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LawDebenture

HALF YEARLY REPORT

2026

The Law Debenture Corporation p.l.c.

Law Debenture is rare among investment trusts

A PROUD HISTORY

137 years

of history with a long-term record of value creation for shareholders.

STRENGTH AND DIVERSITY OF INCOME

c.1/3[1]

of dividend funded by our Independent Professional Services business over the past ten years.

LONG-TERM DIVIDEND GROWTH

47 years

of increasing or maintaining dividends to shareholders, with a 119.1% increase in dividend over the ten years to 31 December 2025.

CONSISTENT LONG-TERM OUTPERFORMANCE OF OUR BENCHMARK

133.2%

share price total return outperformance over benchmark, the FTSE All-Share Index, over the ten years to 30 June 2026.

Key statistics

for the half year ended 30 June 2026

11.4%[2] Net Asset Value Total Return – including debt and IPS at fair value (year ended 31 December 2025: 28.4%)	£1,577.6m[3] Net Asset Value – including debt and IPS at fair value (31 December 2025: £1,440.4m)	8.5%[4] Independent Professional Services business growth in profit before interest and tax (six months ended 30 June 2025: 7.5%)
0.68% Average premium in share price versus NAV (with debt and IPS at fair value) (six months ended 30 June 2025: average premium 1.69%)	0.54% Ongoing charges ratio (six months ended 30 June 2025: 0.54%)	16.2% Share Price Total Return (for the half year 30 June 2025: 14.2%)

[1] Calculated for the 10 years ended 31 December 2025.
[2] Total net assets per statement of financial position percentage increase 10.7% (year ended December 2025 increase 29.1%).
[3] Please refer to page 23 for calculation of net asset value.
[4] Calculated for the half year ended 30 June 2026.

LawDebenture

Law Debenture has a highly differentiated business model

Investment Portfolio c.85% of NAV[1]

Managed by Janus Henderson Investors

OBJECTIVE: LONG-TERM CAPITAL GROWTH IN REAL TERMS AND STEADILY INCREASING INCOME

• Focused on long-term returns

• Ongoing charges ratio 0.54%[2]

• Contrarian investment style:

– High-quality companies with strong competitive advantage at attractive valuations

– Out-of favour equities standing at valuation discounts to their long-term historical average

• Selective, bottom-up approach

• Diversified portfolio by sector (predominantly UK weighting)

Independent Professional Services ('IPS') business c.15% of NAV[1]

PENSIONS

The longest established and one of the largest UK providers of pension trustee services

CORPORATE TRUST

A leading independent corporate trustee across international capital markets

CORPORATE SERVICES

Range of outsourced solutions to corporates internationally

INTERNATIONAL PRESENCE:

United Kingdom, New York, Ireland, Hong Kong, Delaware and Channel Islands

We believe that all divisions have potential for further growth in expanding markets. Our plan to achieve this is by increasing our market share through better leveraging of technology, our strong relationships and our brand.

Significant, consistent income contribution from IPS gives greater flexibility in stock selection

1 *Please refer to page 23 for an explanation of net asset value with debt and IPS at fair value. The investment portfolio and IPS comprise 98% and 2% of statement of financial position net assets respectively. Please refer to Group Segmental Analysis.*

2 *Considered to be an alternative performance measures ('APM'). For a description, see page 168 of the annual report and financial statements for the year ended 31 December 2025.*

Performance

	YTD %	1 year %	3 years %	5 years %	10 years %
NAV total return[1]*(with IPS at fair value and debt at par)	11.4	25.1	73.0	73.4	205.7
NAV total return[1]* (with IPS and debt at fair value)	11.4	24.4	70.4	86.3	231.3
FTSE All-Share Index Total Return[2]	7.2	21.9	53.1	67.9	129.8
Share price total return[2]*	16.2	24.4	75.3	93.8	263.0
Change in Retail Price Index[3]	2.0	3.0	10.7	37.0	58.3

Consistent long-term outperformance of benchmark[4]

£10,000 invested in Law Debenture ten years ago would be worth

£36,300

as at 30 June 2026[5]

[1] *NAV is calculated in accordance with the Association of Investment Companies ('AIC') methodology, based on performance data held by Law Debenture including the fair value of the IPS business and long-term borrowings. NAV is shown with debt measured at par and with debt measured at fair value and both total returns account for shareholder returns through dividends.*

[2] *Source: FTSE All-Share Index and share price data is provided by LSEG Workspace.*

[3] *Source: Office for National Statistics, subject to latest published RPI, June 2026.*

[4] *The graph shows ten-year performance data.*

[5] *Calculated on a total return basis assuming dividend re-investment between 30 June 2016 and 30 June 2026.*

* *Items marked '*' are considered to be alternative performance measures ('APM'). For a description of these measures, see page 159 of the annual report and financial statements for the year ended 31 December 2025.*

Please remember that past performance does not predict future returns. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

Financial Summary

	Six months 30 June 2026 £000	Six months 30 June 2025 £000	Twelve months 31 December 2025 £000
Net Asset Value – with debt and IPS at fair value*	**1,577,565**	1,310,044	1,440,357
Total Net Assets per the statement of financial position	**1,330,283**	1,064,710	1,202,075
	Pence	Pence	Pence
NAV per share at fair value[1,2,4]*	**1,183.86**	983.63	1,081.49
Revenue return per share[3]			
Investment portfolio	**16.99**	14.79	25.73
Independent professional services	**6.05**	5.36	11.53
Group revenue return per share[4]	**23.04**	20.15	37.26
Capital return per share	**91.29**	96.91	192.28
Dividends per share[4]	**8.875**	8.375	35.50
Share price	**1,204**	1,000	1,054
	%	%	%
Ongoing charges[5]*	**0.54**	0.54	0.56
Net gearing*	**11**	12	12
Premium/(discount)*	**1.7**	1.7	(2.5)

[1] *Please refer to page 23 for calculation of NAV.*

[2] *NAV is calculated in accordance with the AIC methodology, based on performance data held by Law Debenture including the fair value of the IPS business and long-term borrowings.*

[3] *Revenue per share is calculated using the weighted average shares in issue as at 30 June 2026.*

[4] *The second interim dividend is not due to be announced until September 2026 and has not been factored in the calculation presented. The Board have indicated their intention to pay three interim dividends of 8.875p in respect of 2026, each representing a quarter of the total 2025 dividend declared of 35.5p. The final dividend will be declared in March 2027.*

[5] *Ongoing charges are calculated based on AIC guidance, using the administrative costs of the investment trust and include the Janus Henderson investment management fee, currently charged at an annual rate of 0.30% of the portfolio value. There is no performance related element to the fee.*

* *Items marked '*' are alternative performance measures ('APM'). For a description of these measures, see pages 167-170 of the annual report and financial statements for the year ended 31 December 2025.*

Half Yearly Management Report

Introduction

I am pleased to report that the Law Debenture Corporation p.l.c. ('Law Debenture') has delivered another good performance in the first half of 2026, with strong absolute returns and continued outperformance against our benchmark.

We have demonstrated once again the strength of our differentiated model. The combination of our well-diversified investment portfolio and the dependable cash flows from our Independent Professional Services business ('IPS') has enabled Law Debenture to generate a total NAV return of 11.4%, comfortably outperforming our benchmark, the FTSE All-Share Index, and continuing to generate attractive capital growth while supporting our long-standing dividend record.

The first half of the year has been marked by continued geopolitical and macroeconomic uncertainty, including conflict in Iran and the wider Middle East region, and the associated risk of further disruption to energy markets and global supply chains. In four of the last seven years, the first half has been disrupted by events that could not have been reasonably predicted at the start of the reporting period. Against this backdrop, the consistency of Law Debenture's performance speaks to the resilience of our business and the strength of our investment approach delivered by our Investment Managers.

After 44 years in financial services, James Henderson, our Joint Portfolio Manager, has decided to retire from Janus Henderson in June 2027. Going forward, the Portfolio will be managed by Laura Foll, who has been Joint Portfolio Manager of Law Debenture since 2019 and has worked on the account since 2011. Laura has 17 years of financial industry experience, having joined Janus Henderson in 2009. She will continue to be supported by the full resources of Janus Henderson's Global Equity Income team. James will work closely with the team to ensure a smooth transition of responsibilities. There will be no change to the Company's investment objective or strategy.

The Board would like to thank James for his many years of service as Portfolio Manager of Law Debenture, and for the outstanding contribution he has made during that time, having overseen NAV total return of 1288% since taking over lead management responsibilities in 2003, compared to FTSE All-Share total return of 546% over the same time period. We wish him all the best for the future. Laura's own longstanding tenure, including seven years as Joint Portfolio Manager, reflects her proven and valued expertise and ensures she is well-positioned to continue as lead manager of the Portfolio.

We continue to build on our long-term record of outperformance, the drivers of which are covered in detail in the Investment Managers' report. The Portfolio remains UK-focused but deliberately diversified, to take advantage of valuation opportunities where the Investment Managers see them, while retaining a clear focus on businesses capable of delivering attractive long-term returns.

IPS has delivered another resilient performance and remains on track to achieve underlying growth within our mid-to-high single-digit target range for the full year. This highlights the quality, diversity and cash-generative nature of IPS, which remains an important source of structural growth for the Group.

Dividend

We continue building on our long record of maintaining or increasing dividends, which has extended into its 47th year. The Board has declared a first interim dividend of 8.875 pence per ordinary share, representing a 6.0% increase over the prior year's first interim dividend.

This dividend was paid on 3 July 2026 to shareholders on the register at close of business on 5 June 2026. Based on the closing share price on 23 July 2026 of 1,226 pence, the dividend yield per Law Debenture share is 2.9%[1].

[1] *Based on the total dividend paid in relation to 2025 of 35.5p per share.*

Half Yearly Management Report continued

> We remain focused on continuing our unbroken 47-year record of maintaining or raising the dividend. Our confidence is underpinned by the diversified and recurring nature of the revenues of our IPS business.

The consistent increase in dividend, amounting to 119.1%[1] in aggregate over the last 10 years, reflects the Board's commitment to delivering a reliable and growing income stream for shareholders over the long term. The 47-year record remains central to our proposition for shareholders and is supported by the combination of capital growth from the Portfolio and recurring cash flows from IPS.

It is the Board's current intention to recommend that the total dividend for 2026 maintains or increases the total 2025 dividend of 35.50 pence per ordinary share. Our shareholders will be asked to vote on the final dividend at our AGM in 2027.

Corporate Trust

In our annual report published in March, we flagged that, following a strong period of cumulative revenue growth of 17.6% in 2023, 11.7% in 2024 and 9.3% in 2025, it would be reasonable for this business to return to something closer to its longer-term growth mean (i.e. mid to high single digits). Given the exceptional recent growth, the recorded revenue growth of 6.7% is more than satisfactory.

Primary market debt issuance levels in Europe were surprisingly good (+12% Year on Year: source Dealogic) despite the difficult geopolitical backdrop and we participated well.

Highlights for the period are: being appointed trustee on a Medium Term Note programme for Pearson, an issue of subordinated notes for Hampshire Trust Bank and on numerous Japanese convertible bonds for issuers including Hokkaido Electric Power Company, Inc and JX Advanced Metals Corporation. We were also appointed as Security Trustee by Amundi on their Bitcoin Exchange Traded Product, enabling their investors to obtain exposure to Bitcoin, while avoiding the operational aspects of directly holding these assets.

We acted as Escrow Agent to support an investment in Totalmobile by Five Arrows, the alternative assets arm of Rothschild & Co.

Overseas buyers helped to propel the value of M&A involving UK companies to the highest for the period since 2007 (Source: Financial Times). We have raised our profile and executed well in recent years across our law firm partners with respect to escrow services required to support these transactions and have plenty of room for further growth.

That said, for escrows we are not limited to M&A. We continue to grow our footprint for Real Estate transactions, Litigation, Ships, Aircraft, Sports & Cultural Events and genuinely bespoke situations where the combination of our deep domain expertise and ability to move fast is a differentiating factor for law firms and banks seeking timely, competitive solutions to complex problems.

As we always note, post-issue work, when a bond issuer runs into financial difficulty, can lead to counter-cyclical incremental revenues for this business. When bonds default, the workflow, risk and revenue profiles of our role can materially change. A key duty of the bond trustee is to be the legal creditor of the issuer on behalf of the bondholders. Our role in such default situations requires material incremental work that, given a favourable outcome, can lead to significant additional income for the firm. That said, defaults often take years to play out and the results are uncertain.

Case Study: Security Trustee

We acted as Security Trustee on a £600m secured loan from the National Wealth Fund (a wholly owned subsidiary of HM Treasury) to Rolls Royce to fund the development of the UK's first Small Modular Nuclear Reactor Power Stations (SMR's) at Wylfa in Anglesey in North Wales. This was in accordance with an agreed business plan, linked to the delivery of SMR's by Rolls Royce under a contract with Great British Energy. Specifically 3 SMR's online by the mid 2030's; Power to 3 million homes; Project cost £2.5billion; Clean energy: 3,000 jobs.

[1] *Based on the period 2015 to 2025.*

Half Yearly Management Report continued

Given the sluggish UK economy and a steepening in yield curves, it is no surprise to see ONS insolvency data beginning to tick up, and some very high-profile defaults and restructurings hit the headlines. At the time of writing, Thames Water, WH Smith, and Costa Coffee are among the household names facing considerable challenges. Our post issue work increased modestly during the period, reflecting the escalating pressures being experienced in certain sectors of the economy. We are very focused on this and are exploring adding incremental resource and capability to our team. Our 137-year history as a Bond Trustee tells us there is a strong counter-cyclical nature to this work.

We do not wish ill on any of our clients, but, for the past five decades or so, credit lending cycles have typically been between 15 and 20 years long. The current cycle, which started after the Global Financial Crisis in 2008 has private credit central to its growth. Today, this market is estimated to be approximately $2 trillion in size. This time, rather than piling up directly on banks' balance sheets, insurance companies have moved in to increase returns on their investments. These insurance companies are increasingly using private credit ratings to evaluate these assets rather than the traditional public ratings (source: Li, Xuelin and Oh, Sangmin and Ricciardi, Giacomo, Rating Without Market Discipline).

A recent publication from The Bank for International Settlements notes that Private Credit Ratings appear to be higher on average than those offered by the traditional well-established Public Ratings firms. Noteworthy too, is that several insurance companies are now owned by Private Equity firms who originate plenty of loans in the Private Credit space. Regulators are easing rather than tightening capital requirements and are looking to increase availability of the asset class directly to retail investors. In the meantime, the other major investor (Private Credit Funds) in a sector dominated with illiquid assets are gating (i.e. not allowing redemption from) their funds. Over the last 6 months I have had scores of conversations with market participants who consistently tell me the same thing "my portfolio is just fine, but over there things are getting messy". The floor of the coal mine is piling up with dead canaries.

As I mentioned at the AGM, 100 years ago Ernest Hemingway published his classic "The Sun also Rises". One of the characters in the novel, Mike Campbell, is asked how he went bankrupt? He replied "Two ways. Slowly, then quickly". Our business is built on our deep domain expertise and ability to move fast. Our antennae are up and we are increasing our dialogue with our clients and partner networks.

Independent Professional Services

DIVISION	**Net revenue 30 June 2026 £000**	Net revenue 30 June 2025 £000	Growth 2025/2026 %
Pensions	**8,837**	8,533	3.6%
Corporate Trust	**8,430**	7,903	6.7%
Corporate Services	**12,668**	11,806	7.3%
Total	**29,935**	28,242	6.0%

Pensions

We are the longest-serving and one of the largest independent providers of pension trusteeship in the UK, with well over 200 appointments and assets under trusteeship of over £300 billion. The first half of 2026 has been an active period for the market as the Pension Schemes Act 2026 - which received Royal Assent in May - begins to be worked through, and schemes with strong funding positions move from strategic consideration toward action.

Market and Regulation

Many schemes that have spent the past few years assessing their end-game options are now moving toward decisions. Buy-in and buy-out activity has continued, in a competitive market, and with draft surplus flexibilities regulations out for consultation – closing September 2026 – trustee boards and corporate sponsors are increasingly engaged in structured conversations about run-on and surplus distribution. Some of our schemes have already accessed surplus under existing scheme rules, ahead of the new framework, and we expect this activity to grow as the regulations are finalised.

The first Own Risk Assessment deadlines began in March 2026 and, through the year thereafter schemes, will have to complete this process, generating governance support work across our client base. The Pensions Dashboard connection process has also brought data quality and administrator readiness into focus, with trustee boards scrutinising whether their administrators are prepared for the member-facing phase.

We have engaged actively with the DWP and TPR on the regulatory agenda – including contributing to consultations on trusteeship standards and surplus – through our secretariat role with the 100 Group Pensions Committee and our roles with the Association of Professional Pension Trustees ('APPT'). The debate around trustee independence and conflicts of interest is intensifying, and our structural independence from investment, actuarial, covenant, and endgame advisory services positions us well as governance standards evolve.

Highlights

The Pensions division delivered net revenues of £8.8m in H1 2026, modestly up on the prior year as normalisation continued following the outsized gains in 2023. Over the past five years, compound annual revenue growth has been 6.5%, underscoring the long-term strength of our market position.

In H1 2026, we continued to build momentum in both new client wins and the expansion of existing relationships.

Recent pensions wins include our appointments as professional trustee to Merck, Magnox (NRS), Jones Engineering, Columbia Threadneedle, A Bilborough and Avis.

In addition, we have secured a number of further new appointments across IGC, sole trustee, co-trustee and chair roles, which remain confidential at this stage but reflect continued demand for our independent trustee services across a broad range of schemes.

We have also seen strong client development activity, with notable expansions, including support to clients such as Whitbread Group plc, HarbisonWalker, ArvinMeritor, and the Canadian High Commission.

We have supported several clients through risk transfer transactions and moving to buy-out in H1 2026.

In addition, we continue to work on a number of other endgame transactions, including consideration of new solutions available in the market.

We have supported clients on a range of surplus-related activity in H1 2026. This includes early-stage discussions with a number of schemes, as well as agreeing interim surplus sharing arrangements. One example is where surplus will be used to support discretionary pension increases and company contributions for a small number of active defined benefit members. We will revisit this surplus sharing arrangement as the regulatory framework evolves.

Our Irish Pensions business celebrated its 5th anniversary and continued its expansion. Our Manchester Pensions team remains a leading presence in the North, and Jersey continues to generate new appointments. We welcomed 5 new colleagues into the team in H1 2026.

Outlook

The second half of 2026 will be shaped by the finalisation of the surplus regulations, the DWP's response to the governance and trusteeship consultation, and TPR's forthcoming governance paper. End-game activity is expected to increase as regulatory certainty improves, and we remain well placed through our independence, our depth of expertise, and our active engagement with the policy agenda to support clients through what continues to be a consequential period for the market.

Corporate Services

Our Corporate Services business reported net revenue growth of 7.3% in H1 2026.

Service of Process

This remains our business with the least earnings visibility and is most dependent on global macro-economic factors and activity in capital markets. Major economies, such as the UK and US, allow overseas businesses to sign legal documents subject to their laws, provided that they have either a registered address or appointed agent for service of process in the governing jurisdiction.

Our long history in this area informs us that the greater the amount of global economic activity and capital markets new issuance, the greater the demand for our product.

Year-on-year revenue growth was good and each week we are reminded of the genuinely global nature of this business. We do business for clients based on all continents, except Antarctica.

We continue to work hard at developing our law firm networks in particular, and in June had our first business development trip to Brazil in recent memory. Ranked by the IMF as the world's tenth largest economy, Brazilian law firms and corporates have long seen the value of our Service of Process offering. They are now more aware of our wider service offering as we look to broaden and deepen these mutually beneficial relationships. The highlight of the trip was arguably a meeting with long-valued client Vale, the world's largest producer of Iron Ore, at their head office in Rio de Janeiro.

The region is not new for the businesses of Law Debenture. A quick delve into the archive reminds us that we were heavily involved in financing of railways and other infrastructure projects throughout South America over 100 years ago, a lively example being the debentures issued by Anglo Argentine Tramways in 1908. All had gone

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well until the company's assets were sequestrated by the Peron Government in the 1950's before being brought to a satisfactory conclusion in the 1960's. (NB see earlier comments under Corporate Trust regarding how our workload and risk can change materially when bonds default!).

The highly diversified client base is the biggest strength of this business. We must work hard to retain and develop existing relationships and nurture new ones throughout the globe.

Corporate Secretarial Services ('CSS')

H1 2026 was another pleasing period for the business as it continues to build positive momentum.

Our journey since purchasing this business has been (as stated at the time) one where significant investment was required in order to build a more desirable and scalable offering. Five years on, we now have better trained staff, better processes, better technology, and better performance metrics. Unsurprisingly, these combine to produce improved client outcomes which should underpin future growth. At the 2025 year-end we noted that our record sales pipelines were beginning to feed through, and we have maintained this favourable trend during the first half.

The business is now growing both revenues and profits faster than the average for the IPS businesses based on an expanding client footprint. Perhaps even more encouragingly, we are seeing much more joined up product and business development successes between this and our other IPS businesses. This unlocks real value for our clients and in turn for our shareholders.

> Law Debenture is a rare proposition: an investment trust supported by a wholly-owned professional services business, providing a hedge to market volatility.

Closer to home, our UK Board support and advisory business continued to develop its nicely growing franchise with significant appointments that included JP Morgan, Velonetic and The Pension Protection Fund. These four names underscore neatly the diverse range of businesses to which we can add value at different stages.

Our emerging success here has been very hard-won. The size of the addressable market for our products and services (particularly Global Entity Management Services ('GEMS')) is simply enormous. We must be relentless in our focus on excellence in client delivery in order to build on our heartening progress.

Structured Finance

Another solid first half from our smallest business, which provides accounting and administrative services to special purpose vehicles ('SPVs'). Typical buyers of our services are asset managers, hedge funds and challenger banks. They use SPV structures to warehouse and provide long-term funding for real assets. Examples include credit card receivables, mortgages, real estate and aircraft leases.

In our most recent Annual Report, we highlighted the work that we do supporting the traditional structures outlined above as well as innovative non-standard structures.

The first half of 2026 was more of the same with a series of new transactions for our existing stable of challenger banks and boutique asset managers. A couple of highlights included our role in a multi-billion pound recapitalization transaction for a FTSE 100 client, and our role as SPV administrator for Peabody Trust for a project that simplified their overall borrowing structure.

New deal enquiry was up year on year and we continue to invest in our business development and distribution efforts to support our future growth.

Safecall

Following an excellent first half of 2025, we are delighted to report revenue growth for the tenth successive year for this business.

As new legislation continues to be rolled out, our offering continues to widen. Most notably, in the UK, from 6 April 2026, sexual harassment in the workplace explicitly qualifies as a legally protected disclosure under the Employment Act 2025. We have worked closely with clients and law firms in order to bring the best of our combined experience to a series of well-attended webinars to help both clients and prospective clients address the complex but critical matters that need to be navigated in order to support this change.

Yet again, we provided a new record number of reports to our clients during the period.

We have rolled out significant improvements to our client portal and are now able to offer translations using artificial intelligence solutions for our digital reporting channels that now account for over 70% of our inputs. But we won't stop here. In fact, we are quickening the pace of investment in our infrastructure to support our client offerings in this space. We have added a new Product Manager, extra, dedicated full-time technology development headcount and incremental resource in both Strategic Relationship Management and Enterprise Sales.

> We recognise fully the importance our shareholders place on our delivery of regular and reliable income and we remain committed to continuing our strong record of maintaining or raising the dividend.

We are delighted to be able to increasingly win work with larger clients and have started to make inroads with respect to competitive procurement processes in the public sector.

Highlights for the period include; continuing to grow our investigations business and being awarded a large public sector investigations tender for a two-year period, a doubling in training revenue, in part driven by the prevention of sexual harassment legislation and increased client focus to ensure employees understand their role and that managers are equipped to respond appropriately should reports be made to them.

We are a high-quality, client-centric, insightful provider in a sector littered with low-cost box ticker products and will continue to invest in and play to our strengths. We are frequently encouraged by the unsolicited positive feedback that we are given regarding the quality of the work that we do that really makes a difference to people's lives.

Central services, technology and our people

Four years ago, we set out to transform our operating model, moving on from infrastructure that had been siloed across service lines and underinvested in for some time. That work has fundamentally reshaped how the business runs day to day, and we now have solid, scalable foundations across our central services. We do not regard this as a project with an end date: the pace of change in our sector means the operating model has to be treated as an agile ecosystem, not a blueprint to tick off and file away.

AI has moved from something we were exploring conceptually to something we are now using in practice, with governance at the core of how we roll it out. When we look at a workflow today, we ask where AI can sensibly help, while remaining more cautious where it touches client-facing work directly - there we are working closely with clients and other stakeholders to move at the right pace for them, not just for us. AI-assisted minute-taking is now supporting our Corporate Secretarial and Pensions teams, helping our people spend less time on transcription and more on judgement and context. We have also extended automation across Pensions, Corporate Trust and our business development function, using a mix of tools including AI, and software development cycle times have improved: a recent platform development estimated at six weeks of human effort was delivered in days once we deployed an AI coding agent alongside the developer. As we scale, efficiencies like these could be material in a lean team. What matters most, though, is not the technology we choose but how our people work with it, and getting that combination right will determine whether we stay relevant and competitive.

Cyber security remains the area of greatest direct technology investment, given how quickly the threat landscape continues to evolve. We have maintained and re-certified Cyber Essentials Plus and continue to work closely with market-leading suppliers to keep our defences robust - this is not cheap, but is non-negotiable. ISO 27001 certification for LawDeb remains on track for Q1 2027, complementing Safecall's existing standalone certification.

Alongside this, we have continued to modernise our core operations and product estate. We have delivered the most substantial architectural change to the Safecall portal to date, reducing operating costs and improving client experience; our Director Identity Verification portal has had two major releases including a same-day service generating additional revenue; and CSS Vantage, our new bespoke entity management platform, completed development in Q1 and is now live for the first cohort of clients. We have continued to extend automation across processes from client onboarding through to billing, and to invest in experienced, skilled people across the technology function to support this agenda.

On our people more broadly, having reached a solid operational HR footing over the last few years, the function is now turning towards broader people enablement - systematically unlocking the value of our people in an increasingly diverse, complex and technology-enabled world. We have launched our Elevate emerging leaders programme, delivered training to clients under the LawDeb Governance Academy, and have a further programme beginning over the summer and into autumn, broadening our people's capabilities beyond technical

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excellence in their day job. As we said at last year end, building great teams is work measured in years and decades, not weeks and months.

The underlying pillars of our operating model - scaling without reliance on manual processes, using technology to our advantage, engaging the best people, applying controls proportionately, and using data to drive insight - remain as relevant as ever and increasingly interconnected with one another.

Outlook

Elevated levels of geopolitical and macroeconomic uncertainty are likely to persist through the second half of the year. In the UK, the political environment also remains unsettled with the transition to the seventh Prime Minister in ten years.

Despite the often-turbulent nature of global markets in the first half, they have also demonstrated a notable degree of resilience despite the challenging external environment. The unprecedented scale of investment into companies focused on technology and artificial intelligence has attracted significant attention, culminating in the largest ever public listing for SpaceX in June.

Amid all these external developments, and while Law Debenture is not immune to wider uncertainty, we are focused on delivering for shareholders. We are resilient by design and our confidence in the business model is reinforced by the combination of our diversified investment portfolio and IPS business which has served shareholders well through a range of market environments.

This gives our Investment Managers continued flexibility to invest where they see attractive long-term value while IPS provides dependable cash flow and exposure to attractive markets where demand remains strong, and where we continue to see significant opportunities for growth over the medium and long term.

Our focus is underpinned by continued investment in talent and technology to ensure we can continue to capture these opportunities and provide the excellent services we provide to clients, which include major blue-chip companies and highly respected financial institutions. These investments should enable us to gain further market share and increase our growing roster of clients.

I therefore remain confident in the strength of Law Debenture's model through the competitive advantages it offers, and we are committed to continue delivering for shareholders.

Denis Jackson
Chief Executive Officer
23 July 2026

Investment Managers' Report

Overview and market backdrop

The Portfolio performed well in the six months to the end of June, with the Trust's NAV (with debt at par) rising 11.4%, while the FTSE All-Share benchmark rose 7.2%. Two broad themes were responsible for the outperformance – growing power demand, predominantly for datacentres, as well as ongoing takeover activity within the Portfolio. We discuss both of these areas in the performance review section.

In a volatile six months, the focus of the UK equity market was predominantly concentrated on the impact of AI, and the Iranian conflict.

The impact of AI is complex. There is the first-order impact of the huge amounts of capital expenditure taking place, creating substantial demand for the equipment going into the datacentres as well as the need for additional power generation (which is requiring off-grid power sources given the scale and speed of deployment). There is then the second-order impact regarding the use of AI, and which businesses will see their future earnings potential positively or negatively impacted.

If we turn to the Portfolio, the first-order impact of AI led to a substantial re-rating of fuel cell developer **Ceres Power**, as their technology has the potential to solve a power problem for the datacentres, with the ability for fuel cells to be scaled and deployed faster than, for example, gas turbines. **Infineon Technologies** also performed well as a result of datacentre capital expenditure creating additional demand for their power semiconductors. The second-order impact was most clearly seen in the fierce debate around, and subsequent de-rating of, much of the software and data services industries. This was as a result of concern that they will see their business model (for example their pricing power) severely impacted by use of AI. While the Portfolio had a relatively low weight in these areas at the start of the calendar year (which was for valuation reasons rather than a strong view on AI), we took the opportunity in February to establish new positions in two data services firms – **LSEG** and **Relx** (we go into more detail in the activity section).

While the duration of, and resolution to, the current conflict in Iran are unclear, what is clear is that the conflict has added a further (at least temporary) inflationary

Investment Managers' Report continued

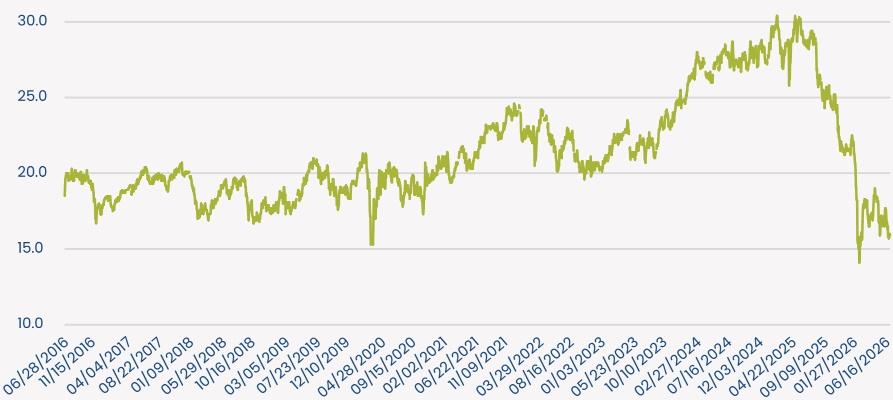
headwind into the UK economy at a time when inflation had otherwise largely been heading downwards. Prior to the conflict, UK interest rates had been expected to fall further this year. Following the conflict, interest rate expectations have been volatile, at times pricing in three to four interest rate increases – although this has since been moderated to around one interest rate increase later in the calendar year. For this Portfolio specifically, the change in interest rate expectations has meant that stocks that are particularly sensitive to interest rates (such as housebuilders, and those that serve the housebuilders such as building materials producers) have underperformed during the six months and have seen earnings recovery delayed. We have continued to hold, and in some cases have added to, positions in the area - for example purchasing a new holding in heavy building materials producer **Breedon**. While end-markets in areas such as residential housebuilding continue to be depressed, we are often adding to or buying holdings on lower than historic valuations, with those low valuations calculated on depressed earnings levels. We cannot know when the earnings recovery will come, but we think this presents an interesting valuation opportunity within a diverse portfolio for the patient investor.

Activity

Takeover activity was the predominant source of Portfolio sales during the period, with Board-recommended takeover offers for insurer **Beazley**, aerospace engineer **Senior**, overseas consumer lender **International Personal Finance**, fund manager **Schroders** and ingredients producer **Tate & Lyle** (there were also rejected offers for **Segro**, **IP Group** and **Easyjet**). In aggregate, corporate activity led to Portfolio sales of over £70m, that were predominantly re-invested and we ended the first half in a roughly neutral position (with portfolio sales and purchases approximately matching). The ongoing heightened level of takeover activity in both this Portfolio and the broader UK equity market is, in our view, further evidence of the valuation opportunity currently available in UK equities. This is why we continue to hold a historically high weighting of 91% in UK equities.

The largest purchase during the six months was **Relx**, a provider of critical data and analytics for use by (for example) lawyers and insurance firms, as well as a producer of scientific journals such as The Lancet. The position was purchased in February following a sharp fall in the share price. This fall was not driven by a slowdown in reported sales or earnings growth - the company, at their full year results, reported encouraging revenue growth of 7% and earnings per share growth of 10%. Instead, the share price fall was driven by concerns of whether future earnings potential would be impacted by AI, for example by new entrants such as Harvey in the legal space. While it is impossible to say for certain, we think on balance Relx will prove comparatively well insulated, for the key reason that much of Relx's data is proprietary. Within legal, for example, LexisNexis has case law spanning decades, obtained from thousands of courts and with interpretative notes on top. We think LexisNexis will, therefore, continue to be one of the definitive data sources (with the clear need in this area to have comprehensive and accurate data). As shown in the graph below, we purchased Relx at its lowest valuation level (as measured by 12-month forward price/earnings) in roughly a decade. In our investment process, we look for opportunities to buy market leading, well-managed companies trading at attractive valuations, and we saw this as one such opportunity.

Relx 12m forward price/earnings

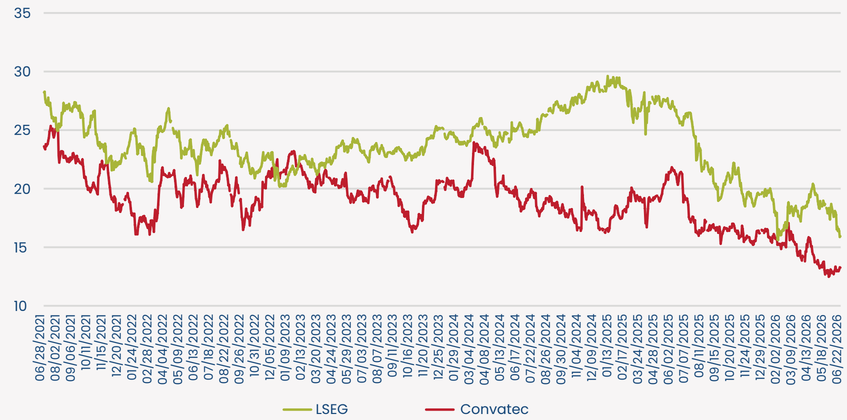


Source: Bloomberg as at 28th June 2026.

Investment Managers' Report continued

Other material new positions purchased during the period included data, analytics and market infrastructure provider **London Stock Exchange Group** and medical equipment producer **Convatec**. In both cases, shares are trading at the low end of their historical valuation range (see graph below), but we see their earnings growth prospects as undimmed.

12m forward price/earnings



Source: Bloomberg as at 28th June 2026.

Performance review

Top five gains over six months

Stock	Appreciation	Appreciation
Ceres Power	**£21.9m**	**162%**
Infineon Technologies	**£13.5m**	**116%**
HSBC	**£11.2m**	**22%**
ITM Power	**£8.4m**	**119%**
Senior	**£8.1m**	**46%**

During the six months, three of the top five best performers were driven by the need for additional power generation. **Ceres Power**, for example, benefitted from read across from a substantial order that US peer Bloom Energy received from Oracle for their solid oxide fuel cells in order to power datacentres. While we continue to see a potentially very large end-market opportunity for these names, we took the opportunity during the period to take substantial profits in Ceres, Infineon and ITM. In the case of Ceres, we took profits of £11.7m during the period. This compares to the value of the holding at calendar year end of £13.5m, and at the end of June the remaining holding was worth £23.8m.

Elsewhere, strong performance was often driven by ongoing takeover activity, for example **Senior** agreed to a takeover by private equity firm Blackstone and also within the top ten contributors was **Schroders**, having agreed to a takeover offer by US peer Nuveen.

Top five losses over six months

Stock	Depreciation	Depreciation
Flutter Entertainment	**(£14.7m)**	**(65%)**
Boku	**(£5.3m)**	**(32%)**
Ibstock	**(£3.8m)**	**(34%)**
Babcock	**(£3.0m)**	**(24%)**
Dunelm	**(£2.9m)**	**(31%)**

The largest detractor, **Flutter Entertainment**, saw its share price fall as a result of concerns that prediction markets (in which Flutter themselves are investing) will bring a new source of competition that could, over time, erode their addressable markets. There were also some company-specific missteps in their US business, FanDuel, which culminated in management change in that division. During the six months, we added modestly to the holding, as in our view the sports betting opportunity in the US remains substantial, with Flutter among the leader players in the industry. Turning to other detractors – **Boku** (which is a mobile payment platform) and defence supplier **Babcock** both de-rated from their highs. This was not driven by any particular earnings disappointment, but rather by high expectations at the start of the year and the market questioning whether recent high levels of growth could be sustained. The remaining detractors – brick manufacturer **Ibstock** and retailer **Dunelm** – were impacted by a subdued UK housing market and consumer spending backdrop.

Investment Managers' Report continued

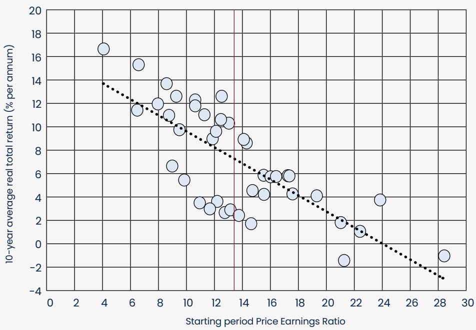
Portfolio income

Investment income received grew from £22.5m in H1 2025 to £25.4m in H1 2026. This growth was partially driven by net investment during 2025, where we were net investors of £53m over the course of the year, including in some higher dividend yield sectors such as commercial property.

Outlook

The past six months has been a reminder that the unexpected can, and often does, happen. We did not foresee a renewed conflict in the Middle East, creating an inflationary headwind and delaying interest rate cuts that we previously saw as likely this year. Nevertheless, the Portfolio and the broader UK equity market has continued to progress despite these unforeseen headwinds. This ultimately demonstrates the importance of valuation discipline and diversity.

The Portfolio continues to trade on an attractive valuation (**13.5x** 12-month historical earnings as at the end of June). As the chart below shows – starting valuations have historically correlated strongly with real long-run returns, with a lower starting valuation historically correlating with better long run inflation-adjusted returns.



Source: Lazarus Economics as at 31 December 2025. Each dot on the chart represents one year from 1974 to 2015 (2015 being the last year where the returns can be measured a decade later).

Diversity within the Portfolio has also meant that, while interest-rate sensitive holdings have often underperformed, other areas within the Portfolio have more than compensated. We continue to be confident that a diverse collection of moderately valued, well-managed companies with good prospects for sales and earnings growth can provide an attractive total return for our shareholders.

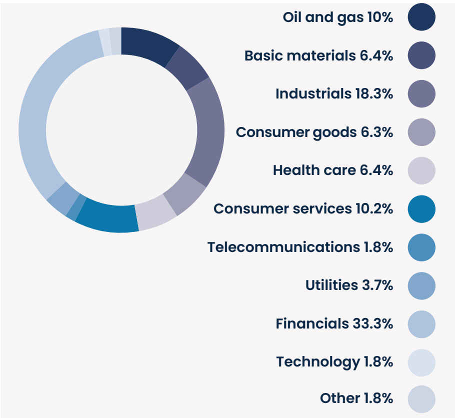
As shared by Denis in the Half Yearly Management Report, after 44 years in financial services, James has decided to retire from Janus Henderson in June 2027. Going forward, the Portfolio will be managed by Laura, who has been Joint Portfolio Manager of Law Debenture since 2019 and has worked on the account since 2011. James said: "Laura and I have worked closely together for 15 years, including seven years jointly managing the Law Debenture portfolio. I have no doubt that she will continue to be a huge asset to the Company and wish her all the best for the years ahead."

Laura Foll and James Henderson
Investment Managers
23 July 2026

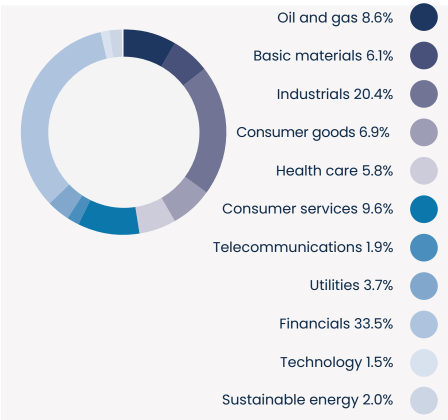
Portfolio by Sector and Value

Sector distribution of portfolio by value

30 June 2026

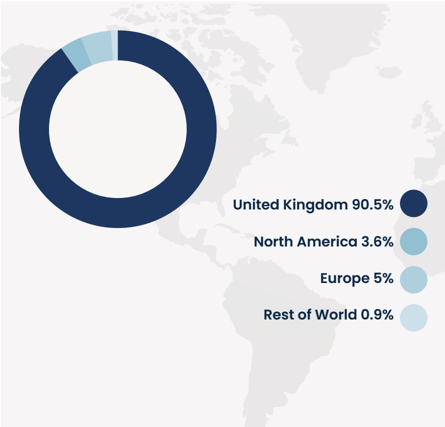


31 December 2025

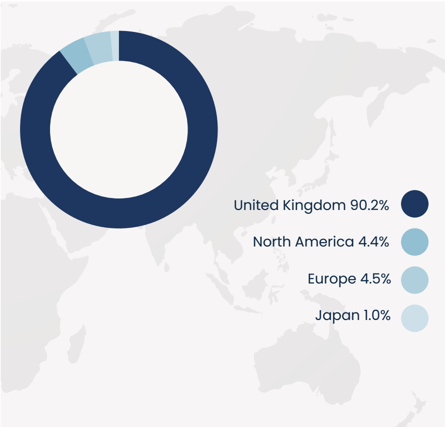


Geographical distribution of portfolio by value

30 June 2026



31 December 2025



STRATEGIC INFORMATION

Fifteen Largest Holdings: Investment Rationale

as at 30 June 2026

Rank	Holding Name	Location	%	Approx Market Cap	Valuation 2025 £000	Purchases £000	Sales £000	Appreciation/ (Depreciation) £000	Valuation June 2026 £000
1.	**HSBC**	UK	4.20	£244.6b	50,860	–	–	11,188	**62,048**
HSBC is a large global lender and financial services business. It has performed well in recent years as a result of higher interest rates enabling it to make higher returns, as well as successful growth in its wealth management business. It provides worthwhile geographic diversification to the portfolio.									
2.	**Barclays**	UK	3.98	£68.5b	55,199	–	–	3,567	**58,766**
Barclays is a large UK lender as well as a global investment bank. While it has performed well in recent years, it still trades at a lower valuation than many of its banking peers as a result of scepticism that the investment bank can generate good returns. In recent years, however, it has demonstrated an ability to improve its returns and it has ambitious targets for further growth.									
3.	**Rio Tinto**	UK	2.53	£100.0b	31,463	–	–	5,927	**37,390**
Rio Tinto is a diversified miner with significant exposure to iron ore, copper and aluminium. As a result of its low position on the cost curve, it is able to remain cash generative despite volatility in commodity prices and pays an attractive dividend yield.									
4.	**Shell**	UK	2.48	£182.6b	34,244	–	–	2,406	**36,650**
From a portfolio perspective Shell provides diversification at times of rising energy prices, such as in the first half of this year as a result of the conflict in the Middle East. It is a cash generative business with scope for attractive shareholder returns. Under its current management team it is becoming a leaner, more performance-focused business which could help to narrow the sizable valuation gap with US peers.									
5.	**GlaxoSmithKline**	UK	2.20	£80.2b	29,922	–	–	2,558	**32,480**
GSK is a global pharmaceutical company that is among the market leaders in areas such as vaccines, respiratory and HIV, alongside a small but fast-growing oncology division. The shares trade at a valuation discount to global pharmaceutical peers as a result of a mixed pipeline track record and a patent expiry in their HIV business towards the end of the decade. The company, however, has ambitious sales growth targets and a pipeline of late-stage assets that can be supplemented with acquisitions in order to offset upcoming patent expiries.									
6.	**Standard Chartered**	UK	2.12	£44.5b	27,965	–	–	3,379	**31,344**
The bank has operations principally in Asia, Africa and the Middle East. Many of these geographies are under-banked which gives scope for considerable growth over time. Similar to HSBC, it has seen improved returns in recent years as a result of higher interest rates, as well as successfully growing its wealth management business.									
7.	**BP**	UK	2.12	£81.8b	24,667	4,968	–	1,657	**31,292**
In a similar rationale to the holding in Shell, the position provides a form of protection against unexpected spikes in energy prices such as those seen in the first half of this year. The shares have underperformed peers in recent years as a result of poor capital allocation under previous management teams and higher levels of debt. Under the new CEO they have refreshed their strategy, which incorporates a renewed focus on the core oil & gas business, bringing down debt, organisational simplification and taking out costs.									
8.	**Balfour Beatty**	UK	1.62	£4.2b	19,599	–	–	4,381	**23,980**
Balfour Beatty is a leading engineering and construction group in the UK and overseas that helps to develop, build, maintain and operate critical infrastructure such as roads, military housing, hospitals and the electricity network. It has benefitted in recent years from necessary infrastructure upgrade work, leading to a strong order book. It has also improved its balance sheet, allowing ongoing shareholder returns via dividends and share buybacks.									

Fifteen Largest Holdings: Investment Rationale continued

as at 30 June 2026

Rank	Holding Name	Location	%	Approx Market Cap	Valuation 2025 £000	Purchases £000	Sales £000	Appreciation/ (Depreciation) £000	Valuation June 2026 £000
9.	**Ceres Power**	UK	1.61	£1.3b	13,545	–	(11,672)	21,939	**23,812**

The company develops solid oxide fuel cell technology and licenses it to a range of manufacturing partners including Weichai in China, Doosan in South Korea and Delta Electronics in Taiwan. With growing power needs, particularly from data centres, fuel cells may form part of the solution as they can provide efficient onsite power and be deployed relatively quickly where grid capacity is constrained. Ceres operates a licensing rather than manufacturing model, receiving upfront licence fees and ongoing royalties as its partners deploy products based on its technology.

Rank	Holding Name	Location	%	Approx Market Cap	Valuation 2025 £000	Purchases £000	Sales £000	Appreciation/ (Depreciation) £000	Valuation June 2026 £000
10.	**Rolls-Royce**	UK	1.59	£118.2b	18,679	–	–	4,796	**23,475**

Rolls-Royce is a designer and manufacturer of engines for use across a number of end markets, most materially civil aerospace. They have won significant market share on the next generation of wide-bodied planes, where flying hours have recovered and have now comfortably surpassed pre-Covid levels. Under the current CEO they have also undertaken considerable self-help, reducing costs and improving cash generation.

Rank	Holding Name	Location	%	Approx Market Cap	Valuation 2025 £000	Purchases £000	Sales £000	Appreciation/ (Depreciation) £000	Valuation June 2026 £000
11.	**Lloyds Banking Group**	UK	1.43	£63.4b	18,666	–	–	2,443	**21,109**

The company is one of the biggest lenders in the UK, as well as a provider of broader financial services such as insurance. In recent years, higher interest rates have materially improved returns while loan losses have remained modest as a result of conservative lending policies. With the returns being achieved, the company is capable of paying an attractive dividend yield to shareholders alongside further share buybacks.

Rank	Holding Name	Location	%	Approx Market Cap	Valuation 2025 £000	Purchases £000	Sales £000	Appreciation/ (Depreciation) £000	Valuation June 2026 £000
12.	**National Grid**	UK	1.43	£59.5b	19,303	–	–	1,801	**21,104**

National Grid is a regulated utility company with operations in both the UK and the US. Growing power needs (for example for electric vehicle charging and datacentres) are putting increasing strain on electricity networks, creating the need for additional investment and the potential for faster regulated asset growth in the future.

Rank	Holding Name	Location	%	Approx Market Cap	Valuation 2025 £000	Purchases £000	Sales £000	Appreciation/ (Depreciation) £000	Valuation June 2026 £000
13.	**IMI**	UK	1.38	£7.3b	17,105	–	–	3,259	**20,364**

IMI is a specialist designer and manufacturer of components such as valves for use across a range of end markets including transportation, energy, industrial and life sciences. Under the current management team, they have made good progress in improving their organic growth rate alongside improved margins. The company has also benefited in recent years from the need for additional power generation and desire for energy security, as they produce valves for end uses such as LNG facilities and gas-fired power plants.

Rank	Holding Name	Location	%	Approx Market Cap	Valuation 2025 £000	Purchases £000	Sales £000	Appreciation/ (Depreciation) £000	Valuation June 2026 £000
14.	**M&G**	UK	1.37	£7.6b	17,184	–	–	2,982	**20,166**

M&G is a financial services provider that was spun out of Prudential in 2019, providing insurance and asset management services. The capital generation of the group allows sizeable returns to shareholders via dividends and share buybacks.

Rank	Holding Name	Location	%	Approx Market Cap	Valuation 2025 £000	Purchases £000	Sales £000	Appreciation/ (Depreciation) £000	Valuation June 2026 £000
15.	**Flutter Entertainment**	UK	1.36	£13.4b	22,582	12,265	–	(14,749)	**20,098**

The company provides global betting and gaming products. The US market is opening up, and Flutter are among the leaders with their US brand, FanDuel. Over the past year the shares have performed poorly as a result of concerns surrounding competition from prediction markets as well as some self-inflicted errors, leading to recent management change at FanDuel. However, as the business, particularly in the US, matures we continue to think there is considerable scope for cash generation and rapid growth given the scale of the US market.

Investment Portfolio Valuation

based on market values at 30 June 2026

Holding name	Sector	Industry	£000	%
HSBC	Financials	Banks	**62,048**	**4.20**
Barclays	Financials	Banks	**58,766**	**3.98**
Rio Tinto	Basic Materials	Mining	**37,390**	**2.53**
Shell	Oil & Gas	Oil & gas producers	**36,650**	**2.48**
GlaxoSmithKline	Health Care	Pharmaceuticals & biotechnology	**32,480**	**2.20**
Standard Chartered	Financials	Banks	**31,344**	**2.12**
BP	Oil & Gas	Oil & gas producers	**31,292**	**2.12**
Balfour Beatty	Industrials	Construction & materials	**23,980**	**1.62**
Ceres Power	Oil & Gas	Oil equipment services & distribution	**23,812**	**1.61**
Rolls Royce	Industrials	Aerospace & defence	**23,475**	**1.59**
Lloyds Banking Group	Financials	Banks	**21,109**	**1.43**
National Grid	Utilities	Gas, water & multiutilities	**21,104**	**1.43**
IMI	Industrials	Industrial engineering	**20,364**	**1.38**
M & G	Financials	Financial services	**20,166**	**1.37**
Flutter Entertainment	Consumer Services	Travel & leisure	**20,098**	**1.36**
NatWest	Financials	Banks	**19,004**	**1.29**
Herald Investment Trust	Financials	Equity investment instruments	**18,360**	**1.24**
Hill & Smith	Industrials	Industrial engineering	**18,271**	**1.24**
Relx	Consumer Services	Media	**17,982**	**1.22**
Infineon Technologies	Industrials	Electronic & electrical equipment	**17,916**	**1.21**
Anglo American	Basic Materials	Mining	**17,908**	**1.21**
Marks & Spencer	Consumer Services	General retailers	**17,856**	**1.21**
J Sainsbury	Consumer Services	General retailers	**17,109**	**1.16**
Aviva	Financials	Life insurance/assurance	**16,727**	**1.13**
Hiscox	Financials	Nonlife insurance	**16,698**	**1.13**
Kier	Industrials	Construction & materials	**16,638**	**1.13**
International Consolidated Airlines	Consumer Services	Travel & leisure	**16,411**	**1.11**
Segro	Financials	Real estate investment trusts	**16,191**	**1.10**
Land Securities	Financials	Real estate investment trusts	**16,091**	**1.09**
Kingfisher	Consumer Goods	Household goods & home construction	**15,716**	**1.06**
Prudential	Financials	Life insurance/assurance	**15,386**	**1.04**
BT Group	Telecommunications	Fixed Line Telecommunications	**15,204**	**1.03**
London Stock Exchange Group	Financials	Financial services	**14,284**	**0.97**
Babcock	Industrials	Aerospace & defence	**14,268**	**0.97**
Irish Continental Group	Consumer Services	Travel & leisure	**14,044**	**0.95**
IP Group	Financials	Financial services	**13,998**	**0.95**
Convatec Group	Health Care	Health care equipment & services	**13,975**	**0.95**
BAE Systems	Industrials	Aerospace & defence	**13,822**	**0.94**
Standard Life Aberdeen	Financials	Financial services	**13,696**	**0.93**
ITM Power	Oil & Gas	Oil equipment services & distribution	**13,642**	**0.92**

Investment Portfolio Valuation continued

based on market values at 30 June 2026

Holding name	Sector	Industry	£000	%
Unilever	Consumer Goods	Personal goods	**13,581**	**0.92**
Shaftesbury Capital	Financials	Real estate investment trusts	**13,258**	**0.90**
Severn Trent	Utilities	Gas, water & multiutilities	**12,859**	**0.87**
British Land Company	Financials	Real estate investment trusts	**12,408**	**0.84**
Johnson Matthey	Other	Sustainable Energy	**12,298**	**0.83**
Boku	Industrials	Support services	**12,262**	**0.83**
Hammerson	Financials	Real estate investment trusts	**11,792**	**0.80**
Standard Life	Financials	Life insurance/assurance	**11,648**	**0.79**
Reckitt Benckiser Group	Consumer Goods	Household goods & home construction	**11,538**	**0.78**
ITV	Consumer Services	Media	**11,284**	**0.76**
Johnson Service Group	Industrials	Support services	**11,271**	**0.76**
General Motors	Consumer Goods	Automobiles & parts	**11,040**	**0.75**
H-Power	Oil & Gas	Alternative Energy	**10,977**	**0.74**
Vodafone	Telecommunications	Mobile telecommunications	**10,954**	**0.74**
Morgan Advanced Materials	Industrials	Electronic & electrical equipment	**10,625**	**0.72**
Chesnara	Financials	Life insurance/assurance	**10,543**	**0.71**
Associated British Foods	Consumer Goods	Food producers	**10,426**	**0.71**
Toyota Motor Corporation	Consumer Goods	Automobiles & parts	**10,425**	**0.71**
Greencoat UK Wind	Utilities	Electricity	**10,150**	**0.69**
VH Global Energy Infrastructure	Other	Sustainable Energy	**10,108**	**0.68**
Sabre Insurance Group	Financials	Nonlife insurance	**9,994**	**0.68**
Marshalls	Industrials	Construction & materials	**9,755**	**0.66**
SSE	Utilities	Electricity	**9,740**	**0.66**
Freeport-McMoran	Basic Materials	Mining	**9,481**	**0.64**
HICL Infrastructure	Financials	Equity investment instruments	**9,240**	**0.63**
Smith & Nephew	Health Care	Health care equipment & services	**8,938**	**0.61**
Scottish Oriental Smaller Companies Trust	Financials	Equity investment instruments	**8,593**	**0.58**
Oxford Nanopore Technologies	Technology	Advanced Medical Equipment & Technology	**8,303**	**0.56**
Accsys Technologies	Industrials	Construction & materials	**8,193**	**0.56**
SigmaRoc	Industrials	Construction & materials	**8,151**	**0.55**
Vanquis Banking Group	Financials	Financial services	**7,822**	**0.53**
Inchcape	Industrials	Support services	**7,705**	**0.52**
Zigup	Industrials	Support services	**7,569**	**0.51**
Workspace Group	Financials	Real estate investment trusts	**7,534**	**0.51**
Elementis	Basic Materials	Chemicals	**7,520**	**0.51**
Halfords	Consumer Services	General retailers	**7,505**	**0.51**
Whitbread	Consumer Services	Travel & leisure	**7,409**	**0.50**
Ibstock	Industrials	Construction & materials	**7,253**	**0.49**
Weir Group	Industrials	Industrial engineering	**7,206**	**0.49**

Investment Portfolio Valuation continued

based on market values at 30 June 2026

Holding name	Sector	Industry	£000	%
Invinity Energy Systems	Oil & Gas	Alternative Energy	7,181	0.49
Bristol-Myers Squibb	Health Care	Pharmaceuticals & biotechnology	7,166	0.49
Ondine Biomedical	Health Care	Pharmaceuticals & biotechnology	7,119	0.48
Gibson Energy	Oil & Gas	Oil & gas producers	7,114	0.48
Berkeley Group Holdings	Consumer Goods	Household goods & home construction	6,996	0.47
Haleon	Health Care	Pharmaceuticals & biotechnology	6,954	0.47
Dunelm	Consumer Services	General retailers	6,921	0.47
Sanofi	Health Care	Pharmaceuticals & biotechnology	6,824	0.46
3I INFRASTRUCTURE	Financials	Equity investment instruments	6,615	0.45
Rathbones Group	Financials	Equity investment instruments	6,408	0.43
Castings	Industrials	Construction & materials	6,102	0.41
Safran	Industrials	Aerospace & defence	6,032	0.41
Roche Holding	Health Care	Pharmaceuticals & biotechnology	6,019	0.41
Great Portland Estates	Financials	Real estate investments & services	5,810	0.39
Becton Dickinson	Health Care	Health care equipment & services	5,703	0.39
Oxford Sciences Innovation	Financials	Financial services	5,633	0.38
Easyjet	Industrials	Aerospace & defence	5,584	0.38
Air Products and Chemicals	Oil & Gas	Oil & gas producers	5,521	0.37
XP Power	Technology	Technology hardware & equipment	5,294	0.36
Croda	Basic Materials	Chemicals	5,292	0.36
Mondi	Basic Materials	Forestry & paper	5,130	0.35
Greencore Group	Consumer Goods	Food producers	5,088	0.34
Vertu Motors	Consumer Services	General retailers	5,043	0.34
Breedon Group	Basic Materials	Building Materials	5,025	0.34
Derwent London	Financials	Real estate investments & services	4,848	0.33
ASML	Technology	Technology hardware & equipment	4,790	0.32
Rotork	Industrials	Industrial engineering	4,431	0.30
Serica Energy	Oil & Gas	Oil & gas producers	4,340	0.29
Bellway	Consumer Goods	Household goods & home construction	4,167	0.28
TT Electronics	Industrials	Electronic & electrical equipment	3,990	0.27
Marstons	Consumer Services	Travel & leisure	3,909	0.26
Siemens	Technology	Software & computer services	3,842	0.26
Gelion	Other	Sustainable Energy	3,673	0.25
Ilika	Oil & Gas	Alternative Energy	3,195	0.22
Reach	Consumer Services	Media	3,023	0.20
Valterra Platinum	Basic Materials	Mining	2,857	0.19
Munchener Rueckver	Financials	Nonlife insurance	2,811	0.19
Renishaw	Technology	Technology hardware & equipment	2,560	0.17
Next Fifteen Communications Group	Consumer Services	Media	2,540	0.17

Investment Portfolio Valuation continued

based on market values at 30 June 2026

Holding name	Sector	Industry	£000	%
Princes Group	Consumer Goods	Food producers	**2,480**	**0.17**
Jubilee Metals Group	Basic Materials	Mining	**2,440**	**0.17**
Seascape Energy Asia	Oil & Gas	Oil & gas producers	**2,223**	**0.15**
ASM International	Industrials	Electronic & electrical equipment	**1,902**	**0.13**
Grit Real Estate Income Group	Financials	Real estate investment trusts	**1,752**	**0.12**
SAP	Technology	Software & computer services	**1,701**	**0.12**
Arbuthnot Banking Group	Financials	Financial services	**1,404**	**0.10**
Hercules Site Services	Industrials	Construction & materials	**1,285**	**0.09**
First Tin	Basic Materials	Mining	**1,200**	**0.08**
Watkin Jones	Consumer Goods	Household goods & home construction	**1,146**	**0.08**
Kistos	Oil & Gas	Oil & gas producers	**1,080**	**0.07**
Kone	Industrials	Electronic & electrical equipment	**958**	**0.06**
Logistics Development Group	Industrials	Industrial transportation	**830**	**0.06**
Carclo	Basic Materials	Chemicals	**767**	**0.05**
Ampeak Energy	Utilities	Electricity	**470**	**0.03**
Deltic Energy	Oil & Gas	Oil & gas producers	**103**	**0.01**
Allied Minds (delisted)	Financials	Financial services	**-**	**-**
Interserve (delisted)	Industrials	Support services	**-**	**-**
Better Cap (delisted)	Financials	Equity investment instruments	**-**	**-**
Saietta Group (delisted)	Consumer Goods	Automobiles & parts	**-**	**-**
Morses Club (delisted)	Financials	Financial services	**-**	**-**
Surface Transforms (delisted)	Consumer Goods	Automobiles & parts	**-**	**-**
Windar Photonics (delisted)	Industrials	Waste & Environ Svcs & Equip	**-**	**-**
			1,475,924	**100.00**

Calculation of net asset value ('NAV') per share

Valuation of our IPS business

Accounting standards require us to consolidate the income, costs and taxation of our IPS business into the Group Income Statement on page 24. The assets and liabilities of the business are also consolidated into the Group Statement of Financial Position on page 25. A Group Segmental Analysis is provided on page 28 of these accounts, which shows a detailed breakdown of the split between the Investment Portfolio and IPS business.

Consolidating the value of the IPS business in this way does not fully recognise the value created for the shareholder by the IPS business in the NAV. To address this, the NAV published for the Group includes the fair value for IPS as a standalone business. The Board continues to take appropriate external professional advice from PwC in determining this.

From 31 December 2024, an income-based valuation approach was adopted that follows a discounted cashflow ('DCF') analysis based on business forecasts.

These are adjusted to consider the fair value a hypothetical third-party would apply when viewing the forecasts. An appropriate cost of equity is determined through consideration of comparable entities to build a discount rate and applied to the discrete forecast period and projected free cashflows in estimating the terminal value. PwC provided a valuation range from which the Board selected a value.

As a cross check, the implied multiple was calculated by dividing the DCF IPS valuation by the Trailing Twelve Months EBITDA deriving a multiple of 10.8x. This compares to the 10.7x multiple at 31 December 2025. EBITDA is reached by taking the maintainable return, including profit before interest and tax and adding back the depreciation charge for property, plant and equipment and right-of-use assets and amortisation of intangible assets.

It is hoped that our continued initiatives to achieve growth in the IPS business will result in a corresponding increase in valuation over time. As stated in the half yearly management report, Management aim to achieve mid to high single digit growth in 2026. The total valuation (excluding surplus net assets) of the business has increased by £136m/173% since the first valuation of the business at 31 December 2015.

In order to assist investors, the Company restated its historical NAV in 2015 to include the fair value of IPS for the last ten years. This information is provided in the Annual Report within the 10-year record.

Long-term borrowings

The methodology of fair valuing all long-term unquoted borrowings is to benchmark the Group debt against A rated UK corporate bond yields.

Calculation of net asset value ('NAV') per share continued

Calculation of NAV per share

The table below shows how the NAV at fair value is calculated. The value of net assets already included within the NAV per the Group statement of financial position that relates to the IPS business have been removed (£28.8m) and substituted with the calculation of the fair value and surplus net assets of the business (£208.1m). An adjustment of £11.9m is made to reflect the first interim dividend unpaid to shareholders at the period end and included in the reported NAV. A further adjustment of £51.1m is then made to show the Group's debt at fair value, rather than the amortised cost that is included in the NAV per the Group statement of financial position. This calculation shows a NAV fair value for the Group as at 30 June 2026 of £1,577.6m or 1,183.86 pence per share.

	30 June 2026		31 December 2025	
	£000	**Pence per share**	£000	Pence per share
Net asset value ('NAV') per Group statement of financial position	**1,330,283**	**998.29**	1,202,075	902.58
Fair valuation of IPS	**214,078**	**160.65**	208,665	156.68
IPS net assets attributable to IPS valuation	**22,810**	**17.12**	24,378	18.30
Fair value of IPS business	**236,888**	**177.77**	233,043	174.98
Removal of IPS net assets included in Group net assets	**(28,821)**	**(21.63)**	(30,517)	(22.91)
Fair value uplift for IPS business	**208,067**	**156.14**	202,526	152.07
Debt fair value adjustment	**51,100**	**38.35**	46,972	35.27
1st Interim Dividend, announced but unpaid to shareholders	**(11,885)**	**(8.92)**	(11,216)	(8.42)
NAV at fair value	**1,577,565**	**1,183.86**	1,440,357	1,081.49
NAV attributable to IPS	**236,888**	**15%**	233,041	16%

See commentary for the breakdown of the assets already included in the NAV per the financial statements.

The Financial Statements NAV at fair value calculated above differs to the published NAV at fair value for 30 June 2026 (half year NAV released by RNS on 1 July 2026). As such, please see below for a reconciliation:

	£000	Pence per share
Reconciliation of published NAV to results NAV:		
NAV cum income with debt at FV – published	1,575,476	1,182.30
Reconciliation of shareholders' funds to net assets:		
Published NAV	(1,321,855)	(991.97)
Annual Report NAV	1,330,283	998.29
Revised IPS valuation uplift:		
Published NAV (valuation per 31 December 2025)	(202,525)	(151.98)
Annual Report NAV	208,067	156.14
Revised Fair Value of Debentures:		
Published NAV	(51,096)	(38.35)
Annual Report NAV	51,100	38.35
1st Interim Dividend, announced but unpaid to shareholders	(11,885)	(8.92)
Total NAV at fair value per Half Year Report	**1,577,565**	**1,183.86**

Group Income Statement

for the six months ended 30 June 2026 (unaudited)

	30 June 2026			30 June 2025		
	Revenue £000	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000
UK dividends	**23,739**	**–**	**23,739**	20,197	–	20,197
UK special dividends	**–**	**–**	**–**	457	–	457
Overseas dividends	**1,698**	**–**	**1,698**	1,796	–	1,796
Total Dividend income	**25,437**	**–**	**25,437**	22,450	–	22,450
Interest income	**1,032**	**–**	**1,032**	603	–	603
Independent professional service fees	**33,693**	**–**	**33,693**	32,508	–	32,508
Other Income	**1,372**	**–**	**1,372**	501	–	501
Total income	**61,534**	**–**	**61,534**	56,062	–	56,062
Net gain on investments held at fair value through P&L	**–**	**127,726**	**127,726**	–	132,405	132,405
Total income and capital gains	**61,534**	**127,726**	**189,260**	56,062	132,405	188,467
Cost of sales	**(4,033)**	**–**	**(4,088)**	(4,366)	–	(4,366)
Administrative expenses	**(24,553)**	**(2,509)**	**(27,063)**	(22,944)	(1,625)	(24,569)
Operating profit	**32,948**	**125,217**	**158,165**	28,752	130,780	159,532
Interest payable	**(1,259)**	**(3,603)**	**(4,862)**	(921)	(2,454)	(3,375)
Profit before taxation	**31,689**	**121,614**	**153,303**	27,831	128,326	156,157
Taxation	**(997)**	**–**	**(997)**	(1,151)	–	(1,151)
Profit for the period	**30,692**	**121,614**	**152,306**	26,680	128,326	155,006
Return per ordinary share (pence)	**23.04**	**91.29**	**114.33**	20.15	96.91	117.06
Diluted return per ordinary share (pence)	**23.03**	**91.26**	**114.30**	20.14	96.88	117.02

† IPS fees are presented gross.

Group Statement of Comprehensive Income

for the six months ended 30 June 2026 (unaudited)

	30 June 2026			30 June 2025		
	Revenue £000	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000
Profit for the period	**30,692**	**121,614**	**152,306**	26,680	128,326	155,006
Foreign exchange gain/(loss) on translation of foreign operations	**326**	**63**	**389**	(349)	(85)	(434)
Pension actuarial gain	**905**	**–**	**905**	1,542	–	1,542
Taxation	**(283)**	**–**	**(283)**	–	–	–
Total comprehensive income for the period	**31,640**	**121,677**	**153,317**	27,873	128,241	156,114

Group Statement of Financial Position

as at 30 June 2026 (unaudited)

Non-current assets	**Unaudited 30 June 2026 £000**	Unaudited 30 June 2025 £000	Audited 31 December 2025 £000
Goodwill	**1,948**	1,929	1,937
Property, plant and equipment	**1,182**	1,641	1,480
Right-of-use assets	**2,890**	3,664	3,233
Other intangible assets	**1,636**	2,226	1,831
Investments held at fair value through profit or loss	**1,475,924**	1,207,371	1,357,645
Retirement benefit asset	**13,665**	12,223	12,531
Total non-current assets	**1,497,245**	1,229,054	1,378,657
Current assets			
Trade and other receivables	**31,731**	19,735	14,647
Contract assets	**7,980**	5,339	7,239
Corporation tax receivable	**986**	–	1,263
Cash and cash equivalents	**38,647**	1,936	43,775
Total current assets	**79,344**	27,010	66,924
Total assets	**1,576,589**	1,256,064	1,445,581
Current liabilities			
Trade and other payables	**11,665**	7,683	9,786
Lease liability	**992**	1,018	708
Other taxation including social security	**1,686**	1,872	1,815
Contract liabilities	**9,076**	9,920	7,696
Total current liabilities	**23,419**	**20,493**	20,005
Non-current liabilities and deferred income			
Long term borrowings	**213,922**	163,896	213,918
Contract liabilities	**3,481**	1,866	3,481
Deferred tax liability	**2,682**	1,418	2,572
Lease Liability	**2,802**	3,681	3,530
Total non-current liabilities	**222,887**	170,861	223,501
Total net assets	**1,330,283**	1,064,710	1,202,075
Equity			
Called up share capital	**6,696**	6,694	6,696
Share premium	**11,144**	131,023	11,144
Special Reserve (Non-Distributable)	**160**	–	160
Own shares	**(5,770)**	(5,156)	(5,770)
Capital redemption	**8**	8	8
Translation reserve	**7,197**	7,197	7,197
Capital reserves	**1,119,639**	871,058	997,962
Retained earnings	**191,209**	53,886	184,678
Total equity	**1,330,283**	1,064,710	1,202,075
Total equity pence per share†	**998.29**	795.24	902.58

† *Please refer to page 23 for calculation of total equity pence per share.*

FINANCIAL STATEMENTS

Group Statement of Cash Flows

for the six months ended 30 June 2026 (unaudited)

	Unaudited 30 June 2026 £000	Unaudited 30 June 2025 £000	Audited 31 December 2025 £000
Cash flows from operating activities	**(8,948)**	7,026	16,937
Cash dividends received	**23,312**	20,717	39,568
Interest received	**1,032**	321	647
Taxation paid	**(434)**	(3,376)	(5,332)
Cash generated from operating activities	**14,962**	24,688	51,820
Investing activities			
Acquisition of property, plant and equipment	**–**	(2)	(155)
Expenditure on intangible assets	**–**	(56)	(337)
Purchase of investments (less cost of acquisition)	**(153,985)**	(104,978)	(185,522)
Sale of investments	**164,637**	69,950	132,566
Cash flow from investing activities	**10,652**	(35,086)	(53,448)
Financing activities			
Interest paid	**(4,862)**	(3,270)	(7,131)
Dividends paid	**(25,109)**	(34,415)	(45,630)
Payment of lease liabilities	**(594)**	(590)	(1,256)
Proceeds from issuance of share capital	**–**	11,642	11,643
Purchase of own shares	**–**	–	(614)
Proceeds from new loans	–	–	50,000
Net cash flow from financing activities	**(30,565)**	(26,633)	7,012
Net (decrease)/increase in cash and cash equivalents	**(4,951)**	(37,030)	5,384
Cash and cash equivalents at beginning of period	**43,775**	38,354	38,354
Foreign exchange losses on cash and cash equivalents	**(177)**	613	37
Cash and cash equivalents at end of period	**38,647**	1,936	43,775

Group Statement of Changes in Equity

as at 30 June 2026 (unaudited)

	Share capital £000	Share premium £000	Special Reserve (Not Distributable) £000	Own shares £000	Capital redemption £000	Translation reserve £000	Capital reserves £000	Retained earnings £000	Total £000
Balance as at 1 January 2026	6,696	11,144	160	(5,770)	8	7,197	997,962	184,678	1,202,075
Profit for the period	–	–	–	–	–	–	121,614	30,692	152,306
Foreign exchange & other	–	–	–	–	–	–	63	326	389
Pension actuarial gains	–	–	–	–	–	–	–	905	905
Taxation (Pension actuarial gains)	–	–	–	–	–	–	–	(283)	(283)
Total comprehensive profit for the period	–	–	–	–	–	–	121,677	31,640	153,317
Issue of shares	–	–	–	–	–	–	–	–	–
Dividends relating to 2025	–	–	–	–	–	–	–	(25,109)	(25,109)
Total equity at 30 June 2026	6,696	11,144	160	(5,770)	8	7,197	1,119,639	191,209	1,330,283

Group Segmental Analysis

	Investment Portfolio			Independent Professional Services			Total		
	30 June 2026 £000	30 June 2025 £000	31 Dec 2025 £000	**30 June 2026 £000**	30 June 2025 £000	31 Dec 2025 £000	**30 June 2026 £000**	30 June 2025 £000	31 Dec 2025 £000
Revenue									
Dividend income	**25,437**	22,450	40,284	**–**	–	–	**25,437**	22,450	40,284
IPS revenue									
Corporate Services	**–**	–	–	**14,956**	14,791	30,968	**14,956**	14,791	30,968
Corporate Trust	**–**	–	–	**9,849**	9,144	18,984	**9,849**	9,144	18,984
Pensions	**–**	–	–	**8,888**	8,573	16,747	**8,888**	8,573	16,747
Segment income	**25,437**	22,450	40,284	**33,693**	32,508	66,699	**59,130**	54,958	106,983
Other income	**1,372**	501	2,752	**–**	–	–	**1,372**	501	2,752
Cost of sales	**(275)**	(100)	(549)	**(3,758)**	(4,266)	(9,020)	**(4,033)**	(4,366)	(9,569)
Administration costs	**(3,076)**	(2,500)	(6,245)	**(21,477)**	(20,444)	(41,020)	**(24,553)**	(22,944)	(47,265)
Return before interest and tax	**23,458**	20,351	36,242	**8,458**	7,798	16,659	**31,916**	28,149	52,901
Interest (payable), net	**(828)**	(767)	(2,088)	**601**	449	1,045	**(227)**	(318)	(1,043)
Profit before tax	**22,630**	19,584	34,154	**9,059**	8,247	17,704	**31,689**	27,831	51,858
Taxation	**–**	–	–	**(997)**	(1,151)	(2,399)	**(997)**	(1,151)	(2,399)
Profit for the period	**22,630**	19,584	34,154	**8,062**	7,096	15,305	**30,692**	26,680	49,459
Return per ordinary share (pence)	**16.99**	14.79	25.73	**6.05**	5.36	11.53	**23.04**	20.15	37.26
Assets	**1,513,051**	1,197,597	1,388,000	**63,538**	58,467	57,581	**1,576,589**	1,256,064	1,445,581
Liabilities	**(211,589)**	(166,131)	(216,442)	**(34,717)**	(25,223)	(27,064)	**(246,306)**	(191,354)	(243,506)
Total net assets	**1,301,462**	1,031,466	1,171,558	**28,821**	33,244	30,517	**1,330,283**	1,064,710	1,202,075

The capital element of the consolidated statement of profit or loss is wholly attributable to the investment portfolio.

Principal Risks and Uncertainties

The principal Group risks include investment performance and market risk, cyber, technology and systems risk and IPS concentration risk.

These top risks are explained along with mitigating actions in the Risk Management section of the Annual Report for the year ended 31 December 2025. In the view of the Board these risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the period under review. As part of ongoing risk management to identify new risks and developments, the Board continues to review and assess risks, uncertainties and impacts during the course of the year.

Related Party Transactions

There have been no related party transactions during the period which have materially affected the financial position or performance of the Group. During the period, transactions between the Corporation and its subsidiaries have been eliminated on consolidation. Details of related party transactions are given in the notes to the annual accounts for the year ended 31 December 2025.

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

- the condensed set of financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK and gives a true and fair view of the assets, liabilities, financial position and profit of the Group as required by DTR 4.2.4R;
- the half yearly report includes a fair review of the information required by:
  (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period.

On behalf of the Board

Robert Hingley

Chairman
23 July 2026

Past performance is not a guide to future performance. The value of an investment and any income from it is not guaranteed and may go down as well as up and investors may not get back the amount invested.

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation

The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standards ('IASs') in conformity with the requirements of the Companies Act 2006 and in accordance with International Financial Reporting Standards ('IFRS') as adopted and endorsed by the UK.

The financial resources available are expected to meet the needs of the Group for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

The Group's accounting policies during the period are the same as in its 2025 annual financial statements, except for those that relate to new standards effective for the first time for periods beginning on (or after) 1 January 2026, and will be adopted in the 2026 annual financial statements.

2. Presentation of financial information

The financial information presented herein does not amount to full statutory accounts within the meaning of section 435 of the Companies Act 2006 and has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board. The annual report and financial statements for 2025 have been filed with the Registrar of Companies. The independent auditor's report on the annual report and financial statements for 2025 was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

3. Calculations of NAV and earnings per share

NAV per share is calculated based on 133,255,657 (30 June 25: 133,184,585; 31 December 2025: 133,182,166) shares, being the total number of shares in issue of 133,921,079 (30 June 2025: 133,885,755; 31 December 2025: 133,921,079), less 665,422 (30 June 2025: 701,170; 31 December 2025: 738,913) shares, acquired by the ESOT in the open Market. The net asset value of £1,577,565,000 (30 June 2025: £1,310,044,000; 31 December 2025: £1,440,357,000) comprises the NAV per the balance sheet of £1,330,283,000 (30 June 2025: £1,064,710,000; 31 December 2025: £1,202,075,000) plus the fair value adjustment for the IPS business of £208,067,000 (30 June 2025: £196,705,000; 31 December 2025: £202,525,000) less the fair value adjustment for the debt of £51,100,000 (30 June 2025: £48,629,000; 31 December 2025: £46,972,000) less the first interim dividend unpaid to shareholders of £11,885,000 (30 June 2025: £11,212,000; 31 December 2025: £11,216,000) paid in July 2026.

Income: average shares during the period 133,255,657 (30 June 2025: 132,420,058; 31 December 2025: 132,726,387) being the weighted average number of shares on issue after adjusting for shares held by the ESOT.

4. Listed investments

Listed investments are all traded on active markets and as defined by IFRS 13 are Level 1 financial instruments. As such they are valued at unadjusted quoted bid prices. Unlisted investments are Level 3 financial instruments. They are valued by the Directors using unobservable inputs including the underlying net assets of the instruments.

Notes to the Condensed Consolidated Financial Statements
continued

5. Note to the statement of cash flows

	Unaudited 30 June 2026 £000	Unaudited 30 June 2025 £000	Audited 31 December 2025 £000
Cash flows from operating activities			
Operating profit before interest and taxation	**157,133**	158,929	313,020
Adjust for non-cash flow items:			
(Gains)/losses on investments	**(127,726)**	(132,405)	(262,650)
Movement in amortised cost of borrowings	**–**	28	50
Depreciation of property, plant and equipment	**302**	319	633
Depreciation of right-of-use assets	**410**	447	885
Amortisation of intangible assets	**378**	542	1,107
Unsettled Investment sales and purchases (net)	**(1,211)**	–	–
Decrease/(increase) in receivables	**(17,823)**	52	2,529
(Decrease)/increase in payables	**1,879**	(699)	1,404
(Decrease)/increase in deferred income	**1,380**	924	316
(Decrease)/increase in other taxation payable	**(129)**	(394)	(451)
Normal pension contributions in excess of cost	**(229)**	–	(338)
Dividends received	**(23,312)**	(20,717)	(39,568)
Cash flows from operating activities	**(8,948)**	7,026	16,937

The Board

Robert Hingley N R
Chairman,
Independent Non-Executive Director
Appointed to the Board on 1 October 2017 and appointed Chairman in April 2018.

Denis Jackson
Chief Executive Officer
Appointed to the Board on 1 January 2018.

Trish Houston
Chief Operating Officer
Appointed to the Board on 2 September 2020.

Pars Purewal A R N
Independent Non-Executive Director
Appointed to the Board on 16 December 2021.

Claire Finn R A N
Independent Non-Executive Director
Appointed to the Board on 2 September 2019.

Clare Askem A R N
Senior Independent Director
Appointed to the Board on 10 June 2021.

Maarten Slendebroek A R N
Independent Non-Executive Director
Appointed to the Board on 11 January 2024.

Key
R Remuneration Committee
N Nomination Committee
A Audit and Risk Committee
● Committee Chair

Shareholder Information

Investment trust status

The Company carries on business as an investment trust company as defined in Sections 1158-1159 of the Corporation Tax Act 2010.

Company share information

Information about the Company can be found on its website www.lawdebenture.com. The market price of its ordinary shares is also published daily in the Financial Times.

Registrars

Our registrars, Computershare Investor Services PLC, operate a dedicated telephone service for Law Debenture shareholders – 0370 707 1129. Shareholders can use this number to access holding balances, dividend payment details, share price data, or to request that a form be sent to their registered address.

Share dealing

Computershare Investor Services PLC offers shareholders a share dealing service via the Internet or by post.

Internet dealing: The fee for this service will be 1.4% of the value of each transaction (subject to a minimum of £40).

Website address: www.computershare.com/dealing/uk

Registry Postal Share Dealing Service: The fee for this service will be 1.4% of the value of each transaction (subject to a minimum of £40). Forms can be found at: www.computershare.com/dealing/uk or requested by calling: 0370 703 0084.

The service is available only to those shareholders who hold their shares on the register (i.e. it is not available to those who hold their shares via a nominee).

Shareholders using the Internet Service will need their Shareholder Reference Number ('SRN') and post code to complete their trade. The SRN can be found printed on your proxy card.

Company Advisers and Information

Registered office

8th Floor, 100 Bishopsgate, London, EC2N 4AG

T: 020 7606 5451
F: 020 7606 0643
W: www.lawdebenture.com

(Registered in England – No. 00030397)

Investment managers

After 44 years in financial services, James Henderson, Joint Portfolio Manager of The Law Debenture Corporation p.l.c., has decided to retire from Janus Henderson in June 2027. Going forward, the Portfolio will be managed by Laura Foll, who has been Joint Portfolio Manager of Law Debenture since 2019 and has worked on the account since 2011. Laura has 17 years of financial industry experience, having joined Janus Henderson in 2009. She will continue to be supported by the full resources of Janus Henderson's Global Equity Income team. James will work closely with the team to ensure a smooth transition of responsibilities. There will be no change to the Company's investment objective or strategy.

Laura also manages Lowland Investment Company plc and the Janus Henderson UK Equity Income & Growth Fund.

Alternative Investment Fund Manager

The Law Debenture Corporation p.l.c. Authorised and regulated by the Financial Conduct Authority as an internally managed Alternative Investment Fund. Firm Reference Number: 629081.

Portfolio manager

Janus Henderson Global Investors
201 Bishopsgate, London EC2M 3AE

Auditors

Deloitte LLP
1 New Street Square, London, EC4A 3HQ, United Kingdom

Depositary

NatWest Trustee and Depositary Services Limited
250 Bishopsgate, London EC2M 4AA

Global custodian

HSBC Bank plc (under delegation by the depositary)
8 Canada Square, London E14 5HQ

Registrar

Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol BS99 6ZZ

T: 0370 707 1129

Joint brokers

J.P. Morgan Securities PLC
25 Bank Street, London E14 5JP

Peel Hunt LLP
100 Liverpool Street, London EC2M 2AT

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