Half-year Financial Report

BlackRock Greater Europe Investment Trust plc

LEI: 5493003R8FJ6I76ZUW55

Half Yearly Financial Report for the six months ended 28 February 2026

Performance record

	As at 28 February 2026	As at 31 August 2025	Change %
Net assets (£'000)[1]	587,120	569,079	3.2
Net asset value per ordinary share (pence)	635.95	598.05	6.3
Ordinary share price (pence)	605.00	570.00	6.1
FTSE World Europe ex UK Index[3]	2885.79	2461.90	17.2
Discount to cum income net asset value[2]	4.9%	4.7%	
	==========	==========	
Performance (with dividends reinvested)	**For the six months ended 28 February 2026**	**For the six months ended 28 February 2025**	
Net asset value per share[2]	7.3%	0.1%	
Ordinary share price[2]	7.2%	0.1%	
FTSE World Europe ex UK Index[3]	17.2%	4.6%	
	==========	==========	
Performance since inception[4] (with dividends reinvested)	**For the period since inception to 28 February 2026**	**For the period since inception to 28 February 2025**	
Net asset value per share[2]	804.2%	798.3%	
Ordinary share price[2]	772.2%	748.5%	
FTSE World Europe ex UK Index[3]	629.7%	486.9%	
	==========	==========	
	For the six months ended 28 February 2026	**For the six months ended 28 February 2025**	**Change %**
Revenue			
Net profit/(loss) after taxation (£'000)	1,466	(43)	+3,509.3
Revenue earnings/(loss) per ordinary share (pence)[5]	1.57	(0.04)	+4,025.0
Dividends (pence)			
Interim dividend	1.75	1.75	-
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[1] The change in net assets reflects payments for shares repurchased into treasury, portfolio movements and dividends paid.

[2] Alternative Performance Measures, see Glossary contained within the Half Yearly Financial Report.

[3] Reference index.

[4] 20 September 2004.

[5] Further details are given in the Glossary contained within the Half Yearly Financial Report.

Chairman's Statement

I am pleased to present the Company's Half Yearly Financial Report for the six months to 28 February 2026.

Overview

The Company's Net Asset Value (NAV) significantly underperformed the reference index (the FTSE World Europe ex UK Index) over the six months under review, with an increase of 7.3% compared to a 17.2% increase in the reference index. Over the same period, the Company's share price returned +7.2% (all percentages calculated in Sterling terms with dividends reinvested). This disappointing outcome reflected, in part, a continuation of the underperformance of quality growth stocks and market performance being led by a narrow set of stocks. Stock selection was also a contributing factor. Further detailed commentary is provided in the Managers' report.

As shareholders are aware, the company pursues a long-term investment approach based on investing in companies characterised by quality and enduring growth. Consequently, the background has been difficult for an unusually extended period. Since the Company launched in September 2004, the NAV total return has been 804.2%, ahead of the reference index by 174.5% (an annualised outperformance of 1.1%). However, whilst we can point to good long-term performance, the Board appreciates that not all shareholders have experienced this return.

The Board continues to support the quality growth strategy being pursued by the manager. Having reflected on more recent poor performance, and after discussion with the Board, our Manager has evolved the investment approach to increase focus on company valuations, whilst continuing to have a bias towards quality companies with good long-term growth potential. The Board believes this more nuanced approach is in the best interests of shareholders and that, overall, it should help to dampen portfolio volatility. To assist in this implementation, Brian Hall joined as co-portfolio manager on 4 November 2025. He is an experienced investor with a quality value focus and brings a deep knowledge of European markets through multiple investment cycles. The Board also believes the appointment of Benjamin Moore on 31 March 2026 will be conducive in this evolution (further detail is provided in the Change in Portfolio Manager section immediately below). The resulting changes to the portfolio have been implemented carefully over the past six months.

Since the period end to 18 May 2026, the Company's NAV has decreased by 5.8% compared with a fall in the FTSE World Europe ex UK Index of 2.9% over the same period.

Change in Portfolio Manager

It was with sadness that the Board announced on 31 March 2026 that Stefan Gries, Portfolio Manager, would retire from the industry to focus on treatment and recovery following personal health issues. Having served as portfolio manager for the Company since 20 June 2017, Stefan has worked tirelessly to deliver excellent long-term returns for shareholders during his tenure. The Board thanks Stefan for his contribution and wishes him well for the future and his recovery.

Benjamin Moore, a Managing Director within BlackRock's European Fundamental Equity team, has taken over Stefan's role as portfolio manager and brings 11 years of experience at Columbia Threadneedle, including six years as Lead Portfolio Manager for the CT European Select Fund. He began his career in equity research at Goldman Sachs covering European mid-cap companies. Benjamin acts as Lead Portfolio Manager for the Company, supported by Brian Hall who remains co-manager on the portfolio. They will both continue to be supported by the 22-strong BlackRock European Fundamental Equity team.

Benjamin has a strong track record built on a quality growth style, similar to that employed by the Company, seeking quality companies which can grow over the long term, while sustaining attractive economics thanks to robust competitive advantages. Benjamin's investment approach is expected to bring an increased valuation awareness, as well as appreciation of businesses or industries where returns are improving – thanks to factors such as operational transformation, improved capital allocation or market consolidation. This broadens the investable universe, allowing for more valuation discipline while maintaining a strong focus on quality. The Board supports this approach and believe it aligns well with the goal of dampening fund volatility and enhancing returns for our shareholders over time.

Revenue earnings and dividends

The Company's revenue return per share for the six-month period ended 28 February 2026 amounted to a profit of 1.57p compared with a loss of 0.04p for the corresponding period in 2025. The increase was the result of special dividends received in the period, changes to portfolio positioning and timing of portfolio company dividend payments. The Board has taken this into account in considering the interim dividend payment level.

The Board has declared an interim dividend of 1.75p (2025: 1.75p) per share. The dividend will be paid on 24 June 2026 to shareholders on the Company's register on 29 May 2026, the ex-dividend date being 28 May 2026.

The Company has consistently grown its regular dividends in all the 20 financial periods since its inception on 20 September 2004, making the Company an AIC Dividend Hero and therefore considered a strong and reliable option for investors focused on income and, in particular, income growth.

Management of share rating

The Board monitors the discount to NAV closely and receives regular updates from the Manager and our corporate broker, Cavendish Securities. In the Board's opinion, it is important to consider the discount in the context of wider market conditions, with investor sentiment and discounts being influenced by various external factors. Over the period, these have included a continuation of the pervasive selling in the investment trust sector witnessed since early 2022, ongoing geopolitical tensions, US politics and trade war fears and more recently the conflict in the Middle East and disruption to the Strait of Hormuz. Over the six-month period, the Board were therefore proactive in implementing share buybacks with the objective of ensuring that an excessive discount to NAV did not arise.

As part of this approach, the Company repurchased 2,834,395 shares (representing 3.1% of the issued share capital as 28 February 2026) for a total consideration of £16,662,000 over the six months under review. Since 28 February 2026 and up to the latest practicable date of 18 May 2026 a further 1,105,338 shares have been bought back for a total consideration of £6,157,000. As at this date, the Company's shares were trading at a discount of 7.0%.

All shares were bought back at a discount to the prevailing NAV and the buy backs were therefore accretive to existing shareholders. All shares bought back have been placed in treasury for future reissue.

Tender offers

The Directors of the Company have the discretion to make semi-annual tender offers at the prevailing NAV less 2%, for up to 20% of the issued share capital in May and November of each year. The Board announced on 22 September 2025 that it had decided not to proceed with a tender offer in November 2025 and on 8 April 2026 that the tender offer in May 2026 would also not be implemented. Despite a challenging period for discounts, the Board is pleased to note that the Company's share rating has been relatively stable versus the market, trading at an average of 5.1% compared to a peer group average of 4.7% over the period under review. When viewed in the context of other funds in the peer group with a similar quality growth oriented style (where the average discount trended above 7% over the period) the Company's discount compares favourably.

With this in mind and noting that the Company's discount was trading at 6.3% on 7 April 2026 and the average discount to NAV (cum income) was 5.3% over the six months to 31 March 2026, the Board concluded that it was not in the interests of shareholders as a whole to implement the May 2026 semi-annual tender offer.

The Board believes that the share buyback activity undertaken in the period has been beneficial in reducing the volatility of our share rating and maintaining the discount within the peer group range. It will continue to monitor the Company's discount and may use the Company's share buyback powers to ensure that the share price does not go to an excessive discount to the underlying NAV. The Board remains committed to supporting the share price to a narrow discount or premium to its NAV.

Board composition

Having served as a Director of the Company since April 2015 Mr Peter Baxter will retire as a Director following the Company's next Annual General Meeting in December 2026. As part of orderly succession planning, the Board has commenced a search to identify a new Director, assisted by a third-party recruitment firm. As part of this process, consideration is being given to ensuring that the Board retains an appropriate balance of skills, knowledge and experience, independence and diversity that meets or exceeds relevant best practice. The process is underway and a further announcement will be made in due course.

Outlook

The outlook for European equity markets has become more cautious following the outbreak of conflict in the Middle East and the associated rise in energy prices. Europe entered 2026 with strong momentum, supported by attractive valuations and expectations of resilient growth. This contributed to improving investor sentiment as investors sought to diversify away from the narrow range of US stocks. However, supply chain disruptions, higher energy prices and persistent inflation have now become the dominant near-term concern.

Higher energy prices present a challenge for Europe, given its dependence on imported energy. This has increased the risk that inflation remains above target for longer and has led investors to expect greater uncertainty over the direction of monetary policy. While recession fears currently remain contained, expectations for stronger economic growth have weakened, though valuations, which in many cases remain close to or below long-term averages, continue to provide some support.

Near-term volatility is likely to persist, with market direction depending on the duration of the Middle East conflict, the path of energy prices and central bank policy. Nevertheless, European equity markets continue to offer opportunities, particularly among companies exposed to long-term drivers of growth, with pricing power, strong cash generation and resilient balance sheets.

Andrew Impey
Chairman
20 May 2026

Investment Manager's Report

Market review

The Company's share price rose 7.2% and underlying NAV rose 7.3% over the six months to 28 February 2026. By way of comparison, the FTSE World Europe ex UK Index returned 17.2% during the same period (all performance returns in Sterling terms with dividends reinvested).

Over the past six months, NAV performance has lagged the strongly rising market and we are disappointed with the relative performance of the portfolio over the period. While European equities moved higher overall, beneath the surface we have experienced a difficult environment for higher-quality companies. Stocks with stronger returns on invested capital, healthier balance sheets, higher margins and stronger cash flow profiles – businesses we have often preferred in the portfolio and which have been long-term strong performers in European markets – have generally seen significant declines in valuation, in some cases creating a marked disconnect between company earnings and share price performance. By contrast, lower-quality stocks have seen valuations rise.

This valuation re-rating – where investors have been willing to pay higher valuations for lower-quality businesses – may be expected during periods of strong economic growth, rising inflation or higher bond yields. Instead, it has occurred against a relatively stable economic backdrop. We have witnessed significant swings within the market without any clear change in the economic cycle. In some cases, share price movements have become disconnected from company fundamentals and have instead been driven by broader market trends, creating challenging conditions for active managers. Even so, we are disappointed with the portfolio's relative performance over the period. In response, we have made selective adjustments to the portfolio and continue to identify attractive investment opportunities despite the uncertain external backdrop. The portfolio remains positioned in line with these opportunities and evolving market conditions.

We see two primary drivers dictating the market dynamics over the past six months. The first has been concerns about the long-term outlook for certain business models as Artificial Intelligence (AI) advances. This became the dominant market theme during the period, leading to stark winners and losers in share price performance. Companies linked to semiconductors, power and data-centre infrastructure performed strongly as perceived AI beneficiaries, while software and information services companies weakened on fears of disruption. As these concerns intensified, investors rotated into what became known as the "HALO" trade (Heavy Asset, Low Obsolescence) – favouring businesses seen as less vulnerable to technological disruption, such as utilities, infrastructure and industrial companies with significant physical assets.

Secondly, open-ended funds investing in quality global companies have experienced sustained investor outflows (>US$150 billion since the 2020 growth peak). This has put additional pressure on share prices, as lower demand from investors has contributed to falling valuations for many higher-quality companies. In turn, this has created a difficult cycle of weaker performance leading to further investor outflows. The chart below shows that global quality/growth investment strategies have faced both weaker performance and significant investor withdrawals in recent years. As returns have fallen, investors have continued to pull money out of these strategies, creating additional pressure on share prices and valuations.

Despite a strong rally in European equity markets, company results over the period showed only modest earnings growth, with banks making the largest contribution. Earnings growth in Europe continued to lag the US by a considerable margin, meaning that higher valuations – rather than stronger company profits – were the main driver of Europe's relative market outperformance versus the US. Geopolitical risks added further uncertainty during the period, with oil prices rising significantly following the conflict involving Iran. We remain closely engaged with the companies in the portfolio and mindful of the potential impact that prolonged geopolitical tensions, or disruption to oil supplies, could have on businesses and markets.

Portfolio performance – contributors and detractors:

In a market with little tolerance for disappointing updates, share prices came under pressure as a result of disappointing company guidance. Companies that failed to meet investor expectations, or provide enough reassurance about future performance, often saw sharp share price declines. This was a common theme among several weaker contributors to performance during the period, including Adyen, Belimo, ChemoMetec and Ferrari.

Adyen was the largest individual detractor from performance during the period, as the market reacted negatively to changes in its guidance for 2026. The company reduced its expected net revenue growth range from the low to mid-20% range in October to 20–22% in February. We believe Adyen has struggled to manage investor expectations during periods of market volatility and, in a market highly sensitive to any disappointment, this led to a sharp share price reaction. Communication from management also became less clear, making the investment case more difficult to assess and reducing our confidence in the company's execution. As a result, we exited the position.

Despite reporting very strong results, including 23% organic sales growth in 2025 and a 36% return on capital employed, **Belimo's** share price fell over the period. The market reacted negatively to the company's 2026 guidance, although expectations for mid-teens revenue growth and margins above 20% were broadly in line with market forecasts. We are familiar with Belimo management taking a conservative approach to guidance before later upgrading expectations and we remain confident in the company's long-term execution. As a result, we used the share price weakness as an opportunity to add to the position.

The portfolio's position in **ChemoMetec** detracted from performance following weak results. These were partly caused by the US government shutdown, which delayed activity at certain laboratories and research institutions, slowing customer purchasing and validation processes. Results also reflected a previously identified slowdown in instrument sales, as customers take time to validate new products before broader adoption. Over the longer term, however, a new agreement with Roche appears to represent a significant growth opportunity, which we believe is not yet fully reflected in the company's valuation. In addition, industry consolidation from three major players to two should support stronger growth over the next five years.

Ferrari's share price fell following a disappointing capital markets day. The company's outlook was weaker than expected and, although management has historically taken a conservative approach to guidance, it raised questions about Ferrari's longer-term growth potential. In recent years, growth has been supported by strong demand for personalised vehicle features, which has improved pricing and profitability, but this trend is expected to moderate. More cautious communication from management led us to reassess the company's valuation and, ultimately, we exited the position during the period.

RELX, **Nemetschek** and **SAP** were all caught up in the 'AI-loser' narrative, despite generally reporting strong financial results. An outlier was SAP, where growth in its cloud backlog disappointed against elevated market expectations following optimistic comments from management in December. This has since been attributed to some more complex deals being delayed to 2026.

We continue to believe that the unique data bases these companies hold make the barriers to AI disruption high. However, we must be pragmatic and recognise the uncertainty that comes with rapid technological change. For example, AI may eventually be able to replicate some of the services that companies currently provide alongside their data and software offerings. We are on high alert to any impacts this may have on business performance, although we have not yet seen evidence of this.

Equally, companies have so far been unable to fully reassure investors that they are protected from potential AI disruption. As a result, market concerns and share price volatility have remained elevated. We have therefore reduced exposure to these holdings – trimming positions in RELX and SAP and exiting Nemetschek – as, despite our positive long-term view on the businesses, we currently see limited catalysts to change broader market sentiment.

BE Semiconductor was one of the strongest contributors to performance, as semiconductor companies benefited from rising demand linked to AI investment. Customers are increasing production capacity to support growing AI needs, which has tightened supply in parts of the semiconductor market and supported demand for equipment manufacturers. A positive trading update from BE Semiconductor showed very strong order growth, with orders rising 43% quarter-on-quarter and 105% year-on-year. Sentiment across the sector also improved after **ASML** reported record quarterly bookings of €13.2 billion in the fourth quarter of 2025, well ahead of market expectations of €6.95 billion. We increased the portfolio's holding in ASML over the period, as we believe the semiconductor industry is entering a new growth cycle with potential for earnings to exceed current expectations.

Not holding **Novo Nordisk** benefited relative performance after results from its latest Cagrisema obesity drug trial disappointed the market. The trial, which compared the treatment directly against Eli Lilly's Zepbound, failed to show superior results. This has raised questions over the market's long-term sales expectations for the drug, while plans for further trials at higher doses still leave considerable uncertainty.

European banks in the portfolio, including **Allied Irish Banks (AIB)** and **Caixabank**, generated strong returns with momentum in the sector continuing. Results showed healthy growth in net interest income, underpinned by stronger deposit and loan growth, which has improved visibility of future earnings while excess capital is being returned to shareholders. Despite strong recent performance, valuations remain attractive. We see the next phase of returns driven by earnings growth and improved profitability, supported by balance sheet growth and underappreciated cost cut potential, while continuing to deliver attractive yields.

European defence companies underperformed the market towards the end of 2025, although this reversed in 2026 as geopolitical tensions rose. The portfolio's position in **Kongsberg Gruppen** contributed positively to returns over the period. While geopolitical developments can create short-term volatility in defence stocks, we remain focused on the long-term investment case for the sector, which is based on Europe's need to increase defence spending and strengthen military capabilities over time, rather than on any single current conflict.

Outlook

We ended the semi-annual period with a cautiously optimistic outlook for European equities. The broader economic backdrop remained relatively stable, while domestic conditions in countries such as Germany, Spain and France were showing signs of improvement. In our view, this created a resilient backdrop at the company level that could eventually shift market focus back towards business fundamentals and lead to broader market participation, rather than the narrow group of stocks that has driven performance recently. This view, however, has been put on pause as the outbreak of the conflict in the Middle East has significantly increased the range of possible geopolitical outcomes. At the time of writing, the situation remains fluid. Although markets have recovered somewhat from the sell-off seen in March, conditions continue to evolve rapidly depending on developments and the prospects for a resolution.

Even so, our bottom-up company analysis continues to identify attractive opportunities within European markets and we have adjusted the portfolio accordingly. The rapid adoption of AI is benefitting not only semiconductor companies, but also those necessary in rolling out data centres at such a high rate. The large-scale investment required for AI infrastructure is supporting demand for companies supplying data-centre equipment and power grid infrastructure, as growing AI usage increases electricity demand.

With the consumer remaining under pressure and key brands facing pricing challenges, we believe it is important to look beyond traditional consumer defensive sectors for resilient earnings. Instead, we have favoured Industrials supplying critical services, with recurring income often through aftermarket and maintenance programmes. This includes the civil aerospace industry where, irrespective of higher jet fuel prices and near-term air traffic, the long-term requirement for servicing as engines age means maintenance trends will ramp up into outer years and profits are yet to be recognised.

Since the appointment of Benjamin Moore as lead portfolio manager on 31 March 2026, further changes have been made to the portfolio. We have continued to reduce positions where AI disruption remains an overhang, in favour of holdings we see to be beneficiaries of AI adoption, such as wafer fabrication equipment companies, for example ASMi. Further, we have sought diversification by broadening Industrial exposure, particularly across aerospace & defence, such as Airbus and data centre exposure through Siemens Energy and Legrand, as well as increasing our exposure to the defensive industrial gases segment, via L'Air Liquide. As noted above, we continue to see opportunities in financials, especially in European banks. New positions have been funded by reducing exposure to luxury goods companies where persistently muted demand in China, coupled with intensifying local competition leaves little margin of safety in valuations.

Benjamin Moore and Brian Hall
BlackRock Investment Management (UK) Limited
20 May 2026

Ten largest investments

Together, the Company's ten largest investments represented 44.7% of the Company's portfolio as at 28 February 2026 (31 August 2025: 49.1%)

1 ASML (2025: 22nd)
Technology company
Market value: £37,603,000
Share of investments: 6.2%
ASML is a Dutch semiconductor equipment manufacturer and the sole supplier of extreme ultraviolet lithography systems used in advanced chip production. The company is a key beneficiary of structurally rising semiconductor complexity, with demand increasingly supported by a strengthening memory cycle alongside continued investment from leading foundry customers. As industry conditions have improved, order momentum and backlog visibility have strengthened, leaving the company well positioned to deliver sustained long-term growth underpinned by its unique technology and critical role in global semiconductor manufacturing.

2 Safran (2025: 1st)
Industrials company
Market value: £35,130,000
Share of investments: 5.7%
Safran is a French multinational supplier of systems and equipment for aerospace, defence and security. Operating in an oligopolistic market, this industry has emerged from a heavy investment period in new planes and engines and we see Safran as well placed to benefit from continued strength in its best-in-class after-market business, as well as strong execution in its LEAP engine program which should drive growth for the next decade. Additionally, the company stands to gain from rising defence spending across Europe.

3 Schneider Electric (2025: 5th)
Industrials company
Market value: £30,165,000
Share of investments: 4.9%
Schneider Electric is a French multinational company specialising in digital automation and energy management across various industries globally. The company is a key beneficiary of structural investment in energy transition solutions, with demand driven by three major trends: energy efficiency, automation and digitisation. We expect sustained growth in its core markets, supported by government programs promoting green initiatives and strong demand from data centres, particularly as AI infrastructure expands. Schneider Electric is a well-managed business offering compounding growth and attractive returns on capital.

4 Compagnie Financière Richemont (2025: 9th)
Consumer Discretionary company
Market value: £28,373,000
Share of investments: 4.6%
Compagnie Financière Richemont (Richemont) is a Swiss luxury goods company best known for its high-end jewellery and watch brands, including Cartier and Van Cleef. It is well-positioned in the luxury segment with lower exposure to China than peers and strong momentum in the hard-luxury category. Long-term growth drivers for branded jewellery remain compelling and Richemont's premier brands enable it to fully capture this opportunity.

5 BE Semiconductor (2025: 17th)
Technology company
Market value: £25,839,000
Share of investments: 4.2%
BE Semiconductor is a Netherlands-based supplier of advanced semiconductor assembly equipment, with a leading position in hybrid bonding technology. The company is a key beneficiary of increasing chip complexity, with demand supported by strong momentum in photonics, advanced packaging and smartphone applications, alongside the potential adoption of hybrid bonding in high-bandwidth memory and leading-edge logic. As customer investment decisions progress, the company is well positioned to benefit from structurally rising packing intensity and a widening opportunity set over the medium term.

6 Kone (2025: 16th)
Industrials company

Market value: £24,446,000

Share of investments: 4.0%

Kone is a Finnish provider of elevators, escalators and related services, with a growing focus on its higher-margin service and modernisation activities. Order momentum remains strong, with growth supported by improving trends across maintenance and modernisation, while operational execution continues to underpin stable margins. The company is well positioned to benefit from resilient urbanisation demand and a gradually improving end-market backdrop, supported by its global installed base and service franchise.

7 Belimo (2025: 4th)

Industrials company

Market value: £24,110,000

Share of investments: 3.9%

Belimo is a Swiss specialist in heating, ventilation and air conditioning (HVAC) solutions. Their leading technology focuses on reducing the energy consumption and carbon emission of commercial buildings, such as data centres where there is strong growth from the demand for cooling systems for NVIDIA’s Blackwell chips. Belimo’s technological niches mean the company is well positioned to continue outpacing the wider HVAC industry and benefit from hyperscalers continuing to increase spending on AI projects.

8 MTU Aero Engines (2025: 15th)

Industrials company

Market value: £23,269,000

Share of investments: 3.8%

MTU Aero Engines is a German aircraft engine manufacturer specialising in the development, production and maintenance of civil and military aero engines. The company is well positioned to benefit from structurally strong civil aerospace demand and an expanding installed base, which supports a growing, high-value aftermarket opportunity through maintenance and shop visits. Continued programme execution and improving cash conversion over time underpin the investment case, alongside exposure to long-duration growth in next-generation engine platforms.

9 Lonza Group (2025: 10th)

Health Care company

Market value: £23,152,000

Share of investments: 3.8%

Lonza Group (Lonza) is a Swiss life-sciences company. Lonza has established itself as one of the leading manufacturers of high-end biological drugs as well as cell and gene therapy. Its competitive edge lies in the complexity of its production processes, which few peers can match, reinforced by high barriers to entry such as stringent US Food and Drug Administration certification requirements. These factors underpin the company’s strong market position and long-term growth potential.

10 KBC Groep (2025: 7th)

Financials company

Market value: £21,687,000

Share of investments: 3.6%

KBC Groep (KBC) is a Belgian universal multi-channel bank-insurer, focusing on private clients and small and medium-sized enterprises. KBC is a quality bank which changed its focus following the Global Financial Crisis, building resilience through conservative capital positions. KBC delivers above cost of capital returns in its developed markets, while its Central and Eastern Europe exposure provides additional growth at higher returns. Strong capital discipline and cost control underpin profitability, while net interest income remains robust.

All percentages reflect the value of the holding as a percentage of total investments.

Portfolio analysis

as at 28 February 2026

All numbers in percentages.	France	Switzerland	Ireland	Germany	Sweden	Netherlands	Denmark	Belgium	Spain	Italy	Central Eastern Europe & Other*	Portfolio 28.02.26	Portfolio 31.08.25	FTSE World Europe ex UK 28.02.26
Basic Materials	–	–	–	–	–	–	–	–	–	–	3.1	**3.1**	**6.1**	**3.7**
Consumer Discretionary	6.1	4.6	–	–	–	–	–	–	2.8	–	13.5	**13.5**	**14.7**	**8.8**
Consumer Staples	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**6.2**
Energy	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**4.4**
Financials	–	–	3.4	–	–	2.8	–	3.6	2.7	2.7	–	**17.2**	**12.9**	**23.9**
Health Care	–	4.5	–	–	–	–	2.0	–	–	–	–	**6.5**	**7.7**	**13.1**
Industrials	17.2	3.9	3.1	3.8	3.1	2.1	–	–	–	–	–	**40.1**	**38.9**	**20.8**
Technology	–	0.5	–	2.6	–	10.4	–	–	–	–	–	**16.2**	**19.3**	**9.6**
Real Estate	–	–	–	–	–	–	–	–	–	–	–	**–**	**0.4**	**1.1**
Utilities	3.4	–	–	–	–	–	–	–	–	–	–	**3.4**	**–**	**4.9**
Telecommunications	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**3.5**
Portfolio 28.02.26	**26.7**	**13.5**	**6.5**	**6.4**	**3.1**	**15.3**	**2.0**	**3.6**	**5.5**	**2.7**	**–**	**100.0**	**–**	**–**

Portfolio 31.08.25	**20.0**	**16.2**	**6.0**	**13.6**	**2.9**	**12.9**	**2.7**	**4.4**	**2.2**	**4.9**	**–**	**–**	**100.0**	**100.0**
FTSE World Europe ex UK Index 28.02.26	**19.7**	**18.9**	**0.7**	**17.6**	**6.9**	**9.9**	**2.9**	**2.1**	**7.3**	**6.6**	**3.4**	**–**	**100.0**	**–**

Percentages in the table above are a % of total investments. Based on country of listing.

*More details regarding the country of listing can be found in the table on pages 15 and 16 of the Half Yearly Financial Report.

Investments

as at 28 February 2026

	Country of listing	Market value £'000	% of investments
Industrials			
Safran	France	35,130	5.7
Schneider Electric	France	30,165	4.9
Kone	Finland	24,446	4.0
Belimo	Switzerland	24,110	3.9
MTU Aero Engines	Germany	23,269	3.8
Kingspan	Ireland	19,035	3.1
Assa Abloy	Sweden	18,969	3.1
Legrand	France	18,006	3.0
Kongsberg Gruppen	Norway	17,955	2.9
Thales	France	13,193	2.2
Ferrovial	Netherlands	12,850	2.1
SPIE	France	8,843	1.4
		245,971	**40.1**
Financials			
KBC Groep	Belgium	21,687	3.6
Allied Irish Banks	Ireland	21,041	3.4
ABN AMRO Bank	Netherlands	17,133	2.8
Intesa Sanpaolo	Italy	16,677	2.7
Caixabank	Spain	16,228	2.7
Erste Group Bank	Austria	12,479	2.0
Sberbank*	Russia	1	–
		105,246	**17.2**
Technology			
ASML	Netherlands	37,603	6.2
BE Semiconductor	Netherlands	25,839	4.2
RELX**	United Kingdom	16,346	2.7
SAP	Germany	15,970	2.6
SMG Swiss Marketplace Group	Switzerland	3,260	0.5
		99,018	**16.2**
Consumer Discretionary			
Compagnie Financière Richemont	Switzerland	28,373	4.6
Inditex	Spain	16,928	2.8
Hermès	France	15,939	2.6
L'Oréal	France	12,446	2.0
LVMH	France	9,377	1.5
		83,063	**13.5**
Health Care			
Lonza Group	Switzerland	23,152	3.8
ChemoMetec	Denmark	12,376	2.0
Straumann	Switzerland	4,220	0.7
		39,748	**6.5**
Utilities			
Engie	France	20,540	3.4
		20,540	**3.4**
Basic Materials			
Linde***	United States	19,261	3.1

		19,261	**3.1**
Energy			
Lukoil*	Russia	–	–
		-------------	-------------
Total investments		**612,847**	**100.0**
		=======	**=======**

* The investments in Sberbank and Lukoil have been fair valued to a nominal value of £0.01 due to sanctions imposed on Russia. The underlying value of the positions on the Moscow Stock Exchange as at 28 February 2026 were £16.9 million and £10.9 million, respectively.

** RELX is listed in the UK but has global operations and a substantial presence in Europe.

*** Linde is listed in the US but the business is historically rooted in Europe as it was founded in Germany and incorporated in Ireland. The company moved to a sole US listing in 2023.

All investments are in ordinary shares unless otherwise stated. The total number of investments held at 28 February 2026 was 35 (31 August 2025: 34).

Industry classifications in the table above are based on the Industrial Classification Benchmark standard for categorisation of companies by industry and sector.

As at 28 February 2026, the Company did not hold any equity interests comprising more than 3% of any company's share capital.

Interim Management Report and Responsibility Statement

The Chairman's Statement and the Investment Manager's Report above give details of the important events which have occurred during the period and their impact on the financial statements.

Principal risks and uncertainties

The principal risks faced by the Company can be divided into various areas as follows:

- Counterparty;
- Investment performance;
- Legal and regulatory compliance;
- Market;
- Operational;
- Financial; and
- Marketing.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 31 August 2025. A detailed explanation can be found in the Strategic Report on pages 37 to 41 and in note 16 on pages 103 to 109 of the Annual Report and Financial Statements which are available on the website maintained by BlackRock at www.blackrock.com/uk/brge.

In the view of the Board, there have not been any changes to the fundamental nature of the principal risks and uncertainties since the previous report and these are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Going concern

The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound. The Board remains mindful of heightened geopolitical and political uncertainty arising from ongoing international conflicts, including military conflict in the Middle East, disruption to the Strait of Hormuz and key global shipping routes, and the continuation of the conflict in Ukraine, as well as evolving global trade policy and its impact on key markets in which the Company invests. In light of these developments, the Board continues to monitor geopolitical risk as a standalone principal risk, recognising its potential to exacerbate market volatility, disrupt economic activity and impact investor confidence. The Board believes that the Company and its key third-party service providers have in place appropriate business continuity plans and these services have continued to be supplied without interruption.

The Company has a portfolio of investments which are predominantly readily realisable and is able to meet all of its liabilities from its assets and income generated from these assets. Accounting revenue and expense forecasts are maintained and reported to the Board regularly and it is expected that the Company will be able to meet all its obligations. The Investment Manager generally aims to be fully invested and it is anticipated that gearing will not exceed 15% of net asset value at the time of drawdown of the relevant borrowings. Borrowings under the overdraft facility shall at no time exceed £75 million or 15% of the Company's net asset value (whichever is lower) and this covenant was complied with during the period. At 28 February 2026, the Company had net gearing of 4.4% (28 February 2025: net gearing of 10.1%; 31 August 2025: net cash of 3.1%). Based on the above, the Board is satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. Ongoing charges for the year ended 31 August 2025 were approximately 0.95% of net assets.

Related party disclosure and transactions with the Manager

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the fees payable are set out in note 4 and note 13 below. The related party transactions with the Directors are set out in note 12 below.

Directors' responsibility statement

The Disclosure Guidance and Transparency Rules of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the Half Yearly Financial Report has been prepared in accordance with applicable UK Accounting Standards and the Accounting Standards Board's Statement 'Half Yearly Financial Reports'; and
- the Interim Management Report, together with the Chairman's Statement and Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

This Half Yearly Financial Report has not been audited or reviewed by the Company's auditors.

The Half Yearly Financial Report was approved by the Board on 20 May 2026 and the above responsibility statement was signed on its behalf by the Chairman.

Andrew Impey

For and on behalf of the Board

20 May 2026

Income Statement

for the six months ended 28 February 2026

		Six months ended 28 February 2026 (unaudited)			Six months ended 28 February 2025 (unaudited)			Year ended 31 August 2025 (audited)		
	Notes	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Gains/(losses) on investments held at fair value through profit or loss		–	39,791	39,791	–	654	654	–	(41,608)	(41,608)
Gains/(losses) on foreign exchange		–	52	52	–	865	865	–	(249)	(249)
Income from investments held at fair value through profit or loss	3	2,675	–	2,675	1,121	–	1,121	9,223	–	9,223
Total income		**2,675**	**39,843**	**42,518**	**1,121**	**1,519**	**2,640**	**9,223**	**(41,857)**	**(32,634)**
Expenses										
Investment management fee	4	(365)	(1,460)	(1,825)	(483)	(1,932)	(2,415)	(954)	(3,818)	(4,772)
Other operating expenses	5	(535)	(5)	(540)	(391)	(6)	(397)	(826)	(15)	(841)
Total operating expenses		**(900)**	**(1,465)**	**(2,365)**	**(874)**	**(1,938)**	**(2,812)**	**(1,780)**	**(3,833)**	**(5,613)**
Net profit/(loss) before finance costs and taxation		**1,775**	**38,378**	**40,153**	**247**	**(419)**	**(172)**	**7,443**	**(45,690)**	**(38,247)**
Finance costs		(21)	(82)	(103)	(225)	(902)	(1,127)	(297)	(1,190)	(1,487)
Net profit/(loss) before taxation		**1,754**	**38,296**	**40,050**	**22**	**(1,321)**	**(1,299)**	**7,146**	**(46,880)**	**(39,734)**
Taxation charge		(288)	–	(288)	(65)	–	(65)	(462)	–	(462)
Net profit/(loss) after taxation	7	**1,466**	**38,296**	**39,762**	**(43)**	**(1,321)**	**(1,364)**	**6,684**	**(46,880)**	**(40,196)**
Earnings/(loss) per ordinary share (pence)	7	**1.57**	**40.92**	**42.49**	**(0.04)**	**(1.35)**	**(1.39)**	**6.89**	**(48.30)**	**(41.41)**

The total columns of this statement represent the Company's profit and loss account. The supplementary revenue and capital accounts are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period. All income is attributable to the equity holders of the Company.

The net profit/(loss) on ordinary activities for the period disclosed above represents the Company's total comprehensive income/(loss).

Statement of Changes in Equity

for the six months ended 28 February 2026

	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the six months ended 28 February 2026 (unaudited)		118	85,325	130	34,141	437,981	11,384	569,079
At 31 August 2025								
Total comprehensive income:								
Net profit for the period		–	–	–	–	38,296	1,466	39,762
Transactions with owners, recorded directly to equity:								
Ordinary shares repurchased into treasury		–	–	–	(16,581)	–	–	(16,581)
Share repurchase costs		–	–	–	(81)	–	–	(81)
Dividends paid[1]	6	–	–	–	–	–	(5,059)	(5,059)
At 28 February 2026		**118**	**85,325**	**130**	**17,479**	**476,277**	**7,791**	**587,120**
For the six months ended 28 February 2025 (unaudited)								
At 31 August 2024		117	85,325	130	58,331	484,862	11,535	640,300
Total comprehensive loss:								
Net loss for the period		–	–	–	–	(1,321)	(43)	(1,364)
Transactions with owners, recorded directly to equity:								
Ordinary shares repurchased into treasury		–	–	–	(13,133)	–	–	(13,133)
Share repurchase costs		–	–	–	(76)	–	–	(76)
Dividends paid[2]	6	–	–	–	–	–	(5,153)	(5,153)
At 28 February 2025		**117**	**85,325**	**130**	**45,122**	**483,541**	**6,339**	**620,574**
For the year ended 31 August 2025 (audited)								
At 31 August 2024		118	85,325	130	58,331	484,862	11,534	640,300
Total comprehensive (loss)/income:								
Net (loss)/profit for the year		–	–	–	–	(46,880)	6,684	(40,196)
Transactions with owners, recorded directly to equity:								
Ordinary shares repurchased into treasury		–	–	–	(24,099)	–	–	(24,099)
Share repurchase costs		–	–	–	(91)	(1)	–	(92)
Dividends paid[3]	6	–	–	–	–	–	(6,834)	(6,834)
At 31 August 2025		**118**	**85,325**	**130**	**34,141**	**437,981**	**11,384**	**569,079**

[1] Final dividend paid in respect of the year ended 31 August 2025 of 5.40p per share was declared on 4 November 2025 and paid on 19 December 2025.

[2] Final dividend paid in respect of the year ended 31 August 2024 of 5.25p per share was declared on 5 November 2024 and paid on 20 December 2024.

[3] Interim dividend paid in respect of the year ended 31 August 2025 of 1.75p per share was declared on 6 May 2025 and paid on 18 June 2025. Final dividend paid in respect of the year ended 31 August 2024 of 5.25p per share was declared on 5 November 2024 and paid on 20 December 2024.

For information on the Company's distributable reserves, please refer to note 10 below.

Balance Sheet

as at 28 February 2026

	Notes	28 February 2026 (unaudited) £'000	28 February 2025 (unaudited) £'000	31 August 2025 (audited) £'000
Non current assets				
Investments held at fair value through profit or loss	11	612,847	683,537	551,175
Current assets				
Current taxation asset		3,475	3,071	4,229
Debtors		637	66	640
Cash and cash equivalents – cash at bank		–	–	576
Cash and cash equivalents – Cash Fund[1]		638	–	16,221
Total current assets		**4,750**	**3,137**	**21,666**
Current liabilities				
Cash and cash equivalents – bank overdraft		(12,218)	(59,024)	(1,468)
Other creditors		(18,259)	(7,076)	(2,294)
Total current liabilities		**(30,477)**	**(66,100)**	**(3,762)**
Net current (liabilities)/assets		**(25,727)**	**(62,963)**	**17,904**

	Note			
Net assets		**587,120**	**620,574**	**569,079**
Equity				
Called up share capital	9	118	117	118
Share premium account		85,325	85,325	85,325
Capital redemption reserve		130	130	130
Special reserve		17,479	45,122	34,141
Capital reserves		476,277	483,541	437,981
Revenue reserve		7,791	6,339	11,384
Total shareholders' funds		**587,120**	**620,574**	**569,079**
Net asset value per ordinary share (pence)	**7**	**635.95**	**639.30**	**598.05**

[1] Cash Fund represents funds held on deposit with the BlackRock Institutional Cash Series plc - Euro Liquid Environmentally Aware Fund.

Statement of Cash Flows

for the six months ended 28 February 2026

	Six months ended 28 February 2026 (unaudited) £'000	Six months ended 28 February 2025 (unaudited) £'000	Year ended 31 August 2025 (audited) £'000
Operating activities			
Net profit/(loss) before taxation[1]	40,050	(1,299)	(39,734)
Changes in working capital items:			
Decrease in debtors	3	200	108
Increase/(decrease) in other creditors	16,454	2,170	(3,131)
Other adjustments:			
Finance costs	103	1,127	1,487
(Gains)/losses on investments held at fair value through profit or loss	(39,791)	(654)	41,608
(Gains)/losses on foreign exchange	(52)	(865)	249
Sale of investments held at fair value through profit or loss	175,197	116,457	302,212
Purchase of investments held at fair value through profit or loss	(197,078)	(107,358)	(203,164)
Taxation on investment income	(757)	(148)	(3,247)
Interest paid	(103)	(1,127)	(1,487)
Refund of withholding tax reclaims	1,223	112	1,656
Net cash (used in)/generated from operating activities	**(4,751)**	**8,615**	**96,557**
Financing activities			
Ordinary shares repurchased into treasury	(17,151)	(13,209)	(24,003)
Dividends paid	(5,059)	(5,153)	(6,834)
Net cash used in financing activities	**(22,210)**	**(18,362)**	**(30,837)**
(Decrease)/increase in cash and cash equivalents	**(26,961)**	**(9,747)**	**65,720**
Effect of foreign exchange rate changes	52	865	(249)
Cash and cash equivalents at the start of the period/year	15,329	(50,142)	(50,142)
Cash and cash equivalents at the end of the period/year	**(11,580)**	**(59,024)**	**15,329**
Comprised of:			
Cash at bank	–	–	576
Cash Fund[2]	638	–	16,221
Bank overdraft	(12,218)	(59,024)	(1,468)
	(11,580)	**(59,024)**	**15,329**

[1] Dividends and interest received in cash during the period amounted to £2,624,000 and £1,000 (six months ended 28 February 2025: £1,173,000 and £1,000; year ended 31 August 2025: £6,719,000 and £1,000).

[2] Cash Fund represents funds held on deposit with the BlackRock Institutional Cash Series plc - Euro Liquid Environmentally Aware Fund.

Notes to the Financial Statements

for the six months ended 28 February 2026

1. Principal activity

The principal activity of the Company is that of an investment trust company within the meaning of Section 1158 of the Corporation Tax Act 2010.

2. Basis of preparation

The financial statements of the Company are prepared on a going concern basis in accordance with Financial Reporting Standard 104 Interim Financial Reporting (FRS 104) applicable in the United Kingdom and Republic of Ireland and the revised Statement of Recommended Practice – 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP), issued by the Association of Investment Companies (AIC) in October 2019 and updated in July 2022, and the provisions of the Companies Act 2006.

The accounting policies and estimation techniques applied for the condensed set of financial statements are as set out in the Company's Annual Report and Financial Statements for the year ended 31 August 2025.

3. Income

	Six months ended 28 February 2026 (unaudited) £'000	Six months ended 28 February 2025 (unaudited) £'000	Year ended 31 August 2025 (audited) £'000
Investment income:			
UK dividends	–	–	656
Overseas dividends	2,403	1,120	8,442
Overseas special dividends	271	–	124
	------------	------------	------------
Total investment income	**2,674**	**1,120**	**9,222**
Other income:			
Interest received	1	1	1
	------------	------------	------------
Total other income	**1**	**1**	**1**
	------------	------------	------------
Total	**2,675**	**1,121**	**9,223**
	=======	=======	=======

Dividends and interest received in cash during the period amounted to £2,624,000 and £1,000 respectively (six months ended 28 February 2025: £1,173,000 and £1,000; year ended 31 August 2025: £6,719,000 and £1,000).

No special dividends have been recognised in capital during the period (six months ended 28 February 2025: £nil; year ended 31 August 2025: £nil).

4. Investment management fee

	Six months ended 28 February 2026 (unaudited)			Six months ended 28 February 2025 (unaudited)			Year ended 31 August 2025 (audited)		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Investment management fee	365	1,460	1,825	483	1,932	2,415	954	3,818	4,772
	----------	----------	----------	----------	----------	----------	----------	----------	----------
Total	**365**	**1,460**	**1,825**	**483**	**1,932**	**2,415**	**954**	**3,818**	**4,772**
	======	======	======	======	======	======	======	======	======

Up to 31 August 2025, the investment management fee is levied quarterly based on a tiered basis: 0.85% per annum of the month-end net asset value up to £350 million and 0.75% per annum of the month-end net asset value above £350 million.

With effect from 1 September 2025, the Company's annual management fee was reduced to the following tiers: 0.65% of month-end net assets up to and including £400 million, 0.60% of month end net assets in excess of £400 million up to and including £1 billion and 0.525% of month-end net assets in excess of £1 billion.

It is estimated that the Company's ongoing charges ratio (OCR) will reduce, allowing it to achieve an illustrative OCR of 0.775% (based on average net assets for the year ended 31 August 2025), representing a material improvement from the Company's OCR of 0.95% for the year ended 31 August 2025 as set out in note 5 of the Company's Annual Financial Report for the year ended 31 August 2025.

The investment management fee is allocated 20% to the revenue account and 80% to the capital account of the Income Statement. There is no additional fee for company secretarial and administration services.

5. Other operating expenses

	Six months ended 28 February 2026 (unaudited) £'000	Six months ended 28 February 2025 (unaudited) £'000	Year ended 31 August 2025 (audited) £'000
Allocated to revenue:			
Broker fees	24	24	48
Custody fees	32	35	68

Depositary fees	33	34	68
Audit fees[1]	30	31	59
Legal fees	–	13	11
Registrar's fees	56	48	98
Directors' emoluments	105	94	207
Marketing fees	138	50	101
Postage and printing fees	29	30	59
AIC fees	14	11	23
Professional fees	9	5	16
Stock exchange listing fees	20	17	37
Write back of prior year expense accruals[2]	–	(39)	(10)
Other administration costs	45	38	41
	------------	------------	------------
Total revenue expenses	**535**	**391**	**826**
Allocated to capital:			
Custody transaction costs[3]	5	6	15
	------------	------------	------------
Total capital expenses	**5**	**6**	**15**
	------------	------------	------------
Total	**540**	**397**	**841**
	=======	=======	=======

1 No non-audit services are provided by the Company's auditors (six months ended 28 February 2025: none; year ended 31 August 2025: none).

2 No prior year expenses have been written back in the period (six months ended 28 February 2025: legal fees, professional fees and other administration costs; year ended 31 August 2025: legal fees and other administration costs).

3 For the six month period ended 28 February 2026, expenses of £5,000 (six months ended 28 February 2025: £6,000; year ended 31 August 2025: £15,000) were charged to the capital account of the Income Statement. These relate to transaction costs charged by the custodian on sale and purchase trades.

The direct transaction costs incurred on the acquisition of investments amounted to £390,000 for the six months ended 28 February 2026 (six months ended 28 February 2025: £90,000; year ended 31 August 2025: £194,000). Costs relating to the disposal of investments amounted to £50,000 for the six months ended 28 February 2026 (six months ended 28 February 2025: £34,000; year ended 31 August 2025: £103,000). All transaction costs have been included within the capital account.

6. Dividends

The Directors have declared an interim dividend of 1.75p per share for the period ended 28 February 2026, payable on 24 June 2026 to shareholders on the register on 29 May 2026. The total cost of the dividend based on 91,240,689 ordinary shares in issue at 18 May 2026 was £1,597,000 (six months ended 28 February 2025: £1,680,000).

In accordance with FRS 102, Section 32 Events After the End of the Reporting Period, the interim dividend payable on the ordinary shares has not been included as a liability in the financial statements, as interim dividends are only recognised when they have been paid.

7. Earnings and net asset value per ordinary share

Revenue earnings/(loss), capital earnings/(loss) and net asset value per ordinary share are shown below and have been calculated using the following:

	Six months ended 28 February 2026 (unaudited)	**Six months ended 28 February 2025 (unaudited)**	**Year ended 31 August 2025 (audited)**
Net revenue profit/(loss) attributable to ordinary shareholders (£'000)	1,466	(43)	6,684
Net capital profit/(loss) attributable to ordinary shareholders (£'000)	38,296	(1,321)	(46,880)
	------------	------------	------------
Total profit/(loss) attributable to ordinary shareholders (£'000)	**39,762**	**(1,364)**	**(40,196)**
	------------	------------	------------
Total shareholders' funds (£'000)	**587,120**	**620,574**	**569,079**
	=======	=======	=======
Earnings per share			
The weighted average number of ordinary shares in issue during the period on which the earnings per ordinary share was calculated was:	93,578,494	98,146,439	97,066,146
The actual number of ordinary shares in issue at the end of the period on which the net asset value per ordinary share was calculated was:	92,321,027	97,070,633	95,155,422
Calculated on weighted average number of ordinary shares:			
Revenue earnings/(loss) per share (pence) - basic and diluted	1.57	(0.04)	6.89
Capital earnings/(loss) per share (pence) - basic and diluted	40.92	(1.35)	(48.30)
	------------	------------	------------
Total earnings/(loss) per share (pence) - basic and diluted	**42.49**	**(1.39)**	**(41.41)**
	=======	=======	=======
	As at 28 February 2026 (unaudited)	**As at 28 February 2025 (unaudited)**	**As at 31 August 2025 (audited)**
Net asset value per share (pence)	635.95	639.30	598.05

Ordinary share price (pence)	605.00	596.00	570.00
	=======	=======	=======

There were no dilutive securities at 28 February 2026 (28 February 2025: none; 31 August 2025: none).

8. Reconciliation of liabilities arising from financing activities

	Six months ended 28 February 2026 (unaudited) £'000	**Six months ended 28 February 2025 (unaudited) £'000**	**Year ended 31 August 2025 (audited) £'000**
Bank overdraft at the beginning of the period/year	**1,468**	**50,150**	**50,150**
Cash flows:			
Movement in overdraft	10,807	10,722	(47,195)
Bank overdraft interest paid	(103)	(1,127)	(1,487)
Non cash flows:			
Effects of foreign exchange loss/(gain)	46	(721)	–
	------------	------------	------------
Bank overdraft at the end of the period/year	**12,218**	**59,024**	**1,468**
	=======	=======	=======

See Note 11 for terms of the overdraft facility.

9. Called up share capital

	Ordinary shares number	**Treasury shares number**	**Total shares number**	**Nominal value £'000**
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 0.1 pence each:				
At 31 August 2024 (audited)	**99,332,161**	**18,596,777**	**117,928,938**	**117**
Ordinary shares repurchased into treasury	(2,261,528)	2,261,528	–	–
	---------------	---------------	---------------	---------------
At 28 February 2025 (unaudited)	**97,070,633**	**20,858,305**	**117,928,938**	**117**
Ordinary shares repurchased into treasury	(1,915,211)	1,915,211	–	–
	---------------	---------------	---------------	---------------
At 31 August 2025 (audited)	**95,155,422**	**22,773,516**	**117,928,938**	**118**
Ordinary shares repurchased into treasury	(2,834,395)	2,834,395	–	–
	---------------	---------------	---------------	---------------
At 28 February 2026 (unaudited)	**92,321,027**	**25,607,911**	**117,928,938**	**118**
	=========	=========	=========	=========

During the six months ended 28 February 2026, 2,834,395 ordinary shares were repurchased and held in treasury (six months ended 28 February 2025: 2,261,528; year ended 31 August 2025: 4,176,739) for a net consideration after expenses of £16,662,000 (six months ended 28 February 2025: £13,209,000; year ended 31 August 2025: £24,191,000).

Since 28 February 2026 and up to the latest practicable date of 18 May 2026, 1,105,338 ordinary shares have been repurchased and placed in treasury for a total consideration of £6,157,000.

10. Reserves

The share premium account and capital redemption reserve of £85,325,000 and £130,000 (28 February 2025: £85,325,000 and £130,000; 31 August 2025: £85,325,000 and £130,000) are not distributable reserves under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the special reserve and capital reserves may be used as distributable reserves for all purposes and, in particular, the repurchase by the Company of its ordinary shares and for payments as dividends. In accordance with the Company's Articles of Association, the special reserve of £17,479,000 (28 February 2025: £45,122,000; 31 August 2025: £34,141,000), capital reserves of £476,277,000 (28 February 2025: £483,541,000; 31 August 2025: £437,981,000) and the revenue reserve of £7,791,000 (28 February 2025: £6,339,000; 31 August 2025: £11,384,000) may be distributed by way of dividend. The gain on the capital reserve arising on the revaluation of investments held of £130,972,000 (28 February 2025: £210,107,000; 31 August 2025: £129,417,000) is subject to fair value movements and may not be readily realisable at short notice; as such it may not be entirely distributable. The investments are subject to financial risks; as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

As at 28 February 2026, the Company's distributable reserves excluding capital reserves on the revaluation of investments amounted to £370,575,000 (28 February 2025: £324,895,000; 31 August 2025: £354,089,000).

11. Financial risks and valuation of financial instruments

The Company's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The risks are substantially consistent with those disclosed in the previous annual financial statements, with the exception of those outlined below.

Market risk arising from price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, climate change or other events could have a significant impact on the Company and the market price of its investments and could result in increased premiums or discounts to the Company's net asset value.

Liquidity risk

The Company has an overdraft facility of the lower of £75 million or 15% of the Company's net assets (28 February 2025: lower of £75 million or 15% of the Company's net assets; 31 August 2025: lower of £75 million or 15% of the Company's net assets) which is updated and renewed on an annual basis.

Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Balance Sheet at their fair value (investments) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash and cash equivalents and overdrafts). Section 34 of FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note on page 93 of the Annual Report and Financial Statements for the year ended 31 August 2025.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

The fair value hierarchy has the following levels:

Level 1 – Quoted market price for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices for similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation technique includes inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability, including an assessment of the relevant risks including but not limited to credit risk, market risk, liquidity risk, business risk and sustainability risk. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager and these risks are adequately captured in the assumptions and inputs used in the measurement of Level 3 assets or liabilities.

Fair values of financial assets and financial liabilities

The table below is the analysis of the Company's financial instruments measured at fair value at the balance sheet date.

Financial assets at fair value through profit or loss	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity investments at 28 February 2026 (unaudited)	612,846	–	1	612,847
Equity investments at 28 February 2025 (unaudited)	683,536	–	1	683,537
Equity investments at 31 August 2025 (audited)	551,174	–	1	551,175
	=========	=========	=========	=========

The Company held two Level 3 securities as at 28 February 2026 (28 February 2025: two; 31 August 2025: two).

A reconciliation of fair value measurement in Level 3 is set out below.

Level 3 financial assets at fair value through profit or loss

	Six months ended 28 February 2026 (unaudited) £'000	**Six months ended 28 February 2025 (unaudited) £'000**	**Year ended 31 August 2025 (audited) £'000**
Opening fair value	1	1	1
Gain/(loss) on investments included in the Income Statement	–	–	–
	-----------	-----------	-----------
Closing balance	**1**	**1**	**1**
	=======	=======	=======

As at 28 February 2026, 28 February 2025 and 31 August 2025, the investments in Sberbank and Lukoil have been valued at a nominal value of £0.01 due to the closure of the Moscow Stock Exchange to overseas investors and the secondary listings of depositary receipts of Russian companies having been suspended from trading. At the time of the invasion of Ukraine on 23 February 2022, the original book cost of these holdings was £28.7 million and its carrying value was £20.7 million and these amounts were fair valued to a nominal value of £0.01 on 3 March 2022.

For exchange listed equity investments, the quoted price is the bid price. Substantially all investments are valued based on unadjusted quoted market prices. Where such quoted prices are readily available in an active market, such prices are not required to be assessed or adjusted for any business risks, including climate change risk, in accordance with the fair value related requirements of the Company's financial reporting framework.

12. Related party disclosure

The Board now consists of five non-executive Directors, all of whom are considered to be independent by the Board. None of the Directors has a service contract with the Company. The Chairman receives an annual fee of £51,500, the Chair of the Audit and Management Engagement Committee receives an annual fee of £41,000 and each of the other Directors receives an annual fee of £35,500. The Senior Independent Director receives an additional fee of £1,000.

At the period end, the members of the Board held ordinary shares in the Company as set out below:

	28 February 2026	**28 February 2025**	**31 August 2025**
Andrew Impey	6,000	–	6,000
Peter Baxter	11,000	11,000	11,000
Paola Subacchi	11,734	11,700	11,734
Ian Sayers	4,000	4,000	4,000
Sapna Shah	4,000	4,000	4,000

Since the period end and up to the date of this report there have been no changes in Directors' holdings.

The transactions with the Investment Manager and AIFM are stated in note 13 below.

Significant holdings

The following investors are:

a. funds managed by the BlackRock Group or are affiliates of BlackRock, Inc. (Related BlackRock Funds); or

b. investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are, as a result, considered to be related parties to the Company (Significant Investors).

	Total % of shares held by Related BlackRock Funds	**Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.**	**Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.**
As at 28 February 2026	1.2	n/a	n/a
As at 28 February 2025	1.2	n/a	n/a
As at 31 August 2025	1.3	n/a	n/a
	=======	=======	=======

13. Transactions with the Investment Manager and AIFM

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed in the Directors' Report on page 53 in the Annual Report and Financial Statements for the year ended 31 August 2025.

The investment management fee is levied quarterly based on a tiered basis: 0.65% of month-end net assets up to and including £400 million, 0.60% of month-end net assets in excess of £400 million up to and including £1 billion and 0.525% of month-end net assets in excess of £1 billion. The investment management fee due for the six months ended 28 February 2026 amounted to £1,825,000 (six months ended 28 February 2025: £2,415,000; year ended 31 August 2025: £4,772,000). At the period end, £3,017,000 was outstanding in respect of the management fee (28 February 2025: £6,287,000; 31 August 2025: £1,192,000).

In addition to the above services, BIM (UK) provided the Company with marketing services. The total fees paid or payable for these services for the six months ended 28 February 2026 amounted to £138,000 excluding VAT (six months ended 28 February 2025: £50,000; year ended 31 August 2025: £101,000). Marketing fees of £186,000 excluding VAT were outstanding at 28 February 2026 (28 February 2025: £117,000; 31 August 2025: £168,000).

During the year, the Manager pays the amounts due to the Directors. These fees are then reimbursed by the Company for the amounts paid on its behalf. As at 28 February 2026, an amount of £246,000 was payable to the Manager in respect of Directors' fees (28 February 2025: £109,000; 31 August 2025: £141,000).

The Company has an investment in the BlackRock Institutional Cash Series plc - Euro Liquid Environmentally Aware Fund of £638,000 (28 February 2025: £nil; 31 August 2025: £16,221,000) which for the period ended 28 February 2026 has been presented in the financial statements as a cash equivalent.

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc., a company incorporated in Delaware, USA.

14. Contingent liabilities

There were no contingent liabilities at 28 February 2026 (28 February 2025: none; 31 August 2025: none).

15. Publication of non statutory accounts

The financial information contained in this half yearly report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the six months ended 28 February 2026 and 28 February 2025 has not been audited.

The information for the year ended 31 August 2025 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under Sections 498 (2) or (3) of the Companies Act 2006.

16. Annual results

The Board expects to announce the annual results for the year ending 31 August 2026 in early November 2026. Copies of the annual results announcement can be obtained from the Secretary on 020 7743 3000 or cosec@blackrock.com. The Annual Report should be available by November 2026 with the Annual General Meeting being held in December 2026.

12 Throgmorton Avenue
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20 May 2026

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The Half Yearly Financial Report will also be available on the BlackRock website at www.blackrock.com/uk/brge. Neither the contents of the Manager’s website nor the contents of any website accessible from hyperlinks on the Manager’s website (or any other website) is incorporated into, or forms part of, this announcement.