

Interim Results

Six months to 30 September 2025

Unlocking prosperity across the UK
– region by region

2 December 2025

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Agenda

- 1. Mercia, our model and the market opportunity**
- 2. Financial review**
- 3. Progress and outlook**
- 4. In summary**

Dr Mark Payton
Chief Executive
Officer



Martin Glanfield
Chief Financial
Officer

What is Mercia?

A leading UK private capital asset manager sourcing deals others do not always see

Purpose

Wealth creation and prosperity for all our stakeholders

Vision

First choice for Investees, Fund Investors, Employees and Shareholders

Core focus

Regional UK capital deployment (Venture, Development Capital and Property Finance)

Geographic footprint

Physical nationwide regional presence – 11 offices

AuM growth

Target $\geq 70\%$ every 3 years

Recurring revenue

c.80%, diversified

Alignment with UK policy

Fully aligned with *Mansion House* and *IS-8*

Mercia's opportunity

In 2021* there were 12,600 high-growth** businesses in the UK, of which c.21% were based in London

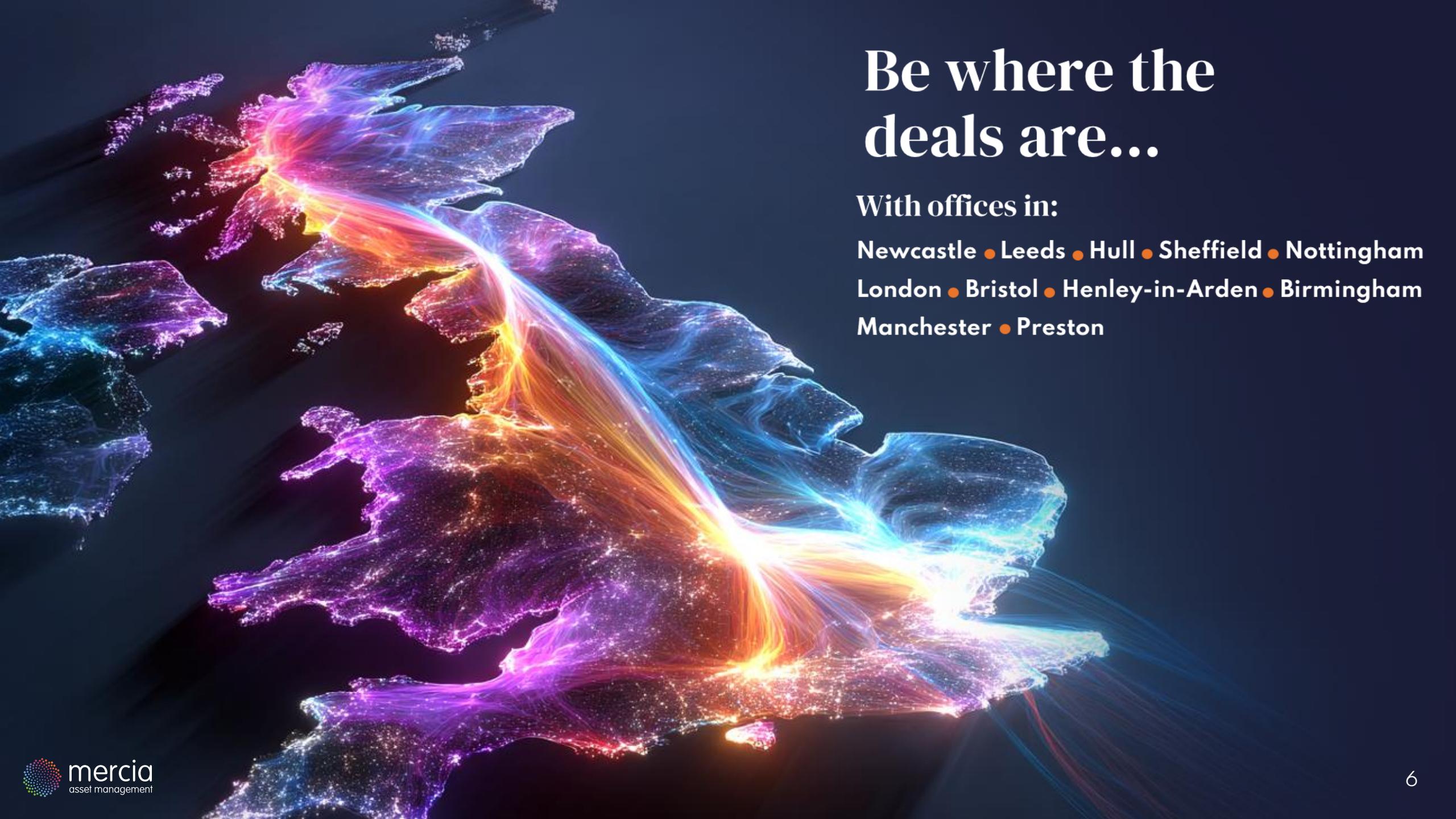
However, approximately 66%*** of the investment deployed in the UK was into London-based businesses

Why?

* Office for National Statistics, 2021

** Defined as employment growth of 20% per annum over three years

*** Social Market Foundation Report, 2023



Be where the
deals are...

With offices in:

Newcastle • Leeds • Hull • Sheffield • Nottingham
London • Bristol • Henley-in-Arden • Birmingham
Manchester • Preston

Large addressable growth markets

VENTURE CAPITAL*

Between **£4bn - £6bn** was invested in the UK in 2024 from early stage to Series A (Mercia's current target market), rising to circa **£9bn** for all venture.

10% addressable market: **£400m - £600m**

Full year FY25 investment: **£131m**

DEVELOPMENT CAPITAL*

Between **£5bn - £10bn** was invested in the UK in 2024 for investment ranges of **£0.5m to £10m** in Mercia's target market.

10% addressable market: **£500m - £1.0bn**

Full year FY25 investment: **£72m**

PROPERTY FINANCE**

Between **£6bn - £14bn** was invested in the UK in 2024 in Mercia's target property lending market (excluding Real Assets).

10% addressable market: **£600m - £1.4bn**

Full year FY25 investment: **£81m**

* BVCA 2025, BBB 2024-25

** Homes England and Savills annual stats, City CRE lending report

New asset allocations

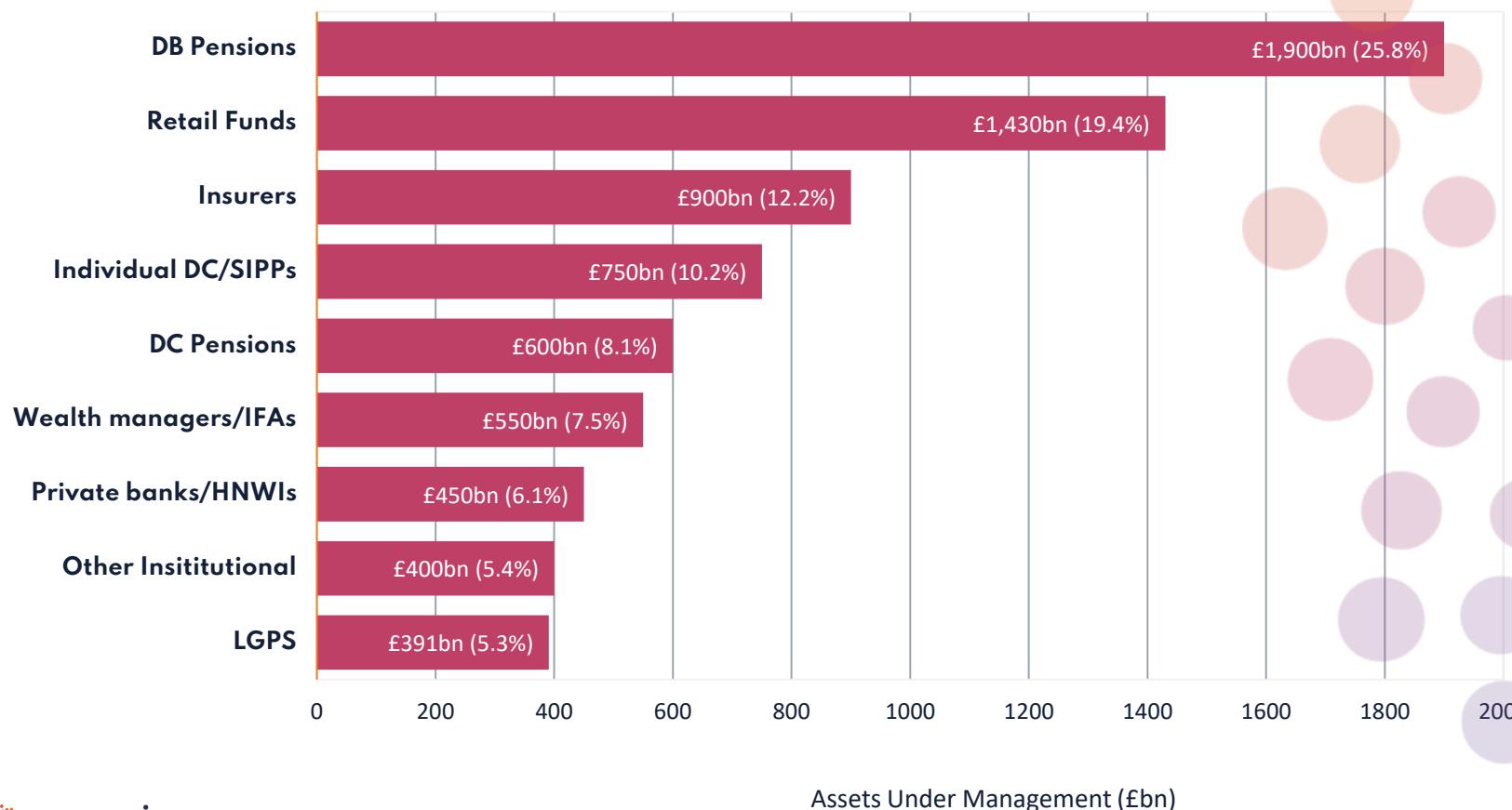
- We expect allocations to UK private assets to grow steadily across venture capital, development capital, property finance and real assets, driven by regulatory change, policy momentum and portfolio diversification initiatives.

Growth in UK private assets, supported by:

- >£4bn awarded to BBB for domestic investment purposes to include Mansion House and IS-8 strategies
- Mansion House Accord: DC pensions targeting 5% into UK private assets
- Solvency UK reforms: development to enable insurer investment in private credit and infrastructure
- Place-Based Impact Investing mandates: LGPS prioritising real assets and UK regional businesses
- LTAFs and platform access: expanding alternatives to the UK wealth market

UK investment market c.£9trillion

UK Investment market AUM by Client Group (2023-2024)



All figures are rounded estimates based on the most recent available data from industry reports and regulatory bodies.

The full UK investment management industry AUM is estimated at c. £9trillion (IA 2023-24 Survey).

Segment totals in this breakdown may not precisely sum to this due to reporting gaps, classification differences, and overlapping platform assets.

H1 FY26 financial review

Interim financial results

Six months to
30 September 2025

£17.2m -3.9%

Revenue
(H1 2025: £17.9m)

43.4p

Net assets per share
(31 March 2025: 43.6p)

£4.2m +13.7%

EBITDA
(H1 2025: £3.7m)

£2.0bn

Assets under management
(31 March 2025: £2.0bn)

0.39p +5.4%

Interim dividend per share
(H1 2025: 0.37p)

c.£52m

Organic funds under management inflows
(H1 2025: c.£57m)

£34.5m

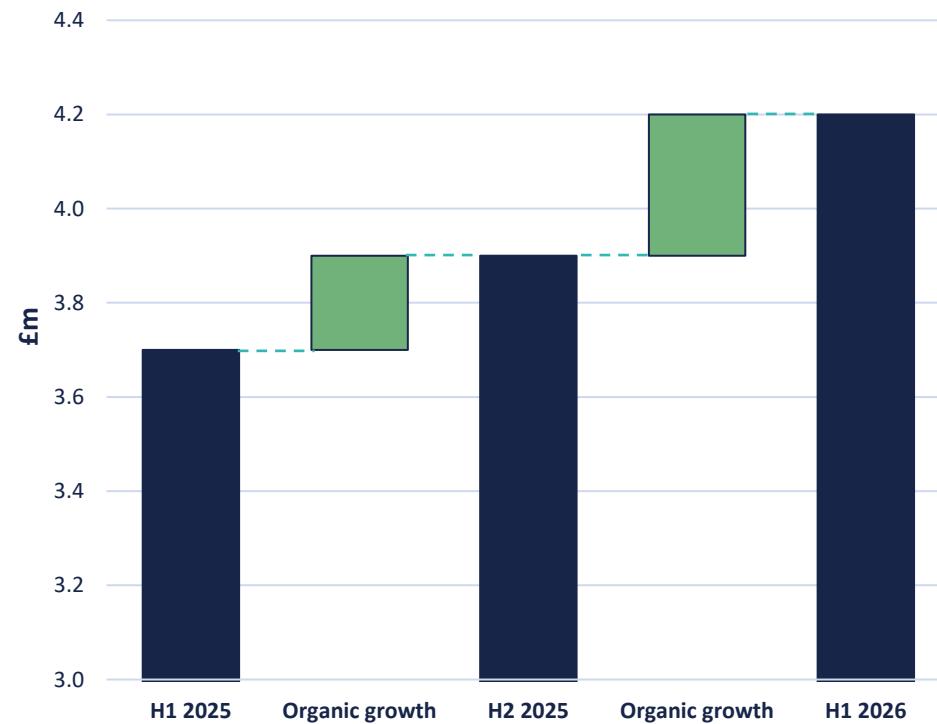
Cash and cash equivalents
(31 March 2025: £40.1m)

c.£604m

Managed funds and balance sheet liquidity
(31 March 2025: c.£640m)

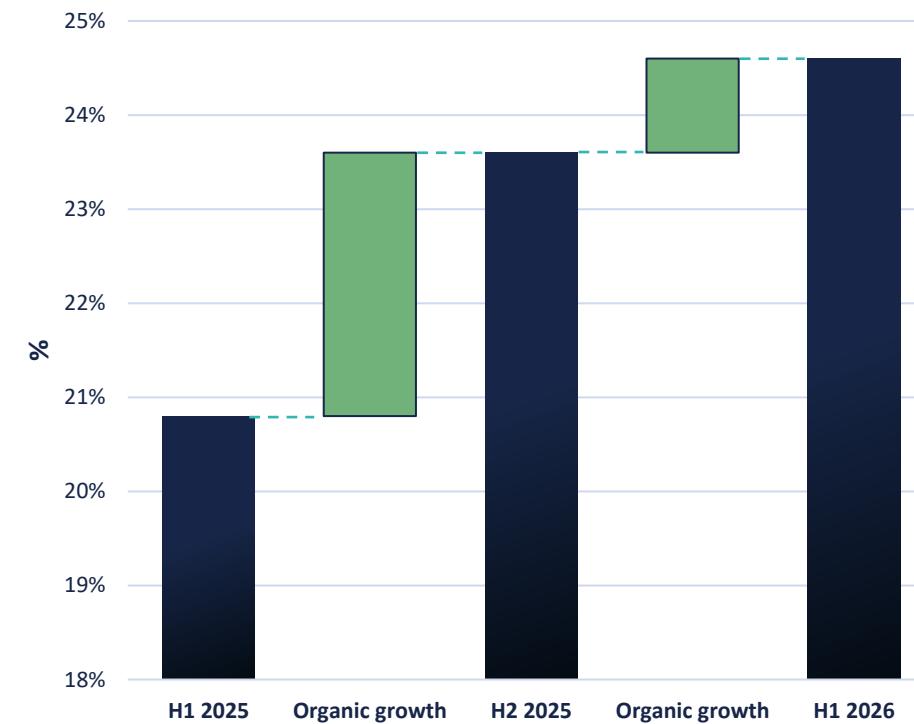
Sustained sequential EBITDA and EBITDA margin growth

EBITDA



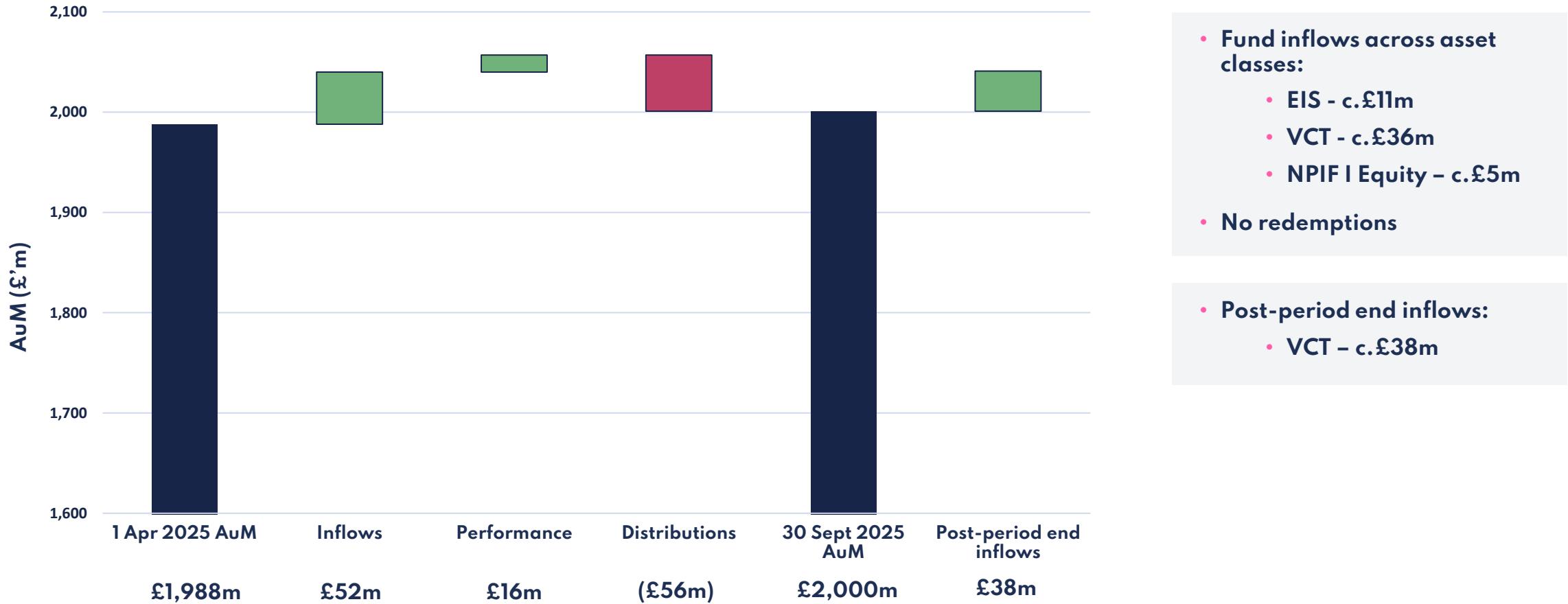
- H1 EBITDA £4.2million, up c.14% (H1 2025: £3.7million)

EBITDA margin



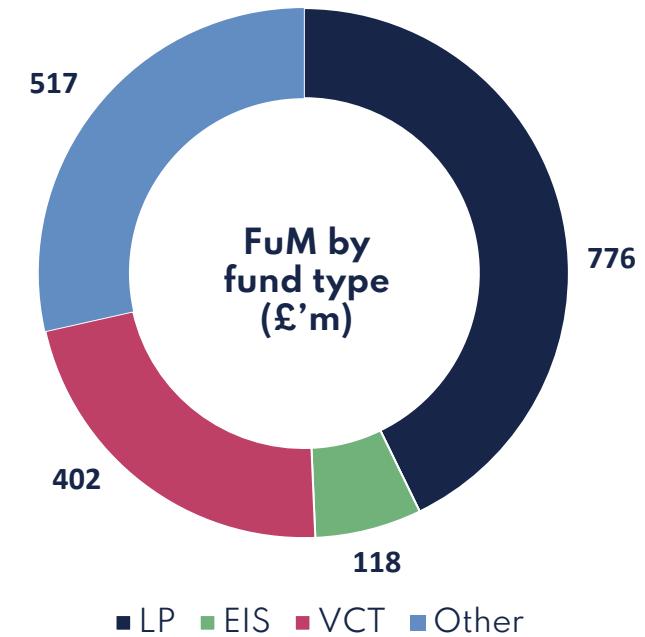
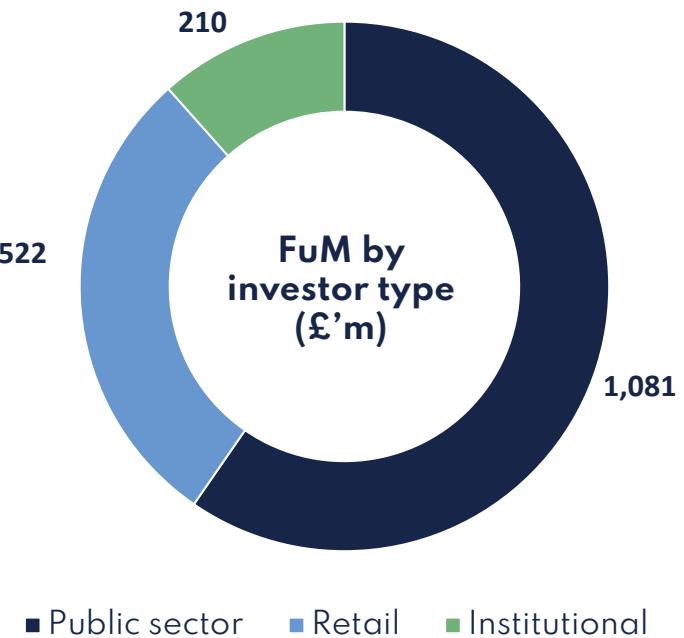
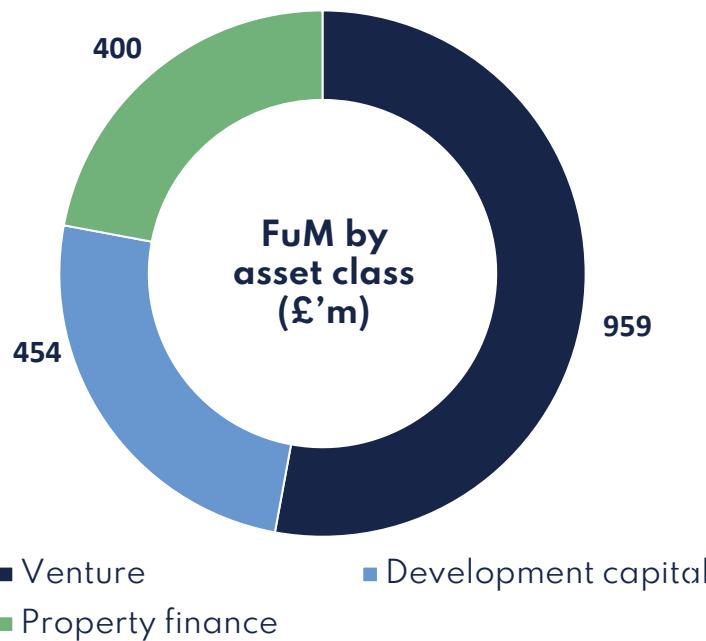
- H1 EBITDA margin 24.6% (H1 2025: 20.8%)

Resilient assets under management



Long-dated, diversified FuM

- Over 80% recurring revenues, with blended fee margin of c.2%
- Long-dated funds comprising evergreen or 10-year LP type structures – all closed end



Consolidated statement of comprehensive income

For the six months ended 30 September 2025

	Unaudited Six months ended 30 September 2025	Unaudited Six months ended 30 September 2024	Audited Year ended 31 March 2025
	£'000	£'000	£'000
Revenue			
Administrative expenses	17,201	17,908	34,416
EBITDA	4,224	3,716	7,608
Performance fees	-	-	785
Variable compensation attributable to performance fees	-	-	(628)
EBITDA including performance fees net of costs	4,224	3,716	7,765
Depreciation	(287)	(302)	(598)
Realised fair value loss on sale of direct investments	-	-	(278)
Unrealised fair value movement in direct investments	(340)	185	274
Share-based payments charge	(329)	(478)	(938)
Amortisation of intangible assets	(1,495)	(1,495)	(2,989)
Movement in fair value of deferred consideration	-	(295)	(454)
Operating profit	1,773	1,331	2,782
Finance income	729	1,128	2,626
Finance expense	(42)	(26)	(56)
Profit before taxation	2,460	2,433	5,352
Taxation	(781)	(657)	(1,897)
Profit and total comprehensive income	1,679	1,776	3,455
Basic earnings per Ordinary share (pence)	0.39	0.41	0.80
Diluted earnings per Ordinary share (pence)	0.38	0.40	0.80

- **EBITDA up 13.7%**
- **EBITDA margin of 24.6% (H1 2025: 20.8%)**

- **Consistently profitable**

Consolidated statement of financial position



As at 30 September 2025

	Unaudited as at 30 September 2025	Unaudited as at 30 September 2024	Audited as at 31 March 2025
	£'000	£'000	£'000
Goodwill and intangible assets	31,811	34,801	33,307
Property, plant, equipment and right-of use assets	1,424	1,054	880
Investments	131,100	120,932	125,960
Total non-current assets	164,335	156,787	160,147
Trade and other receivables	3,083	3,231	3,249
Cash and cash equivalents	34,469	46,214	40,093
Total current assets	37,552	49,445	43,342
Total assets	201,887	206,232	203,489
Trade, other payables and lease liabilities	(11,465)	(12,438)	(12,205)
Deferred consideration	-	(2,575)	-
Total current liabilities	(11,465)	(15,013)	(12,205)
Lease liabilities	(638)	(445)	(333)
Deferred taxation	(2,671)	(3,419)	(3,044)
Total non-current liabilities	(3,309)	(3,864)	(3,377)
Total liabilities	(14,774)	(18,877)	(15,582)
Net assets	187,113	187,355	187,907
Equity			
Issued share capital	4	4	4
Share premium	83,775	83,775	83,775
Treasury reserve	(3,956)	(4,925)	(4,911)
Other distributable reserve	51,902	56,966	55,370
Retained earnings	48,890	45,532	47,211
Share-based payments reserve	6,498	6,003	6,458
Total equity	187,113	187,355	187,907

- **Direct portfolio:**
 - **Net capital deployed of £5.5m**
- **Significant liquidity with no debt**

- **FY25 final dividend of 0.58pence/share paid to shareholders in October 2025**
- **FY26 interim dividend of 0.39pence/share (+c.5%) will be paid in January 2026**

Consolidated statement of cash flows

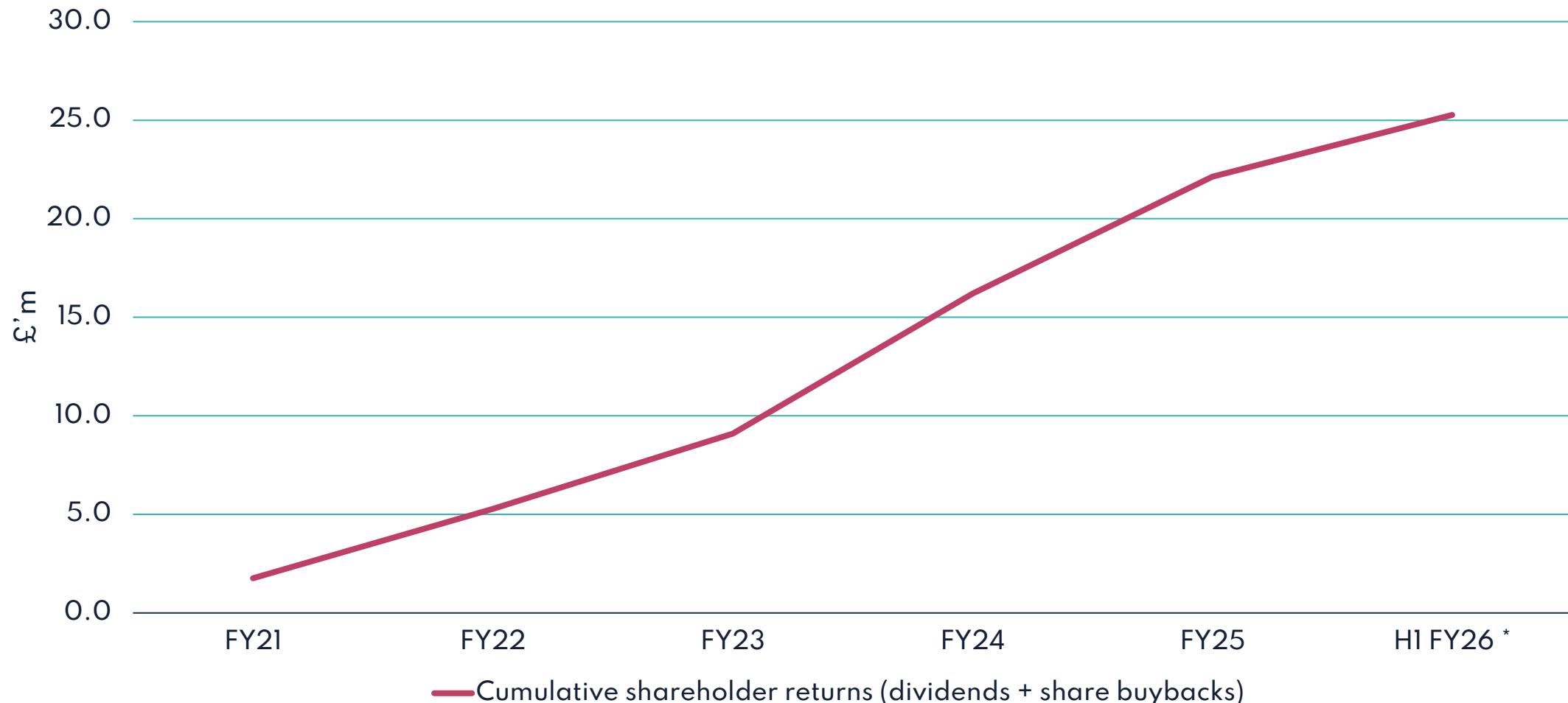
For the six months ended 30 September 2025

	Unaudited Six months ended 30 September 2025	Unaudited Six months ended 30 September 2024	Audited Year ended 31 March 2025
	£'000	£'000	£'000
Cash generated from operating activities	1,474	3,995	9,409
Corporation tax (payment)/receipt	(1,527)	162	(690)
Net cash (used in)/generated from operating activities	(53)	4,157	8,719
Proceeds from sale of direct investments	-	-	601
Purchase of direct investments	(5,830)	(3,886)	(9,704)
Investee company loan repayment	350	-	-
Investee company loan interest received	10	-	587
Net cash used in direct investment activities	(5,470)	(3,886)	(8,516)
Interest received from cash and cash equivalents	691	1,135	2,063
Purchase of property, plant and equipment	(225)	(105)	(128)
Deferred consideration paid in respect of acquisitions	-	-	(2,733)
Net cash generated from/(used in) other investing activities	466	1,030	(798)
Dividends paid	-	-	(3,968)
Purchase of Ordinary shares into treasury	-	(1,834)	(1,836)
Purchase of Ordinary shares for cancellation	(965)	-	-
Proceeds received from the exercise of employee share options	666	66	73
Interest paid	(42)	(26)	(56)
Payment of lease liabilities	(226)	(233)	(465)
Net cash used in financing activities	(567)	(2,027)	(6,252)
Net decrease in cash and cash equivalents	(5,624)	(726)	(6,847)
Cash and cash equivalents at the beginning of the period	40,093	46,940	46,940
Cash and cash equivalents at the end of the period	34,469	46,214	40,093

- Cash generative, profitable fund management operations

- £1.0m of the £3.0m share buyback completed

Cumulative shareholder returns



Capital allocation policy

- Internally estimated Mercia weighted average cost of capital ("WACC") of c.9%
- All three previous acquisitions have generated returns in excess of the Group's WACC

Enterprise Ventures Group

Acquired March 2016

Return on invested capital

c.17%*



VCT fund management contracts

Acquired December 2019

Return on invested capital

c.17%*

Northern Venture Trust PLC
Northern 2 VCT PLC
Northern 3 VCT PLC

Frontier Development Capital

Acquired December 2022

Return on invested capital

c.14%*



* Calculated as average annual net operating profit after tax divided by total consideration.

Progress and outlook



Direct investment portfolio

For the six months ended 30 September 2025



	Year of first direct investment	Net investment value as at 1 April 2025 £'000	Net cash invested six months to 30 September 2025 £'000	Fair value movement six months to 30 September 2025 £'000	Net investment value as at 30 September 2025 £'000	Equity percentage held as at 30 September 2025 %
Netacea Group Ltd	2022	16,661	1,100	(996)	16,765	33.6
Voxpopme Ltd	2018	15,874	-	-	15,874	20.2
Medherant Ltd	2016	11,521	-	3,472	14,993	36.2
Warwick Acoustics Ltd	2014	11,934	1,000	-	12,934	31.7
VirtTrade Ltd	2015	11,547	1,500	(1,639)	11,408	61.4
Eyoto Group Ltd	2017	9,642	750	-	10,392	24.7
Invincibles Studio Ltd	2015	9,317	-	-	9,317	35.5
Locate Bio Ltd	2018	7,837	-	-	7,837	19.4
Ton UK Ltd	2015	6,609	-	-	6,609	40.4
Aonic Founder SCS	2023	5,700	-	(165)	5,535	1.3
Axis Spine Technologies Ltd	2022	4,000	1,009	-	5,009	15.2
Pimberly Ltd	2021	2,728	-	117	2,845	4.9
Tozaro Ltd	2020	2,734	-	-	2,734	11.2
Nova Pangaea (Holdings) Ltd	2022	2,250	-	-	2,250	-
Forensic Analytics Ltd	2021	1,750	-	-	1,750	6.7
Uniphy Ltd	2022	727	-	270	997	3.2
Fortis Frontier PLC (formerly MyHealthChecked PLC)	2016	952	-	(272)	680	13.1
sureCore Ltd	2016	1,398	-	(1,398)	-	20.0
Impression Technologies Ltd	2015	-	(350)	350	-	65.1
Akamis Bio Ltd	2015	-	-	-	-	0.2
Other direct investments	n/a	2,779	471	(79)	3,171	n/a
Total		125,960	5,480	(340)	131,100	n/a

Top 10 direct investments

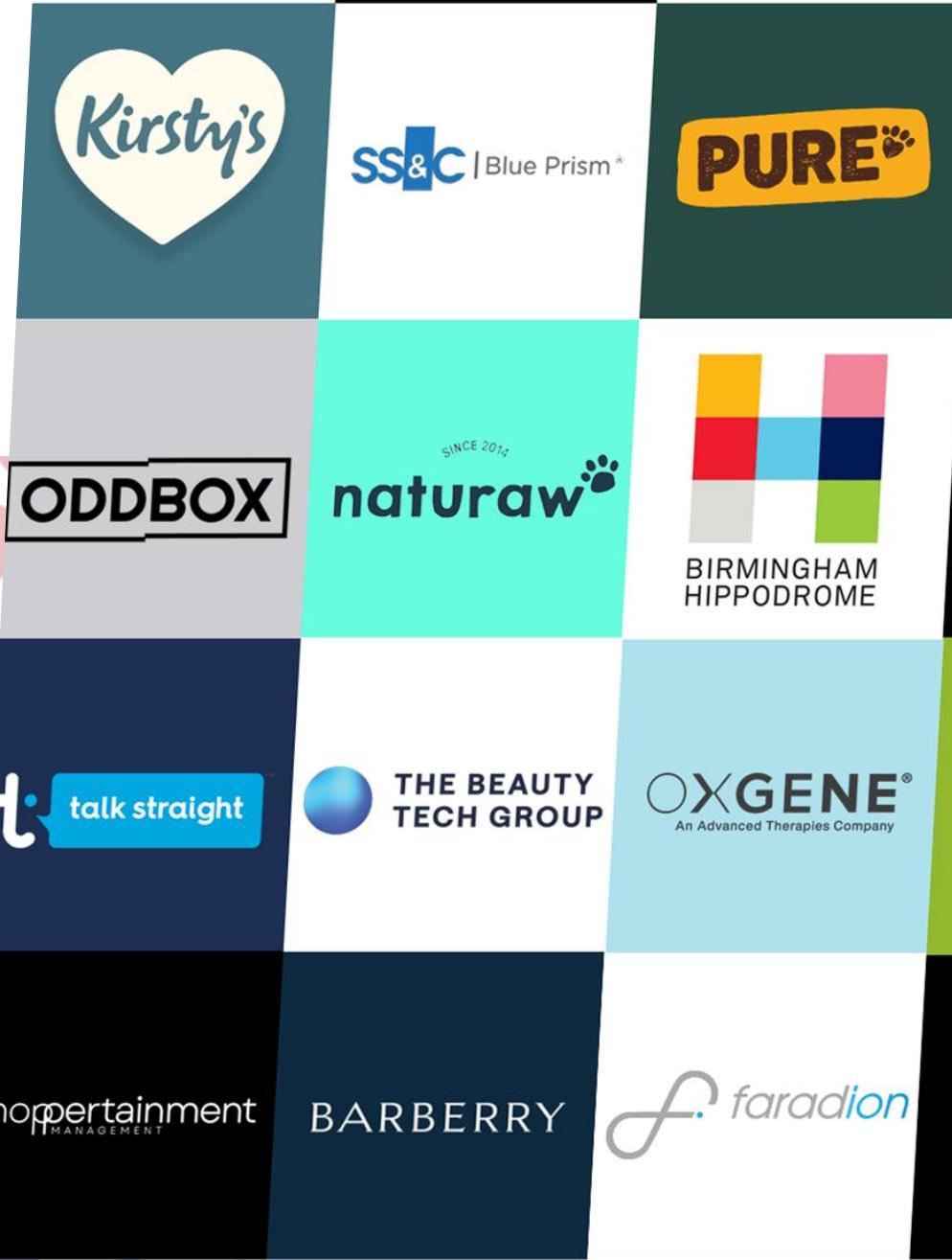
FY26 target	FY27 target	Outstanding
c.£7.5m-£10m	c.£50m-£70m	c.£40m

NETACEA Moving towards breakeven	 Voxpopme® Revenue growth and good customer retention	 MEDHERANT® Pivotal clinical trial	 WARWICK ACOUSTICS First OEM launch expected 2026	CARDS, THE UNIVERSE AND EVERYTHING New game development
EYOTO Developing commercial pipeline	 Invincibles Studio Cash breakeven and expanding user base	 locate^{bio} Developing clinical trial plans	 Cash breakeven and developed new AI/LLM features	 Growing EBITDA

Seeing many of the best

c.£95m invested in H1:

- c.£43m in venture and direct investments
- c.£33m in development capital
- c.£19m in property finance



Mercia '27 is on track

	FY24	FY25	FY26	FY27
Assets under management ("AuM")	£1.8bn	£2.0bn	→	c.£3bn
EBITDA	£5.5m	£7.6m	→	c.£10m
EBITDA margin	18.2%	22.1%	→	c.26%
Balance sheet divestiture	£26.7m	£0.6m	→	c.£80m

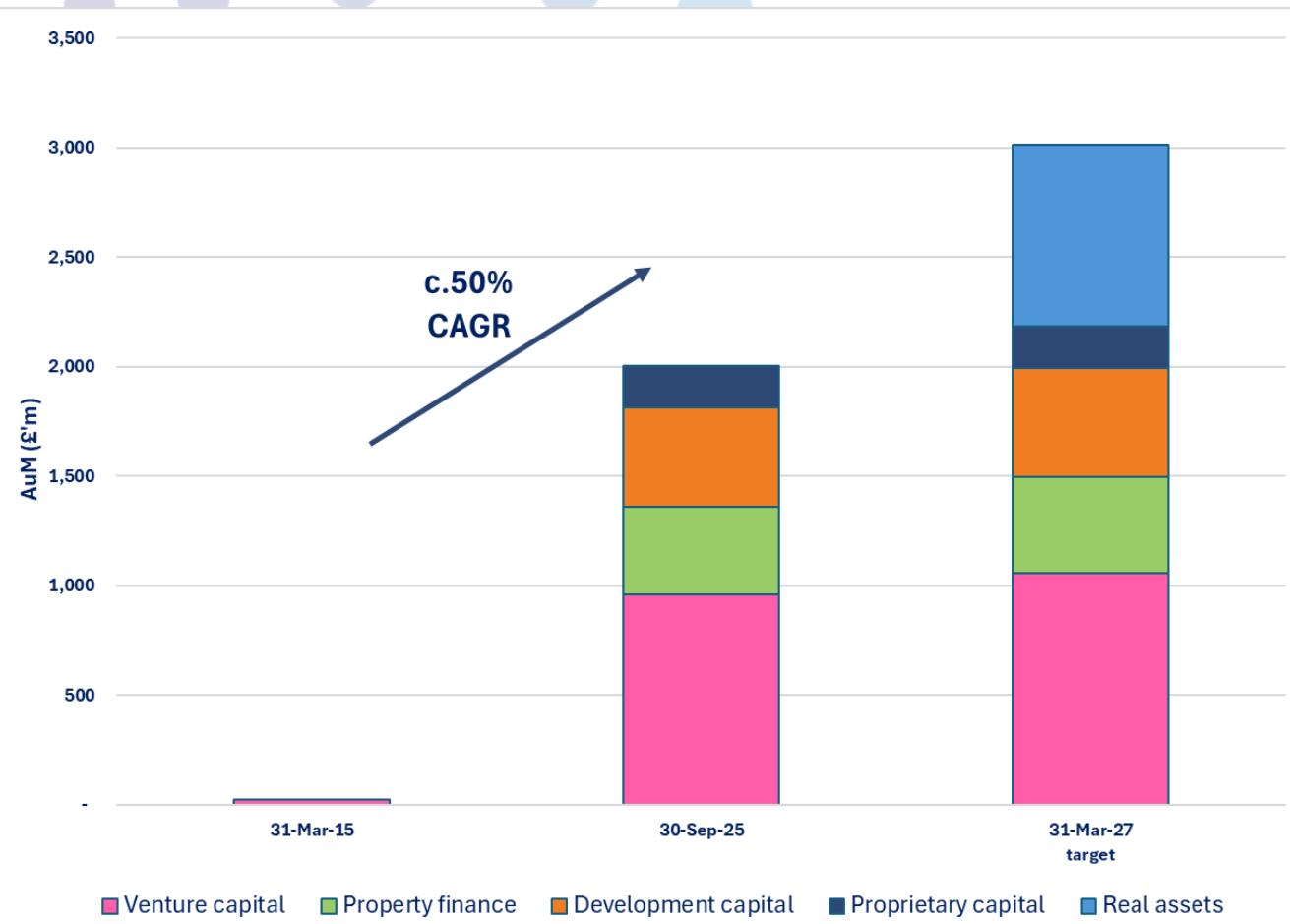
Key H1 FY26 milestones

- **Building FuM pipeline**
- **c.£52m inflows this period**
- **Improving operational efficiency resulting in increased EBITDA and EBITDA margin**
- **Direct investments developing with a number in a process**

Increasing operational efficiency

	FY25		FY26	FY27
	H1	Full year	H1	Full-year target
Revenue	£17.9m	£34.4m	£17.2m	
AuM	£1.8bn	£2bn	£2bn	£3bn
AuM / employee	c.£13m	c.£14m	c.£15m	-
EBITDA	£3.7m	£7.6m	£4.2m	£10m
EBITDA margin	c.21%	c.22%	c.24%	c.26%
Commentary	Mercia '27 start	Start of system unification and operational efficiencies	Implementation of unified IT with increasing use of AI and system automation	

Fund inflows



c.£880m FuM inflow pipeline for the remainder of Mercia '27

Investor type	FuM as at		
	30 September 2025	FY26 target	FY27 target
Retail	£522m	£60m	£70m
Public sector	£1,081m	£32m	£168m
Institutional	£210m	£50m	£500m
Total	£1,813m	£142m	£738m

In summary...tailwinds for growth

Strong domestic growth prospects for private markets' investable assets

Diversified by region, deal origination, asset class and investor type

Predictable revenue, c.80% recurring

Blended fee margin of c.2%

Increasing shareholder cash returns: c.£25m to date *