



Jim Strang
Chairman, HgT

“Against the challenging macro-environment backdrop, companies within the HgT portfolio continued to report strong and consistent underlying trading performance, with LTM sales growing at 17% and EBITDA growing at 19% respectively, with EBITDA margins of 33%, figures which compare favourably with peer businesses. This performance reflects the mission-critical nature of the software and technology-enabled services in which Hg invests, where embedded workflows, deep domain knowledge and recurring revenue models continue to support resilient demand even during periods of technological and market transition. The positive effect of this trading performance and uplifts on exit on HgT's NAV per share was significantly affected by the reduction in the valuations of comparable listed companies used to derive the carrying value of the HgT portfolio. Despite these significant headwinds, the HgT NAV per share increased by 4.0% over the year, while the share price decreased by 4.9% over the same period.”

¹ source: Global Private Equity Report 2026, Bain & Company

Past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.

Chairman's statement

Despite the challenging market conditions, 2025 remained an active period for new investments and realisations. This was accompanied by strong underlying trading performance across the existing portfolio as individual assets leveraged their market positions and technology leadership. Overall, the markets for private equity transactions gradually improved over the year and notably post Q1, as uncertainty from 'Liberation Day' in the USA abated. At the year end, the aggregate activity levels in private markets in 2025 were in fact the second highest ever recorded, only bettered by 2021¹.

Key highlights for 2025 included:

- NAV per share total return was 4.0% over the year, and as a result, at 31 December 2025 stood at £5.62 with net assets of £2.6 billion
- The share price total return showed a decrease of 4.9% over 2025 at £5.07; market capitalisation at the year-end was £2.3 billion
- Strong underlying performance from the portfolio with LTM revenue and EBITDA growth of 17% and 19% and margins of 33% for the overall portfolio; in line with prior year figures
- Investments of £357 million made over the year and realisation proceeds of £215 million generated
- Realisations in 2025 included GTreasury at an uplift of 97% to book value, overall, exits over the year added 4.6 pence to the NAV
- In November, HgT announced the exit of Intelerad (due to complete in March 2026). The transaction price reflected an uplift of 62% to its last reported carrying value
- At year-end, HgT had available liquid resources of £368 million (including a £375 million credit facility, of which £36 million was drawn as at 31 December 2025)
- Realisations over 2025 saw an average uplift to book value of 25%
- Outstanding commitments to Hg funds totalling £2.2 billion (85% of NAV) which are expected to be called over the next four to five years

The portfolio delivered strong growth in sales and profitability with LTM sales growth of 17% and EBITDA growth of 19% respectively. The EBITDA margin across the portfolio averaged 33%. Hg continues to refine and enhance not only its investment capability but also its in-house value creation skills to support these portfolio companies in reaching their ambitious growth targets and achieving their full potential. Within the aggregate investment and other professional executives team which now number more than 250, Hg has more than 60 full-time members in its value creation group working collaboratively with portfolio company management teams.

It goes without saying that AI remains an area of absolute focus for Hg and the portfolio with very significant investments made in resources to support new investment selection and value creation across the portfolio. The impressive efforts Hg has made on this front not only reflects its own efforts but also from the multiple partnerships entered into with the likes of Anthropic (Claude), Replit, Cognition Labs (Devin and now Windsurf), Forethought and Intercom, this network continues to grow.

Building on the efforts underway since 2019, Hg has added Hg Catalyst, a dedicated AI incubator designed to accelerate AI product innovation across Hg's portfolio. Operating from newly created European and North American hubs in London and New York, Catalyst brings a scaled capacity of over 80 AI engineers, product managers, and designers who work directly within portfolio companies to build enterprise-ready AI products that demonstrate real customer value.

Hg's focus on AI and build-out of expertise has been recognised and rewarded in the recent fundraising cycle with significant new capital committed to Hg by a large pool of global investors, with Hg's share of all European buyout capital raising approaching 30% of the total for 2025.

Performance

The NAV of HgT saw an increase over the full year, delivering a 4% uplift over 2025 on a total return basis. The positive contribution from the underlying portfolio included strong trading (+19%) and exits which was offset by a contraction in multiples from companies in the HgT valuation basket and modest increases in net debt used to accelerate portfolio growth.

While trading remains the key driver of performance over the long-term, movements in comparable valuation multiples can impact performance over shorter-term periods, and this was the case during 2025. Elevated public market volatility saw multiples used to value HgT's portfolio companies contract, reducing portfolio valuations by 8% over the reporting period. In addition, increases in net leverage, deployed to support future growth, further reduced valuations by 6%. Further investments to finance bolt-on M&A are an area which Hg has highlighted as being particularly attractive in the current environment and where the sector-leading businesses across the portfolio can improve their relative market positions, product and service offering.

On a long-term basis, HgT has seen a share price CAGR on a total return basis of 18.9% p.a. over the past 10 years, outperforming the FTSE All Share index by 10.5% p.a.

Total net assets of HgT at 31 December 2025 were £2.6 billion. An analysis of NAV movements and movement within the underlying portfolio is set out on pages 40 and 41 of this report.

At the end of December 2025, the HgT portfolio comprised a total of 61 investments, all of which focus on mission-critical B2B vertical software and technology-enabled service companies. The portfolio has continued to perform strongly, delivering revenue and EBITDA growth of 17% and 19% respectively over the last 12 months. This performance reflects the defensive growth and recurring revenue characteristics of businesses whose products sit at the core of customer workflows and deep domain expertise, and which benefit from high switching costs and long-term contractual relationships. Profitability continues to be strong with an average EBITDA margin of 33% across the portfolio. These businesses typically exhibit highly predictable forward cash flows and are appropriately financed (on an individual basis), including significant debt covenant flexibility around their financial structures. The average

ratio of net debt to EBITDA across the portfolio at the end of the period was 7.4x (December 2024: 7.4x), while the average valuation multiple for the portfolio was 25.2x EV-to-EBITDA (December 2024: 26.1x), which implies that debt accounts for less than 30% of the average portfolio company capital structure. This allows for a significant equity cushion within the portfolio, reflecting the thoughtful approach to leverage, and is consistent with similar peer companies in the market. Notably, Hg has a dedicated debt capital markets team which continually monitors and manages the capital structures of the underlying portfolio companies to ensure they are as robust and flexible as possible in terms of tenor, interest cost and maturity.

As regards dividends, HgT aims to achieve long-term growth in the net asset value per share and in the share price, rather than to deliver a specific dividend yield, with the dividend primarily determined by the level of income from the underlying portfolio, which can vary over time. As regards 2025, the Board of HgT has declared a final dividend of 3.0 pence per share (December 2024: 3.5 pence per share), payable in May; this, in conjunction with the interim dividend of 2.0 pence reflects the 5.0 pence floor.

Investments

HgT invested £357 million in 2025 with new and follow-on investments primarily in IFS, P&I, A-LIGN, Citation, Payworks, Diamant Software and Scopevisio, including £34 million of co-investment (on which HgT does not pay management fees or carried interest). Co-investments now represent c. 10% of NAV, increasing from 9% at the start of 2025, in line with HgT's long-term goal of 10-15%.

HgT continues to increase its exposure to co-investments, with further expected over the next twelve months. Increasing the allocation to co-investments allows HgT to utilise more fully its available liquid resources, to improve returns and to reduce overall fees.

On 6 January 2026, HgT announced that it would invest £93 million in OneStream, investing alongside other institutional investors via the Hg Saturn 4 fund. Hg has subsequently completed the over-subscribed syndication of \$1.5bn of OneStream equity alongside

the Saturn 4 fund. As part of the syndication, HgT will invest an additional \$9 million (£7 million) in OneStream as a co-investor, increasing its aggregate investment in OneStream to £100 million. In a separate transaction, Hg has also signed the partial sell-down of over €50 million of equity in Septeo Group at the 31 December 2025 valuation to a group of institutional investors. As part of this transaction, HgT has taken the opportunity to convert c.€45 million (£39 million) of its existing NAV exposure in Septeo via the Hg Genesis 9 fund into fee-free co-investment, by co-investing in a structure alongside the new investors coming into the business.

Realisations

Despite the challenging market conditions, HgT delivered eight liquidity events. These included the sales of Trackunit, smartTrade and GTreasury. In aggregate, HgT saw £215 million in realisations from the underlying portfolio, representing 9% of opening net assets. This continues a track record of strong realisation activity, which has generated liquidity of 23% of opening net assets on average for the preceding five financial years. Realisations over 2025 saw an average uplift to book value of 25%, including the sale of GTreasury at an uplift to carrying value of 97%, this highlights the attractiveness to strategic buyers, of the mission-critical companies in which the Manager continues to invest.

Similarly, post-period saw the full realisation of Intelerad, announced in November 2025, returning £52 million to HgT at an uplift of c. 62% to its carrying value. In February, Hg agreed the partial sale of Septeo, a leading provider of mission-critical software for regulated verticals based in France, returning £41 million to HgT. These transactions are expected to complete in Q1 2026.

Valuations remain an area of continued focus for the HgT Audit Valuation and Risk Committee ('AVRC'), with a long-term record of exits above carrying values. This realisation activity continues to distinguish Hg in a market environment where generating liquidity remains challenging. Hg's recent record of delivering more than £12 billion of total realisation proceeds to its investors (including HgT) over the last two years highlights the fundamental strengths and attractiveness of the underlying portfolio to both trade and financial buyers.

Fundraising

In line with HgT's long-term investment model, a number of new commitments were made in the period to the next series of funds being raised by Hg. Hg continues to demonstrate a disciplined approach to fundraising, matching their desired fund size targets to the deal opportunities they are tracking. Shareholders will recall from my previous communications that HgT made a series of initial commitments to Hg's three latest funds in the first half of the year. In the second half the programme of commitments to the current vintage of funds was agreed, consistent with Hg's long-term approach to commitment pacing. In that process HgT increased its exposure to the Hg Genesis 11 and Hg Mercury 5 funds to €700 million and €300 million respectively, in line with original plans. Additionally, in February HgT completed a reduction in its commitment to the Hg Saturn 4 fund from \$1 billion to \$900 million. This tactical adjustment modestly reduces the sizing of individual cash flows associated with investments made by that fund and allows HgT to be more active in co-investments situations alongside the Hg Saturn 4 fund where co-invest opportunities are expected to be greatest. HgT has, for example, participated post-period in the co-investment opportunity in OneStream which Hg announced in January 2026.

All new fund commitments benefit from a subscription facility, meaning that HgT can take advantage of the same delayed drawdowns as other institutional investors in the funds, as is normal market practice. Consequently, Hg Saturn 4 will commence cash drawdowns from 2026 while we anticipate the first capital calls for Hg Genesis 11 and Hg Mercury 5 in 2027. As with previous vintages, HgT maintains its specific 'opt-out' right on these new fund commitments (see Balance sheet section below).

As previously indicated, committing to Hg's future funds is the single greatest lever HgT has to support the long-term growth in NAV. Participating in this latest fundraising process will continue to underpin HgT's long-term growth, while sizing these commitments appropriately. HgT continues to participate in the current vintage as Hg's largest single client.

Capital Allocation

As part of the Board of HgT's commitment to shareholders, our primary objective is to maximise investment returns through a disciplined approach to the allocation of available liquid resources. This incorporates the ongoing monitoring by the Board, working with the Manager, forecast cash flows and estimated returns. As I have stated in past reports, the Board continually seeks ways to improve the effectiveness of governance. As part of this process, much attention has been devoted to the topic of capital allocation, including listening to shareholder feedback. The approach, framework and tools adopted are set out below.

Investments

At the core of the capital allocation policy is the imperative to drive compelling investment returns for shareholders. HgT has delivered strong shareholder returns to investors over a period of more than two decades, a fact highlighted by the Association of Investment Companies ('AIC').

The Board seeks to maintain this impressive track record by continuing to access the repeatable returns delivered by the Hg investment platform over the long term. HgT's commitments to Hg funds ensure that HgT maintains exposure to Hg's deal flow, which is the single biggest driver of investment opportunities with the potential to generate long-term returns. As such, the priority of the Board is to ensure that HgT is well positioned to access these returns, at acceptable levels of risk. This includes taking up co-investment opportunities (free of management fees and performance fees), in what remains an attractive investment environment.

Buybacks

From time to time, market conditions can create divergence between the share price of HgT and its net asset value. The Board, the Manager and HgT's broker monitor such divergence closely, following a clearly defined share buyback framework. The Board has developed a process with a number of 'triggers' set by absolute and relative levels of share price discount over various time periods. Where two or more such 'triggers' are activated, the Board formally considers the appropriateness of buying back shares, giving due regard to the relative merits and opportunity costs of doing so on long-term NAV growth. In doing so, the Board remains mindful that periods of share price volatility can coincide with attractive investment opportunities within the portfolio and therefore seeks to balance short-term discount management with the long-term objective of compounding NAV for shareholders.

Dividends

Dividends payable by HgT are in part determined by the levels of income that are generated by the underlying assets of the portfolio. As deal structures used by Hg have evolved, the level of income generated has trended lower in recent years, albeit it can easily vary from one year to the next. In this context, the Board has in recent years guided shareholders that 5.0 pence per share is a reasonable basis for a dividend 'floor'.

Debt facility

The final element of the capital allocation policy relates to the use of leverage. HgT maintains a Revolving Credit Facility of £375 million (c.15% of net assets) to support the implementation of the investment strategy.

Balance sheet

A key role of the Board is to balance considerations of HgT's future commitments to Hg funds, balance sheet and cash position, while maintaining a clear focus on risk. This is a continuous cycle of activity which has to adapt to unpredictable events. HgT has invested in upgrading the systems used to manage this process, aligning them with similar tools that Hg uses to manage its own cash-flow forecasting. As a result, the Board benefits from the ability to assess the various scenarios with a greater degree of granularity which should enhance the quality of decision making.

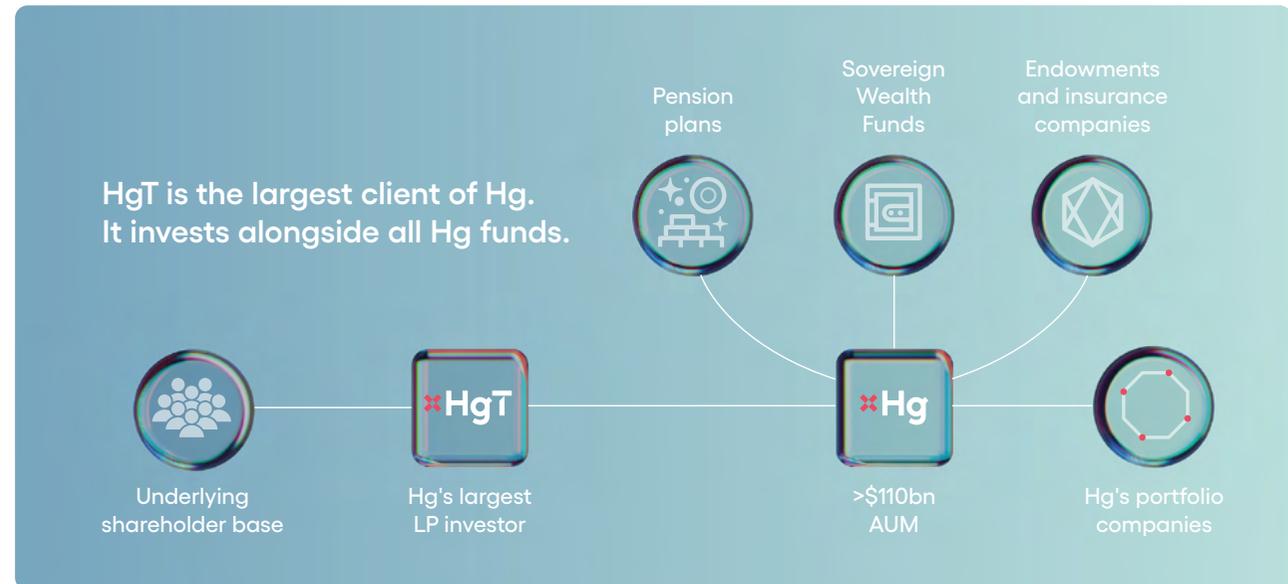
As one of the tools used to manage the balance sheet, HgT has a revolving credit facility to support the investment programme and to improve balance sheet efficiency.

As a reminder, HgT benefits from an 'opt-out' clause within its underlying investment agreements with Hg (please refer to business model on page 16 for further details), which provides a useful risk management tool as the Board seeks to manage and optimise the HgT balance sheet.

Impact and sustainability

The Board and the Manager, Hg, continue to increase their focus on using sustainability as a value creation tool. We share a firmly held view that not only should the financial returns to shareholders be attractive but they must be delivered in a manner which is consistent with our responsibility to society. As a technology investor, the Board understands the need to ensure that those businesses in which we invest reduce their carbon footprint and contribute to tackling climate change.

The UN Principles for Responsible Investment (UNPRI) assessment of Hg's approach to responsible investment is 5* (94%) for policies and stewardship and 5* (97%) for Private Equity, and the Board of HgT meets regularly with the Hg Responsible Investment team to ensure that Hg's work is well understood and endorsed by the Board. As we have previously reported, Hg launched The Hg Foundation in 2020 – a charitable enterprise which provides funding and operational support to initiatives across Europe, the UK and the US. The Hg Foundation's goal is to have an impact on the development of those skills and learning most required for employment within the technology industry, focusing on individuals who



might otherwise experience barriers to access this education. The Foundation is funded by the Hg management company and its team members.

Reporting and Transparency

The Board continues to look at ways to increase the effectiveness of communications for shareholders. As part of this initiative, HgT has provided trading updates since 2024 post period ends, giving our shareholders earlier guidance on the performance of HgT ahead of the full year and interim results, but after review by the HgT Audit Valuation and Risk Committee ('AVRC') and approval by the HgT Board.

HgT has also engaged with third-party marketing specialists to increase the scope and reach of its marketing activities in the UK and overseas, where regulations permit.

The HgT website and social media presence are frequently reviewed in order to continue to improve our dissemination of information to all shareholders and

there are additional initiatives in progress to increase further shareholder engagement.

Board and governance

In late 2024 we commenced the process to find a new Non-Executive Director, and an external search firm was engaged to support the Nomination Committee and the Board in delivering a successful outcome, noting the skills and experience which would be most additive to HgT.

We were pleased to announce in July the appointment of Graham Paterson to the Board. Graham is an experienced investment professional with over 25 years' experience in private equity and as a chartered accountant, brings a unique combination of skills and personal strengths that are highly complementary to HgT now, and as we continue to execute our strategy of investing in a portfolio of high-growth private companies in the software and services sector. On appointment to HgT, he joined the AVRC, the Nomination Committee and the Management Engagement Committee. Subject to his election at the Company's 2026 Annual General Meeting ('AGM') on 7 May 2026, Graham will take on the role of HgT's Chairman of the AVRC, at the conclusion of that AGM.

Concurrent with Graham's election at the AGM, Richard Brooman, the current Chairman of the AVRC, will retire from the Board after serving HgT for 18 years. Richard's contribution to the success of HgT has been immense. Over his tenure, the market capitalisation has grown from £239 million to £2.3 billion (as at 31 December 2025). This very visible sign of the success he helped steward does not speak to the countless ways he has worked tirelessly for the benefit of the company and to support his colleagues on the Board. His Board colleagues have all benefited from this wisdom, calmness and thoughtful advice over many years. On behalf of all the HgT stakeholders I would like to extend my deepest thanks to Richard for his many years of service to HgT.

Recent volatility in public market software companies

As the Board stated in the trading update released on 6 February, public market volatility increased sharply through the first quarter of 2026, especially in the software sector, sparked by investor concerns about the potential impact of AI on the software industry, coupled with a rotation of capital out of software and into hardware (chips, memory and data-centre build-out).

The recent material sell-off in listed software shares and associated volatility has also had a pronounced negative impact on HgT's share price, which is down 21.1% period to date at 6 March 2026. The recent widespread sell-off seen in the sector has been with little distinction made across the many different players in the space and their respective strengths and weaknesses.

Given the scale of the recent dislocation between the share price and the value placed on the assets within the HgT portfolio, the Board considered a number of potential actions to address the discount to net asset value and the full set of tools at its disposal. Following the HgT trading update announced in February, the Board disclosed to shareholders that it had initiated a buyback programme, following the well-established processes HgT has developed to manage such situations. The Board is in constant dialogue with the Manager and its advisers around what proactive steps may be taken to mitigate these situations.

While public market multiples (both software and tech-enabled services; US and Europe) are one input to Hg's valuation methodology, relevant private M&A comparables ('comps') form a material input for valuations, reflecting Hg's model of acquiring full or effective control of the companies within the portfolio. The weightings of these comps for each individual business means the valuation multiples are linked to, but do not fully track, movements in the public markets. Very broadly and depending on the mix of comparables and their relative movements, we see typically 20-40% of the movement in public comparables flow through to the multiples used to value our portfolio companies.

The multiples derived from these relevant public and private comps are then applied to the earnings of the portfolio companies, which remain the key driver of valuations and long-term performance. The HgT portfolio businesses have typically grown their EBITDA by 10-15% organically each year, i.e. c. 3% each quarter. In addition, the impact of M&A activity may increase levels of growth in a given period.

Despite the recent volatility and seemingly indiscriminate negative sentiment in public markets, HgT's portfolio companies continue to deliver resilient and profitable organic growth consistent with a "rule of 40" portfolio, while balance sheets remain robust across the portfolio. Notably, Hg's significant investment in its own AI initiatives is rapidly building momentum and is now driving increased value creation across the portfolio. Furthermore, Hg has a strong track record of generating realisations at premia to carrying value, including during periods of heightened market volatility, with the significant majority of exits taking place in the private markets.

Hg's view remains that AI presents significant opportunities for innovative, product-led, incumbent software companies. Hg has been investing in software for more than two decades and today we are investors and board members in >60 privately-owned software and services businesses, providing us with granular insight into the interactions between SaaS businesses and their customers, informing our view on how AI will diffuse into the real economy.

In his recent essay, Matthew Brockman, Hg's Chief Investment Officer, shares his perspectives on how AI

is reshaping software, the opportunity this presents for incumbents and how Hg is working closely with its portfolio companies as they transition to be AI-first businesses:

Prospects

Risk across the global economy and geopolitical environment remained elevated throughout 2025 and in early 2026, and notably, in recent weeks, with the latest conflict in the Middle East. In response, the Board has maintained a strong focus on disciplined risk management and scenario planning. While geopolitical developments, cyber risk, foreign-exchange volatility, public-market valuation movements and evolving sentiment toward artificial intelligence are expected to persist in the near term, the underlying performance of the HgT portfolio has remained resilient. Continued organic growth, strong profitability and highly recurring revenues provide a robust foundation for long-term net asset value growth and sustainable shareholder returns. HgT continues to benefit from the quality and consistency of the Hg investment platform. Its repeatable strategy in mission-critical B2B software and technology-enabled services, together with deep operational value-creation capabilities and accelerating AI adoption across the portfolio, supports sustained earnings growth, attractive investment opportunities and ongoing realisation activity. Although short-term valuations may fluctuate with market conditions, the Board believes long-term performance will be driven principally by earnings growth and disciplined capital allocation.

Accordingly, notwithstanding continued macroeconomic and market uncertainty, the Board remains positive about HgT's long-term outlook. Strong portfolio trading, continued access to Hg's investment opportunities and a consistent focus on value creation position HgT well to deliver attractive and sustainable returns for shareholders over time.

Jim Strang

Chairman
6 March 2026