BLACKFINCH INVESTMENTS

BLACKFINCH ADAPT AIM INCOME

Investee Company Recommended Takeover

RAMSDENS

The Alternative Investment Market (AIM) continues to provide access to capital for high-growth, entrepreneurial businesses in the UK. Despite volatile macroeconomic conditions throughout the first half of 2026, corporate activity continued at pace on AIM. Funds raised on AIM, excluding the significant Rosebank raises, were strong, and if repeated in H2 would represent a five year high, according to Allenby Capital's H1 2026 AIM Market update. Valuations remained undemanding, with seven companies acquired in H1 2026. A further six have received bids but have yet to complete. The average bid premium was a strong 62%.

Ramsdens Holdings is the latest Income Portfolio investee company to experience a takeover approach. Ramsdens is a diversified financial services provider and retailer that we have held since the initial listing in 2017. The company is being acquired by FirstCash Holdings, which is an international pawn store operator. An initial recommended offer came in at 600 pence per share in June 2026, before the final recommended cash offer of 675 pence per share was announced in July. This represented an approximate 49% premium to the undisturbed price. FirstCash believes it can support and accelerate Ramsden's growth given its established international network and track record as a leading pawnbroking operator with more than 3,300 locations in the US, Latin America and UK. This deal follows on from FirstCash entering the UK market through its 2025 acquisition of H&T.

Since listing on AIM, Ramsdens has delivered consistent operational growth, expanding to more than 170 stores across the UK and improving its online presence. Recent trading has been strong, driven by a favourable gold price environment. It reported a record H1 this year with revenue rising 62%. Due to the size of the position, we decided to sell out of Ramsdens in two tranches, allowing us to reinvest the proceeds into multiple new ideas.

Looking forward, our medium-term outlook for AIM is positive. Valuations remain at undemanding levels, with takeovers continuing at pace, highlighted by the Ramsdens deal. In aggregate, trading performance remains strong, with most companies meeting or beating market expectations. We note that macroeconomic and geopolitical risks may continue to drive near term returns and we continue to monitor the ongoing conflict in the Middle East closely. The upcoming UK Autumn Budget may also result in some volatility, with ongoing uncertainty around new Prime Minister Andy Burnham's potential fiscal decisions. However, we believe that investing in a well-diversified portfolio of dividend paying companies with sound balance sheets, pricing power and good growth potential should be well placed to navigate any near-term volatility and provide the opportunity for capital appreciation over the medium term.

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Learn more about the Blackfinch Adapt AIM Portfolios at www.blackfinch.investments/aim/

IMPORTANT INFORMATION