

30 April 2026

Kelso Group Holdings Plc

("Kelso" or the "Company")

Audited results for the year ended 31 December 2025

Update on investments

Kelso, the main market listed acquisition vehicle, is pleased to announce its full year audited results for the twelve month period ended 31 December 2025 ("FY25").

Kelso has entered its fourth year as a UK-focused listed investment vehicle with a concentrated portfolio, targeting private-equity style returns from public market investments.

Kelso invests in undervalued but established and profitable market-leading UK companies with strong balance sheets. Its eight holdings have an average market cap of c.£400m, ranging from small-cap AIM stocks through to FTSE 250 companies. Kelso seeks to actively support its investee companies through discussions around strategy, capital allocation policies and IR, as well as helping to navigate the market and attract potential new investors. Kelso strongly believes that market prices do not always reflect intrinsic value, and that this inefficiency, which is particularly evident in the UK small and mid-cap sectors, creates an attractive investment opportunity.

The Board collectively owns c.17% of the Company and brings over 150 years of combined City experience across multiple disciplines, including fund management, corporate broking, M&A, law and shareholder activism.

Although Kelso is a permanent capital vehicle, as the Company grows, the Board intends to increase its share buy backs when the shares trade below NAV in order to improve capital returns and support liquidity in the shares for our shareholders.

Kelso continues to build its pipeline of future investments and welcomes ideas for established, profitable and undervalued companies to be sent to info@kelsopl.com.

FY25 Highlights

- Kelso continues to target market leading returns. NAV per share in the year to December 2025 declined from 2.4p to 2.3p before recovering during 2026 to 2.6p as set out below in current trading.
- Over the 12 months to 31 December 2025, three out of four of Kelso's active stocks saw an increase in share price, averaging 24% (TheWorks.co.uk plc ("the Works") +70%, Angling Direct ("Angling Direct") +32%, THG plc ("THG") +2%, and NCC Group plc ("NCC") -8% (before a 3% dividend)).
- Selkirk Group plc ("Selkirk"), the AIM investing shell and representing c.13% of NAV as at 31 December 2025, detracted from performance as its share price fell 35% from 2.85p to 1.85p as at 31 December 2025. However, in 2026 the share price has recovered, rising by 7% to 2.0p. Selkirk retains £7.0m of the £7.1m net proceeds raised on IPO in November 2024. The interest received on the cash deposit exceeds the ongoing costs.
- Operating costs are controlled tightly and continue to be kept to a minimum.

Current trading as at 24 April 2026

Kelso has made a satisfactory start to 2026:

- NAV per share is up c.13% from c.2.3p to c.2.6p as at 24 April 2026, with net assets increasing from c.£10.3m to c.£11.3m. Gross investments stand at approximately c.£15.5m (excluding other assets) with gearing of c.£4.5m. Leverage is around 25%, supported by 5 of our 8 stocks having net cash on their balance sheets.
- Kelso's number of declarable holdings has increased from five to eight, including new positions in Saga plc ("Saga"), CVS Group plc ("CVS") and Filtronic plc ("Filtronic"), with the portfolio split broadly 60% / 40% between the FTSE 250 and AIM.

- The portfolio remains diversified with current positions including NCC Group plc (18%), Saga (15%), CVS (15%), TheWorks (14%), Filtronic (10%), THG plc (10%), Selkirk (9%), Angling Direct (8%).
- Performance of our current holdings since 1 January 2026 is: Filtronic +66%, Saga +51%, The Works +31%, Selkirk +15%, Angling Direct -9%, CVS -10%, NCC -15%, THG -19%.
- Excluding Selkirk, four of the seven investments, representing 47% of the portfolio, have had upgrades to earnings guidance in the last 6 months.
- Two of our last three investments in 2026 have been notable performers. Filtronic is detailed below and Saga which was acquired in December 2025, following a significant further improvement in trading, has seen its share price increase by over 50% this year.
- On 27 April 2026 we announced a new declarable holding in Filtronic PLC, owning 500,000 shares with an average acquisition cost of 183p against a closing price of 296p generating a c.60% unrealised gain to date.
- The portfolio is relatively liquid. The board estimates that c.69% of our holdings by value can be liquidated within 5 days.

Sir Nigel Knowles, Chairman, commented:

'The Board is pleased with a satisfactory start to 2026 and believes the Group has significant further potential for growth. Kelso continues to build a differentiated, concentrated vehicle focussed on undervalued investments in the UK market. Our current size allows us to invest in smaller situations that are inaccessible to larger funds. We believe this agility and our concentrated portfolio will support long-term performance.'

Finally, I wanted to thank our shareholders, both private investors and our institutional holders, for their continued support. The Board is confident that the Group is well positioned to deliver strong returns over the course of 2026 and beyond.'

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Notes to the Editors

Kelso Group Holdings Plc ("Kelso") is a main market investment vehicle, backed by over 75 investors known to the Board alongside a small number of institutions. The Board own approximately 17 per cent of Kelso and between them have more than 150 years of experience in UK listed companies, across fund management, private equity, corporate finance, law and M&A advisory. Kelso's strategy is to hold a concentrated portfolio of fewer than ten UK-listed companies, each of which it considers to be among the most attractive opportunities in the UK small and mid-cap market. Kelso invests only in established, profitable businesses, predominantly market leaders with strong balance sheets. Kelso does not invest in early-stage, speculative or highly cyclical businesses and does not seek resources sector exposure.

Kelso's aim is to generate market leading compounded annual returns for shareholders. The Board is closely aligned with shareholders through its substantial equity ownership. Kelso was established in January 2023 and has raised equity at 2p, 2.5p and subsequently at 3p on two occasions.

Chairman's Statement

Kelso believes that the UK equity market is beyond its inflexion point, presenting a generational opportunity to make significant returns. Established in 2023, Kelso's strategy is to maximise this opportunity through a concentrated portfolio of fewer than ten investments.

Beyond capital allocation, Kelso seeks to unlock value in its investee companies through improved investor relations and strategic guidance, leveraging the Board's extensive experience.

While large scale inflows into UK small and mid-cap funds remain limited, Kelso believes that a highly concentrated, focused investment strategy offers strong value creation potential. Historically, there is a time lag between the FTSE 100 and the FTSE 250 rallying and the small cap stocks following, and we note that over the last 15 months the FTSE 100 is up 28%, the mid cap +13% whilst the small cap is up 10% and AIM up 7%.

I would like to thank our shareholders, including our recent new investors from our December 2025 fundraising, all of which are known to the board, and our new institutions for their support and patience while we build our business.

Sir Nigel Knowles

Chairman

Chief Executive Review

Since inception in November 2022, Kelso has raised c.£10.0 million of gross cash (c.£9.4 million net of expenses). £6 million was raised in 2023, of which £3 million was at 2.0p and £3 million was at 2.5p, £1.9 million was raised in 2024 at 3.0p and most recently £2.05m (gross) was raised at the end of 2025 also at a price of 3.0p. PLC operating costs have been kept to a minimum in these initial few years, helped by the board only drawing very low salaries (c.£0.1 million since inception) and the Company having no property costs. The costs of being listed, which include such costs as accounting and audit, legal and stock exchange fees, have totaled around £1.0 million since inception.

Today, net assets have grown to c.£11.3 million which is c.20% above the net cash raised, and, pre-adjusting for PLC operating costs, net assets have grown c.31% above the net cash raised. We are not suggesting that our return for shareholders has been 31%, but rather that our investment returns have been acceptable whilst we wait for a prolonged UK small and mid-cap recovery. Our run rate operating costs are currently c.1.5% of gross investments.

There are now clear signs that the UK small mid cap market is showing signs of recovery, but it is patchy and not across the whole market. This is why Kelso has a concentrated portfolio of under ten stocks. The 24% average share price rise from the core investments (excluding Selkirk) in 2025 demonstrates the effectiveness of Kelso's stock selection and evaluation processes doing deep due diligence and using 3rd party consultants where appropriate. Overall performance to December 2025 would have been considerably higher but for the temporary underperformance of Selkirk. Any Selkirk transaction will only happen at a premium to its IPO price of 2.4 pence.

As at April 2026:

- NAV has increased c.13% year to date from c.2.3p to c.2.6p. Gross investments are valued at £15.5 million. Net assets are approximately c.£11.3 million (c. 2.6p a share).
- The portfolio remains diversified with current positions including, NCC Group plc (18%), Saga (15%), CVS (15%), TheWorks (14%), Filtronic (10%), THG (10%), Selkirk (9%), Angling Direct (9%).

- Approximately one third of Kelso's portfolio is invested in highly liquid situations, one third in smaller and less liquid opportunities with greater growth potential, and the remaining third in holdings that sit between these two categories. Investments range from the smaller end of the AIM Index to the FTSE 250 index.
- Investments are categorised across recovery, growth, deep value, M&A and special situation.

The Board looks forward to the remainder of 2026 with confidence, supported by a clearly defined thesis in each of our eight holdings and a growing pipeline of further opportunities under active review.

A summary of each investment is provided below:

NCC Group plc (£320 million market cap and 18% of Kelso)

Kelso holds 2.35 million shares in NCC valued at approximately £2.7 million based on the current share price of 117p. NCC's share price at 31 December 2025 was 139p, compared with 151p a year earlier unadjusted for the 3.1p annual dividend. At the current share price, the holding represents approximately 18% of Kelso's portfolio. Kelso's average in price is 132p, again not adjusted for annual dividends of 3.1p.

Kelso's investment case for NCC is underpinned by the continued growth of the global cyber security market. NCC is well positioned as a software-agnostic provider and is increasingly utilising AI-driven tools to support client protection. Kelso believes the sector continues to benefit from attractive structural drivers, particularly given heightened geopolitical uncertainty and the increasing threat from AI-enabled cyber-attacks.

In January 2026, NCC completed the sale of its Escode division to TDR Capital for £275 million, leaving a focused Cyber Security business with annual revenue of approximately £250 million and historic EBITDA of around £20 million. On an equivalent basis, this implies a valuation of approximately £140 million for the remaining business, alongside a net cash balance sheet following the expected return of a substantial proportion of the disposal proceeds to shareholders.

The Cyber Security business remains subject to a strategic review and Kelso believes this may lead to a disposal at a material premium to the current implied market valuation. Kelso is also encouraged by the Board's ongoing sizeable share buyback programme.

Saga plc (£862 million market cap and 15% of Kelso)

Saga is a relatively new holding for Kelso, with the Company building its 400,000 share position between December 2025 and January 2026 at an average cost of approximately 385p per share. Saga's share price closed at 392p on 31 December 2025, and has continued to perform strongly in 2026, reaching 599p as at 24 April 2026, representing a gain of approximately 52% since acquisition. Kelso's holding is currently valued at approximately £2.4 million and represents 16% of the portfolio. Kelso's original announcement regarding its investment thesis is available at: [LINK](#).

Saga is a leading UK provider of holidays and financial services for the over-50s market. Kelso invested in Saga in the belief that the shares were materially undervalued despite the underlying business performing strongly. The investment case is also supported by a clear deleveraging opportunity. Over the last five years, Saga's average net debt to EBITDA ratio was 7.9x, peaking at 12.2x, a level at which the shares were effectively uninvestable for many larger institutional investors.

Saga has guided that it expects to deliver at least £100 million of profit before tax and reduce net debt to EBITDA to below 2.0x by January 2030. The Group also benefits from substantial asset backing and Kelso expects a refinancing over the coming year, which could provide a further boost to earnings.

Despite the strong share price performance, Kelso believes there remains significant further upside. The Company is well hedged against oil price movements, which will continue to be viewed by the market as a risk until geopolitical tensions in the Middle East ease.

In its full year results announced on 15 April 2026, Saga reported a strong start to the new financial year. From 1 February 2026, Ocean Cruise revenue increased by 16%, driven by strong pricing and a healthy improvement in load factor. We also note encouraging early progress from new product initiatives, including Saga's partnerships with Ageas in insurance and NatWest in financial services.

Kelso believes Saga has the potential to return to a position of considerable strength over the next few years.

CVS Group plc (£818 million market cap and 15% of Kelso)

CVS is a new holding for Kelso, with now 200,000 shares acquired in 2026 at an average cost of 1,330p per share. The holding is currently valued at approximately £2.3 million and represents 15% of the portfolio. Kelso's original announcement regarding its investment thesis is available at: [LINK](#).

Kelso's investment case in CVS is underpinned by its leading position in the UK veterinary market, where it holds an estimated market share of approximately 8%, together with its smaller but growing presence in Australia. The relatively benign result of the recent CMA review, and the likely resulting return to the acquisition trail, further supports our confidence.

Since its admission to AIM in October 2007, CVS has delivered uninterrupted annual growth in both revenue and EBITDA for almost 20 years. The Company joined the FTSE 250 in March 2026 and is currently trading on an EV/EBITDA multiple of approximately 7x, a ten-year low, well below its own long-term average of 14x, with the rating having exceeded 20x in several years over that period.

Kelso believes this valuation does not reflect the medium-term earnings potential of the business. In our view, the ageing of the large cohort of pets acquired during the Covid period should support increased treatment volumes and earnings growth across the UK veterinary sector in the years ahead. Kelso also believes that CVS's strong balance sheet and robust cash generation should support the continuation of its share buyback programme, acquisition strategy and dividend policy.

The Works.co.uk plc (£27 million market cap and 14% of Kelso)

Kelso holds 4.7 million shares in The Works, currently valued at approximately £2.1 million based on a share price of 43.2p. The Works' share price as at 31 December 2025 was 34.2p, compared with 20.1p a year earlier. Based on its share price at 24 April 2026 the holding represents approximately 14% of Kelso's portfolio. Kelso's average purchase price of The Works is 34.9p.

Kelso believes The Works is one of the most undervalued listed equities in the UK market. The Company is a leading retailer of value-focused, screen-free products, including books, toys, arts and crafts, and generates revenue of approximately £290 million from its estate of around 500 UK stores. EBITDA increased from £6.0 million in the year to April 2024 to £9.5 million last year, with consensus forecasts of £12.5 million for the year to 30 April 2026. Company guidance for the year to April 2027 is EBITDA of £15.0 million. The Works also ended the year with a modest net cash position of approximately £2 million.

On this basis, The Works is currently trading on an EV/EBITDA multiple to April 2027 of just 1.5x, which, in the Board's view, materially understates the earnings trajectory of a business expected to have more than doubled EBITDA over the two-year period and which has set out a medium-term EBITDA target of more than £20 million. Given this compelling valuation disconnect, Kelso believes The Works should continue to repurchase further shares for cancellation and increase engagement with retail and high-net-worth investors.

Filtronic plc (£651 million mkt cap and 10% of Kelso)

On 27 April 2026 we announced a new declarable holding in Filtronic and the transcript of the RNS is below.

"Kelso acquired 500,000 ordinary shares in Filtronic at an average price of 185p per share between December 2025 and February 2026. Following significant share price appreciation, with Filtronic closing at 296p per share on 24th April, the holding has increased in value and now represents approximately 10 per cent of Kelso's gross investments, the threshold at which Kelso announces its holdings. This has generated an unrealised gain of approximately 60 per cent.

Rationale for Investment

Listed since 1994 and currently traded on AIM, Filtronic designs and manufactures high-performance radio-frequency ("RF"), microwave and mmWave components and subsystems for high growth markets such as space, aerospace and defence, telecoms infrastructure and critical communications. Filtronic's technological advantage is built on decades of RF engineering know-how, a notoriously complex and demanding field of research, a unique technology offering, with in-house chip and module integration, that operates at the limits of power, bandwidth and frequency that can be manufactured at scale. Since

2024, Filtronic has announced a strategic partnership and larger follow-on orders with SpaceX, awards from Airbus for satellites on the Eutelsat OneWeb programme, further defence work with Leonardo, additional business linked to the European Space Agency, an RF subsystem contract with QinetiQ and a recent \$8.0m contract with another customer for system-level amplifier products. This wide range of contracts is testament to the strength of the product suite and demonstrates the broad range of applications.

The resulting improvement in trading has been significant. Revenue has more than tripled in the past three years and the new manufacturing facility in County Durham provides the capacity to triple revenue again from here. As at 30 November 2025, the balance sheet held significant net cash and Filtronic entered the second half of FY2026 with a record order book and approximately 90% of FY26 revenues covered by contracted orders.

Filtronic combines specialist technology, a stronger balance sheet, clear commercial momentum and exposure to high-growth markets where barriers to entry are high. On that basis, Kelso believes Filtronic represents an attractive investment opportunity and will increasingly attract global investors as it continues to develop. Kelso will continue to monitor its investment in Filtronic and engage constructively with the Company where appropriate, in line with its investment strategy of actively supporting value creation in its investee companies.”

THG plc (£612 million market cap and 10% of Kelso)

Kelso holds 4.0 million shares in THG, currently valued at approximately £1.5 million based on a share price of 37p as at 24 April 2026. THG's share price as at 31 December 2025 was 45.8p, compared with 45.0p a year earlier. At the current share price, the holding represents approximately 10% of Kelso's portfolio.

Kelso believes that THG comprises two high-quality businesses whose value is not reflected in the current market valuation. The first is its nutrition division, led by MyProtein, which is a global leader in online sports nutrition and is now expanding successfully into offline channels, targeting 100,000 points of sale globally. MyProtein generates revenue of approximately £700 million and delivered like for like revenue growth of 8.8% and ex Asia revenue growth of 12.4% in Q1 2026 announced on 21 April 2026. The recent US\$1 billion acquisition of Huel by Danone, at a sales multiple of more than 3x, highlights the strategic value being attributed to scaled health and nutrition brands and the continued interest of major food groups in the sector.

THG's second core business is Beauty, which generates revenue of more than £1 billion. THG Beauty owns a number of leading direct-to-consumer platforms, including Lookfantastic, Cult Beauty and Dermstore, and also has a portfolio of established beauty brands including ESPA, Perricone MD, Christophe Robin and Ameliorate. In THG's most recent Q1 trading update Beauty achieved like for like revenue growth of 5.8%.

Taken together, these businesses generate approximately £1.7 billion of annual revenue, yet THG currently has a market capitalisation of only £612million. In Kelso's view, THG's current valuation materially undervalues the sum of its parts, particularly given the scale and quality of its Nutrition and Beauty businesses and the Group's improving balance sheet.

Kelso hopes to see further value-accretive disposals during the current year, following the successful sale of Claremont Ingredients in 2025 for £103 million, having originally been acquired for £50 million.

Selkirk Group plc (£8 million market cap and 9% of Kelso)

Kelso holds c.76 million shares in Selkirk, representing approximately 18% of its issued share capital. Based on the current share price of 2.0p, this holding is valued at approximately £1.5 million and represents 9% of Kelso's portfolio.

Selkirk was admitted to trading in November 2024 at a price of 2.4p per share, raising gross proceeds of £7.5 million, or £7.1 million net of expenses. In its results for the year ended 31 December 2025, Selkirk reported net cash of £7.0 million. The shares closed the year at 2.0p, compared with the IPO price of 2.4p.

Kelso remains supportive of Selkirk's strategy and believes the Company is well positioned to pursue an attractive transaction as market conditions improve. Any Selkirk transaction will only happen at a premium to its IPO price of 2.4 pence.

Angling Direct plc (£36 million market cap and 9% of Kelso)

Kelso holds c.2.4 million shares in Angling Direct currently valued at approximately £1.1 million based on a share price of 49p. Angling Direct's share price as at 31 December 2025 was 53.5p, compared with 40.5p a year earlier. At the current share price, the holding represents approximately 9% of Kelso's portfolio. The average cost of acquisition was 35.6 pence.

Angling Direct is the clear market leader in UK omnichannel angling retail, with approximately 60 stores nationwide. Kelso is not aware of any similarly focused competitor with more than five stores. In the year to 31 January 2026, Angling Direct increased revenue by 13.8% to a record £103.9 million, up from £91.0 million in the prior year, and delivered EBITDA of £4.8 million, ahead of guidance. Angling Direct also ended the year with net cash of £10.9 million, equivalent to approximately 30% of its market capitalisation. Angling Direct is currently trading on a historic EV/EBITDA multiple of 5.2x, which Kelso believes is too low given the Company's market position, strong balance sheet and continued double-digit revenue growth.

Accordingly, Kelso would like to see completion of the £4.0 million share buyback programme launched in October 2024, as we believe the shares offer compelling value in a recovering market. Kelso has considerable respect for management's success in growing the business, although we continue to believe the Company's European operations remain sub-scale.

Angling Direct has substantially achieved its medium-term revenue guidance ahead of schedule and, as a result, Kelso looks forward to updated medium-term guidance alongside the Company's results on 12 May 2026. Kelso believes Angling Direct's market position, track record and strong balance sheet should make the shares increasingly attractive to IHT-focused investors.

Financial performance

The post-tax loss for the year was £0.6 million (2024: loss £0.4 million), which was primarily attributable to both unrealised and realised investment losses. Administrative expenses totalled £0.3 million (2024: £0.5 million). Kelso remains committed to preserving capital and maintaining a lean cost base whilst being able to operate effectively as a public company. Ongoing routine administration costs are currently less than £20,000 per month (equivalent to c1.5% of current gross investments), and its current infrastructure can support a significantly larger asset base given its focussed investment strategy.

In December 2025 the Company issued c. 68 million new shares at 3.0 pence each raising gross proceeds of £2.05 million. Settlement of certain share purchases was across the year end and this increased cash balances with an offsetting liability.

Since the year end, shares (both existing and new investments) in our portfolio have performed satisfactorily, with our net assets per share as at 24 April 2026 increasing by 13% from the start of the year. We completed the terms of a new debt facility which went live in February 2026 to support Kelso's ability to take advantage of pricing opportunities. Gearing will be around 25% or lower and the debt carries an annual interest rate of 7.8%.

We look forward to the remainder of 2026 with some excitement.

John Goold
CEO

Financial Statements for the year ended 31 December 2025

Statement of Profit or Loss

For the year ended 31 December 2025

	Note	2025 £	2024 £
Revenue	6	(542,922)	(97,343)
Gross loss		(542,922)	(97,343)

Administrative expenses		(294,489)	(483,310)
Loss from operations		<u>(837,411)</u>	<u>(580,653)</u>
Finance income		152	2,209
Finance expense		(62,491)	(90,385)
Income from dividends		52,976	115,500
Loss before tax		<u>(846,774)</u>	<u>(553,329)</u>
Tax credit	12	248,897	164,526
Loss for the year		<u>(597,877)</u>	<u>(388,803)</u>
Total comprehensive income		<u>(597,877)</u>	<u>(388,803)</u>
Loss for the year attributable to:			
Owners of the parent		(573,335)	(388,251)
Non-controlling interests	22	(24,542)	(552)
		<u>(597,877)</u>	<u>(388,803)</u>

2025
Pence

2024
Pence

Earnings per share attributable to the ordinary equity holders of the parent

Profit or loss

Basic	13	(0.15)	(0.10)
Diluted	13	(0.15)	(0.10)

Profit or loss from continuing operations

Basic	13	(0.15)	(0.10)
Diluted	13	(0.15)	(0.10)

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 £	2024 £
Assets			
Deferred tax assets	27	47,424	-
		<u>47,424</u>	<u>-</u>

Current assets

Trade and other receivables	15	10,873	16,179
Cash and cash equivalents	17	1,332,450	118,369
Current asset investments	16	10,068,162	10,406,036
Total assets		<u>11,458,909</u>	<u>10,540,584</u>
Liabilities			
Non-current liabilities			
Deferred tax liability	27	-	201,473
		-	201,473
Current liabilities			
Trade and other liabilities	18	1,186,547	307,477
Loans and borrowings	19	-	995,001
		<u>1,186,547</u>	<u>1,302,478</u>
Total liabilities		<u>1,186,547</u>	<u>1,503,951</u>
Net assets		<u>10,272,362</u>	<u>9,036,633</u>

	Note	2025 £	2024 £
Issued capital and reserves attributable to owners of the parent			
Share capital	20	4,424,033	3,755,700
Share premium reserve	21	5,675,515	4,364,753
Capital redemption reserve	21	60,500	45,500
Other reserves	21	56,424	201,912
Retained earnings	21	14,606	602,942
		<u>10,231,078</u>	<u>8,970,807</u>
Non-controlling interest	22	41,284	65,826
TOTAL EQUITY		<u>10,272,362</u>	<u>9,036,633</u>

Consolidated Statement of Cash Flows

As at 31 December 2025

Note	2025 £	2024 £
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Cash flows from operating activities

Loss for the year		(597,877)	(388,803)
Adjustments for			
Tax charges	12	(248,897)	(164,526)
Finance income	7	(152)	(2,209)
Finance expense	7	62,491	90,385
Unrealised loss/(gain) on current assets investments	6	129,890	424,502
Share-based payment expense	10,24	(145,488)	94,296
Income tax expense	12	1,893	(107,330)
		<u>(798,140)</u>	<u>(53,685)</u>
Movements in working capital:			
Decrease/(increase) in trade and other receivables		3,413	(7,564)
Increase in trade and other payables		(14,253)	16,544
		<u>(808,980)</u>	<u>(44,705)</u>
Cash generated from operations			
		<u>(808,980)</u>	<u>(44,705)</u>
Net cash from/(used in) operating activities			
		<u>(808,980)</u>	<u>(44,705)</u>
Cash flows from investing activities			
Payments to acquire current assets investments		(2,129,084)	(6,310,045)
Proceeds on sale of current assets investments		2,337,068	3,360,406
		<u>207,984</u>	<u>(2,949,639)</u>
Net cash from/(used in) investing activities			
		<u>207,984</u>	<u>(2,949,639)</u>
Cash flows from financing activities			
Issue of ordinary shares	20	2,010,047	1,796,126
Purchase of ordinary shares for cancellation		(30,952)	-
Contract for difference funding		(169,430)	169,430
(Repayment)/Proceeds from other borrowings		(995,001)	995,001
Proceeds from short term borrowings		1,062,752	-
Finance expense		(62,491)	(90,385)
Finance income		152	2,209
		<u>1,815,077</u>	<u>2,872,381</u>
Net cash from financing activities			
		<u>1,815,077</u>	<u>2,872,381</u>
Net increase/(decrease) in cash and cash equivalents			
		<u>1,214,081</u>	<u>(121,963)</u>
Cash and cash equivalents at the beginning of year		<u>118,369</u>	<u>240,332</u>
Cash and cash equivalents at the end of the year	17	<u><u>1,332,450</u></u>	<u><u>118,369</u></u>

Consolidated Statement of Changes in Equity
As at 31 December 2025

	Share capital	Share premium	Capital redemption reserve	Other reserves	Retained earnings	Total attributable to equity holders of parent	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2025	3,755,700	4,364,753	45,500	201,912	602,941	8,970,806	65,826	9,036,632
Comprehensive income for the year								
Loss for the year	-	-	-	-	(573,335)	(573,335)	(24,542)	(597,877)
Total comprehensive income for the year	-	-	-	-	(573,335)	(573,335)	(24,542)	(597,877)
Contributions by and distributions to owners								
Issue of share capital	683,333	1,326,714	-	-	-	2,010,047	-	2,010,047
Purchase of own shares	-	-	15,000	-	(15,000)	-	-	-
Shares cancelled during the year	(15,000)	-	-	-	-	(15,000)	-	(15,000)
Share based payments	-	-	-	(145,488)	-	(145,488)	-	(145,488)
Shares cancelled during the year	-	(15,952)	-	-	-	(15,952)	-	(15,952)
Total contributions by and distributions to owners	668,333	1,310,762	15,000	(145,488)	(15,000)	1,848,607	-	1,833,607
At 31 December 2025	4,424,033	5,675,515	60,500	56,424	14,606	10,246,078	41,284	10,272,362

	Share capital	Share premium	Capital redemption reserve	Other reserves	Retained earnings	Total attributable to equity holders of parent	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2024	3,129,750	3,194,577	45,500	107,616	991,193	7,468,636	66,378	7,535,014
Comprehensive income for the year								
Loss for the year	-	-	-	-	(388,251)	(388,251)	(552)	(388,803)
Total comprehensive income for the year	-	-	-	-	(388,251)	(388,251)	(552)	(388,803)
Contributions by and distributions to owners								
Issue of share capital	625,950	1,170,176	-	-	-	1,796,126	-	1,796,126
Share based payments	-	-	-	94,296	-	94,296	-	94,296
Total contributions by and distributions to owners	625,950	1,170,176	-	94,296	-	1,890,422	-	1,890,422
At 31 December 2024	3,755,700	4,364,753	45,500	201,912	602,942	8,970,807	65,826	9,036,633

Notes to the Financial Statements

For the year ended 31 December 2025

1. Reporting entity

Kelso Group Holdings PLC (the 'Company') is a public limited company incorporated under the Companies Act 2006 and domiciled in England. The Company's registered office is at Eastcastle House, 27-28 Eastcastle Street, London, United Kingdom, W1W 8DH.

These consolidated financial statements comprise the Company and its subsidiary (collectively the 'Group' and individually 'Group companies'). The principal activity of the parent company is that of a holding company and the principal of Kelso Ltd is that of an investment company.

2. Basis of preparation

The Group's consolidated and the Company's individual financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs). They were authorised for issue by the Company's board of directors on 29 April 2026.

Details of the Group's accounting policies, including changes during the year, are included in note 4.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Statement of comprehensive income in these financial statements.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgements and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 5.

2.1 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items

Current asset investments – listed investments – FV level 1

Level 1 relates to quoted prices in active markets for an identical asset. The fair value of financial investments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held is the quoted price at the balance sheet date.

Current asset investments – unlisted investments – FV level 2

Level 2 current assets investments are those valued using inputs other than quoted prices in active markets, but that are observable. The level 2 current assets investments relate to trading securities as disclosed in note 4.6 and are carried at fair value. Fair value has been based on a cost, plus changes in net assets. Where the shares were acquired at par and the company has not traded since, current assets investments has been valued at cost.

2.2 Changes in IFRSs not yet adopted

l) New standards, interpretations and amendments effective from 1 January 2026 Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates

The accounting policies adopted in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025 are consistent with those adopted in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024.

There are no new standards which have had a material impact in the annual financial statements for the year ended 31 December 2025.

II) New standards, interpretations and amendments not yet effective.

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements:

Annual improvements to IFRS Accounting standards – volume 11 (effective 1 January 2026).

This includes minor clarifications to IFRS 7 'Classification and Measurement of Financial Instruments', IFRS 9 Financial instruments', IFRS 10 'Consolidated financial statements' and IAS 7 'Statement of cash flows'.

Amendments to IFRS 9 & IFRS 7 (effective 1 January 2026).

These provide additional application guidance regarding recognition and derecognition of financial instruments including an exception regarding electronic payments, guidance regarding assessment of the solely payments of principal and interest criteria, plus updates to disclosure requirements.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027).

IFRS 18 introduces new requirements on presentation and disclosures in the financial statements, primarily focused on:

- (i) requiring additional defined subtotals in the statement of profit or loss;
- (ii) requiring disclosures about management-defined performance measures and
- (iii) adding new principles for the grouping of information. As a presentation and disclosure standard, the Group does not expect financial impacts as a result of adoption, however, initial views on the potential implications on the presentation of the financial statements include the following:
 - The statement of profit and loss requires grouping of items into categories, operating, investing and financing. The main business activity of the Group is investment and therefore the majority of income and expenses will be included within operating activities.
 - Management-defined performance measures will now be included within the notes of the financial statements alongside greater disclosure surrounding the importance of the measure, alongside a reconciliation to the most directly comparable subtotal within the primary statements.

The directors anticipate that the adoption of these Standards in future periods will not have an impact on the results and net assets of the Group and Company, however, it is too early to quantify this.

3. Functional and presentation currency

These consolidated financial statements are presented in British Pound Sterling (GBP), which is the Company's functional currency. All amounts have been rounded to the nearest Pound, unless otherwise indicated.

4. Material accounting policies

4.1 Cash and cash equivalents

Cash comprises cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including

structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at this time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and its calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent account under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 Revenue

Revenue consists mainly of gains made on investment in listed companies shares. Investment income recognised in net income for fair-value investments consists of realised gains and losses resulting from the disposal of, and unrealised gains or losses resulting from the holding of trading investments. Income from current assets investments consists of dividends receivable.

Realised gains and losses are recognised on the disposal of the trading investments.

Unrealised gains and losses are measured based on the fair value of the consideration received or receivable. Unrealised gains and losses are recognised in the statement of profit and loss to the extent that it is probable that the economic benefits or costs can be reliably measured and will flow to the Group.

Income from consultancy services are recognised when the service has been provided.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest income from a financial asset is recognised when it is possible that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.4 Taxation

The taxation expense for the year represents the sum of current tax and deferred tax. The expense is recognised in the income statement, in the statement of comprehensive income or in equity according to the accounting treatment of the related transaction.

Current tax is based on the taxable income for the period and any adjustment in respect of prior periods. Current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Income tax expense represents the sum of the tax currently payable and deferred tax.

4.5 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

4.7 Investments

The Group holds equity investments which are classified as trading, based on the Group's intent to sell the security at the right price.

Trading securities are those investments which are purchased principally for the purpose of selling them in the near term. Trading securities are carried at fair value on the consolidated statements of financial condition with changes in fair value recorded in the consolidated statements of income during the period of the change.

The Group classifies certain subsidiaries as current asset investments where it holds them exclusively with a view to subsequent disposal in the near term. Changes in fair value are recognised in the profit or loss in the period in which they arise. Fair value is determined using observable market inputs where available or internal valuation techniques otherwise, which involve estimation.

4.8 Non-controlling interests

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group includes one subsidiary, Kelso Ltd, with non-controlling interests arising from the MIP in 2023. The non-controlling interests, including the share options represented 0.4% of the total shareholding (2024: 0.2%). No dividends were paid in the year.

4.9 Share options

The A Shares issued by Kelso Ltd represent equity-settled share-based payment arrangements under which the Group receives services as a consideration for the additional rights attached to these equity shares, over and above their nominal price.

Equity-settled share-based payments to certain of the Directors and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is expensed, with a corresponding increase in equity, on a straight-line basis from the grant date to the expected exercise date. Where the equity instruments granted are considered to vest immediately, the services are deemed to have been received in full, with a corresponding expense and increase in equity recognised at grant date.

The dilutive effect of outstanding share-based payments is reflected as share dilution in the computation of diluted Earnings per share.

5. Accounting estimates and judgements

5.1 Judgement

When preparing the Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Management Incentive Plan

The Group provides for the compensation to management arising from the Management Incentive Plan as estimated by reference to the share price performance and dividends in the year. The compensation is attached to rights Kelso Ltd will have the right to convert the compensation entitlement in Kelso Ltd A shares into ordinary shares in Kelso Group Holdings Plc at the end of year 3 and at any time in years 4 and 5. Management has applied judgement in forecasting the future growth of the Group and its investments.

The directors believe that there were no other significant judgements required with regard to the application of the Company's accounting policies in preparing these financial statements.

5.2 Estimates and assumptions

Estimate and assumption

The valuation of the investment portfolio is determined in accordance with the Group's valuation principles. All listed investments are measured at fair value and based on active market prices. Unrealised holding gains and losses are recognised in other comprehensive income. On sale, net gains and losses previously accumulated in other comprehensive income are transferred to retained earnings. Deferred tax provision is made on the unrealised gain at the year-end on the assumption that the gain will be realised and the Group will continue to be profitable.

Estimates included within these financial statements relate to the Management Incentive Plan (MIP). The directors estimate that the probability of achieving the non-market performance conditions of the MIP to return hurdle between 8% and 15% per annum by year 3, with estimated volatility of 44% and expected vesting of 11%, lies in between 11.5% to 21.9%. The directors believe that none of these estimates carry a significant estimation uncertainty, nor do they bear a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the foreseeable future.

6. Revenue

The following is an analysis of the Group's revenue for the year from continuing operations:

Year ended 31 December	2025 £	2024 £
Realised gains on investments	(463,032)	286,049
Unrealised (loss)/gains on investments	(129,890)	(424,502)
Consultancy fees receivable	50,000	41,110
	<u>(542,922)</u>	<u>(97,343)</u>

7. Finance income and expense

Recognised in profit or loss

Year ended 31 December	2025 £	2024 £
Finance income		
Interest on:		
- Bank deposits	152	1,979
Total interest income arising from financial assets measured at amortised cost or FVOCI	<u>152</u>	<u>1,979</u>
Dividends received - listed investments	52,976	115,500
Other interest receivable	-	230
Total finance income	<u>53,128</u>	<u>117,709</u>
Finance expense		
Interest on Contract for Difference	1,184	44,038
Loan interest payable	<u>61,307</u>	<u>46,347</u>

Total finance expense	62,491	90,385
Net finance (expense)/income recognised in profit or loss	(9,363)	27,324

8. Expenses by nature

Year ended 31 December	2025 £	2024 £
Professional fees	275,600	234,198
Interest on loan	61,306	46,347
Interest on Contract for Difference	1,184	44,038
Share based payments costs\credits	(145,488)	94,296

9. Auditors' remuneration

During the year, the Group obtained the following services from the Group's auditor and its associates:

Year ended 31 December	2025 £	2024 £
Fees payable for the audit of the Group's financial statements	28,000	26,450

10. Employee benefit expenses

Year ended 31 December	2025 £	2024 £
Employee benefit expenses (including directors) comprise:		
Wages and salaries	109,500	-
Defined contribution pension cost	689	-
Movement in Management Incentive Plan	(145,488)	94,296

The Group operates a management incentive plan (MIP) and some of the directors are entitled to a share of the MIP. The MIP provision during the year was reduced by £145,488 (2024: increased by £94,296).

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Group listed in the Directors' report.

Year ended 31 December	2025 £	2024 £
Salary	109,500	-

Defined contribution scheme costs	689	-
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The monthly average number of persons, including the directors, employed by the Group during the year was as follows:

Year ended 31 December	2025 No.	2024 No.
Directors	6	6

11. Directors' remuneration

Year ended 31 December	2025 £	2024 £
Directors' emoluments	109,500	-
Management Incentive Plan	(145,488)	94,296
Group contributions to pension schemes	689	-
	<u>(35,299)</u>	<u>94,296</u>

12. Tax expense

12.1 Income tax recognised in profit or loss

Year ended 31 December	2025 £	2024 £
Current tax		
Current tax on profits for the year	-	(1,893)
Adjustments in respect of prior years	-	(89,189)
Total current tax	-	<u>(91,082)</u>
Deferred tax expense		
Origination and reversal of timing differences	(248,897)	(73,444)
Total deferred tax	<u>(248,897)</u>	<u>(73,444)</u>
	<u>(248,897)</u>	<u>(164,526)</u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

Year ended 31 December	2025 £	2024 £
Loss for the year	(597,877)	(388,803)
Income tax credit/expense (including income tax on associate, joint venture and discontinued operations)	(248,897)	(164,526)
Loss before income taxes	(846,774)	(553,329)
Tax using the Group's domestic tax rate of 25% (2024:25%)	(211,694)	(138,332)
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	(34,334)	8,198

Dividends from UK companies	(13,244)	(28,875)
Unrelieved tax losses carried forward	10,375	83,591
Other tax charge/(relief) on exceptional items	-	(89,189)
Marginal relief	-	81
Total tax expense	<u>(248,897)</u>	<u>(164,526)</u>

13. Earnings per share

(i) Basic earnings per share

Year ended 31 December

	2025 Pence	2024 Pence
From continuing operations attributable to the ordinary equity holders of the Company	<u>(0.15)</u>	<u>(0.10)</u>
Total basic earnings per share attributable to the ordinary equity holders of the Company	<u>(0.15)</u>	<u>(0.10)</u>

(ii) Diluted earnings per share

Year ended 31 December

	2025 Pence	2024 Pence
From continuing operations attributable to the ordinary equity holders of the Company	<u>(0.15)</u>	<u>(0.10)</u>
Total diluted earnings per share attributable to the ordinary equity holders of the Company	<u>(0.15)</u>	<u>(0.10)</u>

(iii) Reconciliation of earnings used in calculating earnings per share

Year ended 31 December

	2025 £	2024 £
Loss attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	<u>(573,335)</u>	<u>(388,251)</u>
	<u>(573,335)</u>	<u>(388,251)</u>
Loss from continuing operations attributable to the ordinary equity holders of the Company:		
Used in calculating basic earnings per share	<u>(573,335)</u>	<u>(388,251)</u>
Used in calculating diluted earnings per share	<u>(573,335)</u>	<u>(388,251)</u>

(iv) Weighted average number of shares used as the denominator

	2025	2024
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	376,963,063	370,439,261
Weighted average number of ordinary shares and potential ordinary shares	376,963,063	370,439,261

The Group has potential ordinary shares in the form of share options emanating from an equity-settled share-based payment scheme as shown in Note 23.1. These could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are anti-dilutive for this year and the previous year. As such, diluted earnings per share are equal to basic earnings per share.

14. Trade and other receivables

	31/12/2025	31/12/2024
	£	£
Trade receivables	-	7,427
Trade receivables - net	-	7,427
Prepayments and accrued income	10,873	6,859
Other receivables	-	1,893
Total trade and other receivables	10,873	16,179
Less: current portion - trade receivables	-	(7,427)
Less: current portion - prepayments and accrued income	(10,873)	(6,859)
Less: current portion - other receivables	-	(1,893)
Total current portion	10,873	16,179
Total non-current portion	-	-

15. Current assets investments

	31/12/2025	31/12/2024
	£	£
Listed investments at fair value	10,068,162	10,393,536

	31/12/2025 £	31/12/2024 £
Investments b/f	10,393,536	7,868,400
Purchases	2,129,084	6,310,045
Sales	(2,324,568)	(3,360,406)
Fair value (loss)/gain	<u>(129,890)</u>	<u>(424,503)</u>
Fair value	<u><u>10,068,162</u></u>	<u><u>10,393,536</u></u>

16. Notes supporting statement of cash flows

	31/12/2025 £	31/12/2024 £
Cash at bank available on demand	<u>1,332,450</u>	<u>118,369</u>
Cash and cash equivalents in the statement of cash flows	<u><u>1,332,450</u></u>	<u><u>118,369</u></u>

Reconciliation of net debts

	1 January 2025 £	Cash flows £	31 December 2025 £
Cash and cash equivalents	118,369	1,214,081	<u>1,332,450</u>
Loans	(995,001)	995,001	-
Short term financing	-	(1,062,752)	(1,062,752)
Contract from difference	<u>(169,430)</u>	<u>169,430</u>	-
Net debt	<u>(1,164,431)</u>	<u>101,679</u>	<u>(1,062,752)</u>
	<u><u>(1,046,062)</u></u>	<u><u>1,315,760</u></u>	<u><u>269,698</u></u>

17. Trade and other payables

	31 December 2025 £	31 December 2024 £
Trade payables	23,484	21,969

Other payables – tax and social security payments	3,207	12,743
Other payables	690	12,500
Short term finance	1,062,752	169,430
Accruals	96,414	90,835
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	<u>1,186,547</u>	<u>307,477</u>
Total trade and other payables	<u><u>1,186,547</u></u>	<u><u>307,477</u></u>

18. Loans and borrowings

	31 December 2025 £	31 December 2024 £
Current		
Other loans	-	995,001
Total loans and borrowings	<u>-</u>	<u>995,001</u>

19. Share capital

Issued and fully paid

	31/12/2025 Number	31/12/2025 £	31/12/2024 Number	31/12/2024 £
Ordinary shares of £0.01 each				
At 1 January	375,569,999	3,755,700	312,975,000	3,129,750
Shares issued	68,333,330	683,333	62,594,999	625,950
Shares cancelled	(1,500,000)	(15,000)	-	-
At 31 December	<u>442,403,329</u>	<u>4,424,033</u>	<u>375,569,999</u>	<u>3,755,700</u>

On 23 April 2025, the Company acquired 1,500,000 of its own shares at a cost of £30,952. On 19 December 2025, the company issued 68,333,330 ordinary shares for a total gross value of £2,010,048. The total number of ordinary shares in issue at the year-end was 442,403,329. All the shares have the same right to receive dividends and the repayment of capital and represents one vote at the shareholders' meeting.

20. Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, net of transaction costs.

Capital redemption reserve

The Capital redemption reserve is a non-distributable reserve which represents the nominal value of its own shares bought back by the Group.

Other reserves

Other reserves consists of the assessed value of share-based payments for services received which are yet to be converted into class A ordinary shares. Any amounts in relation to share options that expire or are not exercised will be transferred to distributable reserves.

Retained earnings

This balance represents the cumulative profit and loss made by the Group, net of distributions to owners.

21. Non-controlling interests

	31/12/2025	31/12/2024
	£	£
Balance at beginning of the year	65,826	66,378
Share of (loss)/profit for the year	(24,542)	(552)
	<u>41,284</u>	<u>65,826</u>

22. Financial instruments - fair values and risk management

22.1 Financial instruments management objectives

The Group only deals in basic financial instruments. In the current period the Group's financial instruments comprise cash and cash equivalents and accruals which arise directly from its operations. All financial assets and liabilities are recognised at amortised cost. The Group does not use financial instruments for speculative purposes.

Portfolio risk

The Group invested in listed shares in the period. In doing so, the group's portfolio of investment is exposed to market fluctuations. Management closely monitors the market price of their investments to minimise adverse risk and are monitoring the stock market for opportunities to diversify and reduce the portfolio risk.

Contract for Difference risk

The Group invested in Contract for Differences (CFD) in the period. Management is experienced in CFD trading and have chosen a highly respected CFD provider to minimise counterparty risks or delays. All CFDs' were repaid during the year.

Financial Risk Factors

The Group's activities expose it to mainly liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Liquidity Risk

The Group has to date financed its operations from cash reserves funded from share issues, Management's objectives are now to manage liquid assets in the short term through closely monitoring costs and raising funds through the issue of shares.

Interest rate risk

At the end of the previous financial year the Group held a short-term loan repayable within a year. As the loan is a fixed rate, short term loan, the Group's exposure to interest rate risk has been minimised. This loan was fully repaid during the year.

Capital Management Risk

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to holders of the parent, comprising issued share capital and retained earnings. Consistent with others in the industry, the Group reviews the gearing ratio to monitor the capital. This ratio is calculated as the net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity (including capital, reserves and retained earnings). This gearing ratio will be considered in the wider macroeconomic environment.

Fair Values

Management have assessed that the fair values of cash and short-term deposits and accruals approximate to their carrying amounts due to the short-term maturities of these instruments.

23. Share based payments

23.1 Employee share option plan of the Group

The Group operates a Management Incentive Plan (MIP) under which participants receive an interest in value created within Kelso Ltd above specified hurdle values. The scheme provides for 15% participation above an 8% hurdle and 20% participation above a 15% hurdle, with straight-line participation between those hurdle points. The final vesting date for the purposes of the current assessment is 14 April 2028.

The fair value of the award at grant date was £510,822. Consistent with the accounting policy applied in the prior year, the performance condition has been treated as a non-market performance condition. Management has therefore considered the probability of achieving the hurdle values at 31 December 2025 in estimating the level of expected vesting.

Using the year-end equity NAV of £10.2m, a remaining term of 2.286 years, annual volatility of 44%, a risk-free rate of 4.0%, and a hurdle base that includes all post-grant cash equity issues from their respective investment dates, the Group estimated the statistical probability of achieving the 8% hurdle to be 21.9% and the probability of achieving the 15% hurdle to be 11.5% using a 50,000-path Monte Carlo analysis.

If the 8% hurdle probability is used as the expected vesting percentage under the current policy basis, the implied cumulative reserve at 31 December 2025 would be approximately £56,424, compared with £201,912 recognised at 31 December 2024, resulting in an illustrative year-on-year credit of £145,488.

24. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

There are no personnel considered to be key management other than the directors. The directors participated in the MIP and their remuneration is disclosed in note 11.

25. Control

There is no controlling party.

26. Deferred tax

	31/12/2025	31/12/2024
	£	£
Deferred tax balance b/f	-	(201,473)
Taxation recoverable	47,424	-
	<u>47,424</u>	<u>(201,473)</u>

Reconciliation:		
Tax Losses	252,796	
Unrealised investment gains	(219,478)	(251,950)
Management incentive plan	14,106	50,477
	47,424	(201,473)

	31/12/2025 £	31/12/2024 £
Deferred tax - balance b/fwd	-	(201,473)
Deferred tax - charge to profit or loss	47,424	
-At end of year	47,424	(201,473)

Reconciliation

Tax losses	252,796	-
Unrealised investment gains	(219,478)	(251,950)
Management incentive plan	14,106	50,477
	47,424	(201,473)

27. Events after the reporting date

The Group has diversified its investment portfolio further after the year end, with notable new investments in Filtronic plc, Saga Plc and CVS Group Plc.

The Group has obtained a leverage facility from CMC Markets UK Plc after the year end, enabling it to expand its investment activities. It carries an annual interest rate of 7.8% and has the usual terms for such an instrument.