTTS
21 July 2026

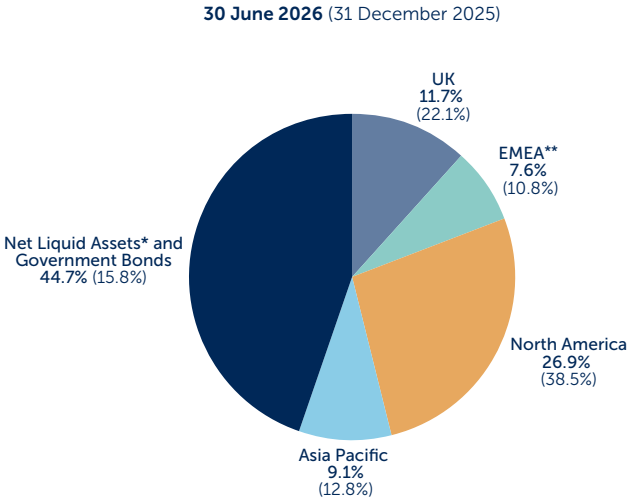
TOP TWENTY EQUITY HOLDINGS
At 30 June 2026

Ordinary or common shares unless otherwise stated.

Company (region)	Business	Value £'000	% of total assets
Silicon Motion Technology ADR* (NA)	Supplies flash memory controllers	30,123	1.8
Vicor (NA)	Designs and manufactures modular power components and complete power systems	22,057	1.3
BE Semiconductor Industries (EMEA)	Supplier of semiconductor assembly equipment	19,778	1.2
Celestica (NA)	Leader in design, manufacturing, hardware platform and supply chain solutions	17,867	1.1
Diploma (UK)	Distributor of components and systems	15,675	1.0
Nordic Semiconductor (EMEA)	Wireless semiconductor technology	15,431	0.9
Kulicke & Soffa Industries (APAC)	Supplier of semiconductor assembly equipment	15,171	0.9
Volex (UK)	Global supplier of power and connectivity-related solutions	13,509	0.8
CEVA (NA)	Licences IP to semiconductor and original equipment manufacturer companies	13,132	0.8
DigitalOcean (NA)	Developer and SMB-focused cloud infrastructure provider	13,081	0.8
Tower Semiconductor (NA)	Semiconductor foundry manufacturing speciality analog integrated circuits	12,759	0.8
Fabrinet (NA)	Advanced optical, electro-mechanical and electronic manufacturing services	12,290	0.8
Red Violet (NA)	Analytics and information solutions company specialising in identity intelligence	12,217	0.8
Arteris (NA)	Licences network-on-chip (NoC) interconnect IP and SoC integration software	10,859	0.7
Radware (NA)	Developer of application delivery and cyber security solutions	10,618	0.6
JFrog (NA)	Software supply chain platform	10,520	0.6
Trustpilot (UK)	Digital platform to independently record customer experiences and rating	10,384	0.6
Pegasystems (NA)	Applications for sales, marketing and operations	10,225	0.6
Varonis Systems (NA)	Data security and data protection software provider	10,031	0.6
BizLink (APAC)	Manufactures harnesses, power and data cables and connectors	10,016	0.6
		285,743	**17.3**

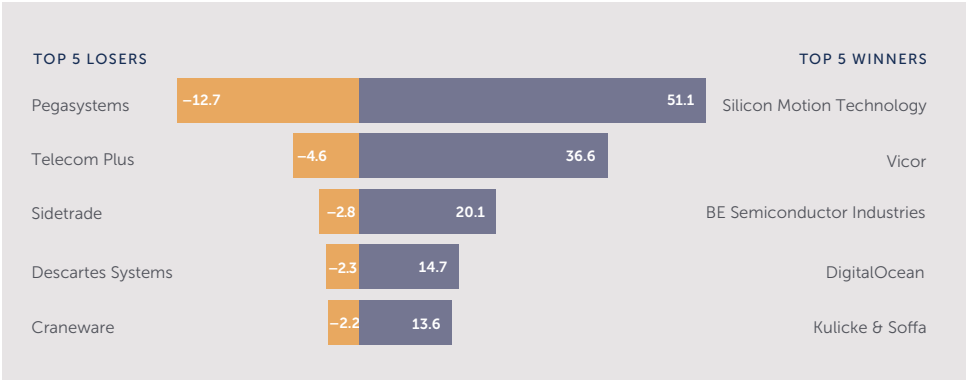
* American Depositary Receipt.

GEOGRAPHICAL SPREAD OF INVESTMENTS
(Distribution of total assets)



* Cash, current assets and liabilities.
** EMEA stands for Europe, Middle East and Africa.

TOP FIVE WINNERS AND LOSERS
For the six months ended 30 June 2026 in sterling terms (millions)



INTERIM MANAGEMENT REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Company, including the board's assessment thereof and mitigation factors, are detailed in the annual report and financial statements for the year ended 31 December 2025 (the "Annual Report 2025") on pages 35 to 37 of the Strategic Report. Market risk, liquidity risk and credit risk are discussed in detail in note 17 of the Annual Report 2025. Principal risks facing the Company include the following: strategic risk (risk as an investor in smaller companies, and the Company's objective and strategy are not attractive to investors); market, economic and geopolitical risks (with these three risks covering currency risk, interest rate risk and other price risk including, but not limited to liquidity, price, valuation, technology and communications, small cap, and political developments); investment management risks (including liquidity of the portfolio and key person risks); third party service provider operational risks (information security, including cyber risk); emerging/external risk (failure to have in place procedures that assist in identifying new or familiar risks that become apparent in new or unfamiliar conditions). Other risks are also considered: discount and discount volatility; operational risk; emerging/external risks (climate change and global pandemic risk); and regulatory risk (the loss of investment trust status or a breach of applicable legal and regulatory requirements).

In the view of the board, the principal risks and uncertainties facing the business are broadly the same as those in the Annual Report 2025, and these risks and uncertainties remain applicable to the remaining six months of the year but with one notable difference. This being that the risk of the Company's objective and strategy not being attractive to investors is significantly reduced reflecting the considerable positive change to the shareholder register arising from the Tender Offer, as detailed in the Chairman's Statement and Note 10.

The Annual Report 2025 and the Tender Offer circular can be obtained free of charge from the AIFM, contact details for which are shown on page 21, and are available on the Company's website: www.heralduk.com.

RELATED PARTY TRANSACTIONS

Details of the related party transactions were provided in the annual report and financial statements for the year ended 31 December 2025. There have been no changes to the related party transactions described in the annual report that could have a material effect on the financial position or performance of the Company. Owing to the size of Saba's interests in the Company, the acquisition of Saba's 14,035,361 *In Specie* Tendered Shares and the implementation of the Saba Portfolio Sale Agreement are deemed to be related party transactions under the FCA's UK Listing Rules. Further details can be found on page 18 of the Tender Offer circular.

GOING CONCERN

Factors which have an impact on the Company's status as a going concern are set out on page 50 of the Annual Report 2025. In this it was noted that the Company had a significant minority shareholder and this called into question the Company's ability to continue as a going concern, albeit the board concluded that it remained appropriate to prepare the financial statement on a going concern basis. The successful completion of the Tender Offer on 9 July 2026 has removed this uncertainty.

The directors have undertaken a review of the Company's financial position and ability to continue as a going concern. This review took account of continuing global factors and that the Company's principal risks are market-related, with the Company demonstrating by its past performance the resilience of its investment objective, strategy and policy. The directors are also confident that the Company will be able to continue in operation and meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. Consequently, the financial statements continue to be prepared on a going concern basis.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

a) the condensed set of financial statements has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and profit of the Company;

b) the half-yearly financial report and interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R; and

c) the half-yearly financial report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein). There have been no such transactions that have materially affected the financial position of the Company.

On behalf of the board

ANDREW JOY
CHAIRMAN
21 July 2026

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

	For the six months ended 30 June 2026			For the six months ended 30 June 2025		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Realised gains on investments	**–**	**339,457**	**339,457**	–	42,462	42,462
Movements in unrealised gains on investments	**–**	**21,139**	**21,139**	–	(10,077)	(10,077)
Gains/(losses) on foreign exchange	**–**	**2,752**	**2,752**	–	(1,229)	(1,229)
Income	**9,103**	**–**	**9,103**	8,020	–	8,020
Investment management fee – note 3	**(7,099)**	**–**	**(7,099)**	(6,041)	–	(6,041)
Other administrative expenses – note 4	**(1,949)**	**(12)**	**(1,961)**	(1,339)	(5)	(1,344)
Profit before taxation	**55**	**363,336**	**363,391**	640	31,151	31,791
Taxation	**(173)**	**–**	**(173)**	(252)	–	(252)
(Loss)/profit after taxation	**(118)**	**363,336**	**363,218**	388	31,151	31,539
(Loss)/profit per ordinary share (basic and diluted) – note 5	**(0.25)p**	**759.19p**	**758.94p**	0.77p	61.98p	62.75p
Weighted average number of ordinary shares in issue during the period			**47,858,467**			50,257,638

The total column of this statement is the profit and loss account of the Company, prepared in accordance with UK Accounting Standards.

The (loss)/profit after taxation is the total comprehensive income and therefore no additional statement of comprehensive income is presented. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the period.

CONDENSED STATEMENT OF FINANCIAL POSITION
(Unaudited)

	As at 30 June 2026 (unaudited) £'000	As at 31 December 2025 (audited) £'000
Fixed assets		
Investments held at fair value through profit or loss	**1,011,915**	1,168,447
Current assets		
Cash and cash equivalents	**640,148**	124,266
Other receivables	**5,772**	1,215
	645,920	125,481
Current liabilities		
Other payables	**(2,204)**	(1,515)
	(2,204)	(1,515)
Net current assets	**643,716**	123,966
TOTAL NET ASSETS	**1,655,631**	1,292,413
Capital and reserves		
Called up share capital – note 8	**11,965**	11,965
Share premium	**73,738**	73,738
Capital redemption reserve	**9,987**	9,987
Capital reserve	**1,561,040**	1,197,704
Revenue reserve	**(1,099)**	(981)
TOTAL SHAREHOLDERS' FUNDS	**1,655,631**	1,292,413
NET ASSET VALUE PER ORDINARY SHARE (basic and diluted) (including current year revenue)	**3,459.4p**	2,700.49p
NET ASSET VALUE PER ORDINARY SHARE (basic and diluted) (excluding current year revenue)	**3,459.7p**	2,699.77p
Ordinary shares in issue	**47,858,467**	47,858,467

CONDENSED STATEMENT OF CHANGES IN EQUITY
(Unaudited)

For the six months ended 30 June 2026

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total Shareholders' funds £'000
Shareholders' funds at 1 January 2026	**11,965**	**73,738**	**9,987**	**1,197,704**	**(981)**	**1,292,413**
Profit/(loss) after taxation	**–**	**–**	**–**	**363,336**	**(118)**	**363,218**
Shareholders' funds at 30 June 2026	**11,965**	**73,738**	**9,987**	**1,561,040**	**(1,099)**	**1,655,631**

For the six months ended 30 June 2025

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total Shareholders' funds £'000
Shareholders' funds at 1 January 2025	12,585	73,738	9,367	1,158,239	(1,327)	1,252,602
Profit after taxation	–	–	–	31,151	388	31,539
Shares purchased for cancellation – note 8	(86)	–	86	(7,325)	–	(7,325)
Shareholders' funds at 30 June 2025	12,499	73,738	9,453	1,182,065	(939)	1,276,816

CONDENSED STATEMENT OF CASH FLOWS
(Unaudited)

	For the six months ended 30 June 2026 £'000	For the six months ended 30 June 2025 £'000
Cash flow from operating activities		
Profit before taxation	**363,391**	31,791
Adjustments for gains on investments	**(360,596)**	(32,385)
Purchase of investments	**(322,070)**	(112,566)
Sale of investments	**836,399**	171,831
Capital special dividends/return of capital	**17**	73
Increase in receivables	**(363)**	(233)
Increase in payables	**689**	76
Amortisation of fixed income book cost	**(1,387)**	(361)
Effect of foreign exchange rate changes	**(2,752)**	1,229
Overseas tax on overseas income	**(198)**	(292)
Net cash inflow from operating activities	**513,130**	59,163
Cash flow from financing activities		
Shares purchased for cancellation	**–**	(6,960)
Net cash outflow from financing activities	**–**	(6,960)
Net increase in cash and cash equivalents	**513,130**	52,203
Cash and cash equivalents at start of the period	**124,266**	21,890
Effect of foreign exchange rate changes	**2,752**	(1,229)
Cash and cash equivalents at the end of the period	**640,148**	72,864
Comprised of:		
Cash and cash equivalents	**640,148**	72,864

Cash flow from operating activities includes interest received of £3,581,000 (30 June 2025 – £2,222,000) and dividends received of £3,486,000 (30 June 2025 – £4,860,000).

As the Company did not have any long-term debt at both the current and prior six month period end, no reconciliation of the net debt position is presented.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
(Unaudited)

1 FINANCIAL STATEMENTS
The condensed financial statements for the six months to 30 June 2026 within the Half Yearly Financial Report comprise the statements set out on pages 13 to 16 together with the related notes on pages 17 to 19. The condensed financial statements do not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006 and have been neither audited nor reviewed by the Company's auditor. Financial information in relation to the year ended 31 December 2025 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The directors have adopted the going concern basis in preparing the accounts. Details of the directors' assessment of the going concern status of the Company is shown on page 11.

2 ACCOUNTING POLICIES
The condensed financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS 104 Interim Financial Reporting and the Statement of Recommended Practice Financial Statements of Investment Trust Companies and Venture Capital Trusts, issued by the Association of Investment Companies in December 2025.

The accounting policies applied for the condensed financial statements are as set out in the Company's annual report for the year ended 31 December 2025.

3 INVESTMENT MANAGEMENT FEE
Herald Investment Management Limited is appointed investment manager under a management agreement which is terminable on 12 months' notice. The management fee is 1.0% per annum of the Company's net asset value (excluding current year net revenue) based on middle market prices up to £1.25bn and 0.8% per annum on amounts beyond this level. The management fee is levied on all assets.

4 OTHER ADMINISTRATIVE EXPENSES
Other administrative expenses include one-off adviser fees and other costs in respect of corporate events undertaken by the Company, including the January and May 2026 tenders and requisitioned meetings. These costs totalled £1,481,000 for the six months period to 30 June 2026 (six months to 30 June 2025 – £793,000).

5 NET RETURN PER ORDINARY SHARE

	Six months ended 30 June 2026 £'000	Six months ended 30 June 2025 £'000
Revenue (loss)/profit after taxation	**(118)**	388
Capital profit after taxation	**363,336**	31,151
Total net return	**363,218**	31,539
Weighted average number of ordinary shares	**47,858,467**	50,257,638

Net return per ordinary share is based on the above totals of revenue and capital and the weighted average number of ordinary shares in issue during each period.

There are no dilutive or potentially dilutive shares in issue.

6 DIVIDENDS

In accordance with FRS 102 Section 32 'Events After the End of the Reporting Period', the final dividend payable on ordinary shares is recognised as a liability when approved by shareholders. Interim dividends are recognised only when paid.

No dividends were paid for the year ended 31 December 2025 (2024: same), nor declared for the interim (2025 – same).

7 FINANCIAL INSTRUMENTS

The Company's investments as disclosed in the Company's balance sheet, are valued at fair value.

Nearly all of the Company's portfolio of investments are in the Level 1 category as defined in FRS 102.

The three levels set out in FRS 102 are as follows:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Manager considers observable data to be the market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The analysis of the valuation basis for the financial instruments based on the hierarchy is as follows:

	As at 30 June 2026 £'000	As at 31 December 2025 £'000
Level 1	**1,002,805**	1,151,821
Level 3	**9,110**	16,626
Total fixed assets	**1,011,915**	1,168,447

The fair value of listed security investments is bid value. Investments on the Alternative Investment Market are included at their bid value. The fair value of unlisted investments uses valuation techniques determined by the directors on the basis of latest information in line with the relevant principles of the International Private Equity and Venture Capital Valuation Guidelines.

8 SHARE CAPITAL

As at 30 June 2026, the share capital consists of 47,858,467 fully paid ordinary shares of 25p each (31 December 2025 – 47,858,467).

At the AGM held on 30 June 2026 the Company's authority to buy back up to 14.99% of its issued share capital at that date was renewed. In the six months to 30 June 2026, no (30 June 2025 – 345,419) ordinary shares of 25p each were bought back and cancelled at a total cost of £nil (30 June 2025 – £7,324,905). At 30 June 2026 the Company had authority to buy back a further 7,173,984 ordinary shares.

9 FIXED ASSET INVESTMENTS

During the period, cost of purchases amounted to £322,070,000 (30 June 2025 – £112,566,000) and proceeds of sales amounted to £840,567,000 (30 June 2025 – £178,048,000).

	Six months ended 30 June 2026 £'000	Six months ended 30 June 2025 £'000
Transaction costs		
Commission costs:		
Purchases	**145**	193
Sales	**1,675**	196
Total commission costs	**1,820**	389
Custody transaction costs	**12**	5
Other transaction costs	**144**	19
Total transaction costs	**1,976**	413

10 POST BALANCE SHEET EVENTS

a) Tender Offer

The Company issued a circular on 2 June 2026 setting out Tender Offer proposals for up to 66% of the issued share capital of the Company. The Corporate Developments section of the Chairman's Statement sets out the background to, and high-level details of, this. The Tender Offer Closing Date was on 2 July 2026 and 60.1% of shares in the Company were bought back on 9 July 2026 as set out in the table below. Following this, the issued share capital of the Company consisted of 19,103,395 Shares (being ordinary shares of 25 pence each) and there were no shares held in treasury.

	No. of shares tendered	Tender price Pence	Total £'000
In Specie Option	16,426,643	3,358.340295	551,662
Cash Option	12,328,429	3,290.734785	405,696
	28,755,072		**957,358**

b) Change of investment management arrangements

The Company announced on 7 May 2026 agreed heads of terms with HIML and Aberdeen Investment Management Limited ("Aberdeen") in respect of proposed changes to the Company's management and administrative arrangements. As the announcement explained, it is intended that the Company will appoint Aberdeen as its investment manager, pursuant to a novated investment management agreement, on terms substantially consistent with the existing agreement. Katie Potts, and a number of HIML employees who are currently involved in the day-to-day management and administration of the Company, will move to Aberdeen. These changes will become effective on 1 August 2026.

Other than the above there are no significant events after the end of the reporting period requiring disclosure.

ALTERNATIVE PERFORMANCE MEASURES

ALTERNATIVE PERFORMANCE MEASURE ('APM')

An APM is a numerical measure of the Company's current, historical or future performance, financial position or cash flows other than a financial measure defined or specified in the applicable financial framework. The following APMs are typically used within the investment trust sector to provide additional useful information to shareholders and others and to help assess an investment trust's performance and position against its peers and the market generally. The Company's directors have therefore chosen the following APMs as useful measures, however, make the important distinction for the discount APM that the Company does not target or attempt to control the discount (or premium) given that this is a function of the stock market's view of the Company's share price.

NET ASSET VALUE ('NAV') PER ORDINARY SHARE

The value of the Company's assets less any liabilities for which the Company is responsible, divided by the number of shares in issue. The NAV per ordinary share is published daily.

The NAV per ordinary share is shown both including and excluding current year revenue.

	PAGE		30 June 2026 per share (pence)	30 June 2026 £'000
Net asset value (including current period revenue)	2	A	3,459.4	1,655,631
Add net revenue loss after taxation		B	0.3	118
Net asset value (excluding current period revenue)	2	A+B	3,459.7	1,655,749

Net asset value per ordinary share is based on net assets as shown above and on 47,858,467 ordinary shares, being the number of ordinary shares in issue at the balance sheet date.

TOTAL RETURN

Share price and NAV total returns show how the NAV and share price have performed over a period of time in percentage terms, taking into account both the movement in share price/NAV and any dividends paid to shareholders.

	PAGE		Share Price	NAV (incl. revenue)
Opening at 1 January 2026	2	A	2,405.0p	2,700.5p
Closing at 30 June 2026	2	B	3,070.0p	3,459.4p
Price movements		C=(B-A)/A	27.7%	28.1%
Dividend reinvestment*		D	0.0%	0.0%
Total return		C+D	27.7%	28.1%

* No dividend has been declared for the period (2025 – nil).

DISCOUNT OR PREMIUM

The amount by which the share price of an investment trust is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV per share.

DISCOUNT OR PREMIUM	PAGE		30 June 2026	31 December 2025
Share Price (p)	2	A	3,070.0	2,405.0
Net Asset Value per share (p)	2	B	3,459.4	2,700.5
Discount	2	(A-B)/B	11.3%	10.9%

FURTHER SHAREHOLDER INFORMATION

DIRECTORS
Andrew Joy (Chairman)
Stephanie Eastment
Priya Guha MBE
Christopher Metcalfe
Joanne Parfrey (from 1 July 2026)

COMPANY SECRETARY
Until 31 July 2026:
NSM Funds (UK) Limited
4th Floor
46-48 James Street
London
W1U 1EZ

From 1 August 2026:
Aberdeen Corporate Secretary Limited
1 George Street
Edinburgh
EH2 2LL
herald@aberdeenplc.com

REGISTERED OFFICE
Until 31 July 2026:
10–11 Charterhouse Square
London
EC1M 6EE

From 1 August 2026:
280 Bishopsgate
London
EC2M 4AG

COMPANY NUMBER
02879728
(England and Wales)

ALTERNATIVE INVESTMENT FUND MANAGER AND PORTFOLIO MANAGER
Until 31 July 2026:
Herald Investment Management Limited

From 1 August 2026:
abrdn Fund Managers Limited
www.herald-trust.co.uk
Authorised and regulated by the Financial Conduct Authority

INDEPENDENT AUDITOR
PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

LEGAL ADVISER
Dickson Minto LLP
Dashwood House
69 Old Broad Street
London
EC2M 1QS

CORPORATE BROKERS
Singer Capital Markets Securities Limited
One Bartholomew Lane
London
EC2N 2AX

FINANCIAL ADVISER
J.P.Morgan Cazenove
25 Bank Street
London
E14 5JP

DEPOSITARY, CUSTODIAN AND ADMINISTRATOR
The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London
EC4V 4LA

REGISTRAR
MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds
LS1 4DL
Tel: 0371 664 0300

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00am and 5.30pm Monday to Friday (excluding public holidays in England and Wales).

Website: eu.mpms.mufg.com
Email: shareholderenquiries@cm.mpms.mufg.com

Herald Investment Trust plc
www.heralduk.com