Registered number: 11504186

KELSO GROUP HOLDINGS PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

KELSO GROUP HOLDINGS PLC

COMPANY INFORMATION

Directors	J D Brooke J H Goold M A Kirkland (resigned 30 September 2025) Sir N G Knowles J D Charters S J Rajani
Company secretary	MSP Corporate Services Limited
Registered number	11504186
Registered office	Eastcastle House 27-28 Eastcastle Street London United Kingdom W1W 8DH
Independent auditor	Royce Peeling Green Limited Chartered Accountants & Statutory Auditor The Copper Room Deva City Office Park Trinity Way Manchester M3 7BG

KELSO GROUP HOLDINGS PLC

CONTENTS

CHAIRMAN AND CEO REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

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 N. Knowles
Chairman

Chief Executive Review

Since inception in November 2022, Kelso has raised c.£10.0 million of gross cash (c.£9.4million net of expenses). £6m 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 £2.01m 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 not drawing salaries since June 2026 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 totalled 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 c.34% above the net cash raised adjusted for PLC operating costs. We are not suggesting that our return for shareholders has been 34%, but rather our return on real cash has been acceptable whilst we wait for a prolonged UK small and mid-cap recovery. Our current 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 £15.5m. 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 m illion 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 (£2 7 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 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.

CHAIRMAN AND CEO REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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 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 it's 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 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 acquistion 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 adminstation 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 £2.01 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 satisfactory, with our net assets per share 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% and the debt carries an annual interest rate of 7.8%.

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

J. H. Goold
CEO

Date 29 April 2026

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Introduction

The directors present their report and the financial statements for the year ended 31 December 2025.

Business review

Kelso seeks to identify, engage and unlock trapped value in UK listed companies. Through active engagement and alignment with other stakeholders, taking stakes directly, Kelso aims to effect change where existing shareholders are often unable or unwilling to do so themselves.

Financial key performance indicators

Management considers the following as key performance indicators.

	2025	2024
Net assets value per share	2.32p	2.40p

Principal risks and uncertainties

The Group's activities expose it to a number of risks including portfolio risk, contract for differences risk, capital management risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. The policies for managing these risks are regularly reviewed and agreed by the Board.

(a) Market risk

Portfolio risk

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

(b) Credit risk

The Group has minimal credit risks as trade receivables remained low due to both volume and credit worthiness of the customer.

(c) Liquidity risk

Cash balances and borrowings are managed so as to maximise interest earned and minimise interest paid, while maintaining the liquidity requirement of the business. When seeking borrowings, the directors' consider the commercial terms available and, in consultation with their advisors, consider whether such terms should be fixed or variable and are appropriate to the business. Furthermore, the Group's investments are in listed companies with their inherent ability to sell for cash should the need arise.

The Group ensures it has adequate resource to discharge all of its liabilities.

Principal risks and uncertainties (continued)

(d) Capital management risk

The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will continue to trade in the foreseeable future. The Group also aims to optimise its capital structure of debt and equity so as to minimise its cost of capital. The Group in particular reviews its levels of borrowing and the repayment dates, setting these out against forecast cash flows and reviewing the level of available funds.

The Board considers that these remain a current reflection of the risks and uncertainties facing the Group.

Employees, social, community and human rights issues

The Group does not have any employees other than the directors, with all support services provided by external parties. Therefore, the directors believe that this information is not relevant for the year ended 31 December 2025 and have not disclosed any information to that effect.

As a Board, we believe that diversity is important as it supports good decision making and reduces the risk of groupthink by providing different viewpoints, ideas and challenge. As part of this, we believe that it is important for our Board to be diverse in terms of gender, ethnic and social backgrounds and have a broad range of perspectives to help us make better strategic decisions and lead by example in creating an inclusive culture for our people.

The Board considered and approved the board composition, with M A Kirkland resigning during the year. Sir N Knowles is the Chairman. At 31 December 2025, the company had 4 male directors and 1 female director.

Directors' section 172 statement

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regards to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Group are appropriately informed by s172 factors.

Section 172 of the Companies Act 2006 requires the Directors to act in the way they consider, in good, faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, having regard to various factors, including the matters listed below.

a. The likely consequences of any decisions in the long term;
b. The interests of the Group’s employees;
c. The need to foster the Group’s business relationship with suppliers, customers and others;
d. The impact of the Group’s operations on the community and environment;
e. The desirability of the Group maintaining a reputation for high standards of business conduct; and
f. The need to act fairly as between members of the Group.

The Directors believe that they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

During the year ended 31 December 2025, the Group has sought to act in a way that upholds these principles. The shareholders will be fully aware, through various announcements, shareholder meetings and financial communications, of the Board’s broad and specific intentions and the rationale for its decisions.

The Group pays creditors promptly and keeps its costs to a minimum to protect shareholders funds. The Group promotes the concept of ESG (Environment, Sustainability, Governance) to its shareholders and suppliers. Our ethos is to provide an opportunity to make a positive impact on the community and the environment.

The interests of the Group 's employees

Although the Group has no employees, the directors who undertake functional activities on behalf of the Group are subject to high standards of compliance and conduct training, The Group requires all employees to comply with the FCA’s individual conduct rules: to act with integrity; to act with due skill, care and diligence; to be open and cooperative with the FCA and other regulators; to pay due regard to the interests of customers and treat them fairly; and to observe proper standards of market conduct.

Our investor stakeholder

Our investor stakeholder group are interested in the success and sustainability of the business. We conduct extensive engagement with our investors throughout the year with regular reporting in the form of regulatory announcements, attendance at investor meetings as well as and the Annual General Meeting.

Future developments

The group do not expect the investment portfolio to be materially affected by the conflict in the Middle East.

This report was approved by the board on 29 April 2026 and signed on its behalf.

Jamie Brooke

J D Brooke
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their report and the financial statements for the year ended 31 December 2025.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, Directors' report and the consolidated financial statements, in accordance with applicable law.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with UK-adopted international accounting standards as adopted by the UK.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS Accounting Standards as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company 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 the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

The directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Parent Company’s position, performance, business model and strategy.

Principal activity

The principal activity of the Group is that of investment.

Internal control

The Board has the primary responsibility for the oversight of the Group's system of internal controls including controls over financial reporting. The Board seeks to ensure that the Group operates within a framework of prudent and effective controls that allow risks to be identified, assessed and managed.

Policies and manuals in relation to International Financial Reporting Standards (IFRS) and a Financial Control Framework (FCF) are in place across the Group. FCF is a first line framework that supports the Committee in enabling it to understand and assess the design and effectiveness of controls over financial reporting, covering IFRS and climate and other non-financial reporting. FCF is a risk-based approach with management identification, documentation, testing, remediation (as required), reporting and certification over key financial reporting-related controls.

The Board has completed its review and approval of the effectiveness of the Group's system of internal control policies and procedures, during the year and up to the date of this report, in accordance with the requirements of the guidance on risk management, internal control and related financial and business reporting published by the FRC. During this review, the Board did not identify any weaknesses which were determined to be significant to the preparation of the financial statements.

Substantial shareholders

The Company has been notified under DTR regulations of the following interests of 3% or more in its issued share capital as at 29 April 2026:

	Number of shares	% issued capital
Mr Matthew Moulding	37,598,968	8.5

Results and dividends

The loss for the year, after taxation and Non-controlling interests, amounted to £573,335 (2024 - loss £388,251). The directors did not recommend a payment of a dividend during the year.

Corporate governance

The directors intend, so far as appropriate given the Group's size and the constitution of the Board, to comply with the QCA Guidelines on Corporate Governance. As at 31 December 2025, the board comprises 5 members, 2 of whom are executives and 3 are non-executives. As the Group's business has developed sufficiently, the directors have set up an audit committee and a remuneration committee comprising of 3 executive directors and 2 non-executive directors.

Audit Committee

The Committee continues to monitor its non-financial controls and governance arrangements to uphold the Group's commitment to the highest standards of integrity and ethical behaviour. Each meeting includes reviews of risk and compliance related activities and focuses on monitoring the integrity of the Group's Financial Statements and announcements relating to the Group's financial performance.

The Committee also assists the Board in determining that the Annual Report and Consolidated Financial Statements, when taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the Company's position, performance, business model and strategy. The Committee oversees the relationship with the external auditor, including monitoring all matters associated with their appointment, remuneration, performance and independence. The Committee considered the requirements of the Companies Act 2006 in relation to the Directors' Compliance Statement and is satisfied that appropriate steps have been undertaken by the Company to ensure that it is materially compliant with its relevant obligations.

Directors' remuneration

The Board believes they have the relevant expertise and experience to determine the Group's framework for the remuneration of its directors including the design of an equity settled performance related Management Incentive Plan (MIP). The directors' gross remuneration paid in the year amounted to £109,500, and the board ceased drawing cash renumeration from July 2025 onwards. Other remuneration accrued under the MIP as based on the group's performance to date and future growth expectations. The directors MIP provision decreased for the year by £145,488 (2024: increased by £94,296) and the accumulated MIP provision at the year-end was £56,424 (2024: £201,912).

There are no agreements between the Group and its directors providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise), except for those relating to normal notice periods. Any termination payments in lieu of notice would consist solely of base pay, which is currently nil, and the cost of providing benefits for the outstanding notice period. Any statutory requirements will be observed. Our standard practice is to include within the directors' contractual terms mitigation provisions as regards to payments in lieu of notice.

The rules of the Group's share plans contain provisions under which options and awards to participants, including directors, may vest on a takeover or change of control of the Group or transfer of undertaking.

The directors remuneration, including movement in the Management Incentive Plan (MIP) for the year was as follows:

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

	Gross salary	Pension	Total fix pay	MIP movement 2025	Total pay
J H Goold	30,000	220	30,220	(45,783)	(15,563)
J D Brooke	30,000	220	30,220	(45,783)	(15,563)
M A Kirkland (left 30 September 2025)	30,000	220	30,220	(45,783)	(15,563)
Sir N G Knowles	7,500	-	7,500	(6,104)	1,396
S J Rajani	6,000	15	6,015	-	6,015
J D Charters	6,000	14	6,014	(2,035)	3,979
	109,500	689	110,189	(145,488)	(35,299)

A discretionary payment of £20,000 was made to M A Kirkland for his services to the Group. This was agreed and paid post year end.

Employees

The Group has no employees other than the directors.

Directors

The directors who served during the year and their interests in the Group's issued ordinary share capital were:

	Number of shares	
	31-Dec-25	31-Dec-24
J H Goold	45,536,767	41,916,666
J D Brooke	22,000,000	22,000,000
M A Kirkland (left 30 September 2025)	-	6,200,000
Sir N G Knowles	3,500,000	3,500,000
S J Rajani	3,333,333	3,333,333
J D Charters	200,000	200,000

The directors who served during the year were:

J D Brooke
J H Goold
M A Kirkland (left 30 September 2025)
Sir N G Knowles
J D Charters
S J Rajani

Biographies of the directors are disclosed on Kelso's website at kelsoplc.com/who-are-we/

Directors' indemnities
Directors’ insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Group.

The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2025 financial year and remain in force for all current and past Directors of the Group.

Matters covered in the strategic report

Future developments and principal risks and uncertainties are included in the strategic report.

Acquisition of own shares

In 2025, Kelso Group Holdings Plc cancelled 1,500,000 of its own shares at a cost of £30,952 (2024: £nil).

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower.

Based on the Group's size and operations, the Board has considered the related climate-related risks and opportunities on the group to be minimal and has decided against reporting on climate-related financial disclosures at this time. The group's position on the Task Force on Climate-related Financial Disclosures (TCFD) is being continually monitored and will be reviewed when the Board considers the impact of climate-related risks and opportunities to be relevant to the Group.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Subsequent events

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. The facilty has an annual interest rate of 7.8% and has the usual terms for such an instrument.

A discretionary payment of £20,000 was made to M A Kirkland for his services to the Group. This was agreed and paid post year end.

Auditor

The auditor, Royce Peeling Green Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 29 April 2026 and signed on its behalf.

Jamie Brooke

J D Brooke
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELSO GROUP HOLDINGS PLC

Opinion

We have audited the financial statements of Kelso Group Holdings PLC (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 31 December 2025 which comprise the Consolidated statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows, Company Statement of Cash Flows, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group and parent Company financial statements is applicable law and UK adopted international accounting standards.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements 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 Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the parent 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.

Our approach to the audit

The scope of our audit was the audit of the Group and parent Company for the year ended 31 December 2025. The audit was scoped by obtaining an understanding of the Group and parent Company and their environment, including the Group and parent Company's system of internal control and assessing the risks of material misstatement.

Audit work to respond to the assessed risks was planned and performed directly by the engagement team which performed full scope audit procedures.

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) we identified, including those which 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 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Carrying value of investments within the Balance Sheet and the realised and unrealised gains/ (losses) reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income due to their material values.	For a sample of investments, we agreed the addition to the broker statement and market data, confirming the correct amount was recognised on acquisition; We agreed a sample of investment share prices at the year end to third party source to validate the valuation; We confirmed legal title of the investments is with the Group; For realised gains / (losses), we reviewed the disposal working confirming the amount received on disposal and comparing to the carrying value to ensure the realised gain / (loss) is correct; and For unrealised gains / (losses) at year end, we checked and agreed the accuracy of the calculation by comparing the carrying value to the year end market value. **Our conclusion** Based on the procedures performed, we are satisfied that the carrying value of investments and the realised and unrealised gains / (losses) are not materially misstated.

Key Audit Matter	How our scope addressed this matter
Valuation and accounting treatment of the Management Incentive Plan share option ("MiP") scheme given the basis of the calculations and vesting period.	We discussed and agreed the basis of the calculation with key management, challenging the key assumptions; We reviewed and agreed the calculation of the MiP, making reference to the underlying agreement; We undertook sensitivity analysis of the key calculation inputs to assess the impact on the valuation of the MiP, including the probability percentage; We assessed the overall Net Asset Value performance over the period of the MiP; We reviewed the underlying components within the volatility calculation and the mathematical accuracy of the calculation; and We reviewed the disclosure of the MiP within the financial statements. **Our conclusion** Based on the procedures performed, we are satisfied that the calculations for the MiP are in accordance with our understanding of the agreement and are free from material misstatement.

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality.

We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Materiality for the Group financial statements as a whole was set at £259,000 (2024: £264,000), based on 2.5% of the Gross Assets of the Group. This was considered an appropriate level of materiality given the limited trading activity of the Group and that Gross Assets are considered to be of the most interest to the users of the financial statements at this stage of operations. Performance materiality was set at £194,000 (2024: £198,000), being 75% of materiality. We report to the Board any corrected or uncorrected misstatements arising exceeding £9,000 (2024: £8,000).

Our application of materiality (continued)

A specific materiality level was set in relation to the Income Statement and Balance Sheet items other than Investments at £24,000 (2024: £27,000), based on 5% of (Loss)/Profit Before Taxation of the Group. This was considered an appropriate level of materiality. Specific performance materiality was set at £18,000 (2024: £20,000), being 75% of materiality. We report to the Board any corrected or uncorrected misstatements arising exceeding £1,000 (2024: £700).

Conclusions relating to going concern

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

- Discussions with the directors regarding the Group and parent Company’s plans and timelines;
- Review of the high level forecasts; and
- Review of post year end investment activity and investment performance.

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 Group's and Parent 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.

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

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 course of 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 this gives rise to 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.

Opinion on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent 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.

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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 13, 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 Group's and parent 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 Group or parent 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELSO GROUP HOLDINGS PLC (CONTINUED)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and parent Company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELSO GROUP HOLDINGS PLC (CONTINUED)

Other matters which we are required to address

We were appointed by The Board on 7 March 2023 to audit the financial statements for the year ended 31 December 2022 and subsequent financial periods. Our total uninterrupted period of engagement is four years, covering the periods ending 31 December 2022 to 31 December 2025 inclusive.

We are independent of the Group and parent 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Royce Peeling Green Limited

Jonathan Hayward (Senior Statutory Auditor)

for and on behalf of
Royce Peeling Green Limited

Chartered Accountants
Statutory Auditor

The Copper Room
Deva City Office Park
Trinity Way
Manchester
M3 7BG

29 April 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 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		(837,411)	(580,653)
Finance income	7	152	2,209
Finance expense	7	(62,491)	(90,385)
Income from dividends	7	52,976	115,500
Loss before tax		(846,774)	(553,329)
Tax credit	12	248,897	164,526
Loss for the year		(597,877)	(388,803)
Total comprehensive income		(597,877)	(388,803)
Loss for the year attributable to:			
Owners of the parent		(573,335)	(388,251)
Non-controlling interests	22	(24,542)	(552)
		(597,877)	(388,803)

		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)

The notes on pages 34 to 54 form part of these financial statements.

KELSO GROUP HOLDINGS PLC
REGISTERED NUMBER: 11504186

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 £	2024 £
Assets			
Deferred tax assets	27	47,424	-
		47,424	-
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		11,458,909	10,540,584
Liabilities			
Non-current liabilities			
Deferred tax	27	-	201,473
		-	201,473
Current liabilities			
Trade and other liabilities	18	1,186,547	307,477
Loans and borrowings	19	-	995,001
		1,186,547	1,302,478
Total liabilities		1,186,547	1,503,951
Net assets		10,272,362	9,036,633

KELSO GROUP HOLDINGS PLC
REGISTERED NUMBER: 11504186

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2025

	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
		10,231,078	8,970,807
Non-controlling interest	22	41,284	65,826
TOTAL EQUITY		10,272,362	9,036,633

The financial statements on pages 26 to 57 were approved and authorised for issue by the board of directors on 29 April 2026 and were signed on its behalf by:

Jamie Brooke

J D Brooke
Director

The notes on pages 34 to 54 form part of these financial statements.

KELSO GROUP HOLDINGS PLC
REGISTERED NUMBER: 11504186

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 £	2024 £
Assets			
Non-current assets			
Other non-current investments	14	2,974,998	2,974,998
Deferred tax assets	27	30,707	-
		3,005,705	2,974,998
Current assets			
Trade and other receivables	15	6,112,667	5,560,380
Cash and cash equivalents	17	322,760	1,942
		6,435,427	5,562,322
Total assets		9,441,132	8,537,320
Liabilities			
Non-current liabilities			
Current liabilities			
Trade and other liabilities	18	12,746	57,210
Loans and borrowings	19	-	995,001
		12,746	1,052,211
Total liabilities		12,746	1,052,211
Net assets		9,428,386	7,485,109
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
Retained earnings	21	(731,662)	(680,844)
TOTAL EQUITY		9,428,386	7,485,109

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2025

The Company's loss for the year was £35,818 (2024 - £112,563).

The financial statements on pages 26 to 57 were approved and authorised for issue by the board of directors on 29 April 2026 and were signed on its behalf by:

Jamie Brooke

J D Brooke
Director

The notes on pages 34 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £	2024 £
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)
		(798,140)	(53,685)
Movements in working capital:			
Decrease/(increase) in trade and other receivables	15	3,413	(7,564)
(Decrease)/increase in trade and other payables	18	(14,253)	16,544
Cash generated from operations		(808,980)	(44,705)
Net cash used in operating activities		(808,980)	(44,705)
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
Net cash from/(used in) investing activities		207,984	(2,949,639)
Cash flows from financing activities			
Issue of ordinary shares	20	2,010,047	1,796,126
Purchase of ordinary shares for cancellation	20	(30,952)	-
Contract for difference funding		(169,430)	169,430
(Repayment)/Proceeds from other borrowings	19	(995,001)	995,001
Proceeds from short term borrowings		1,062,752	-
Finance expense	7	(62,491)	(90,385)
Finance income	7	152	2,209
Net cash from financing activities		1,815,077	2,872,381
Net increase/(decrease) in cash and cash equivalents		1,214,081	(121,963)
Cash and cash equivalents at the beginning of year		118,369	240,332
Cash and cash equivalents at the end of the year	17	1,332,450	118,369

The notes on pages 34 to 54 form part of these financial statements.

KELSO GROUP HOLDINGS PLC

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Loss for the year		(35,818)	(112,563)
Adjustments for			
Income tax expense	12	(30,707)	56,259
		(66,525)	(56,304)
Movements in working capital:			
Increase in trade and other receivables	15	(552,287)	(2,791,431)
(Decrease)/increase in trade and other payables	18	(44,464)	42,812
Cash generated from operations		(663,276)	(2,804,923)
Net cash used in operating activities		(663,276)	(2,804,923)
Cash flows from investing activities			
Cash flows from financing activities			
Issue of ordinary shares	20	2,010,047	1,796,126
Purchase of ordinary shares for cancellation	20	(30,952)	-
(Repayment)/Proceeds from other borrowings	19	(995,001)	995,001
Net cash from financing activities		984,094	2,791,127
Net increase/(decrease) in cash and cash equivalents		320,818	(13,796)
Cash and cash equivalents at the beginning of year		1,942	15,738
Cash and cash equivalents at the end of the year	17	322,760	1,942

The notes on pages 34 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 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)	1,833,607	-	1,833,607
At 31 December 2025	4,424,033	5,675,515	60,500	56,424	14,606	10,231,078	41,284	10,272,362

The notes on pages 34 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	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

The notes on pages 34 to 54 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2024	3,129,750	3,194,577	45,500	(568,281)	5,801,546
Comprehensive income for the year					
Loss for the year	-	-	-	(112,563)	(112,563)
Total comprehensive income for the year	-	-	-	(112,563)	(112,563)
Contributions by and distributions to owners					
Issue of share capital	625,950	1,170,176	-	-	1,796,126
Shares cancelled during the year	-	-	-	-	-
Total contributions by and distributions to owners	625,950	1,170,176	-	-	1,796,126
At 31 December 2024	3,755,700	4,364,753	45,500	(680,844)	7,485,109
At 1 January 2025	3,755,700	4,364,753	45,500	(680,844)	7,485,109
Comprehensive income for the year					
Loss for the year	-	-	-	(35,818)	(35,818)
Total comprehensive income for the year	-	-	-	(35,818)	(35,818)
Contributions by and distributions to owners					
Issue of share capital	683,333	1,326,714	-	-	2,010,047
Purchase of own shares	-	-	15,000	(15,000)	-
Shares cancelled during the year	(15,000)	-	-	-	(15,000)
Shares cancelled during the year	-	(15,952)	-	-	(15,952)
Total contributions by and distributions to owners	668,333	1,310,762	15,000	(15,000)	1,979,095
At 31 December 2025	4,424,033	5,675,515	60,500	(731,662)	9,428,386

The notes on pages 34 to 54 form part of these financial statements.

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 Profit and Loss and 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. Basis of preparation (continued)

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 accounting policies

i) New standards, interpretations and amendments effective from 1 January 2025

The following tables summarise the impacts of adopting new accounting standards on the Group's consolidated financial statements.

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’.

2. Basis of preparation (continued)

ii) New standards, interpretations and amendments not yet effective (continued)

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 may have an impact on the results and net assets of the Company, however, it is too early to quantify this.

The directors anticipate that the adoption of other Standards and interpretations that are not yet effective in future periods will only have an impact on the presentation in the financial statements of the Company.

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. Material accounting policies (continued)

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. Material accounting policies (continued)

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.

4. Material accounting policies (continued)

4.2 Basis of consolidation (continued)

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.

4. Material accounting policies (continued)

4.3 Revenue (continued)

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. Material accounting policies (continued)

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 Profit and loss. 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:

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

7. Finance income and expense

Recognised in profit or loss

	2025 £	2024 £
Finance income		
Interest on:		
- Bank deposits	152	1,979
Total interest income arising from financial assets measured at amortised cost or FVOCI	152	1,979
Dividends received - listed investments	52,976	115,500
Other interest receivable	-	230
Total finance income	53,128	117,709
Finance expense		
Interest on Contract for Difference	1,184	44,038
Loan interest payable	61,307	46,347
Total finance expense	62,491	90,385
Net finance (expense)/income recognised in profit or loss	(9,363)	27,324

8. Expenses by nature

	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 (credits)/costs	(145,488)	94,296

9. Auditor's remuneration

During the year, the Group obtained the following services from the Group's auditor.:

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

10. Employee benefit expenses

Group

	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 £89,000 (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.

	2025 £	2024 £
Salary	109,500	-
Defined contribution scheme costs	689	-

The monthly average number of persons, including the directors, employed by the Group during the year was as follows:

	2025 No.	2024 No.
Directors	6	6

11. Directors' remuneration

	2025 £	2024 £
Directors' emoluments	109,500	-
Management Incentive Plan	(145,488)	94,296
Group contributions to pension schemes	689	-
	(35,299)	94,296

12. Tax expense

12.1 Income tax recognised in profit or loss

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

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 losses for the year are as follows:

	2025 £	2024 £
Loss for the year	(597,877)	(388,803)
Income tax credit/expense	(248,897)	(164,526)
Loss before income taxes	(846,774)	(553,329)
Tax using the Company'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	(248,897)	(164,526)

Changes in tax rates and factors affecting the future tax charges

There were no factors that may affect future tax charges.

13. Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

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

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

13. Earnings per share (continued)

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

	2025 Number	2024 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 used as the denominator in calculating diluted earnings per share	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 24.1. 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. Other non-current investments

Company

	2025 £	2024 £
Investments in subsidiary companies	2,974,998	2,974,998

The company holds 99.8% of ordinary shares and voting rights in Kelso Ltd. The registered office of Kelso Ltd is a Eastcastle House, 27-28 Eastcastle Street, London, United Kingdom, W1W 8DH. The principal activity of Kelso Ltd is that of an investment company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

15. Trade and other receivables

Group

	2025 £	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	-	-

Company

	2025 £	2024 £
Receivables from subsidiaries	6,112,667	5,560,380
Total financial assets other than cash and cash equivalents classified as loans and receivables	6,112,667	5,560,380
Less: current portion - receivables from related parties	(6,112,667)	(5,560,380)
Total trade and other receivables	6,112,667	5,560,380
Total non-current portion	-	-

16. Listed investments

	2025 £	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	(129,890)	(424,503)
	10,068,162	10,393,536

Unlisted investments

	2025 £	2024 £
Purchases	12,500	12,500
Fair value	12,500	12,500

Unlisted investments relate to Berwick Group Holdings Plc and it's subsidiary companies, being Peebles Group Plc, Hawick Group Holdings Plc and Hawick Subsidiary Limited.

17. Notes supporting statement of cash flows

Group

	2025 £	2024 £
Cash at bank available on demand	1,332,450	118,369
Cash and cash equivalents in the statement of cash flows	1,332,450	118,369

17. Notes supporting statement of cash flows (continued)

Company

	2025 £	2024 £
Cash at bank and available on demand	322,760	1,942

Reconciliation of net debts

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

18. Trade and other payables

Group

	2025 £	2024 £
Trade payables	23,484	21,969
Other payables - tax and social security payments	3,207	12,743
Short term finance	1,062,752	169,430
Other payables	690	12,500
Accruals	96,414	90,835
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	1,186,547	307,477
Total trade and other payables	1,186,547	307,477

18. Trade and other payables (continued)

Company

	2025 £	2024 £
Trade payables	-	7,440
Accruals	-	37,027
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	-	44,467
Other payables - tax and social security payments	12,746	12,743
Total trade and other payables	12,746	57,210
Total current portion	12,746	57,210

19. Loans and borrowings

Group and Company

	2025 £	2024 £
Current		
Other loans	-	995,001

The 2024 loan from third parties was secured over the assets of the Group. The loan was repaid in April 2025.

20. Share capital

Issued and fully paid

	2025 Number	2025 £	2024 Number	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	442,403,329	4,424,033	375,569,999	3,755,700

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.

21. 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 consist of the assessed value of share-based (under the MIP) 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.

22. Non-controlling interests

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

23. Financial instruments - fair values and risk management

23.1 Financial risk 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, apart from investments in listed shares which are valued at fair value.

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.

23. Financial instruments - fair values and risk management (continued)

23.1 Financial risk management objectives (continued)

Contract for Differences risk

The group invests in Contract for Differences (CFD) when management expects a return. Management is experienced in CFD trading and have chosen a highly respected CFD provider to minimise counterparty risks or delays. All CFDs' were repaid before the year end.

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

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.

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.

24. Share based payments

24.1. Employee share option plan of the Company

Details of the employee share option of the Company

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.

25. 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 received compensation under the MIP and their remuneration are disclosed in note 11.

26. Control

There is no controlling party.

27. Deferred tax

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Deferred tax - balance b/fwd	-	(201,473)	-	56,259
Taxation recoverable	47,424	-	30,707	(56,259)
At end of year	47,424	(201,473)	30,707	-

	Group 2025 £	Group 2024 £	Company 2025 £
Tax losses	252,796	-	30,707
Unrealised investment gains	(219,478)	(251,950)	-
Management incentive plan	14,106	50,477	-
	47,424	(201,473)	30,707

28. Events after the reporting date

Group

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.

A discretionary payment of £20,000 was made to M A Kirkland for his services to the Group. This was agreed and paid post year end.

Perivan.com
273727A