

Your capital is at risk. Past performance is not a guide to future returns.

Alexander Nicolier: Looking back, 2025 was a strong year for Schiehallion and its shareholders. Net asset value and share price both increased by approximately 30%, driven by significant operational progress across the portfolio, especially in our largest holdings, SpaceX and Bending Spoons.

SpaceX achieved multiple milestones this year. Its largest rocket system in development, called Starship, deployed its first payload in orbit. This means that it's one step closer to becoming a fully operational system, one that has the potential to further reduce costs and expand what is possible in space, from manufacturing to logistics.

Starlink, SpaceX's satellite constellation, deployed its 10,000th satellite, an incredible achievement when we first invested in 2019. The thought of building such a vast constellation felt almost like science fiction. Today, Starlink serves millions of customers. Here in the UK, EE is now partnering with Starlink to bring connectivity to remote areas, and next year the service will roll out with major airlines including British Airways, Emirates and Virgin Atlantic.

Bending spoons, the Italian acquirer, also had a standout year. We invested in the company in 2023, shortly after their largest acquisition at the time, the note-taking app Evernote. Part of the thesis, which was unproven then, was whether Bending Spoons could run multiple acquisitions in parallel and move beyond consumer apps and successfully integrate larger businesses. Over the past two years, it's done exactly that.

In 2025 alone, Bending Spoons acquired well-known companies such as Vimeo, AOL, Eventbrite, and Meetup, and we can't wait to see how it will improve these businesses operationally and financially, just as it has done with Evernote. Bending spoons is valued at around \$11 billion today, more than ten times the valuation at our initial investment. And yet it could be worth multiple times that in the future, as we believe there's still a long runway of potential targets to go after.

The fund saw two holdings list during the year. The first was Chime, a US neobank that has challenged the traditional retail banking model by removing common fees and introducing innovative products such as early access to wages. The second was HeartFlow, a data-driven medical technology company that helps clinicians better understand heart disease. Its listing feels like part of a journey for us because just a few years after our investment in 2019, the founder had to step away due to poor health and HeartFlow came very close to failure.

We chose to support a leadership transition, provide additional capital and bring in a specialist investment partner. And those decisions are now paying off handsomely. Schiehallion can continue to hold companies as they transition to public markets. Just over 10% of the fund is invested in public companies that we originally backed when they were private. We assess these holdings in the same way as the rest of the portfolio, while recognising that their increased liquidity can at times provide a useful source of funding.

After quieter years in 2022 and 2023, deployment accelerated in 2024 and 2025, and Schiehallion is now fully invested. Companies are returning to the market in a much better shape, and despite the complex geopolitical landscape, we're seeing attractive opportunities across the US, Europe

and China. During the year, we made seven new investments. Peter Singlehurst spoke about our investment in Anthropic in the last update.

So this time I'd like to spend a moment on RedNote, an idea that originated with our colleagues in Shanghai. RedNote is one of China's largest consumer platforms, with nearly 350 million monthly active users. What attracts these users isn't just content creation and sharing, but the strong sense of community and authenticity that they find on the platform, something that competitors struggle to replicate.

As a result, RedNote has rapidly taken advertising share from rivals like Baidu and Weibo, while also growing its ecommerce presence through strong links with Alibaba. The business is growing revenues at over 50% a year and is already highly profitable. Over the next five years, we believe RedNote could double its user base, expand its influence beyond China, and leverage its vast datasets with the help of AI.

With the quality of potential investments in our pipeline across different geographies and sectors, we're looking forward to introducing you to further exceptional private companies in our updates during 2026.

More broadly, we remain excited about the opportunity to invest in private growth businesses at valuations that continue to look attractive relative to their public peers. With more growth and value creation taking place outside of public markets, our approach remains highly selective, focusing on a small number of companies with outlier potential, the ambition to remain independent, and a clear path to listing.

That is how we aim for Schiehallion to continue offering access to some of the world's most exceptional private growth companies through one single listed vehicle.

The Schiehallion Fund Limited

Annual past performance to 31 December each year (% net)

	2021	2022	2023	2024	2025
The Schiehallion Fund	101.4	-66.8	-21.3	47.3	29.8
Net Asset Value	40.4	-34.2	-0.6	11.1	34.9

Source: Morningstar. Total return in USD. Ordinary shares. Past performance is not a guide for future returns.

The company is a Guernsey domiciled investment company and operates in US Dollars. Share Price and Fund Assets are quoted in US dollars. Performance figures are for US dollar returns and will not reflect returns that would have been achieved in sterling which will be affected by exchange rate movements between the two currencies.

Important information

This communication was produced and approved in January 2026 and has not been updated subsequently. It represents views held at the time of writing and may not reflect current thinking.

The Company's shares are admitted to trading on the Specialist Fund Segment of the London Stock Exchange. Investments that are subject to low trading volume, lack of a market maker, or regulatory restrictions may not be possible to sell at a particular time or at an acceptable price.

Large positions held in securities of particular issues may decrease the liquidity of any investments. Risk is increased by holding fewer investments than a typical fund and the effect of this, together with a long -term approach to investment, could result in large movements in the share price.

Private Company assets may be more difficult to buy or sell, so changes in their prices may be greater. There is no guarantee that private companies will become publicly traded companies in the future. The price of the Company's shares may be highly volatile and at a discount to the Company's net asset value per share. Shareholdings in the Company are likely to be illiquid.

This communication should not be considered as advice or a recommendation to buy, sell or hold a particular investment. This communication contains information on investments which does not constitute independent investment research. Accordingly, it is not subject to the protections afforded to independent research and Baillie Gifford and its staff may have dealt in the investments concerned.

Baillie Gifford & Co and Baillie Gifford & Co Limited are authorised and regulated by the Financial Conduct Authority (FCA). The Schiehallion Fund is listed on the Specialist Fund Segment of the London Stock Exchange and are not authorised or regulated by the FCA. The value of its shares, and any income from them, can fall as well as rise and investors may not get back the amount invested. A Key Information Document is available at bailliegifford.com.

Australia

Baillie Gifford Overseas Limited (ARBN 118 567 178) is registered as a foreign company under the Corporations Act 2001 (Cth) and holds Foreign Australian Financial Services Licence No 528911. This material is provided to you on the basis that you are a “wholesale client” within the meaning of section 761G of the Corporations Act 2001 (Cth) (“Corporations Act”). Please advise Baillie Gifford Overseas Limited immediately if you are not a wholesale client. In no circumstances may this material be made available to a “retail client” within the meaning of section 761G of the Corporations Act.

This material contains general information only. It does not take into account any person’s objectives, financial situation or needs.