2 September 2026

Kelso Group Holdings Plc

("Kelso" or the "Company")

Current trading update to 31 August 2026 and **Interim results for the 6 months to 30 June 2026**

NAV per share +43% in eight months to 31 August 2026

Kelso, the Main Market listed acquisition vehicle, is pleased to announce its interim results for the six month period ended 30 June 2026 ("H1 2026").

Kelso's founding belief: if a listed company's asset allocation and investor relations execution improve, so too will its share price. Kelso continues to try and help the companies within its focussed ten stock 'best ideas' portfolio achieve this.

Unaudited Interim results as at 30 June 2026

- NAV per share of c.2.9p, increased from c.2.3p as at 31 December 2025, a return of c.23% for the period.
- Total pre-tax profit of £2.3m and post-tax profit of £2.4m.
- Net assets of £13.2m, increasing from £10.3m as at 1 January 2026.

Current update as at 31 August 2026

- NAV per share increased by c.43% to 3.3p for the 8 months to 31 August 2026. Since inception NAV per share returns of 115% have been achieved.
- Net Assets have grown to £15.2m compared to £10.3m at the start of the year.
- Pre tax profit of c.£4.8m for the 8 month period ended 31 August 2026.
- Gross investments of c.£23.0m, net assets of £15.2m using 33% gearing.
- Fully invested with a highly focussed 10 stock portfolio with an average market cap of c.£320m. This intensive investment focus has allowed us to achieve a hit rate of 80%. Six of our ten stocks have net cash balance sheets which makes us comfortable with the gearing at the portfolio level.
- We believe our performance puts us in the top decile of UK small cap investors for the period and that there is currently a generational opportunity in UK small / mid equities for enhanced returns.

We attribute Kelso's positive NAV per share performance of 43% in the first 8 months of the year to six factors within Kelso's continually evolving business model:

1. **Investing in a highly focussed way** with ten investments in established companies in the UK small and mid cap listed markets most of which are market leaders in their sectors. Kelso has been regularly investing in companies that are at a ten year low in their valuations. Kelso does not invest in more speculative early stage companies or the resources sector.
2. **The Kelso model is to help companies improve their capital allocation as well as offering proactive advice around improving investor relations.** We believe that when a company's capital allocation and investor relations improve then so too does its performance and share price.
3. **We continually review Kelso's gearing level based on the balance sheet strength of our portfolio companies.** Six of our ten stocks have net cash balance sheets so as a result the Board are comfortable using gearing within Kelso of around 30%. Where investee companies have higher levels of gearing we need a clear line of sight as to how that gearing reduces over time.

4. **A team approach** to investing with a Board of Directors which has over 150 years of experience in relevant skills such as fund management, private equity, corporate broking, law, activist investing and M&A. The board of Kelso own c.16% of the Company and as a result are highly aligned with our shareholders.
5. **Kelso is backed by over 75 business friends and contacts known to the board from their City careers who share investment ideas and opportunities.** We continue to look for new value-adding investors.
6. **Kelso's size and structure allow agility in investing, a key factor in achieving enhanced performance.** Our structure also enables us to 'run the winners' without being constrained by holding limits.

Kelso intends to grow but remain a relatively smaller investment company from a size perspective to ensure continued agility in investing, a key factor in our performance. The corollary of this is that we are conscious that liquidity in our shares is limited and so, consequently, we occasionally buy back stock and intend to launch a material buy back via a tender offer to shareholders in December 2028, by which time it is our hope that the UK small and mid cap market will have finally begun to correct itself in terms of relative global valuation. Given that Kelso is only looking to invest in around ten stocks, the reduction in the size of the UK small and mid cap indices over recent years does not worry us from an investment opportunity perspective.

History & Outlook

The Kelso team took over a cash shell in December 2022 raising the initial funds at 2.0p per share with a plan to execute a new strategy. NAV per share of the cash shell prior to this first raise was 0.6p a share and the blended average NAV per share post the first raise was 1.5p net of the launch costs including a Main Market prospectus. This NAV per share has now more than doubled since inception increasing by c.115% to 3.3p. This is against Main Market equivalent index returns of c.30%. Whilst we are pleased with this outperformance versus the various indices, we are equally pleased that downside risk has been limited by virtue of our investment strategy of buying established stocks with healthy balance sheets at near five year, or sometimes ten year, share price lows.

Since inception the number of investments has grown, from three at the end of year 1 to ten now. At the same time, total expenses have been kept to a minimum with total plc operating expenses being less than £1m over 3.5 years. There have been no property costs in the first three and a half years and total salaries over the period have been less than £100k reflecting the alignment of interest and commitment of the investment team and the board which owns c.16% of Kelso. Modest salaries will begin to be paid to the Board in the second half of 2026.

Whilst we are pleased with our performance since inception, for the last four years, investing in the UK market has not been easy, as any UK small / mid UK fund manager will confirm. However, we are now seeing the green shoots of growth and, importantly, many of the smaller small cap funds are seeing healthy inflows. When small cap stocks begin to rally they can rally quite aggressively, which we have had the benefit of witnessing in three of our investments which have more than doubled in 2026. Our investment strategy has continued to evolve and improve. We hope that between now and the material buy back via tender offer envisaged above, we will achieve further material uplift to our NAV/share for our shareholders.

Sir Nigel Knowles commented

'Kelso may be small, but its ambition is considerable. The multi-disciplinary experience of our Board gives us a distinctly different perspective, focussed on the long-term core and intrinsic value of each company. Our Board-level experience is deep, and our processes are thorough, as befits a public company. Kelso has made a positive start to 2026, which we hope marks the beginning of sustained market-beating performance.'

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Chief Executive Officer's Report

Kelso, the Main Market investment company which will be four years old at the end of 2026, reports year-to-date NAV per share performance of +43% to 31 August 2026. Gross investments are now c.£23.0m, with net assets per share currently at 3.3p. Kelso's interim results for the six months to 30 June 2026, showed a pre-tax profit of £2.3m and post-tax profit of £2.4m on a starting net asset base of £10.3m as at 1 January 2026. Since 30 June 2026, we have made further progress and the estimated PBT for the 8 months to 31 August is now approximatly £4.8m.

Peel Hunt recently published a paper, 'UK M&A - Selling the family silver', which noted that since 2023, 154 companies have been acquired from the UK stock market, with a combined value of £165bn, while a further £120bn of companies have moved their listings away from London. In July and August alone, 3 long term listed British companies Rotork, Easyjet and Mitie received recommended cash offers totalling £12.9bn, at premiums of 73%, 81% and 44%. Kelso believes this unusually high level of corporate activity will continue until UK valuations correct relative to the rest of the world and in particular to the USA, the domicile of a large majority of the acquirers. In the meantime, and because of this high level of activity, Kelso believes the UK small and mid-cap market continues to offer a generational opportunity for enhanced returns. Targeted, focussed and engaged investing can create strong returns in such a market.

Table of investments that are valued at over 10% of the gross NAV as at 31 August 2026

	Mkt cap at 31 August 2026	% of gross portfolio	Price (p) at 31 August 2026	% uplift in year or since purchase if during 2026
TheWorks.co.uk plc	£55m	24%	87	+155%
NCC Group plc	£395m	15%	145	+7% (including dividends)
Saga plc	£989m	15%	679	+73%
CVS Group plc	£905m	14%	1322	0%
Other sub 10% investments		32%		
		100%		
Filtronic plc was purchased at an average of 185p and sold during 2026 at an average of 406p generating a realised gain of 119% in less than six months.				

We hold six stocks within our smaller undeclared investments. Two of the six are in software / technology, two are in consumer, one is in distribution and we remain the largest shareholder in Selkirk, the AIM-listed cash shell. We regard each of our smaller holdings as being growth stock opportunities. The average market cap of these six stocks as at 31 August 2026 was £148m.

Unaudited financial results for the 6 months to 30 June 2026

We are pleased with the performance in the first six months of 2026. The Group began the year with net assets of £10.3m and raised a further £650k of equity at 3.0p in May 2026 to fund a specific investment opportunity. As at 30 June 2026, net assets rose to £13.2m, being 2.9p per share (30 June 2025: £9.0m and 2.4p per share), and at 31 August 2026 they had further risen to £15.2m, equivalent to 3.3p per share.

Revenue for the six months to 30 June 2026 was £2.7m (H1 2025: £0.4m), comprising realised gains of £1.2m (H1 2025: loss of £0.2m), unrealised gains of £1.5m (H1 2025: gain of £0.6m) and consultancy income of £25k (2025: £33k).

Administrative expenses of £236k for the six months to 30 June 2026 are 31% below H1 2025 (£343k), and were achieved while the portfolio grew from £10.1m at the start of the year to £18.6m (H1 2025: £9.2m). No salaries and or property costs were borne in the period.

£34k of the £236k charge (H1 2025: £47k of £343k) is the non-cash Management Incentive Plan ("MIP") accrual, which will be equity-settled. Cash operating costs in the first half were therefore £202k (H1 2025: £296k), or just under 1% of gross investments at 30 June 2026. These costs included share dealing related fees which are inevitable in a business such as Kelso.

Therefore, excluding the non cash MIP charge and dealing costs, the underlying cost of administering Kelso was £139k for H1 2026, a run rate of c.£23k per month. That is substantially the fixed cost of maintaining a Main Market listing: regulatory and exchange fees, audit and accountancy, company secretarial, insurances, registrar and AGM costs.

After administrative and trading expenses of £236k and net finance costs of £142k (7.8% interest p.a.) from modest gearing to fund the portfolio, pre-tax profit was £2.3m, against a loss of £0.1m in H1 2025. Basic and diluted earnings per share were 0.53p (H1 2025: loss 0.02p) on a weighted average of 450.0m shares (H1 2025: 372.1m).

Kelso has so far raised the following funds:

Date	Issue price	Amount raised before expenses	Amount raised after expenses	CAGR % at 31 August 2026 (3.7p) from Issue Price
January 2023	2.0p	£3.0m	£2.8m	18.6
June 2023	2.5p	£3.0m	£2.8m	12.4
January 2024	3.0p	£1.9m	£1.8m	8.3
December 2025	3.0p	£2.05m	£1.9m	34.7
May 2026	3.0p	£0.65m	£0.6m	101.9
		£10.6m	**£9.9m**	

Update by Investment

TheWorks.co.uk plc ("The Works") (87p, £55m mkt cap & 24% of the portfolio)

Kelso first bought into The Works in September 2023 at c.31p, at a valuation of c.1x EBITDA when the market cap was approximately £20m with £10m of net cash. The Works is a well run high street chain of c.500 shops with revenues of c.£260m. It was established in 1981 and floated on the London Stock Exchange in 2018 at 160p when its revenue was only £192m, much smaller than it is today. Its compound revenue growth since IPO has been 4% a year and has grown to over £260m. The Works business is centred around creativity including books, crafts and children's creative toys and their strapline is 'screen-free activities for the whole family'. Kelso believes this strapline is increasingly relevant in the current climate, especially with the UK's pending social media ban on under-16s. Importantly, The Works operates at the value end of the market whilst still achieving respectable gross product margins of over 60%. In the two years to May 2026, adjusted EBITDA (pre IFRS16) has increased 2.3x from £6.0m to £14.0m.

The recent results from The Works on 23 July 2026 showed strong progress in the year with adjusted EBITDA increasing to £14.0m from £9.5m in 2025, and from £6.0m the year before. In the last 18 months, The Works has upgraded its EBITDA guidance three times. Despite a strong share price rally in 2026, The Works continues to trade only on c.3.5x EBITDA (pre IFRS 16) against current year guidance. Using the company's medium term (by 2030) guidance of at least £22.5m EBITDA, it trades on c.2.3x. Kelso continues to believe that The Works is materially undervalued. We give credit to the executive management of The Works for the stand out performance in the last few years.

On 4 August 2026, Kelso proposed Graeme Coulthard to the board of The Works as a new non-executive director under Section 338 of the UK Companies Act 2006. This proposal is included as Resolution 15 of the Annual General Meeting which takes place on 7 September 2026. Kelso believes that Mr Coulthard's very relevant experience in the value multi-site retail sector will add value to the The Works' board having been a director of the Card Factory for 5 years as the private equity owner before and after the IPO generating a return on investment for Charterhouse Capital Partners LLP of over 5x. Kelso is perplexed and disappointed that the current board have chosen to advise shareholders to reject his appointment. Mr Coulthard is a declared holder of 8% of The Works which combined with Kelso's holding represents over 18% of the company.

Kelso owns 6.3m shares which equates to a 10% shareholding, bought at an average cost price of c.44p.

NCC Group plc ("NCC") (145p, £395m mkt cap & 15% of the portfolio)

Kelso bought into NCC in October 2023 when it had two businesses with the hope that one of those businesses would be divested. We were pleased when, in May 2026, NCC completed the sale of Escode to TDR Capital LLP for a total enterprise value of £275.0m, generating estimated net proceeds of approximately £253m. In July 2026, NCC confirmed its intention to return £185m to shareholders of which £170m is by way of a tender offer, currently in process, at 145p.

Assuming the tender offer is taken up by shareholders in early September, around 40% of the issued share capital will be retired, although Kelso notes that none of the Directors will be tendering their shares. NCC will then become a market leading fully focussed Cyber Security consultancy with expected revenues of around £250m and a target EBITDA margin of mid teens percentage, being around £37.5m. After the tender offer, if the share price remains at c.145p, the Cyber business will be valued at £240m and the £15m market buy back will begin. After the market buy back, the company will still have a sizeable net cash balance sheet of over £30m.

NCC is one of the leading Cyber consultancies in the UK based on size and its customer base. NCC advises the UK Government (including the MoD, Cabinet Office and Home Office) alongside highly prestigious UK and global corporates. NCC states that its top 20 customers have been advised by them, on average, for over ten years. Its UK business grew revenues double digit in the first half of the year. Kelso notes the strong recent announcements of the work that NCC is doing with Open AI in Cyber and the recent MOU with Siemens, both of which point to the reputation of the business. By virtue of having two separate businesses, NCC had been a confusing story to the UK stock market for a long time. However, as a newly-focussed leading cyber consultancy, the valuation of 6.4x EV/EBITDA based on its mid teen EBITDA target, appears in our view to be materially mispriced, significantly undervaluing the long term growth opportunities in the sector.

Kelso continues to hold 2.3 million ordinary shares in NCC bought at an average cost price of 132p per share, representing approximately 15% of Kelso's gross investments. Since originally investing in NCC in 2023, Kelso has received c.14p of dividends.

CVS Group plc ("CVS") (1322p, £905m mkt cap & 14% of the portfolio)

Kelso announced its investment in CVS on 17 February 2026 with a shareholding of 130,000 shares and subsequent to that announcement, Kelso has grown its shareholding to 250,000 shares at an average price of 1,317p. In our original announcement about this investment, we set out CVS's impressive 20 year track record of unbroken revenue and EBITDA growth as one of the leading UK and Australian veterinary chains. We then compared its valuation to those other companies with a similar 20 year financial track record to demonstrate its low valuation. In Kelso's view CVS's quality of earnings is high, resilient in the face of geopolitical or economic challenges and with long term trends in its favour. During Covid, the UK saw a strong 11% bounce in pet ownership; those pets are soon approaching middle-age when veterinary costs increase, a factor that we believe will deliver a significant tailwind to CVS which is central to our investment thesis.

In the 10 years before the CMA review, which has now been completed, CVS traded at an average EBITDA multiple of 14x peaking several times at 20x. The CMA review began in September 2023 and concluded in May 2026. CMA reviews do not generally help share prices, and CVS's price almost halved from £21.10 on announcement of the review to £11.50 when the review was completed despite the fact that the business grew in that time and the conclusions of the review were fairly anodyne. With a current year EBITDA of £141m and a market cap of £905m with £158m of net debt as at H1 2026, CVS trades on a current year EV / EBITDA of around 8x which is broadly half the 10 year average pre the CMA review.

CVS announced on 26 May 2026 a successful refinancing of its £350m bank facility on improved terms, further bolt on acquisitions in Australia, as well as starting a £50m buy back programme which we welcome.

Saga plc ("Saga") (679p, £990m mkt cap & 15% of the portfolio)

Saga was hit hard during Covid as its travel business could not operate and as a result debt quickly accumulated. Kelso set out its investment case in announcement on 6 January 2026 highlighting the quite extraordinary job achieved by management in turning the business around. In particular, we commented how the net debt to EBITDA over the 5 years during and post Covid had averaged over 7.9x peaking at 12.3x in July 2021. For the last 5 years, this has made Saga uninvestable to most blue chip funds, however, given its gearing ratio has reduced in its latest RNS to 3.2x (31 Jan 2026: 3.7x), it should now back be firmly back on institutional potential investment lists.

Post Covid, Saga's cashflows began to grow and management set out their ambitions for the 5 years to January 2030 where they hope to achieve over £100m of PBT alongside decreasing the leverage ratio to below 2x. Kelso bought its first shares at 387p at the start of this year following the share price doubling in the previous 6 months. The share price has now grown to 679p as new institutions are attracted to the shares. In its initial announcement on 6 January 2026, Kelso observed the valuation of the US listed cruise ship operators such as Viking Holdings Inc, which also serves the older generation, and others which traded at a significant premium to Saga. Indeed, Kelso has suggested that Saga should market its shares to US investors who appear to value cruise ship operators more highly than British investors.

Whilst the travel turnaround and cashflow generation have been extremely impressive, Saga has at the same time been reorganising its insurance and financial services divisions by partnering with industry leaders. Sensibly, in our view, Saga has partnered with Ageas and takes no underwriting risk, operating purely as a broker and service company. Similarly, Saga teamed up with NatWest for its financial products, again targeting the 50+ generation sector. One of Saga's core assets is its highly trusted brand, demonstrated by its sizeable and loyal database of c.10 million customers to whom it can market directly thus significantly reducing its cost of customer acquisition and giving it a real financial advantage versus its competition across all of its product range. A recent FT article on 26 August 2026 about Saga, referred to the fact that the UK population is ageing and that according to the International Longevity Centre in 2018 those over 50 were responsible for 54p in every pound of consumer spending. The FT said that this think-tank expects that this spend will reach 63p by 2040 leading to strong growth in recreation and household goods and services.

Saga's management has done an extraordinary job turning the business around as well as backing it financially themselves. Kelso believes that there is a chance that the 5 year financial targets can be achieved earlier than January 2030 which would make the investment case even more attractive to global investors. In our view, Saga is a world class business, undervalued and with strong future prospects. The four leading analysts covering Saga in London have recently updated their price targets for Saga which average c.900p.

Filtronic plc ("Filtronic")

Kelso bought shares in this company between December 2025 and February 2026, at an average purchase price of 185p per share, and sold its entire holding of 500,000 ordinary shares at an average price of 406p per share during H1 2026, representing a realised gain of approximately 119%.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

£'000	H1 2026 (unaudited)	H1 2025 (unaudited)	FY 2025 (audited)
Realised gains/(losses) on investments	1,183	(238)	(463)
Unrealised gains/(losses) on investments	1,452	574	(130)
Consultancy income	25	33	50
Revenue	**2,660**	**369**	**(543)**
Administrative expenses	(236)	(343)	(294)
Profit/(loss) from operations	**2,424**	**27**	**(837)**
Other income	–	16	53
Finance expense	(142)	(98)	(62)
Profit/(loss) before taxation	**2,282**	**(55)**	**(847)**
Taxation (charge)/credit	113	(24)	249
Profit/(loss) for the period/year	**2,395**	**(78)**	**(598)**
Attributable to: owners of the parent	2,395	(78)	(573)
Attributable to: non-controlling interests	–	–	(25)
Basic and diluted earnings/(loss) per share (pence)	**0.53**	**(0.02)**	**(0.15)**

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

£'000	30 Jun 2026 (unaudited)	30 Jun 2025 (unaudited)	31 Dec 2025 (audited)
Non-current assets			
Deferred tax asset	158	–	47
Current assets			
Investments	18,638	9,225	10,068
Trade and other receivables	132	33	11
Cash and cash equivalents	23	39	1,332
Total current assets	**18,793**	**9,297**	**11,411**
Total assets	**18,951**	**9,297**	**11,459**
Current liabilities			
Trade and other payables	182	98	1,187
Borrowings	5,543	–	–
Total current liabilities	**5,725**	**98**	**1,187**
Non-current liabilities			
Deferred tax liability	–	225	–
Total non-current liabilities	**–**	**225**	**–**
Total liabilities	**5,725**	**323**	**1,187**
Net assets	**13,226**	**8,974**	**10,272**
Equity			
Share capital	4,640	3,741	4,424
Capital redemption reserve	60	60	60
Share premium reserve	6,038	4,349	5,676
Treasury shares	(53)	–	–
Equity share MIP reserve / other reserves	90	249	56
Retained earnings	2,410	510	15
Equity attributable to owners of the Group	**13,185**	**8,909**	**10,231**
Non-controlling interests	41	66	41
Total equity	**13,226**	**8,974**	**10,272**
Net asset value per share (pence)	**2.9**	**2.4**	**2.3**

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

£'000	Share capital	Share premium	Capital redemption	Treasury shares	MIP reserve	Retained earnings	Total owners	NCI	Total equity
At 1 January 2026 (audited)	4,424	5,676	60	–	56	15	10,231	41	10,272
Profit for the period	–	–	–	–	–	2,395	2,395	–	2,395
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**2,395**	**2,395**	**–**	**2,395**
Shares issued in the period	216	362	–	–	–	–	578	–	578
Share-based payment expense (MIP)	–	–	–	–	34	–	34	–	34
Treasury shares acquired	–	–	–	(53)	–	–	(53)	–	(53)
Total transactions with owners	**216**	**362**	**–**	**(53)**	**34**	**–**	**559**	**–**	**559**
At 30 June 2026 (unaudited)	**4,640**	**6,038**	**60**	**(53)**	**90**	**2,410**	**13,185**	**41**	**13,226**

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2026

£'000	H1 2026 (unaudited)	H1 2025 (unaudited)	FY 2025 (audited)
Cash flows from operating activities			
Profit/(loss) for the period/year	2,395	(78)	(598)
Adjustments for:			
Unrealised (gain)/loss on investments	(1,418)	(574)	130
Taxation (charge)/credit	(113)	24	(249)
Income tax expense	–	–	2
Share-based payment expense	34	47	(145)
Net finance costs	142	98	62
Operating cash flow before movements in working capital	**1,040**	**(484)**	**(798)**
(Increase)/decrease in trade and other receivables	(50)	(17)	3
Increase/(decrease) in trade and other payables	60	(40)	(14)
Net cash from/(used in) operating activities	**1,050**	**(541)**	**(809)**
Cash flows from investing activities			
Payments to acquire investments (including £650,000 unquoted)	(9,566)	(143)	(2,129)
Disposals of investments, at carrying value released	2,342	1,898	2,337
Net cash from/(used in) investing activities	**(7,224)**	**1,755**	**208**
Cash flows from financing activities			
Proceeds from issue of ordinary shares	579	–	2,010
Purchase of own shares	(53)	(31)	(31)
CMC / CFD facility – drawdown/(repayment)	5,543	(169)	(169)
Pershing facility – (repayment)/drawdown	(1,062)	–	1,063
Other borrowings – (repayment)/drawdown	–	(995)	(995)
Net interest paid	(142)	(98)	(62)
Net cash from/(used in) financing activities	**4,865**	**(1,293)**	**1,815**
Net (decrease)/increase in cash and cash equivalents	**(1,309)**	**(79)**	**1,214**
Cash and cash equivalents at the beginning of the period/year	1,332	118	118
Cash and cash equivalents at the end of the period/year	**23**	**39**	**1,332**

Notes to the Interim Results

For the six months ended 30 June 2026

1. Basis of preparation

Kelso Group Holdings Plc is a public limited company incorporated in England and Wales under the Companies Act 2006 (registration number 11504186). The Company's ordinary shares are admitted to trading on the main market of the London Stock Exchange.

These interim financial statements for the six months ended 30 June 2026 should be read in conjunction with the financial statements for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as applied in accordance with the provisions of the Companies Act 2006. The interim report and accounts do not include all the information and disclosures required in the annual financial statements. These interim financial statements have been prepared on a going concern basis due to the Company's strong balance sheet position.

Comparative figures for the six months ended 30 June 2025 are as previously reported in the Company's interim results announcement dated 30 September 2025; comparative figures for the year ended 31 December 2025 are as reported in the Company's audited financial statements approved on 29 April 2026.

2. Material accounting policies

The interim report and accounts have been prepared in accordance with IAS 34 (Interim Financial Statements) and on the basis of the accounting policies, presentation and methods of computation as set out in the Company's December 2025 Annual Report and Accounts, except for those that relate to new standards and interpretations effective for the first time for periods beginning on or after 1 January 2026 and to be adopted in the 2026 annual financial statements.

The financial information is presented in Pounds Sterling and rounded to the nearest thousand (£'000) except where otherwise stated, and has been prepared under the historical cost convention except for investments, which are held at fair value.

Unlisted investments are held at cost, being the most recent transaction price in the investment, which the directors consider to be the best available estimate of fair value in the absence of an active market. The carrying amount is reviewed at each reporting date and adjusted where there is objective evidence that fair value has changed, with any movement recognised in profit or loss.

Cash and cash equivalents comprise cash held at bank. The Group's balances with its brokers are not cash equivalents: they are secured borrowings, repayable on demand and bearing interest, drawn to fund the investment portfolio rather than held to meet short-term cash commitments, and they are accordingly presented as borrowings and excluded from cash and cash equivalents. The statement of cash flows is prepared using the indirect method, reconciling profit or loss for the period to the movement in cash and cash equivalents. Interest paid is presented within financing activities. The Group's investments are held for capital appreciation rather than for dealing or trading purposes, so purchases and disposals of investments are presented within investing activities. Because the Group transacts almost entirely within its broker dealing accounts, the majority of the period's investing and financing activity did not involve cash or cash equivalents.

The presentation of the statement of cash flows is consistent with that adopted in the comparative periods, The CMC borrowings were entered into during the current period and no comparable facility was in place at either 30 June 2025 or 31 December 2025.

The interim report and accounts do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. These interim financial statements have not yet been approved by the Board of Directors. The results for the six months to 30 June 2026 and the comparative results for the six months to 30 June 2025 are unaudited. The figures for the year ended 31 December 2025 are extracted from the audited statutory accounts of the Group for that period.

3. New accounting standards adopted at 1 January 2026

There are no significant pronouncements which became effective from 1 January 2026 that have a significant impact on the Group's interim condensed consolidated financial statements. IFRS 18 'Presentation and Disclosure in Financial Statements' becomes effective for periods beginning on or after 1 January 2027 and is not expected to have a material impact on the Group's reported results or net assets; its adoption will introduce additional defined subtotals and management-performance-measure disclosures in future periods.

4. Accounting estimates and judgements

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 or loss, unlisted investments are held at cost. On sale, net gains and losses previously recognised are transferred to retained earnings. Deferred tax provision is calculated on the unrealised gain or loss at the period end on the assumption that the net gain will be realised and the Group will generate future profits to utilise such losses.

Estimates included within these financial statements relate to the Management Incentive Plan (MIP). The directors believe that the performance and market condition of the MIP will be met and a return hurdle of between 8% and 15% per annum will be achieved by the relevant vesting date. As disclosed in the Company's FY2025 audited accounts the probability of achieving the 8% hurdle was estimated at 21.9% and the 15% hurdle at 11.5% using a 50,000-path Monte Carlo analysis. The directors believe none of these estimates carries significant estimation uncertainty likely to cause material adjustment to the carrying amounts of assets and liabilities within the foreseeable future.

5. Revenue

Revenue represents realised and unrealised gains and losses on investments, dividend income and consultancy fees receivable. For the six months ended 30 June 2026, dividend income has been reclassified into realised gains. The comparative periods are shown as previously reported or audited and have not been restated on this basis.

£'000	H1 2026 (unaudited)	H1 2025 (unaudited)	FY 2025 (audited)
Realised gains/(losses)	1,183	(238)	(463)
Unrealised gains/(losses)	1,452	574	(130)
Consultancy fees receivable	25	33	50
Total revenue	**2,660**	**369**	**(543)**

6. Profit/(loss) per share

Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period. See Note 10 for the derivation of the share count used.

	6 months ended 30 Jun 2026 (unaudited)	**6 months ended 30 Jun 2025 (unaudited)**	**12 months ended 31 Dec 2025 (audited)**
Profit/(loss) attributable to owners of the parent (£'000)	2,395	(78)	(573)
Weighted average number of shares	449,958,952	372,071,218	376,963,063
Basic and diluted profit/(loss) per share (pence)	**0.53**	**(0.02)**	**(0.15)**

Diluted profit per share is equal to basic profit per share for the period.

7. Investments

£'000	Investments at fair value
At 1 January 2026 (audited)	10,068
Net movement in the period	8,570
At 30 June 2026	**18,638**

8. Borrowings and other liabilities

£'000	30 Jun 2026 (unaudited)	30 Jun 2025 (unaudited)	31 Dec 2025 (audited)
CMC borrowings (classified as current)	5,543	–	–
Deferred tax liability (non-current) – see Note 9	–	225	–
Total	**5,543**	**225**	**–**

The borrowings are secured against the investments held in the Group's linked CMC dealing account and carries interest of 7.8% per annum, charged monthly in arrears on daily balances.

9. Deferred tax

£'000	30 Jun 2026 (unaudited)	30 Jun 2025 (unaudited)	31 Dec 2025 (audited)
Deferred tax (liability)/asset	158	(225)	47

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date. These have been applied on both realised and unrealised profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax liability has been provisioned in line with reported profits in the current reporting period net of past tax losses. A rate of 25% has been applied.

10. Share capital

	Number of shares	Nominal £'000 (£0.01 par value)
At 1 January 2025 (audited)	375,569,999	3,756
Shares repurchased	(1,500,000)	(15)
At 30 June 2025	**374,069,999**	**3,741**
Shares issued December 2025	68,333,330	683
At 31 December 2025 (audited)	**442,403,329**	**4,424**
Shares issued in H1 2026 (May 2026)	21,666,666	216
At 30 June 2026	464,069,995	4,640

11. Related party transactions

As disclosed in the Company's financial statements for the year ended 31 December 2025, a Management Incentive Plan ('MIP') is in place for certain participants. A share-based payment charge of £34,000 has been recognised in respect of the MIP for the six months ended 30 June 2026, within administrative expenses. Kelso Ltd, a wholly-owned subsidiary, is the Group's main trading entity and is consolidated in full.

12. Distribution of interim reports

A copy of the interim report will be available shortly on the Group's website (www.kelsoplc.com).