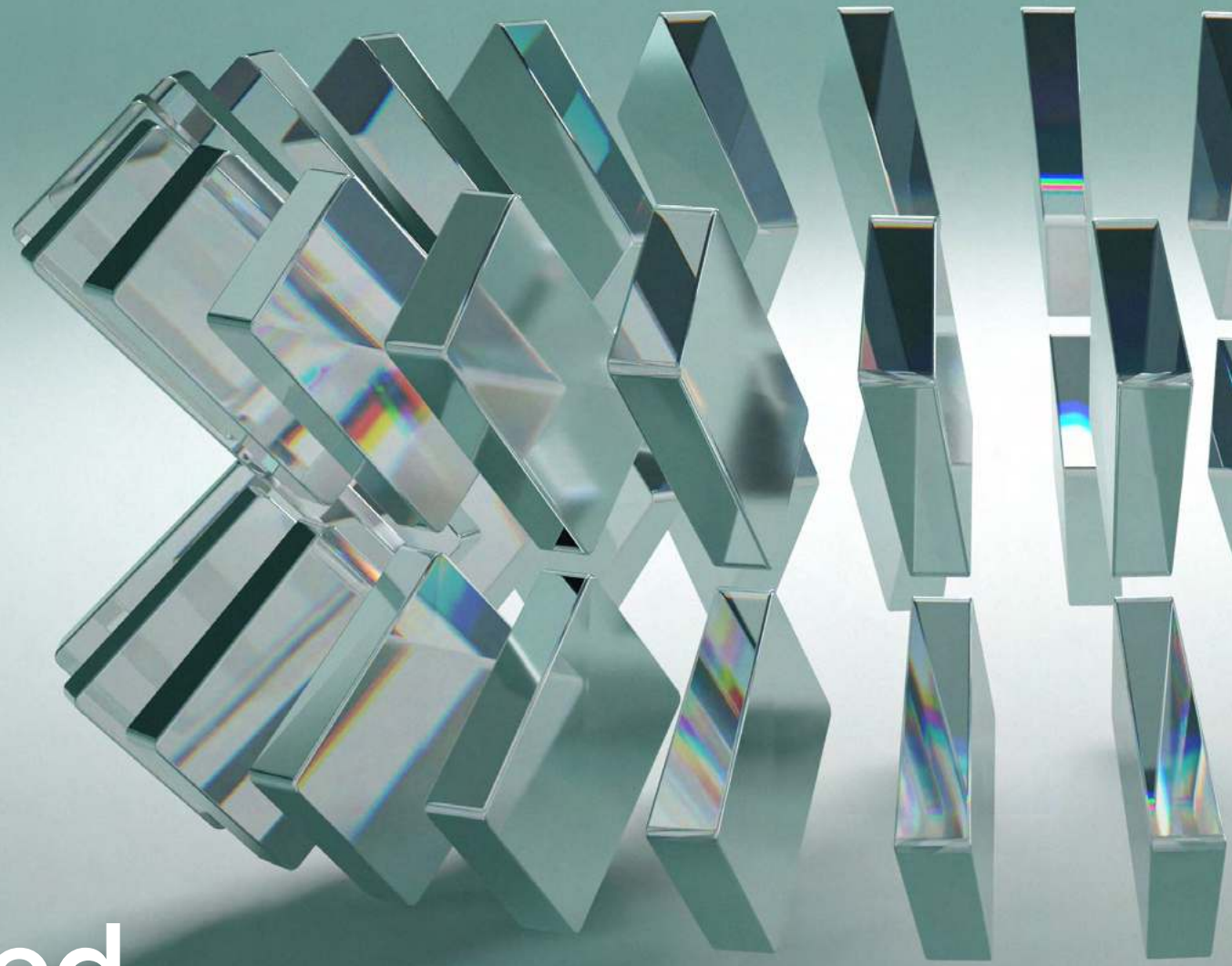


HgT

Get connected

to a universe of software and services businesses

Annual report and accounts

31 December 2024

Contents

Strategic report

Financial and performance highlights	4
Chairman's statement	8
Manager's update	12
Business model and risk framework	14
Key Performance Indicators	22
Directors' duties	24
Investment objective and investment policy	27

Hg's review

Overview	30
Responsible investment	34
Year in review	38
Investments and realisations	44
Overview of underlying investments	48
Top 20 investments	50
Other investments	56

Financial statements

Income statement	58
Balance sheet	59
Statement of cash flows	60
Statement of changes in equity	61
Notes to the financial statements	62
Independent auditor's report	77

Corporate governance

Directors' report	86
Directors' responsibilities statement	95
Corporate governance statement	96
Reports from the Committees of the Board	100
Directors' remuneration report	109

Further information

AIFM Directive	113
Shareholder information	116
Notice of Annual General Meeting	121
Board, management and administration	129

HgT

The objective of HgCapital Trust ('HgT') is to provide shareholders with consistent long-term returns in excess of the FTSE All-Share Index by investing predominantly in unquoted companies where value can be created through strategic and operational change

The investment opportunity

Exposure to a portfolio of >50 companies diversified by end market and geography – with enterprise values of £100 million to over £10 billion

Strategy focused on unquoted software and services businesses with resilient, recurring revenue streams

Invest alongside some of the world's largest investors in private equity, in high-growth companies sourced by Hg

Hg has managed the HgT investment portfolio since 1994

Hg

Together we build enduring software and services leaders that transform how people work

>400 employees, including >250 investment, portfolio, and other professional management executives

Network of seasoned professionals from across industry who support management teams to create value and help businesses to achieve their full potential

Sharing of knowledge and expertise by facilitating the active collaboration of management teams across sector clusters and geographies

Please see pages 29 to 56.

References in this annual report and accounts to HgCapital Trust plc have been abbreviated to 'HgCapital Trust' or 'HgT'. Hg refers to the trading name of Hg Pooled Management Limited and HgCapital LLP. Hg Pooled Management Limited is the 'Manager'.

References in this annual report and accounts to 'total return' refer to a return where it is assumed that an investor has reinvested all historic dividends at the time when they were paid.

References in this annual report and accounts to pounds sterling have been abbreviated to 'sterling'.

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

Financial and performance highlights

2024 performance at a glance

> "HgT performed well in 2024, driven by strong trading performance across the portfolio and a material increase in investment activity."

Jim Strang, Chairman, HgT

+25.7%
Share price (539.0p)
31 December 2023: +26.2%

+10.4%
NAV per share (545.5p)
31 December 2023: +11.1%
Please see note 10(b)

5.5p
Full year dividend
31 December 2023: 6.5p
Please see page 15

£606m
Invested on behalf of HgT
31 December 2023: £74m
Please see page 44

£336m
Available liquid resources (13% of NAV)
31 December 2023: £625m (27% of NAV)
Please see page 42

£2.5bn
Market capitalisation
31 December 2023: £2.0bn

£2.5bn
Net assets
31 December 2023: £2.3bn
Please see note 10(b)

1.4%
Total ongoing charges
31 December 2023: 1.7%
Please see page 92 for the basis of calculation

£508m
Realisations to HgT
31 December 2023: £346m
Please see page 46

£735m
Outstanding commitments (29% of NAV)
31 December 2023: £1.2bn (53% of NAV)
Please see page 42

Note: NAV per share and share price return on a total return basis assuming all historical dividends have been re-invested, which is an Alternative Performance Measure ('APM'). Please see the definitions of the APM's in the glossary pages 119 to 120.

Top 20 investments (76% of portfolio value)

A snapshot as at 31 December 2024

"The portfolio demonstrates exceptional operational strength with LTM EBITDA growth of 23% outpacing revenue growth of 19%, driving margins to 34%. With a manageable leverage ratio of 7.4x and strong recurring revenues, the portfolio is well-positioned for both organic growth and strategic M&A opportunities in the current market environment."

David Toms, Head of Research, Hg

+19%
LTM sales growth
31 December 2023: +25%

+23%
LTM EBITDA growth
31 December 2023: +30%

34%
EBITDA margin
31 December 2023: 31%

26.1x
EV to EBITDA multiple
31 December 2023: 26.1x

7.4x
Net debt to EBITDA ratio
31 December 2023: 7.4x

Please see pages 51 to 55

Past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested. Figures are based on the Top 20 investments as at the balance sheet date and basis of calculation can therefore change year on year.

Historical total return performance

Both HgT's share price and net asset value per share have continued to outperform the FTSE All-Share Index over the long-term.

	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	20 years % p.a.
Share price	25.7	10.5	17.9	20.5	15.9
NAV per share	10.4	8.9	18.2	18.1	15.3
FTSE All-Share Index	9.5	5.8	4.8	6.2	6.9
Share price performance relative to the FTSE All-Share Index	**16.2**	**4.7**	**13.1**	**14.3**	**9.0**
NAV per share performance relative to FTSE All-Share Index	**0.9**	**3.1**	**13.4**	**11.9**	**8.4**

Long-term performance 10-year share price total return: +20.5% p.a.

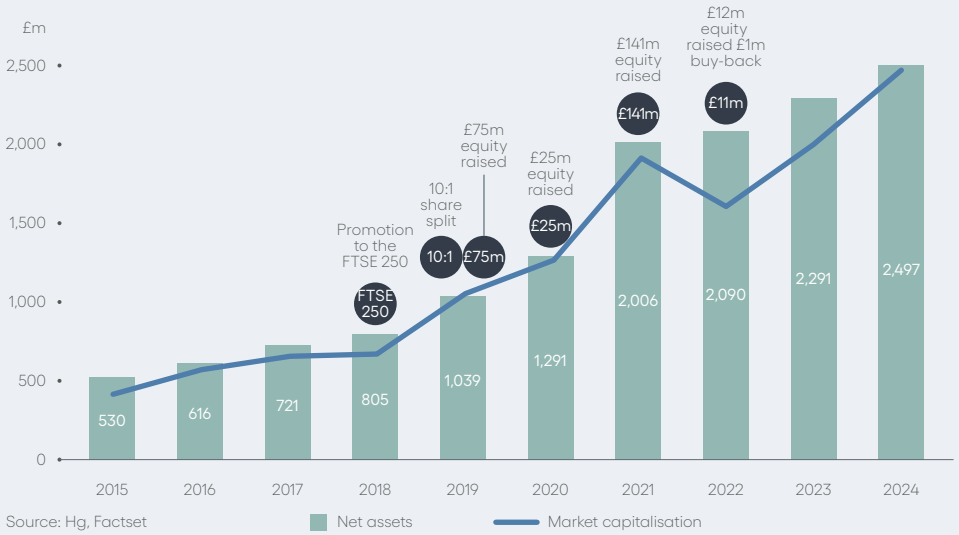
Based on HgT's share price at 31 December 2024 and allowing for all historic dividends being reinvested, **an investment of £1,000 made 20 years ago would now be worth £19,166, a total return of 1,817%.** An equivalent investment in the FTSE All-Share Index would be worth £3,777.

Please refer to note 10(b) on page 67 for further detail on the calculation of NAV per share.

Long-term performance: ten-year total return

[1]Performance record rebased to 100 at 31 December 2014. Source: Hg, Factset.

Long-term net asset growth



Source: Hg, Factset

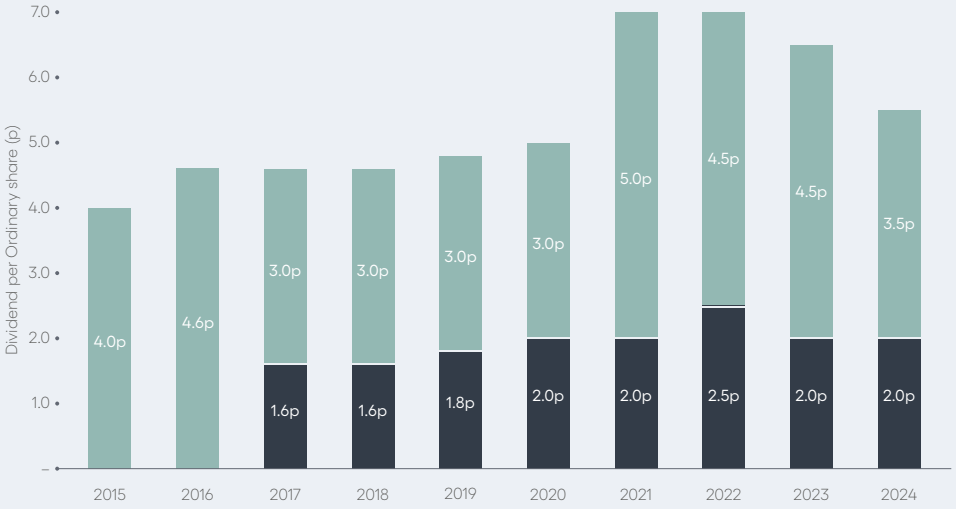
Past performance is not a reliable indicator of future results.
The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations and investors may not get back the amount they originally invested.

> HgT provides shareholders with unique listed access to the investment portfolio of Hg. The performance that HgT has delivered has come from the continual refinement and focus on a clear investment model implemented by Hg, targeting software and services leaders that transform how people work.

Jim Strang,
Chairman, HgT

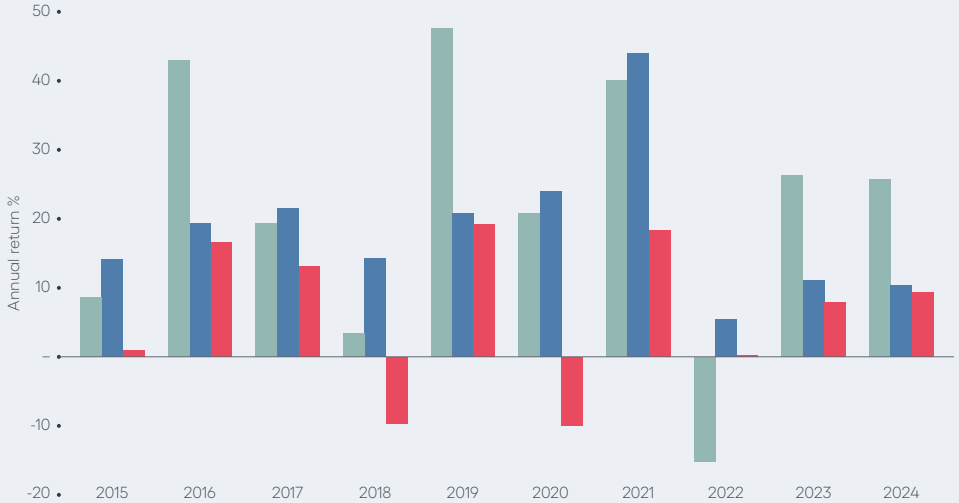
Full-year press release: hgcapitaltrust.com/news-insights/news/

Ten-year dividend history



Source: Hg. Historic dividends restated for the 10:1 share-split completed in May 2019. Final dividend Interim dividend

Discrete annual total return performance against the FTSE All-Share Index



Source: Hg, Factset Share price NAV per share FTSE All-Share Index

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

Jim Strang
Chairman, HgT

> "I am happy to report that HgT performed well in 2024, successfully navigating the challenging investment environment in the private equity market. The portfolio continued to see strong underlying trading performance, with sales and EBITDA across the top 20 investments (76% of the portfolio) growing at 19% and 23% respectively. Investment and realisation activity continued at pace in 2024, consistent with the cycle that underpins long term value creation at HgT. The strong progress in 2024 supported a near 26% increase in the share price of HgT alongside a material narrowing of the discount. HgT shares ended the year at a 2% premium to NAV.[1]"

Chairman's statement

2024 saw good progress for HgT, maintaining the momentum reported in the interim results. The overall deal markets for Private Equity transactions continue to gradually improve, aided by increased investor confidence and more accommodative conditions in credit markets. Furthermore, as I noted in the interim results, the kind of high-quality software companies that make up the majority of the HgT portfolio remain some of the most attractive areas in which to invest across private markets and continue to command significant valuation multiples, in my view. HgT has been a very active participant in the markets in 2024 with a number of new investments and realisations taking place throughout the year.

The portfolio, which numbered 55 businesses at 31 December, has traded well over the last twelve months, reflecting the characteristics of the types of companies targeted for investment by the Manager ('Hg'), namely those with a competitive advantage, high recurring revenues and strong customer relationships. Importantly, Hg continues to refine and enhance its in-house value creation capabilities to support these portfolio companies in reaching their full potential. Hg consistently invests in its own team and resources to support this, notably into AI where the kind of application software companies in the portfolio are expected to be net beneficiaries of this new technology.

Given the discipline and rigour of the investment approach, the focus on continual improvement at Hg and the strength of both the portfolio and the HgT balance sheet, the Board maintains a positive outlook for the year ahead.

Highlights to 31 December 2024 included:

- **25.7% total share price return**
- **10.4% NAV per share growth on a total return basis, with net assets of £2.5 billion**
- **Discount narrowed from 13% to 2% premium[1]**
- **LTM revenue and EBITDA growth of 19% and 23% respectively for the top 20 companies (76% of the portfolio), with an average EBITDA margin of 34%**
- **Investments of £606 million and gross realisations of £508 million**
- **£336 million of liquid resources available, including a £375 million credit facility, of which £98 million was drawn at year end**
- **£735 million of outstanding commitments to Hg funds to be invested over the next two to three years**

Performance

The NAV of HgT increased by 10.4% on a total return basis over the year, reflecting the ongoing strength of the operating performance of the HgT portfolio. HgT's share price saw a total return of 25.7% over 2024. On a long-term basis, HgT has seen a CAGR on a total return basis of 15.9% p.a. over the past 20 years, outperforming the FTSE All Share index by 9.0% p.a. over the same period.

The total net assets of HgT at 31 December 2024 were £2.5 billion, an increase of £206 million over the reported figures at 31 December 2023. An analysis of NAV movements and movement within the underlying portfolio is set out on page 39 of this report.

At the end of December 2024, the HgT portfolio consisted of 55 investments, which focus on mission-critical B2B software and services businesses. This portfolio has continued to perform well with the top 20 underlying companies (76% of the portfolio) delivering revenue and EBITDA growth of 19% and 23% respectively over the last 12 months, reflecting the defensive-growth nature of the businesses in which HgT is invested. Profitability has improved with average EBITDA margin of 34% (December 2023: 31%). Currently, 98% of the portfolio by value is held

[1] Based on the last published NAV per share at 31 December 2024

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

above its original cost of acquisition, a testament to the asset selection and value creation skills of the Manager.

These businesses typically exhibit highly predictable forward cash flows and are appropriately financed, including significant debt covenant flexibility around their financial structures. The top 20 investments have a weighted average net debt to EBITDA ratio of 7.4x (December 2023: 7.4x), which is consistent with the highly recurring revenues of the businesses that make up the Hg portfolio and is typical for large, high quality software assets in general. Given that the average valuation multiple for the top 20 portfolio companies is 26.1x EV-to-EBITDA (December 2023: 26.1x), this implies that debt accounts for less than 30% of the portfolio company capital structures. This allows a significant equity cushion within the portfolio reflecting the Manager's prudent approach to leveraging and consistent with similar peer companies in the market. Hg has a dedicated capital markets team which continually monitors and manages the capital structures of the underlying portfolio companies to ensure they are as robust and flexible as possible in terms of tenor, interest cost and maturity.

As I have noted in the past, HgT aims to achieve long-term growth in the net asset value per share and in the share price, rather than to deliver a specific dividend yield, with the dividend primarily determined by the level of income from the underlying portfolio, which can vary over time. As regards the current financial year, HgT will pay a final dividend of 3.5 pence per share (2023: 4.5 pence per share), payable in May. This brings the full year dividend to 5.5 pence per share (2023: 6.5 pence per share).

Dividend re-investment plan: page 116 of this report.

Dividend: see page 116 of this report.

Investments and realisations

In order to grow the NAV of the portfolio, and to deliver returns for shareholders, HgT operates in a continual cycle of commitments to new vehicles managed by Hg, as well as co-investments at manager/HgT-level.

Investment activity was robust over 2024, with a total of £606 million of new and further capital deployed over the year, including Visma, AuditBoard, IRIS, GGW, Ivalua, Septeo and NContracts. Further investments to finance bolt-on M&A are an area which the Manager has highlighted as particularly attractive in the current environment and where the sector-leading businesses across the portfolio can further improve their market positions, product and service offering.

An additional follow-on investment in Citation completed in February 2025.

HgT has seen increased co-investment activity (free of management fees and performance fees), over which are 2024 and the Board believes this is set to continue over the next twelve months. HgT currently has 9% of net assets in co-investment (vs 6% in 2023) and aims to grow this to 10-15% in line with stated policy. Increasing the allocation to co-investments allows HgT to more fully utilise its available liquid resources, to improve returns and to reduce the overall fee load for shareholders.

The Hg investment model is based around supporting portfolio companies to achieve their full potential and in creating larger, more valuable and attractive businesses. As a result of this work, these have proved to be sought after businesses from both trade and financial buyers. Consequently, despite the challenging market conditions, Hg continued to deliver a number of liquidity events over the last year, which included the full and partial exits of IRIS, GGW, team.blue, Argus, Visma, TeamSystem, Septeo and Dext. In total, HgT saw £508 million in realisations from the underlying portfolio. Post-period, HgT expects to realise a further £87 million from the partial exits of Citation and Trackunit.

> **"2024 saw good progress for HgT, maintaining the momentum reported in the interim results. The overall deal markets for Private Equity transactions continue to gradually improve, aided by increased investor confidence and more accommodative conditions in credit markets. Furthermore, as I noted in the interim results, the kind of high-quality software companies that make up the majority of the HgT portfolio remain some of the most attractive areas in which to invest across private markets and continue to command significant valuation multiples, in my view. HgT has been a very active participant in the markets in 2024 with a number of new investments and realisations taking place throughout the year."**

Exits in the last year achieved an average of 15% above the last reported carrying value of the investments. Valuations remain an area of continued focus for the HgT Audit Valuation and Risk Committee ('AVRC'), with the long term and ongoing record of exits above recent holding values providing comfort.

Realisation activity continues to distinguish Hg, as the Private Equity industry in general finds generating liquidity events challenging. Hg's recent record of delivering more than 40 realisations over the last two years highlights the fundamental strengths and attractiveness of the underlying portfolio to both trade and financial buyers, despite the challenging overall market conditions.

Portfolio transaction activity: see pages 44 to 47 of this report.

Fundraising

Hg's record in building and creating value in the portfolio supports Hg's fundraising. In February 2025, HgT committed $1.0 billion to Hg's Saturn 4 fund which will be deployed over the next three to four years. As shareholders will be aware, committing to Hg funds is the single greatest lever HgT has to support the long term growth in NAV. Participating in this latest fundraising process will thus support HgT's long-term NAV growth ambitions while the sizing of this commitment is appropriate for the resources available to support both this new Saturn fund and others in the Hg fund family when they return to market. HgT continues to participate as Hg's largest single client.

Hg funds: see page 32 of this report.

Capital Allocation

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

Investments

At the core of the capital allocation policy is the imperative to drive compelling investment returns for shareholders. As you will be aware HgT has delivered strong shareholder returns to investors over a period of more than two decades, a fact recently highlighted by the AIC.

www.theaic.co.uk

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

Buybacks

From time to time, market conditions can create divergence between the share price of HgT and its stated net asset value. The Board, the Manager and HgT's broker monitor such divergence closely, following a clearly defined share buyback policy. The Board has developed a process with a number of 'triggers' set by absolute and relative levels of share price discount over various time periods. Where two or more such 'triggers' are activated, the Board is informed and a decision is taken as to whether to allocate resources to buying back shares. Any such buybacks are viewed with suitable caution, reflecting the relative merits of any immediate gain with the considerable impact that utilising current cash has on long term NAV growth.

Dividends

HgT's ability to pay dividends is mainly determined by the levels of income that are generated by the underlying assets in the portfolio. As deal structures used by Hg have evolved, the general trend in that level of income generated is downwards, albeit it is also variable from one year to the next. Given this feature, the Board has in recent years guided shareholders to viewing 5p per share as a reasonable basis for a dividend 'floor'. This year, taking into account the levels of income available, the Board considers a 5.5p per share to be appropriate and within the requirements to maintain investment trust tax status.

Debt facility

The final element of the capital allocation policy relates to the use of leverage. HgT maintains a Revolving Credit Facility of £375 million to support the implementation of the investment strategy.

Balance sheet

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

As one of the tools used to manage the balance sheet, HgT has a revolving credit facility to support the investment programme and to improve balance sheet efficiency. In 2024, HgT increased its facility to £375 million, representing c.15% of NAV, consistent with the historical sizing of this facility. This will aid HgT's future cash flow management.

HgT benefits from a unique opt out clause within its underlying investment agreements with Hg (please refer to business model on page 15 for further detail), which provides a useful risk management tool for the Board in managing and optimising the HgT balance sheet.

Impact and responsible investment

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

The UN Principles for Responsible Investment (UNPRI) assessment of Hg's approach to responsible investment is 5* (94/100) for policies and stewardship and 5* (97/100) for Private Equity, and the Board of HgT meets regularly with the Hg Responsible Investment team to ensure that Hg's work is well understood and endorsed by the Board. As we have previously reported, Hg launched The Hg Foundation in 2020 – a charitable initiative to provide funding and operational support to initiatives across Europe, the UK and the US. The Hg Foundation's goal is to have an impact on the development of those skills and learning most required for employment within the technology industry, focusing on individuals who might otherwise experience barriers to access this education. The Foundation is funded by the Hg management company and its team members.

Responsible Investment: see pages 34-35 of Hg's review.

The Hg Foundation: see page 35 of Hg's review.

Reporting and Transparency

The Board continues to look at ways to increase the effectiveness of communications for shareholders.

We are now providing preliminary trading updates, which provide our shareholders with earlier guidance on the performance of HgT ahead of the full year and interim results, after approval by the HgT Audit Valuation and Risk Committee ('AVRC') and the HgT Board.

Over the past year, we have upgraded our website, our reporting materials and our public engagement through enhanced social media activity. Additionally, the capital markets day in June saw record numbers of attendees and was received very positively. These initiatives are part of a concerted effort to continue to improve shareholder engagement.

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

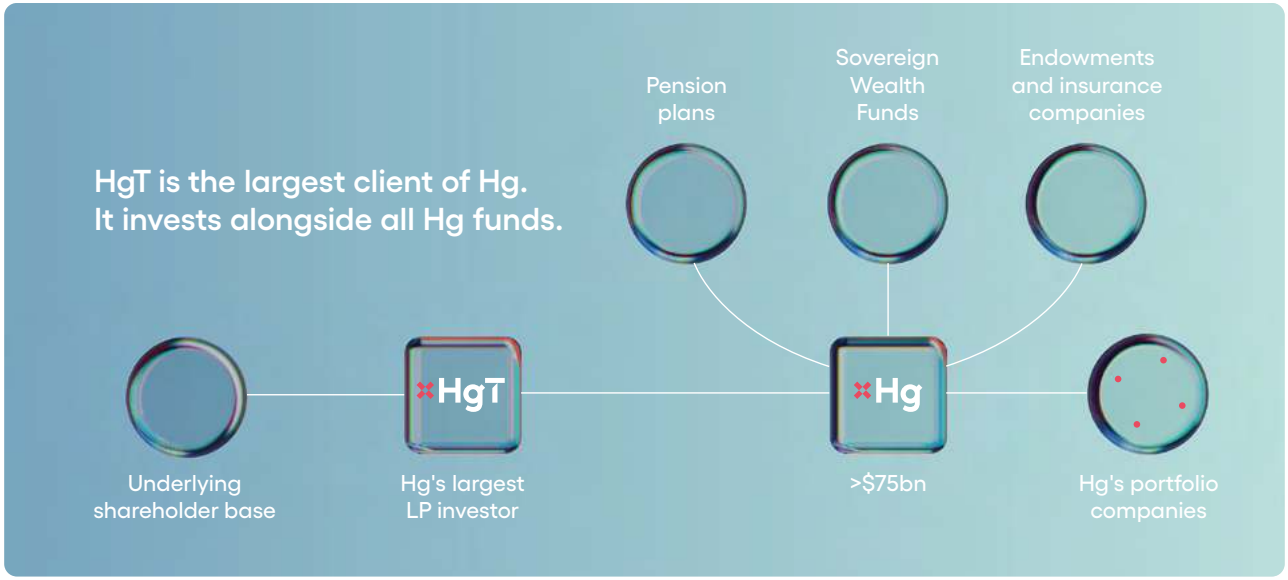
Board and governance

As I noted in March, Anne West retired from the Board at the AGM in May 2024, after ten years of service. On behalf of myself and my fellow Directors, I would like to thank Anne for her important contribution to HgT throughout her time on the Board. Following Anne's departure, Erika Schraner has been appointed Senior Independent Director and Helena Coles has taken on the role of Chair of the Management Engagement Committee.

In late 2023, we commenced the process to find a new Non-Executive Director and an external search firm was engaged to support the Nomination Committee and the Board in delivering a successful outcome to this process, noting the skills and experience which would be most additive to HgT.

We were pleased to announce in May the appointment of John Billowits to the Board. John has over 25 years of operational experience and a wealth of investment expertise in the software sector, and brings valuable international perspective, through his past roles and current appointments on Boards of US, Canadian and European software companies. As a former CFO and CEO and as a Chartered Accountant, John has significant depth of financial knowledge and experience. He is a highly regarded investor and operator in the software sector and brings a unique combination of skills and personal strengths that are highly complementary to HgT and we are delighted he has chosen to join the Board.

Nomination Committee report see page 106 of this report.



Prospects

HgT delivered a strong performance in 2024, both in NAV growth and notably in share price appreciation driven by value creation in the portfolio. Investment activity accelerated over the year, as conditions improved from the previous year and as the market looked favourably on the kinds of high-quality assets that make up the HgT portfolio. Importantly, the manager, Hg, continued to develop its own capability throughout the year.

Turning to the year ahead, it seems likely that the elevated risk levels discussed earlier in this report will remain very much a factor and HgT will have to continue to navigate these. Amongst key external risk, both geo-political risk and cyber risk are expected to remain elevated and the environment in which HgT operates to remain volatile. Risk is very much front and centre of the considerations of the Board and as a group, we continue to refine and enhance the tools and processes we use in this area to identify, articulate and mitigate the risks HgT faces as best we can.

HgT benefits from the unquestioned quality of Hg as manager and from the successful investment strategy Hg has developed, investing in resilient businesses with strong repeat revenue business models where they solve key business problems for their numerous customers around the world. The investment "machine" that drives the performance of HgT is working well, delivering attractive new opportunities for the portfolio while continuing to successfully monetise successful exits from the mature assets HgT holds. Trading across the active portfolio remains very much in line with the record of recent years, delivering strong growth in sales and profitability at attractive margins.

While very much aware of the risk environment, the Board is cautiously optimistic for the performance of HgT in the year ahead.

Jim Strang
Chairman
7 March 2025

Notice of AGM: see page 121 of this report.

As we have noted in the long-term viability statement (page 16), the Director's report (page 88) and in the notice of the Annual General Meeting, (page 121), in line with HgT's Articles of Association, the Board proposes an ordinary resolution to continue the life of HgT for a further five years. Given the outperformance of HgT over many historic time periods under the management of Hg and with feedback from our investors and commentators, we believe that this proposal will be passed at the May 2025 AGM.

Manager's update

2024 was a year of consistent performance across the broad software industry, with a listed proxy, the IGV ETF[1] showing an 18% increase in Next Twelve Months ('NTM') forecast Earnings Per Share ('EPS'). This was consistent with the first half, and above the long-term trend of c.13%. It also marked a return to software's long track record of outperformance over the broader market; the broad market IVV ETF[2] (which tracks the S&P500) showed 12% EPS growth on an equivalent basis. As in the first half, our analysis continues to show that public software companies have seen a slight softening of organic revenue growth (c.1-2PP[3]) over the course of 2024. Margin expansion has more than counteracted this and continues to drive earnings growth well ahead of revenue growth.

The Hg portfolio maintained its long-term trend of outperformance against the broader industry. The top 20 investments saw EBITDA growth of 23% which resulted from a healthy combination of 19% revenue growth plus some modest margin expansion. Both revenue and earnings have been underpinned by a broadly equal mix of organic growth and M&A.

Through 2024, we commented that we did not expect 2023's multiple expansion to persist and, up until the fourth quarter, our speculation was closely tracking the actual outcome. However, Q4 benefited from a more buoyant mood in stock markets generally, and some particularly strong performances by companies such as Palantir and Salesforce.com, partly fuelled by increased AI enthusiasm. As a result, the NTM Price:Earnings multiple ended the year modestly (4%) higher than it started, providing a small extra boost to the sector's strong double digit earnings performance. In contrast, our portfolio valuation multiple remained stable through the year, with, as is nearly always the case, earnings being the dominant driver of our performance.

Trading in our portfolio remains relatively robust, although headwinds to growth increased slightly over the course of 2024. In particular, lower inflation means that even if real growth rates are sustained, nominal (i.e. reported) growth sees modest headwind. However, we should contextualise this for the kinds of businesses we own, because it might not align with how other, more generalist investors, describe the environment. The vast majority of our revenue arises from the existing customer base of our portfolio companies, which typically is enough to drive modest growth even absent any new business. Previous cycles have shown that B2B software follows a late cycle, with a very muted effect of economic slowdown as software purchase / upgrade decisions are modestly deferred or scaled back. For our portfolio, when life gets a bit tougher and new business slows, or inflation falls, the actual impact on organic growth is much more limited. The listed software universe contains a broader range of companies, sometimes with more economically exposed business models, and thus saw a larger reduction in growth expectations during the course of 2024.

Following the last two years of strong exit and liquidity activity, we have crystallised positive performance from the mature fund vintages, substantially de-risking these funds and providing further validation of the valuations at which we hold our portfolio companies. All Hg fund vintages from 2012 to 2018 rank in the top quartile for Distributed to Paid-In Capital ('DPI', FN) when compared to peers. Across 2024, ten of our businesses saw new investors, either as a minority alongside Hg, or as majority investors.

New investment activity accelerated considerably in 2024 with thirteen platform investments in the period. These covered a broad range of sizes (enterprise values from c.£100 million up to c.£2.5 billion) and clusters. Nine of the investments were new to Hg, and the remaining four represented opportunities to deploy new fund capital into businesses where we have a pre-existing relationship.

David Toms
Head of Research, Hg

"As long-term technology investors, we've seen various technology waves over the past three decades, and one feature recurs every time. The world might overestimate the speed of change, but it also underestimates the scale of change."

Looking to 2025, as we have previously observed, a key attraction of investing in software and services is that earnings growth is the dominant factor in driving long-term returns. The nature of the revenue models (recurring) and costs (largely controllable by the companies) in this sector mean that the resulting earnings growth is robust and predictable. Consensus

[1] Source: IGV: Factset
[2] Source: IVV: Factset
[3] Source: Hg proprietary analysis of c.150 publicly listed software companies, on a revenue-weighted basis
[4] Source: Factset, 5 February 2025; IGV EPS FY2 of 2.78/FY1 of 2.37

forecasts suggest c.17% EPS growth for the sector in 2025[4], through a combination of low-double-digit revenue growth, continuing margin expansion and modest M&A. We expect to continue our track record of long-term outperformance, although we do caution that our portfolio is typically slow to react to market changes, which can induce a lag in either direction. A recovery in the industry may take longer to feed through to our own trading, just as the 2022 slowdown had less negative impact on our portfolio than it did the broader industry.

We continue to be alert to opportunities and challenges arising from GenAI. Building on our annual Software Leadership Gathering in Lucerne, we recently ran a "Silicon Valley Leadership Gathering" for our portfolio. As well as exploring the transformation of existing application software, we heard from a number of AI-first companies. This further enhanced not just our understanding of the opportunities, but also our enthusiasm for the scale of these. We remain firmly of the view that established software companies are so valuable because of their sector IP, accumulated experience, customer relationships, and data; all of which enable them to deliver the best possible customer propositions at the lowest cost when using modern tools.

Live examples of AI success in the portfolio continue to increase; we are now tracking over 300 AI projects in the portfolio. These remain biased towards productivity increases (particularly around customer support, and product development) – for example, we are seeing some very material reductions in the cost of modernizing older code bases that might otherwise not have been economical to redevelop. Evidence continues to build for the appeal of AI-enabled products for customers – some early launches have seen rapid adoption at premium price points and we remain confident that there is significant runway ahead for these capabilities.

As we stated in the H1 report, "The world might overestimate the speed of change, but it also underestimates the scale of change... Our role is to invest deeply in our capabilities and understanding to support the kinds of workflow companies that Hg backs to leverage this next generation of automation into their customers."

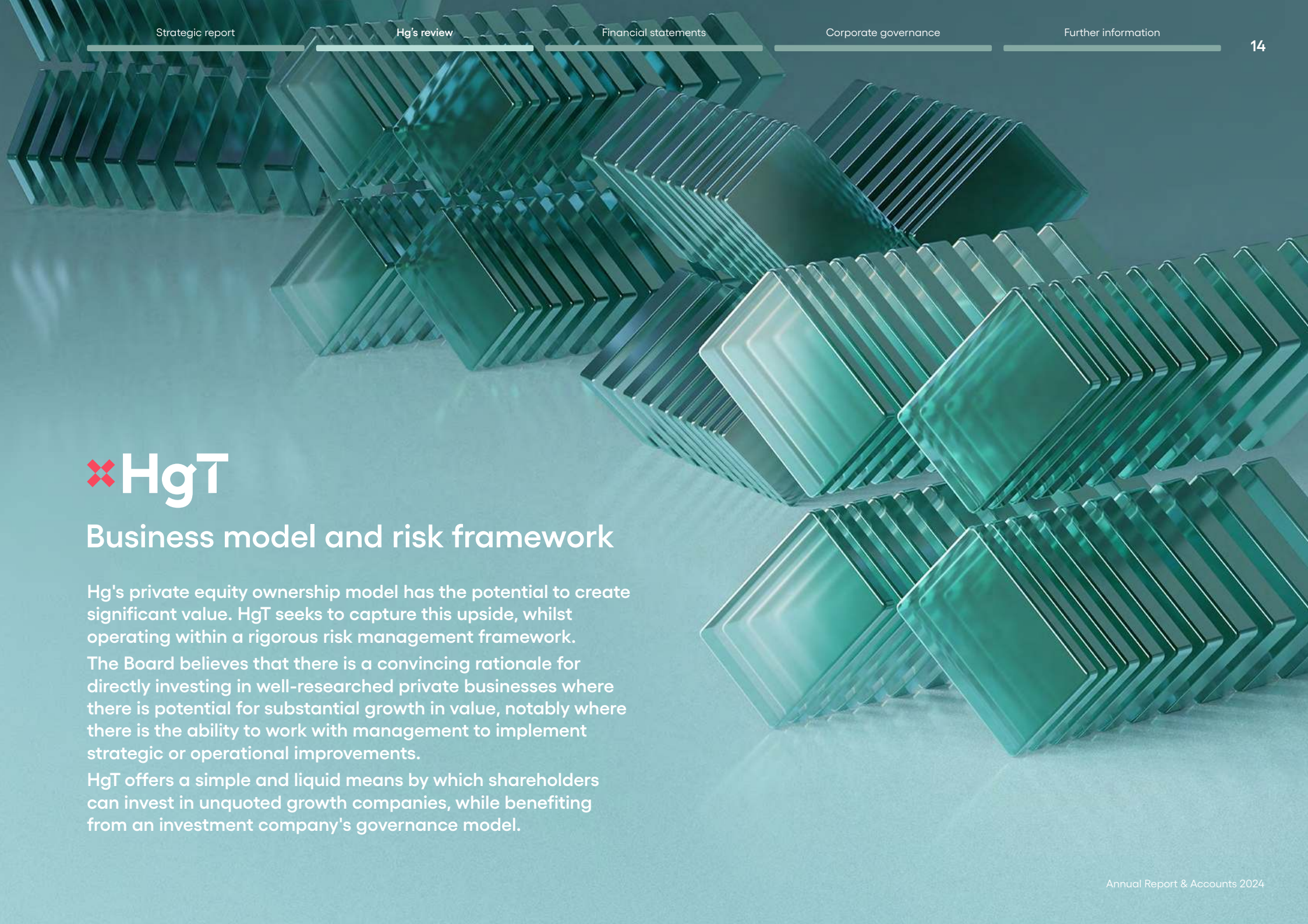
Activity levels

In any rolling 12-month period, the investment teams across Hg would ideally make between eight and 16 new platform investments in total across the active Hg Saturn, Hg Genesis and Hg Mercury funds. We would also seek to deliver similar numbers of liquidity events (sales, or partial sales of investments and refinancings) each year. We believe the pace of investment should continue at broadly this level over the medium term. During 2024 we made new platform investments in nine businesses: AuditBoard, Ivalua, Ncontracts, Focus Group, CINC Systems, CTAIMA, Empyrean, Cube Global and Induver.

The current run rate of Investment Committee activity is at a level that historically has proven appropriate to deliver our long-term average goal of 10 to 12 investments a year; with the Investment Committee busy looking at opportunities across Saturn, Genesis and Mercury funds. Given the period over which we track potential investments, rising investment committee activity takes time to convert to new closed deals. Nevertheless, we are encouraged by the volume of activity and are starting to see this flow through to investments.

The quality of our portfolio is evidenced by our continuous ability to generate liquidity. Since the beginning of 2022, we have announced 42 liquidity events, comprising full exits, partial exits, and refinancings, including 11 over the course of 2024. In a market often sceptical of private equity valuations, cash returns offers the most compelling evidence of their accuracy.

M&A within the existing portfolio is a strong source of value creation. Deal volumes have accelerated over the past three years and remain at a high level – around 300 transactions a year. The valuations for such investments tend to be materially lower than those of the platform companies that are acquiring them, providing an attractive source of enhanced returns. Of similar importance are the operational opportunities that this M&A enables as the platform company is able to drive both revenue growth and cost synergies.



HgT

Business model and risk framework

Hg's private equity ownership model has the potential to create significant value. HgT seeks to capture this upside, whilst operating within a rigorous risk management framework.

The Board believes that there is a convincing rationale for directly investing in well-researched private businesses where there is potential for substantial growth in value, notably where there is the ability to work with management to implement strategic or operational improvements.

HgT offers a simple and liquid means by which shareholders can invest in unquoted growth companies, while benefiting from an investment company's governance model.

Business model

To achieve HgT's investment objective and within the limits set by the investment policy, HgT is an investor in unquoted businesses managed, and in most cases controlled, by the Manager. From time to time, HgT may hold listed securities in pursuit of its investment policy.

HgT is currently invested in 55 companies (as set out on pages 48 and 49 of this report), ranging in size, sector and geography, providing diversification.

The Board has delegated the management of HgT's investments to Hg Pooled Management Limited (the 'Manager' or 'Hg'). Further details of the terms of the management agreement are set out on page 113 of this report. The Manager invests predominantly in unquoted software and services businesses in expanding sectors and provides portfolio management support. Hg's review on pages 29 to 56 of this report outlines how HgT's investments are managed on behalf of HgT.

Most of HgT's investments are held through special-purpose partnerships, of which it is the majority limited partner.

Periodically, HgT enters into a formal commitment to invest in businesses identified by the Manager, alongside institutional investors which invest in other Hg Limited Partnership Funds. Such commitments are normally drawn down over three to four years. The institutional investors and HgT invest on similar terms.

HgT is usually the largest investor in each Hg fund. The Board has a further objective of keeping HgT as fully invested as is practicable, while ensuring that it will have the necessary cash available when a new investment arises.

The Board, on the advice of the Manager, makes assumptions about the rate of deployment of funds into new investments and the timing and value of realisations. However, to mitigate the risk of being unable to fund any draw-down under its commitments to invest, the Board has negotiated a right to opt out of its obligation to fund such draw-downs, without penalty where certain conditions exist.

HgT may also take up a co-investment opportunity, directly investing into the business alongside the respective Hg funds (in addition to the investment which it has committed to make).

Typically, HgT has no liability to pay management fees on such co-investment and no performance fee incentive is payable to the Manager on realisation (currently 9% of HgT's NAV is in co-investments). HgT may also offer to acquire or sell a limited partnership interest in any of Hg's funds, in the event that an institutional investor wishes to realise or purchase its partnership interest.

The Board regularly monitors progress across all of the businesses in which it is invested as well as their valuation, the development of the Manager's investment strategy and the resources and sustainability of the business model.

Performance

HgT's aim is to achieve returns in excess of the FTSE All-Share Index over the long term. In the year to 31 December 2024, HgT's NAV per share increased by 10.4% on a total return basis. The FTSE All-Share Index increased by 9.5% on a total return basis over the period. The share price increased on a total return basis by 25.7%. NAV per share has grown by 18.1% p.a. compound over the last 10 years and 15.3% p.a. compound over the last 20 years. The share price has seen broadly similar performance growing by 20.5% p.a. compound over the last 10 years and 15.9% p.a. compound over the last 20 years.

All of the above returns assume the reinvestment of all historical dividends. The Board and the Manager aim to continue to achieve consistent, long-term returns in this range.

HgT is not managed so as to achieve any short-term performance relative to any index. The Board also compares HgT's NAV and share price performance versus other comparable indices with similar characteristics.

Dividend

HgT aims to achieve growth in the net asset value per share and in the share price, rather than to achieve a specific level of dividend. Furthermore, the ability of HgT to pay dividends is very much influenced by the capital structures of the transactions entered into by Hg and by income received on any liquid resources held subject to investment.

The Board has indicated that it currently believes 5.0 pence per share, over the full year, to be a reasonable level for a floor.

The Board has declared a final dividend in 2024 of 3.5 pence which brings the full year dividend to 5.5 pence, after an interim dividend of 2.0 pence. The Board keeps the dividend objective of HgT under regular review and will communicate, to shareholders, further guidance on the dividend when it is practicable to do so.

Investment trust status

As HgT is constituted as an investment trust and its shares are listed on the London Stock Exchange, it can take advantage of tax benefits available to investment trusts. This allows HgT to realise investments from its portfolio without liability to corporation tax. The Board intends to retain this status provided that it is in shareholders' interest so to do.

It is important to note that HgT, in order to qualify for continuing investment trust tax status, may retain no more than 15% of its taxable income, in any given year.

Going concern

HgT's business activities, together with those factors likely to affect its future development, performance and financial position are described in the Board's Strategic Report and Hg's Review. The financial position of HgT, its cash flows, liquidity and borrowing facilities are described in the Strategic Report. The Directors have considered the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting and believe that HgT is well placed to manage its business risks successfully. The Directors review cash flow projections regularly, including important assumptions about future realisations and the rate at which funds will be deployed into new investments. The Directors have a reasonable expectation that HgT will have adequate resources to continue in operational existence for at least the next 12-month period from the date of approval of this Report and to be able to meet its outstanding commitments. Accordingly, they continue to adopt the going concern basis in preparing these results.

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

Longer-term viability statement

In line with provision 36 of the AIC Code of Corporate Governance, the Directors have assessed the prospects of HgT over a period longer than the 12 months required by the 'Going Concern' provision. The Board believes that the appropriate period over which to assess HgT's viability depends on several factors, the outstanding investment commitments in particular, therefore, the Directors evaluate these on an ongoing basis. However, since HgT's objective is to provide shareholders with consistent, long-term and sustainable returns, the Board believes that it should assess the viability of HgT over a minimum of five years. Therefore, the Directors have elected to assess HgT's viability over the five-year period ending December 2029, because the current commitments, at year end, run until 2029. The key underlying assumption we make is that HgT's business model remains broadly unchanged and HgT continues to invest in unquoted businesses acquired by Hg. We also assume that our shareholders will support the ordinary resolution to continue the life of HgT for a further five years at the next Annual General Meeting in May 2025.

Assessment of prospects

- The Board has assessed HgT's prospects and long-term viability, taking into account:
- HgT's position with reference to the business model (a description of which can be found on page 15);
- the balance sheet, cash flow projections (including the key underlying assumptions), and availability of funding. As at 31 December 2024, including cash on the balance sheet and the undrawn facility available at that time, HgT had available liquid resources of £336 million, 13% of the NAV;
- HgT's outstanding commitments (see page 42); and
- the principal risks and uncertainties including: macro-economic, performance; regulatory; operational; financial; liquidity; and borrowing, detailed on pages 17 to 19 of the Strategic Report.

Assessment of risks

As part of the Risk Management Framework (described on page 17), principal and emerging risks and uncertainties are routinely subject to a comprehensive review by the Audit, Valuation and Risk Committee and the Board. Managing risk is fundamental to the delivery of HgT's strategy, and this is achieved by defining HgT's risk appetite and managing risks within that appetite, particularly those that could threaten its business model, future performance, solvency, valuation, liquidity or reputation. Of the identified risks, the following are the most important to the assessment of viability: availability of capital; performance of underlying portfolio companies; the timing of deployment or exits; political and macro-economic uncertainty and their impact on the markets; and related to that, risks to the valuations.

Principal risks: see page 17

Stress testing

The Directors of HgT regularly stress test the portfolio and its cash flows and review and challenge the sensitivity of the business model against the principal risks which are likely to have an adverse impact on HgT. This is done by reviewing:

- sensitivity to equity price risk. The impact of 1x reduction in EV to EBITDA multiple applied to unquoted investments, as well as mitigating actions, details on pages 72 and 73 in Note 19 to the financial statements; and
- HgT's financial position. The Board discusses updated base case and downside scenarios for cash flow projections at every Board meeting. These scenario analyses take into account available liquid resources, including the bank facility, pipeline of new investments, existing and expected commitments, and the potential timings of new acquisitions and exits, and model their impacts on HgT's financial position over the coming five years.
- Scenario stress and reverse stress tests. The scenarios, rooted in our principal risks, model significant impacts on HgT's liquidity and its ability to continue to invest and operate in line with its business model. The Board regularly considers the results of stress and reverse stress testing and a detailed explanation of the four scenarios that were tested is included on page 101. The results of these tests indicated that the risk of the circumstances described in these scenarios occurring and impacting HgT's viability remained low. The review also found that the reverse stress tests were deemed to be sufficiently improbable and posed a low likely risk of impact to HgT's viability and medium-term resilience.

Assessment of viability

Based on the Board's assessment, the Directors have a reasonable expectation that HgT will be able to continue to operate and meet its liabilities, as they fall due, over a five year period ending December 2029.

Principal and emerging risks and uncertainties

During 2024, the Board has continued to operate a comprehensive Risk Management Framework to assess the principal and emerging risks facing HgT. Managing risk is fundamental to the sustainable long-term delivery of HgT's strategy and this framework provides objective support for Board decisions, as they relate to performance, capital structure, liquidity, valuation and business model. Information about the work undertaken by AVRC to prepare for the upcoming change in requirements to reporting on risk management and the internal controls framework under Provision 29 of the UK Corporate Governance Code can be found on page 100.

AVRC report: page 100

The Risk Management Framework is dynamic and used by the AVRC to assess the probability and likely impact of principal risks, to ensure that HgT operates within a defined risk appetite for each category, and that focus is maintained upon those risks which require attention, prioritising mitigating actions from both HgT and Hg. The risk register is regularly stress-tested, providing assurance that the performance of HgT is insulated, as far as practical, from exogenous factors in the operating environment.

During the year, the resilience of HgT's investment model continued to be tested by the wider macro-economic uncertainty, as was the performance of the portfolio companies.

While inflation has fallen significantly since the peaks of 2022/23, the interest rate cuts made by some central banks have only been modest, and macroeconomic and geopolitical challenges and risks remain. Against this backdrop, the resilience of HgT's portfolio has continued to be demonstrated, yet, the overall level of risk remains elevated.

The Board and AVRC anticipate that the macro-economic environment is likely to remain challenging and will cause the level of mitigated risk to remain elevated into the first half of 2025. Whilst the revenues and operations of Hg's portfolio companies are not reliant upon the economies of Russia, Ukraine or Israel, heightened geo-political uncertainty is a continuing risk that has been seen to lead to broader economic impacts. The US election was a major political event in the second half of 2024, with potential US tariffs likely to be a major talking point in 2025. While the HgT portfolio doesn't have a material exposure to the US Federal Government, and at an industry level software is not expected to be the primary focus of any tariffs, there may be broader macroeconomic impacts (e.g. on inflation and growth). The Board and AVRC, following careful consideration, have determined that it is appropriate to accept this elevated level of risk on a temporary basis and remain confident in the resilience of the business models of the underlying portfolio investments. Further mitigating actions will be taken, should the overall level of risk exceed the Board's stated risk appetite.

HgT considers the principal risks to be in four main categories:

Investment Risk
the risk to HgT that inappropriate investment or realisation decisions reduce the returns made.

Financial Risk
the risk that HgT's valuation, liquidity or resources are insufficient to allow HgT to invest.

Operational Risk
the risk of changing regulation: failure of Hg's processes and internal control systems and underlying portfolio performance.

External Risk
the risk of adverse macro-economic, regulatory or geo-political change.

Risk trend:
- improving
- stable
- worsening

Appetite:
- within
- outside

Potential risk	Potential impact	Mitigations	Trend/Appetite
Investment			
Investment Performance Risk that poor investment selection and monitoring by the Manager, or other factors, lead to underperformance against the investment case of the underlying portfolio companies.	• Reduction in NAV • Reduction in share price • Reputational damage	• Hg's clear investment strategy focusing on software & services and investing with proven domain knowledge and execution capabilities • Capital deployment is rigorously determined by the Hg Investment Committee • Portfolio performance is reviewed regularly by Hg's Realisation Committee comprising experienced investment professionals and by the HgT AVRC • Hg's Value Creation Team comprises a deep bench of functional experts driving growth and business model optimisation across the portfolio to drive performance	
Exposure solely to technology Risk that technology-focused investment strategy could lead to relative underperformance and/or increased volatility if sentiment towards the sector turns negative.	• Reduction in NAV • Reduction in share price	• The Hg portfolio is concentrated by design, yet is diversified by its end-users and is considered a defence against an ageing workforce, lack of productivity and ultimately, economic downturns • Hg's dedicated research team analyses how data and technology affect current and future investment opportunities and market trends • Hg is committed to investing in companies exhibiting specific business model attributes, believing such businesses will perform through the macroeconomic environment and market cycle (business critical need delivered as software or service; subscription or repeat revenue model; intellectual property ("IP") protections providing higher margins; fragmented customer base)	
Financial			
Valuations Risk that inaccurate valuations would lead to a misleading NAV and/or inaccurate financial reporting.	• False market in HgT shares • Reputational damage • Reduction in share price • Constrained access to capital	• Valuations are prepared by Hg in accordance with IPEV guidelines and reviewed by HgT's AVRC • Hg's Valuation Committee, independently chaired, reviews valuations quarterly • The auditors, both of the Hg funds and HgT, review the valuations and methodology as part of their audit procedures • HgT's AVRC reviews and cross-checks valuations against a broad range of objective valuation methodologies	
Liquidity & commitment Risk that insufficient liquid resources are available to make investments or capacity is insufficient to underwrite future commitments to Hg funds.	• Reputational damage • Missed investment opportunity • Reduced NAV growth • Reduced shareholder return	• Borrowing structures and cash flow forecasts are considered at each HgT Board meeting • An additional £375 million of liquidity is available through a bank facility, of which £98 million was drawn as at 31 December 2024 • When its shares trade at a premium, HgT could choose to issue new shares • Option to execute secondary sales of HgT's stake in one or more Hg funds • An opt-out facility is available where certain conditions exist across all investing funds	

Potential risk	Potential impact	Mitigations	Trend/Appetite
Operational			
Regulatory, legal & tax Risk that regulation changes affect investment trust status and/or that other changes in legislation, regulation or government policy could influence the decisions of investors.	• Increased corporation tax, leading to an adverse impact on valuation • Reduction in share price • Misunderstood or misreported regulation leading to reduced demand for shares • Lack of adherence to regulation leading to reputational risk	• Hg monitors the relevant key variables to ensure compliance with sections 1158 and 1159 of the Corporation Tax Act 2010 and preserve HgT's investment trust status, which is confirmed by Hg at each meeting of the Board • Regular compliance and risk reviews are reported to the Board by the Manager's compliance team • The Investor Relations team and HgT's external advisers engage with stakeholders and provide updates to the Board on legal and regulatory developments	
Manager & third-party providers Risk that control weaknesses of the Manager and/or third-party providers, lead to poor performance or non-compliance with regulations.	• Reputational damage • Reduced shareholder returns	• The Manager is regulated and supervised by the FCA • The Manager has controls in place, including those related to investment decisions; portfolio reviews; recruitment, training and promotions; financial performance and payments; protection of client assets; compliance; regulation • The Board of HgT and its auditors regularly review these processes and controls • Annual independent assurance report (e.g. AAF) reviewed by HgT's Board	
Key personnel Risk that Hg is unable to recruit, develop and retain key people, leading to a decline in investment performance.	• Could impair the Company's ability to deliver its investment strategy and meet its external obligations • Investment performance may suffer	• Dedicated People Team and established performance, reward, and employee wellbeing schemes to attract and retain key individuals, including through the use of long-term incentives such as performance fees • Hg fosters a positive culture in a cognitive and ethnically diverse environment • Succession planning and development of investment executive talent a key focus for People team	
Cyber security & fraud Risk of cyber attack, data loss or fraud at Hg and portfolio companies.	• Loss of or lack of control over data due to cyber attacks • Reputational damage • Regulatory sanction	• Increased investment in the portfolio cyber security team which assesses the cyber-security risks of acquisitions and monitors cyber security across Hg and the portfolio companies and mandates improvements • The Privacy, AI & Security Committee, co-Chaired by Hg's Head of Compliance & Risk and Hg's Data Privacy SME, seeks to ensure Hg maintains appropriate processes, procedures and controls to protect its data • Depositary oversees custody of investments and cash in accordance with AIFMD	
External			
Political & macro-economic uncertainty Risk arising from macro-economic shocks, geo-political instability, conflict and pandemic events.	• Portfolio companies suffer revenue declines • Reduction in valuation of portfolio investments • Disruption to capital markets • Earnings multiples of listed companies applied to valuations might be adversely affected	• Hg's portfolio is diversified by end market and geography, with the majority of revenues derived from subscription-based recurring revenues for non-discretionary technology-led services • The Manager remains focused on the various issues which may need to be addressed, including: – reduced availability of credit to fund future investments – regulation, marketing, trade and foreign exchange movements • These are regularly monitored by the Board of HgT, considering a range of downturn scenarios/stress tests in our business planning • Operational performance, valuations and investment deal flow have shown resilience to pandemic disruptions	
Foreign exchange Risk of foreign exchange movements affecting investments made in currencies other than Sterling.	• Reduction in shareholder returns	• The Board of HgT regularly monitors currency fluctuations • The Hg treasury functions hedge currency exposure and actively mitigate currency risk where appropriate • The revolving credit facility permits drawdowns in each of the three currencies	

Environmental, social and governance matters

For HgT, responsible investing means growing sustainable businesses which are great employers and good corporate citizens, whilst also generating superior risk adjusted returns for our shareholders. The Board fully supports the Manager's approach to responsible investing and the way in which Hg has embedded ESG considerations throughout the investment process.

Environmental

Hg, the Manager, is committed to zero emissions by offsetting its entire carbon footprint. It is a certified Carbon Neutral company, and has been carbon neutral since 2019. Hg also works with the portfolio companies to help measure, manage and improve their carbon emissions and energy efficiency. By seeking a controlling stake in most of Hg's investments, the Manager can make a meaningful contribution in supporting portfolio companies to promote positive environmental change.

Hg's Carbon Footprint Report hgcapital.com/responsibility

As a closed-ended investment fund, HgT is exempt from complying with the Task Force on Climate-related Financial Disclosures ('TCFD') or producing a non-financial and sustainability information statement; however, the Board fully recognises the impact climate change has on the environment and society and endorses Hg's TCFD framework.

Hg's latest TCFD report hgcapital.com/responsibility

Climate change risks

We believe that by understanding and managing the emerging risks and opportunities that arise from climate change we can enhance our investment decisions.

Social

Social responsibility

The Board recognises that HgT has a responsibility to its shareholders, stakeholders and the wider society. The Board believes that responsible business practices help generate superior long-term performance and therefore, fully endorses Hg's Responsible Investment Policy, which sets out Hg's approach to the identification and management of sustainability and ESG related risks and opportunities throughout investment activities, including the management of the investee companies. Responsible investing is embedded across the entire investment cycle, from deal screening and due diligence to ownership and exit.

Hg has been a signatory of the UNPRI since 2012 and the Board has welcomed Hg's continuing commitment to set ambitious goals for various aspects of ESG matters, including social responsibility. Further details on how Hg integrates responsible investing into the investment process can be found in Hg's Sustainability Report 2023/2024.

Employees, human rights and community issues

HgT has no employees and a very limited direct impact on the environment. HgT aims to conduct itself responsibly, ethically and fairly and has sought to ensure that Hg's management of investments takes account of social, environmental and ethical factors where appropriate. Consequently, the requirement to provide information about employees, human rights and community issues, including information in respect of any of its policies in relation to these matters and their effectiveness, does not directly apply to HgT.

Modern slavery

HgT has no employees of its own and the Directors are satisfied that, to the best of their knowledge, its Manager complies with the provisions of the UK Modern Slavery Act 2015.

> **"At Hg, we have been trusted to improve the future of millions of investors by building businesses that can sustain growth for tomorrow. These are carefully chosen words – trust, future, sustainable, tomorrow. Choosing how we do business. What this means in practice is that Hg looks to grow sustainable businesses that are great employers and good corporate citizens, whilst also generating strong returns for the millions of pensioners and savers who are invested in the Hg funds. Everyone at Hg is ultimately pulling together towards this goal."**
>
> Matthew Brockman
> Managing Partner, Hg

Governance

The role of the board is to promote the long-term sustainable success of HgT, generating value for our shareholders. This includes HgT's Board overseeing the governance framework and being ultimately responsible for compliance with applicable legal and regulatory requirements, HgT's external reporting and communications with the shareholders and other stakeholders. Considering the implications of decisions on HgT's stakeholders is an integral part of the Board's decision-making process. Some of the key decisions the Board took this year, their implications on HgT's stakeholders and their outcomes are described below.

The Role of the Board: page 88

> **We continue to monitor progress on improving the diversity with the Board, which is now in compliance with both the FTSE Women Leaders and Parker guidelines for FTSE 250 companies.**
>
> Jim Strang, Chairman, HgT

Purpose

The purpose of HgT is to deliver consistent long-term returns in excess of the FTSE All-Share Index by investing predominantly in unquoted companies where value can be created through strategic and operational change. HgT provides shareholders with listed exposure to a fast-growing network of unquoted investments, not otherwise available to its shareholders. HgT's values focus on transparency and clarity in its reporting, constructive challenge in maintaining a strong relationship with the Manager and mitigating avoidable risk.

Culture

By formally identifying the important elements of HgT's culture, the Directors can assess and monitor the culture and ensure that it remains well aligned with HgT's purpose, values and strategy in the pursuance of the long-term sustainable success of HgT.

HgT's culture: page 88

Diversity

The Board recognises the value of both identity and cognitive diversity to ensure that varied perspectives are considered when making decisions and to achieve that, HgT seeks to attract Directors with diverse outlooks and experience. The Board's Diversity and Inclusion Policy includes objectives and principles HgT follows when recruiting new Directors, to make sure that diversity in all its forms is encouraged and embedded in the new Director search process.

The Board's Diversity and Inclusion Policy: page 106

HgT is pleased to have met the target of the FTSE Women Leaders Review to increase the number of women on Boards in all FTSE 350 companies and as at the end of the year, we had, and we continue to have 50% female and 50% male representation on our Board. One of our two senior positions on the Board is also held by a woman, with Erika Schraner serving as HgT's Senior Independent Director.

The Board constitution of HgT is compliant with the recommendations of the Parker Review at the end of the financial year, with 17% ethnic representation on the Board.

In accordance with Listing Rule 6.6.6R(9), the Board is required to disclose on a 'comply or explain' basis whether it has met the following targets:

(i) at least 40 per cent of the Board should be women;

(ii) at least one of the senior board positions should be held by a woman; and

(iii) at least one member of the Board should be from a minority ethnic background.

As described above, the Board is pleased to report that HgT has met each of these targets.

The information presented in the following tables was collected on a self-reporting basis, and the Board members were asked to complete them, based on how they identify.

Gender representation on the Board as at 31 December 2024

Gender identity or sex	No. Board members	% on the Board	No. senior positions on the Board[1]
Men	3	50%	1
Women	3	50%	1
Not specified/prefer not to say	–	–	–

Ethnic representation on the Board as at 31 December 2024

Ethnic background	No. Board members	% on the Board	No. senior positions on the Board[1]
White British or other White (including minority white groups)	5	83%	2
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	1	17%	–
Black/African/ Caribbean/Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

[1] Senior positions on the Board are the Chairman and the Senior Independent Director.

HgT is an externally managed investment company with no executive directors, chief executive officer or chief financial officer, therefore, disclosures regarding executive management are not applicable to HgT.

The Board reviews four separate **Key Performance Indicators ('KPI')** to assess the success of HgT in meeting its stated objective.

Financial performance[1]

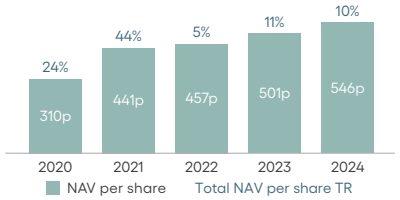
Objective

1. NAV per Share

The value of the portfolio and liquid resources post costs and dividends paid:

5-year annualised return
+18%

5-year cumulative return
+131%

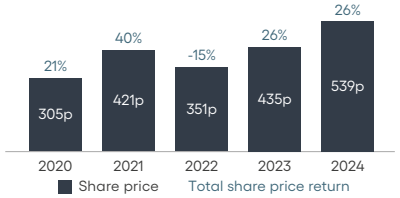


2. Total shareholder return

Share price total return assuming all historical dividends have been re-invested:

5-year annualised return
+18%

5-year cumulative return
+128%

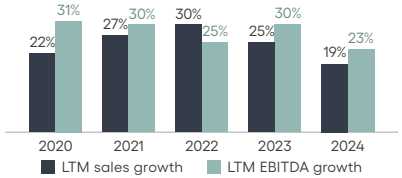


3. Portfolio performance[2]

Trading performance of the top 20 portfolio companies (76% of total portfolio):

5-year average sales growth
+25%

5-year average EBITDA growth
+28%

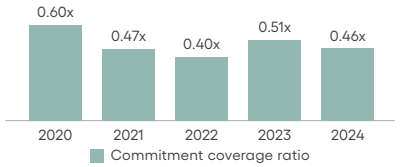


[2] The composition and weighting of which can and does not change year on year.

4. Balance sheet[3]

Commitment Coverage Ratio:
Sum of available liquid resources (including credit facility) divided by total undrawn commitments

5-year average
0.49x



[3] HgT can opt out of a new investment without penalty, should it not have the cash available to invest.

Activities undertaken

Maintaining historic levels of growth in HgT's NAV.

The Board holds regular discussions both formally and between Board and AVRC meetings in order to monitor the performance of the portfolio. These include:

- A rigorous review of valuations
- FX and hedging
- Fees
- Cash, commitments and credit availability

Continuing to deliver consistently strong returns to shareholders.

The Board regularly reviews the marketing and IR functions of HgT with the Manager to continue to provide transparent and clear reporting. These include:

- Shareholder views
- Market performance
- Volumes and liquidity
- Share price discount to NAV

Ensuring underlying portfolio companies continue to grow at attractive rates.

The Board regularly reviews the performance of the underlying portfolio companies and meets with the deal executives to focus in detail on particular businesses and 'clusters'.

Ensuring HgT's balance sheet is optimally structured to support investment activity and future growth in NAV.

The Board holds regular meetings with Hg to review the cash, commitments and availability of credit in order to optimise the balance sheet and ensure sufficient capacity to underwrite future commitments.

[1] Alternative Performance Measure ('APM'), please see the definition of the APM's in the glossary on pages 119 to 120.

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

In addition to the KPIs the Board also reviews risks and governance in meeting its stated objective.

Risk management and governance

Objective		Activities undertaken	
1. Key risks Key risks are identified via the comprehensive risk management framework and process adopted by HgT. Overall risk management is a continuous process where principal and emerging risks are identified and suitable mitigating actions agreed and tracked by the Board.	The key risks which remain outside of appetite and direct control are: 1) Increasing threat to portfolio companies and Hg from cyber attack; and 2) Elevated geo-political risk and uncertainty. See pages 18 and 19.	Ensuring a rigorous risk management process is in place and that key risks are identified, monitored and suitable mitigating actions are undertaken.	The HgT AVRC supports the Board in the creation of a strong risk management framework to provide a robust assessment of principal and emerging risks facing HgT. Please refer to page 14 of this report.
2. Governance Ensuring strong governance and operating in a socially and environmentally responsible manner. By implementing strong and transparent governance practices, the Board ensures, not only	the effective and proper administration of HgT, but also that Hg, as manager, acts and behaves in a socially and environmentally responsible manner across all its operations.	Ensuring HgT is managed to the highest standards of governance and that HgT's affairs are conducted in a socially and environmentally responsible manner.	The Board recognises HgT's responsibility to its shareholders and the wider society and endorses Hg's policy to invest in a socially responsible manner. The Board meets regularly with the Head of ESG at Hg to monitor this.

Directors' duties

Our Section 172(1) statement describes how the Board has, in performing its duties over the course of the year, had regard to the matters set out in Section 172(1) (a) to (f) of the Companies Act 2006 ('the Act'). Fulfilling Directors' duties under section 172(1) naturally supports HgT in achieving its investment objective and making decisions in a responsible and sustainable way. During the year, the Directors consider that they have acted in a way that they consider, in good faith, would most likely promote the long-term success of HgT for the benefit of its members as a whole, with due regard to the likely consequences of any decisions in the long term, as well as the interests of our shareholders and other stakeholders, as required by the Act. More information on how the Board fulfilled its duties under the Section 172(1) can be found in this Report:

Section 172 matter	More information can be found in the following sections:
The likely consequences of any decision in the long term	**Business model and risk framework:** page 14 **Hg's Responsible investment:** page 34
The interests of employees	HgT is an investment trust with no employees; instead, below we describe how the Board engages with the Manager and its key service providers
Fostering HgT's business relationships with suppliers, customers and others	**HgT's MEC Report:** page 104 **How HgT engages with its stakeholders:** below
The impact of operations on the community and the environment	**Hg's Responsible investment:** page 34
Maintaining a reputation for high standards of business conduct	**The Role of the Board:** page 88 **Sustainable Framework and Hg's Responsible investment:** page 35
Acting fairly between members of HgT	**How HgT engages with its stakeholders:** below

How HgT engages with its stakeholders

The Board seeks to understand the needs and priorities of the different stakeholder groups – and these are taken into account in Board's discussions and form part of the decision-making process. How the Board engages with each of HgT's stakeholder groups is described in the following table.

Stakeholders	Why they are important	Board engagement	Outcome
Shareholders	Continued shareholder support and engagement are critical to the continuing existence of HgT and the delivery of its long-term strategy	Over the years, HgT has developed various ways of engaging with shareholders to gain a deeper understanding of their needs and views. These include: • Annual General Meeting (AGM), where shareholders have the opportunity to meet the Directors and ask questions • Publications: The annual and interim results presentations, as well as quarterly reports and factsheets • Shareholder meetings: The Manager organises Investor Roadshows and meets with the shareholders (2024: 105 meetings), the Chairman also participates in a number of events and meetings representing HgT. All investors are offered the opportunity to meet the Chairman and other Board members • Investor Relations updates: At every Board meeting, the Directors receive updates on share trading activity, share price performance and shareholders' feedback • Working with external partners: the Board also engages external marketing providers, such as investor communications advisors, to obtain a more detailed view on specific aspects of shareholder communications, such as developing more effective ways to communicate with investors	During the year, the Board: • Discussed the feedback and views of our shareholders received at investor calls and our 2024 AGM and consequently, continued to enhance HgT's capital allocation policy • Made other changes to our reporting, in response to questions and feedback we received, such introducing preliminary trading updates • Sought shareholder feedback on the type of content they find most useful on HgT's website, and their views were incorporated into the new design of the website, with the aim of making the information most relevant to shareholders quick and easy to find As part of our commitment to better understand the views of our shareholders, HgT engaged our investor relations advisor to undertake a perception study.

Stakeholders	Why they are important	Board engagement	Outcome
The Manager	The Manager's performance is critical for HgT to deliver its investment strategy successfully and meet its investment objective	Maintaining a constructive working relationship with the Manager is crucial as the Board and the Manager both aim to continue to achieve consistent, long-term returns. Important components in the collaboration with the Manager, consistent with the Board's culture, are: • Encouraging open discussion with the Manager • Drawing on the Board Members' individual experience to provide constructive challenge and advice to the Manager • Willingness to make the Board Members' experience available to support the Manager in the sound, long-term development of its business, recognising that the sustainability and robustness of the Manager is in the best interest of HgT's shareholders	The Board: • Completed the annual review of the Manager, details of which can be found on page 104 • Considered and agreed a proposal to extend HgT's direct investments alongside Hg, reflecting the quality of our engagement with Hg, and conviction in Hg's capabilities • Considered and agreed to re-size the existing commitments to Hg Saturn 4 fund (more on page 10)
The Company Secretary, the Registrar, the Depositary, the Broker, the AIFM	In order to function as an investment trust listed on the London Stock Exchange, HgT relies on a range of advisers, who support it in meeting all relevant obligations	The Board maintains regular contact with its key external service providers, both through Board and Committee meetings, as well as outside of the regular meeting cycle and their advice, needs and views, are taken into account. In addition, the Management Engagement Committee ('MEC'), tasked with regular reviews of the external service providers, holds formal relationship meetings with HgT's suppliers	The Board followed the MEC's recommendations to retain all of HgT's current essential advisers The Directors carefully considered the various fees paid by HgT, to ensure all appointments remained in the best interests of the HgT
Lenders	Availability of funding and liquidity are crucial to HgT's ability to take advantage of investment opportunities as they arise	Availability of funding is critical, therefore HgT aims to demonstrate to lenders that it is a well-managed business, and that the Board regularly focuses on risk and risk management	At the start of 2024, HgT worked with our existing lenders to extend the tenure and increase the Company's revolving credit facility, further details on the outcome are on page 10
Institutional Investors and proxy advisers	The ongoing support of the major institutional investors and proxy voting agencies is important to the continuity and the reputation of HgT	The Board welcomes the views and recommendations of our investors and proxy voting agencies, as they provide a valuable feedback mechanism and play a part in highlighting evolving shareholders' expectations and concerns. The Chair, the Manager and the Company Secretary regularly engage with investors and proxy voting agencies to hear their views and answer questions	The Board regularly reviews HgT's corporate reporting to enhance disclosures that are particularly important to our investors, such as diversity, ESG or succession planning
Regulators	HgT can operate only with the approval of its regulators, who have an interest in how HgT operates in the market and treats its shareholders	The Corporate Reporting Review team of the Financial Reporting Council ('FRC') reviewed HGT's Annual Report for the year ended 31 December 2023. The Directors were pleased that the regulator did not have any questions to raise (the FRC's review provides no assurance that the Annual Report was correct in all material respects; the FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements; the regulator (which includes its officers, employees and agents) accepts no liability for reliance on it by the company or any third party, including but not limited to investors and shareholders)	We continue to evolve our Annual Report in relation to review of the FRC's Corporate Reporting Review team providing us with feedback on the 2023 Annual Report

Some of the key decisions made in 2024

Examples of the Board's principal decisions during the year, how the Board fulfilled its duties under Section 172(1) of the Act and the related engagement activities are set out below:

Key matters considered	How, in reaching these decisions, the Directors had regard to section 172(1) (a) to (f) matters	How the decision-making process was influenced by our stakeholders	Outcome
Introducing preliminary trading updates	Providing our shareholders, analysts or brokers, with additional information earlier is important in helping market participants consider HgT's performance. Making additional disclosures reflects our ongoing commitment to transparency and robust reporting	The Directors sought the advice of HgT's shareholders, broker, and legal adviser. The feedback suggested that a trading update would likely be received well, if we could provide the market with an indication of what the Board expected the NAV to be	In January 2024 the Board decided to introduce trading updates ahead of our full annual and interim results to provide the market with an update on HgT's performance
Appointment of John Billowits	Continued refreshing of the Board is important to ensure that the HgT's Board has the right skills, experience, and diversity to deliver our long term strategic plans and ambition	The Board considered the recommendations and expectations of our stakeholders, including the Parker Review panel; our shareholders; best practice; and the views of proxy voting agencies	In May 2024, HgT announced the appointment of John Billowits to the Board. More details: page 86
Audit tender	The Directors appreciate the role external audit plays in the assessment of the company's financial statements and its importance to HgT's stakeholders, as well as HgT's reputation and long-term financial sustainability	The Directors considered the interests of HgT's shareholders, the needs of the future Chair of the Committee as well as the interests of our incumbent external auditor, who benefits from a clear, and extended timeline for the tender process	In July 2024, the Board decided that the next audit tender would be undertaken in the summer of 2025, ahead of the year beginning 1 January 2026. More details: page 103
Commitment to the Saturn 4 Fund	The decisions to invest in Hg's investment vehicles are, by nature, longer-term decisions, and HgT's Board carefully considers HgT's liquidity projections, the expected returns and relevant scenario analyses, which model the various factors, including the dividend cover	Consistent with HgT's strategy and business model, this longer-term commitment cycle supports the long-term growth of the NAV and supports the objective of generating long-term returns for investors	In November 2024, the Board agreed a commitment of $1.0 billion to Hg's Saturn 4 fund (closed in February 2025)

For and on behalf of the Board
Jim Strang
Chairman of the Board
7 March 2025

Investment objective and investment policy

The objective of HgT is to provide shareholders with consistent long-term returns in excess of the FTSE All-Share Index by investing predominantly in unquoted companies where value can be created through strategic and operational change.

During the year, the Board reviewed the Investment Policy and would like to recommend changes to the language of the proposed changes to the Investment Policy, approved by the FCA, seek to describe, more clearly and precisely, the route by which HgT currently invests. It remains the Board's intention to continue to invest in, or alongside, Hg's private funds, in opportunities where the Manager believes that it can add value. The purpose of change in the 'Leverage' section is to clarify the language – HgT's Articles restrict HgT's ability to borrow more than twice HgT's share capital reserves, they do not restrict the minimum level of gearing.

The previous version of the investment policy, with tracked changes, which shows the amendments the Board would like to propose to our shareholders for approval at the 2025 AGM is set out in Appendix 1 to the Notice of AGM on page 121.

Investment policy

The policy of HgT is, in summary, to invest in or alongside private funds managed by Hg, which in turn invest in a portfolio of companies, where Hg believes that it can add value through increasing organic growth, generating operational improvements, driving margin expansion, reorganisation or acquisition – to achieve scale. In this way, HgT seeks to maximise its opportunities and reduce investment risk by holding a spread of businesses diversified by end-market and geography.

Risk management

HgT has adopted formal policies to control risk arising through excessive leverage or concentration. HgT's maximum exposure to unquoted investments is 100% of the gross assets of HgT from time to time. On investment, no investment in a single business will exceed a maximum of 20% of gross assets. HgT may invest in other listed closed-ended investment funds, up to a maximum at the time of investment of 15% of gross assets.

Sectors and markets

HgT's policy is to invest, directly or indirectly, in businesses in which Hg can work collaboratively with management teams to help those businesses achieve their full potential and grow, organically and inorganically. HgT's investments are focused on a range of specific sub-sectors within the software and technology-enabled business services in industry verticals where Hg can utilise the full extent of its knowledge and experience. The businesses HgT invests in often operate across multiple countries but are substantially headquartered in Europe, with a minority based in North America.

Leverage

Each underlying investment is usually leveraged, but no more than its own cash flow can support, in order to enhance value creation; it is impractical to set a maximum for such gearing across the portfolio as a whole. HgT commits to invest in new opportunities in order to maintain the proportion of gross assets which are invested at any time, but monitors such commitments carefully against projected cash flows.

HgT has the power to borrow and to charge its assets as security. The articles restrict HgT's ability (without shareholders' approval) to borrow more than twice HgT's share capital and reserves, allowing for the deduction of debit balances on any reserves.

Hedging

Part of HgT's portfolio is located outside of the UK, predominantly in northern Europe, with a further part in businesses which operate in US dollars. HgT may therefore hold investments valued in currencies other than sterling. From time to time, HgT may put in place hedging arrangements with the objective of protecting the sterling translation of a valuation in another currency. Derivatives are also used to protect the sterling value of the cost of investment made or proceeds from realising investments in other currencies, between the exchange of contracts and the completion of a transaction.

Commitment strategy

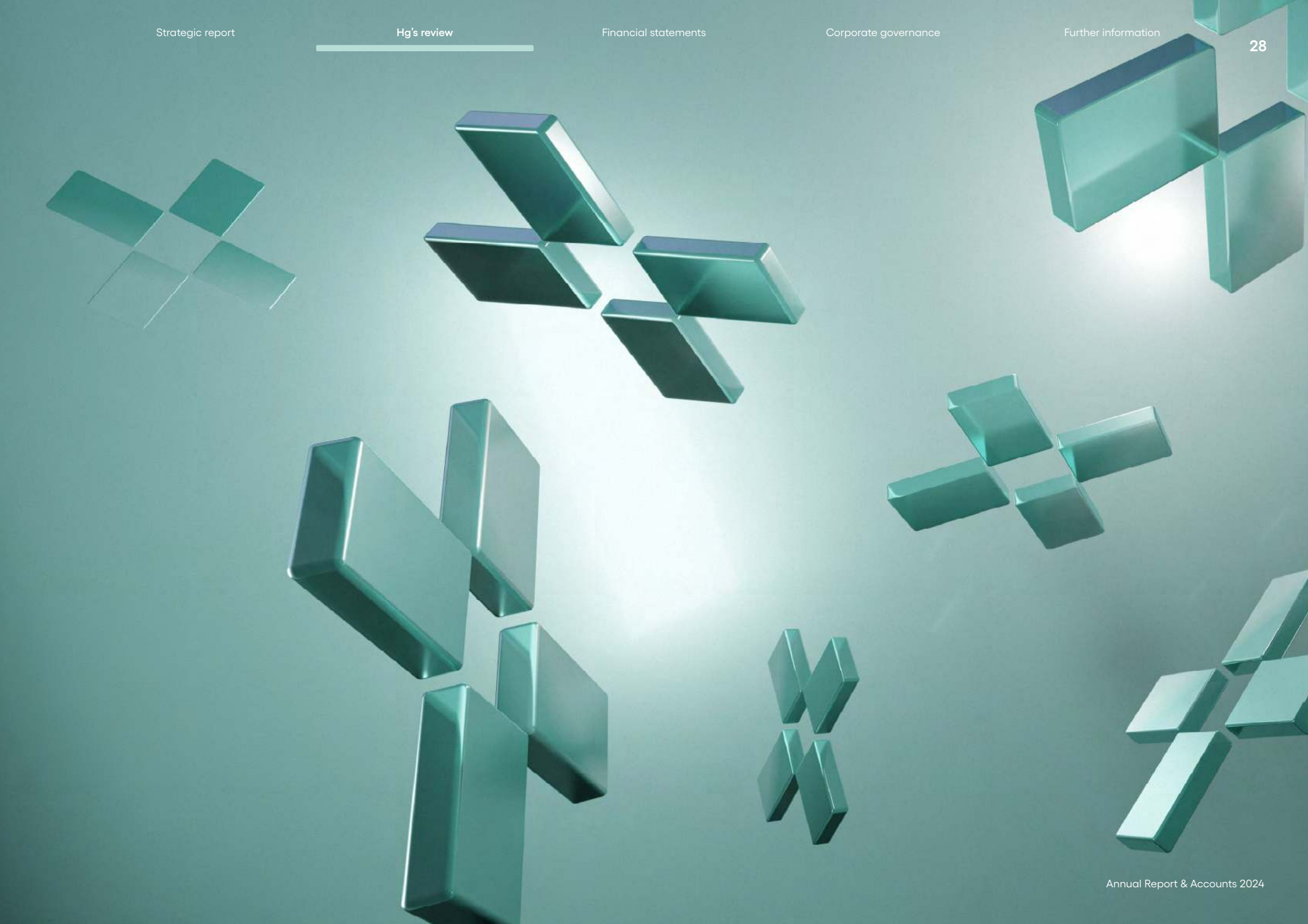
HgT employs a commitment strategy to ensure that its balance sheet is managed efficiently. The level of commitment is regularly reviewed by the Board and Hg.

Liquid funds

HgT maintains a level of liquidity to ensure, as far as can be forecast, that it can participate in all investments made by Hg throughout the investment-realisation cycle. At certain points in that cycle, HgT may hold substantial amounts of cash awaiting investment. HgT may invest its liquid funds in government or corporate debt securities, or in bank deposits, in each case with an investment grade rating, or in managed liquidity funds which hold investments of a similar quality.

If there is surplus capital and conditions for new investment appear to be unfavourable, the Board will consider returning capital to shareholders, probably through the market purchase of shares.

Any material change to HgT's investment objective and policy will be made only with the approval of shareholders in a general meeting.



Hg

Together we build enduring software and services leaders that transform how people work

Hg is a leading investor in European and transatlantic software and services businesses.

Hg focuses on building European and transatlantic champions that provide critical services for many thousands of businesses globally.

We are a tech investor that has both a strong European heritage and significant presence across North America.

We are investing in the future, helping to progress workplace automation and digitisation trends still in early stages of adoption, set to transform the workplace for professionals over decades to come.

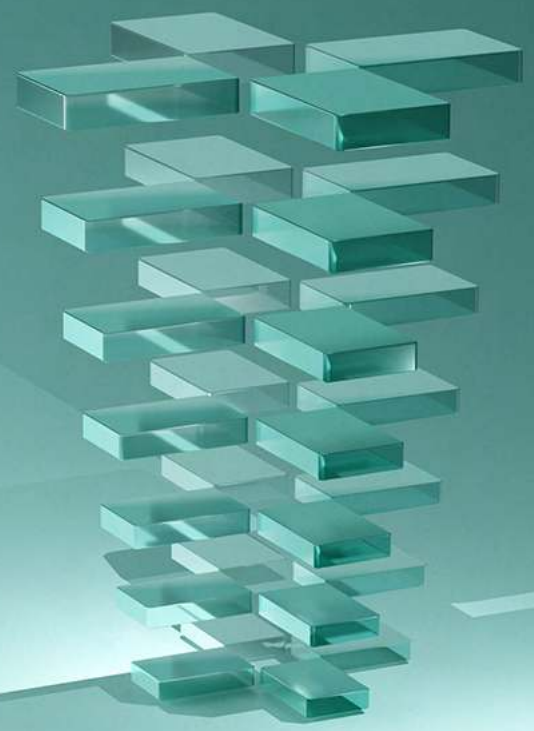
References in this annual report and accounts to the 'portfolio', 'companies' or 'businesses' refer to a number of investments, held as indirect investments by HgT through its direct investments in fund-limited partnerships (HGT LP, HGT 7 LP ('G7'), HGT 8 LP ('G8'), HGT Genesis 9 LP ('G9'), HGT Genesis 10 LP ('G10'), HGT Mercury 2 LP ('M2'), HGT Mercury 3 LP ('M3'), HGT Mercury 4 LP ('M4'), HGT Saturn LP ('S1'), HGT Saturn 2 LP ('S2') and HGT Saturn 3 LP ('S3').

Hg Pooled Management Limited was authorised as an alternative investment fund manager with effect from 22 July 2014. Please refer to pages 113 to 115 of the 2024 annual report.

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

The Hg portfolio, if taken as one company, would be one of the largest and fastest-growing software companies in Europe.

Source: Hg analysis



>30
years of investment

>200
investments in software and services businesses

>50
portfolio companies

6
offices in London, Munich, New York, San Francisco, Paris & Singapore

>200
highly regarded institutional investors

>$75bn
assets under management

Overview

About Hg

HgT is the largest client of Hg and it has been managing HgT's assets since 1994, offering investors a liquid investment vehicle to gain exposure to Hg's diversified network of unquoted investments, with minimal administrative burdens, no long-term lock up or minimum size of investment. HgT has the additional benefit of a Board of independent Directors and corporate governance, investing in parallel in Hg's funds on the same financial terms as all institutional investors.

Previously the private equity arm of Mercury Asset Management plc acquired by Merrill Lynch in 1997, Hg became a fully independent partnership in 2000, 100% owned and managed by its partners.

Hg has worked hard to develop its unique culture and approach – setting it apart from other investors. It is committed to building enduring software and services leaders that transform how people work, through deep sector specialisation and dedicated, strategic and operational support.

Our investments

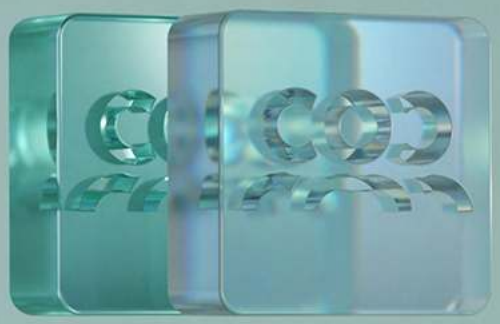
Primarily focused on defensive growth buyouts in software and services operating in specific end-market 'clusters' with enterprise values ('EVs') of £100 million to over £10 billion, growing faster than the broader economy. Hg predominantly seeks controlling equity buyout investments in businesses headquartered in Europe and North America, often with a global footprint and customer base.

See our Investment Strategy: page 32

The power of the portfolio

The Hg approach and strategy creates a natural environment for knowledge-sharing, with a network effect to drive best practices and value creation initiatives. We believe in collaboration and the 'power of the portfolio'. Hg invests repeatedly in specific business models, with a dedicated Value Creation Team that has been able to develop an approach to drive value creation during Hg ownership.

See Power of the portfolio: page 33



"It is critical that our senior leaders listen to our diverse talent and understand their perspectives and challenges.

Our Culture Committee is made up of senior and diverse talent from across the firm that can take the lead on prioritising, co-designing and rolling out solutions. We believe we are making strong progress."

Kerry Heaton
Chief People Officer, Hg

Our team

With investment offices across Europe, Asia and North America, Hg has a diverse and exceptionally talented team that pride themselves on an impressive and consistent track record, generating strong returns across market cycles. This has been achieved by staying innovative, striving to constantly improve and evolving the firm whilst maintaining Hg's unique culture.

Our culture is at the core of what makes Hg a high performing firm. When it comes to complex decision making, originating new ideas and determining strategy, it is critical to have a team contributing different insights, perspectives and information.

We also look to foster diversity and inclusion in the wider investment ecosystem and we are a proud partner of Level 20, SEO's Alternative Investment Programme, 10,000 Black Interns, Bloss.m and LGBT Great. All of these are not-for-profit organisations aligned around a common vision to inspire and support more under-represented groups to join our industry.

Hg's key staff: hgcapital.com/team

Hg's diversity and inclusion report
hgcapital.com/life-at-hg/diversity-and-inclusion

>400
team members

>250
investment, portfolio, and other professional management executives

50
nationalities

"Diversity enables us to source deals differently, ask broader and further reaching questions and challenge the assumptions that underpin conventional thinking. This leads to better investment decisions and superior business performance: the more complex the challenge at hand, the greater the differentiation we achieve."

Nic Humphries
Senior Partner, Hg

Investment strategy

One strategy across a diverse size range in software and services businesses

Mercury
Lower mid-market
Typical deal equity requirement of >€100m

Genesis
Mid-market
Typical deal equity requirement of >€500m

Saturn
Upper mid-market
Typical deal equity requirement of >€1bn

Through its focus on software and services, Hg has developed to a collective expertise and a deep understanding of these markets and businesses. Hg is not constrained by top-down asset allocation and applies a rigorous approach when evaluating all investment opportunities. The objective is to pursue investment theses supporting long term growth, leveraging its expertise working in these sectors, implementing initiatives designed to maximise organic expansion, as well as through M&A, over typical hold periods of approximately five years.

Deep knowledge and networks within our end-market 'clusters'

Hg has a unique approach and strategy, with a focus on achieving scale in tightly defined 'clusters' of expertise. This specialisation helps us to build deep know-how.

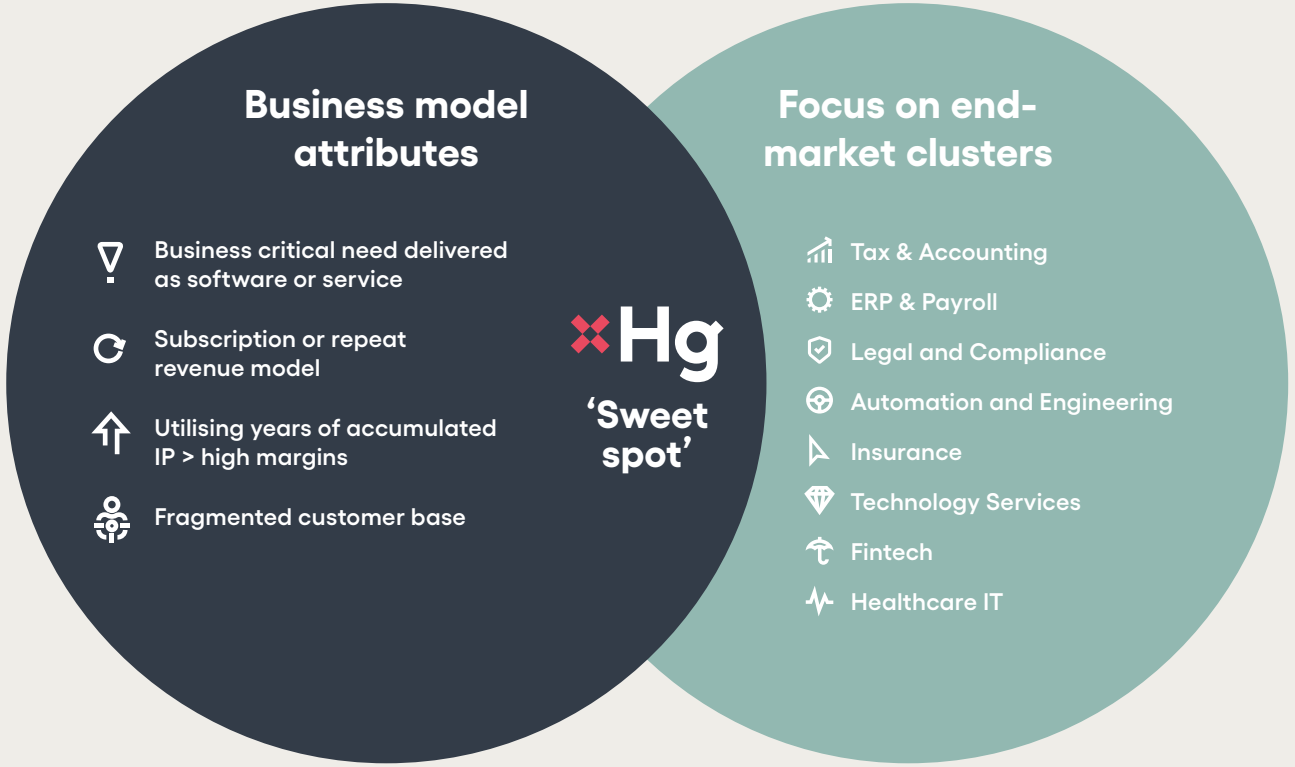
This flexible approach means that, at any given time, the Hg portfolio is likely to comprise >50 software and services with similar characteristics, but of different sizes, end-market focus and maturity profiles.

Hg's offices in North America enhance the ability to crystallise and develop transatlantic investment opportunities, manage existing investments and make bolt-on acquisitions, as well as continue to engage with – and ultimately sell – portfolio companies to North American trade buyers. Hg's position as one of Europe's leading software investor is enhanced by its US footprint.

The Hg 'sweet-spot' business model

Hg has a clear and robust business model, focused on long-term, consistent and defensive growth, predominantly through investment in buyouts located throughout Europe and North America. We seek companies which share similar characteristics, often providing a platform for merger and acquisition ('M&A') opportunities.

We believe that such companies have the potential for significant performance improvement.



The power of the portfolio

"With our focused yet scaled portfolio, we have a unique opportunity to provide deep, systematic support to management across all the key value creation levers that Hg's experience is able to provide, across all the businesses in which we invest."

Christopher Kindt
Head of Value Creation, Hg

Value creation

We work with our portfolio management teams to drive impact, by identifying opportunities systematically through benchmarks and diagnostics, helping prioritise and build robust value creation plans, and then establishing and executing rigorous impact projects. We do this using a large team of functional experts along with dedicated execution resources, effective IP, and a network of trusted third-parties to bring additional capability and capacity.

hgcapital.com/our approach

>60
senior Hg operational specialists

>$60m
of software cost savings for our portfolio from Hg's collective deals

c.75
C-suite and board placements led by in-house talent team over last two years

Our focus

From sharing best practice and resources, through to tailored teams of technical experts, we work closely with the companies in which we invest to ensure that they gain the tools and guidance required for business success:

Every company gets access to the operational experts, project execution resources, intellectual property ('IP') and third party networks, with the nature of support taking a variety of forms including:

- direct support, co-owning and driving specific initiatives to help the business deliver value more quickly
- utilising experienced industry experts to mentor senior executives, helping them to build more scalable functions
- introducing management teams to their counterparts in other Hg portfolio companies which have faced comparable challenges

- Data and AI
- Growth
- Tech, Product, Cyber
- Projects Support
- HR and Talent
- Finance and FP&A
- ESG and Legal
- Business Systems
- Geographic Coverage

The Hg portfolio community

One of the most powerful ways in which we motivate change is through peer-to-peer collaboration. By bringing together the management teams of companies with similar business models, Hg events provide attendees with invaluable opportunities to build connections, problem solve and share best practice as a community.

Hg runs over 100 virtual portfolio events per year, and 10 in-person conferences for c-suite executives, which take place in the UK, Europe and North America to reflect our growing global portfolio.

Hg Retina

hgcapital.com/retina

Hg's suite of AI products and services

Retina is Hg's suite of AI products and services, built to give companies rapid access to the value data & AI can bring without the need for complex or lengthy investment in AI.

Covering areas such as business intelligence, data-driven decision making for GTM, and AI-driven M&A sourcing, Hg Retina synthesises our collective data & AI expertise from across our 50+ companies and collective >$160bn+ EV, and distils this into a set of Hg products and services that we will continually evolve and improve.

Hg Retina codifies the collective expertise of 20 in-house data & AI experts and 50+ consultant specialists: all continuously driving this cutting-edge capability.

Responsible investment

UNPRI 2024 ratings – 5 out of 5 stars:

★★★★★ for PE (97%)

★★★★★ for Policy, Governance and Strategy (94%)

★★★★★ Confidence building measures (100%)

$30m donated via The Hg Foundation since 2020

45 Employee Net Promoter Score workday.com

Why responsible investment is important to us

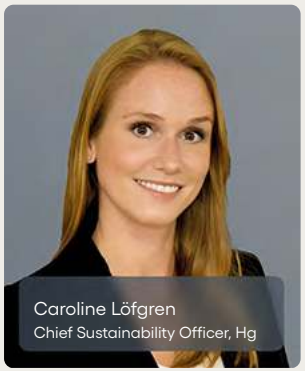
"While a tougher year for PE generally, 2024 remained a strong year for Hg, as the performance of our resilient family of software and services companies reflected robust foundations. Our long-term approach to business growth has made a significant contribution to this; creating responsible businesses for the future, sustaining investment in products that delight customers and creating quality employment opportunities.

It is important to us that our purpose has an equally long-term horizon: "To improve the future of millions of investors by building sustainable businesses for tomorrow". Working for the millions of individual investors whose pension, savings, or endowment capital we invest.

Having said that, we continue to learn and improve each year, to do more and evolve. Ensuring that responsibility to our investors, to employees in the businesses that we back, and my own colleagues, is embedded into the ethos of everything we do."

Matthew Brockman
Managing Partner, Hg

"ESG continues to be an important part of the value creation journey for our businesses. This year we conducted the sixth annual ESG Diagnostic across our portfolio, which means we have now completed over 300 ESG assessments of previous and existing portfolio companies. This has enabled us to build a strong set of data benchmarks to support our portfolio companies in their sustainability journeys; mitigating risks and seizing opportunities."


Caroline Löfgren
Chief Sustainability Officer, Hg

Materiality

The topic of ESG constantly evolves with new regulations, stakeholder demands and emerging topics that we need to consider. To make sure that Hg focuses on what matters most to the firm, portfolio, and other key stakeholders, we conduct an annual materiality analysis. As you would expect for an investor in software and services businesses, cyber-security, anti-trust, climate & energy and diversity & inclusion continue to be high priority topics for Hg and their stakeholders. We explore two of these topics in more detail below:

Climate change

Climate change remains at the top of the agenda for regulators, investors and society at large. Acting on climate change is important and working collaboratively is critical to driving material change. Hg is a founding member of the UK network of the initiative Climat International ('iCI') which is a UNPRI endorsed network of Private Equity firms working collaboratively on climate change. As part of Hg's commitment to mitigate climate change, it is a signatory of the Net Zero Asset Manager's initiative (NZAMi) and has set long-term and short-term targets in line with, and approved by, the Science Based Targets initiative (SBTi).

In 2024, for the second time, HgCapital Trust calculated the carbon footprint of its operations. As the Trust has no employees, fleet or premises, its carbon footprint only comprises the business travel and homeworking of the HgT Board, and was 6.2 tCO2e for Hg's financial year to 31 March. This footprint has been compensated for in line with Hg's firm-level carbon offsetting program.

ESG in the deal lifecycle

ESG is embedded into the entire deal process, from screening to exit.

Deal screening

Avoiding
- Forced labour • Pornography
- Mining • Illegal activity • Arms
- Banned products & activities
- Tobacco & alcohol
- Sanctioned products
- Manufacture of coal
- Cryptocurrency
- Exploitative behaviour

Due diligence

- ESG DD red-flag review
- Cybersecurity DD
- Legal DD

VCD & active ownership

Onboarding
- Cybersecurity assessment
- ESG diagnostics
- Legal review and post-investment remediation
- Climate change risk assessment
- Data privacy review

Ongoing engagement & support
- Annual ESG and cybersecurity diagnostics
- Cyber programme enhancement
- Kick-start materials, tool kits and proven practices
- Legal teach-in sessions

VDD & exit

- Realisation committee
- Performance reviews
- Exit readiness and preparation

Communication & engagement
Forums, webinars, HIVE online community, affiliate networks and public reporting

Diversity, Equity and Inclusion ('DEI')

Hg believes that having a diverse workforce deepens its talent pool and brings a wider range of perspectives. Not only is it fundamentally the right thing to do, but Hg has also seen first hand how DEI creates a virtuous cycle; the more diverse and inclusive a company is, the more everyone adds value. This translates to a greater, more positive impact for all Hg's stakeholders – investors, portfolio companies, employees, and the communities in which Hg operates.

50 nationalities

32% women on the investment team

48% women across the entire firm

hgcapital.com/life-at-hg/diversity-and-inclusion

Hg's Sustainable Business Framework

Hg's Sustainable Business Framework outlines key ESG focus areas for software and services businesses.

hgcapital.com/responsibility

RealDeals PRIVATE EQUITY AWARDS 2023

Winner of The Private Equity Award's Diversity and Inclusion Leader of the Year in 2021, 2022 and 2023

PRI Principles for Responsible Investment

ic initiative climat international — Private equity action on climate change

ESG Data Convergence Initiative

Diversity in Action — ilpa

NET ZERO ASSET MANAGERS INITIATIVE

SCIENCE BASED TARGETS — DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SASB — Sustainability Accounting Standards Board

The Hg Foundation

Removing barriers to education & skills in technology

$30m committed to date

30+ partnerships

c.59k learners directly supported

The vision of The Hg Foundation is that the tech workforce of the future harnesses the talents of all, regardless of background. To achieve this, it helps under-represented groups to access high quality jobs in tech by supporting education- and employment-based programmes across the UK, Europe and the US. The Foundation, which is an independent registered charity, is funded through a proportion of performance fee from current and future Hg funds and a proportion of Hg's annual profits. By 2027 the Foundation's aim is to catalyse 100,000 high quality opportunities on the talent pipeline into the technology sector, making full use of the assets of the Hg network and investing heavily in understanding the impact of its work.

Imperial College London · SEO Career · Teaching with ChatGPT · Manchester 1824 The University of Manchester · Upwardly Global · Birkbeck University of London · merit America · Florence · Generation France · upReach · Technische Universität München · Let's Get Ready · Purposeful Ventures · Apps for Good · Article1 · cornerstone vc

thehgfoundation.com

Insights

23 JANUARY 2025

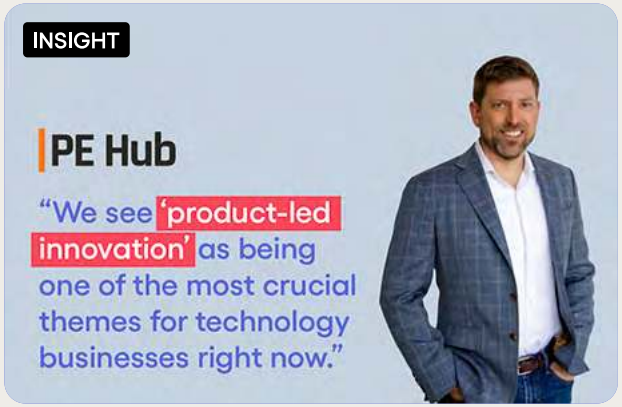
Taking a triangulated approach to monetising GenAI

21 JANUARY 2025

A glimpse of the next generation: Zoe Zhao & Annalise Dragic of Azlin Software

15 JANUARY 2025

Customer experience: from cost-center to revenue generator



06 JANUARY 2025

Alan Cline's 2025 Outlook with PE Hub

18 DECEMBER 2024

Septeo: La Success Story

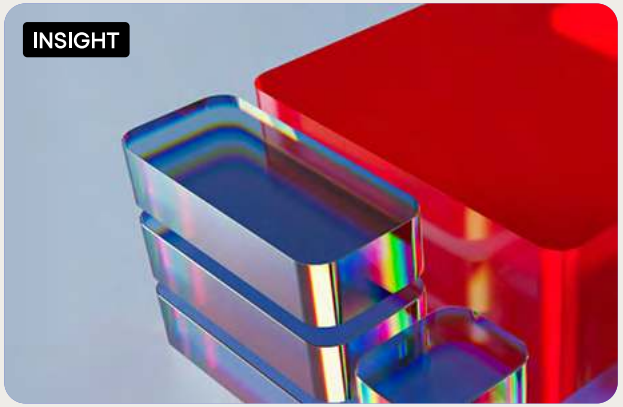
10 DECEMBER 2024

Incubate, experiment and implement: the real business case for AI today

For more insights, please visit Hg's website

02 DECEMBER 2024

Risk-taking & resilience with Sukhinder Singh-Cassidy, CEO of Xero



18 NOVEMBER 2024

GenAI: the land of the bold & brave

7 NOVEMBER 2024

Vulnerability as strength in business: Nick Mehta of Gainsight

16 OCTOBER 2024

Thousands of small experiments: Merete Hverven of Visma

26 SEPTEMBER 2024

The art of pattern recognition: Darren Roos of IFS

24 SEPTEMBER 2024

AuditBoard and Hg featured in Business Insider

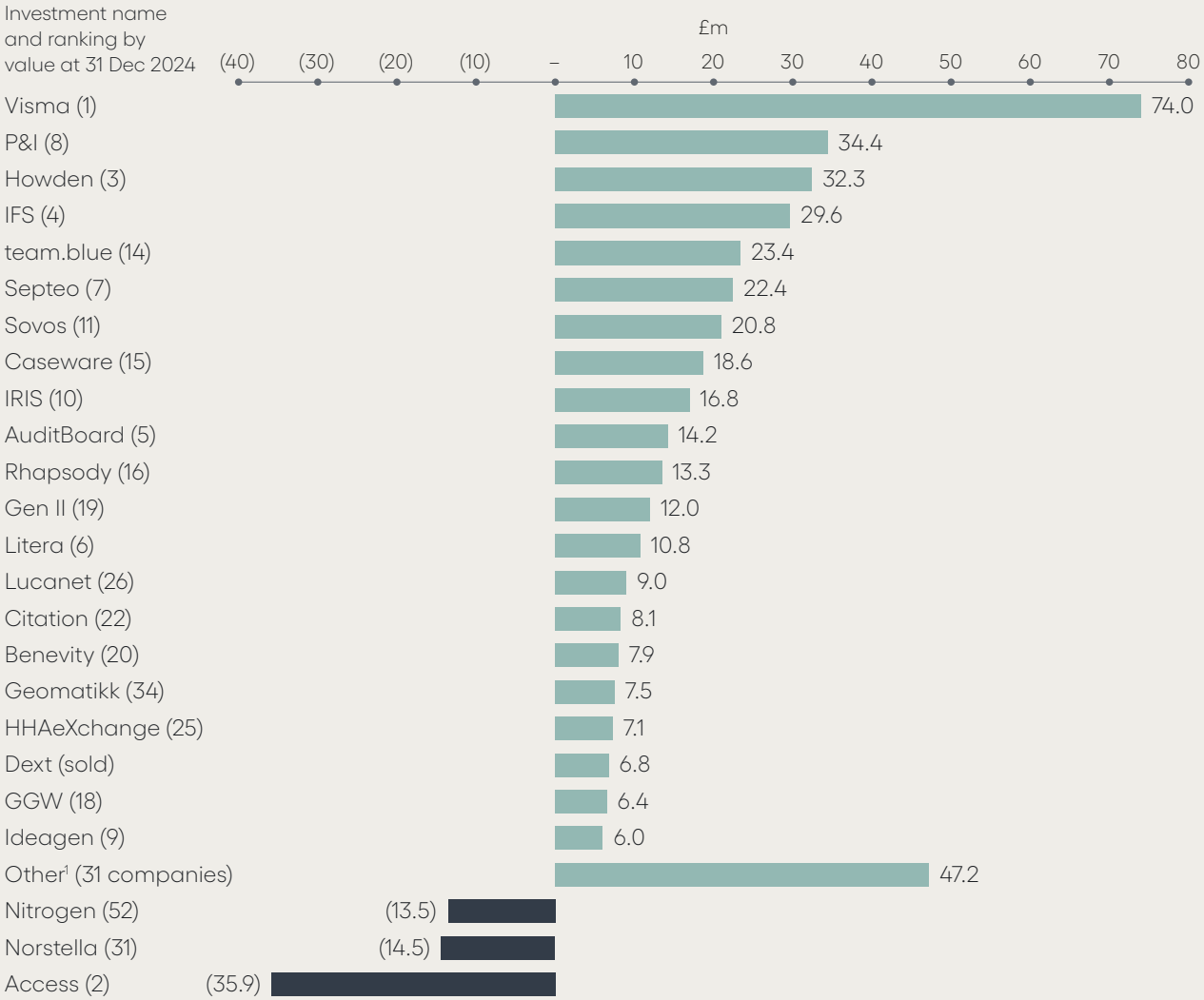
For more insights, please visit Hg's website

Year in review

Net asset value (NAV)

During the year, the NAV of HgT increased by £206 million, from £2.3 billion at 31 December 2023 to £2.5 billion at 31 December 2024. Unrealised and realised movements on the underlying portfolio is on a look-through basis and reflects the indirect investments held within the fund limited partnerships.

Largest realised and unrealised movements in the value of the portfolio



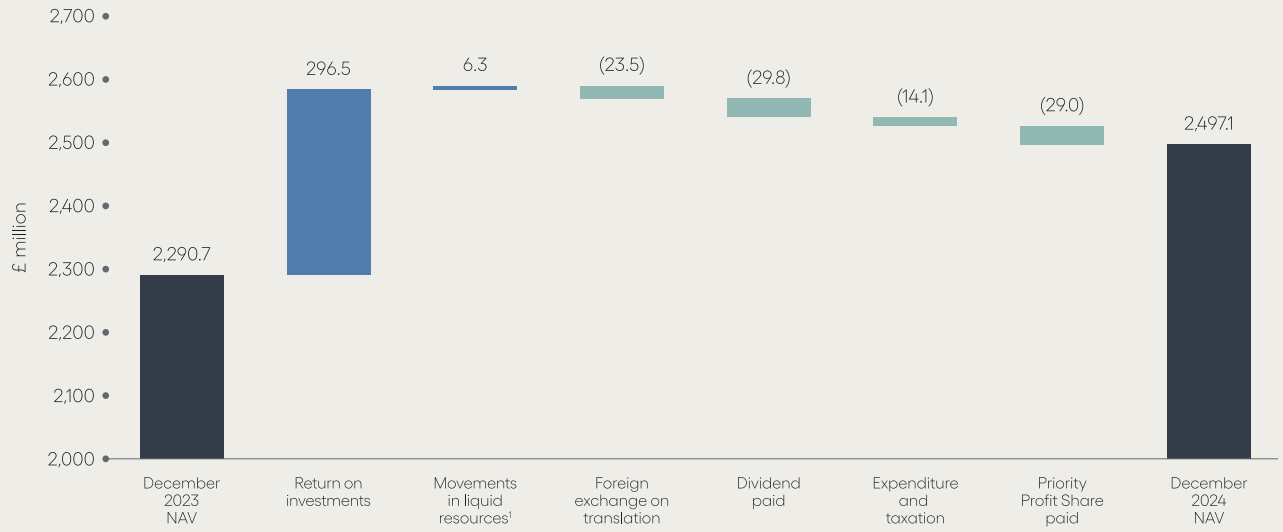
[1] Other includes movements across 31 portfolio companies not shown, all of which have moved between (£6.0) million and £6.0 million on an individual basis.

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

Analysis of NAV movements

The analysis of the NAV is based on the performance of HgT's direct investment funds adjusted for fees and other movements incurred by HgT. Several underlying factors contributed to the increase in NAV but the key driver of value was the £296.5 million return on investment of the direct funds held.

Reductions in NAV included: the payment of £29.8 million of dividends to shareholders, priority profit share of £29.0 million and other expenses of £14.1 million.

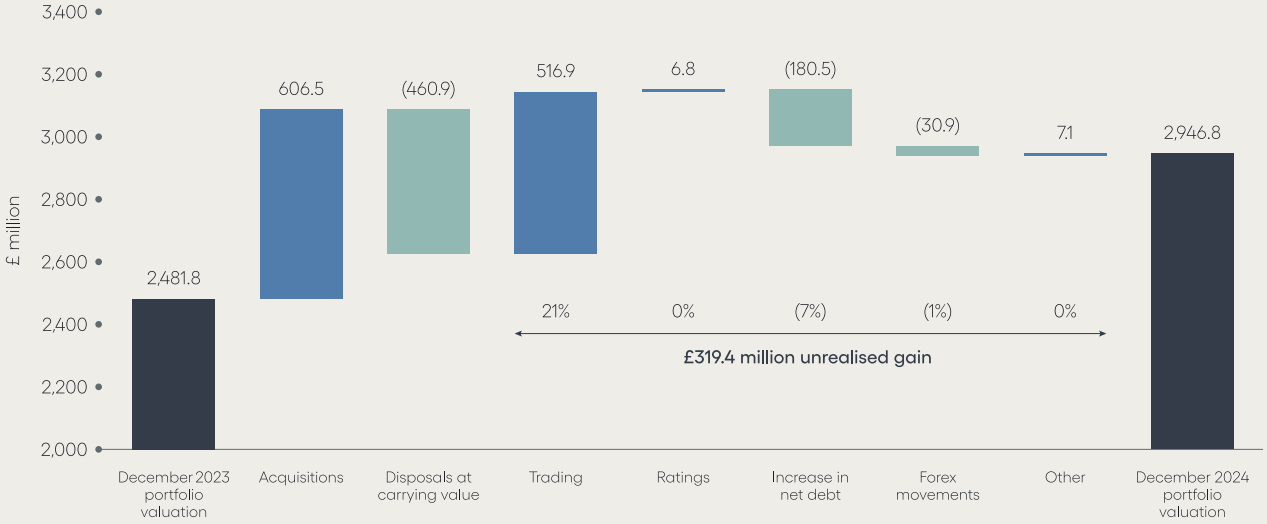


[1] Including unrealised and foreign exchange movement on liquid assets.

Attribution analysis of movements in the value of portfolio investments[2]

The attribution analysis is based on a look-through approach summarising the valuation movement of the indirect portfolio investments held within the funds. This is a driver of value for HgT direct fund investments. As the figures in the bridge relate to underlying portfolio performance they will not correspond directly to the transaction in the financial statements of HgT. During the year, the value of the unrealised portfolio investments increased by £319.4 million, before the provision for performance fees at the level of the fund. The majority of the increase, £516.9 million, relates to increased earnings from the underlying investments. Valuation multiples were relatively flat resulting in a small increase in the value of investments by £6.8 million.

Acquisitions net of realisations at carrying value increased by overall value by £145.6 million. Negative currency movements of £30.9 million and an increase in net debt of £180.5 million decreased the value of the unrealised portfolio.



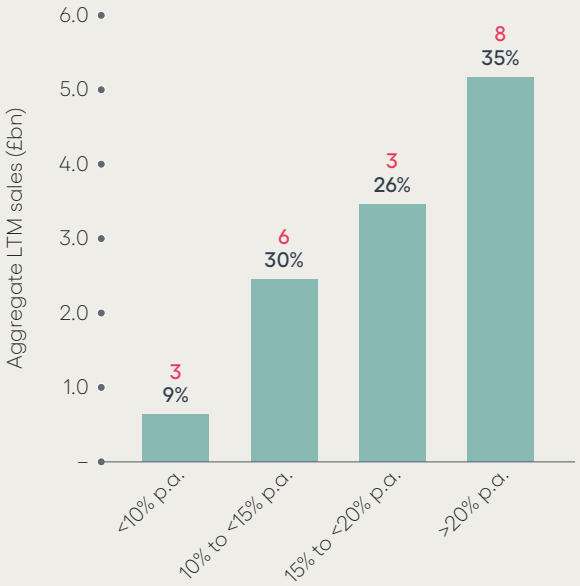
[2] Including accrued income

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

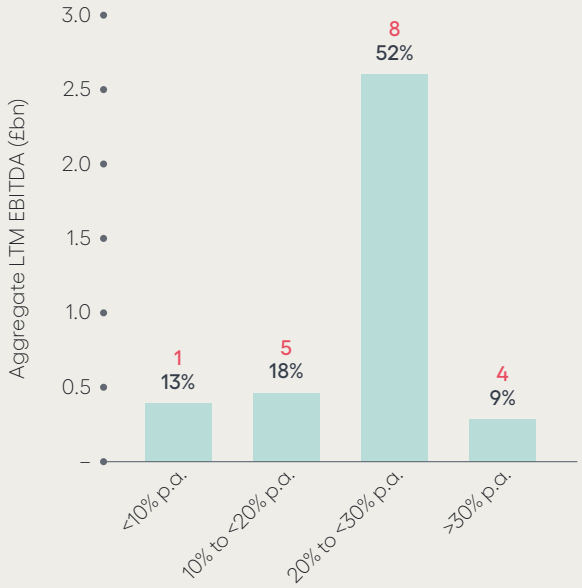
Top 20 portfolio trading performance

- The top 20 investments, representing 76% of portfolio value, have delivered sales growth of 19% (31 December 2023: 25%) and EBITDA growth of 23% (31 December 2023: 30%) over the last 12 months ('LTM')
- Over 90% of the top 20 companies by value achieved double-digit sales growth; c 85% of the top 20 companies delivered double-digit EBITDA growth over the last 12 months
- This robust trading performance in a challenging macro-environment reflects the resilient nature of HgT's portfolio companies and the mission-critical services they provide for their customers
- Gen II, GGW, Septeo, team.blue, P&I and Visma reported particularly strong trading over the last 12 months

LTM sales growth: +19%



LTM EBITDA growth: +23%[1]



Top 20 company profiles: pages 51 to 55.

LTM Sales | LTM EBITDA | Number of investments within associated band | % of top 20 by value within associated band

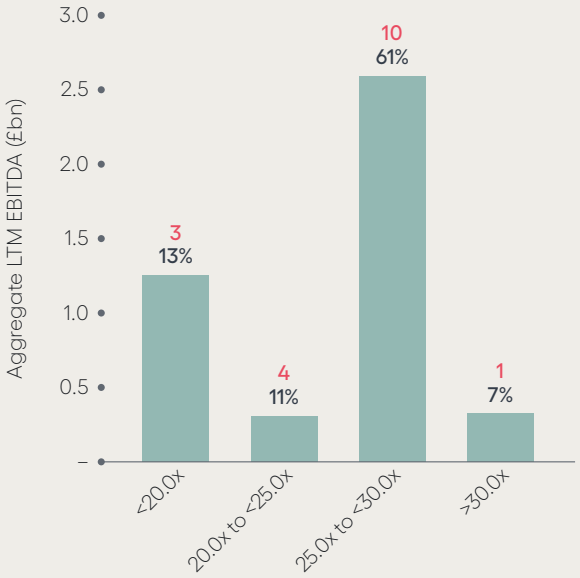
[1] Excluding two investments of the top 20 valued on a basis other than earnings. Please note: All figures are as at 31 December 2024 and refer to the top 20 investments, representing 76% of the value of HgT's investments.

Top 20 valuation and net debt analysis

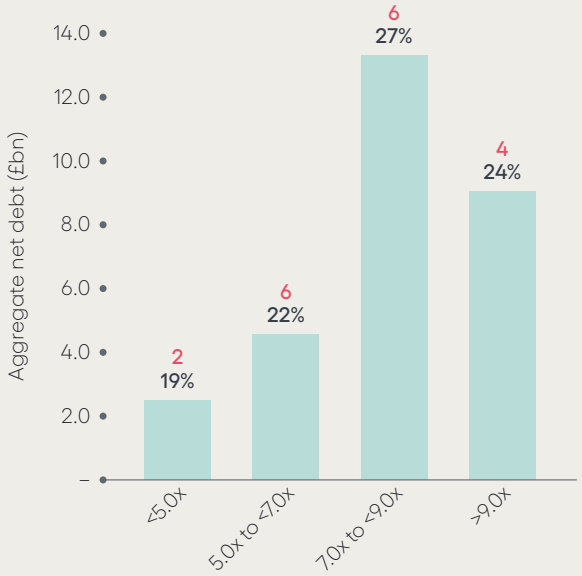
- The top 20 investments were valued at an average EV/EBITDA multiple of 26.1x (31 December 2023: 26.1x)
- EV/EBITDA multiples are used to value the majority of HgT's portfolio companies, in accordance with IPEV Valuation guidelines
- Multiples are derived with reference to comparable companies – both listed and private – and relevant M&A transactions
- The average uplift to carrying value pre signing date achieved on full and partial realisations over the year was 15%. No investments were realised below carrying value as at 31 December 2023

- HgT's portfolio companies make appropriate use of debt to reduce their cost of capital and enhance returns to equity holders
- Portfolio companies have demonstrated a history of growing earnings and of being very cash generative, supporting their ability to service existing debt and to refinance
- Weighted average net debt for the top 20 of 7.4x LTM EBITDA (31 December 2023: 7.4x), represents <30% of the portfolio company capital structures on average

EV to EBITDA valuation multiples: 26.1x[1]



Net debt to EBITDA ratios: 7.4x[1]



LTM EBITDA | Debt | Number of investments within associated band | % of top 20 by value within associated band

[1] Excluding two investments of the top 20 valued on a basis other than earnings. Please note: All figures are as at 31 December 2024 and refer to the top 20 investments, representing 76% of the value of HgT's investments

Outstanding commitments of HgT

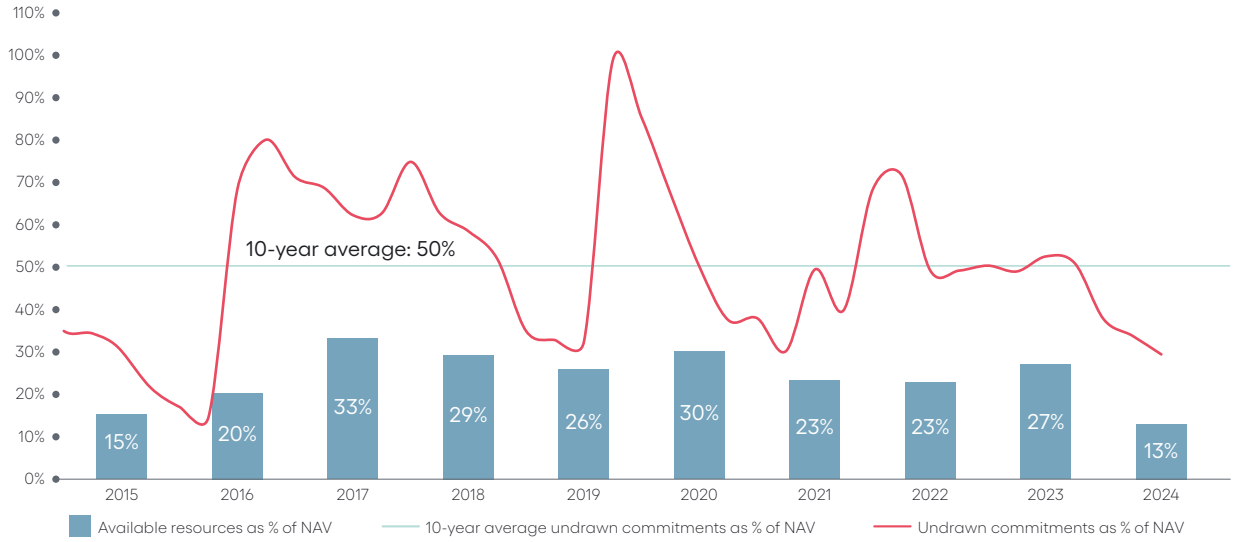
Fund	Fund vintage	Fund currency	Original commitment fund currency million	Original commitment GBP £million	Outstanding commitments as at 31 December 2024 £million	Outstanding commitments as at 31 December 2024 % of NAV	Outstanding commitments as at 31 December 2023 £million	Outstanding commitments as at 31 December 2023 % of NAV
G10	2022	EUR	500.0	413.4	196.5	7.9	343.4	15.0
S3	2022	USD	875.0	698.7	153.0	6.1	470.5	20.5
HGT	Various	USD	176.1	140.6	124.8	5.0	133.0	5.8
S2	2020	USD	400.0	319.4	94.4	3.8	83.2	3.6
M4	2023	EUR	175.0	144.7	70.4	2.8	131.3	5.7
G9	2020	EUR	360.0	297.6	55.1	2.2	4.1	0.2
M3	2020	EUR	115.0	95.1	20.2	0.8	5.8	0.3
G8	2018	GBP	260.0	260.0	14.5	0.6	11.7	0.5
S1	2018	GBP	150.0	150.0	5.8	0.2	16.8	0.7
G7	2013	GBP	200.0	200.0	0.2	–	0.2	–
M2	2017	GBP	80.0	80.0	0.0	–	0.2	–
M1	2011	GBP	60.0	60.0	0.0	–	3.3	0.2
Total					**734.9**	**29.4**	**1,203.5**	**52.5**
Liquid resources					59.1	2.4	275.4	12.0
Undrawn Bank facility					276.8	11.1	350.0	15.3
Net outstanding commitments unfunded by liquid resources					**399.0**	**15.9**	**578.1**	**25.2**

At 31 December 2024, HgT had available liquid resources of £336 million (including a £375 million credit facility of which £98 million was drawn at year-end) and had outstanding commitments of £735 million, as listed above. We anticipate the majority of these outstanding commitments will be drawn down over the next two to three years (2025–28) and are likely to be partly financed by cash flows from future realisations.

Additionally, to mitigate the risk of being unable to fund any draw-down under its commitments to invest alongside Hg's funds, the Board has negotiated a right to opt out of HgT's obligation to fund such commitments without penalty, where certain conditions exist.

In February 2025, the Board approved a new commitment to the Hg Saturn 4 fund of $1.0 billion, as referenced on page 75.

Outstanding commitments and available resources as % of NAV



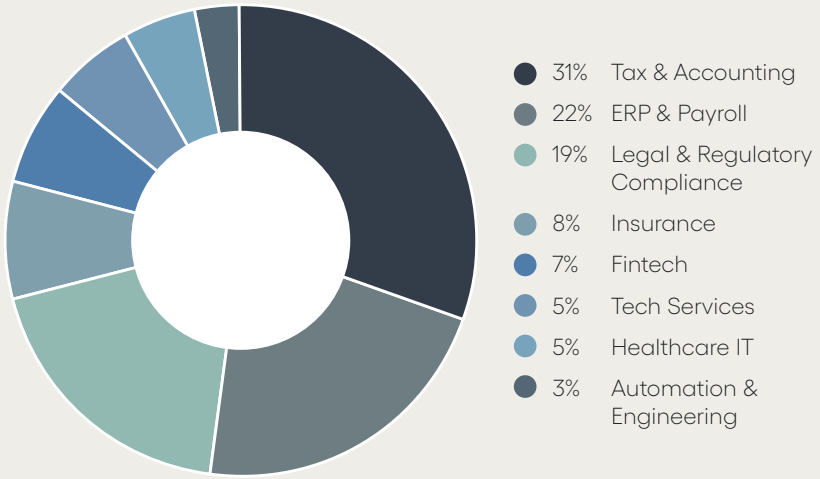
Investment portfolio of HgT

	Gross investments £000	Other Assets /Liabilities £000	Net NAV £000
HGT Saturn 3 LP	623,496	1,754	625,250
HGT Saturn 2 LP	485,183	(133,355)	351,828
HGT Genesis 9 LP	423,872	(79,507)	344,365
HGT 8 LP	378,698	(144,409)	234,290
HGT Genesis 10 LP	236,579	(9,122)	227,457
HGT LP	306,099	(79,061)	227,039
HGT Saturn LP	160,532	(43,050)	117,482
HGT Mercury 4 LP	80,786	365	81,151
HGT Mercury 2 LP	116,133	(38,045)	78,088
HGT Mercury 3 LP	116,720	(39,958)	76,762
HGT 7 LP	26,261	(7,007)	19,253
Other unquoted investments held by the company	(7,671)	–	(7,671)
	2,946,688	**(571,395)**	**2,375,294**

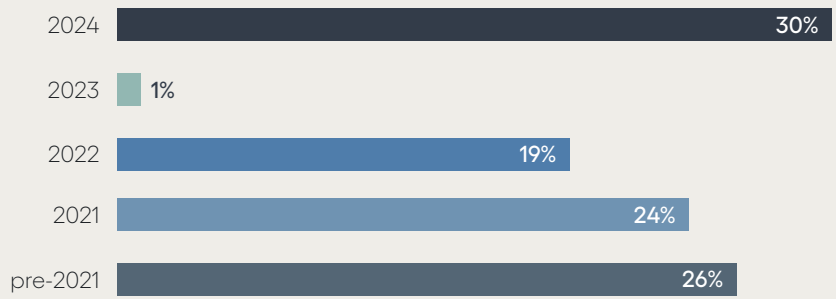
HgT holds direct investments in the funds. Within the funds are indirect investments (underlying portfolio companies). These direct investments are included under fixed-asset investments on the balance sheet and in Note 12. The underlying portfolio which is held indirectly via the funds are included in the overview of investments on pages 48 and 49.

Other Assets/Liabilities includes fund level facilities and the performance fee provision.

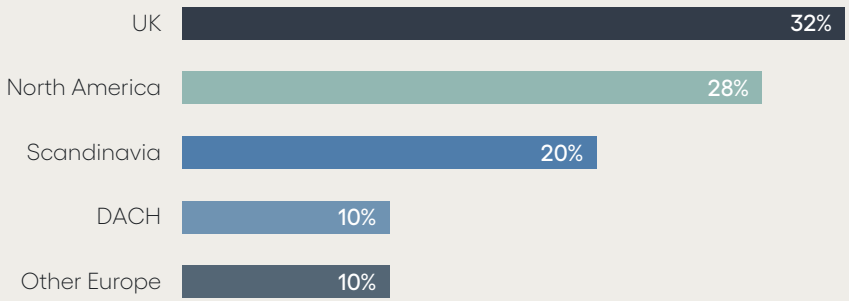
Hg 'cluster' by value



Investment vintage by value



Geographic spread by value[1]



[1] based on portfolio company headquarters

Investments

Over the year, Hg invested £11 billion on behalf of its clients, with HgT's share being £606 million.

HgT provides shareholders with a unique listed access point to the investment portfolio of Hg. The vast majority of these investments are generated by establishing and developing relationships with companies over many years and the continual refinement and focus on a clear investment model, targeting software and services leaders that transform how people work.

In addition to new investments, M&A within the underlying portfolio remains an important part of accelerating growth and generating future value.

Investments made during the year

Company	Cluster	Location	Cost £000
Visma	Tax & Accounting / ERP & Payroll	Scandinavia	126,259
AuditBoard	Legal & Regulatory Compliance	North America	114,482
IRIS	Tax & Accounting / ERP & Payroll	UK	75,381
GGW	Insurance	Germany	44,953
Ivalua	Tax & Accounting	UK	37,817
Septeo	Legal & Regulatory Compliance	France	32,415
Ncontracts	Legal & Regulatory Compliance	UK	31,404
Focus Group	Tech Services	UK	21,876
CINC	Tax & Accounting	North America	19,235
Ctaima and E-Coordina	Legal & Regulatory Compliance	Spain	12,005
Empyrean	Fintech	North America	11,408
CUBE	Legal & Regulatory Compliance	UK	10,013
New investments			537,248
Howden	Insurance	UK	26,271
Access	ERP & Payroll	UK	23,934
Azets	Tax & Accounting	UK	20,000
Follow-on investments			70,205
Other[1]			(989)
Total investments on behalf of HgT			**606,464**

[1] Other investments includes immaterial transactions in relation to the remaining portfolio.

Note: Total Investments is an Alternative Performance Measure ('APM'), please see the definition of the APM's in the glossary on pages 119 to 120. The figures above reflect gross investments in the underlying portfolio held indirectly by HgT within the funds. Cash drawn down by the funds from HgT will differ by amount and timing. New investments included in the above table may refer to transactions where HgT was previously invested, has seen a return of proceeds from a realisation of an Hg fund stake, and has now re-invested through other Hg Funds.

To view our press releases, please visit: hgcapitaltrust.com/news-insights/news#2024

New investments in the year to 31 December 2024

VISMA

£126.3m invested on behalf of Hg including £8.5m in co-investment

In May 2024, Hg completed a further investment in Visma, a leading provider of mission critical cloud software in Europe and Latin America through the Hg Saturn Funds.

Visma welcomed c.20 new investors to the shareholder register, worth over €1 billion of equity investment. In addition, the transaction resulted in c.€3 billion of new investment from existing shareholders including majority investor, Hg.

AUDITBOARD

£114.5m invested on behalf of HgT including £26.9m in co-investment

In July 2024, Hg completed an investment in AuditBoard, a leading connected risk platform transforming audit, risk, compliance and ESG management.

HgT invested in AuditBoard Group, alongside other institutional clients of Hg through the Hg Saturn 3 Fund.

IRIS

£75.4m invested on behalf of HgT including £7.8m in co-investment

In April 2024, Hg completed a further investment in IRIS Software Group ('IRIS'), a leading global provider of mission-critical software and services in accountancy, payroll, HR and education, through the Hg Saturn 3 Fund.

This transaction followed the partial sale of the business, valuing HgT's investment in IRIS at £97.6 million.

GGW GROUP

£45.0m invested on behalf of HgT

In April 2024, Hg completed an investment in the next phase of growth for GGW Group ('GGW'), one of the leading European insurance brokerage platforms for small and medium-sized enterprises ('Mittelstand').

Hg now owns a co-controlling stake in the business alongside Permira, investing through the Hg Saturn 3 Fund.

ivalua

£37.8m invested on behalf of Hg

In December 2024, Hg completed an investment in Ivalua, a leading provider of global Spend Management cloud solutions headquartered in France and the USA via the Hg Genesis 10 Fund.

Ivalua offers a modern, organically built and complete source-to-pay platform that is used by over 400 enterprises across the globe.

septeo

£32.4m invested on behalf of Hg

In December 2024, Hg completed a further investment in Septeo Group ('Septeo') a leading provider of legal software for notaries, law firms, corporate legal and HR departments, bailiffs, real estate professionals and accountants in France, Belgium, Canada and the US.

As part of this transaction, Septeo welcomed several new minority investors to the business, with HgT investing alongside other institutional clients of Hg.

NCONTRACTS

£31.4m invested on behalf of HgT

In September 2024, Hg completed an investment in Ncontracts, provider of governance, risk, and compliance platform to financial institutions.

HgT invested in Ncontracts alongside other institutional clients of Hg through the Hg Genesis 10 Fund.

Other investments in the year to 31 December 2024

Please refer to the table on the previous page for smaller new and follow-on investments made over 2024 and also to https://www.hgcapitaltrust.com/news-insights/news#2025 for further detail.

Further investments since 31 December 2024

Post-period investment of £32 million in the The Citation Group ('Citation'), which completed in February 2025. Citation provides long-term, subscription-based Compliance (HR/Employment Law, Health & Safety) and Quality (ISO certification, supplier verification) solutions to over 70,000 SMEs in the UK and Australia. Completed in February 2025.

To view our press releases, please visit: hgcapitaltrust.com/news-insights/news#2024

Realisations

Over the course of the year, Hg has realised over £6 billion for its clients, including £508 million for HgT, with full and partial realisations at an average uplift to latest carrying value of 15%.

The continued realisation activity in 2024 continues to highlight the fundamental strength of the underlying portfolio.

Hg has achieved more than 40 liquidity events since the start of 2022. This sets Hg apart in a period when the industry has struggled to generate portfolio liquidity. Hg has announced or completed a further two full or partial realisations post-period representing c.£87 million returned to HgT on completion.

This realisation activity over the past two years was a clear differentiator for HgT, highlighting the fundamental strengths and attractiveness of the underlying portfolio to both trade and financial buyers.

Realisations made during the year

Company	Cluster	Exit route	Proceeds[1] £000
IRIS	Tax & Accounting / ERP & Payroll	Secondary sale	97,613
GGW	Insurance	Secondary sale	91,773
Argus	Fintech	Secondary sale	50,761
team.blue	Tech Services	Secondary sale	46,893
TeamSystem	Tax & Accounting / ERP & Payroll	Secondary sale	34,189
Dext	Tax & Accounting	Trade sale	32,770
Full realisations			353,999
Visma	Tax & Accounting / ERP & Payroll	Partial sale	49,808
Septeo	Legal & Regulatory Compliance	Recapitalisation	37,063
F24	Tech Services	Partial sale	17,092
Azets	Tax & Accounting	Partial sale	15,766
MeinAuto	Automation & Engineering	Partial sale	14,275
Other[2]			20,402
Partial realisations			154,406
Total realisations			**508,405**

[1] Includes gross revenue realised of £64.2 million during the year ended 31 December 2024.

[2] Other realisations includes immaterial transactions in relation to the remaining portfolio.

Note: Total Realisations is an Alternative Performance Measure ('APM'), please see the definition of the APM's in the glossary on pages 119 to 120. The figures above reflect gross realisations and are before deductions for performance fees or facilities which may impact distributions (proceeds) paid out to HgT from the direct fund investments, alongside any timing differences between realisations of portfolio companies and distributions from the funds. Full exits included in the above table may refer to transactions where an Hg fund investment has been realised, however, in some cases, HgT has retained a stake in the business through re-investment though other Hg Funds.

To view our press releases, please visit: hgcapitaltrust.com/news-insights/news#2024

Full realisations in the year to 31 December 2024

IRIS

£97.6m returned to HgT

In April 2024, Hg completed the partial sale of IRIS Software Group ('IRIS'), a leading global provider of mission-critical software and services in accountancy, payroll, HR and education, to LGP, a Los Angeles-based private equity firm.

GGW GROUP

£91.8m returned to HgT

In April 2024, Hg completed the realisation of GGW Group ('GGW'), one of the leading European insurance brokerage platforms for small and medium-sized enterprises ('Mittelstand').

argus

£50.8m returned to HgT

In February 2024, Hg completed the full realisation of its shareholding in Argus Media, the leading independent provider of intelligence to the global energy and commodity markets to General Atlantic, a leading global growth investor, and Argus management.

team.blue

£46.9m returned to HgT

In December 2024, Hg completed the partial sale of team.blue, Europe's leading digital enabler for entrepreneurs and SMBs, with significant investment from Canada Pension Plan Investment Board and Sofina.

TeamSystem®

£34.2m returned to HgT

In July 2024, Hg announced that it had agreed the sale of its remaining investment in TeamSystem, to funds advised by Hellman & Friedman LLC. TeamSystem is a leading provider of business software solutions to businesses and accountants in Italy, Spain and Turkey.

Dext

£32.8m returned to HgT

In December 2024, Hg completed the sale of its remaining investment in Dext Software Ltd ('Dext'), a leading bookkeeping automation platform provider, to IRIS Software Group, a leading global provider of accountancy, education management, HR and payroll solutions.

Partial realisations in the year to 31 December 2024

VISMA

£49.8m returned to HgT

In May 2024, Hg completed the partial sale of Visma, a leading provider of mission critical cloud software in Europe and Latin America.

septeo

£37.1m returned to HgT

In December 2024, Hg completed the recapitalisation of Septeo Group ('Septeo'), a leading provider of legal software for notaries, law firms, corporate legal and HR departments, bailiffs, real estate professionals and accountants in France, Belgium, Canada and the US.

Further realisations since 31 December 2024

Citation

Estimated £45.2m returned to HgT

In February 2025 Hg completed the recapitalisation of The Citation Group, which provides long-term, subscription-based Compliance (HR/Employment Law, Health & Safety) and Quality (ISO certification, supplier verification) solutions to over 70,000 SMEs in the UK and Australia.

Trackunit

Estimated £41.9m returned to HgT

In February, Hg announced the partial exit of Trackunit, a leading SaaS and operating data platform provider for the construction ecosystem globally, to the Private Equity business at Goldman Sachs Alternatives.

To view our press releases, please visit: hgcapitaltrust.com/news-insights/news#2024

Overview of the underlying portfolio

held through HgT's limited partnerships

Investments (in order of value)		Fund	Sector	Location	Year[1]	Residual cost £000	Total valuation[2] £000	Portfolio value %	Cum. Value %
1	Visma	S1/S2/S3/HGT	Tax & Accounting/ERP & Payroll	Scandinavia	2024	205,767	373,008	12.8	12.8
2	Access	S3/G8/HGT	ERP & Payroll	UK	2020	164,874	286,431	9.8	22.6
3	Howden	S2/HGT	Insurance	UK	2024	85,825	180,787	6.2	28.8
4	IFS	S3/HGT	ERP & Payroll	Scandinavia	2022	116,415	155,781	5.3	34.1
5	AuditBoard	S3/HGT	Legal & Regulatory Compliance	N.America	2024	114,482	128,700	4.4	38.5
6	Litera	G8/G9	Legal & Regulatory Compliance	N.America	2021	28,919	121,593	4.1	42.6
7	Septeo	G10/G9/HGT	Legal & Regulatory Compliance	France	2020	63,165	108,523	3.7	46.3
8	P&I	S1/HGT	ERP & Payroll	Germany	2020	41,303	106,359	3.6	49.9
9	Ideagen	G10/G9/M3	Legal & Regulatory Compliance	UK	2021	66,448	97,659	3.3	53.2
10	IRIS	S3/HGT	Tax & Accounting/ERP & Payroll	UK	2024	75,381	93,128	3.2	56.4
11	Sovos	S2/HGT	Tax & Accounting	N.America	2020	49,593	79,470	2.7	59.1
12	FE fundinfo	M2/G9	Fintech	UK	2021	26,229	78,337	2.7	61.8
13	insightsoftware	S2/HGT	Tax & Accounting	N.America	2021	53,056	71,211	2.4	64.2
14	team.blue	G10/HGT	Tech Services	Benelux	2022	35,911	57,512	2.0	66.2
15	Caseware	G8	Tax & Accounting	N.America	2020	21,255	53,393	1.8	68.0
16	Rhapsody	M2/M3/HGT	Healthcare IT	N.America	2022	20,814	52,113	1.8	69.8
17	Trackunit	G9	Automation & Engineering	Scandinavia	2021	26,593	50,590	1.7	71.5
18	GGW	S3	Insurance	Germany	2024	45,061	48,160	1.6	73.1
19	Gen II	G9	Fintech	N.America	2020	19,921	47,887	1.6	74.7
20	Benevity	S2/HGT	ERP & Payroll	N.America	2021	32,124	47,077	1.6	76.3
21	Waystone	S2	Legal & Regulatory Compliance	UK	2022	40,904	44,984	1.5	77.8
22	Citation	G8	Tech Services	UK	2020	16,417	44,865	1.5	79.3
23	Azets	G7/HGT	Tax & Accounting	UK	2016	26,505	42,780	1.5	80.8
24	Ivalua	G10	Tax & Accounting	France	2024	37,817	39,755	1.3	82.1
25	HHAeXchange	G9	Healthcare IT	N.America	2021	24,633	38,740	1.3	83.4
26	LucaNet	G9	Tax & Accounting	Germany	2022	20,050	37,671	1.3	84.7
27	Project CH	S2	Tax & Accounting	Germany	2021	18,337	32,474	1.1	85.8
28	smartTrade	M2/HGT	Fintech	France	2020	18,862	32,274	1.1	86.9
29	Ncontracts	G10	Legal & Regulatory Compliance	N.America	2024	31,404	31,928	1.1	88.0
30	Prophix	G9	Tax & Accounting	N.America	2021	12,458	27,349	0.9	88.9

Investments (in order of value)		Fund	Sector	Location	Year[1]	Residual cost £000	Total valuation[2] £000	Portfolio value %	Cum. Value %
31	Norstella	M2/G9/HGT	Healthcare IT	N.America	2020	24,730	26,334	0.9	89.8
32	CINC	M4/HGT	Tax & Accounting	N.America	2024	19,235	23,185	0.8	90.6
33	Focus Group	G10	Tech Services	UK	2024	21,876	22,912	0.8	91.4
34	Geomatikk	M2/HGT	Tech Services	Scandinavia	2021	11,392	22,552	0.8	92.2
35	Intelerad	G8	Healthcare IT	N.America	2020	11,870	21,547	0.7	92.9
36	Pirum	M3/HGT	Fintech	UK	2022	13,928	19,085	0.6	93.5
37	Auvesy	M3	Automation & Engineering	Germany	2021	8,130	17,542	0.6	94.1
38	GTreasury	M4/HGT	Tax & Accounting	N.America	2023	15,008	17,071	0.6	94.7
39	Fonds Finanz	M3	Insurance	Germany	2022	8,309	15,640	0.5	95.2
40	Mitratech	G7/HGT	Legal & Regulatory Compliance	N.America	2017	3,328	14,619	0.5	95.7
41	MeinAuto	G8	Automation & Engineering	Germany	2017	15,343	13,984	0.5	96.2
42	Ctaima	M4	Legal & Regulatory Compliance	Spain	2024	12,005	13,240	0.4	96.6
43	Quantios	M3	Fintech	UK	2022	8,970	12,144	0.4	97.0
44	Bright	M3	ERP & Payroll	Ireland	2021	6,529	12,126	0.4	97.4
45	Serrala	G9	Tax & Accounting	Germany	2021	23,086	12,004	0.4	97.8
46	Cube	M4	Legal & Regulatory Compliance	UK	2024	10,013	11,858	0.4	98.2
47	Empyrean	M4	Fintech	N.America	2024	11,408	11,279	0.4	98.6
48	Blinqx	M3	ERP & Payroll	Benelux	2022	6,729	10,283	0.3	98.9
49	JTL	M4	ERP & Payroll	Germany	2023	7,559	9,961	0.3	99.2
50	NomadIA	M3	ERP & Payroll	France	2023	7,190	9,176	0.3	99.5
51	Revalize	G9	ERP & Payroll	N.America	2021	18,839	6,875	0.2	99.7
52	Nitrogen	M3/HGT	Fintech	N.America	2021	15,868	6,565	0.2	99.9
53	Induver	M4	Insurance	Benelux	2024	5,230	5,998	0.2	100.1
54	Project Cyrus	G10	Tax & Accounting	France	2024	4,011	4,012	0.1	100.2
55	F24	M2/HGT	Tech Services	Germany	2020	3,625	3,720	0.1	100.3
	Total buyout investments (55)					1,834,733	2,954,251	**100.3**	**100.3**
	Other		Hedges				(7,563)	(0.3)	100.0
	Total all investments					1,834,733	2,946,688	**100.0**	**100.0**

[1] Where re-investment has occurred the investment date is based on the closing of the largest tranche of the investment holding.

[2] Including accrued income of £115.0 million. Note that this is summary of the underlying investments held indirectly by HgT at fair value within the fund limited partnerships. Please refer to page 68 for a reconciliation to the fair value of the funds held directly by HgT.

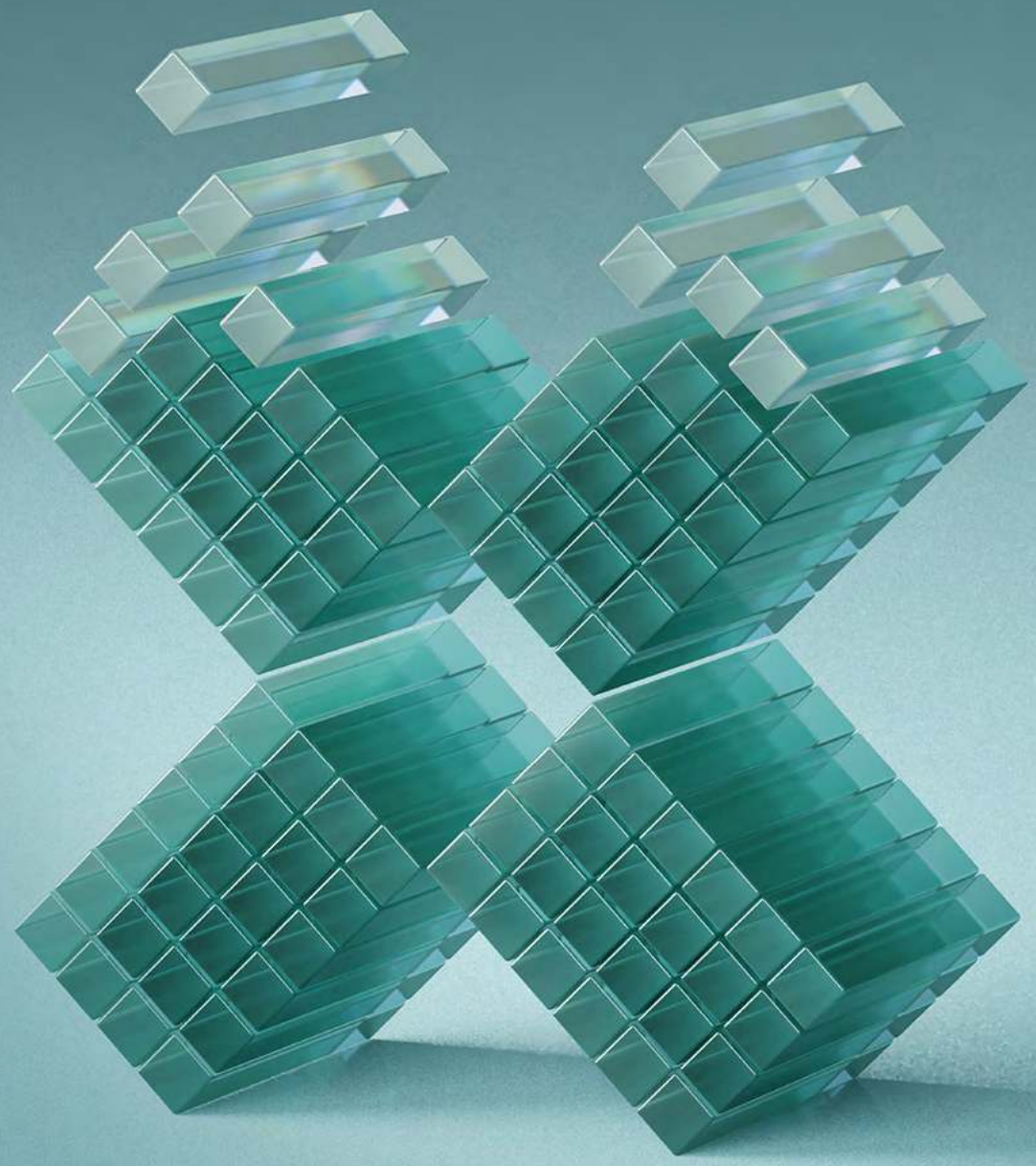
Top 20 investments

representing 76% of the value of HgT's investments

Investments are held through limited partnerships, of which HgT is the majority limited partner. HgT invests alongside other clients of Hg. Typically, HgT's holding forms part of a much larger interest held by Hg's clients in buyout investments in companies with an enterprise value ('EV') of between £100 million and over £10 billion.

Hg's review generally refers to each transaction in its entirety, apart from the tables detailing HgT's participation or where it specifically says otherwise.

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



01 VISMA

a provider of mission-critical business software to SMEs and the public sector in Europe

Investment date	May 2024
Website	visma.com
Hg clients' total equity:	70.2%
% of NAV:	12.7%

Business description

Visma provides mission-critical business software to SMEs and the public sector in Europe. The company services approximately c.2 million paying customers with SaaS solutions covering: accounting; resource planning, payroll, procurement, and transaction processing.

Performance

Since 2006, Visma has acquired numerous companies, strengthening organic growth from innovation in new products, and margin improvement, positioning it now as one of the leading and largest SaaS companies in Europe. In May 2024, Hg completed a further investment in Visma, recognising its continued success over the 18 years that Hg has partnered with the business. The value of HgT's investment in the business increased by £74.0 million over 2024.

- Visma detailed quarterly reporting is available at: visma.com
- Hg's Visma case study can be found at: hgcapital.com/case-studies

02 access

a provider of mission-critical, integrated business-management software to SME's in the UK and APAC

Investment date	June 2018
Website	theaccessgroup.com
Hg clients' total equity:	41.3%
% of NAV:	9.7%

Business description

Founded in 1991, the Access Group ('Access') is an Enterprise Resource Planning business, providing a range of horizontal and industry-specific software solutions to SME and mid-market customers in the UK & Ireland, US and APAC. With a portfolio spanning several horizontals including Finance, HR, Payroll and verticals including Recruitment, Hospitality, Health & Social Care, Legal, Not for Profit, and Education sectors. Access' software helps over 100,000 businesses and not-for-profit organisations to work efficiently.

Performance

Access has traded well since our initial Investment in 2018. In recent years the company has scaled significantly in footprint and complexity seeing revenue and EBITDA growth of more than 50% since Hg Saturn 3 initially invested, with the customer base almost doubling over this time, through organic growth and M&A. The value of HgT's investment in Access decreased by £35.9 million over 2024.

03 HOWDEN

a tech-enabled international insurance distribution group

Investment date	March 2021
Website	howdengroup.com
Hg clients' total equity:	23.7%
% of NAV:	6.1%

Business description

Founded in 1994 and headquartered in London, Howden Group Holdings ('Howden') is the world's largest insurance intermediary outside of North America, managing c.$40 billion of gross written premiums today. Howden operates at a global scale, with c.19,000 employees and a local presence in c.55 countries, with an international client base. Howden is highly diversified, operating across the full insurance distribution value chain, including retail and specialty insurance brokerage, reinsurance brokerage and services, and capital-light managed agency underwriting.

Performance

Howden continues to achieve double-digit organic growth, and remains an active acquirer, having completed over 60 acquisitions over the past year. Combined with strong trading performance, this has led to an increase in the valuation of HgT's stake by £32.3 million over 2024.

04 IFS

a software vendor for asset-centric organisations who want to differentiate on service

Investment date	July 2022
Website	ifs.com
Hg clients' total equity:	29.1%
% of NAV:	5.3%

Business description

IFS is a global leader providing modular software for ERP, EAM, FSM and ESM with primary focus on all kinds of asset-heavy industries and a track-record of expanding its portfolio via M&A to cover a broader spectrum of adjacencies. WorkWave is a leading provider of vertical software within field service management, primarily in North America.

The Company's suite of products empower businesses to reach their full potential in their 'moments of service' through scalable, cloud-based software solutions that support every stage of a business life cycle, including marketing, sales, service delivery, customer interaction and financial transactions.

Performance

IFS continues to increase recurring revenues through its focus on transitioning from perpetual to multi-year term licences, with double-digit organic revenue growth. Workwave also reported solid organic growth over the period. This has led to an increase in HgT's stake in the company of £29.6 million over the year.

05 AUDITBOARD

a leading connected risk platform transforming audit, risk, compliance and ESG management

Investment date	July 2024
Website	auditboard.com
Hg clients' total equity:	99.0%
% of NAV:	4.4%

Business description

Founded in 2014, AuditBoard is a leading connected risk platform transforming audit, risk, compliance and ESG management. AuditBoard's sets itself apart with a customer-centric approach and the potent combination of innovative technology and domain expertise. The company serves more than 2,000 enterprises, including nearly 50% of the Fortune 500.

Performance

AuditBoard is new to the Hg portfolio with the investment completed in July 2024. AuditBoard continues to exhibit strong organic growth while driving meaningful margin expansion. As a result, HgT's valuation of its investment in AuditBoard increased by £14.2 million over 2024.

06 LITERA

a scaled legal-tech platform helping lawyers focus on what matters

Investment date	May 2019
Website	litera.com
Hg clients' total equity:	92.2%
% of NAV:	4.1%

Business description

Litera is a leading global provider of legal technology, specializing in lawyer augmentation, partner acceleration, and firm automation. Litera's innovative software facilitates document drafting, due diligence, and transaction management for lawyers. It also provides law firm partners with tools to leverage core firm experience and IP for business development and pricing, while assisting back-office teams in ensuring and automating proper governance and compliance protocols. Today, Litera supports over 10,000 customers globally.

Performance

Litera continues to perform well, reporting strong organic growth in earnings. Litera acquired FileTrail and Office & Dragons in 2024, Peppermint in February 2025, and continues to maintain and active pipeline of potential acquisitions. The valuation of HgT's investment in Litera increased by £10.8 million over the year.

07 septeo

a provider of mission-critical software serving regulatory driven professions across Europe

Investment date	December 2020
Website	septeo.com
Hg clients' total equity:	67.8%
% of NAV:	3.7%

Business description

By facilitating the work of 200,000 legal, real estate, hospitality and business professionals with modern software solutions, Septeo sits at the heart of millions of citizen's lives across France, Spain and Belgium, supporting them in the most important moments of their lives (housing, marriage, divorce, setting up a business, career development, holidays etc). Founded in 2013, The Septeo Group now has over 200,000 users, served by over 3,000 employees.

Performance

Septeo continues to trade well, with EBITDA ahead of budget due to a combination of top-line growth and margin improvement driven by an increasing share of recurring revenues and increased operational efficiency. The value of HgT's investment increased by £22.4 million over 2024.

08 P&I PURE HR

a provider of integrated software for HR management to the German and European Mittelstand

Investment date	March 2020
Website	pi-ag.com
Hg clients' total equity:	64.2%
% of NAV:	3.6%

Business description

Founded in 1968, P&I is a provider of integrated software solutions for human resources management to the German and European Mittelstand. The business delivers payroll, core HR, human capital management, time and attendance as well as analytics to 15,000 customers across DACH and 10 further European countries via an integrated and highly automated cloud-based platform.

Performance

P&I continued to develop positively during 2024, driven by its ongoing transition to a SaaS model and an acceleration of new customer wins on the back of further product innovations. As a result, HgT's valuation of its investment in P&I increased by £34.4 million over 2024.

09 Ideagen

a provider of compliance software solutions to organisations operating within highly regulated industries

Investment date	July 2022
Website	Ideagen.com
Hg clients' total equity:	84.3%
% of NAV:	3.3%

Business description

Founded in 1993 and headquartered in Nottingham, UK, Ideagen's software helps companies comply with regulation, manage risk and keep people safe. It is a leader in the over $30 billion regulatory and compliance software sector, serving highly regulated industries such as life sciences, healthcare, banking and finance and insurance. Ideagen has a global footprint with hubs across UK, US, Middle East, Australia and Southeast Asia, and its wide portfolio of solutions are used by over 13,000 customers globally.

Performance

Ideagen continues to perform well with robust trading over the last year. At 31 December 2024, the carrying value of HgT's investment had increased by £6.0 million from the end of 2023.

10 IRIS

a leading transatlantic provider of business-critical cloud software solutions for accountants

Investment date	April 2024
Website	iris.co.uk
Hg clients' total equity:	43.5%
% of NAV:	3.2%

Business description

IRIS serves over 100,000 customers and three million users in the Accountancy, Education, HR and SME payroll segments, delivering a suite of established and trusted software solutions which provide business-critical systems with frequent regulatory and compliance driven updates. IRIS enables accountants to deliver both regulatory compliance services and value-added 'Client Accounting Services' to improve SME's planning and performance.

Performance

IRIS consistently delivers strong, organic revenue growth and continued margin expansion driven by efficiency initiatives and M&A, including the highly strategic acquisition of Dext, a leading bookkeeping automation platform provider. In the first half of 2024, Hg completed the realisation of Hg Saturn 1's investment in IRIS to LGP returning a net distribution of approximately £22.2 million to HgT following the re-investment of a portion of its proceeds in the business through Hg Saturn 3. Over 2024, the value of HgT's position in IRIS has increased by £16.8 million.

11 sovos

a global provider of tax compliance solutions

Investment date	September 2020
Website	sovos.com
Hg clients' total equity:	55.6%
% of NAV:	2.7%

Business description

Sovos is a global provider of tax compliance software solutions that helps customers manage an increasingly complex end-to-end tax determination and regulatory reporting process. Its solutions manage all aspects of the tax compliance process from tax calculation, forms completion, ultra-high volume filing, to secure funds transfer to state and local revenue departments.

Performance

Sovos has seen consistent revenue growth since our initial investment. Hg has continued to invest in the business to drive organic returns, and to integrate recent acquisitions which have led to some anticipated temporary compression of EBITDA margins. The company continues to perform well and has seen an uplift of £20.8 million in the value of HgT's stake over 2024.

12 FE fundinfo

a facilitator of more efficient investing, through trusted, insightful information

Investment date	November 2018
Website	fefundinfo.com
Hg clients' total equity:	69.6%
% of NAV:	2.6%

Business description

FE fundinfo is a provider of data, analytics software and infrastructure for the global funds industry, facilitating the distribution of retail funds and investment decision-making by banks, asset and wealth managers. The business connects fund managers and fund distributors and enables them to share and act on trusted, insightful data.

Performance

Initially formed via three Hg-led acquisitions (the merger of FE, fundinfo and F2C), the business has executed on further nine M&A deals since 2020, most notably a strategic acquisition of Fundsquare in 2022.

13 insightsoftware

a provider of connected solutions for the Office of the CFO

Investment date	September 2021
Website	insightsoftware.com
Hg clients' total equity:	44.0%
% of NAV:	2.4%

Business description

insightsoftware is a global provider of comprehensive solutions for the Office of the CFO. insightsoftware's platform is built around a unique data layer that connects more than 200 data sources, enabling seamless connectivity and efficiency across finance, accounting, and operations applications.

Performance

insightsoftware completed 4 strategic acquisitions in 2024, adding close to £20 million of EBITDA at accretive multiples while building out capabilities in enterprise performance management (EPM), lease accounting, business intelligence and more.

14 team.blue

a leading provider of technology services to European SMEs, enabling online Presence and Success

Investment date	March 2019
Website	team.blue
Hg clients' total equity:	31.4%
% of NAV:	2.0%

Business description

team.blue provides digital presence solutions (domains, websites, and hosting services) as well as SaaS-based success products such as website builder, compliance, engagement and e-commerce, to enable online success for over 3.3 million SMB customers across Europe. team.blue has segment leading positions in 16 out of 22 countries where they are present.

Performance

In 2022, Hg announced a further investment in team.blue to fund expansion in its product offering of online solutions, as well as increase its local presence across more countries in Europe via M&A. This was followed in July 2024 by the announcement of a partial sale of the business to the Canada Pension Plan Investment Board and Sofina, and subsequent re-investment by Hg G10.

Reflecting the impact of both continued organic growth and value-accretive M&A, the value of HgT's investment in team.blue increased by £23.4 million over 2024.

15 caseware

a developer of cutting-edge audit software solutions for accounting firms, corporations and governments

Investment date	December 2020
Website	caseware.co.uk
Hg clients' total equity:	67.0%
% of NAV:	1.8%

Business description

Founded in 1988, and based in Toronto, Caseware is a global provider of innovative compliance workflow and data analytics software solutions for Certified Public Accountants and in-house auditors worldwide. Caseware's primary product is Working Papers which assists in compliance and non-compliance workflows such as audits, statutory accounts, tax and financial statement production and IDEA an internal and external financial audit analytics software primarily used by a global client base including corporates and Governments. Caseware is undergoing a cloud migration journey as it rolls out it's new cloud solution to Working Papers customers globally.

Performance

Caseware's partnership with Hg has continued to perform well, with robust organic trading, high customer retention and M&A over the period. This has led to an increase in HgT's position in the company of £18.6 million over 2024.

16 RHAPSODY

a global leader in healthcare interoperability and data liquidity solutions

Investment date	October 2018
Website	rhapsody.health
Hg clients' total equity:	80.8%
% of NAV:	1.8%

Business description

Headquartered in Boston, USA, Rhapsody is a global leader in healthcare interoperability and data liquidity solutions. Their software serves public and private hospitals, health systems, Health Information Exchanges, medical device manufacturers, healthcare technology vendors, healthcare insurance companies, public health departments and governmental organisations. Rhapsody is truly global, serving c.1,700 customers in over 30 countries.

Performance

Over the last three years, Rhapsody has completed three bolt-on acquisitions to expand its interoperability suite across a portfolio of Integration, Identity and Semantic products, and continues to build out a unique and strategically important global champion in healthcare software. Rhapsody continues to perform, resulting in an increase of £13.3 million in the valuation of HgT's stake during the year.

17 Trackunit

a provider of SaaS-based Internet of Things ('IoT') solutions to the global construction industry

Investment date	June 2021
Website	trackunit.com
Hg clients' total equity:	70.4%
% of NAV:	1.7%

Business description

Founded in 1998, and headquartered in Denmark, with offices in the US, Canada, Northern Europe, and Australasia, Trackunit's business' solutions allow users to collect and analyse machine data in real-time to deliver actionable, proactive and predictive information, empowering customers with data-driven foresight. From operator safety and machine health to business optimisation, Trackunit's industry-leading products and services benefit the everyday operations of construction customers worldwide.
In November 2021, Trackunit completed the merger with the Industrial IoT division of ZTR, a leading off-highway IoT provider in North America.

Performance

Trackunit has been working alongside the portfolio team on a number of value creation projects and has continued performing well. In February 2025, Hg announced the partial exit of Trackunit returning c.£21.1 million to HgT.

18 GGW GROUP

a European P&C insurance broker and MGA group serving SME customers

Investment date	April 2024
Website	ggw.de
Hg clients' total equity:	44.3%
% of NAV:	1.6%

Business description

GGW Group ('GGW'), is a leading European P&C insurance broker and MGA group serving SME customers, is focused on the DACH region with an increasing presence across continental Europe. Founded in 2020 GGW brings together the very best insurance brokers and MGAs – with differentiated culture and entrepreneurial spirit. Fusing long heritage, best-in-class capabilities and deep specialism, the group has built a scaled insurance distribution platform.

To date, >70 platform add-ons have been acquired and GGW has become a leading independent insurance distribution platform. The group has developed from zero to >€100 million adj. EBITDA since Hg invested and expanded from Germany to DACH and into the wider European footprint.

Performance

GGW's performance over the past four years has continuously exceeded expectations. Over the year, the value of HgT's investment increased by £6.4 million.

19 Gen II

A leading pure-play provider of alternative asset fund administration services.

Investment date	December 2020
Website	gen2fund.com
Hg clients' total equity:	26.6%
% of NAV:	1.6%

Business description

Gen II is a top provider of alternative asset fund administration services with headquarters in New York and Luxembourg. The company administers over $1 trillion across more than 740 customers and serves 50,000 investors globally, covering strategies like Buyout, Infrastructure, Energy, Real Estate, Fund of Funds, Credit, and Retail. Gen II stands out with its tech-enabled platform offering premium, high-touch services in fund administration, accounting, reporting, and regulatory compliance. The company has delivered industry-leading client experiences and sustained double-digit organic growth for the past decade.

Performance

Gen II has continued its strong double digit organic growth in 2024. The team has been integrating the newly acquired European fund administration provider, Crestbridge, strengthening the group's transatlantic presence and service. This performance has led to increase of £12.0 million in the value of HgT's investment over 2024.

20 benevity

a provider of enterprise social impact SaaS solutions

Investment date	January 2021
Website	benevity.com
Hg clients' total equity:	67.4%
% of NAV:	1.6%

Business description

Founded in 2008 and headquartered in Canada, Benevity provides enterprise social impact SaaS solutions to a global client base of c.1,000 customers. Benevity's core solution enables large corporates, and their employees, to make donations and grants to non-profits worldwide and to participate in mission-led engagements with them (e.g. volunteering, advocacy and event-driven fundraising). Benevity's leading products have numerous bluechip clients, a strong representation in the Fortune 500 and more vetted charities than peers. Altogether, the business connects c.14 million employees with more than 2.2 million charities worldwide driving annual donation volumes of over CAD$3.4 billion.

Performance

Revenue continues to grow double digits, leading to the value of HgT's stake in Benevity to increase £7.9 million in 2024.

HgT's investment portfolio by cluster

Tax & Accounting >20 years

VISMA, IRIS, Bright, SOVOS, insightsoftware, ivalua, Prophix, AZETS, caseware, GTREASURY, AUDITBOARD, CINC Systems, LucaNet, SERRALA, SOLUTIONS

ERP & Payroll >20 years

VISMA, IRIS, Bright, revalize, access, IFS, P&I PURE HR, nomadia, JTL, BLINQX, benevity

Legal & Regulatory Compliance >17 years

CTAIMA, e-coordina, AUDITBOARD, The Citation Group, LITERA, waystone, CONTRACTS, septeo, Ideagen, CUBE

Automation & Engineering >15 years

Trackunit, Athletic Sport Sponsoring ICH BIN DEIN AUTO

Tech Services >14 years

Geomatikk, The Citation Group, focus group, teamblue, F24

Fintech >11 years

FE fundinfo, SOLUTIONS, pirum, Quantios, Gen II Well-run funds., CONTRACTS, smartTrade, Nitrogen

Insurance >10 years

HOWDEN, GGW GROUP, fonds finanz, nduver

Healthcare IT >10 years

RHAPSODY, HHAeXchange, norstella, Intelerad

hgcapital.com/portfolio

Financial statements

Income statement

for the year ended 31 December 2024

The total return column of this statement represents HgT's income statement. The supplementary revenue and capital return columns are both prepared under guidance published by the Association of Investment Companies ('AIC'). All recognised gains and losses are disclosed in the revenue and capital columns of the income statement and as a consequence, no statement of comprehensive income has been presented.

The movements in reserves are set out in note 21 to the financial statements.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

	Notes	Revenue return		Capital return		Total return	
		2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023 £000
Gains on investments and liquidity funds	13	–	–	224,273	210,336	224,273	210,336
Losses on priority profit share calls	5	–	–	(9,999)	(8,053)	(9,999)	(8,053)
Net income	4	35,942	45,624	–	–	35,942	45,624
Other expenses	6(a)	(4,955)	(9,202)	–	–	(4,955)	(9,202)
Net return before finance costs and taxation		**30,987**	**36,422**	**214,274**	**202,283**	**245,261**	**238,705**
Finance costs	6(b)	(9,166)	(8,188)	–	–	(9,166)	(8,188)
Net return before taxation		**21,821**	**28,234**	**214,274**	**202,283**	**236,095**	**230,517**
Taxation	9	–	–	–	–	–	–
Net return after taxation		21,821	28,234	214,274	202,283	236,095	230,517
Basic and diluted return per ordinary share	**10(a)**	**4.77p**	**6.17p**	**46.81p**	**44.19p**	**51.58p**	**50.36p**

The following notes form part of these financial statements.

Balance sheet

as at 31 December 2024

	Notes	2024 £000	2023 £000
Fixed asset investments			
Investments at fair value through profit or loss:			
Investments	12	2,375,294	1,783,857
Total fixed asset investments		**2,375,294**	**1,783,857**
Current assets – amounts receivable after one year:			
Accrued income on fixed assets	14	115,039	130,842
Debtors	14	–	43,955
Current assets – amounts receivable within one year:			
Debtors	14	48,411	60,520
Investments at fair value through profit or loss:			
Liquidity funds	15	40,637	221,930
Uninvested capital in limited partnerships	12	–	1,906
Cash at bank	16	18,490	51,603
Total current assets		**222,577**	**510,756**
Creditors – amounts falling due within one year	17	(2,576)	(3,884)
Net current assets		**220,001**	**506,872**
Creditors – amounts falling due after one year	18	(98,224)	–
Net assets		**2,497,071**	**2,290,729**
Capital and reserves:			
Called-up share capital	20	11,443	11,443
Share premium account	21	372,224	372,224
Capital redemption reserve	21	1,258	1,258
Capital reserve – unrealised	21	688,642	593,019
Capital reserve – realised	21	1,409,090	1,290,439
Revenue reserve	21	14,414	22,346
Total equity shareholders funds		**2,497,071**	**2,290,729**
Net asset value per ordinary share	**10(b)**	**545.5p**	**500.5p**
Ordinary shares in issue at 31 December		**457,728,500**	**457,728,500**

The financial statements of HgCapital Trust plc (registered number 01525583) on pages 57–75 were approved and authorised for issue by the Board of Directors on 7 March 2025 and signed on its behalf by:

Jim Strang, Chairman

Richard Brooman, Director

The following notes form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2024

	Notes	2024 £000	2023 £000
Net cash (outflow)/inflow from operating activities	**7**	**(279,525)**	**125,620**
Investing activities:			
Purchase of liquidity funds	15	(280,841)	(119,254)
Redemption of liquidity funds	15	467,948	168,302
Net cash inflow from investing activities		**187,107**	**49,048**
Financing activities:			
Drawdown of loan facility	18	138,147	–
Repayment of loan facility	18	(39,923)	(137,439)
Servicing of finance		(9,166)	(8,188)
Equity dividends paid	11	(29,753)	(29,753)
Net cash inflow/(outflow) from financing activities		**59,305**	**(175,380)**
Decrease in cash and cash equivalents in the year	**16**	**(33,113)**	**(712)**
Cash and cash equivalents at 1 January	16	51,603	52,315
Cash and cash equivalents at 31 December	**16**	**18,490**	**51,603**

The following notes form part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2024

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Capital reserve – unrealised £000	Capital reserve – realised £000	Revenue reserve £000	Total £000
		Non-distributable				Distributable		
At 1 January 2023		11,443	372,224	1,258	505,463	1,175,712	23,865	2,089,965
Net return after taxation		–	–	–	87,556	114,727	28,234	230,517
Equity dividends paid	11	–	–	–	–	–	(29,753)	(29,753)
At 31 December 2023		**11,443**	**372,224**	**1,258**	**593,019**	**1,290,439**	**22,346**	**2,290,729**
At 1 January 2024		11,443	372,224	1,258	593,019	1,290,439	22,346	2,290,729
Net return after taxation		–	–	–	95,623	118,651	21,821	236,095
Equity dividends paid	11	–	–	–	–	–	(29,753)	(29,753)
At 31 December 2024		**11,443**	**372,224**	**1,258**	**688,642**	**1,409,090**	**14,414**	**2,497,071**

The following notes form part of these financial statements.

Notes to the financial statements

1. Principal activity

The principal activity of HgT is investment. HgT is an investment company as defined by section 833 of the Companies Act 2006 and an investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010 ('CTA 2010') and is registered as a company in England and Wales under number 01525583, with its registered office at 2 More London Riverside, London, SE1 2AP.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, except for the revaluation of financial instruments at fair value as permitted by the Companies Act 2006 and in accordance with applicable UK law and UK Accounting Standards ('UK GAAP'), including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP'), issued in July 2022. All of HgT's operations are of a continuing nature.

After reviewing forecasts and stressed scenarios, the Directors have a reasonable expectation that HgT will have adequate resources to continue in operational existence for the next 12-month period from the date of approval of this report. Accordingly, they continue to adopt the going-concern basis in preparing these financial statements.

3. Organisational structure and accounting policies

Limited Partnerships

HgT entered into separate limited partnership agreements to establish investment-holding limited partnership to carry on the business of an investor, with HgT being the sole limited partner in these entities. On the partial sale of interest in HGT 8 LP and HGT LP, HgT has become the majority limited partner in these entities.

Under the partnership agreements, HgT made capital commitments into the funds as listed in Note 12, with the result that HgT now holds direct investments in those funds and an indirect investment in the fixed-asset investments which are held by the funds, as it is the majority limited partner. These direct investments are included under fixed-asset investments on the balance sheet and in Note 12. The underlying investments which are held indirectly are included in the overview of investments on pages 48 and 49.

HgT does not have control over the operating, financial or governance activities of the limited partnerships in which it is a limited partner. The general partner of these partnerships has the day-to-day control and ultimate decision making powers over the activities of these partnerships.

The investments are held as part of an investment portfolio and are measured at fair value and are excluded from consolidation on these grounds as per FRS 102 section 9.9C.

Priority profit share under the limited partnership agreements

Under the terms of the fund LPA's, each general partner (see note 5) is entitled to appropriate, as a first charge on the net income of the funds, an amount equivalent to its priority profit share ('PPS'). HgT is entitled to net income from the funds, after payment of the PPS.

In years in which these funds have not yet earned sufficient net income to satisfy the PPS, the entitlement is carried forward to the following years. The PPS is payable quarterly in advance, even if insufficient net income has been earned. Where the cash amount paid exceeds the net income, an interest-free loan is advanced to the general partner by these funds, which is funded by a capital call from HgT. Such loans are recoverable from the general partner only by an appropriation of net income until net income is earned. At the HgT level such a call is expensed in the capital column as these amounts are not recoverable (see note 5).

Accordingly, HgT's entitlement to net income and net capital gains is shown in the appropriate lines of the income statement. Notes 4, 5 and 10 to the financial statements disclose the gross income and gross capital gains of the funds and also reflect the proportion of net income and capital gains in the funds which has been paid to the general partner as its PPS.

The PPS paid from net income is charged to the revenue account in the income statement, where there is insufficient income PPS is charged as an unrealised depreciation to the capital return on the income statement.

Investment income and interest receivable

As stated above, all income that is recognised by the funds, net of PPS, is allocated to HgT and recognised when the right to this income is established.

The accounting policies below apply to the recognition of income by the funds, prior to allocation between the Partners:

Interest income on non-equity shares and fixed income securities is recognised on a time apportionment basis so as to reflect the effective yield when it is probable that it will be realised. Dividends receivable on unlisted equity shares where there is no ex-dividend date and on non-equity shares are brought into account when the right to receive payment is established.

Income from listed equity investments, including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend. Where dividends are received in the form of additional shares rather than cash dividends, the equivalent of the cash dividend is recognised as the income in the revenue account and any excess in the value of the shares received over the amount of the cash dividend is recognised in the capital reserve – realised.

Expenses

All expenses are accounted for on an accruals basis. All administrative expenses are charged wholly to the revenue account.

Dividend

Dividend distributions are recognised at the time of declaration to shareholders and are recognised as a liability in the year that they are approved unconditionally.

Current and other non-current assets

Financial assets and financial liabilities are recognised in HgT's balance sheet when HgT becomes a party to the contractual provisions of the instrument. Trade receivables are stated at nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in the revenue return on the income statement.

Cash comprises current accounts held with banks.

Foreign currency

The functional and presentation currency is pounds sterling, reflecting the economic environment in which HgT predominantly operates. All transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the dates of such transactions and the resulting exchange differences are taken to the capital reserve – realised or revenue, as appropriate. Foreign currency assets and liabilities at the balance sheet date are translated into sterling at the exchange rates ruling at that date and the resulting exchange differences are taken to the capital reserve, unrealised or revenue as appropriate.

Taxation

Income taxes represent the sum of the tax currently payable, withholding taxes suffered and deferred tax. Tax is charged or credited in the income statement. Deferred tax is recognised on all timing differences at the reporting date. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Investments

The principle applied is that investments should be reported at 'fair value', in accordance with Sections 11 and 12 of FRS 102 and the International Private Equity and Venture Capital ('IPEV') Valuation Guidelines, December 2022 edition. Where relevant, HgT applies the policies stated below to the investments held by the funds, in order to determine the fair value of its investments in these limited partnerships.

Purchases of investments are recognised on a trade date basis. Sales of investments held through the funds are recognised at the trade date of the disposal. Proceeds are measured at fair value, which is regarded as the proceeds of sale less any transaction costs.

Quoted: Quoted investments are held at fair value, which is deemed to be their bid price.

Unquoted: Unquoted investments are also held at fair value and are valued using the following guidelines:

(i) the level of maintainable earnings or revenue and an appropriate earnings or revenue multiple, unless (iii) is required;

(ii) where more appropriate, investments can be valued based on other methodologies, including using their net assets or discounted cash flows, rather than on their earnings or revenue; and

(iii) appropriate fair value movements are made against all individual valuations where necessary to reflect unsatisfactory financial performance or a fall in comparable ratings.

Debt: The investments are valued using discounted cash flows, considering the impact of changes in the credit risk of the portfolio company and changes to the market rates of return on fair value.

Liquidity funds: these are short-term investments made in a combination of fixed and floating rate securities and are valued at the current fair value as determined by the manager of the fund. They can be realised at short notice.

Derivative financial instruments: derivative financial instruments are held at fair value and are valued using quoted market prices for financial instruments traded in active markets, or dealer price quotations for financial instruments that are not actively traded.

Both realised and unrealised gains and losses arising on fixed asset investments, financial assets and liabilities and derivative financial instruments, are taken to the capital reserves.

3. Organisational structure and accounting policies (continued)

Capital reserves

Capital reserve – realised

The following are accounted for in this reserve:

(i) gains and losses on the realisation of investments;

(ii) losses on investments where there is little prospect of realisation or recovering any value;

(iii) realised exchange differences of a capital nature; and

(iv) expenses, together with the related taxation effect, charged to this reserve in accordance with the above policies.

Capital reserve – unrealised

The following are accounted for in this reserve:

(i) increases and decreases in the valuation of investments held at the year-end;

(ii) increases and decreases in the valuation of the loans to general partners; and

(iii) unrealised exchange differences of a capital nature.

Share capital

Ordinary shares issued are recognised based on the proceeds or fair value received, with the excess of the amount received over their nominal value being credited to the share premium account. Direct issue costs are deducted from equity.

Critical accounting estimates and key sources of estimation uncertainty

The preparation of these financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

The estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key accounting estimate is in respect of the determination of the fair value of financial assets classified as fair value through profit or loss (FVTPL). The methodology used in determining fair values is disclosed above. An attribution analysis of movements in the fair value of investments can be found on page 38 and an analysis of the trading performance and valuation and gearing analysis of the top 20 buyout investments by value can be found from pages 50 to 55. A sensitivity analysis to equity price risk can be found in note 19.

4. Income

	Revenue return	
	2024 £000	2023 £000
Total net income comprises:		
Interest	35,942	45,624
Dividend	–	–
Total net income	35,942	45,624

All income that is recognised by the funds, net of PPS, is allocated to HgT and recognised when the right to this income is established. This income and PPS is analysed further below.

	Revenue return	
	2024 £000	2023 £000
Income from investments held by the funds		
Unquoted investment income	49,669	60,318
Dividend Income	–	–
Other investment income:		
Liquidity funds income	4,813	4,913
Total investment income	54,482	65,231
Total other income	484	792
Total income	54,966	66,023
Priority profit share charge against income:		
Current year – HGT Genesis 9 LP	(6,684)	(6,834)
Current year – HGT Genesis 10 LP	(5,833)	(4,313)
Current year – HGT 8 LP	(2,691)	(2,672)
Current year – HGT Mercury 3 LP	(1,222)	(2,913)
Current year – HGT Mercury 2 LP	(1,078)	(1,261)
Current year – HGT Saturn LP	(753)	(1,434)
Current year – HGT LP	(362)	(381)
Current year – HGT Saturn 2 LP	(148)	(343)
Current year – HGT 7 LP	(140)	(228)
Current year – HGT Mercury 4 LP	(113)	–
Current year – HgCapital Mercury D LP	–	(20)
Total priority profit share charge against income (note 5)	(19,024)	(20,399)
Total net income	35,942	45,624

5. Priority profit share

The information below relates to the funds and has been included as additional information:

Priority profit share payable to general partners	Revenue return 2024 £000	Revenue return 2023 £000
Priority profit share payable:		
Current year amount	29,023	28,452
Movement on loans to general partners:		
Less: Current year loans advanced to general partners	(12,959)	(12,243)
Add: Prior year loans recovered from general partners	2,960	4,190
Total losses on priority profit share loans advanced to general partners	(9,999)	(8,053)
Current year charge against income	19,024	20,399
Total priority profit share charge against income	19,024	20,399

The priority profit share payable on the funds rank as a first appropriation of net income from investments held in these partnerships respectively and is deducted prior to such income being attributed to HgT in its capacity as a Limited Partner. The net income of the funds earned during the year, after the deduction of the priority profit share, is shown on the income statement.

In years in which the funds described in note 5 have not yet earned sufficient net income to satisfy the priority profit share, the entitlement is carried forward to the following years. The priority profit share is payable quarterly in advance, even if insufficient net income has been earned. Where the cash amount paid exceeds the net income, an interest free loan is advanced to the general partner by these funds, which is funded via a loan from HgT. Such loan is only recoverable from the general partner by an appropriation of net income. Until sufficient net income is earned, no value is attributed to this loan and hence an unrealised capital loss is recognised and reversed if sufficient income is subsequently generated.

The terms of the above priority profit share arrangements during 2024 were:

Fund partnership	Priority profit share
HGT Genesis 10 LP	1.75% on the fund commitment during the investment period
HGT Genesis 9 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT 8 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT 7 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Mercury 4 LP	1.75% on the fund commitment during the investment period
HGT Mercury 3 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Mercury 2 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Saturn 3 LP	1.0% on the fund commitment during the investment period
HGT Saturn 2 LP	0.75% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Saturn LP	1.0% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT LP	1.0% of original cost of investments in the fund, excluding co-investment

6. Other expenses

(a) Operating expenses	Revenue return 2024 £000	Revenue return 2023 £000
Registrar, management and administration fees	2,288	2,184
Directors remuneration (note 8)[1]	412	398
Legal and other administration costs	2,094	6,470
	4,794	9,052
Fees payable to HgT's auditor in relation to HgT:		
Audit fees[2]	161	150
Total fees payable to HgT's auditor	161	150
Total other expenses	4,955	9,202

[1] Excludes employer's National Insurance contributions of £45,400 (2023: £47,000).

[2] The audit fee is inclusive of VAT at the rate of 20%. In addition to the audit fees payable to the auditor in relation to HgT, audit fees payable to the auditor for the financial statements audit of the funds in which HgT has an investment were £101,265 (2023: £104,860).

(b) Finance costs	Revenue return 2024 £000	Revenue return 2023 £000
Interest paid	2,596	1,356
Non-utilisation fees and other expenses	4,351	6,082
Arrangement fees	2,219	750
Total finance costs	9,166	8,188

7. Cash flow from operating activities

Reconciliation of net return before finance costs and taxation to net cash flow from operating activities	2024 £000	2023 £000
Net return before finance costs and taxation	245,261	238,705
Net gains	(224,273)	(210,336)
Purchase of fixed asset investments	(643,225)	(73,521)
Increase in uninvested capital	1,906	(1,667)
Net cash flows relating to the purchase of fixed asset investments	(641,319)	(75,188)
Proceeds from the sale of fixed asset investments	275,060	170,234
Increase in accrued income from liquidity funds	(4,813)	(7,684)
Decrease in accrued income and other debtors	71,867	10,350
Decrease in creditors	(1,308)	(461)
Net cash (outflow)/inflow from operating activities	(279,525)	125,620

The prior year voluntary information on the underlying cash flows of the LPs that was presented in a boxed format has been removed. There was no impact on cash flows.

8. Directors' remuneration

The aggregate remuneration of the Directors for the year to 31 December 2024 was £412,434 (2023: £397,850). Further information on the Directors' remuneration is disclosed in the Directors' remuneration report on pages 109–111.

9. Taxation

In the opinion of the Directors, HgT has complied with the requirements of section 1158 and section 1159 of the CTA 2010 and will, therefore, be exempt from corporation tax on any capital gains reported in the capital return during the year. To the extent possible, HgT will elect to designate the interim dividend (see note 11) as an interest distribution to its shareholders and the final dividend distributed as dividend. This interest distribution is treated as a tax deduction against taxable income in the revenue return and results in a reduction of corporation tax being payable by HgT at 31 December 2024.

The rate of corporation tax in the UK for a company was 25.0% during the year (2023: tax rate of 23.5%). However, the tax charge in the current and previous year was lower than the standard and effective tax rate, owing largely to the reduction in corporation tax from the interest distribution noted above. The effect of this and other items affecting the tax charge is shown in note 9(b) below.

	Revenue return	
(a) Analysis of charge in the year	2024 £000	2023 £000
Current tax:		
UK corporation tax	5,455	6,635
Income streaming relief	(2,289)	(2,151)
Income not subject to tax	(3,166)	(4,484)
Prior year adjustment	–	–
Tax losses brought forward	–	–
Current revenue tax charge/(credit) for the year	–	–
Deferred tax:		
Reversal of timing differences	–	–
Total deferred tax charge for the year (note 9(c))	–	–
Total taxation charge/(credit)	–	–

	Revenue return	
(b) Factors affecting tax charge/(credit) for the year	2024 £000	2023 £000
Net revenue return before taxation	21,821	28,234
UK corporation tax charge at 25% thereon (2023: 24%)	5,455	6,635
Effects of:		
Tax relief from interest distribution	(2,289)	(2,151)
Income not subject to tax	(3,166)	(4,484)
Tax relief from expenses allocated to capital	–	
Prior year tax adjustment	–	–
Tax losses brought forward	–	–
Total differences	(5,455)	(6,635)
Total taxation charge/(credit)	–	–

There is no deferred taxation to be recognised (2023: £nil).

10. Return and net asset value per ordinary share

	Revenue return		Capital return	
(a) Basic and diluted return per ordinary share	2024	2023	2024	2023
Amount (£000):				
Net return after taxation	21,821	28,234	214,274	202,283
Weighted average number of ordinary shares (000):				
Weighted average number of ordinary shares in issue	457,729	457,729	457,729	457,729
Basic and diluted return per ordinary share (pence)	4.77	6.17	46.81	44.19

The basic and diluted EPS are the same as HgT does not have dilutive financial instruments.

	Capital return	
(b) Net asset value per ordinary share	2024	2023
Amount (£000):		
Net assets	2,497,071	2,290,729
Number of ordinary shares (000):		
Number of ordinary shares in issue	457,729	457,729
Net asset value per ordinary share (pence)	545.5	500.5

11. Dividends on ordinary shares

	Record date	Payment date	2024 £000	2023 £000
Interim Dividend of 2.0p for the year ended 31 December 2024	26/9/2024	25/10/2024	9,155	–
Final Dividend of 4.5p for the year ended 31 December 2023	21/3/2024	21/5/2024	20,598	–
Interim Dividend of 2.0p for the year ended 31 December 2023	28/9/2023	27/10/2023	–	9,155
Final Dividend of 4.5p for the year ended 31 December 2022	23/3/2023	22/5/2023	–	20,598
Total equity dividends paid			29,753	29,753

The proposed final dividend of 3.5 pence per ordinary share for the year ended 31 December 2024 is subject to approval by the shareholders at the annual general meeting and has not been included as a liability in these financial statements. The total dividends payable in respect of the financial year, which form the basis of the retention test as set out in Section 1159 of the CTA 2010, are set out below:

	2024 £000	2023 £000
Revenue available for distribution by way of dividend for the year	21,821	28,234
Interim Dividend of 2.0p for the year ended 31 December 2024	(9,155)	(9,155)
Proposed final dividend of 3.5p for the year ended 31 December 2024 (based on 457,728,500 ordinary shares in issue at 31 December 2024)	(16,020)	(20,598)
(Distributions in excess of revenue)/Undistributed revenue for Section 1159 purposes*	(3,354)	(1,519)

*Distributions in excess of revenue are financed by the revenue reserve

12. Fixed asset investments

	2024 £000	2023 £000
Investments held at fair value through profit or loss:		
HGT Saturn 3 LP	625,250	240,371
HGT Saturn 2 LP	351,828	309,340
HGT Genesis 9 LP	344,365	323,175
HGT 8 LP	234,290	272,875
HGT Genesis 10 LP	227,457	82,706
HGT LP	227,039	109,112
HGT Saturn LP	117,482	167,912
HGT Mercury 4 LP	81,151	19,562
HGT Mercury 2 LP	78,088	119,766
HGT Mercury 3 LP	76,762	103,559
HGT 7 LP	19,253	46,290
Other[1]	(7,671)	(10,811)
Total fixed asset investments	2,375,294	1,783,857
Total fixed asset investments consist of:		
Fund limited partnerships	2,375,294	1,783,857

[1] Includes HgT currency hedges and direct investments.

Total fixed asset investments are net of a performance fee provision of £199,974,000 (2023: £211,350,000) and fund-level facilities of £364,121,000 (2023: £355,799,000). These amounts were previously shown separately. There is no change in the total fixed asset investments.

		2024 £000	2023 £000
Opening valuation as at 1 January		1,783,857	1,752,509
Opening unrealised appreciation	– investments	(369,326)	(233,212)
Opening book cost as at 1 January		1,414,531	1,519,297
Movements in the year:			
Additions at cost		643,225	73,521
Disposals[1]		(220,029)	(361,583)
	– realised gains on sales	74,143	183,296
Closing book cost of investments		1,911,870	1,414,531
Add: closing unrealised appreciation	– investments	463,424	369,326
Closing valuation of investments at 31 December		2,375,294	1,783,857

[1] Prior year disposals includes gross deferred proceeds in relation to the sale of interest in HGT 8 LP.

Prior year opening and closing unrealised appreciation is net of a performance fee provision and fund-level facilities. These amounts were previously shown separately. There is no change in the total fixed asset investments. The additions and disposals reported at the fund level will not agree with the gross investments and realisations of the underlying portfolio companies due to timing differences, funding mechanisms and operational needs of the fund.

13. Gains on investments and liquidity funds

		Capital return 2024 £000	Capital return 2023 £000
Realised:			
Realised gains/(losses)	– fixed asset investments	74,143	122,212
	– reallocation between reserves	35,964	–
	– liquidity funds	(9)	(5,717)
	– foreign exchange gains/(losses)	–	(336)
	– aborted deal fees	8,553	(1,432)
Net realised gains		118,651	114,727
Unrealised:			
Unrealised (losses)/gains	– fixed asset investments	94,098	92,870
	– reallocation of investment fees to revenue reserve	29,023	–
	– foreign exchange on investments	(23,495)	4,533
	– liquidity funds	1,010	(1,513)
	– aborted deal fees	4,986	(281)
		105,622	95,609
Net unrealised gains		105,622	95,609
Total gains		224,273	210,336

Page 38 of the Manager's Review contains an analysis of all material realised and unrealised movements in value of individual portfolio investments held as fixed asset investments, in accordance with paragraph 28 and 29 of the 'SORP'.

14. Debtors and accrued income

	2024 £000	2023 £000
Amounts receivable after one year:		
Accrued income on fixed assets	115,039	130,842
Deferred consideration	–	43,955
Total amounts receivable after one year	115,039	174,797
Amounts receivable within one year:		
Prepayments and other debtors	3,399	14,970
Deferred consideration	45,012	45,550
Total amounts receivable within one year	48,411	60,520
Total debtors	163,450	235,317

The deferred consideration receivable relates to the sale of interest in HGT 8 LP. The Directors consider that the carrying amount of debtors approximates their fair value.

15. Liquidity funds

	2024 £000	2023 £000
Investments held at fair value through profit or loss:		
Opening valuation	221,930	270,524
Purchases at cost	280,841	119,254
Redemptions	(467,948)	(168,302)
Movement in unrealised capital losses	–	7,643
Foreign exchange gains/(losses)	1,010	(9,156)
Movement in accrued income	4,813	7,684
Realised capital (losses)/gains	(9)	(5,717)
Closing valuation	40,637	221,930

16. Movement in net debt

	2024 £000	2023 £000
Analysis and reconciliation of net funds:		
Net funds at 1 January	51,603	(85,124)
Change in cash	(33,113)	(712)
Change in debt due after one year	(98,224)	137,439
Other non-cash changes	–	–
Net (debt)/funds at 31 December	(79,734)	51,603
Net funds comprise:		
Cash	18,490	51,603
Debt due after one year	(98,224)	–

17. Creditors – amounts falling due within one year

	2024 £000	2023 £000
Accruals	2,576	3,884
Total creditors	2,576	3,884

The Directors consider that the carrying amount of creditors approximates their fair value.

18. Bank facility

	2024 £000	2023 £000
Opening valuation	–	137,439
Draw on loan facility	138,147	–
Repayment of loan facility	(39,923)	(137,439)
Total loan facility	98,224	–

In March 2023 the facility was increased to £350,000,000. In March 2024 this was further increased to £375,000,000. Under the facility agreement, HgT is liable to pay interest on any drawn amount at EURIBOR plus a margin of 3.40%. A commitment fee of 1.30% is liable on any undrawn commitment. The facility expires in March 2027. The facility was drawn for £98,224,000 as at the end of the year.

19. Financial risk

The following disclosures relating to the risks faced by HgT are provided in accordance with sections 11 and 12 of FRS 102. The reference to investments in this note is in relation to the underlying investments in HGT LP, HGT 7 LP, HGT 8 LP, HGT Genesis 9 LP, HGT Genesis 10 LP, HGT Mercury 2 LP, HGT Mercury 3 LP, HGT Mercury 4 LP, HGT Saturn LP, HGT Saturn 2 LP and HGT Saturn 3 LP as described in note 3 on page 62.

Financial instruments and risk profile

HgT's investment objective is to achieve long-term capital appreciation by indirectly investing in unquoted companies. It does this through its investments in fund partnerships, mostly in the UK and Europe. Additionally, HgT holds European and US Government securities, cash, liquidity funds and items such as debtors and creditors arising directly from its operations. In pursuing its investment objective, HgT is exposed to a variety of risks that could result in either a reduction of HgT's net assets or a reduction in the profits available for distribution by way of dividends. Valuation risk, market risk (comprising currency risk and interest rate risk), liquidity risk and credit risk, and the Directors' approach to the management of them, are described below. The Board and Hg coordinate HgT's risk management. The objectives, policies and processes for managing the risks, and the methods used to manage the risks, that are set out below, have not changed from the previous accounting period.

Valuation risk

HgT's exposure to valuation risk arises mainly from movements in the value of the underlying investments (held through fund partnerships), the majority of which are unquoted. A breakdown of HgT's portfolio is given on page 43 and a breakdown of the most significant underlying investments is given on page 48. In accordance with HgT's accounting policies, the investments in fund limited partnerships are valued by reference to their underlying unquoted investments, which are valued by the Directors following the IPEV Valuation Guidelines. Page 71 includes details of the most significant assumptions included in the valuations. HgT does not hedge against movements in the value of these investments, apart from foreign exchange movements as explained below, though the borrowing arranged to fund these investments is normally denominated in the currency in which the business is operating and valued (see page 73). HgT has exposure to interest rate movements, through bank deposits and liquidity funds.

In the opinion of the Directors, the diversified nature of HgT's investments significantly reduces the risks of investing in unquoted companies.

FRS 102 requires HgT to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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 in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that 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.

The determination of what constitutes an 'observable' input requires significant judgement by the Board. The Board considers observable data relating to investments actively traded in organised financial markets, in which case fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date, without adjustment for transaction costs necessary to realise the asset.

The following table analyses, within the fair value hierarchy, the fund's financial assets (by class) measured at fair value at 31 December 2024.

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Investments held at fair value through profit or loss:				
- Investment in HGT Saturn 3 LP	–	–	625,250	625,250
- Investment in HGT Saturn 2 LP	–	–	351,828	351,828
- Investment in HGT Genesis 9 LP	–	–	344,365	344,365
- Investment in HGT 8 LP	–	–	234,290	234,290
- Investment in HGT Genesis 10 LP	–	–	227,457	227,457
- Investment in HGT LP	–	–	227,039	227,039
- Investment in HGT Saturn LP	–	–	117,482	117,482
- Investment in HGT Mercury 4 LP	–	–	81,151	81,151
- Investment in HGT Mercury 2 LP	–	–	78,088	78,088
- Investment in HGT Mercury 3 LP	–	–	76,762	76,762
- Investment in HGT 7 LP	–	–	19,253	19,253
- Other investments[1]	–	(7,671)	–	(7,671)
Total fixed asset investments	–	(7,671)	2,382,965	2,375,294
- Liquidity funds	–	40,637	–	40,637
Total investments as at 31 December 2024	–	32,966	2,382,965	2,415,931

[1] Includes HgT currency hedges.

19. Financial risk (continued)

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Investments held at fair value through profit or loss:				
- Investment in HGT Genesis 9 LP	–	–	323,175	323,175
- Investment in HGT Saturn 2 LP	–	–	309,340	309,340
- Investment in HGT 8 LP	–	–	272,875	272,875
- Investment in HGT Saturn 3 LP	–	–	240,371	240,371
- Investment in HGT Saturn LP	–	–	167,912	167,912
- Investment in HGT Mercury 2 LP	–	–	119,766	119,766
- Investment in HGT LP	–	–	109,112	109,112
- Investment in HGT Mercury 3 LP	–	–	103,559	103,559
- Investment in HGT Genesis 10 LP	–	–	82,706	82,706
- Investment in HGT 7 LP	–	–	46,290	46,290
- Investment in HGT Mercury 4 LP	–	–	19,562	19,562
- Other investments[1]	–	(10,811)	–	(10,811)
Total fixed asset investments	–	(10,811)	1,794,668	1,783,857
- Liquidity funds	–	221,930	–	221,930
Total investments as at 31 December 2023	–	211,119	1,794,668	2,005,787

[1] Includes HgT currency hedges and other direct investments.

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include government securities and actively traded listed equities. HgT does not adjust the quoted bid price of these investments.

Financial instruments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs. Level 3 instruments include private equity and corporate debt securities. As observable prices are not available for these securities, the Board has used valuation techniques to derive the fair value. In respect of unquoted instruments, or where the market for a financial instrument is not active, fair value is established by using recognised valuation methodologies, in accordance with IPEV Valuation Guidelines. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

There were no transfers of assets from level 1 to level 2 or 3, level 2 to level 1 or 3 and level 3 to level 1 or 2.

The following table presents the movement in level 3 investments for the year ended 31 December 2024 by class of financial instrument.

Total investments in limited partnerships	2024 £000	2023 £000
Opening balance	1,783,857	1,752,509
Purchases	643,225	73,521
Realisations at 31 December 2023 valuation	(145,886)	(178,287)
Unrealised appreciation of fixed asset investments	94,098	136,114
Closing unrealised valuation of level 3 investments	2,375,294	1,783,857

Equity price risk

Equity price risk is the risk of a fall in the fair value of HgT's ownership interests (comprising equities and shareholder loans) held by HgT indirectly through its direct investments in fund limited partnerships. The Board revalues each investment on a quarterly basis. The Board manages the risks inherent in HgT's investment activities by ensuring full and timely access to relevant information from Hg. The Board meets regularly and at each meeting reviews the trading performance of the principal underlying investments. If there appears to the Board to be a fair value movement in value between regular valuations, it can revalue the investment. The Board also monitors Hg's compliance with HgT's investment objective and investment policy.

For unquoted equity investments, the market risk variable is deemed to be the multiples applied to a maintainable earnings figure to calculate the individual investment valuations within each of the funds; borrowing is then deducted to arrive at a valuation of the net equity held by HgT. These multiples are largely based on the historic trading multiples of comparable businesses and therefore there is a potential impact on the valuation of unquoted investments of a fall in global equity markets. Hg's best estimate of the effect on the net assets of HgT due to a 1x reduction in the multiples applied to calculate the enterprise value of all unquoted investments, with all other variables held constant, is as follows:

	2024		2023	
	£000	NAV per ordinary share Pence	£000	NAV per ordinary share Pence
Sensitivity to equity price risk:				
1x reduction in EV to EBITDA multiple applied to unquoted investments				
Change in the value of investments	(187,655)	(41.0)	(134,950)	(29.5)

There are likely to be other correlations (either positive or negative) between the assumptions and other factors. Other inputs, such as the earnings of individual investments within the funds are likely to have a significant impact on the value of unquoted investments. See page 50 of the Manager's report for an analysis of the portfolio trading performance as at 31 December 2024. The Board regularly stress tests the net asset value.

Credit risk

Credit risk is the risk of financial loss in the event that any of HgT's market counterparties fail to fulfil their contractual obligations to HgT. HgT's financial assets (excluding fixed asset investments) that are subject to credit risk, were neither impaired nor overdue at the year-end. HgT's cash balances were held with the Royal Bank of Scotland International and amounts not required for day-to-day use were invested in liquidity funds managed by Treasury Spring. HgT subscribes only to funds with sovereign debt or bank deposits as their underlying asset. Foreign exchange forward contracts and options are held with counterparties which have credit ratings which the Board considers to be adequate. The Board regularly monitors the credit quality and financial position of these market counterparties. The credit quality of the above mentioned financial assets was deemed satisfactory.

Market risk

The fair value of future cash flows of a financial instrument held by HgT may fluctuate due to changes in market prices of comparable businesses. This market risk may comprise: currency risk (see below), interest rate risk and/or equity price risk (see above). The Board of Directors reviews and agrees policies for managing these risks. Hg assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk across all of HgT's investments on an ongoing basis.

Currency risk and sensitivity

HgT is exposed to currency risk as a result of investing in fund partnerships which invest in companies that operate and are therefore valued in currencies other than sterling. The value of these assets in sterling, being HgT's functional currency, can be significantly influenced by movements in foreign exchange rates. Borrowing raised to fund each acquisition in such companies is normally denominated in the currency in which the business is operating and valued, thus limiting HgT's exposure to the value of its investments, rather than the gross enterprise value. From time to time, HgT is partially hedged against movements in the value of foreign currency against sterling where a movement in exchange rate could affect the value of an investment, as explained below. Hg monitors HgT's exposure to foreign currencies and reports to the Board on a regular basis. The following table illustrates the sensitivity of the revenue and capital return for the year in relation to HgT's year-end financial exposure to movements in foreign exchange rates against sterling. The rates represent the range of movements against sterling over the current year for the currencies listed, and are considered the best estimate for movements looking forward.

In the opinion of the Directors, the sensitivity analysis below may not be representative of the year as a whole, since the level of exposure changes as HgT's holdings change through the purchase and realisation of investments to meet HgT's objectives.

	2024				2023			
	Revenue return		Capital return		Revenue return		Capital return	
	£000	NAV per ordinary share Pence	£000	NAV per ordinary share Pence	£000	NAV per ordinary share Pence	£000	NAV per ordinary share Pence
Highest value against sterling during the year:								
Euro	(222)	(0.5)	(3,347)	(7.3)	(533)	(1.2)	(9,445)	(20.6)
US dollar	(993)	(2.2)	(67,380)	(147.2)	(306)	(0.7)	(16,244)	(35.5)
	(1,215)	(2.7)	(70,727)	(154.5)	(839)	(1.9)	(25,689)	(56.1)
Lowest value against sterling during the year:								
Euro	2,470	5.4	37,232	81.3	1,121	2.4	19,838	43.3
US dollar	234	0.5	15,861	34.7	833	1.8	44,238	96.6
	2,704	5.9	53,093	116.0	1,954	4.2	64,076	139.9

At 31 December 2024, the following rates were applied to convert foreign denominated assets into sterling: Euro (1.2095); US dollar (1.2524).

Hedging

At times, HgT uses derivative financial instruments such as forward foreign currency contracts and option contracts to manage the currency risks associated with its underlying investment activities. The contracts entered into by HgT are denominated in the foreign currency of the geographic areas in which HgT has significant exposure against its reporting currency. The contracts are used for hedging and the fair values thereof are recorded in the balance sheet as investments held at fair value. Unrealised gains and losses are taken to capital reserves. At the balance sheet date, there was £7.7 million in outstanding derivative financial instruments (2023: £10.9 million).

HgT does not trade in derivatives but may hold them from time to time to hedge specific exposures with maturities designed to match the exposures they are hedging. It is the intention to hold both the financial investments giving rise to the exposure and the derivatives hedging them until maturity and therefore no net gain or loss is expected to be realised.

Derivatives are held at fair value, which represents the replacement cost of the instruments at the balance sheet date. Movements in the fair value of derivatives are included in the income statement. HgT does not adopt hedge accounting in the financial statements.

19. Financial risk (continued)

Interest rate risk and sensitivity

HgT has exposure to interest rate movements as this may affect the fair value of funds awaiting investment, interest receivable on liquid assets and managed liquidity funds, and interest payable on borrowings. HgT has little immediate direct exposure to interest rates on its fixed assets, as the majority of the underlying investments are fixed rate loans or equity shares that do not pay interest. Therefore, HgT's revenue return is not materially affected by changes in interest rates.

However, funds awaiting investment have been invested in managed liquidity funds and, as stated above, their valuation is affected by movements in interest rates. The sensitivity of the capital return of HgT to movements in interest rates has been based on the ECB deposit and Federal funds rates. With all other variables constant, a 0.25% decrease in these rates should increase the capital return in a full year by about £101,500 (2023: £555,000) with a corresponding decrease if the rates were to increase by 0.25%. In the opinion of the Directors, the above sensitivity analyses may not be representative of the year as a whole, since the level of exposure changes as investments are made and realised throughout the year.

Liquidity risk

Investments in unquoted companies, which form the majority of HgT's investments, may not be as readily realisable as investments in quoted companies, which might result in HgT having difficulty in meeting its obligations. Liquidity risk is currently not significant as 2% of HgT's net assets at the year-end are liquid resources and, in addition, HgT has a £375 million multi-currency bank facility which was 74% undrawn at the year end. The Board gives guidance to Hg as to the maximum amount of HgT's resources that should be invested in any one company. Please refer to HgT's Investment Policy on page 27.

Currency and interest rate exposure

HgT's financial assets that are subject to currency and interest rate risk are analysed below:

	2024				2023			
	Fixed and floating rate £000	Non interest-bearing £000	Total £000	Total %	Fixed and floating rate £000	Non interest-bearing £000	Total £000	Total %
Sterling	147,279	585,523	732,802	28.7	264,958	559,491	824,449	37.6
Euro	192,516	588,610	781,126	30.6	242,937	406,794	649,731	29.7
US dollar	132,173	903,359	1,035,532	40.6	248,019	467,939	715,958	32.7
Total	471,968	2,077,492	2,549,460	100.0	755,914	1,434,224	2,190,138	100.0

The fixed and floating rate assets consisted of cash and liquidity funds, of which the underlying investments are a combination of fixed and floating rate. The non-interest-bearing assets represent the investments held in fund limited partnerships, gross of the provision for performance fees and debtors.

Capital management policies and procedures

HgT's capital management objectives are to ensure that it will be able to finance its business as a going concern and to maximise the revenue and capital return to its equity shareholders.

HgT's capital at 31 December 2024 comprised:

	2024 £000	2023 £000
Equity:		
Equity share capital	11,443	11,443
Share premium	372,224	372,224
Capital redemption reserve	1,258	1,258
Retained earnings and other reserves	2,112,146	1,905,804
Total capital	2,497,071	2,290,729

With the assistance of Hg, the Board monitors and reviews the broad structure of HgT's capital on an ongoing basis. This review covers:

- the projected level of liquid funds (including access to bank facilities);
- the desirability of buying back equity shares, either for cancellation or to hold in treasury, balancing the effect (if any) this may have on the discount at which shares in HgT are trading against the advantages of retaining cash for investment;
- the opportunity to raise funds by an issue of equity shares; and
- the extent to which revenue in excess of that which is required to be distributed should be retained, while maintaining its status under Section 1158 of the CTA 2010.

HgT's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

20. Called-up share capital

	2024 No. 000	2024 £000	2023 No. 000	2023 £000
Ordinary shares of 2.5p each:				
Allotted, called up and fully paid:				
At 1 January	457,729	11,443	457,729	11,443
Issues of ordinary shares	–	–	–	–
Purchase of own shares	–	–	–	–
At 31 December	457,729	11,443	457,729	11,443
Total called-up share capital	457,729	11,443	457,729	11,443

While HgT no longer has an authorised share capital, the Directors will still be limited as to the number of shares they can at any time allot, as the Companies Act 2006 requires that Directors seek authority from shareholders for the allotment of new shares. Share issue costs incurred during the year were £nil (2023: £nil). Total proceeds received from the issuance of shares during the year were £nil (2023: £nil).

21. Share premium account and reserves

	Share premium account £000	Capital redemption reserve £000	Capital reserve unrealised £000	Capital reserve realised £000	Revenue reserve £000
As at 1 January 2024	372,224	1,258	593,019	1,290,439	22,346
Investment cost reallocation	–	–	35,964	–	–
Reallocation of investment fees to revenue reserve	–	–	29,023	–	–
Reserves reallocation on investments	–	–	(35,964)	35,964	–
(Losses)/gains on liquidity funds	–	–	1,010	(9)	–
Movement on abort deal fee reserve	–	–	4,986	8,553	–
Net movement on sale of fixed asset investments	–	–	–	74,143	–
Net movement in unrealised appreciation of fixed asset investments	–	–	94,098	–	–
Foreign exchange gain/(loss) on fixed asset investments	–	–	(23,495)	–	–
Dividends paid	–	–	–	–	(29,753)
Net revenue return	–	–	–	–	21,821
Net loans advanced to General Partners	–	–	(9,999)	–	–
As at 31 December 2024	372,224	1,258	688,642	1,409,090	14,414

22. Commitment in fund partnerships and contingent liabilities

Fund	Fund currency	Original commitment	Original[1] commitment £000	Outstanding at 31 Dec 2024 £000	2023 £000
HGT Genesis 10 LP	EUR	500,000	413,394	196,489	343,377
HGT Saturn 3 LP	USD	875,000	698,659	153,000	470,474
HGT LP	USD	176,055	140,574	124,813	133,017
HGT Saturn 2 LP	USD	400,000	319,387	94,444	83,191
HGT Mercury 4 LP	EUR	175,000	144,688	70,412	131,332
HGT Genesis 9 LP	EUR	360,000	297,644	55,113	4,114
HGT Mercury 3 LP	EUR	115,000	95,081	20,091	5,769
HGT 8 LP	GBP	260,000	260,000	14,473	11,736
HGT Saturn LP	GBP	150,000	150,000	5,829	16,755
HGT 7 LP	GBP	200,000	200,000	228	285
HgCapital Mercury D LP	GBP	60,000	60,000	–	3,265
HGT Mercury 2 LP	GBP	80,000	80,000	–	169
Total outstanding commitments				734,892	1,203,484

[1] HgT has the benefit of an opt-out provision in connection with its commitments to invest alongside the funds, allowing it to opt out of its obligation to fund draw-downs under its commitments, without penalty, where certain conditions exist.

23. Key agreements, related party transactions and ultimate controlling party

Hg acts as Manager of HgT through a management agreement and indirectly participates through fund limited partnership agreements as the general partners and, alongside a number of Hg's executives (past and present), as the founder partners of the fund partnerships in which HgT invests. In addition, Hg acts as Administrator of HgT.

HgT has no ultimate controlling party.

HgT's related parties are its Directors. Fees paid to HgT's Board are disclosed in the Directors' Remuneration Report on pages 109 to 111 and employer's National Insurance contributions are disclosed in note 6(a). There are no other identified related parties at the year-end, and as of 7 March 2025.

24. Post balance sheet events

Fund Commitments

In February 2025, the Board approved a further commitment to the Hg Saturn 4 fund of $1.0 billion.

Auditor's report

Independent auditor's report

to the members of HgCapital Trust plc

Our opinion on the HgT financial statements is unmodified

We have audited the financial statements of HgCapital Trust PLC (the 'Company') for the year ended 31 December 2024, which comprise the Income statement, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease or continue as a going concern.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluated the Company's Cashflow forecast prepared by management including the assumptions used and level of headroom available. This also included considering the robustness of the forecasts to potential changes in underlying assumptions;
- Obtained understanding of how management has assessed the impact of events and market conditions that may cast significant doubt on the Company's ability to continue as a going concern;
- Considered the availability and nature of its liquid resources, the appropriateness of key assumptions used in the preparation of the future cashflow forecasts and the Company's ability to opt out of future investment commitments if required;
- Analysed sensitivity analysis prepared by management to assess how the Company's cash position will react under extreme pressure and challenged management on the impact to the forecast from potential changes in assumptions; and
- Considered the boards assessment of the likelihood of the shareholders supporting the ordinary resolution to continue the life of the Company for a further five years at the next Annual General Meeting in May 2025.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic and geopolitical uncertainties, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

Overview of our audit approach

Overall materiality: £25,222,000 which represents 1% of the Company's net assets at 31 December 2024

Key audit matters were identified as

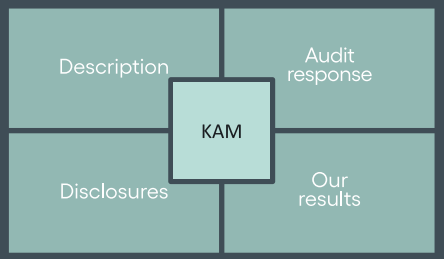
- Valuation of unquoted investments (same as previous year)
- Accuracy of investment income (same as previous year)

Our auditor's report for the year ended 31 December 2023 included no key audit matters that have not been reported as key audit matters in our current years report.

We performed a risk-based substantive audit focused on valuation of unquoted investments at the year-end and investment income recognised during the year. There were no significant changes in the scope of the audit from the prior year.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on; the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.

Key audit matter:

Unquoted investments (Valuation)

We identified valuation of unquoted investments as one of the most significant assessed risks of material misstatement due to error.

Providing long-term returns to the Company's shareholders is the primary objective sought by the Company by investing predominantly in unquoted companies through limited partnerships managed by its Investment Manager. Consequently, unquoted investments are the largest asset class in the financial statements representing 95% (2023: 78%) of the Company's net assets of £2.5 billion (2023: £2.3 billion).

Valuations of unquoted investments are subjective and have a high degree of estimation and uncertainty as they are derived using market-based valuation approaches. This involves applying a multiple obtained from comparable listed companies and market transactions to maintainable earnings or revenue of investee companies.

The key judgement in these models includes selection of appropriate multiples, any adjustments to observable market data and their relevant weighting.

The subjective nature and complexity inherent in the valuation process introduces a risk that the fair value measurements of these unquoted investments may not be appropriate.

How our scope addressed the matter

In responding to the key audit matter, we performed the following audit procedures:

- Attended the Audit, Valuations & Risk Committee meetings during the year where we observed the committee's review and challenge of unquoted investment valuations and received updates on portfolio performance from the Hg Pooled Management Limited, the Investment Manager ("Hg");
- Assessed the competence and capability of Hg to prepare investment valuations on behalf of the Company;
- Checked the arithmetic accuracy of the valuation model used by management and allocation of value based on the Company's capital structure;
- Assessed the appropriateness of the accounting policy for the valuation of investments with reference to the requirements of FRS 102 and guidance provided in the IPEV valuations guidelines. This included checking the basis of and the data used in the construction of comparable multiples;
- Engaged valuation specialists from Grant Thornton's valuations team to corroborate and challenge key assumptions and judgements included within management's valuation models of the investments selected in our sample. The valuations team specifically focused on:
  - Analysing the composition and completeness of the basket of comparable companies derived by Hg;
  - Assessing the reasonableness of the transaction multiples used in the valuations and whether these represent appropriate comparable transactions;
  - Assessing whether the discounts or premiums applied to average market multiples are reasonable; and
  - Assessing any other factors which may impact the fair value of an investment such as the performance of the investee company;
- Agreed, on a sample basis, data input into valuation models to supporting information received from portfolio companies. This included testing of historic and forecast performance data obtained against audited financial statements where available as well as testing any material adjustments to normalise earnings;
- Checked growth rate adjustments made to supporting information received from portfolio companies. Checked those adjustments were in line with the valuation methodology;
- Checked the accuracy of the transaction multiples selected by Hg and identified and challenged any multiples outside our expected range;
- Checked the valuation of performance fee provisions by ensuring that management's calculations are in accordance with the limited partnership agreements; and
- Undertook substantive testing of the debt instruments in underlying limited partnerships (LPs) including:
  - Conducted procedures to satisfy ourselves of the qualifications and expertise of management experts engaged to carry out investment valuations;
  - Assessed the appropriateness of the valuation methodologies used and checked compliance with the provisions of both the IPEV valuation guidelines and FRS 102;
  - Agreed the key inputs such as principals and interest used as inputs to the valuation to the underlying agreements; and
  - Involved valuation specialists from Grant Thornton's valuation team to check the appropriateness of the valuation approach as discussed above. This included assessing the yield and changes made to source data and market indices.

Relevant disclosures in the annual report and accounts 2024

- The Company's accounting policy on valuation of unquoted investments is shown in Note 3 'Organisation structure and accounting policies' to the financial statements and related disclosures are included in Note 12 'Fixed asset investments'; and
- The Audit, Valuations & Risk Committee identified valuation of unquoted investments as a significant matter in its report on page 102 where the committee also described the action that it has taken to address this issue.

Our results

Our audit work did not identify any material misstatements in relation to the valuation of unquoted investments.

Key audit matter:

Investment income

Interest – Accuracy

We identified accuracy of interest income as one of the most significant assessed risks of material misstatement due to fraud.

Investment income is a significant component of the Income Statement and during the year the Company has recognised net income of £35.9 million (2023: £45.6 million) in revenue returns. There is a risk that income recognised in the year may be materially misstated with reference to the specific Income Statement materiality, through fraudulent transactions which could impact the level of distribution required under Investment Trust Company regulations.

How our scope addressed the matter

In responding to the key audit matter, we performed the following audit procedures:

- Assessed whether the accounting policy for recognition of interest income is in accordance with FRS 102 and checked if the accounting policy was applied consistently;
- Obtained an understanding of the Company's process for recognition of income in accordance with the accounting policy;
- Recalculated, on a sample basis, the interest income recognised on investments in accordance with the terms of underlying agreements and agreed cash receipts to bank statements in the year.

Relevant disclosures in the annual report and accounts 2024

The Company's accounting policy on revenue recognition is shown in Note 3 'Organisation structure and accounting policies' to the financial statements and related disclosures are included in Note 4 Income'.

Our results

Our testing did not identify any material misstatements relating to the accuracy of the interest income recognised during the year.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

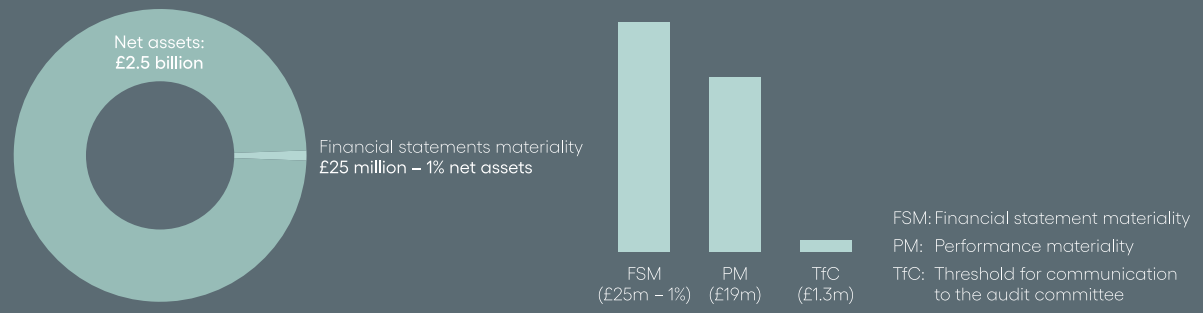
Materiality was determined as follows:

Materiality measure	Company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.
Materiality threshold	£25,223,000 (2023: £22,911,000), which represents 1% of net assets as at 31 December 2024.
Significant judgements made by auditor in determining the materiality	In determining materiality, we considered net assets as the most appropriate benchmark as it is the Company's primary performance measure for internal and external reporting and is the measure most relevant to the stakeholders of the Company. Materiality for the current year is higher than the level that we determined for the year ended 31 December 2023 to reflect the increase in net assets.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.
Performance materiality threshold	£18,917,000 (2023: £17,183,000) which is 75% of the financial statement materiality as at 31 December 2024 (2023: 75%) of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	Our performance materiality threshold was set based on our risk assessment combined with an assessment of the Company's overall control environment (including at Hg). Specifically, our judgement to select 75% was driven by the audit team's experience in previous audits, the quality of information received, the qualification and experience of management and the absence of any significant issues (or adjustments) identified in the past.

Materiality measure	Company
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
Specific materiality	We determined a lower level of specific materiality for the following areas: • Net income, finance costs, priority profit share, taxation in the revenue return column in the Income Statements; and • Related party transactions including Directors' remuneration
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.
Threshold for communication	£1,300,000 (2023: £1,100,000) which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

These charts illustrate how performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.

Overall materiality as at 31 December 2024



An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the Company's business and in particular matters related to:

Understanding the Company and its environment, including controls

- Obtained an understanding of the Company and its environment, including the controls, and assessed the risks of material misstatement.
- Obtained an understanding of the relevant controls in place at the third-party service organisation. This included documenting the nature and design effectiveness of internal controls at the Investment Manager.

Work to be performed on financial information of the Company (including how it addressed the key audit matters)

We identified valuation of unquoted investments and occurrence of investment income as key audit matters and the procedures performed in respect of these have been included in the key audit matters section of our report.

Performance of our audit

- We evaluated the internal control environment, including IT systems and general controls relating to key areas. We performed interim audits on areas that were considered efficient and effective in achieving our overall audit objective.
- Audit of the financial information of the Company was undertaken using the financial statement materiality (full-scope audit).

Changes in approach from previous period

There have been no changes in the scope of current year's audit from the scope of the audit in prior year.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinions on other matters prescribed by the Companies Act 2006 are unmodified

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- The directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified as set out on page 95;
- The directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate as set out on page 16;
- The director's statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as set out on page 95;
- The directors' statement on fair, balanced and understandable as set out on page 98;
- The board's confirmation that it has carried out a robust assessment of the emerging and principal risks as set out on page 101;
- The section of the annual report that describes the review of the effectiveness of risk management and internal control systems as set out on page 98; and
- The section describing the work of the Audit, Valuations & Risk Committee as set out on page 100.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 95, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and management. We determined that the most significant laws and regulations were United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the Association of Investment Companies (AIC) Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', the AIC Code of Corporate Governance, sections 1158 to 1164 of the Corporation Tax Act 2010 and the Listing Rules of the Financial Conduct Authority (the 'FCA');
- We enquired of the directors and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Company's Board and Audit, Valuations & Risk Committee meetings;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:

- Evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
- Testing journal entries, including manual journal entries processed at the year-end for financial statements preparation and journals with unusual account combinations; and
- Challenging the assumptions and judgements made by management in its significant accounting estimates.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement leader's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge of the industry in which the Company operates;
  - Understanding of the legal and regulatory frameworks applicable to the Company.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. There were no key audit matters relating to non-compliance with laws and regulations reported by the engagement team;
- We obtained an understanding of the Company, as registered as a company in England and Wales, its activities as an investment company as defined by section 833 of the Companies Act 2006 and an investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010 and design and implementation of its control environment.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.
This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the board on 16 May 2024 to audit the financial statements for the year ending 31 December 2024. Our total uninterrupted period of engagement is 8 years, covering the years ended 31 December 2017 to 31 December 2024.

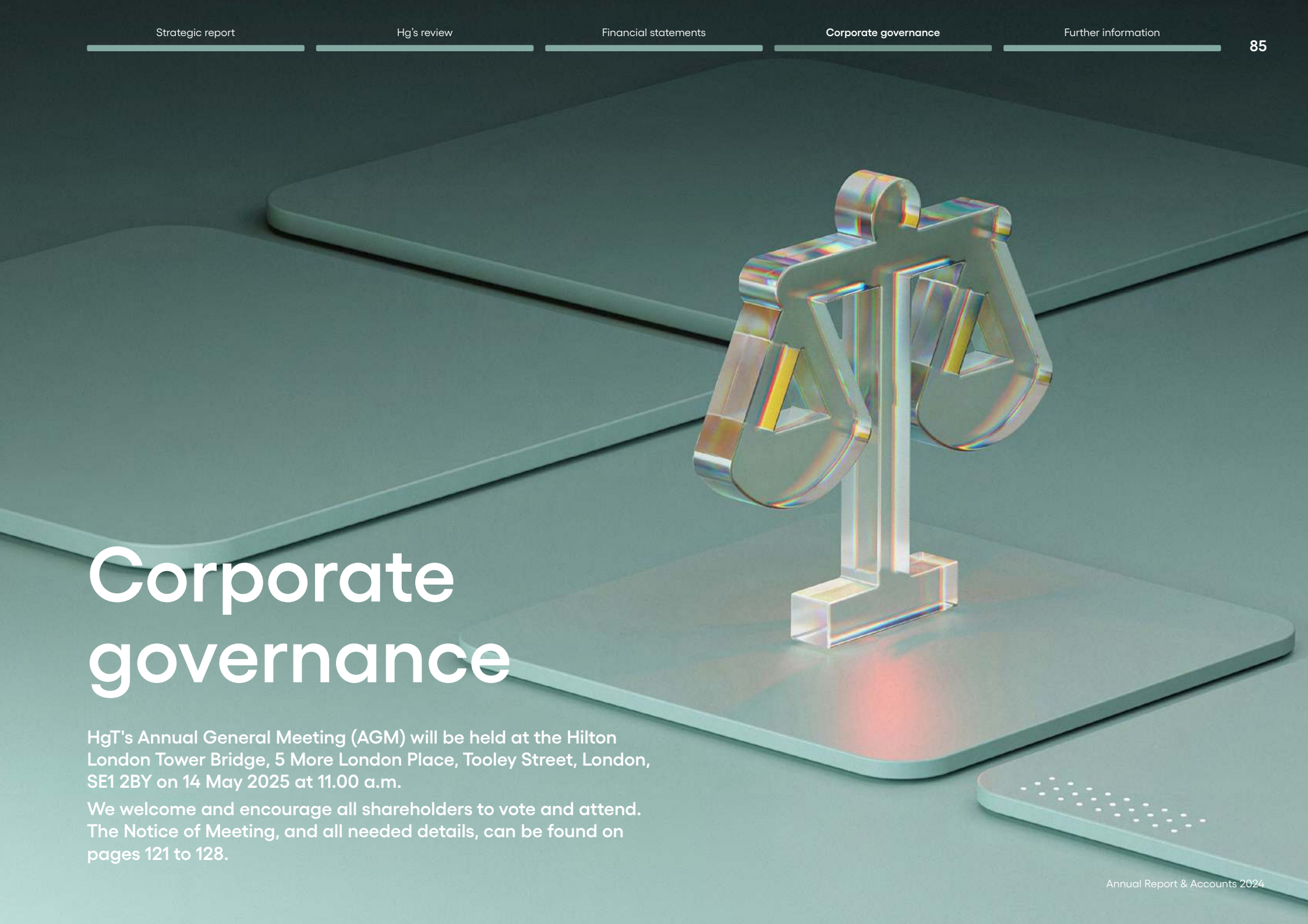
The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.
To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

William Pointon
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
7 March 2025



Corporate governance

HgT's Annual General Meeting (AGM) will be held at the Hilton London Tower Bridge, 5 More London Place, Tooley Street, London, SE1 2BY on 14 May 2025 at 11.00 a.m.

We welcome and encourage all shareholders to vote and attend. The Notice of Meeting, and all needed details, can be found on pages 121 to 128.

The Board of Directors

Jim Strang
Chairman of the Board and the Nomination Committee

Appointed: March 2018
Age: 53

Career:
Jim has spent over 20 years in the private equity industry, latterly as Chairman EMEA and MD at Hamilton Lane Inc, and a member of the Global Investment Committee. Jim's career in PE encompasses a wide range of experience gained across multiple transactions, market cycles and global markets both as an investor and an operator. Prior to this, Jim was a strategy consultant at Bain & Company, working with Bain's Private Equity Group. Jim has worked as a UK equities fund manager, focusing on UK growth investments and assisting in the management of several investment companies. He currently serves on the Boards of Pictet Alternative Advisers (PAA) SA and BGF plc.

Relevant skills and experience and reasons for re-election:
Jim brings a wide range of private equity experience, both at the individual investment level and also from structuring and developing programmes of private equity investments which meet the needs of a large, diverse and sophisticated mix of global investors. Furthermore, his experience in working with private equity managers, while at Bain & Company, and his investment company experience gained during his tenure as UK equity fund manager provide a highly relevant and broad mix of skills to HgT.

Other appointments:
Board member of Business Growth Fund plc; Board member of Pictet Alternative Advisers (PAA) SA; Supervisory Board member at Lindenstone AG and Adjunct Professor at London Business School.

Richard Brooman
Chairman of the Audit, Valuation and Risk Committee

Appointed: October 2007
Age: 69

Career:
Richard qualified as a chartered accountant with Price Waterhouse. He held senior operational and financial positions at Mars, going on to become Chief Financial Officer at the global consumer healthcare business of SmithKline Beecham. Moving to the SME sector, he became Group Finance Director of VCI plc and subsequently Chief Financial Officer of Sherwood International plc, both mid-cap businesses listed on the London Stock Exchange. Richard was also the Deputy Chairman of Invesco Perpetual UK Smaller Companies Investment Trust plc and the Senior Independent Director of DiscoverIE Group plc.

Relevant skills and experience and reasons for re-election:
Richard has comprehensive experience of financial and risk management in two leading global companies and of both acquisitions and disposals of businesses. This has provided a strong basis for assessing, and, where appropriate, challenging the financial and risk management framework of not only HgT, but also companies across a wide range of industries. Richard takes the lead in scrutinising the valuation of each company in the portfolio prepared by Hg.

Other appointments:
Trustee at British Youth Opera; Member of the Audit & Risk Committee at Merchant Taylors' Company.

John Billowits
Non-Executive Director

Appointed: May 2024
Age: 53

Career:
John has over 25 years of operational and investment expertise in the software sector with a valuable international perspective, through his past roles and current appointments on the Boards of US, Canadian and European software companies. John is on the Board of Constellation Software Inc. ("CSI"), a global provider of software and services, Having joined CSI in 2004, John went onto serve as the CFO between 2007 and 2013, and then as CEO of Vela Software, a subsidiary of CSI until 2020. John has previously held a number of roles with Bain & Company, Dell Computers and PwC.

Relevant skills and experience and reasons for election:
John is a Chartered Accountant with a depth of financial knowledge. An experienced CFO and CEO, John is a highly regarded investor and operator in the software sector, and brings a unique combination of skills and personal strengths that are highly complimentary to HgT.

Other appointments:
Board Member of Constellation Software; Board Member of Togetherwork Holdings LLC; Topicus.com Inc; Partner at KingsPeaks Partnership.

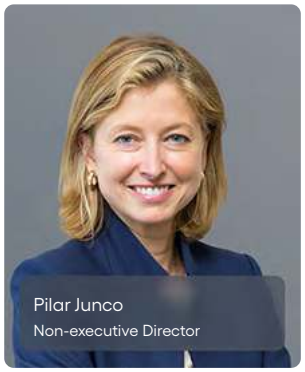
Helena Coles
Chair of the Management Engagement Committee

Appointed: November 2023
Age: 57

Career:
Helena has over 30 years' experience in public equities. She co-founded Rexiter Capital Management, a specialist in Asian and emerging markets equities, in a joint venture with State Street Global Advisors, where she headed the Greater China team and had responsibility for asset allocation as well as the firm's strategy. Until recently, she was the independent investment adviser to the Joseph Rowntree Charitable Trust, advising on the management of its endowment. Helena has also held roles at Fidelity International where she specialised in ESG and at the Bank of England where she served as a Senior Supervisor at the Prudential Regulation Authority. Helena was previously a Director of Shaftesbury Capital plc.

Relevant skills and experience and reasons for re-election:
Helena brings a wide range of public equities experience, including M&A and governance. She also has considerable expertise in ESG, gained through the perspectives of an asset owner, asset manager, as well as UK regulator. Combined with her non-executive roles on investment trust boards, she brings a wealth of knowledge of investors from institutions and wealth managers to platforms. A Hong Kong native, Helena has strong international experience and has worked in Asia, the US and the UK.

Other appointments:
JPMorgan Emerging Markets Investment Trust plc; Schroder Japan Trust plc; RIT Capital Partners plc; and member of the Investment Committee of the Joseph Rowntree Charitable Trust.



Pilar Junco
Non-executive Director

Appointed: July 2020
Age: 50

Career:
Pilar is a Managing Partner and Chief Client Officer at AltamarCAM Partners, a leading solutions provider for private markets. She heads AltamarCAM's client teams and internationalisation initiatives for the firm. Before joining AltamarCAM, she worked in London at Blackstone for over 13 years, where most recently she acted as a Senior Managing Director and head of non-US (EMEA and APAC) private wealth management and retail business.

Relevant skills and experience and reasons for re-election:
Pilar has a wealth of industry knowledge in private equity and brings to the board recent and relevant experience in leading international expansion and strategic planning. She provides the board with insights into M&A activity, investment in international private equity and into institutional and retail/HNW investors.

Other appointments:
Board Member at AltamarCAM Partners; Trustee at Action Against Hunger (Spain).

Erika Schraner
Senior Independent Director

Appointed: August 2022
Age: 57

Career:
Most recently, Erika's executive career included a role of a partner, UK M&A Integration Leader & TMT M&A Advisory / Delivering Deal Value Leader at PwC in London. Prior to that, Erika held a number of senior professional services roles with Ernst & Young in Silicon Valley where ultimately she became a partner and the Americas' Operational Transaction Services leader for the Technology sector. Before that, Erika worked at IBM, Symantec Corporation and CSC/DXC Technology in the USA. Erika also served as a board member at Kevian Capital Management LLC and an advisory board member at FreeOn Ltd and eBoomerang Inc. Erika served on the Board of Aferian Plc as a Non Executive Director until 2022 and Videndum until 2024.

Relevant skills and experience and reasons for re-election:
Erika has held a number of senior leadership roles in global organizations with a career spanning 25 years in Silicon Valley, UK and Europe, in Fortune 500 Technology companies and the Big 4 professional services firms, she therefore contributes a wealth of technology, software and digital expertise, as well as extensive experience in M&A, deal value creation, realisations, and finance. Erika has also brings in relevant experience having been an investor in early-stage companies.

Other appointments:
Non-executive Director of JTC Group plc; Bytes Technology Group plc and Pod Point Group Holdings plc.

All Board members are Independent Non-Executive Directors. Chairman of the Board was considered independent on appointment.

Directors' report

The Directors present the Annual Report and Accounts of HgCapital Trust plc (HgT) (registered number 1525583) for the year ended 31 December 2024. The Corporate Governance Report forms part of this Directors' Report. Information about future developments and important events since the year end are included in the Chairman's statement.

Chairman's Statement: page 8

HgT is an investment company, as defined in section 833 of the Companies Act 2006, and qualifies as an investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010. HgT has received confirmation from HMRC that it has been accepted as an approved investment trust, with effect from 1 January 2012, provided that it continues to meet the eligibility conditions for section 1158 and the ongoing requirements for approved companies in the Investment Trust (Approved Company) (Tax) Regulations 2011.

HgT's Board of Directors

Following Anne West's retirement from the Board and the appointment of John Billowits at the AGM on 16 May 2024, six non-executive Directors, all of whom are considered to be Independent, serve on HgT's Board. In line with the recommendations of the AIC Corporate Governance Code, all Directors will stand for election or re-election at the forthcoming AGM.

Directors' Biographies: page 86

HgT's approach to Directors' tenure: page 107

HgT's Board diversity information: page 21

The role of the Board

The role of the board is to promote the long-term sustainable success of HgT, generating value for our shareholders while having regard to the interests of our other stakeholders, HgT's reputation, and the impact HgT might have on local communities and the environment. In performing this role, the Board sets and monitors the delivery of HgT's strategy, which remains aligned with HgT's purpose and the investment objective, and is supported by the culture. The Board also oversees HgT's risk management and internal controls systems and ensures that HgT has adequate resources, and is led by a Board with the right mix of talent, skills and experience for HgT to continue in its objective to deliver consistent returns for our shareholders, now and in the longer-term.

The general powers of the Directors are set out in Article 103 of HgT's Articles of Association, which provides that the business of HgT shall be managed by the Board, which may exercise all the powers of HgT, subject to any limitations imposed by applicable legislation, the Articles and any directions given by special resolution of the shareholders of HgT. The rules concerning the appointment and replacement of Directors are also set out in the Articles and the Companies Act 2006. The Articles can be amended by shareholders at a General Meeting.

The governance framework

To operate efficiently and give the right level of attention and consideration to the relevant matters, the Board delegates authority to its Board Committees: the AVRC; the Nomination Committee; and the Management Engagement Committee. The Committee Chairs formally report to the Board on their Committees' activities after every meeting. The schedule of Matters Reserved for the Board sets out areas reserved for Board decisions, and Committees' Terms of Reference describe the role and responsibilities of the Board Committees, all of which can be found on HgT's website.

When they first join the Board, the Directors receive a tailored induction, and the Board has a structured learning programme in place. The Directors also have continued access to the advice and services of the Company Secretary and other advisers and can seek independent professional advice, when required.

Board activities

The Board and its Committees met regularly in 2024, as well as on an ad hoc basis, when required by business needs. Meeting agendas combined a balance of regular standing items, such as reports on current portfolio trading and HgT's financial position, including forward looking cash flows, liquidity and outstanding commitments, and topical items, such new investment commitments or a shareholder perception study results. The Board recognises the importance of understanding and considering the views and interests of all HgT's stakeholders, and this forms a crucial component of directors' discussion and decision-making. Some of the key decisions the Board took in 2024, as well as an explanation of how a consideration of our stakeholders' interests was part of that process is described on page 26.

Some of the key decisions made in 2024: page 26

Throughout the year, the Board also considers the need for any additional learning sessions and in 2024, a number of sessions took place outside of the usual Board meeting cycle. The Board received a more in-depth presentations on co-investments, valuations, topical legal developments and digital marketing.

Culture

By formally identifying the important elements of HgT's culture, the Directors assess and monitor the culture and ensure that it remains well aligned with HgT's purpose, values and strategy. The culture of an externally managed investment trust is the product of the Board's and the Manager's values, diversity and behaviours and the way the Board and the Manager interact with one another and other stakeholders. Behaviours and processes that underpin HgT's culture are considered as part of the annual review of the Manager, the strategic planning, the annual evaluation of Board effectiveness and in reporting to stakeholders – embedding consideration of stakeholders' interests, long-term perspective, maintaining reputation for fairness and high standards of governance, corporate reporting and business conduct more generally in HgT's culture and processes.

The Directors seek to sustain a culture which contributes to achieving the purpose of HgT, consistent with its values and strategy. Elements of HgT's culture include:

- Encouraging open and timely discussion within the Board and with the Manager, allowing time and space for original and innovative thinking;
- Ensuring that the interests of shareholders and the Manager (and its other clients) are well aligned, underpinned by a robust negotiation of the Manager's terms of engagement;
- Adopting a tone of constructive challenge;
- Drawing on Board Members' individual experience to support the Manager in its monitoring and driving improvements in the portfolio companies, for the benefit of all of the Manager's clients;
- Willingness to make the Board Members' experience available to support the Manager in the long-term development of its business and resources, recognising that the long-term health of the Manager is in the interests of shareholders in HgT;
- Appreciating that the asset class, as well as the individual businesses in which HgT invests, is not well understood by all shareholders, adopting a policy of maximum transparency, consistent with the commercial interests of the portfolio companies;
- Willingness to use all available means to communicate, meet and engage with shareholders and potential investors;
- Attitude to risk, accepting that the prime purpose of HgT is to provide an efficient vehicle through which shareholders gain exposure to a well-managed portfolio and that the Board should not seek to add further investment risk.

A healthy corporate culture contributes to the long-term success of HgT. The following observable outcomes are indicative of the Directors' success in embedding a healthy corporate culture in HgT's processes and policies and actively promoting it through their behaviours:

- Continued support for HgT's shares and good, consistent trading performance;
- The breadth and quality of the share register, including willingness of shareholders to maintain their holdings over the long term rather than trade them short term;
- The extent to which Hg colleagues are willing to be long-term shareholders in HgT;
- Recognition of the transparency and clarity of reporting (and content disclosed on its website); and
- Recognition of the quality of HgT's shares as an investment by the number of broker recommendations as a long-term hold.

Annual Board Performance Review

The Directors consider the performance review of the Board, its Committees and themselves to be an important aspect of corporate governance, and reviews are undertaken annually, with external reviews being undertaken at least once every three years, the next one taking place in 2025. The performance review undertaken in 2024 was facilitated internally by the Company Secretary.

The process and results

The Directors first completed a tailored questionnaire, and held one to one discussions with the Chairman. The performance review included both quantitative and qualitative elements and focused on key areas to assess the effectiveness of the Board, its Committees, the Chairman and Chairs of the Committees and identify possible areas for improvement, including: the Board's structure, collective experience, capabilities and performance; quality of the Board's discussions and whether the Board paid attention to the most pertinent matters; focus on longer term strategy and risk management; and the relationships with HgT's stakeholders, and understanding their views and needs.

The Board discussed the results of the evaluation process and agreed three key areas of focus for this year:

1. The long term investment strategy for HgT;
2. Developing a more granular understanding of shareholder and stakeholder needs and expectations;
3. Continuing to evolve the AVRC-led valuations and risk management process; and
4. Ensuring a smooth succession when our current Chair of the AVRC steps down.

Actions taken as a result of the 2023 Board evaluation

Throughout the year, the Chairman considers any actions from the previous year's evaluation, to make sure that we take any appropriate steps to address throughout the year. Actions from last year included:

- the refreshing of the Board and the next recruitments. At the time, a search to replace Guy Wakeley was still underway and since, we begun the search for a successor of our Chair of the AVRC, who plans to step down at the AGM in 2026;
- HgT's financial position and longer-term liquidity planning, in particular in the context of tightening credit markets, and a high interest rate environment; and
- shareholder engagement and communications.

During 2024, the Board dedicated the time to those matters during Board meetings and the annual Strategy session, and through regular learning sessions, which allow additional time for in-depth sessions on particular topics, such as shareholder engagement. The Board remains focused on executing the longer-term succession plan, and an update on the progress and future planning is included in the Nomination Committee report. The Board also remains very willing to engage with shareholders and the Chairman attended a number of meetings with investors during the year.

Ongoing evaluation

The Chairman regularly takes into account feedback from the Directors on the effectiveness of the Board meetings throughout the year, not only when the Board is undergoing its annual performance review. The Directors complete a pulse survey after every scheduled meeting to reflect on whether the Board focused on the most important matters and whether there was a good balance between challenging and supporting the Manager in all discussions. The Directors are also asked to provide feedback on any items that were handled particularly well, or ones that were not, in the meeting.

The Directors' feedback is then taken into account as the Chairman, with the assistance of the Company Secretary and the Manager, plans the next meeting agendas. These pulse surveys also provide more objective insights into the effectiveness of the Board throughout the year, and help us compare performance with a large peer set. We have now been using the pulse surveys for three years and HgT's Board is amongst the highest scoring Boards on the platform we use, BoardClic, with an incremental improvement of 1% compared to last year.

The results

The results of the evaluation indicated that the Board and its Committees continue to work well, focus on the important matters and maintain an effective working relationship with the Manager. The Directors felt that the Board was of the right size, had an appropriate range of skills and expertise and clearly defined longer-term strategic plans. In 2025, the Directors will take forward the actions identified through this year's review and report on the outcomes in our next Report.

Conflicts of interests

The Directors declare all actual or potential conflict of interest to the Board, which has the authority to approve such situations. A register of the matters so approved is maintained and reviewed at each meeting of the Board. The Directors advise the Board as soon as they become aware of any possible conflicts of interest. In the event that a Director has a relevant conflict of interest they would not be party to discussions or decisions on the matter on which they are conflicted. The Board can, however, confirm that it has not been necessary to exclude any Director from the consideration of Board or Committee matters on such basis at any time during the year.

Directors' indemnity

HgT has maintained appropriate Directors' liability insurance cover throughout the year. HgT's Articles take advantage of statutory provisions to indemnify the Directors against certain liabilities owed to third parties, even where such liability arises from conduct amounting to negligence or breach of duty or breach of trust.

In addition, under the terms of appointment of each Director, HgT has agreed, subject to the restrictions and limitations imposed by statute and by HgT's Articles, to indemnify each Director against all costs, expenses, losses and liabilities incurred in the execution of his or her office as Director or otherwise in relation to such office. Save for such indemnity provisions in HgT's Articles and in the Directors' terms of appointment, there are no qualifying third party indemnity provisions in force.

Stewardship

The exercise of voting rights attached to HgT's underlying investments lies with Hg. Hg has a policy of active portfolio management and ensures that significant time and resource are dedicated to every investment, with Hg executives and Operating Partners typically being appointed to investee company Boards, in order to ensure the application of active, results-orientated corporate governance.

Responsible investment: page 34

Results and dividend

The Board reviews HgT's approach to dividends on a regular basis, taking into consideration feedback from shareholders and the evolving nature of HgT's income streams, which are driven by the investment structures Hg utilises in its various transactions. HgT aims to achieve growth in the net asset value per share and in the share price, rather than to achieve a specific level of dividend. The Board has indicated that it currently believes 5.5 pence per share, over the full year, to be a reasonable level for a 'floor'.

Following payment of an interim dividend of 2.0 pence per ordinary share in October 2024, the Directors recommend the payment of a final dividend of 3.5 pence per ordinary share for the year ended 31 December 2024, making a total of 5.5 pence (2023: 6.5 pence). Subject to the approval of this dividend at the forthcoming Annual General Meeting (AGM), it will be paid on 19 May 2025 to shareholders on the register of members at the close of business on 21 March 2025. The Board keeps the dividend objective of HgT under regular review and will communicate further guidance on the dividend when it is practicable to do so.

The total return after taxation for the year was £236.1 million (2023: £230.5 million) of which the revenue return was £21.8 million (2023: revenue return of £28.2 million).

Greenhouse gas emissions

HgT has no greenhouse gas emissions to report from the operations of HgT, and does not have responsibility for any other emissions producing sources or energy consumed reportable under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the UK Government's policy on Streamlined Energy and Carbon Reporting. Hg has been carbon neutral since 2019 – more information on HgT's and Hg's approach to environmental matters and sustainability can be found here: page 20.

As an investment company, HgT is not required to report against the TCFD framework, however, understanding and managing climate-related risks and opportunities based on the TCFD's recommendations is a fundamental part of Hg's Sustainability Policy and Hg does report against the TCFD framework.

Environmental matters: page 20

Hg's latest TCFD report hgcapital.com/responsibility

Substantial interests

HgT receives notices from shareholders who have interests in 3% or more of the total voting rights of HgT. The table on page 91 shows this information as at 31 December 2024.

In addition to their direct holdings in Hg funds, the manager also holds shares in HgT.

Substantial interests (as at 31 December 2024)	Ordinary shares[1]	% of voting rights
Schroders plc	41,598,090	9.09
Rathbone Investment Management Ltd	24,671,195	5.38
M&G plc	22,534,903	4.92
Oxfordshire County Council Pension Fund	19,340,000	4.22

[1] Notifications are required where an investor reaches the 3% threshold and for every 1% increase or decrease thereafter. The above holdings may therefore not be wholly accurate statements of the actual investor holdings at 31 December 2024.

There have been no changes to the major interests in HgT's shares disclosed to HgT between 31 December 2024 and 7 March 2025.

In addition to their direct holdings in Hg funds, the partners and staff of Hg also hold shares in HgT. As at 31 December 2024, the Partners and staff of Hg owned 20,052,260 shares; 4.38% of the total voting rights (2023: 19,722,312 shares; 4.31% of the total voting rights).

Investment management and administration

HgT entered into an amended and restated Management Agreement with HgT's investment manager, Hg Pooled Management Limited (Hg), in May 2015. In 2024, HgT's assets were managed by Hg. HgT pays a priority profit share in respect of either its commitments to or invested capital alongside Hg funds on the same terms as those payable by all institutional investors in these funds as listed below:

Fund partnership	Priority profit share
HGT Genesis 10 LP	1.75% on the fund commitment during the investment period
HGT Genesis 9 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT 8 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT 7 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Mercury 4 LP	1.75% on the fund commitment during the investment period
HGT Mercury 3 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Mercury 2 LP	1.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HgCapital Mercury D LP	0.5% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Saturn 3 LP	1.0% on the fund commitment during the investment period
HGT Saturn 2 LP	0.75% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT Saturn LP	1.0% of original cost of investments in the fund, less the original cost of investments which have been realised or written off
HGT LP	1.0% of original cost of investments in the fund, excluding co-investment

For HgT's investment alongside the Hg Mercury 1, Hg Genesis 7, Hg Mercury 2, Hg Mercury 3, Hg Mercury 4, Hg Genesis 8, Hg Genesis 9, Hg Genesis 10, Hg Saturn 2 and Hg Saturn 3 funds, the performance fee arrangements are identical to that which applies to all limited partners in these funds. Under these arrangements, performance fee is payable based on 20% of the aggregate profits, but only after the repayment to HgT of its invested capital and a preferred return, based on 8% p.a., calculated daily, on the aggregate of its net cumulative cash flows in each fund and such preferred return amount which is capitalised annually.

For HgT's investment alongside the Hg Saturn fund, performance fee is payable based on 12% of the aggregate profits, payable after the repayment to HgT of its invested capital and a preferred return based on 8% p.a. If a preferred return of 12% p.a. is achieved, performance fee of 20% of aggregate profits is payable.

No priority profit share or performance fee will apply to any co-investment made alongside those funds in excess of HgT's pro-rata commitment. Thus, the co-investments made by HgT in P&I, Azets, Mitratech, Argus Media, Norstella, smartTrade, Geomatikk, F24, Silverfin, Benevity, insightsoftware, Nitrogen, DEXT, Rhapsody, Pirum, IFS and GTreasury do not entitle Hg to any priority profit share or performance fee. The agreement can be terminated by either party; no compensation would be due to Hg on termination of the agreement.

Hg has also been appointed as administrator of HgT for |a fee equal to 0.1% p.a. of the NAV.

Link Company Matters Limited was appointed as Company Secretary on 13 May 2015.

Continuing appointment of the Manager

The Board keeps the performance of Hg under continual review, and the Management Engagement Committee carries out an annual review of the Manager's performance and the terms of the Management Agreement. The outcome of this review can be found in the Management Engagement Committee Report on page 104.

Calculation of ongoing charges

For the year to 31 December 2024, HgT's ongoing charges were calculated as 1.4% (31 December 2023: 1.7%). The calculation is based on the ongoing charges expressed as a percentage of the average monthly NAV over the relevant year. The ongoing charges, in accordance with guidelines issued by The Association of Investment Companies ('AIC'), are the annualised expenses which are operational and recurring by nature and specifically exclude, among others, the expenses and gains or losses relating to the acquisition or disposal of investments, performance related fees (such as performance fee), taxation and financing charges.

HgT's ongoing charges consist of its current year priority profit share payable of £29.0 million and operating expenses of £5.0 million as described in notes 5 and 6 to the financial statements respectively. The average monthly NAV for the year to 31 December 2024 was £2.2 billion.

Risk management and objectives

HgT is subject to various risks in pursuing its objectives. The nature of these risks and the controls and policies in place used to minimise these risks are further detailed in the following sections:

Strategic Report: page 4

Note 19 to the financial statements: page 71

The work of the Audit, Valuation and Risk Committee: page 100

Capital structure

As at 31 December 2024, HgT had 457,728,500 ordinary shares of 2.5 pence each in issue, with no shares held in Treasury. Each ordinary share has one voting right attached to it. The total number of voting rights in HgT at this date was therefore 457,728,500.

Transfer of shares and voting rights

There are no restrictions concerning the transfer of securities in HgT; no special rights with regard to control attached to securities; no restrictions on voting rights; no agreements between holders of securities regarding their transfer known to HgT; and no agreements to which HgT is a party which might change or fall away on a change of control or trigger any compensatory payments for Directors following a successful takeover bid.

Buyback and issue of shares

Purchase of shares

At the AGM held on 16 May 2024, the Directors were given power to buyback 68,613,502 shares (being 14.99% of the HgT's of its existing share capital) and this authority will expire at the 2025 AGM. In 2023 HgT did not purchase any of its own shares.

Issue of shares

At the 2021 AGM, HgT's shareholders approved the necessary authority for HgT to allot up to a maximum of 41,599,981 shares on non-pre-emptive basis. Pursuant to that authority, in March 2022, HgT issued a total of 2,850,000 new ordinary shares of 2.5 pence each on non-pre-emptive basis to new and existing shareholders, raising £12,324,488 in aggregate. Pursuant to the same authority to issue new shares granted by HgT shareholders at the 2021 AGM, from 16 November 2021 HgT also has in place a block listing of 21,032,500 ordinary shares of 2.5 pence each. As at 31 December 2024, HgT has a remaining block listing authority of 11,069,980.

At the AGM held on 16 May 2024, HgT was granted authority to allot up to 45,772,850 Ordinary shares on a non-pre-emptive basis. No new Ordinary shares were issued pursuant to this authority, which is due to expire at HgT's forthcoming AGM on 14 May 2025.

Annual General Meeting (AGM)

The AGM of HgT will be held at Hilton London Tower Bridge, 5 More London Place, Tooley Street, London, SE1 2BY on 14 May 2025 at 11 a.m. and all shareholders are invited to attend and vote, in person or by proxy.

The Notice of the AGM: page 121

How the Board engages with our shareholders: page 24

The Notice of the AGM sets out the business of the meeting, with any item not of an entirely routine nature explained below. Separate resolutions are proposed in respect of each substantive issue. Proxy voting figures will be available to shareholders after the AGM. The Board is of the opinion that the passing of all resolutions being put to the AGM would be in the best interests of HgT and its shareholders. The Directors therefore recommend that shareholders vote in favour of all resolutions as set out in the Notice of Meeting as they intend to do in respect of their own shareholdings.

Authority of Directors to allot shares

A general authority to allot new shares (or to grant rights over shares) was given to the Directors at HgT's AGM in 2024. The authority gives the Directors, for the period until the conclusion of the AGM in 2025, the necessary authority to allot securities up to a maximum nominal amount of £3,814,404 or approximately 33.33% of the issued Ordinary share capital of HgT.

The Directors are proposing to renew the general authority to allot shares at the 2025 AGM.

The Board considers it appropriate that the Directors should be granted ongoing authority to allot shares in the capital of HgT up to a maximum nominal amount of £3,814,404, representing approximately 33.33% of HgT's ordinary share capital. The power will last until the conclusion of the AGM in 2026. The Directors will continue to consider further potential share issues, providing that market conditions permit. This power will be exercised only if, in the opinion of the Directors, it would be in the best interests of shareholders as a whole.

Disapplication of pre-emption rights

A general power to disapply the pre-emption rights set out in Section 561 of the Companies Act 2006 was granted to the Directors at the AGM in 2024. The Directors are proposing a resolution to renew and extend, subject to the passing of the resolution to allot shares, the Directors' authority to allot equity securities for cash without pre-emption rights applying in certain circumstances. This resolution will authorise the Directors, until the date falling 15 months after the date of the passing of the resolution or, if earlier, the conclusion of the next annual general meeting of HgT, to issue ordinary shares for cash, without pre-emption rights applying, of up to an aggregate nominal value of £1,144,321, representing approximately 10% of HgT's issued ordinary share capital as at the date of the Notice.

No issuance of ordinary shares without pre-emption rights will be made at a price less than the prevailing net asset value per ordinary share at the time of issue. This power will be exercised only if, in the opinion of the Directors, it would be in the best interests of shareholders as a whole.

Authority to buy back shares

The Directors' authority to buy back shares was renewed at last year's AGM and will expire at the end of the AGM in 2025. The Directors are proposing to renew the authority at the forthcoming AGM, as set out in Resolution 16 in the Notice of Meeting, and are seeking authority to purchase up to 14.99% of the issued share capital. This authority, unless renewed, will expire at the conclusion of the AGM in 2026 or if earlier, 15 months from the passing of the resolution. The authority will be used where the Directors consider it to be in the best interests of shareholders.

Purchases of ordinary shares will only be made through the market for cash at prices below the prevailing NAV per ordinary share. Under the Listing Rules of the Financial Conduct Authority, the maximum price which can be paid for each ordinary share is the higher of: (a) 105% of the average of the mid-market quotations of the ordinary shares in HgT for the five business days prior to the date on which such share is contracted to be purchased; and (b) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share. The minimum price that may be paid will be the nominal value of such ordinary share, being 2.5 pence. Any shares purchased under this authority will either be cancelled or held in treasury at the discretion of the Board for future re-sale in appropriate market conditions.

Continuation of HgT

In 2020 shareholders passed a resolution extending the life of the Trust to 2025. In accordance with HGT's Articles of Association, the Directors propose that the life of HgT be extended for a further five years and a resolution to extend the life of the Company will be proposed to shareholders at the upcoming AGM.

Changes to the Investment Policy

The Board is proposing a resolution to amend HgT's investment policy and is recommending changes to the language, which seek to describe, more clearly and precisely, the route by which HgT currently invests. It remains the Board's intention to continue to invest in, or alongside, Hg's private funds, in opportunities where the Manager believes that it can add value. The purpose of change in the 'Leverage' section is to clarify the language – HgT's Articles restrict HgT's ability to borrow more than twice HgT's share capital reserves, they do not restrict the minimum level of gearing.

The version of the investment policy, that shows the changes the Board would like to propose to our shareholders for approval at the 2025 AGM is set out in Appendix 1 to the Notice of AGM on page 121.

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which HgT's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that HgT's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Donations

HgT made no political or charitable donations during the year (2023: nil).

Post balance sheet events

Please refer to page 75

Financial instruments

HgT's outstanding derivative contracts at 31 December 2024 are detailed on page 73. Note 19 to the financial statements describes the financial risk management objectives and HgT's exposures to credit risk and liquidity risk, it also includes the details on how HgT uses hedging.

Listing Rule 6.6.1R

LR 6.6.1 R requires a listed company to include certain information in its Annual Report. The rule requires a disclosure of a broad range of corporate matters, including information on any allotments of shares, controlling shareholders or dividend waivers, and should be included in a single identifiable section in the Annual Report. The Directors confirm there are no disclosures to be made pursuant to this rule.

On behalf of the Board

Jim Strang
Chairman
7 March 2025

Directors' responsibility statement

in respect of the annual report and accounts

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK and Ireland.

Under company law the Directors must not approve the financial statements, unless they are satisfied that they give a true and fair view of the state of affairs of HgT and of the profit or loss of HgT for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- assess HgT's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate HgT or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain HgT's transactions and disclose with reasonable accuracy at any time the financial position of HgT and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have responsibility for taking such steps as are reasonably open to them to safeguard the assets of HgT and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statements that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on HgT's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

The Directors of HgT, whose names are shown on pages 86 and 87 of this Report, each confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of HgT taken as a whole; and
- the management report, which incorporates the Strategic Report, Directors' report and Hg's Review include a fair review of the development and performance of the business and the position of HgT, together with a description of the principal risks and uncertainties that it faces.

The Directors consider the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and the information provided to shareholders is sufficient to allow them to assess HgT's position, performance, business model and strategy.

On behalf of the Board

Jim Strang
Chairman
7 March 2025

Corporate governance statement

This Corporate Governance Statement forms part of the Directors' Report

Statement of compliance

Throughout the year HgT has complied with the Principles and Provisions of the AIC Code of Corporate Governance (AIC Code), except for provisions related to maintaining a separate Remuneration Committee. By reporting against the AIC Code, HgT meets the obligations of the UK Corporate Governance Code (the UK Code), and reports against additional AIC Code Provisions that are of specific relevance to HgT as an investment company. The Board considers that reporting against the Principles and Provisions of the AIC Code, which have been endorsed by the Financial Reporting Council, provides more relevant information to its shareholders. The AIC Code is available on the AIC website (theaic.co.uk). An explanation of how the Board applies the principles of the AIC Code can be found in the sections of this Report as highlighted below:

AIC Code	Principle	Evidence of compliance/explanation of departure from the AIC Code
A	A successful company is led by an effective Board, whose role is to promote the long-term sustainable success of HgT, generating value for shareholders and contributing to wider society. The board should ensure that the necessary resources, policies and practices are in place for the company to meet its objectives and measure performance against them.	Both the Board and Hg agree that responsible business practices help to generate superior performance in the long-term. Hg has embedded its approach of responsible investing into the whole spectrum of the investment process and takes an active interest in how the portfolio companies manage environmental, social, and governance (ESG) issues. The role of the Board and our governance framework: page 88 Responsible Investment: page 34 HGT's long-term performance record: page 6
B	The Board should establish HgT's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture.	The purpose of HgT is to deliver consistent, long-term returns in excess of the FTSE All-Share Index to our shareholders by investing predominantly in unquoted companies, where value can be created through strategic and operational change. HgT's culture (and how it is aligned with our strategy): page 88
C	Governance reporting should focus on board decisions and their outcomes in the context of the company's strategy and objectives. Where the board reports on departures from the Code's provisions, it should provide a clear explanation.	HgT aims for all its reporting to be clear, understandable, and focused on the outcomes, consequences or implications the Board's decisions have on HgT's stakeholders. The Company continues to adapt and evolve its reporting. Compliance with the Code: page 101
D	In order for HgT to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.	How the Board engages with shareholders and other stakeholders: page 24
E	Principle E from the UK Code has been deleted with agreement of the FRC	Principle E of the UK Code describes the Board's responsibilities for workforce policies and practices – HgT does not have any employees, therefore, this principle is not relevant to us.

AIC Code	Principle	Evidence of compliance/explanation of departure from the AIC Code
F	The chair leads the Board and is responsible for its overall effectiveness in directing HgT. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive Board relations and the effective contribution of all non-executive Directors, and ensures that Directors receive accurate, timely and clear information.	The Chairman, independent on appointment, leads the Board by presiding over Board meetings and ensuring that Board debates are balanced, open and inclusive, and promote behaviours and attributes which make up our culture. The Chairman ensures that the Board is provided with information of appropriate quality and form, in a timely manner. The responsibilities of the Chairman and the Senior Independent Director (SID) have been agreed by the Board and are available on HgT's website. The annual evaluation of the Board's effectiveness always considers the performance of the Chairman. The Directors, led by the SID, have concluded that the Chairman has fulfilled his role and supports and promotes the effective functioning of the Board. Annual Board evaluation: page 88
G	The Board should consist of an appropriate combination of Directors (and, in particular, independent non-executive Directors), such that no one individual or small group of individuals dominates the Board's decision making.	Only independent, non-executive Directors serve on the Board of HgT. The Company has no executive Directors. Nomination Committee report: page 106 Directors' policy on tenure: page 107
H	Non-executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold the Manager and third party service providers to account.	The Board considers the required time commitment annually. During the year under review, all Directors continued to devote a sufficient amount of time to the business of HgT. All Directors share their experience and guidance with the Manager, and, where appropriate, challenge Hg's thinking or assumptions both through their contributions in meetings and outside of the usual meeting cycle. The Management Engagement Committee regularly assesses the performance of all third-party service providers. Management Engagement Committee Report: page 104
I	The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	The role of the board: page 88 The governance framework: page 88 The Directors have access to the advice of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. Directors regularly receive updates and guidance on regulatory matters and governance best practice from the Company Secretary, and have access to independent advisers, as necessary.
J	Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria. They should promote diversity, inclusion and equal opportunity.	The Nomination Committee, comprising independent non-executive Directors, is responsible for identifying and recommending to the Board the appointment of new Directors. HgT's Diversity and Inclusion Policy sets out the principles and commitments the Board follows when making new appointments, including how the Directors ensure that any new appointment will add to the diversity of experience, skill, gender, social and/or ethnic backgrounds. Nomination Committee report: page 106 Directors' policy on tenure: page 107
K	The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.	The Board maintains a skills matrix which maps the key skills needed now and in future and is used to inform the role description for any new appointments and the Nomination Committee regularly considers the tenure of each of the Board members as well as the average tenure of the Board. Succession planning: page 107 Directors' policy on tenure: page 107

AIC Code	Principle	Evidence of compliance/explanation of departure from the AIC Code
L	Annual evaluation of the Board should consider its performance, composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each Director continues to contribute effectively.	The Directors consider the performance review of the Board, its Committees and themselves to be an important aspect of corporate governance, and evaluations are undertaken annually. Annual Board evaluation: page 88
M	The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.	The Audit, Valuation and Risk Committee supports the Board in fulfilling its oversight responsibilities by reviewing audit quality and external auditor's performance, objectivity and independence. The Committee also reviews the integrity and content of the Financial Statements, including the ongoing viability of HgT. Audit, Valuation & Risk Committee report: page 100
N	The Board should present a fair, balanced and understandable assessment of HgT's position and prospects.	The Audit, Valuation and Risk Committee supports the Board in assessing that HgT's accounts present a fair, balanced and understandable assessment of HgT's position and prospects. Audit, Valuation & Risk Committee report: page 100
O	The Board should establish and maintain an effective risk management and internal control framework, and determine the nature and extent of the principal risks HgT is willing to take in order to achieve its long-term strategic objectives.	The Audit, Valuation and Risk Committee supports the Board through its independent oversight of the management of risk framework and internal controls, as well as the procedures for monitoring compliance, among other matters. Audit, Valuation & Risk Committee report: page 100
P	Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	The Directors are all non-executive and independent of Hg, only receive Directors' fees, no element of their remuneration is related to performance, and are not eligible for bonuses, share options or long-term performance incentives. Remuneration Report: page 109
Q	A formal and transparent procedure for developing a remuneration policy should be established. No Director should be involved in deciding his or her own remuneration outcome.	Directors' remuneration is reviewed annually, within the limits of the Remuneration Policy and HgT's Articles of Association. The Board as a whole is responsible for deciding the level of fees paid to the non-executive Directors and the Chairman, with each Director abstaining from voting on his or her individual remuneration. Remuneration Policy and Directors fees: page 109
R	Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	There are no performance related elements of the Directors' remuneration, therefore, there is very little scope for the exercise of discretion. Any fee increases, if one is proposed, are carefully considered and the Board takes into account the time required for it to fulfil its duties, peers and benchmarking data, overall Company performance and wider economic context. The Board feels that maintaining a separate Remuneration Committee would add very little value, therefore, this remains an area of non-compliance with provisions related to maintaining a separate Remuneration Committee. The Board as a whole reports on remuneration matters. Remuneration Report: page 109

The following Reports from the Committees of the Board form part of the Corporate Governance Statement.

Board committees

The Board has delegated several areas of responsibility to its committees. The composition of the Board's committees was considered by the Nomination Committee during the year and as part of the annual evaluation process. It was felt that it was appropriate that every non-executive Director should be a member of all committees. The Chairman of the Board's membership of the AVRC remains, in the Directors' opinion, appropriate and adds value to the Committee's debate.

Each of the Directors is considered independent of Hg, having had no previous or current connection with the Manager, other than in his or her capacity as a Director of HgT, and is considered to be independent in mind and judgement. Mr Brooman has served on HgT's Board for a period longer than nine years, and the reasons the Board continues to deem Richard independent, and why his longer tenure remains complementary to the Board's composition, are set out on page 107. Our longer term succession plan is described on page 107.

The Board and its Committees meet on a regular basis during the year, and attendance is shown in the table below:

Number of meetings attended/eligible to attend

	John Billowits[1]	Richard Brooman	Helena Coles	Pilar Junco	Erika Schraner	Jim Strang	Anne West[2]
Board	5/5	7/7	7/7	7/7	7/7	7/7	3/3
AVRC	2/2	4/4	4/4	4/4	4/4	4/4	2/2
MEC	2/2	2/2	2/2	2/2	2/2	2/2	0/0
Nomination	0/0	1/1	1/1	1/1	1/1	1/1	1/1

[1] John was appointed to the Board on 16 May 2024.
[2] Anne retired from the Board on 16 May 2024.

During the year (and excluding the regular learning sessions which happen outside of the usual meeting cycle and are in addition to the meetings listed above), the Board met a total of 16 times. In addition to the regular meetings detailed above, the Board also held eight ad hoc, shorter meetings of a Committee of the Board. A sub-committee of the Audit, Valuation and Risk Committee, the Quarterly Valuations Committee, also meet twice this year to consider the quarterly valuations.

Audit, Valuation and Risk Committee report

Membership of the Audit, Valuation and Risk Committee	
Richard Brooman	Chairman
John Billowits (joined 16 May 2024)	Member
Helena Coles	Member
Pilar Junco	Member
Erika Schraner	Member
Jim Strang	Member
Anne West (retired 16 May 2024)	Member

Key responsibilities:

- Scrutinising and, where appropriate, challenging the valuations of unquoted investments as proposed by the Manager;
- Reviewing the integrity and content of the financial information provided to shareholders, including the annual financial statements and the ongoing viability of HgT;
- Reviewing HgT's and the Manager's risk management systems and its relevant internal controls;
- Monitoring compliance and reviewing the processes for compliance with laws, regulations and any applicable ethical codes of practice;
- Monitoring audit-related developments and planning ahead to prepare HgT's processes and procedures for changes, including considering voluntary adoption of any new requirements;
- Appointing an external auditor, approving its remuneration and monitoring the extent of any proposed non-audit services;
- Assessing the external auditor's effectiveness, objectivity and independence; and
- Reviewing the performance and quality of the audit work by the external auditor.

Chairman's introduction

The Committee aims to serve the interests of our shareholders and other stakeholders through its independent oversight of the financial reporting process, including the financial statements, the internal controls and risk management systems, the appointment and ongoing review of the quality of the work and independence of HgT's external Auditor, as well as procedures for monitoring compliance. The Committee recognizes that, through its interactions with the Board, the Manager and the external Auditor, it plays a key role in facilitating a high-quality audit.

In addition to the usual agenda, which encompasses all our key responsibilities, throughout the year the AVRC carefully considered the risk environment, and how macroeconomic trends and political changes impacted, or could impact, the Company, the Manager and the portfolio companies. The Committee also continued to monitor, and where appropriate, challenge, the appropriateness and robustness of the valuations and the valuation methodology in the context of high interest rates and inflation. The Committee also remained focused on the resilience, leverage, performance and prospects of the companies in the HgT investment portfolio through close scrutiny of its performance and consideration of their outlook. These discussions complemented regular Board debates of the macroeconomic environment, portfolio's performance, and the Manager's ability to continue to deliver strong exits and realise value for the Company and its shareholders.

At the same time, the Committee also maintained its focus on risk management and whilst HgT's risk score remains within the Board's risk appetite and tolerance, the Committee paid close attention to the risk environment and continued to receive regular updates on HgT's risk heat map and register. In 2024, we have again completed a more in-depth review of our risk register, the underpinning assumptions and ratings. The outcomes of that exercise are described below.

Throughout the year, the Committee also focused on the upcoming changes to the reporting. From 1 January 2026, Provision 29 of the UK Corporate Governance Code will require that, in addition to monitoring and reviewing the Company's risk management and internal controls framework, the Board will also need to report, in more detail, on how this is carried out, the Directors will need to make a declaration on the effectiveness of the material controls in our Annual Reports, and describe any situations, where those controls have not operated effectively. To prepare for these new requirements, the Committee has been focusing on HgT's internal controls, our existing review process and considered enhancements to the current processes and reporting for HgT to comply with the upcoming changes. We plan to embed the enhanced internal procedures during 2025, and provide a meaningful explanation of the changes we are making in our next Annual Report.

The Committee also continues to follow the developments in strengthening the UK's audit, corporate reporting and governance systems, and, when known, we will consider any implications for HgT of the Audit, Reporting and Governance Authority (ARGA) replacing the current regulator, the Financial Reporting Council ("FRC").

Principal Risks and Uncertainties: page 17

Membership of the Committee

The Terms of Reference and the composition of the Committee are reviewed regularly. All Directors are members of the Committee. In May of 2024, John Billowits joined the Committee upon his appointment to the Board, and Anne West retired from the Board and the AVRC at the same time. HgT's Chairman continues to serve as a member of the Committee, in line with the guidelines in the AIC Code of Corporate Governance. This is considered appropriate and beneficial, given the Chairman's in-depth understanding of the private equity sector and his financial expertise. John Billowits and I are chartered accountants and all of the members of the Committee have recent and relevant financial experience across a broad range of sectors and areas of practice. As a whole, the Committee has competence relevant to the private equity sector.

Activities during the year

Below, we explain how the Committee discharged its duties by focusing on the following matters:

Risk management and internal controls

During the year, the Committee reviewed the risk management and internal controls; the process we follow, matters we take into account and the conclusions we reached are as follows:

Process

The Directors regularly review the relevant policies and have direct access to the Head of Compliance & Risk at Hg and receive a report every six months, confirming that HgT's affairs have been conducted in compliance with the applicable regulations. In accordance with the FRC's guidance on Risk Management, Internal Control and Related Financial and Business Reporting, the Committee regularly reviews the effectiveness of HgT's processes for mapping and monitoring risks and there is an ongoing process, carried out in conjunction with Hg, to identify, evaluate and manage HgT's significant, and emerging risks. As part of this ongoing review process, the Committee considers:

- the nature and acceptable scale of the risks which HgT faces in the context of its overall investment objective;
- the likelihood and the potential impact on HgT's investment objective of such risks materialising;
- HgT's ability to reduce the likelihood and impact of the principal and emerging risks it has identified;
- the acceptability of the net risk after mitigation;
- the process and operation of relevant controls;
- the effectiveness and relative costs and benefits of particular controls;
- the impact of the values, culture and style of the Manager on HgT, and;
- the extent to which third parties are responsible for the effective operation of relevant controls.

Following this review, the Committee concluded that:

- HgT's risk management system remains appropriate and effective. The review process is explained in more detail below;
- the annual assessment of the emerging and principal risks facing HgT, which are described on pages 18 and 19 of this Report, is robust and includes those risks which would threaten HgT's business model, future performance, reputation, solvency or liquidity;
- the accounting and internal control systems of HgT, Hg, the Depositary and other service providers are adequate;
- Hg sets the appropriate 'control culture' by communicating the importance of internal control and risk management, both internally and across its portfolio, ensuring that all relevant employees have a good understanding of their roles and responsibilities;
- the systems put in place by Hg (specifically accounting and internal control systems) meet legal and regulatory requirements, further investigations are initiated, where appropriate, to assess the effectiveness of the systems of control; and
- matters of compliance are under proper review.

The Committee recognises the value of undertaking periodic and more fundamental reviews of HgT's systems and processes to ensure that they continue to evolve as the business grows in size and complexity and as the external environment changes. During 2024, we conducted an in-depth review of the risk register, benefitting from the input of Hg's Head of Compliance & Risk, Ian Jack, as well as the new perspective of John Billowits. As a result of the review, we updated our risk register and amended some of our principal risks, these are disclosed in detail on page 18.

Liquidity – stress and reverse stress testing

The Manager continues to invest in risk management tools and we benefit from applications that support effectively the business and facilitate oversight. The liquidity forecasting tool we use provide us with a dynamic way to assess and stress test HgT's liquidity position, model the impact of changes to the underlying assumptions and help us understand what factors have the most significant impact on Company's liquidity. The Committee and the Board review, discuss and stress test HgT's long-term cash flow projections regularly. The underlying assumptions that underpin the different scenarios we test and stress test include, among others, slower deployment of funds; slower pace of realisations or an absence of any realisations over a set period of time; changes to the exit assumptions of some of our portfolio companies; changes to HgT's likely future commitments and changes to the future likely co-investment participation, all of which could be a result, or a reaction to, challenging macroeconomic conditions.

The results of the stress tests feed into the HgT's risk register and risk scores, they also inform the stress test scenarios themselves to ensure they are sufficiently severe situations, even if they are relatively improbable.

The wider risk management framework also takes into account factors such as changes to the macro-economic conditions or increased threat of cyber attacks, and helps the AVRC and the Board quantify certain risks, agree what any early warning signs would look like, and evaluate and agree appropriate mitigants. During the year under review, the Committee considered the results of the following stress and reverse stress test scenarios:

- material valuation reduction and realisations delays;
- material valuation reduction, paired with both delays to realisations and deployment;
- failure to raise new debt; and
- a major cyber attack on the largest portfolio company.

Outcome: The reverse stress tests were deemed to be sufficiently improbable, and posed a low enough risk of impact to HgT's viability and medium-term resilience. Whilst the results of the stress and reverse stress testing did not raise any particular concerns, the Directors continue to monitor the risk environment as a matter of course.

Internal controls

Controls relating to the identified risks, covering financial, operational, compliance and risk management, are embedded in the operations of Hg and other outsourced service providers, and as such, are being monitored and reported on by Hg's Compliance function and other service providers. Hg's Head of Compliance & Risk formally reports every six months to the Committee on Hg's review of its internal controls.

Outcome: During the year, HgT has not identified any significant failings or weaknesses in the internal control systems. As discussed above, the Committee is cognisant of the new requirements and we will report on any changes we make to our current processes in order to satisfy the future requirement.

Whistleblowing and anti-bribery and anti-corruption policies

The Committee regularly reviews the whistleblowing procedures and anti-bribery and anti-corruption policies of Hg. The Company itself has no employees, however, the Manager's employees are able to raise concerns in confidence and anonymously and there is a process in place for a proportionate and independent investigation and follow-up actions, should any reports be made.

Outcome: The Board considered the updates received from Hg, and noted that no particular concerns or issues have been raised or identified during the year.

Internal audit function

Every year the Committee considers whether it would be beneficial to establish an internal audit function. HgT is an investment company with no employees, and during the year under review, the Committee again concluded that it remained appropriate for HgT to rely on the internal controls implemented by Hg and other third-party providers, with no need for a separate internal audit function.

Financial reporting

The Committee reviews the Annual report and accounts and the interim reports in detail. A key focus of its work on the Annual report and accounts is to ensure that the financial statements, and the narrative parts of our reporting taken together are fair, balanced and understandable – and provide the information necessary for shareholders to assess HgT's position, performance, business model and strategy. In its evaluation of HgT's accounts and whether they present a fair, balanced and understandable assessment of HgT's position and prospects, the Committee considers, among others, whether:

- the information is deemed to be free of bias, reasonable and impartial and it does not omit important elements.
- there is a good level of consistency between the front and back sections of the reports and the same conclusions can be drawn from reading the two sections independently.
- the key judgements referred to in the narrative reporting are consistent with the disclosures in the back end of the reports and correspond with the risks that the external auditor would include in their report.
- there is there a clear and cohesive framework and the important messages are highlighted throughout the document.

The Committee also reviews any significant accounting or financial reporting judgements, taking into account industry practice, as well as any guidance from the external Auditor.

Outcome: This year, when the Committee reviewed the annual report and accounts, it did not identify any major concerns, and was satisfied that the annual and accounts, taken as a whole, were a fair, balanced and understandable.

Significant issues considered when reviewing the financial reporting

The principal issue identified during the audit process and discussed by the Committee was the valuation of unquoted investments, in particular the valuation methodologies, judgement and estimations in general, as well as in the case of few specific investments where the Committee challenged the Manager's recommended valuations. The Committee reviews all valuations in detail, and some of the other areas, highlighted by our external auditor as presenting a higher risk of material misstatement the Committee focused on were:

- whether the disclosure and presentation of information on portfolio performance and, in particular, the key financial highlights was consistent and transparent;
- whether the valuations of the portfolio companies were appropriate;
- how revenue was being recognised, and the consistency of approach;
- management override of controls;
- dividend (more detail is included below); and
- the calculation and amount of performance fee.

Outcome: The Committee requested and received additional information from the Manager on the half-yearly and annual valuations, it also considered the results of the checks undertaken by the external auditor through the audit work. The Committee concluded that each of the significant issues had been reviewed in sufficient detail and the appropriate disclosures were made in HgT's reports.

Dividends

In addition to regular Board discussions on dividends, which, among others, consider the feedback from, and expectations of, our shareholders, the Committee regularly reviews HgT's dividends, taking into account the evolving nature of HgT's income streams, which are determined by the investment structures Hg utilises in transactions. HgT aims to achieve growth in the net asset value per share and in the share price, rather than a specific level of dividend. The Directors have indicated that they currently believe that a total of 5.0 pence per share per year, to be a reasonable level for a 'floor'. The Committee also made recommendations to the Board on both the interim and the final dividends, as always, in the context of the rules pertaining to dividends payable by investment trusts.

Valuations

When reviewing the valuations, the Committee carefully considers: the methodology and the integrity of the recommended valuations of each of HgT's investments prepared by Hg; reviews analytical and performance data; the valuation process itself; the supporting materials; and where appropriate, requests further information from the Manager. The valuations are carried out in accordance with the International Private Equity and Venture Capital (IPEV) Valuation Guidelines. The annual and half-yearly valuations' reviews are undertaken by this Committee; its work is also supported by a sub-committee, the Quarterly Valuations Committee, tasked with performing reviews of the quarterly valuations.

Outcome: Based on its review, the Committee concluded that the valuations had been performed consistently with previous year, remain in line with published industry guidelines, and do take into account the latest available information about investee companies and current market data.

External audit

HgT's external Auditor, Grant Thornton UK LLP (Grant Thornton), was appointed by shareholders as the independent Auditor at HgT's AGM in 2017, following a full audit tender process, with the audit of the financial statements included in this Report being the eighth performed by Grant Thornton.

Our plans for the next tender

The Committee expected to carry out the next tender process during 2026 in respect of the audit for the year ending 31 December 2027, however, considering that the chairmanship of the Committee is expected to change mid-2026 in line with our succession plans, the Committee has instead decided to bring forward this timeframe. The Committee continues to review the performance of the external auditor every year, and it remains satisfied with the firm – the tender will be motivated solely by the upcoming changes to the Committee's leadership and the intention to allow the new Chair to settle into his or her new role, and get to know the external auditor. Bringing the audit tender forward does not preclude the new Chair from conducting one as well, if he or she, and the Committee deem it to be appropriate or necessary. With that in mind, we now plan to undertake an external audit tender later this year, and the Committee expects to reach a decision, make a recommendation to the Board by the end of the year. Should we recommend that a new audit firm is appointed, we will recommend it to our shareholders at our AGM in 2026, in respect of the financial year ending 31 December 2026. Otherwise, if the Committee decides to recommend the re-appointment of Grant Thornton, a usual resolution to that effect will be recommended to the shareholders for approval.

HgT remains compliant with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. In accordance with professional guidelines on rotation of audit partners, William Pointon has served as the senior statutory auditor starting with the audit for the year ended 31 December 2022.

Review of the Auditor

During the year, the Committee reviewed the Auditor's terms of engagement and the audit plan. As part of the review of the audit plan, the Committee considered the major risk areas identified by Grant Thornton, and discussed the level of materiality set by the Auditor. In line with the FRC's Minimum Standard for Audit Committees, the Committee also receives more detailed reports on, and devotes more time to, the Auditor's quality assurance process and risks to audit quality. During the year, the Committee assessed Grant Thornton's performance, considered its remuneration and whether its continued appointment was in the best interests of HgT and its shareholders. The Committee also reviews the Non-Audit Services Policy every year, which helps ensure that the Auditor's independence and objectivity are not impaired. In 2024, Grant Thornton did not provide any non-audit services to HgT and the details of the remuneration for services provided by the Auditor are set out in Note 6 to the financial statements. The AVRC also takes into account a breakdown of the fees and nature of services GT provides to HgT's investee companies. The Auditor confirmed that it monitors the level of fees paid by these entities and it monitors and assesses the nature of the services and fees for potential independence threats on an ongoing basis.

Review of the effectiveness of the audit

Grant Thornton is invited to attend and present at the Committee meetings, the Auditor also meets with the Committee and its Chairman without the Hg team present. As the Committee Chairman, I maintain contact with the auditor, when required. In order to form a view on audit quality and the effectiveness of the external audit process, the Committee considers its own observations, interactions with the Auditor, the feedback from key Hg Management personnel, as well as the annual FRC's Audit Quality Inspection and Supervision Report, which set out the FRC's findings on audit quality at GT. Every year the Committee also conducts a formal evaluation of the effectiveness of the audit process via a tailored questionnaire, focused on four key areas, completed by all members of the Committee and the members of the Hg team, who work most closely with the auditor.

The Committee, to form its view on how the auditor performed, considers: the robustness of the audit process; quality of delivery; quality of reporting; and quality of people and service. The Committee also takes into account the Auditor's technical competence, its understanding of HgT's business and the wider PE sector, and whether it demonstrates an appropriate level of scepticism and challenge.

Outcome: Following this comprehensive review, the Committee was satisfied that Grant Thornton had carried out its duties in a diligent and professional manner and provided a high level of service. Consequently, the Committee proposed to the Board that a resolution to reappoint Grant Thornton as HgT's Auditor be put to shareholders at the 2025 AGM.

Richard Brooman
Chairman, Audit, Valuation and Risk Committee
7 March 2025

Management Engagement Committee report

Membership of the Management Engagement Committee	
Helena Coles (Chair since 16 May 2024)	Chair
John Billowits (joined 16 May 2024)	Member
Richard Brooman	Member
Pilar Junco	Member
Erika Schraner	Member
Jim Strang	Member

Key responsibilities:

- Monitor and evaluate the performance of the Manager;
- Review the Manager's compliance with HgT's investment policy;
- Review the terms of the Management Agreement;
- Review the level and method of the remuneration of the Manager, including the methodology of the annual management and performance fees;
- Consider the merit of obtaining an independent appraisal of the Manager's services;
- Monitor the performance of other service providers (except for that of the external auditor), including their remuneration as well as compliance with the terms of their respective agreements; and
- Engage in open discussions with service providers to identify how services and relationships can be improved year on year to enhance the performance of HgT.

Chair's introduction

On behalf of the Committee, I am pleased to present our Report for the year ending 31 December 2024. Throughout the year, the Committee continued to support the Board in fulfilling its oversight responsibilities through its comprehensive review and monitoring of the performance of the Manager and our other third party service providers, aiming to actively cultivate our relationships and strengthen the quality and impact of the services provided to HgT.

We work closely with a number of service providers and we have a well-established process we follow to receive feedback on the performance of each of the service providers, and based on that feedback, and absent any emerging issues, agree a plan for the reviews we intend to conduct in the given year, and, most likely, over the next two to three years.

The Committee also maintains a Policy on Service Provider Engagement, which aims to streamline service providers' selection and spend discussions, increase the timeliness of these reviews and enhance advanced planning for, and reviews of, any sizeable capital expenditure projects. As every year, the Committee also reviewed its terms of reference.

Chair of the MEC Transition

At our AGM in 2024, Anne West, who has served as our SID, retired from the Board, and Erika Schraner, previously the Chair of this Committee, succeeded Anne as the SID. To better allow Erika to focus on that role, I now have the pleasure of serving as the Chair of this Committee since the AGM in 2024.

Erika and I have been working closely to facilitate the transition, and I am grateful for her help and guidance, experience and expertise. The results of the most recent Board performance review suggest that the handover has been very smooth and the Committee continues to perform its role very effectively.

Review of the Manager

Every year, the Committee completes a thorough review of the Manager. The Committee members take into account, both, the interactions with Hg throughout the year, as well as formal presentations on the key aspects of the Manager's performance, operations and strategy at the annual Board Strategy session. When reviewing the Manager's performance, the Committee considers a number of different factors, which include: the quality and continuity of Hg's team; Hg's succession plans; sector and geographic coverage; investment processes; performance, including more recent new investments and exit activity; the management of HgT's balance sheet and liquidity, as well as strategy. The Committee takes into account how Hg is supporting our engagement with shareholders and other key stakeholders, as well as the Manager's ongoing commitment to enhancing HgT's share liquidity and more generally, promoting HgT. The Committee also considers the Manager's culture and evaluates the way in which the Manager's partners, executives and other members of the team are remunerated and incentivised. The Committee also takes a keen interest in Hg's updates on its people, and the Directors receive updates on recruitment and staff turnover, results of any employee satisfaction surveys and diversity, in all its forms, across the different teams. Furthermore, the Committee reviews the Manager's ESG strategy, objectives and progress. When periodically reviewing the terms of the management agreement, the Committee also considers the remuneration arrangements and the methodology underpinning the annual management and performance fees.

Outcome: Following its review, the Committee agreed that the continued appointment of the Manager remains in the best interests of HgT and its shareholders.

Reviews of other service providers

The Committee has the responsibility for monitoring and reviewing HgT's other key service providers and therefore it undertakes formal, indepth reviews of all of the third-party service providers on a five-yearly cycle. This is done through formal assessments of performance against the agreed service level agreements, and/or through annual review meetings. The Committee reviews the performance of certain key service providers, such as the Company Secretary and the legal advisors annually, considering the importance of the services they provide to HgT. Following consideration of the evaluation outcomes, the Committee makes recommendations to the Board on whether, in its opinion, their appointments continue to be in HgT's best interests.

In 2024, the Committee received feedback on, and considered, the performance of all other HgT's service providers. It decided to formally review the services of: Dickson Minto, HgT's legal advisor; Company Matters, the Company Secretary; and Deutsche Numis, HgT's corporate broker.

Outcome: The Committee concluded that these appointments remained in the best interests of the HgT and all were recommended to the Board. The Committee also commissioned Cadarn to undertake a perception study to better support the Board with its understanding of our shareholders and stakeholders views and opinions; chose to appoint Cadarn as HgT's financial PR adviser; and engaged Edison, an investment research firm, to provide additional services to HgT, to help support our engagement with the investor community.

Looking ahead

I will continue to focus on getting to know our service providers better, building on understanding of how they support the Company, and how they perform. The Committee as a whole will continue to focus on maintaining constructive relationships with HgT's service providers and hold formal and informal discussions to continue to evolve the service providers' engagement and the value they deliver. I welcome questions from shareholders on the Committee's activities.

Helena Coles
Chair, Management Engagement Committee
7 March 2025

Nomination Committee report

Membership of the Nomination Committee	
Jim Strang	Chairman
John Billowits (joined 16 May 2024)	Member
Richard Brooman	Member
Helena Coles	Member
Pilar Junco	Member
Erika Schraner	Member
Anne West (retired 16 May 2024)	Member

Key responsibilities:

- Review the composition of the Board and its Committees including the balance of skills, experience, knowledge and diversity, including that of gender, social and ethnic backgrounds, cognitive and personal strengths within the context of our investors' expectations, and applicable reporting requirements;
- Consider and formulate succession plans for the Chairman and the Directors in the context of HgT's strategic plans and consistent with the HgT's policies on Board Tenure and Diversity & Inclusion;
- Identify, evaluate and recommend candidates for new Board appointments;
- Evaluate the Directors' performance and consider whether they should be recommended for re-election;
- Review outside commitments of the Directors;
- Develop and review policies on Board's Tenure and Diversity & Inclusion. The Culture Policy is reviewed regularly directly by the Board; and
- The evaluation of the Board, its Committees, and the Directors is led by the Chairman of the Board and findings presented at a Board meeting.

Chairman's introduction

Throughout the year, the Committee focused on continuing to execute HgT's longer-term succession plan to support the Board in having the right skills and experience to deliver the long-term strategic plans and ambition. We're currently recruiting a new Chair of the Audit, Valuation & Risk Committee to replace our longstanding Director and Chair of that Committee, Richard Brooman, sometime later this year. HgT continued to comply with the recommendations of the FTSE Women Leaders and the Parker Reviews regarding Board's composition and diversity, but we continue to consider them in our ongoing search.

We made good progress against our longer-term succession plan announced two years ago, where we reported how we would phase the retirement of our two longest serving members of the Board, our Senior Independent Director, Anne West, and our Chairman of the Audit Valuation and Risk Committee, Richard Brooman. Since then, in November 2023, we announced the appointment of Helena Coles to the Board. Helena replaced Anne, who subsequently retired from the Board at the 2024 AGM. We then had an unplanned departure from the Board, with Guy Wakeley retiring at the end of 2023 due to an increased pressure of his commitments as a full time CEO. We therefore adapted the longer-term plan – we decided to allow more time before the next major change to the Board's composition and recommend to our shareholders that Richard Brooman continues to serve on the board and as Chair of the Audit Valuation and Risk Committee for an additional year, now retiring at our AGM in 2026. Given the level of rotation on the Board and Guy's unanticipated departure, we feel it is prudent and in the best interests of shareholders that Richard continues to serve on the Board. More information on how we continue to assess Richard's independence can be found below. In May 2024, following an external search to replace Guy, we had the pleasure of announcing the appointment of John Billowits. John has over 25 years of operational experience and a wealth of investment expertise in the software sector, he also brings valuable international perspective, through his past roles and current appointments on Boards of US, Canadian and European software companies. More information on the process is included below.

The recent departures also necessitated changes to some of the Board roles. Upon Anne's retirement at our AGM in May 2024, Erika became our SID and Helena took the responsibility for chairing the Management Engagement Committee from Erika.

Policy on diversity and inclusion

We recognise that the Board's debates and decision-making are greatly enriched by a wider range of perspectives and thinking, fostered by diversity of experience and knowledge, social and ethnic backgrounds, gender, and cognitive and personal strengths. While we do believe that it would be inappropriate to set a rigid target for any specific recruitment and that all appointments must be made on merit, diversity in all its forms is encouraged and embedded in every new Director search process we conduct. Therefore, since 2019, we have in place a set of objectives and principles that HgT follows when looking to recruit a new candidate, including:

- any advertising states that applications from suitably qualified candidates who would add to the Board's diversity are especially welcome;
- any recruitment agency used is instructed to include diverse candidates of appropriate merit, identified through a search of a wide pool of potential appointees;
- any shortlist must include candidates who, if appointed, would add to the diversity of the Board; and
- recognising that the finance, investment and private equity sectors have not historically reflected the diversity of the UK society, HgT encourages the inclusion of candidates from other backgrounds, and not only based in the UK, provided they have appropriate transferable skills.

The Committee reviews this Policy annually and will continue to report on its performance to shareholders. HgT is pleased to have met the target to increase the number of women on Boards and as of the end of the year, we had 50% female representation on the Board. We also continue to be compliant with the recommendations of the Parker Review.

Directors' policy on tenure

The Board adopts a policy on Board Members' Tenure and Reappointments ("the Board Tenure Policy"). The Committee believes that a policy encompassing the whole Board, rather than just the Chairman, is better aligned with HgT's objective of delivering long-term success and consistent returns to shareholders, which can be supported by both, the benefits of longer corporate memory and challenge provided by fresh thinking. The Board believes that the value contributed by the continuity and experience of Directors with longer periods of service is not only desirable, but essential for an investment company whose business creates a cycle of negotiating significant long-term investment commitments, which lead to investments scrutinised and monitored across a commitment-investment-realisation cycle that extend over periods of decade or longer. Consequently, the Committee considers it inappropriate to set a specific tenure limit for any individual Director or the Chairman of the Board. Instead, the Board generally seeks to recruit a new Director every two to three years. By doing so, the Board believes that its effectiveness is better supported by Directors who have served on the Board for a range of different periods. This approach ensures that, when the Board enters into new investment commitments, at least half of the Board members have direct personal experience of negotiating previous commitments with the Manager. This way, the Board intends to benefit from fresh perspectives and diversity of thought, while preserving the cumulative experience and deep understanding of HgT, its commitments and investment portfolio.

Outcome: The policy has operated as intended during the year and at the end of 2024, the average tenure was 5.4 years.

Our longer serving Directors

Richard Brooman, our Chairman of the Audit, Valuation and Risk Committee has served on the Board since 2007, and, through his corporate memory, in depth knowledge of the Company and extensive experience of working with the Manager, he continues to provide constructive challenge and robust scrutiny of matters coming before the Board and the AVRC, in particular the valuations of the portfolio firms and negotiating the terms of the Manager's engagement.

Our revised longer-term succession plan now sees Richard retiring at HgT's 2026 AGM, subject, of course, to HgT's shareholders approving his re-elections at our 2025 AGM. We continue to listen to shareholders' feedback on Richard's tenure, we also continue to consider the level of support for Richard's re-election at HgT's AGMs. At the AGM in 2024, over 94.3% of votes cast were in support of his re-election, suggesting good support despite his tenure. In addition, every year the Board evaluates the effectiveness of the Audit, Valuation and Risk Committee and Richard as the Chairman of that Committee. The work of the AVRC and Richard as its Chairman continues to receive strong positive feedback. More on the results of the evaluation can be found on page 89.

Outcome: In the Committee's and the Board's opinion, Richard continues to effectively support the Company and his appointment is in the best interests of our shareholders. Despite the length of his current tenure, we consider Richard to remain independent of Hg; he is also free from any business or other relationships which could materially interfere with his decision making.

Succession planning

The Committee's review of the Board's composition and succession plans takes into account the Directors' skills matrix, which maps the current skills sets, those the Board will have following planned changes, and those likely needed in future as HgT makes progress in meeting its strategic goals.

Our succession plan sets out an evolution of the Board's composition, and the next step sees the search for a new Director to join the Board to replace Richard Brooman, our longstanding Chairman of the Audit, Valuation and Risk Committee. Richard plans to step down from the Board at the AGM in 2026 and we plan to commence the search for his successor this month as we intend to have Richard and his successor work side by side, through at least one of our annual reporting cycles and the review of the valuations to facilitate the transition and preserve continuity. The next departure from the Board will then be at the 2026 AGM, when Richard retires. In addition to the current focus on recruiting an AVRC Chair designate, the Committee also continues to consider longer term succession planning across the Board more broadly.

Evaluation of the Directors' performance

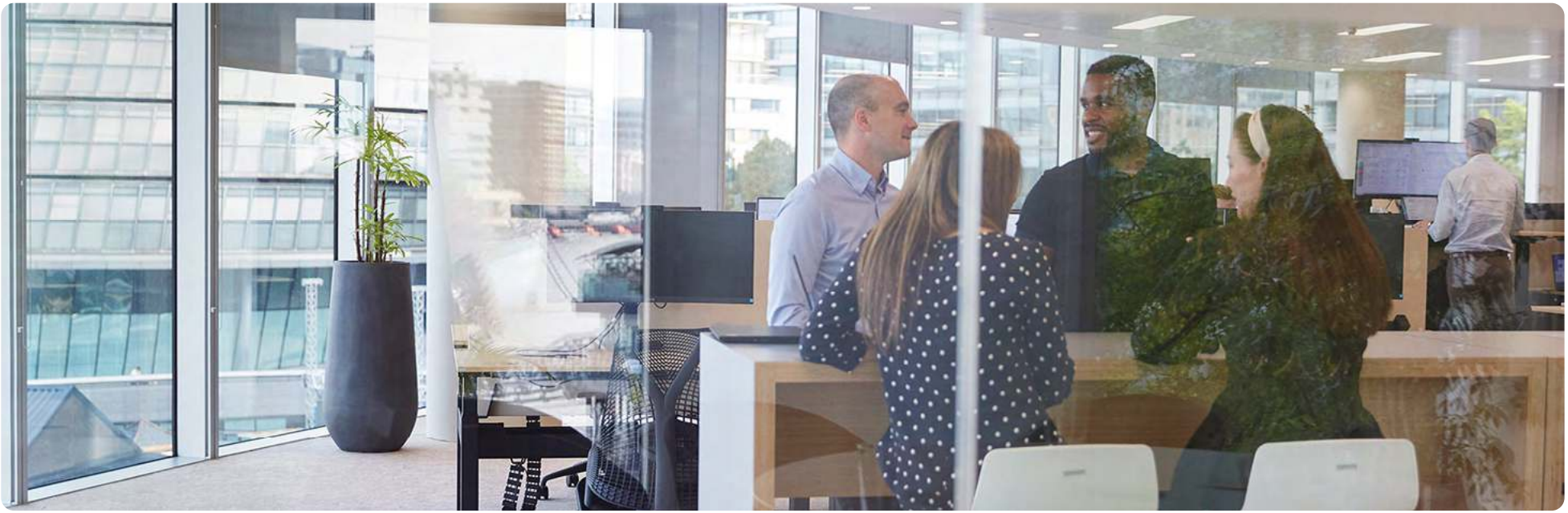
In line with our policy on Board members' tenure and reappointments, the Committee decides on changes to the Board, and makes recommendations to the Board and our shareholders for approval; the Directors do not expect to be automatically reappointed, nor do they expect to retire from the Board in the order of their original appointment. In determining whether to recommend a Director for re-election, the Committee evaluates the quality of a Director's participation and contributions to the Board's and Committees' deliberations, the results of the annual performance evaluations and any other pertinent aspect of the Director's performance.

Outcome: The details and the actions arising from our annual board evaluation, facilitated internally in 2024, are described on page 89. Following the performance review, the Board concluded that the performance of all Directors remained effective; the Directors all demonstrated commitment to their roles and devoted sufficient time to the business of HgT. The Board also reviewed the Directors' external commitments, and believes that it is in the best interests of shareholders to recommend that Messrs Strang and Brooman, and Ms Coles, Ms Junco and Ms Schraner be recommended for re-election and that Mr Billowits be elected by our shareholders at the upcoming AGM. The relevant skills and experience each Director brings to the Board, and the reasons we believe their appointments are in the best interests of HgT are set out along their biographies on pages 86 and 87.

Directors' biographies: page 86

Changes to the Board's Composition and appointments process

In 2024, the Committee led a search process, which ultimately resulted in us being able to recommend to the Board the appointment of John Billowits to the Board. The process begun in late 2023, when, led by myself, the Committee agreed on a description of the role, skills and attributes based on our Skills Matrix and the Diversity & Inclusion Policy. In December 2023, the Committee again engaged Fletcher Jones Limited, an executive search practice, to help to identify suitable candidates (we appointed Fletcher Jones Limited to support our



recruitment efforts previously; Fletcher Jones has no other connection to HgT). Following an extensive search process, the Committee reviewed the applications of all long-listed candidates and after agreeing the shortlist, conducted interviews with the shortlisted candidates.

Outcome: In May 2024, we were happy to announce the John's appointment to the HgT Board – John has over 25 years of operational experience and a wealth of investment expertise in the software sector, he also brings valuable international perspective, through his past roles and current appointments on Boards of US, Canadian and European software companies. A past CFO and CEO, John is a Chartered Accountant with a depth of financial knowledge, he therefore brings a variety of skills and personal strengths, which complement the Board's skillset very well.

The search for Richard's successor is starting in March 2025 and we will report on the progress we make.

Looking ahead

During 2024, the Board focused on HgT's longer-term strategy, against the backdrop of persistent geopolitical risks, high inflation and interest rates. The Committee will therefore continue to support the Board by focusing on longer-term succession planning in the context of the Board's existing and future needs, recognizing that an effective, diverse Board is crucial to HgT's long-term, sustainable success.

Jim Strang
Chairman of the Nomination Committee
7 March 2025

Directors' remuneration report

This Directors' Remuneration Report for the year ended 31 December 2024, has been prepared in accordance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The law requires the auditor to audit certain disclosures contained within this Report and these are indicated accordingly. The auditor's opinion is included in the Independent auditor's Report on pages 77-84.

Ordinary resolutions for the approval of this Report and the Directors' Remuneration Policy will be put to members at the forthcoming AGM.

Statement from the Chairman of the Board

HgT has no employees or executive Directors and the level of the non-executive Directors' fees are only considered within the limits prescribed by the Articles of Association; therefore, it is felt that maintaining a separate Remuneration Committee would add very little value. Consequently, the Board is responsible for deciding on the level of fees to be paid to the non-executive Directors and the Chairman at its discretion – and each Director abstains from voting on his or her own individual remuneration.

The Directors' fees are reviewed annually – and, in its assessment, the Board considers the time required to be committed to the business of HgT and whether all Directors did devote sufficient time to HgT during the year under review; whether the Board evaluation indicated that the Directors fulfilled their roles, acted effectively and in the best interests of HgT; and whether, through the evolution of HgT's scale, complexity and its associated processes and procedures resulted in an increase in required time commitments. The Board's review also takes into account the level of fees paid by HgT's peers.

During the year under review, the Board considered the annual fees, taking account of the various aspects described above, and agreed that, as HgT grows, managing the commitment / investment cycle and the balance sheet becomes increasingly complex and time consuming. The frequency and the length of meetings outside of the usual meeting cycle has been increasing, especially since the introduction of the quarterly valuations, with the Board and its committees now meeting in excess of 25 times a year; the Directors participate in, and/or deliver, regular teach in sessions; and maintain a regular contact with the Manager outside of the scheduled meetings. HgT now balances its commitments across five different fund structures and manages the balance sheet through a multi-bank lender facility, all of which require significant time and attention from the Board. With all that in mind, the Directors agreed that a small adjustment to the fee level was appropriate. Accordingly, the fee levels are as follows:

	Annual Fee (1 July 2024 – 30 June 2025)	Annual Fee (1 July 2023 – 30 June 2024)
Chairman	£114,500	£110,000
Senior Independent Director	£62,500	£60,375
Non-Executive Director	£55,000	£52,500
Chairman of the AVRC	£70,500	£68,250
Chair of the MEC	£62,500	£60,375

No discretion was exercised during the year in relation to directors' remuneration.

Statement of voting at General Meeting

Any views expressed by shareholders at HgT's AGM in respect of the Directors' remuneration are taken into account in formulating the Directors' Remuneration Policy. At the last AGM, over 99% of votes were cast in favour of the Directors' Remuneration Report, 0.12% of the votes being cast against and 0.03% of all votes being withheld. The current Directors' Remuneration Policy was approved by shareholders at the 2023 AGM, with 99.92% of votes cast in favour and 0.08% votes cast against showing significant shareholder support (0.03% of all votes were withheld).

Statement of implementation of Remuneration Policy in respect of the financial year ending 31 December 2024

The current Remuneration Policy was approved by our shareholders at the 2023 AGM. The Board will review Directors' fees during 2025. The total aggregate annual Directors' fees will continue to be set within an aggregate limit of £480,000.

Policy on Directors' Remuneration

In accordance with the requirements of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended (the Regulations), an ordinary resolution to approve the new Directors' Remuneration Policy was approved at HgT's Annual General Meeting (AGM) on 17 May 2023. We intend that the approved policy remain in force until the annual general meeting of HgT in 2026, or earlier if changes to it are proposed. The approved policy is available for inspection by shareholders on HgT's website: www.hgcapitaltrust.com.

The components of the remuneration package for non-executive Directors, which include only fees and reasonable expenses, are described in detail in our previous Annual Report.

Approach to recruitment remuneration

When recruiting new Directors, the Nomination Committee considers the likely time required to be devoted to HgT's business, taking into account the evolution of HgT's scale, complexity and the associated processes and procedures and ensures, that the fees for any new Director appropriately reflect the responsibilities and time commitment.

Other benefits

None of the Directors has a service contract with HgT. The terms of their appointments are detailed in a letter sent to them when they join the Board. Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings. HgT is permitted to provide pension or similar benefits for Directors and employees of HgT; however, no pension schemes or other similar arrangements have been established and no Director is entitled to any pension or similar benefits. HgT does not have a policy on termination payments and no past Director has been compensated for loss of office or otherwise. All of HgT's Directors are subject to annual re-election.

Total remuneration paid to each Director

There have been no payments to past Directors, whether for loss of office or otherwise. None of the fees referred to in the table above was paid to any third party, in respect of the services provided by any of the Directors. No element of the Directors' remuneration is performance related or variable. The Directors' remuneration is determined within the limits set out within HgT's Articles of Association and the Remuneration Policy – with Directors not eligible for benefits, bonuses, share options or long-term performance incentives. The terms and conditions for all Director appointments are set out in letters of appointment which are available for inspection at HgT's registered office. No Director has a service contract.

	Fees		Taxable benefits[5]		Total fixed remuneration[6]	
	2024 £	2023 £	2024 £	2023 £	2024 £	2023 £
Jim Strang	112,250	105,000	–	–	112,250	105,000
John Billowits[1]	34,135		19,126		53,261	–
Richard Brooman	69,375	66,625	–	–	69,375	66,625
Helena Coles[2]	58,495	5,849	64	29	58,559	5,878
Pilar Junco	53,750	51,250	1,186	–	54,936	51,250
Guy Wakeley[3]	–	51,250	–	–	–	51,250
Anne West[4]	22,724	58,938	–	–	22,724	58,938
Erika Schraner	61,438	58,938	–	–	61,438	58,938
Total remuneration	412,167	397,850	20,376	29	432,543	397,879

[1] John Billowits was appointed to the Board in May 2024
[2] Helena Coles was appointed to the Board in November 2023
[3] Guy Wakeley retired from the Board in December 2023
[4] Anne West retired from the Board in May 2024
[5] Taxable benefits include travel expenses incurred by Directors when travelling to attend Board, Committee or other meetings.
[6] There are no variable elements of remuneration to disclose.

The information in the above table has been audited.

Annual percentage change in remuneration of directors

Directors' pay has increased over the last four years, as set out in this table:

HgT does not have any employees and therefore no comparisons are given in respect of Directors' and employees' pay increases.

	2024[1] £	% change from 2023 to 2024	2023[1] £	% change from 2022 to 2023	2022 £	% change from 2021 to 2022	2021[1] £	% change from 2020 to 2021	2020[1] £
Chairman	114,500	4%	110,000	10%	100,000	–	100,000	38.9%	72,000
AVRC Chairman	70,500	3%	68,250	5%	65,000	–	65,000	21.5%	53,500
MEC Chairman	62,500	4%	60,375	5%	57,500	–	57,500	19.8%	48,000
SID	62,500	4%	60,375	5%	57,500	–	57,500	19.8%	48,000
Non-Executive Director	55,000	5%	52,500	5%	50,000	–	50,000	22.0%	41,000

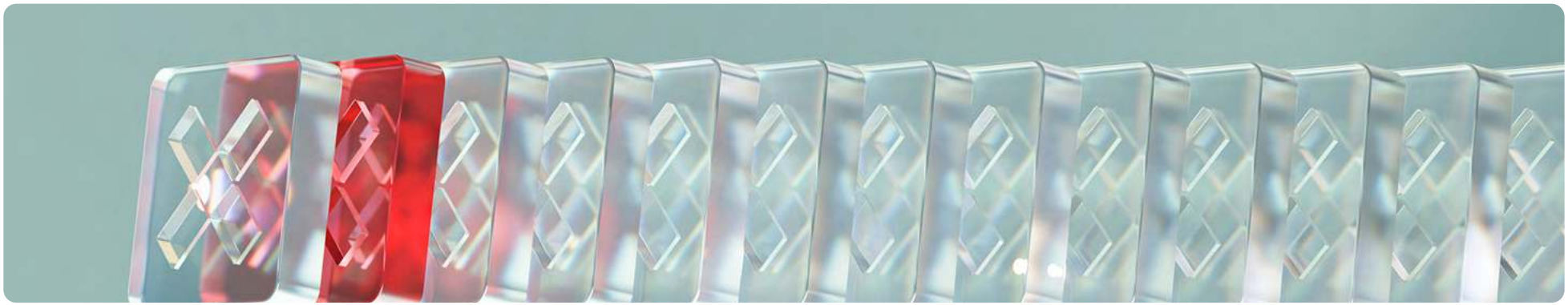
[1] The increases in pay were effective on 1 July in the given year.

Relative importance of spend on pay

This table aims to help shareholders assess the relative importance of spend on remuneration. It compares remuneration, excluding taxable benefits, against the shareholder distributions of dividends and share buybacks.

	2024[1] £000	% change from 2023 to 2024	2023[1] £000
Total Directors' remuneration	412	3.6%	398
Total distributions to shareholders	29,753	–	29,753

[1] All fee increases are effective on 1 July. Excludes Directors' travel expenses.



Directors' interests

There is no requirement under HgT's Articles of Association or letters of appointment for Directors to hold shares in HgT. The interests of the Directors (including their connected persons) in the shares of HgT, at the end of the year under review and at the end of the previous year, were as follows:

No. Ordinary shares	2024	2023
John Billowits[1]	40,000	N/A
Richard Brooman	40,000	36,000
Helena Coles[2]	6,896	2,611
Pilar Junco	–	–
Erika Schraner	14,148	14,148
Jim Strang	167,282	167,282
Guy Wakeley[3]	N/A	45,429
Anne West[4]	N/A	236,000

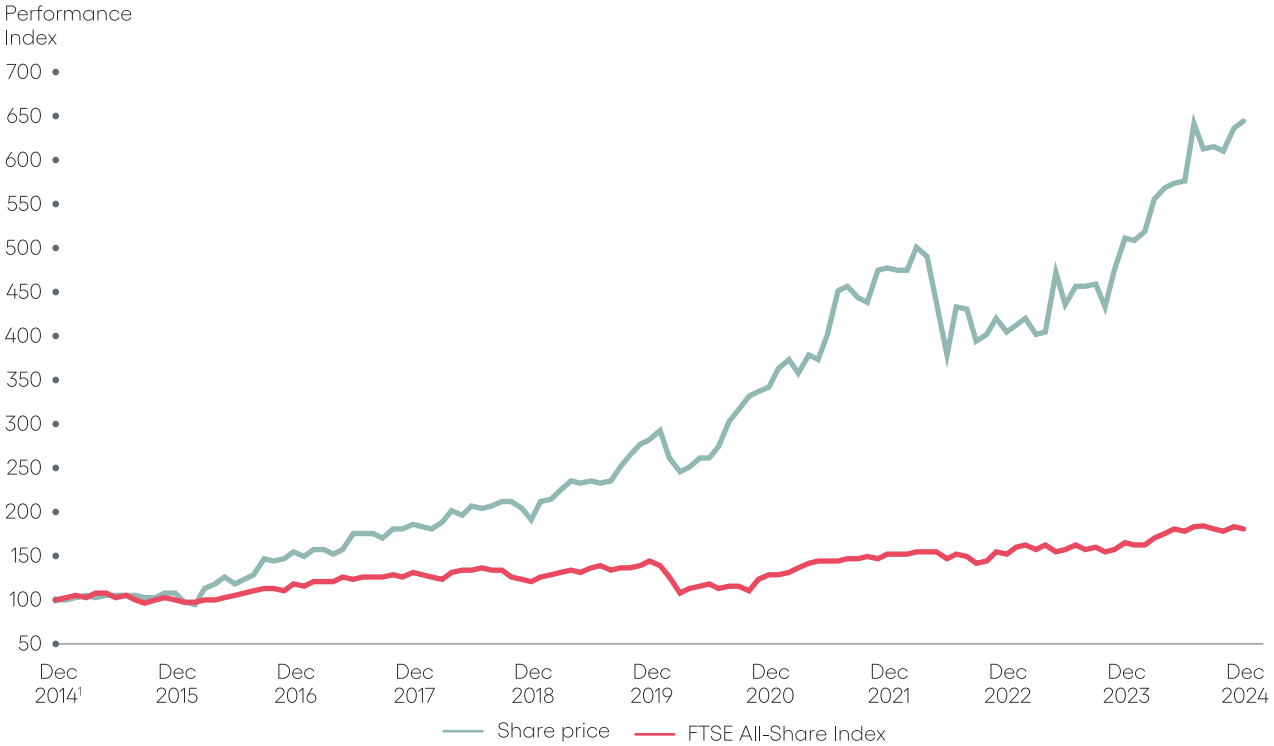
[1] John Billowits joined the Board in May 2024
[2] Helena Coles joined the Board in November 2023
[3] Guy Wakeley retired from the Board in December 2023
[4] Anne West retired from the Board in May 2024
The above information has been audited.

Directors' share interests have not changed between the 31 December 2024 and 7 March 2025, being the latest practicable date before the publication of this Report.

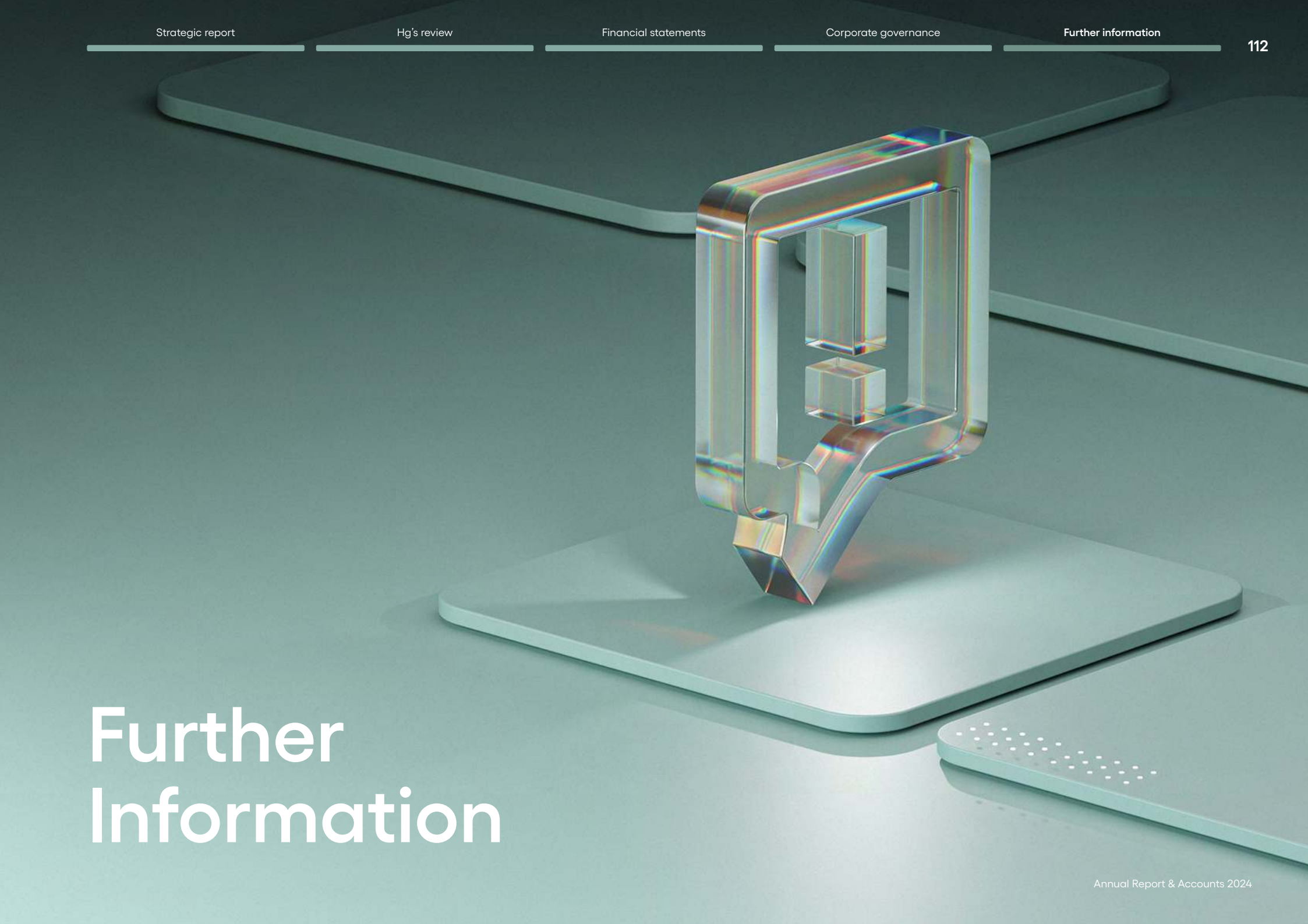
On behalf of the Board
Jim Strang
Chairman of the Board
7 March 2025

Share price performance from 31 December 2013 to 31 December 2024

The FTSE All-Share Index (total return) has been used for comparative purposes, as this is the comparator used when reporting to shareholders. All figures are based on the total return to shareholders.



[1] Performance record rebased to 100 at 31 December 2014. Source: Hg, Factset.



Further Information

Alternative Investment Fund Managers Directive (AIFMD)

HgT is an externally managed UK Alternative Investment Fund ('AIF') for the purposes of the Alternative Investment Fund Managers Directive (2011/61/EU), as applicable in the UK ('UK AIFMD'), being a public limited company incorporated in England and Wales and listed on the London Stock Exchange. HgT's registered office is 2 More London Riverside, London SE1 2AP.

Hg Pooled Management Limited ('Hg'), as Manager of HgT, has been appointed as the UK Alternative Investment Fund Manager ('AIFM') for the purposes of UK AIFMD.

Pursuant to Article 23(1) of the AIFMD, Hg makes available the following information to the existing shareholders of HgT in order to supplement and update (where relevant) the information provided to them before they invested.

Please note that where Hg has determined that the required information is already detailed elsewhere in the Annual Report and Accounts (as defined below) or other available source documents, this supplemental disclosure contains a reference to such source documents. Where Hg has determined that the required information has not been provided to shareholders, this supplemental disclosure contains the relevant details.

Investment Policy and risk management

The investment objective, policy and strategy of HgT and Hg are set out in HgT's Investment Objective and Investment Policy section (page 27) and Hg's Review section (pages 38-43) of the 31 December 2024 Annual Report and Accounts. HgT is subject to the FCA listing rules and as such, any material change to HgT's investment policy can only be made with the approval of shareholders in a general meeting.

The principal risks associated with HgT's investment policy are set out in HgT's Business Model and Risk Framework (pages 14–19) and the Financial Risk section (page 71; note 19) of the notes to the financial statements in the Annual Report and Accounts. Hg is responsible for risk management functions and has procedures in place to evaluate, monitor and mitigate the risks faced by HgT. Hg's risk management function is reviewed by the Board and the Audit, Valuations and Risk Committee in order to ensure that the best processes are in place and properly followed.

Manager

Hg Pooled Management Limited ('Hg') is the Manager of HgT, its registered office being 2 More London Riverside, London SE1 2AP. Hg is a limited company and is authorised and regulated (FRN 122466) by the Financial Conduct Authority ('FCA').

Hg was authorised to manage AIFs for the purpose of the AIFMD with effect from 22 July 2014.

Hg has been appointed to manage HgT pursuant to an agreement dated 14 January 2009 as amended and restated on 22 July 2014 (the 'Management Agreement') to include appropriate provisions relating to AIFMD.

Hg has sole responsibility for managing HgT, including investigating and negotiating any potential investments and making investment decisions for HgT (subject to the Investment Policy). Hg has delegated certain administration and investment support services to its affiliate, HgCapital LLP. In addition, HgCapital LLP is appointed as an investment adviser to Hg.

Hg's duties under the Management Agreement are owed to HgT as a whole and not directly to the shareholders, whether individually or in groups.

Hg maintains appropriate additional own funds to meet its regulatory capital requirements under the AIFMD, including in relation to professional liability risks.

Depositary

HgT has appointed APEX Depositary (UK) Limited (the 'Depositary'), whose registered office is at 6th Floor, 140 London Wall, London, EC2Y 5DN, as the depositary in relation to HgT under an agreement dated 22 July 2014 (the 'Depository agreement').

The Depositary is authorised and regulated (FRN 610203) by the FCA and is responsible for verifying ownership of HgT's investments (on the basis of evidence provided by Hg) and maintaining a register of such as well as cash monitoring of HgT's bank accounts and oversight as required by Hg. The Depositary's duties under the Depositary agreement are owed to HgT as a whole and not directly to the shareholders, whether individually or in groups.

Auditor

HgT has appointed Grant Thornton UK LLP, whose registered office is at 30 Finsbury Square, London EC2A 1AG, as auditor.

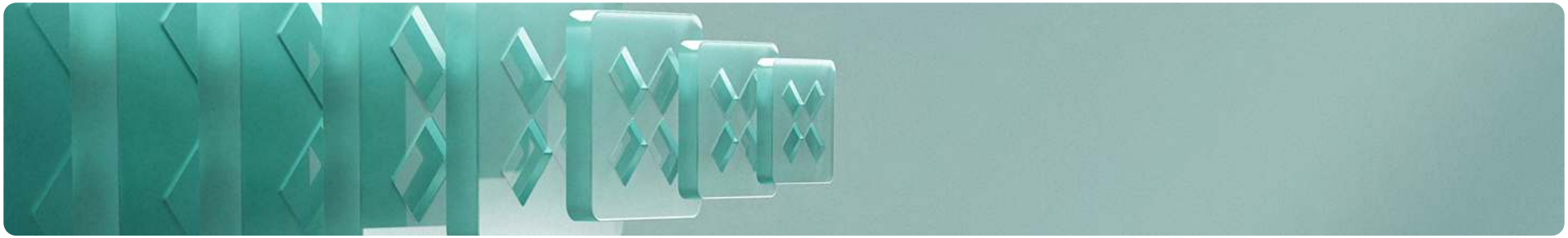
The auditor's duties are to carry out the annual audit of HgT. The auditor is primarily responsible for evaluating the application of HgT's accounting policies and the review of the financial statements.

The agreement between HgT and Grant Thornton for the provision of audit services to HgT does not include any specific rights for shareholders.

Legal adviser

HgT has appointed Dickson Minto LLP, whose registered office is at 16 Charlotte Square, Edinburgh EH2 4DF as HgT's legal adviser.

The agreement between HgT and Dickson Minto LLP does not include any specific rights for shareholders.



Prime broker

HgT does not retain a prime broker.

Legal relationship with shareholders

The rights of the shareholders are governed by HgT's Articles of Association.

As at 31 December 2024, HgT had 457,728,500 ordinary shares of 2.5 pence each in issue. Each ordinary share has one voting right attached to it. The total number of voting rights in HgT at this date was 457,728,500. Further information on the share capital of HgT can be found in the ordinary share capital (page 75; note 20) section of the notes to the financial statements in the Annual Report and Accounts. Shares are not offered on an ongoing basis but may be bought or sold through a stockbroker, financial intermediary, or one of the share dealing services detailed in the Shareholder Information section of the Annual Report and Accounts (page 116). HgT is incorporated under the laws of England and Wales. As such, the courts of England and Wales will have jurisdiction to hear and determine any proceeding, and to settle any dispute, in accordance with English law, which may arise out of a shareholder's shareholding in HgT. Consequently, for shareholders residing outside that jurisdiction it may not be possible to effect service of process in an alternative jurisdiction or enforce any judgement obtained against HgT in an alternative jurisdiction.

Leverage

The aggregate amount of borrowing shall not exceed an amount equal to twice the aggregate of:

(a) the amount paid up, or credited as paid up, on the share capital of HgT (excluding any share capital presented as debt); and

(b) the total of any credit balance on the distributable and undistributable reserves of HgT's group, but excluding amounts attributable to outside shareholders in subsidiary undertakings of HgT and deducting any debit balance on any reserve.

HgT has in place a £375 million multi-currency standby facility led by Lloyds Bank Corporate Markets plc on an unsecured basis, expiring in March 2027. The facility was drawn for £98 million at 31 December 2024. Please refer to HgT's Business model and risk framework (page 14) of the Annual Report and Accounts.

Valuation policy and procedure

Hg's valuation policy is to value investments in accordance with the International Private Equity and Venture Capital ('IPEV') guidelines. HgT has an Audit, Valuations and Risk Committee which reviews these valuations and provides oversight of the valuation process and methodology. Please see HgT's Business model and risk framework section (page 17) of the Annual Report and Accounts.

Liquidity management

As HgT is closed-ended, and no redemptions are possible, its liquidity management is limited to ensuring it has the ability to meet the commitments made to make investments. A number of levers are available in order to manage HgT's liquidity profile. A proportion of the assets of HgT is normally maintained in liquid readily realisable form (cash, money market instruments, gilts and a managed liquidity fund) to meet draw-downs. A borrowing facility has been arranged with Lloyds Bank Corporate Markets plc, pursuant to which additional temporary facilities of up to £375 million are available (as referred to in the Leverage section above), if required.

In addition, an opt-out provision has been negotiated in connection with HgT's commitment alongside Hg Genesis 8, Hg Genesis 9, Hg Genesis 10, Hg Mercury 2, Hg Mercury 3, Hg Mercury 4, Hg Saturn, Hg Saturn 2 and Hg Saturn 3. This permits HgT to opt out of its obligation to fund its commitment for certain liquidity or regulatory reasons, if to do so would result in HgT (i) not having the cash resources to meet any of its liabilities, expenses or obligations to fund its commitments to other funds or investment vehicles of Hg that are reasonably likely to become due within 12 months or (ii) not being able to undertake any share buyback, in each case subject to certain conditions. Please refer to HgT's Business model and risk framework (page 17) section of the Annual Report and Accounts.

Fees, charges and expenses

For details of the fees payable by HgT to Hg in relation to its investment activities within the underlying fund partnerships, please refer to the priority profit share (page 65; note 5) of the notes to the financial statements in the Annual Report and Accounts.

In relation to the management of HgT, Hg is also entitled to receive £5,000 per quarter for its activities as the Manager of HgT and 0.025% of the NAV of HgT per quarter for its activities as administrator.

HgT also incurs fees in the form of depositary fees, bank fees, marketing fees, legal fees, auditor's fees and other fees. It is not possible to provide a maximum fee payable due to the nature of these amounts.

Fair treatment of shareholders and Preferential Treatment

Hg and the Board are committed to treating shareholders fairly in accordance with UK company law. No preferential rights have been granted to any shareholder. Hg and the Board of HgT will not enter into any preferential arrangements which would lead to a material disadvantage to other shareholders.

Remuneration disclosure

HgT does not directly employ any staff and instead the Hg group, which also acts as investment adviser and provides administrative services to HgT, provides personnel to fulfil roles within its investment committee, portfolio review committee and the control and risk functions (the 'Relevant Functions') and perform other activities for HgT. Personnel carrying out the Relevant Functions or who are senior management of Hg are referred to below as 'Identified Staff'.

The table below sets out the disclosures required under AIFMD in relation to the proportion of remuneration which Hg calculates was attributable to work done for HgT during the year ended 31 December 2024.

	2024 £	2023 £
Fixed remuneration paid to Identified Staff	351,000	359,000
Variable remuneration paid to Identified Staff	342,000	122,000
Aggregate remuneration paid to Identified Staff who are senior management of the Manager	205,000	98,000
Aggregate remuneration paid to Identified Staff who have a material impact on the risk profile of the AIF by reason of performing Relevant Functions	488,000	383,000
Performance fee paid by the AIF to Identified Staff	10,440,000	6,337,000

The number of Identified Staff from Hg contributing to HgT for the year was 22.

Remuneration policy

Hg has ensured that all remuneration is directly aligned with the specific requirements of the AIFMD.

Hg's remuneration policy (which also applies directly to HgCapital LLP) seeks to avoid conflicts of interest by ensuring that:

- It comprises an appropriate mix of fixed and variable remuneration that encourages staff to make a positive contribution to HgT and other AIFs that it manages;
- It is consistent with the business strategy and objectives of Hg;
- The assessment of performance is set in a multi-year framework appropriate to the life-cycle of the AIFs it manages in order to ensure that the assessment process is based on longer term performance;
- It is under the oversight of a remuneration committee with one independent member;
- It contains measures to promote sound and effective risk management;
- It applies a performance fee model which (a) aligns the interests of staff involved in investment management with the risks of the AIFs and investors in the AIFs; and (b) does not incentivise inappropriate risk taking; and
- It does not pay out remuneration for future potential revenues that are not certain.

Reporting and updates

HgT's historic performance has been disclosed to shareholders in its Annual Report and Accounts, the most recent one covering the year ended 31 December 2024 (and is publicly disseminated to all shareholders).

Any further information about HgT's risk profile and risk management, any material changes to the liquidity arrangements, the proportion of assets subject to special arrangements arising from liquidity and the maximum permitted leverage will be provided via HgT's Annual Report and Accounts and on HgT's website at hgcapitaltrust.com.

Shareholder information

Financial calendar

The announcement and publication of HgT's results may normally be expected in the months shown below:

February	• Preliminary results for year announced
March	• Final results for year announced • Annual report and accounts published
May	• Annual general meeting and payment of final dividend • Release of Manager's quarterly update with updated 31 March NAV
July	• Preliminary interim results announced
September	• Interim figures announced and interim report published
October	• Payment of interim dividend
November	• Release of Manager's quarterly update with updated 30 September NAV

Dividend

The final dividend proposed in respect of the year ended 31 December 2024 is 3.5 pence per share.

Ex-dividend date (date from which shares are transferred without dividend)	20 March 2025
Record date (last date for registering transfers to receive the dividend)	21 March 2025
Last date for registering DRIP instructions (see below)	25 April 2025
Dividend payment date	19 May 2025

Payment of dividends

Cash dividends will be sent by cheque to the first-named shareholder at their registered address, to arrive on the payment date. Alternatively, dividends may be paid direct into a shareholder's bank account. This may be arranged by contacting HgT's registrar, Computershare Investor Services PLC ('Computershare'), on 0370 707 1037.

Dividend re-investment plan ('DRIP')

Shareholders can choose to use their dividends to purchase further shares in HgT, forms can be obtained from HgT's registrar, Computershare:

Telephone: +44 (0)370 707 1037
or computershare.co.uk/DRIP

Shareholders who have already opted for dividend re-investment do not need to re-apply. The last date for registering for this service for the forthcoming dividend is 25 April 2025.

Share price

HgT's ordinary share price is published on the London Stock Exchange's website: www.londonstockexchange.com and on our website (subject to a 15-minute delay): hgcapitaltrust.com

ISIN/SEDOL numbers

The ISIN/SEDOL numbers and mnemonic code for HgT's ordinary shares are:

ISIN	GB00BJ0LT190
SEDOL	BJ0LT19
Reuters code	HGT.L

Share dealing

Investors wishing to purchase or sell shares in HgT may do so through a stockbroker, financial adviser, bank or several share dealing platforms. To purchase this investment, you must have read the key information document ('KID') before the trade can be executed. This, and other information, is available on HgT's website: hgcapitaltrust.com

The registrar, Computershare, can provide you with the KID by either e-mail or post.

To purchase shares, you can contact the registrar on:
Telephone: +44 (0)370 703 0084
Internet share dealing:
computershare.com/dealing/uk

Internet dealing service is available to shareholders in certain jurisdictions, including the UK. The commission is 1.4%, subject to a minimum charge of £40 for internet share dealing. In addition, stamp duty is payable on purchases. Before you trade, you will need to register for these services.

Detailed terms and conditions are available on request by telephoning +44 (0)370 703 0084.

This is not a recommendation to buy, sell or hold shares in HgCapital Trust plc. Those shareholders unsure of what action to take should obtain independent financial advice. Share values may go down, as well as up, which may result in a shareholder receiving less than they originally invested.

To the extent that this statement is a financial promotion for the share-dealing service provided by Computershare Investor Services PLC, it has been approved by Computershare Investor Services PLC for the purpose of section 21 (2) (b) of the Financial Services and Markets Act 2000 only. Computershare Investor Services PLC is authorised and regulated by the Financial Conduct Authority. Where this has been received in a country where the provision of such a service would be contrary to local laws or regulations, this should be treated as being for information only.

Uncertificated Securities Regulations 1995 – CREST

HgT's ordinary shares have joined CREST, an electronic system for uncertificated securities trading.

Private investors can continue to retain their share certificates and remain outside of the CREST system. Private investors are able to buy and sell their holdings in the same way as they did before the introduction of CREST, although there may be differences in dealing charges.

Income tax

Where possible, dividends can be designated as an interest distribution (interest-streaming) for tax purposes. The Finance Bill 2017 included provisions which removed the requirement to deduct income tax at source from dividends notionally designated as interest distributions by investment trust companies, when they are made on or after 6 April 2017. This brought this type of income into line with the treatment of interest paid on bank and building society accounts, following the introduction of the personal savings allowance. The amount of your personal savings allowance depends on your adjusted net income. Where interest-streaming is not possible, there is an individual annual allowance across all dividend income, above which there is a tax liability. For further information, please visit the HMRC.gov.uk website. For queries about your own tax position, please speak to an independent tax adviser.

Capital gains tax ('CGT') for UK tax payers

Qualifying investment trusts currently pay no corporation tax on capital gains made within the portfolio. When investors sell all or part of their holdings, they may be liable to CGT. For more information, visit gov.uk/capital-gains-tax

Investments held in ISAs continue to remain exempt from CGT.

Please remember that we are unable to offer individual investment or taxation advice. Those investors in any doubt about their liability for CGT should seek professional advice.

Risk factors

- Investments in predominantly unquoted companies, which form the majority of HgT's investments, may not be as readily realisable as investments in quoted companies.
- As Hg invests primarily in companies whose operations are headquartered or substantially based in Europe and in companies which trade internationally, the value of HgT's shares may be affected by changes in rates of foreign exchange.
- Hg invests in a portfolio of small to mid-cap companies, with enterprise values of more than £100 million (at the time of acquisition), the performance of which can fluctuate.
- The price at which HgT's shares trade on the London Stock Exchange is not the same as their NAV (although they are related); therefore, you may realise returns which are lower or higher than NAV performance.
- Past performance is not necessarily a guide to future performance – and an investor may not get back the amount originally invested.
- The value of investments in HgT and the income from them can fluctuate, as the value of the underlying investments fluctuates.
- HgT invests in unquoted companies; although great care is taken in their valuation, such valuations cannot, by their nature, be exact and are liable to change.

Duration of HgT

An ordinary resolution was approved by shareholders at the annual general meeting in May 2020 to continue the life of HgT for a further five years. HgT will propose such resolution at the upcoming AGM in May 2025, and, if approved by shareholders, a similar resolution will be put to the shareholders at every fifth year thereafter.

If the resolution to continue the life of HgT is not approved, a general meeting will be convened within six months after the date of the AGM to put forward proposals for the reorganisation or reconstruction of HgT.

Nominee holdings

Where shares are held in a nominee company name, HgT undertakes to:

- provide the nominee company with multiple copies of shareholder communications, provided that an indication of quantities has been given in advance.
- allow investors holding shares through a nominee company to attend general meetings, provided that the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend HgT's general meetings.

Non-mainstream pooled investments

HgT's shares qualify as an 'excluded security' under the rules in relation to non-mainstream pooled investments, therefore, are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

HgT conducts its affairs so that the shares issued by HgT can be recommended by IFAs to ordinary retail investors, in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

Common reporting standard

With effect from 1 January 2016, tax legislation under the OECD ('Organisation for Economic Co-operation and Development'), The Common Reporting Standard for Automatic Exchange of Financial Account Information ('The Common Reporting Standard'), was introduced.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in them. As an affected company, HgT provides information annually to the local tax authority on the tax residencies of some non-UK based certificated shareholders and corporate entities.

All shareholders, excluding those whose shares are held in CREST, entered onto the share register from 1 January 2016 will be sent a certification form for the purposes of collecting this information.

Please see HMRC's Quick Guide: Automatic Exchange of Information, information for account holders: gov.uk/guidance/automatic-exchange-of-information-introduction

ISA status

HgT's shares are eligible for stocks and shares ISAs.

Shareholders' enquiries

In the event of queries regarding your shares, please contact Computershare:

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

Telephone: +44 (0)370 707 1037

Computershare Investor Centre: investorcentre.co.uk

To register you will need your shareholder reference number (this information can be found on the last dividend voucher or your share certificate)

Computershare offers a free secure share management website which allows you to:

- view your share portfolio and see the latest market price of your shares.
- elect to receive your shareholder communications online.
- calculate the total market price of each shareholding.
- view price histories and trading graphs.
- update bank mandates and change of address details.
- use online dealing services.

General enquiries about HgT should be directed to:

Hg Pooled Management Ltd
2 More London Riverside
London, SE1 2AP

Telephone: 020 8396 0930

Email: investorrelations@hgcapital.com

Glossary and Alternative Performance Measures ('APM')

Available liquid resources (APM)
Includes cash at bank, uninvested capital, cash fund investments and the undrawn bank facility.

CAGR
Compound annual growth rate

Co-investment
An equity co-investment is typically a minority investment in a company made alongside a private equity fund. These investments are free from management fees and performance fee.

DACH
An acronym for D (Deutschland/Germany), A (Osterreich/Austria), CH (Schweiz/Switzerland).

Discount
Investment trust shares frequently trade at a discount to NAV. This occurs when the share price is less than the NAV and the price which an investor pays or receives for a share would be less than the value attributable to it by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. For example, if the NAV were 545.5p pence and the share price were 496.0 pence, the discount would be 10%.

DPI (distributed to paid-in capital)
A private equity industry metric that shows the proportion of a fund's invested capital returned to investors.

EBITDA (APM)
Earnings before interest, tax, depreciation and amortisation. LTM EBITDA growth is an Alternative Performance Measure.

ESG
Environmental, social and governance

EV (enterprise value)
This is the aggregate value of a company's entire issued share capital and net debt.

Expansion capital
The provision of capital to an existing, established business, to finance organic growth or acquisitions.

FP&A
Financial Planning & Analysis

Fund level facilities
Lines of credit that sit below the fund structure which are used to fund portfolio M&A and return cash to investors. The facilities are unsecured, with no recourse to HgT or the underlying funds and are repaid from future realised proceeds, the proportion of which will depend on the loan to value ratio at that time. Since the debt sits below the funds the interest is shown as an unrealised loss against the HgT investments.

Hedging
Hedging is an investment technique designed to offset a potential loss on one investment by purchasing a second investment which is expected to perform in the opposite way.

ILPA
Institutional Limited Partners Association

Investments (APM)
Acquisition of portfolio investments in the underlying fund partnerships do not equate to cash flows for HgT. Please see below for reconciling items typical of a fund operation:

Total investments (Gross fund acquisitions, not a HgT cashflow)	£606,464
Non investment fund expenses (Management fees and operating costs)	£38,022
Other (Cash rebated back to HgT and use of fund level facilities)	£(1,261)
Investment by HgT (Capital investment into direct fund partnerships held)	£643,225

IPO (initial public offering)
An offering by a company of its share capital to the public with a view to seeking an admission of its shares to a recognised stock exchange.

IRR (internal rate of return)
The annualised rate of return received by an investor in a fund. This is calculated from cash drawn from and returned to the investor, together with the residual value of the investment.

LBO (leveraged buyout)
The purchase of all or most of a company's share capital, often involving its managers, funded mainly by borrowings often secured on HgT's assets, resulting in a post-financing capital structure of HgT which is geared.

LP (limited partnership)
An English limited partnership includes one or more general partners who have responsibility for managing the business of the partnership and have unlimited liability and one or more limited partners who do not participate in the operation of the partnership and whose liability is ordinarily capped at their capital and loan contribution to the partnership. In typical fund structures, the general partner receives a priority profit share ahead of distributions to limited partners. In addition, a limited partner, designated for the manager, will share in the profits of the partnership, alongside the other limited partners, once limited partners have been returned all loan contributions, plus a hurdle rate of return as agreed with the partnership.

LTM
Last 12 months

MBI (management buy-in)
A change of ownership, where an incoming management team raises financial backing, normally a mix of equity and debt, to acquire a business.

MBO (management buyout)
A change of ownership, where the incumbent management team raises financial backing, normally a mix of equity and debt, to acquire a business it manages.

MOIC
Multiple on invested capital – is one of the performance measurements for private fund investing. It is calculated by dividing the sum of a fund's realised and unrealised value by the total amount invested.

NAV (net asset value per share) (APM)
This is the value of HgT's assets attributable to one ordinary share. It is calculated by dividing 'shareholders' funds' by the total number of ordinary shares in issue. For example, as at 31 December 2024, shareholders' funds were £2,497,071,000, with 457,728,500 ordinary shares in issue; the NAV was therefore 545.5 pence per ordinary share. Shareholders' funds are calculated by deducting current and long-term liabilities, and any provision for liabilities and charges, from HgT's total assets.

NRR
Net recurring revenue is the proportion of the revenue from existing clients which is secured and will therefore recur in the following calendar year.

P2P (public to private)
The purchase of all of a listed company's shares using a special-purpose vehicle funded with a mixture of debt and unquoted equity.

Performance fee
Equivalent to a performance fee, this represents a share of the capital profits which will accrue to the investment manager, after achievement of an agreed preferred return.

Preferred return
A preferential rate of return on an individual investment or a portfolio of investments.

Premium
A premium occurs when the share price is higher than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price were 600.1 pence and the NAV were 545.5 pence, the premium would be 10%.

Quoted company
Any company whose shares are listed or traded on a recognised stock exchange.

Realisations (APM)
Disposals of portfolio investments in the underlying fund partnerships do not equate to cash flows for HgT. Please see below for reconciling items typical of a fund operation:

Total realisations (Gross fund realisation proceeds, not a HgT cashflow)	£508,405
Performance fee paid (Paid by the underlying fund, not a HgT cashflow)	£(51,351)
Fund facility repayment (Paid out of realisations by the underlying fund, not a HgT cashflow)	£(63,015)
Deferred distributions (Underlying portfolio company realised pre year end but cash distributed to HgT post year end)	£(77,268)
Income received but not recognised as fixed asset investment (Income recognised on an accrued basis in the revenue returns)	£(64,192)
Other (Release of cash held back at the fund for operating purposes from prior realisation events)	£22,481
Disposals to HgT (Distributions from direct fund investments)	£275,060

SASB
The Sustainability Accounting Standards Board

SBTi
Science based targets initiative. Science-based targets show businesses how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change.

SBTi: sciencebasedtargets.org/

Share-split
A share-split (or stock-split) is the process by which a company divides its existing shares into multiple shares. Although the number of shares outstanding increases, the total net asset value of the shares remains the same as before.

HgT completed a 10:1 share-split in May 2019.

TCFD
Task Force on Climate-related Financial Disclosures. The Financial Stability Board created TCFD to improve and increase reporting of climate-related financial information.

Total ongoing charges (APM)
Please refer to page 92.

Total return (APM)
The total return to shareholders comprises both changes in HgT's NAV or share price and dividends paid to shareholders; it is calculated on the basis that all historic dividends have been reinvested in HgT's shares on the date the dividend is paid.

UNPRI
Principles of Responsible Investment. The PRI is the world's leading proponent of responsible investment.

Unquoted company
Any company whose shares are not listed or traded on a recognised stock exchange.

VCD
Value creation diagnostic

VDD
Vendor due diligence

Venture capital
Investing in companies at a point in that company's life cycle which is at the concept, start-up or early stage of development.

Notice of Annual General Meeting

This document is important and requires your immediate attention. If you are in any doubt about any aspect of the proposals referred to in this document or about the action which you should take, you should seek your own advice immediately from a stockbroker, solicitor, accountant or other independent professional adviser. If you have sold or otherwise transferred all of your shares, please pass this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer, so they can pass these documents to the person who now holds the shares.

HgCapital Trust plc (incorporated and registered in England and Wales under number 01525583)

Directors:
Jim Strang
John Billowits
Richard Brooman
Helena Coles
Pilar Junco
Erika Schraner

Registered Office:
2 More London Riverside, London, SE1 2AP

Annual General Meeting 2025

I am pleased to present the Notice of the Annual General Meeting (AGM) of HgCapital Trust plc (HgT) which will be held at **the Hilton London Tower Bridge, 5 More London Place, Tooley Street, London, SE1 2BY** on 14 May 2025 at 11.00 a.m. to transact the business set out in the resolutions in this Notice of AGM. The purpose of this letter is to explain certain elements of that business. We are pleased to be able to welcome our shareholders at our AGM. Those of our shareholders who will not be able to attend the meeting in person are encouraged to submit a proxy vote in advance of the meeting. All resolutions will be voted on by a poll. A form of proxy for use at the AGM is enclosed with this document or can be requested from the Company Secretary (HgCapitalSecretarial@cm.mpms.mufg.com). To be valid, the form of proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, to reach HgT's registrars, Computershare Investor Services PLC (Computershare), no later than 48 hours before the time of the AGM, or any adjournment of that meeting. The results of the AGM business will be posted on hgcapitaltrust.com and announced to the market via the London Stock Exchange.

Should you wish to ask the Board or HgT's investment manager any questions, please feel free to do so by either email to: investorrelations@hgcapital.com, or by post, by writing to HgT at 2 More London Riverside, London, SE1 2AP. Those questions which are submitted before 13 May 2025 will be answered ahead of the AGM, and we will endeavour to answer any questions subsequently received as soon as possible.

Any changes to the arrangements for the AGM will be communicated to shareholders before the meeting through our website hgcapitaltrust.com and, where appropriate, by an announcement on the London Stock Exchange.

Resolution 1 – To receive the Annual Report and Financial Statements

The Directors are required to present the financial statements, Strategic Report, Directors' Report and Auditor's Report to the meeting. These are contained in HgT's Annual Report and Accounts for the year ended 31 December 2024 (the Annual Report). A resolution to receive the financial statements, together with the Strategic Report, Directors' Report and the Auditor's Report on those accounts is included as an ordinary resolution.

Resolution 2 – Remuneration Report

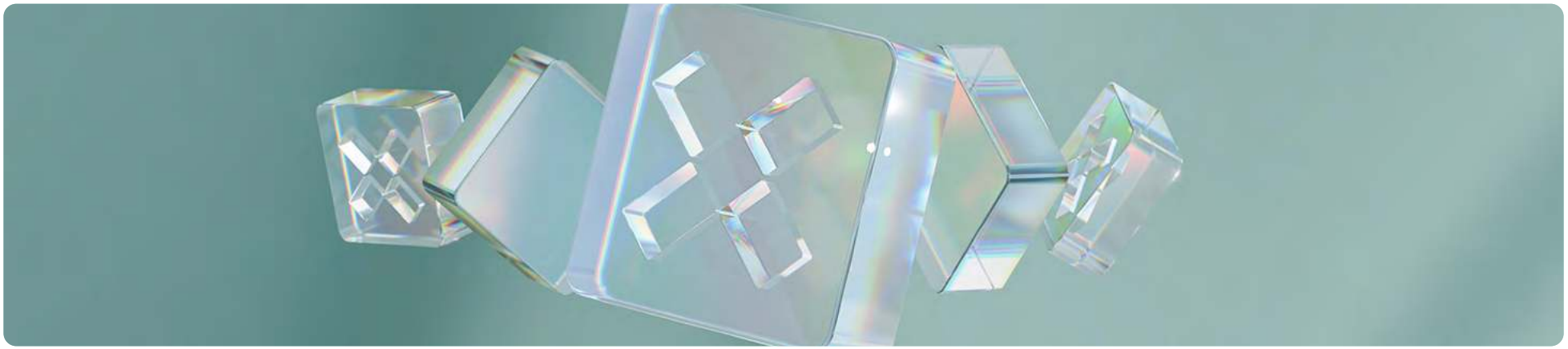
An advisory resolution to approve the Directors' Remuneration Report (set out in the Annual Report) is included as an ordinary resolution.

Resolution 3 – Final dividend

The Board proposes a final dividend of 3.5 pence per share in respect of the year ended 31 December 2024. If approved, the recommended final dividend will be paid on 19 May 2025 to all ordinary shareholders who are on the register of members on 21 March 2025. The shares will be marked ex-dividend on 20 March 2025.

Resolutions 4 to 9 – Election and Re-election of Directors

In line with the recommendations of the 2024 AIC Corporate Governance Code, all Directors of HgT are required to retire and offer themselves for re-election at each AGM. In accordance with this requirement, Dr Strang, Mr Brooman, Ms Coles, Ms Junco and Ms Schraner will retire and offer themselves for re-election as Directors and Mr Billowits will offer himself for election as a Director. Full biographies of all of the Directors are set out in the Annual Report on pages 86 and 87 and are also available on HgT's website hgcapitaltrust.com. The Nomination Committee considered the Directors' performance and recommended their re-election and the Board agrees that it is in the best interests of shareholders that each of the Directors be re-elected.



Directors' tenure

Richard Brooman, our Chairman of the Audit, Valuation and Risk Committee has served on the Board since 2007, and, through his corporate memory, in depth knowledge of HgT and extensive experience of working with the Manager and other investment trusts in general, he continues to provide constructive challenge and robust scrutiny of matters coming before the Board and the AVRC, in particular the valuations of the portfolio firms and negotiating the terms of the Manager's engagement. The Board believes that longer periods of service are not only desirable, but essential for an investment company such as HgT, where the cycles of commitment-investment-realisation and the negotiations of significant, new long-term commitments can extend over a period of up to ten years or longer. It is important that the Board is able to maintain its long-term perspective, supported by a long corporate memory, balanced with the regular challenge provided by fresh thinking.

Our revised longer-term succession plan now sees Richard retiring at HgT's 2026 AGM, subject to HgT's shareholders approving his re-elections at the 2025 AGM. We will continue to listen to shareholders' feedback on Richard's tenure, we also continue to consider the level of support for Richard's re-election at HgT's AGMs. At the AGM in 2024, over 94% of votes cast were in support of his re-election, suggesting good support. In addition, every year the Board evaluates the effectiveness of the Audit, Valuation and Risk Committee and Richard as the Chairman of that Committee. The work of the AVRC and Richard as its Chairman continues to receive strong positive feedback. More on the results of the evaluation can be found on page 89.

With that in mind, in the Committee's and the Board's opinion, Richard continues to effectively support HgT and his appointment is in the best interests of our shareholders. Despite the length of his current tenure, we consider Richard to remain independent of Hg; he is also free from any business or other relationships which could materially interfere with his decision making.

Directors' biographies: pages 86 and 87

Succession planning: page 107

Resolutions 10 and 11 – Re-appointment and remuneration of auditor

At each meeting at which HgT's financial statements are presented to its members, HgT is required to appoint an auditor to serve until the next such meeting. The Board, on the recommendation of the Audit, Valuation and Risk Committee, recommends the re-appointment of Grant Thornton UK LLP as auditor to HgT, and this will be proposed to the AGM as Resolution 10. Resolution 11 authorises the Directors to fix the auditor's remuneration.

Resolution 12 – Duration of the trust

In line with HgT's Articles of Association, the Board proposes an ordinary resolution to continue the life of HgT for a further five years. Such resolution was last approved by shareholders at the AGM in May 2020 and consequently a resolution to extend the life of HgT for a further five years is being put to a vote this year and, if approved, every fifth year thereafter. If the resolution to continue the life of HgT is not approved, a General Meeting will be convened within six months after the date of the AGM to put forward proposals for the reorganisation or reconstruction of HgT.

Resolution 13 – Amendment of Investment Policy

Resolution 13 is an ordinary resolution to amend HgT's investment policy. The proposed amendments to the investment policy seek to describe, more clearly and precisely, the route by which HgT currently invests. It remains the Board's intention to continue to invest in, or alongside, Hg's private funds, in opportunities where the Manager believes that it can add value. The purpose of change in the 'Leverage' section is to clarify the language – HgT's Articles restrict HgT's ability to borrow more than twice HgT's share capital reserves, they do not restrict the minimum level of gearing.

The version of the investment policy, that shows the changes the Board would like to propose to our shareholders for approval at the 2025 AGM is set out in Appendix 1 to the Notice of AGM on page 121.

Resolution 14 – Authority to allot ordinary shares

Resolution 14 authorises the Board to allot ordinary shares generally and unconditionally in accordance with Section 551 of the Companies Act 2006 (the Act) up to an aggregate nominal value of £3,814,404, representing approximately one-third (33.33%) of the issued ordinary share capital at the date of the Notice. No shares are held in treasury.

No ordinary shares will be issued at a price less than the prevailing net asset value per ordinary share at the time of issue, other than on a pre-emptive basis or with the prior consent of Shareholders provided in accordance with the Listing Rules. This authority shall expire at the next AGM of HgT.

Resolution 15 – Authority to disapply pre-emption rights

Resolution 15 is a special resolution which is being proposed to authorise the Directors to disapply the pre-emption rights of existing Shareholders in relation to issues of ordinary shares under Resolution 14, in respect of ordinary shares up to an aggregate nominal value of £1,144,321, representing approximately 10% of HgT's issued ordinary share capital as at the date of the Notice.

No issuance of ordinary shares without pre-emption rights will be made at a price less than the prevailing net asset value per ordinary share at the time of issue. This authority shall expire at the next AGM of HgT.

Resolution 16 – Purchase of own shares

Resolution 16 is a special resolution which will grant HgT authority to make market purchases of up to 68,613,502 ordinary shares, representing 14.99% of the ordinary shares in issue as at the date of the Notice. The ordinary shares bought back will either be cancelled or placed into treasury, at the determination of the Directors.

The maximum price which may be paid for each ordinary share must not be more than the higher of (i) 105% of the average of the mid-market values of the ordinary shares for the five business days before the purchase is made or (ii) the higher of the price of the last independent trade and the highest current independent purchase bid for a share of HgT on the trading venues where the market purchases by HgT, pursuant to the authority conferred by this Resolution 16, will be carried out. The minimum price which may be paid for each Ordinary share is £0.025.

There are currently no shares held in treasury by HgT. In addition, the Directors would not exercise the authority granted under this resolution, unless they consider it to be in the best interests of shareholders, which may include addressing any significant imbalance between the supply and demand for HgT's ordinary shares and to manage any discount to net asset value at which the ordinary shares trade. Purchases would be made in accordance with the provisions of the Act and the Listing Rules. This authority shall expire at the next AGM of HgT, when a resolution to renew the authority will be proposed. HgT currently intends that any ordinary shares repurchased would be held in treasury, subject to applicable law and regulation.

Action to be taken

All shareholders are encouraged to submit a proxy vote in advance of the meeting. Forms of Proxy should be returned so as to be received by HgT's Registrar, Computershare, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, no later than 11 am on 12 May 2025. Alternatively, you may appoint a proxy electronically via investorcentre.co.uk/eproxy by following the instructions on that website or, if you hold your shares in CREST, via the CREST system. Please note that all proxy appointment forms should reach HgT's registrar, Computershare, by no later than 11 am on 12 May 2025. If you hold your shares through a nominee service, please contact the nominee service provider about the process for giving voting instructions.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by HgT and approved by the Registrar. For further information regarding Proxymity, please go to proxymity.io. Your proxy must be lodged by 11 am on 12 May 2025 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Recommendation

Full details of the above resolutions are contained in the Notice. The Directors consider that all of the resolutions to be proposed at the AGM are in the best interests of HgT and its members as a whole. The Directors unanimously recommend that Shareholders vote in favour of all of the resolutions.

Jim Strang
Chairman, HgCapital Trust plc
7 March 2025

Notice is hereby given that the **Annual General Meeting of HgCapital Trust plc (HgT) will be held at Hilton London Tower Bridge, 5 More London Place, Tooley Street, London, SE1 2BY, on 14 May 2025 at 11.00 am** to transact the business set out in the resolutions below.

Resolutions 1 to 14 will be proposed as ordinary resolutions; this means that for each of those ordinary resolutions to be passed, more than half of the votes cast must be in favour. Resolutions 15 and 16 will be proposed as special resolutions; this means that, for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour.

Ordinary resolutions

1. To receive HgT's annual financial statements for the year ended 31 December 2024, together with the Directors' Report, the Strategic Report and the Auditor's Report on those financial statements.
2. To approve the Directors' Remuneration Report set out on pages 109 to 111 of HgT's Annual Report and Accounts for the financial year ended 31 December 2024.
3. To declare a final dividend of 3.5 pence per share in respect of the year ended 31 December 2024.
4. To elect John Billowits as a Director.
5. To re-elect Richard Brooman as a Director.
6. To re-elect Helena Coles as a Director.
7. To re-elect Pilar Junco as a Director.
8. To re-elect Erika Schraner as a Director.
9. To re-elect Jim Strang as a Director.
10. To re-appoint Grant Thornton UK LLP as auditor of HgT, to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting at which financial statements are laid before HgT.
11. To authorise the Directors to determine the remuneration of the auditor.
12. THAT, HgT continues in existence as an investment trust for a further five year period.
13. THAT, the revised and restated investment policy set out as an appendix to this Notice, a copy of which has been produced to the meeting and signed by the Chairman for the purposes of identification, be approved and is hereby adopted as the investment policy of HgT, to the exclusion of all previous investment policies of HgT.
14. THAT, in accordance with Section 551 of the Companies Act 2006 (the Act), the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of HgT to allot ordinary shares in HgT, up to a maximum aggregate nominal amount of £3,814,404 (being approximately 33.33% of the issued ordinary share capital of HgT at the date of this Notice), such authority (i) to replace any existing authorities in respect of ordinary shares of the Directors pursuant to Section 551 of the Act, which are hereby revoked and (ii) to expire at the conclusion of the next Annual General Meeting of HgT (unless previously renewed, varied or revoked by HgT in a general meeting), save that HgT may, before such expiry, make offers or agreements which would or might require ordinary shares to be allotted after such expiry and the Directors may allot ordinary shares in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired.

Special resolutions

15. THAT, subject to the passing of Resolution 14, and in accordance with Sections 570 and 573 of the Act, the Directors be and are hereby generally empowered to allot equity securities (as defined in Section 560(1) of the Act) for cash, pursuant to the authority conferred on the Directors by Resolution 14 and to sell ordinary shares from treasury for cash, as if Section 561 of the Act did not apply to any such allotment or sale, up to an aggregate nominal amount of £1,144,321 (being approximately 10% of the issued ordinary share capital of HgT at the date of this Notice), such power to expire at the conclusion of the next Annual General Meeting of HgT (unless previously renewed, varied or revoked by HgT in general meeting) save that HgT may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require ordinary shares to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell ordinary shares from treasury in pursuance of such an offer or agreement as if such power had not expired.
16. THAT, HgT be and is hereby generally and unconditionally authorised for the purpose of Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares in the capital of HgT, provided that:
    a. the maximum number of ordinary shares which may be purchased is 68,613,502 (representing approximately 14.99% of the issued ordinary share capital of HgT as at the date of this Notice);
    b. the minimum price, exclusive of any expenses, which may be paid for each ordinary share is the nominal value of that ordinary share;
    c. the maximum price, exclusive of any expenses, which may be paid for each ordinary share is an amount equal to the higher of:
        i. 105% of the average of the mid-market values of the ordinary shares for the five business days before the purchase is made; and
        ii. the higher of the price of the last independent trade of an ordinary share and the highest current independent purchase bid for such a share on the trading venues where the market purchases by HgT, pursuant to the authority conferred by this Resolution 16 will be carried out,

    provided that all ordinary shares purchased pursuant to the said authority shall:
        i. be cancelled immediately upon completion of the purchase; or
        ii. be held, sold or otherwise dealt with as treasury shares, in accordance with the provisions of the Act.

    This authority shall expire at the conclusion of the next Annual General Meeting of HgT (unless previously revoked, varied, renewed or extended by HgT in general meeting) save that HgT may, before such expiry, enter into a contract to purchase shares which will or may be executed wholly or partly after the expiry of such authority.

By order of the Board
MUFG Corporate Governance Limited
Company Secretary
7 March 2025

Registered Office:
2 More London Riverside
London SE1 2AP

Important notes

The following notes explain your general rights as a shareholder and your right to attend and vote at this Annual General Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Annual General Meeting (and for the purposes of the determination by HgT of the votes they may cast), members must be registered in the Register of Members of HgT at 6.00pm on 12 May 2025 (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting excluding non-working days). Changes to the Register of Members of HgT after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member, but must attend the Annual General Meeting to represent you. Details of how to appoint the Chairman of the Annual General Meeting or another person as your proxy, using the proxy form, are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Annual General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

   If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by HgT and approved by the Registrar. For further information regarding Proxymity, please go to proxymity.io. Your proxy must be lodged by 11am on 12 May 2025 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
3. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting HgT's registrars, Computershare, helpline on 0370 707 1037 or you may photocopy the proxy form. Please indicate in the box next to the proxy holder's name, the number of shares in relation to which they are authorised to act as your proxy. Please also indicate, by ticking the box provided, if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
4. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in HgT's register of members, in respect of the joint holding (the first-named being the most senior).
5. A personalised form of proxy is enclosed with Shareholders' copies of this document. To be valid, it should be lodged with HgT's registrars, Computershare, The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to be received no later than 48 hours (excluding non-working days) before the time appointed for the Annual General Meeting or any adjourned meeting or, in the case of a poll taken subsequent to the date of the Annual General Meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
6. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of HgT. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same share:

   a. if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; or

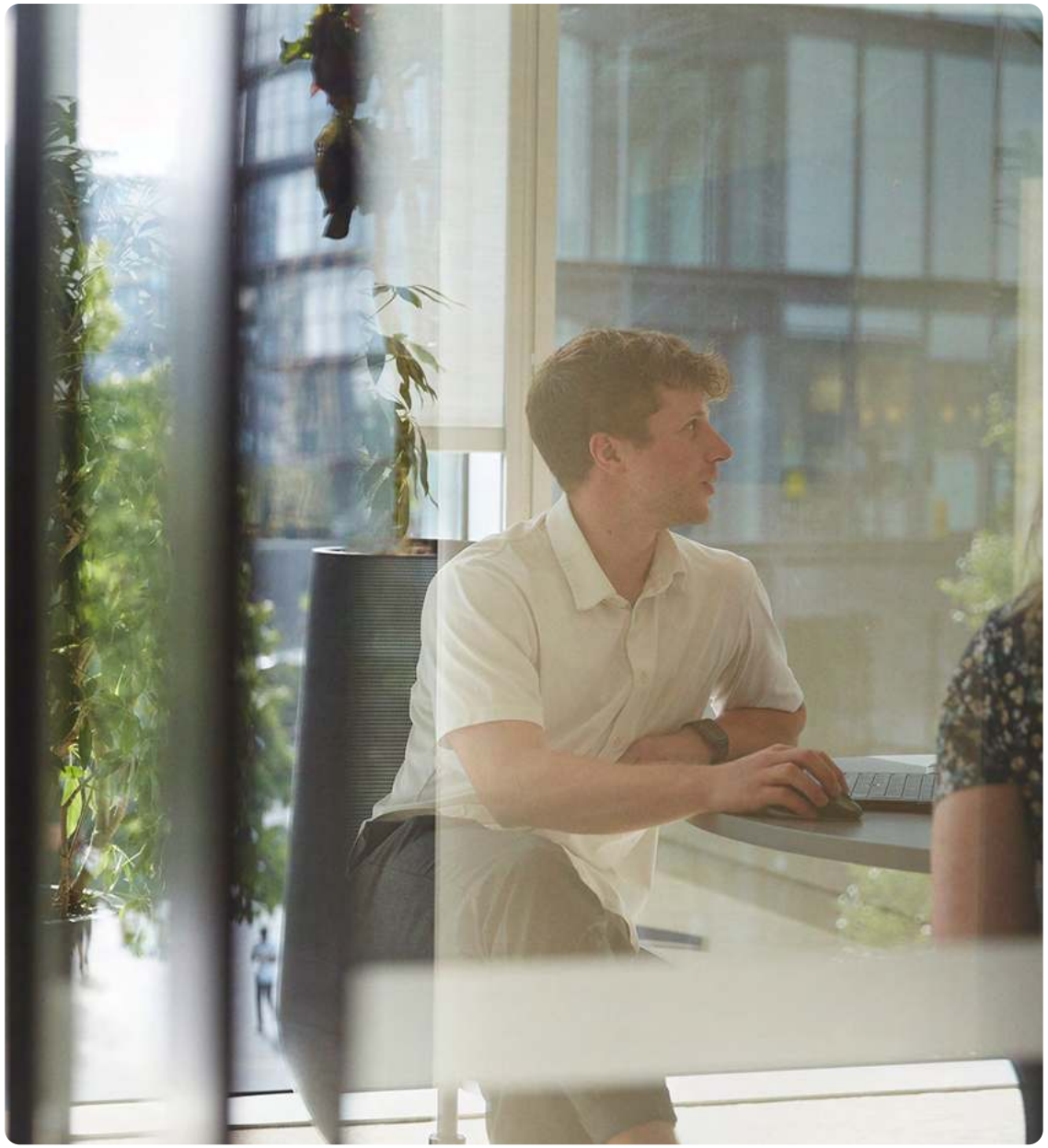
   b. if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.
7. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in notes 2 above concerning the appointment of a proxy or proxies to attend the Annual General Meeting in place of a member, do not apply to a Nominated Person, as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the Annual General Meeting.
8. Nominated persons should also remember that their main point of contact in terms of their investment in HgT remains the member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker regarding any changes or queries relating to the Nominated Person's personal details and interest in HgT (including any administrative matters). The only exception to this is where HgT expressly requests a response from a Nominated Person.
9. Appointment of a proxy will not preclude a member from subsequently attending and voting at the Annual General Meeting should the member subsequently decide to do so. A member can only appoint a proxy by using the procedures set out in these notes and the notes to the proxy card. The termination of the authority of a person to act as a proxy must be notified to HgT in writing. Amended instructions must be received by Computershare by the deadline for receipt of proxies. Should a member wish to appoint a proxy electronically, such proxy appointment must be registered electronically at investorcentre.co.uk/eproxy, so as to be received no later than 48 hours (excluding non-working days) before the time appointed for the Annual General Meeting or any adjourned meeting or, in the case of a poll taken subsequent to the date of the Annual General Meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed to take the poll. To vote electronically, you will be asked to provide the Control Number, Shareholder Reference Number (SRN) and PIN, details of which are contained in the personalised proxy card

enclosed. This is the only acceptable means by which proxy instructions may be submitted electronically.

10. If your shares are held through a broker or a nominee service, you will need to ask your broker or nominee to appoint you as either a proxy or as a corporate representative. If they appoint you as a proxy, the appointment must be notified to the HgT Registrar, Computershare, by the appropriate deadline (see details in Note 5). If your broker or nominee appoint you as a corporate representative, they will need to write a letter to the HgT Registrar, Computershare, setting out the details of the appointment and of your shareholding, and you will need to bring the letter with you to the meeting along with photographic proof of identity. Alternatively, you can email the Company on SecretaryHgCapitalSecretarial@cm.mpms.mufg.com.
11. As at 7 March 2025 HgT's issued share capital consists of 457,728,500 ordinary shares, with none held in treasury. The total number of voting rights in HgT is therefore 457,728,500.
12. A copy of the Notice of Annual General Meeting and the information required by Section 311A of the Companies Act 2006 is included on HgT's website, hgcapitaltrust.com.
13. Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the Annual General Meeting which, relates to the business of the Annual General Meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the Annual General Meeting or involve disclosure of confidential information; (b) if the answer has already been given on HgT's website; or (c) if it is undesirable in the best interests of HgT or the good order of the Annual General Meeting.
14. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require HgT to publish a statement on its website setting out any matter relating to (a) the audit of HgT's accounts (including the auditor's report and the conduct of the audit) which are to be laid before the Annual General Meeting; or (b) any circumstances connected with an auditor of HgT ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the Annual General Meeting. HgT cannot require the members requesting the publication to pay its expenses. Any statement required to be placed on the website must also be sent to HgT's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that HgT has been required to publish on its website.
15. Members satisfying the thresholds in section 338 of the Companies Act 2006 may require HgT to give, to members of HgT entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Annual General Meeting. A resolution may properly be moved at the Annual General Meeting unless (a) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or HgT's constitution or otherwise); (b) it is defamatory of any person; or it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by HgT no later than six weeks before the date of the Annual General Meeting.
16. Members satisfying the thresholds in section 338A of the Companies Act 2006 may request HgT to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Annual General Meeting. A matter may properly be included in the business at the Annual General Meeting unless (a) it is defamatory of any person or (b) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by HgT no later than six weeks before the date of the Annual General Meeting.
17. By attending the Annual General Meeting, members and their proxies and representatives are understood by HgT to have agreed to receive any communications relating to HgT's shares made at the Annual General Meeting.
18. You may not use any electronic address provided in either this Notice or any related documents (including the Form of Proxy) to communicate with HgT for any purposes other than those expressly stated.
19. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual, which is available to download from the Euroclear website (euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
20. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the Issuer's agent (3RA50) by the latest time for receipt of proxy appointments specified in note 4 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
21. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service

provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

22. HgT may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.
23. The Annual Report incorporating this notice of Annual General Meeting, details of the number of shares in respect of which members are entitled to exercise voting rights at the Annual General Meeting as at 7 March 2025 (the business day prior to publication of this notice) and, if applicable, any members' statements, members' resolutions or members' matters of business received by HgT after the dates of this notice will be available on HgT's website: hgcapitaltrust.com.
24. None of the Directors has a contract of service with HgT. A copy of the terms and conditions of appointment of Directors is available for inspection at the registered office of HgT during usual business hours on any weekday (except weekends and public holidays).
25. Personal data provided by shareholders at or in relation to the Meeting will be processed in line with HgT's privacy policy.



Appendix 1

Updated Investment policy

The policy of HgT is, in summary, to invest **in or alongside private funds managed by Hg, which in turn invest**~~;~~ ~~**directly or indirectly,**~~ in a portfolio of ~~**unlisted**~~ companies, where Hg believes that it can add value through increasing organic growth, generating operational improvements, driving margin expansion, reorganisation or acquisition – to achieve scale. **In this way**, HgT seeks to maximise its opportunities and reduce investment risk by holding a spread of businesses diversified by end-market and geography. ~~**The company's investment policy is set out, in full, in the Annual Report**~~.

Risk management

HgT has adopted formal policies to control risk arising through excessive leverage or concentration. HgT's maximum exposure to ~~**unlisted**~~ **unquoted** investments is 100% of the gross assets of HgT from time to time. On investment, no investment in a single business will exceed a maximum of 20% of gross assets. HgT may invest in other listed closed-ended investment funds, up to a maximum at the time of investment of 15% of gross assets.

Sectors and markets

HgT's policy is to invest, **directly or indirectly**, in businesses in which Hg can work collaboratively with management teams to help those businesses achieve their full potential and grow, organically and inorganically. HgT's investments are focused on a range of specific sub-sectors within the software and technology-enabled business services in industry verticals where Hg can utilise the full extent of its knowledge and experience. The businesses HgT invests in often operate across multiple countries but are substantially headquartered in Europe, with a minority based in North America**.** ~~**HgT may, from time to time, invest directly in private equity funds managed by Hg where it is more economical and practical to do so.**~~

Leverage

Each underlying investment is usually leveraged, but no more than its own cash flow can support, in order to enhance value creation; it is impractical to set a maximum for such gearing across the portfolio as a whole. HgT commits to invest in new opportunities in order to maintain the proportion of gross assets which are invested at any time, but monitors such commitments carefully against projected cash flows.

HgT has the power to borrow and to charge its assets as security. The articles restrict HgT's ability (without shareholders' approval) to borrow **no** more than twice HgT's share capital and reserves, allowing for the deduction of debit balances on any reserves.

Hedging

Part of HgT's portfolio is located outside of the UK, predominantly in northern Europe, with a further part in businesses which operate in US dollars. HgT may therefore hold investments valued in currencies other than sterling. From time to time, HgT may put in place hedging arrangements with the objective of protecting the sterling translation of a valuation in another currency. Derivatives are also used to protect the sterling value of the cost of investment made or proceeds from realising investments in other currencies, between the exchange of contracts and the completion of a transaction.

Commitment strategy

HgT employs a commitment strategy to ensure that its balance sheet is managed efficiently. The level of commitment is regularly reviewed by the Board and Hg.

Liquid funds

HgT maintains a level of liquidity to ensure, as far as can be forecast, that it can participate in all investments made by Hg throughout the investment-realisation cycle. At certain points in that cycle, HgT may hold substantial amounts of cash awaiting investment. HgT may invest its liquid funds in government or corporate debt securities, or in bank deposits, in each case with an investment grade rating, or in managed liquidity funds which hold investments of a similar quality.

If there is surplus capital and conditions for new investment appear to be unfavourable, the Board will consider returning capital to shareholders, probably through the market purchase of shares.

Any material change to HgT's investment objective and policy will be made only with the approval of shareholders in a general meeting.

Board, management and administration

Directors
Jim Strang
(Chairman)
John Billowits (joined on 16 May 2024)
Richard Brooman
(Chairman of the Audit, Valuation and Risk Committee)
Helena Coles
(Chair of the Management Engagement Committee)
Pilar Junco
Erika Schraner
(Senior Independent Director)

Company secretary
Link Company Matters Ltd
Central Square
29 Wellington Street
Leeds
LS1 4DL
Telephone: +44 (0)333 300 1950
companymatters.co.uk

Registered office
2 More London Riverside
London
SE1 2AP

Registered number
01525583

Website
hgcapitaltrust.com

Investment manager
Hg Pooled Management Ltd[1]
2 More London Riverside
London
SE1 2AP
Telephone: +44 (0)20 8396 0930
hgcapital.com

Registrars and transfer office
Computershare Investor Services PLC[1]
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Telephone: +44 (0)370 707 1037
computershare.com/uk

Broker
Deutsche Numis Securities Ltd[1]
45 Gresham Street
London
EC2V 7BF
Telephone: +44 (0)20 7260 1000
dbnumis.com/

Auditor
Grant Thornton UK LLP[1]
30 Finsbury Square
London
EC2A 1AG
Telephone: +44 (0)20 7383 5100
grantthornton.co.uk

Legal adviser
Dickson Minto LLP
16 Charlotte Square
Edinburgh
EH2 4DF
Telephone: +44 (0)131 225 4455
dicksonminto.com

Bank
The Royal Bank of Scotland International Ltd
440 Strand
London
WC2R 0QS
Telephone: +44 (0)20 7085 5000
rbsinternational.com

Administrator
Hg Pooled Management Ltd[1]
2 More London Riverside
London
SE1 2AP
Telephone: +44 (0)20 8396 0930
hgcapital.com

Depositary
Apex Depositary (UK) Ltd[1]
6th Floor
140 London Wall
London
EC2Y 5DN
Telephone: +44 (0)20 3697 5353
apexgroup.com

AIC
Association of Investment Companies
theaic.co.uk
The AIC represents closed-ended investment companies. It helps its member companies through lobbying, media engagement, technical advice, training and events.
The AIC's website includes information about investments via investment companies, including investments in listed private equity companies.

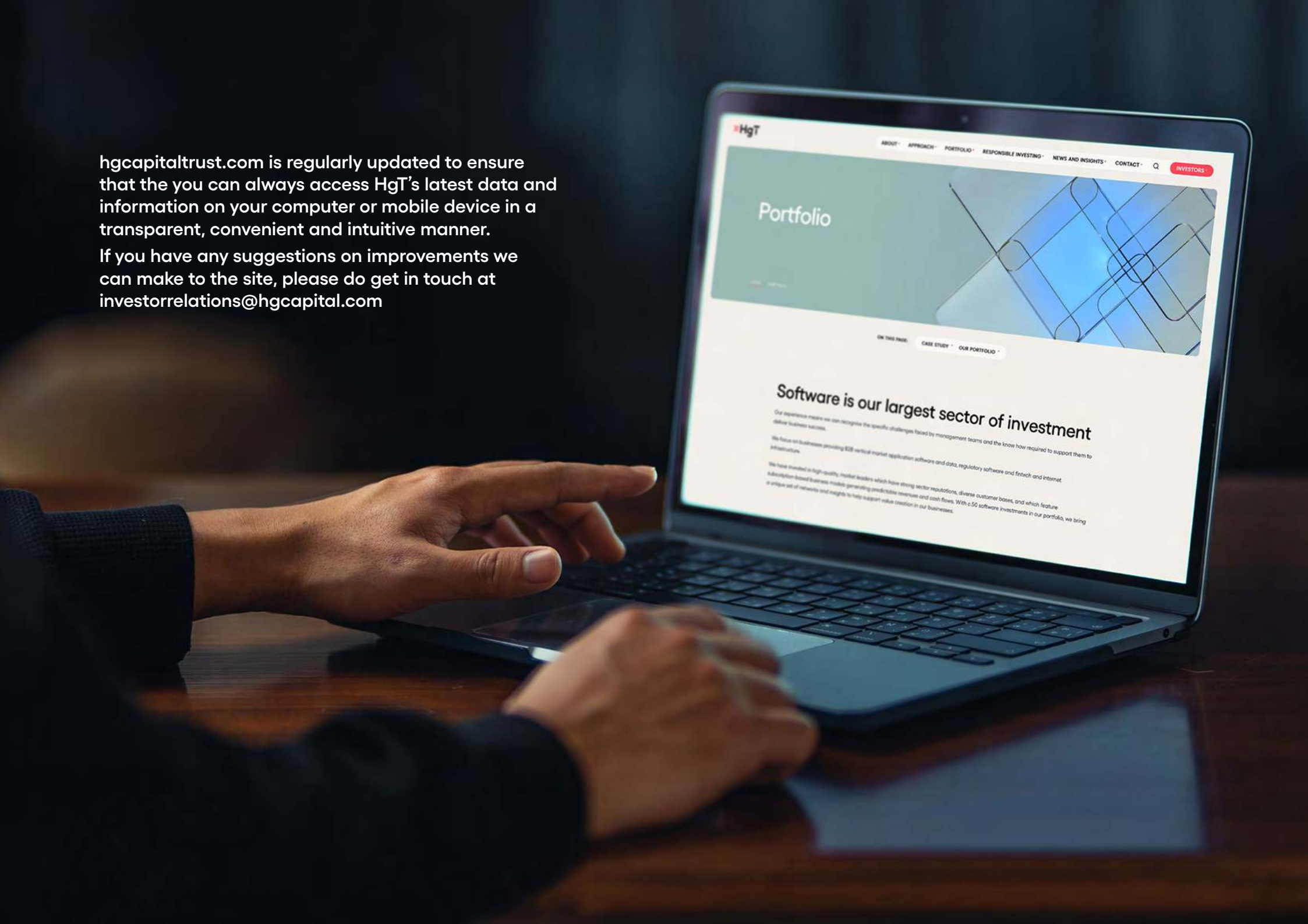
[1] Authorised and regulated by the Financial Conduct Authority.

Past performance is not necessarily a guide to future performance. The value of investment and income from them may go down as well as up and are not guaranteed.
Certain statements in this report are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expected or implied by those statements. Statements regarding past trends or activities should not be taken as representations that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.

For your notes

hgcapitaltrust.com is regularly updated to ensure that the you can always access HgT's latest data and information on your computer or mobile device in a transparent, convenient and intuitive manner.

If you have any suggestions on improvements we can make to the site, please do get in touch at investorrelations@hgcapital.com



HgT
hgcapitaltrust.com