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Preliminary Results

Year ended 31 March 2026

Positive progress through long-term partnerships

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Contents

Martin Glanfield
Chief Financial Officer

Dr Mark Payton
Chief Executive Officer

What is Mercia and our strategic priorities for FY27

We are scaling a regional advantage into a national platform

01

SIMPLIFY THE BUSINESS

- Divestiture of the entire direct investment balance sheet portfolio – all options being explored
- Seek operational and scale efficiencies to grow EBITDA and margin
- Continue aggressive drive into third-party fund management

02

DEAL ORIGINATION

- Sourcing deals others do not always see, through our physical presence across 11 UK offices and AI-enabled digital outreach
- Providing capital on commercial terms via:
  - Venture capital (one of the UK's most active venture providers)
  - Development capital (private equity and SME loan finance)
  - Property finance

03

SALES AND DISTRIBUTION

- Retail, via tax-efficient products such as EIS and VCT
- Public sector, via local authorities and the British Business Bank
- Institutional capital, predominantly via Local Government Pension Schemes

04

INVESTMENT PERFORMANCE

- Highly experienced investment professionals
- Centralised support functions provided to the portfolio to support and enhance investee trading performance

Large addressable growth markets

VENTURE CAPITAL

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

10% addressable market
£400m - £900m

Full-year FY26 investment
£111m

DEVELOPMENT CAPITAL

£5bn - £10bn 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 FY26 investment
£46m

PROPERTY FINANCE

£4bn - £6bn invested in the UK in 2024 in Mercia's target property lending market.

10% addressable market
£400m - £600m

Full-year FY26 investment
£61m

FY26, a year of FuM growth and operational efficiency

A leading UK regional capital platform, connecting investment prospects that others may not see to private capital markets through a single investment ecosystem

	FY26	FY26 vs FY25	FY25
Revenue	£34.1m	-0.8%	£34.4m
EBITDA	£8.1m	+6.5%	£7.6m
EBITDA margin	23.7%	+7.2%	22.1%
Capital deployment	£230m	-16.1%	£274m
FuM inflows	£357m*	+51%	£237m

* Includes inflows achieved / awarded during the year, but 'on fee' post year end

Mercia '27

Targets to be achieved via organic growth and M&A

	FY24	FY25	FY26	Mercia '27
Assets under management ("AuM")	£1.8bn	£2.0bn	£2.2bn*	c.£3bn
EBITDA	£5.5m	£7.6m	£8.1m	c.£10m
EBITDA margin	18.2%	22.1%	23.7%	c.26%
Direct investment portfolio divestiture		£0.6m	£0.6m	c.£84m**

We are exploring options to accelerate the divestiture of the direct investment portfolio in combination with closing the gap on AuM and EBITDA via further organic growth and one or more acquisitions

* Inflows achieved / awarded during the year, but 'on fee' post year end
** 70% of opening book value on 1 April 2024

02

Financial review

Financial highlights

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£34.1m
Revenue*
FY25: £34.4m

£8.1m
EBITDA*
FY25: £7.6m

1.00p
Total dividends per share**
FY25: 0.95p

£26.4m
Cash
FY25: £40.1m

£173.6m
Net assets
FY25: £187.9m

40.8p
Net assets per share
FY25: 43.6p

* APM basis: excludes VCT performance fees totalling £nil (2025: £0.8m)
** Comprising the interim dividend of 0.39p (2025: 0.37p) and a proposed final dividend of 0.61p (2025: 0.58p)

EBITDA & margin growth

£8.1m

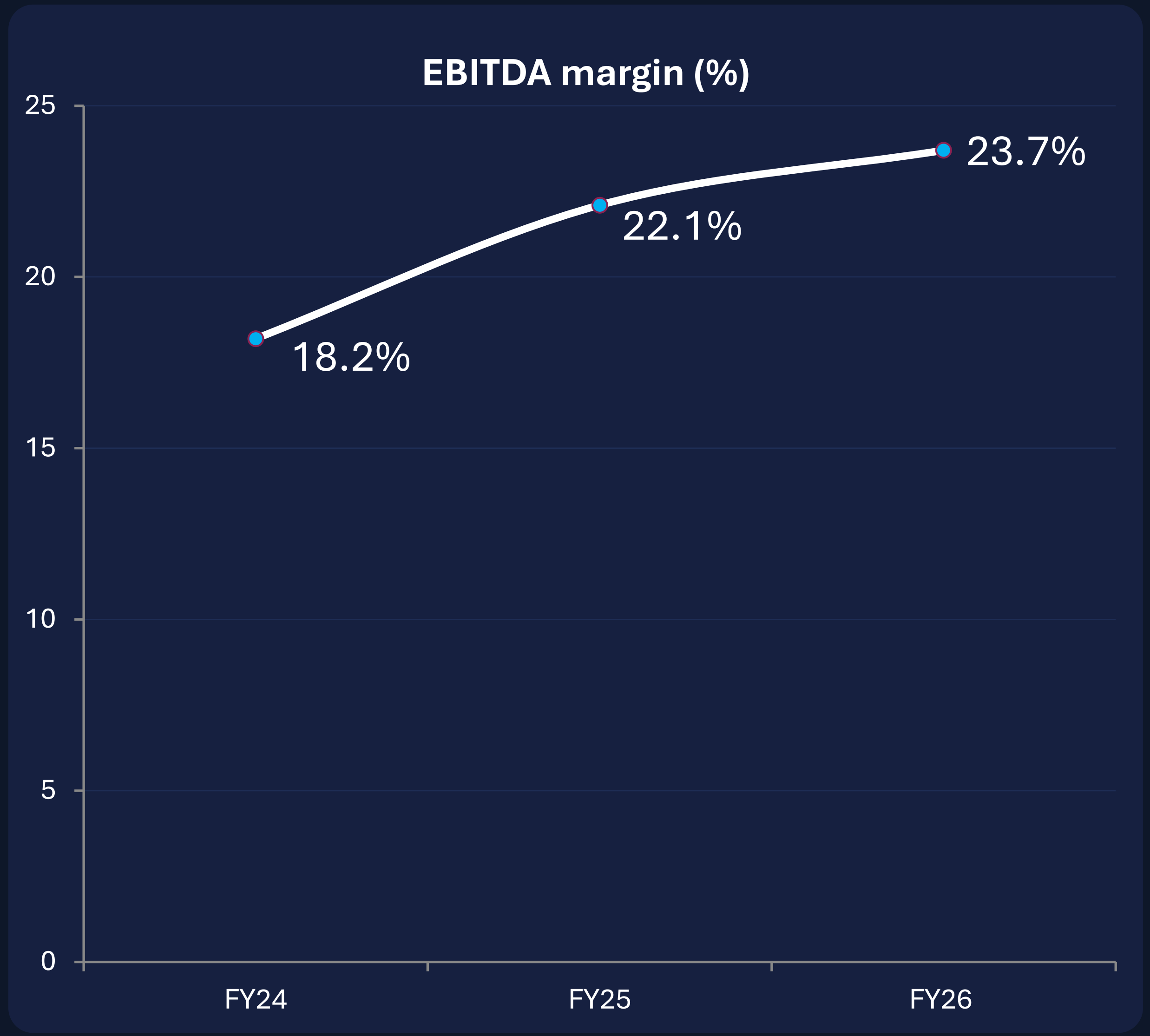
Full year EBITDA

Up c.6% vs FY25

23.7%

EBITDA margin

Up c.7% vs FY25



Sustained margin improvement driven by operating leverage and cost discipline.

Mercia remains financially strong and focused on progressing its strategic objectives.

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Growing assets under management

FUNDS RAISED

EIS	c.£13m
VCT	c.£74m
Public sector	c.£40m
	c.£127m

OTHER INFLOWS*:

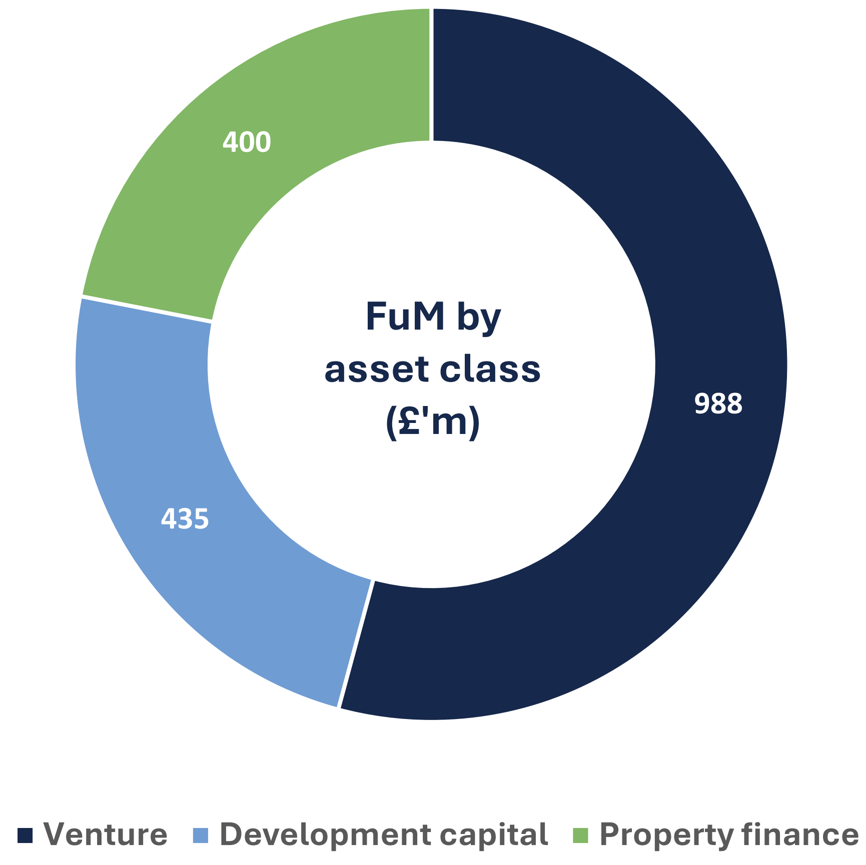
EIS	c.£5m
VCT	c.£41m
Public sector	c.£184m
	c.£230m

NO REDEMPTIONS IN THE YEAR

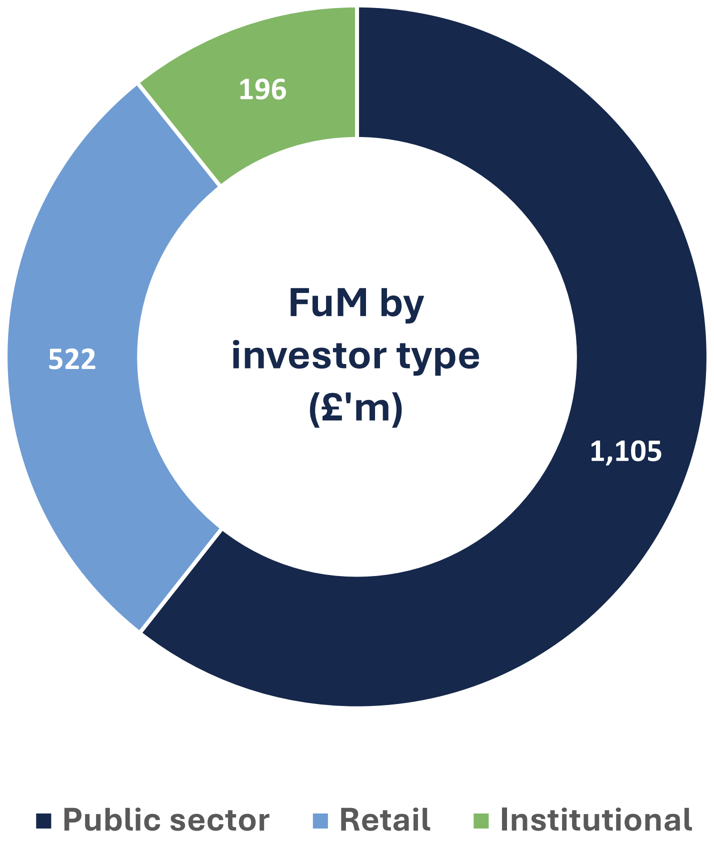
* Inflows achieved / awarded during the year, but 'on fee' post year end

Long-dated, diversified FuM

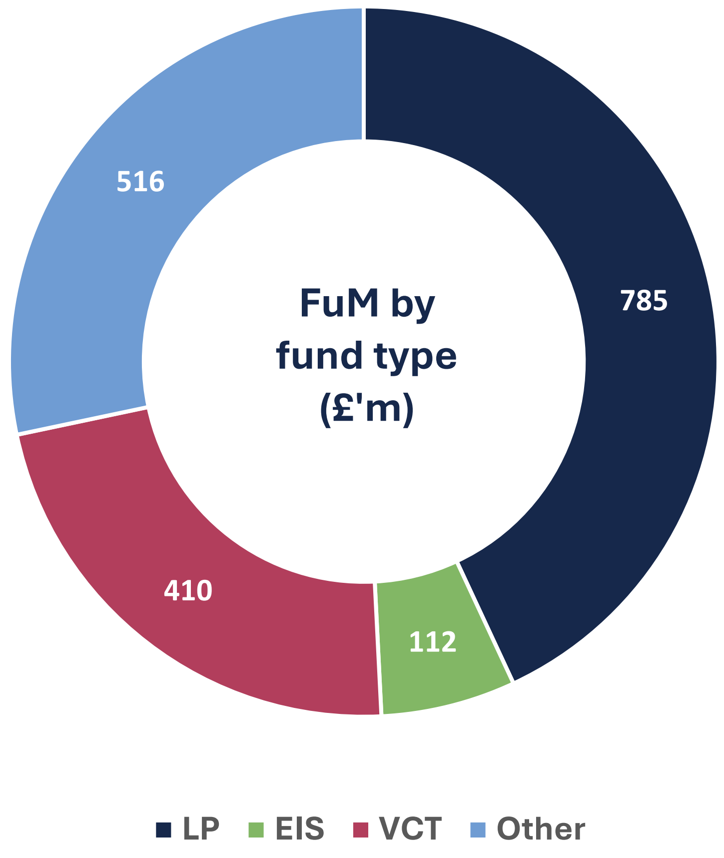
BY ASSET CLASS



BY INVESTOR TYPE



BY FUND TYPE



- c.83% recurring revenues, with a blended fee margin of 1.74%
- Long-dated funds comprise evergreen or 10-year LP-type structures - all closed-end

Consolidated statement of comprehensive income

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APM basis (£'000)	Year ended 31 Mar 2026	Year ended 31 Mar 2025
Revenue	34,136	34,416
Administrative expenses	(26,034)	(26,808)
EBITDA	8,102	7,608
Performance fees	-	785
Variable compensation attributable to performance fees	-	(628)
Depreciation	(580)	(598)
Realised fair value gain/(loss) on sale of direct investments	-	(278)
Unrealised fair value (loss)/gain in direct investments	(12,837)	274
Share-based payments charge	(571)	(938)
Amortisation of intangible assets	(2,989)	(2,989)
Movement in fair value of deferred consideration	-	(454)
Operating (loss)/profit	(8,875)	2,782
Net finance income	1,217	2,570
(Loss)/profit before taxation	(7,658)	5,352
Taxation	(953)	(1,897)
(Loss)/profit and total comprehensive (expense)/income	(8,611)	3,455
Basic and fully diluted (loss)/earnings per Ordinary share (pence)	(2.00)	0.80

HIGHLIGHTS

c.6% EBITDA growth

EBITDA margin increased to 23.7% (FY25: 22.1%)

Consolidated statement of financial position

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	As at 31 Mar 2026	As at 31 Mar 2025
Goodwill and intangible assets	30,318	33,307
Property, plant and equipment / RoU assets	1,180	880
Investments	124,766	125,960
Total non-current assets	156,264	160,147
Trade and other receivables	4,653	3,249
Cash and cash equivalents	26,380	40,093
Total current assets	31,033	43,342
Total assets	187,297	203,489
Trade & other payables	(10,506)	(11,780)
Lease liabilities	(313)	(425)
Total current liabilities	(10,819)	(12,205)
Lease liabilities	(627)	(333)
Deferred taxation	(2,296)	(3,044)
Total non-current liabilities	(2,923)	(3,377)
Total liabilities	(13,742)	(15,582)
Net assets	173,555	187,907
Issued share capital	4	4
Share premium	83,775	83,775
Treasury reserve	(3,755)	(4,911)
Other distributable reserves	48,234	55,370
Retained earnings	38,600	47,211
Share-based payment reserves	6,697	6,458
Total equity	173,555	187,907

HIGHLIGHTS

£26.4m of cash

£3.0m annual share buyback completed

FY26 final proposed dividend of 0.61p/share

Consolidated statement of cash flows

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	Year ended 31 Mar 2026	Year ended 31 Mar 2025
Cash generated from operating activities	6,532	9,409
Corporation tax paid	(2,746)	(690)
Net cash from operating activities	3,786	8,719
Proceeds from sale of direct investments	-	601
Purchase of direct investments	(12,193)	(9,704)
Investee company loan repayments	550	-
Investee company loan interest received	1	587
Net cash used in direct investment activities	(11,642)	(8,516)
Interest received from cash and cash equivalents	1,239	2,063
Purchase of property, plant and equipment	(253)	(128)
Deferred consideration paid on acquisitions	-	(2,733)
Net cash from /(used in) other investing activities	986	(798)
Dividends paid	(4,176)	(3,968)
Purchase of Ordinary shares for cancellation/into treasury	(2,960)	(1,836)
Proceeds from exercise of employee share options	807	73
Interest paid	(81)	(56)
Payment of lease liabilities	(433)	(465)
Net cash used in financing activities	(6,843)	(6,252)
Net decrease in cash and cash equivalents	(13,713)	(6,847)
Cash and cash equivalents at the beginning of the year	40,093	46,940
Cash and cash equivalents at the end of the year	26,380	40,093

HIGHLIGHTS

Consistently cash-generative, profitable fund management operations

£11.6m net investment in direct investment portfolio

£4.2m dividends paid during FY26

Shareholder returns

c.£26.8m

Total returns to date*

1.00p

FY26 total dividends per share**

+c.5%

Dividend growth year-on-year

£3.0m

Share buyback completed in year

* Cumulative shareholder returns paid since initiating dividend payments in FY21 and the share buyback programme in FY24, plus the proposed FY26 final dividend

** Comprising the interim dividend of 0.39p (2025: 0.37p) and a proposed final dividend of 0.61p (2025: 0.58p)

03

Direct investment portfolio

AS AT 31 MARCH 2026

Direct investment portfolio

Investment	First direct investment Year	Net investment value As at 1 April 2025 £'000	Net cash invested Year to 31 Mar 2026 £'000	Investment realisation Year to 31 Mar 2026 £'000	Realised gain/(loss) Year to 31 Mar 2026 £'000	Fair value movement Year to 31 Mar 2026 £'000	Net investment value as at 31 Mar 2026 £'000	Equity held As at 31 Mar 2026 %
Voxpopme Ltd	2018	15,874	668	-	-	(3,292)	13,250	20.6
Medherant Ltd	2016	11,521	1,000	-	-	633	13,154	36.3
Warwick Acoustics Ltd	2014	11,934	1,000	-	-	-	12,934	30.7
Netacea Group Ltd	2022	16,661	2,100	-	-	(6,243)	12,518	33.4
VirtTrade Ltd*	2015	11,547	2,100	-	-	(1,977)	11,670	61.4
Eyoto Group Ltd	2017	9,642	1,400	-	-	-	11,042	24.7
Invincibles Studio Ltd	2015	9,317	-	-	-	-	9,317	35.5
Locate Bio Ltd	2018	7,837	-	-	-	-	7,837	19.3
Aonic Founder SCS	2023	5,700	-	-	-	(20)	5,680	0.0
Axis Spine Technologies Ltd	2022	4,000	1,008	-	-	-	5,008	14.5
Other direct investments**	n/a	21,927	2,367	-	-	(1,938)	22,356	n/a
Total portfolio fair value		125,960	11,643	-	-	(12,837)	124,766	

- Top 10 investments (£102,410,000) represent 82% of the total portfolio fair value as at 31 March 2026.

* Trading as Avid Games
** £1.4m invested by way of LP commitments in FY26. Net value of all LP commitments on 31 March 2026: £4.0m

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Faster, richer customer insight Voxpopme

An enterprise qualitative insights platform using video and AI to help brands understand customers faster, and with richer evidence

$153bn
Insights industry

$56bn
Market research

$62bn
Research software

Current markets

Market research / qualitative insights
Customer experience

User experience and enterprise insights workflows

Adjacencies

Website pushes a broader enterprise customer intelligence platform narrative

AI product launches support wider strategic use cases beyond classic research

Headline progress

Key customers include:

airbnb, Google, McDonald's, Philips, pepsico, Unilever

20.6%
Equity stake held

£13.3m
Holding value

Revenue growth

Cash flow breakeven

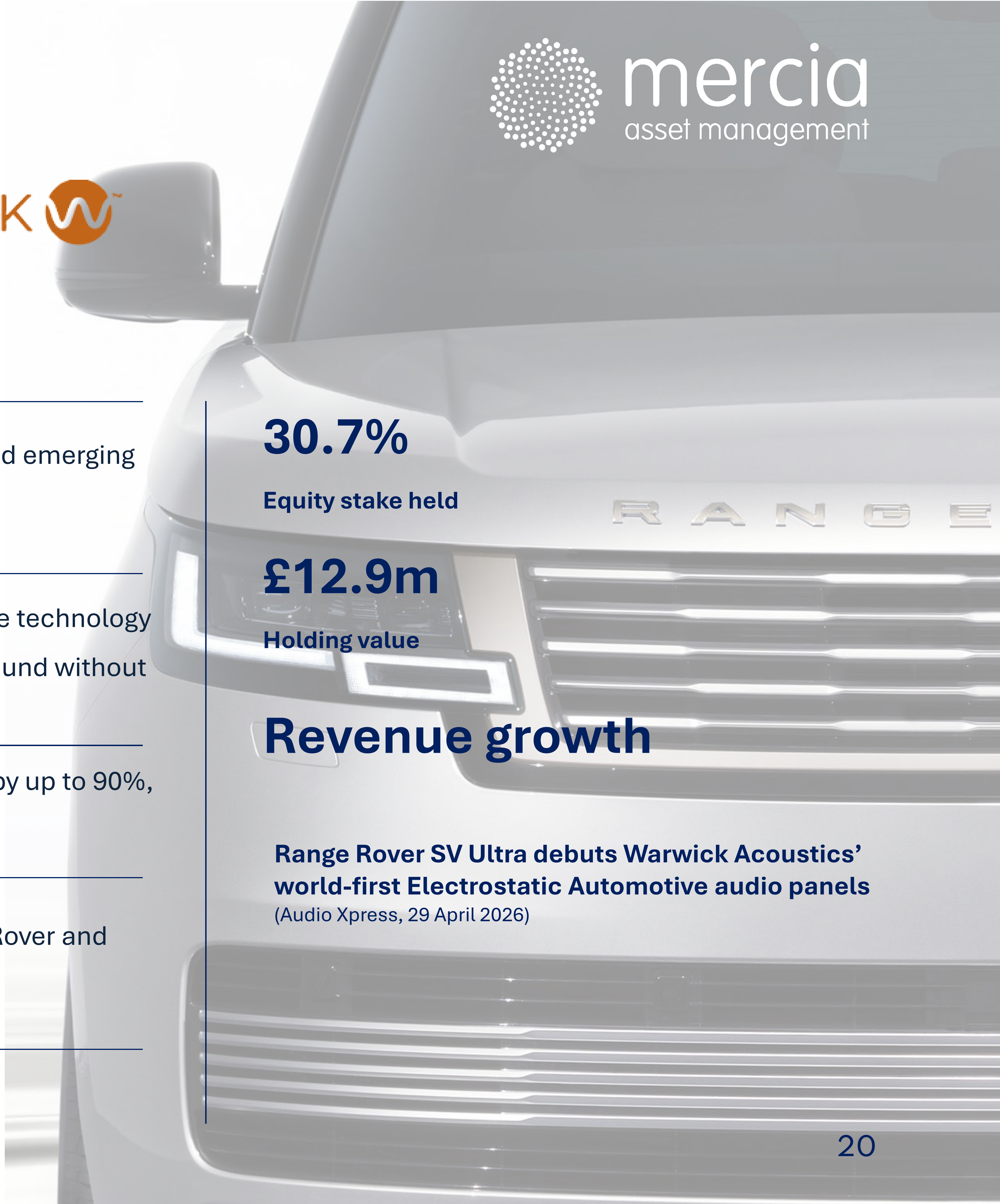
PORTFOLIO SPOTLIGHT

The sound of serenity (JLR) WARWICK ACOUSTICS

Ultra-lightweight, high-performance electrostatic audio experience

Target markets	Automotive audio, premium personal audio and emerging immersive and wellness-focused markets
Technological innovation	Patented High Precision Electrostatic Laminate technology enables ultra-lightweight high-performance sound without rare earth materials
Sustainability	Technology reduces weight and energy usage by up to 90%, supporting EV range and environmental goals
Commercial progress	Secured first production contract with Range Rover and manufacturing capacity expanded tenfold

Discover Range Rover Audio Systems



30.7%

Equity stake held

£12.9m

Holding value

Revenue growth

Range Rover SV Ultra debuts Warwick Acoustics' world-first Electrostatic Automotive audio panels
(Audio Xpress, 29 April 2026)

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Protecting high-value digital channels NETACEA

Enterprise bot protection for websites, mobile apps and APIs, with a strong proposition in high-value, high-traffic digital channels.

£19bn	£10bn	£2.6bn
TAM – 122k companies	SAM – 65k companies	SOM – 16,491 companies

Core markets

Bot protection for websites, mobile apps and APIs
Vertical focus: retail & eCommerce, media/streaming, ticketing and direct-to-consumer manufacturing

Problem areas addressed:

- Account takeover
- Credential stuffing
- Web scraping
- Carding and payment fraud
- Scalper bots & API abuse
- AI-agent / non-human traffic governance

Why it matters

Internal models value the current TAM at c.£19bn

Company pitch emphasises revenue protection, fraud reduction and protection of digital commerce

Public materials position Netacea around growing AI-agent and non-human traffic governance

Key customers: high profile, undisclosable

Leading platform

Bot Management – a leading automated threat protection platform

Verify – An adaptive trust and verification platform that replaces traditional CAPTCHA solutions

Threat Intelligence Reports – A combination of dark web intelligence and insights into known threat actors

Agentic Analytics (launching soon) – An AI agent intelligence platform that gives organisations visibility, governance, and commercial insight into third-party AI agents accessing their digital estate

33.4%

Equity stake held

£12.5m

Holding value

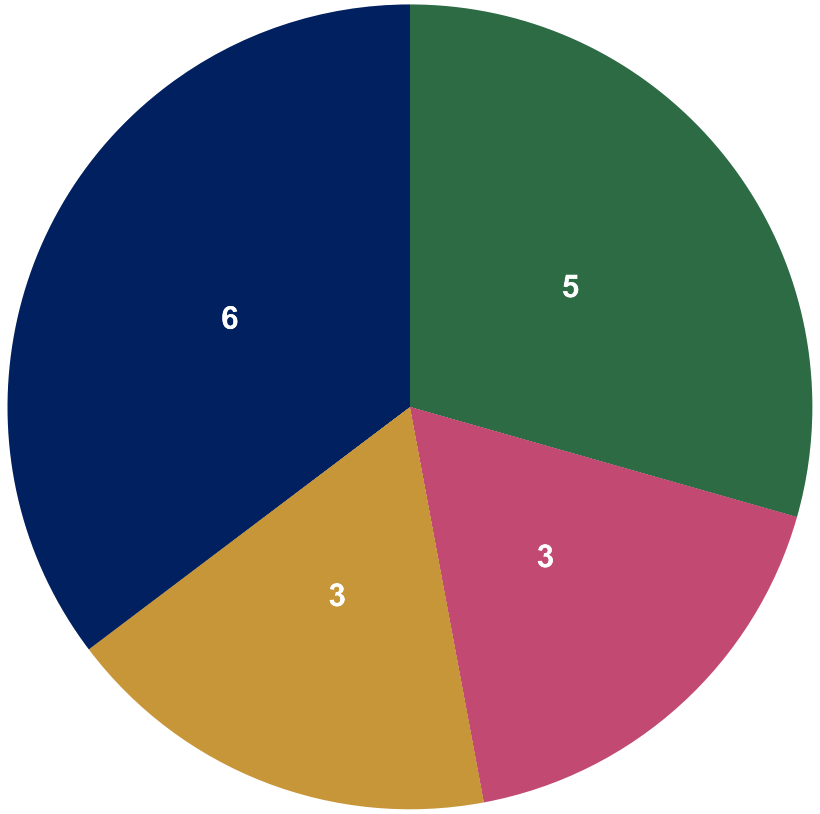
Revenue growth

Direct investment portfolio & valuation

01

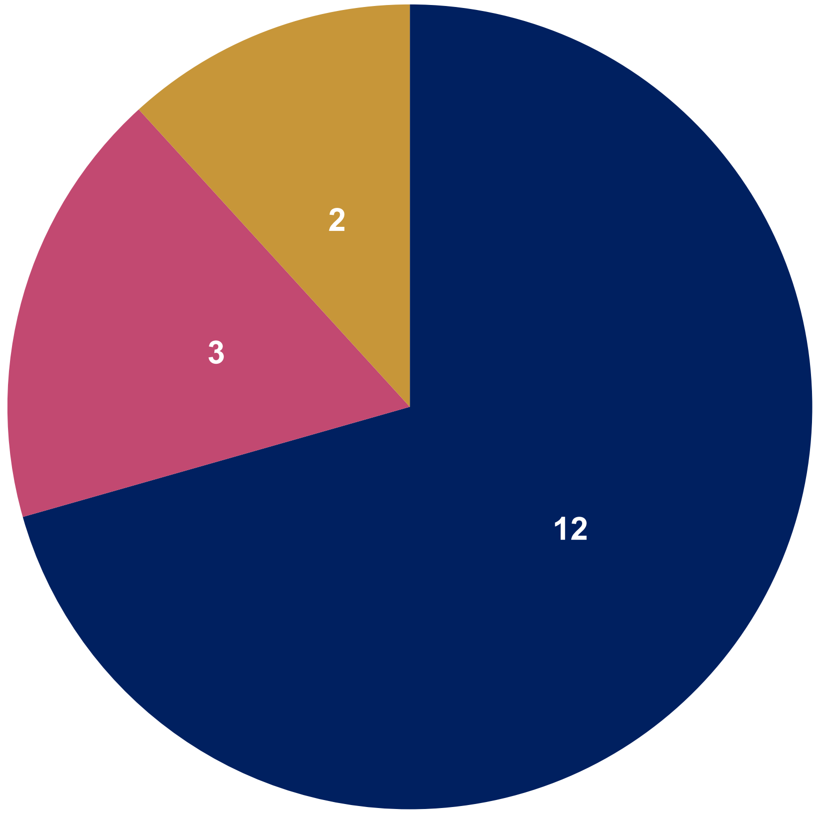
Balance sheet portfolio

Sector split (no.)



Life sciences / MedTech
Software
Gaming
Deep Tech

AI impact (no.)

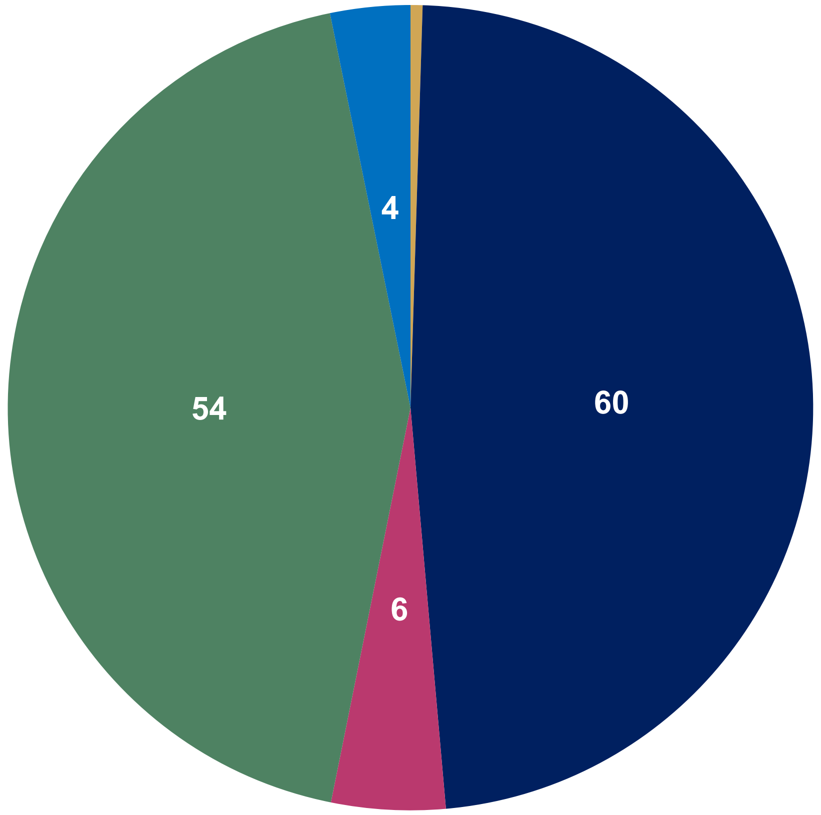


No impact
Net beneficiary
Challenge, but being managed

02

Valuation methodology

Valuation methodology (£'m)



Calibrated price of recent investment round
Enterprise value
Net asset value
Limited partnership commitments
Listed investments

- Follow IPEVCV Guidelines
- Just under half of portfolio value based on price of last investment round
- Enterprise value based on recent trading and market multiples
- Some use of DCF for calibration
- 'Hand-on-heart' final review on every valuation prior to audit

04

Progress and outlook

FY26 Capital deployment

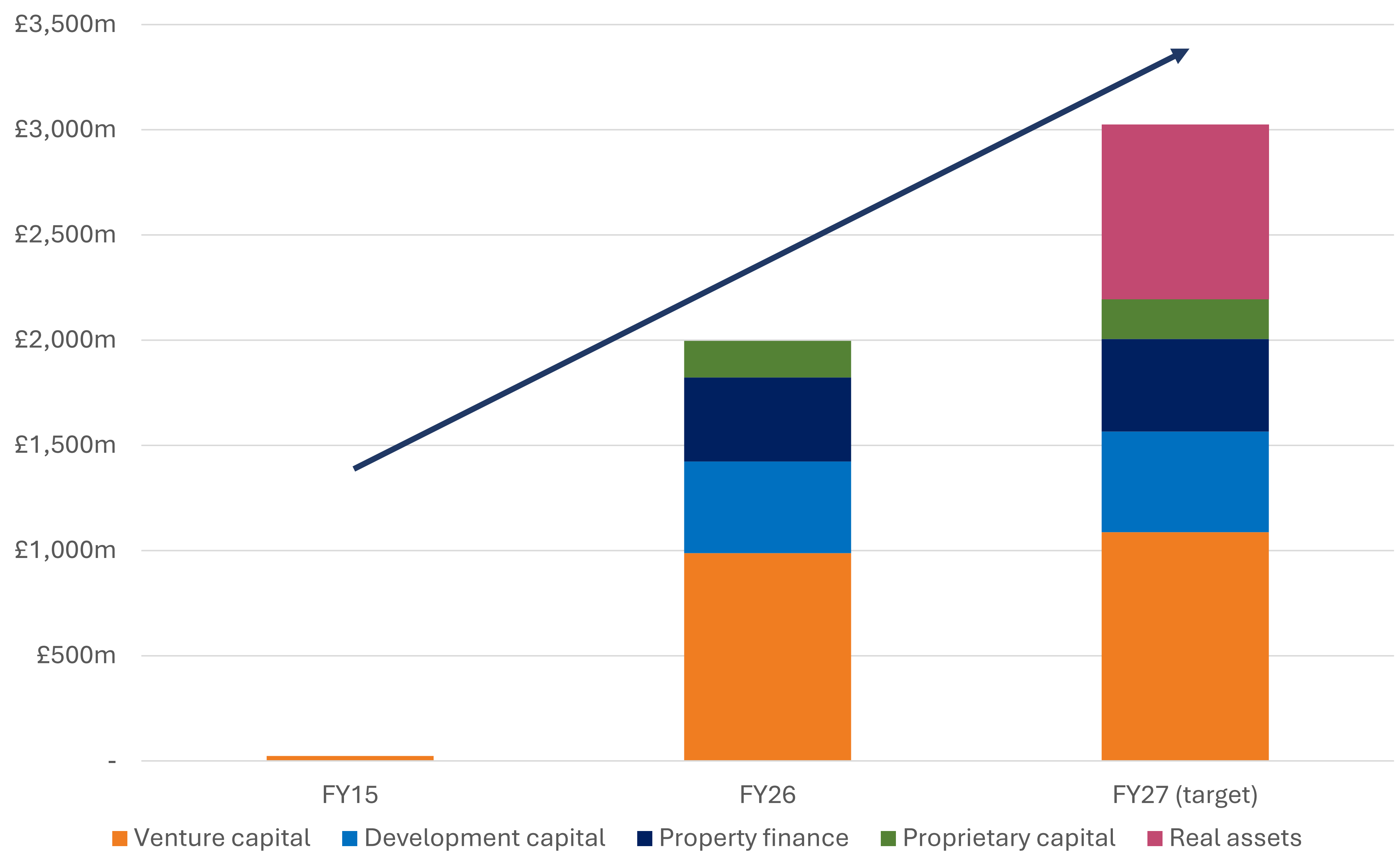
c.£230m invested in FY26:

c.£111m	c.£46m	c.£61m	c.£12m
Venture capital	Development capital	Property finance	Direct investment portfolio

FY26 organic sales & distribution

Retail	Of the 40 VCTs fundraising, only 10 achieved their target raise and five achieved an over-allocation. Mercia-managed Northern VCTs were three of these, achieving an £80m raise against an original £50m target.
Public sector	Mercia was awarded additional allocations into four of our existing BBB mandates, in part based on the quality of our deal origination and deployment.
Institutional	Delays in capital allocations resulting from funds' assessment of Mansion House initiatives and LGPS consolidation.

Growth targets



- c.50% AuM CAGR from FY15 to FY26

Organic FuM inflow targets by investor type

Investor	FY26*^	Notified inflows for FY26*	Target inflows for FY27
Retail	£568m	£133m	£35m
Public sector	£1,289m	£224m*	£163m
Institutional	£196m	£0m	£300m
Total	**£2,053m**	**£357m**	**£498m**

* Includes inflows achieved / awarded during the year, but 'on fee' post year end
^ Excludes balance sheet direct investments and cash on hand

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.83% recurring

Blended fee margin of 1.74%

Increasing shareholder cash returns: c.£26.8m to date *

* Includes FY26 final proposed dividend that will be paid, if approved by shareholders, on 30 October 2026