

Company registration number: 06458458 (England and Wales)

SORTED GROUP HOLDINGS PLC
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

SORTED GROUP HOLDINGS PLC

COMPANY INFORMATION

Directors	Simon Wilkinson Nigel Burton Petar Cvetkovic
Registered number	06458458
Registered office	5th Floor Room 502d Chancery Place 50 Brown Street Manchester England M2 2JG
Company Secretary	Nigel Burton 5th Floor Room 502d Chancery Place 50 Brown Street Manchester M2 2JG
Independent auditor	Rawlinson & Hunter Audit LLP Chartered Accountants & Statutory Auditor Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ
Bankers	HSBC UK 2-4 St Ann's Square Manchester M2 7HD
Nominated Advisor	Allenby Capital Limited 5 St. Helen's Place London EC3A 6AB
Broker	Turner Pope Investments 3 Queen Street London W1J 5PA

SORTED GROUP HOLDINGS PLC

CONTENTS

	Page
Chairman's Report	1 - 3
Independent Director's Financial Review	4 - 5
Strategic Report	6 - 7
Corporate Governance	8 - 10
Directors' Remuneration Report	11 - 13
Directors' Report	14 - 16
Independent Auditor's Report	17 - 22
Consolidated Income Statement	23
Consolidated Statement of Financial Position	24 - 25
Company Statement of Financial Position	26
Consolidated Statement of Changes in Equity	27
Company Statement of Changes in Equity	28
Consolidated Statement of Cash Flows	29
Notes to the Consolidated Financial Statements	30 - 63

SORTED GROUP HOLDINGS PLC

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Dear Shareholders,

I am pleased to present the Chairman's statement for Sorted Group Holdings PLC (the "Company") and its subsidiaries (the "Group" or "Sorted") 2025 report and accounts.

Following the reverse takeover of Sorted Holdings Limited ("SHL") and its subsidiary undertakings, Sorted Group Limited ("SGL") and Clicksit App Limited ("CAL") in February 2024, the Company underwent further change, and entered 2025 with a streamlined organisation and reduced cost base.

The first half of 2025 was focused on stabilisation, integration and the continued refinement of our organisational structure. Our strategic priorities at the time included further streamlining operations, strengthening internal policies and procedures, advancing our proposed technological roadmap, and leveraging emerging artificial intelligence ("AI") technologies to further enhance our platform. Encouraging progress was made in solidifying our customer relationships, evidenced by the successful renewal of several key contracts during the period.

The second half of 2025 saw continued emphasis on our Sorted 2.0 transformation plan, with workstreams related to innovation, operational agility and delivery excellence continuing to gain momentum. We continued to embed advanced AI into our Delivery Experience Platform, with a focus on scalability, automation and intelligent service enhancement.

Notwithstanding the streamlined organisation and reduced cost base, the financial year ended 31 December 2025 ("FY25") presented a number of challenges with reported revenues of £4,646,258 (31 December 2024: £5,636,903). While this represented a decline in comparison to the year ended 31 December 2024, the Group delivered key revenue retention with run rate annualised recurring revenue close to £4 million as at 31 December 2025. In any event, in the Board's view, the business performed well in stabilising the customer base and delivered a year-on-year reduction in costs, transforming the Group's underlying cost structure.

Notable highlights for FY25 include:

- On 6 January 2025, the Company announced that it had changed its registered office to 5th Floor Room 502d, Chancery Place 50 Brown Street, Manchester, England, M2 2JG.
- On 8 May 2025, the Company announced that Turner Pope Investments (TPI) Ltd ("Turner Pope") held 371,720 ordinary shares of 62.5 pence each in the Company ("Ordinary Shares"), representing approximately 4.86 per cent. of the Company's issued share capital. It was further noted that the number of Ordinary Shares held by Turner Pope subsequently increased on 7 April 2025 to 615,800, representing approximately 8.06 per cent. of the Company's issued share capital.
- On 27 August 2025, the Company announced that the Company's Chief Financial Officer, would be leaving to pursue other business opportunities. Mr. Warriah remained with the Company as Chief Financial Officer until the end of his six-month notice period, although resigned as Director on 19 December 2025. The process to recruit a new Chief Financial Officer commenced and a further update will be issued when appropriate.
- On 27 August 2025, the Company separately proposed a share capital reorganisation, which was approved by shareholders at the Company's annual general meeting ("AGM") on 25 September 2025. The Company is not permitted by law to issue new ordinary shares at a price which is below their nominal value. At the time, the Company's share price was 30 pence, significantly below the then nominal value of 62.50 pence per ordinary share. Accordingly, in order to create a lower nominal value for each Ordinary Share, the board of directors of Sorted (the "Board" or the "Directors") proposed that each existing Ordinary Share be subdivided into one new ordinary share of 0.01 pence each and one deferred share of 62.49 pence each (the "Share Capital Reorganisation"). Application was made for the admission of the new Ordinary Shares to trading on AIM at 8:00 a.m. on 26 September 2025.

The number of ordinary shares in issue, and held by each shareholder of the Company ("Shareholder"), did not change. The Share Capital Reorganisation resulted in the issue of 7,639,705 new ordinary shares and 7,639,705 new deferred shares.

SORTED GROUP HOLDINGS PLC

CHAIRMAN'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Post FY25, on 28 January 2026, the Company announced that SGL had received approximately £308k in research and development ("R&D") tax credits from His Majesty's Revenue & Customs ("HMRC") (together the "R&D Tax Credit"). The R&D Tax Credit relates to SGL's claim made to HMRC in respect of the financial year ended 31 December 2024.

Disposal of Sorted Group Limited

Notwithstanding the progress achieved since the reverse takeover of SHL and its subsidiary undertakings in February 2024, as a Software as a Service (SaaS) business that was in its growth phase of development, it remained apparent to the Board that the business continued to require significant cash consumption in order to, inter alia, scale and reach profitability in the medium term.

As a result, on 2 April 2026, the Company announced the proposed sale of its principal trading subsidiary, Sorted Group Limited, for a nominal cash consideration of £1.00 (the "Disposal"). In addition, as part of the Disposal, Shard and Shard Credit Holdings Limited entered into a deed with each of SGL, SHL and CAL (the "Obligors") under which Shard released the Obligors from all obligations and security granted to Shard, including the funding facility under which SGL then owed £3.52 million to Shard, conditional on, and taking effect on the day following, completion of the sale (the "Debt Restructuring"). In addition, as at 1 April 2026, the other members of the Group agreed to release SGL from all obligations, including indebtedness, owed to them and security granted to them outstanding at that date. Accordingly, no amounts owed to or from companies included in the Group remained at the date of sale.

Completion was subject to shareholder approval, which was granted at the general meeting on 20 April 2026.

In accordance with Rule 15 of the AIM Rules for Companies ("AIM Rules"), the Disposal constituted a fundamental change of business of the Company as, on completion, the Company would cease to own, control or conduct all or substantially all, of its trading business, activities and assets.

Therefore, following completion of the Disposal, the Company became an AIM Rule 15 Cash Shell and, as such, is required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 and publish an admission document on or before the date falling six months from completion of the Disposal. For the purposes of AIM Rule 15, becoming an investing company (pursuant to Rule 8 of the AIM Rules which requires the raising of at least £6m) will be treated as a reverse takeover. Failing that, the Company's Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension, should the reason for the suspension not have been rectified.

It was further noted in the Company's announcement on 20 April 2026, that the Board continues to evaluate potential acquisition opportunities and is seeking to identify one or more suitable businesses, projects or assets capable of supporting the Company's future development and delivering long-term value for shareholders. Any proposed reverse takeover would require the publication of an AIM-compliant admission document and shareholder approval at a general meeting. Any reverse takeover transaction will require the publication of an AIM Rules compliant admission document and will be subject to Shareholder approval at a further general meeting of the Company to be convened at the appropriate time.

As an AIM Rule 15 Cash Shell, the Company has no operating cash flows.

Suspension of trading in shares

On 25 June 2026, the Company announced, amongst other matters, that concurrently with the Company's ongoing discussions to find a suitable reverse takeover candidate, the Board was taking precautionary steps to potentially place the Company into liquidation or a similar corporate insolvency process. It was further noted that as a result of the uncertainty regarding the Company's financial position, the Board requested a suspension of trading in the Company's ordinary shares on AIM.

SORTED GROUP HOLDINGS PLC

CHAIRMAN'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Outlook

On 14 October 2026 the Company entered a letter of support (the "LoS") with two new investors (the "Investors"). The LoS commits the Investors to advance up to £250,000 to the Company (the "Commitment"). The precise instrument to satisfy the Commitment is to be confirmed at the discretion of the Investors, although the Commitment is immediately available to draw upon. The Commitment is available for a period of up to 12 months from the date of approval of the Company's FY25 report and accounts (the "Support Period").

The Investors have agreed that for the duration of the Support Period the Investors will not demand the repayment of any monies advanced to the Company if and to the extent that any such repayment would leave the Company unable to meet its liabilities as they fall due. However, this will cease to apply if there is a change of control of the Company, the Company enters any insolvency process and/or the Company obtains alternative funding of not less than the Commitment.

It is anticipated that the funds made available under the LoS will enable the Company to principally service its ongoing costs as an AIM Rule 15 Cash Shell for the foreseeable future as well as to settle certain of its outstanding creditors.

The Board continues to evaluate appropriate opportunities in the sectors the Board considers appropriate, seeking to identify one or more projects or assets which the Company can acquire, which would constitute a reverse takeover under AIM Rule 14. Any reverse takeover transaction will require the publication of an AIM Rules compliant admission document and will be subject to Shareholder approval at a further general meeting of the Company to be convened at the appropriate time. If the Company does not complete a reverse takeover or otherwise comply with AIM Rule 15 within 6 months of 20 October 2026, admission to trading on AIM would then be cancelled.

Yours Sincerely,



Simon Wilkinson
Executive Chair, Sorted Group Holdings PLC

15 October 2026

SORTED GROUP HOLDINGS PLC

INDEPENDENT DIRECTOR'S FINANCIAL REVIEW FOR THE YEAR ENDED 31 DECEMBER 2025

Dear Shareholders,

As one of the two Independent Directors of Sorted Group Holdings PLC, I am pleased to present my report alongside the Chairman's Report for the FY25 report and accounts. As a member of the Board, my role is to provide an unbiased perspective and to act in the best interests of the Company and its shareholders.

Throughout FY25, I actively participated in the strategic review process and monitored the Company's performance, governance, and risk management. I have assessed the decisions made and actions taken by the Board, ensuring that they align with the Company's values and objectives.

Financial Performance

The financial performance, when compared with the prior year, should be considered in light of the reverse acquisition which took place in FY24, set out in detail in Notes 1.3 and 30.

The results for FY25, as well as the Statement of Financial Position as on 31 December 2025, represent those of Sorted Holdings Limited ("SHL") and its subsidiaries but also include the balances of Sorted Group Holdings PLC and subsidiaries as on 31 December 2025 and the results of the same from the reverse acquisition date of 16 February 2024. The Company Statement of Financial Position and Company only disclosures refer to Sorted Group Holdings PLC, being the parent entity as defined by the UK Companies Act. The comparative amounts for the year ended 31 December 2024 reflect a full year of reporting under this basis.

The financial performance of Sorted Group Holdings PLC in FY25 reflected the challenges faced by the Company and the broader market environment. I have scrutinised the financial statements and worked closely with the team to understand the underlying causes and evaluate the appropriateness of the strategic initiatives undertaken. I have enclosed below a summary of the Group's financial performance and statement of financial position at the end of the year:

All figures in £GBP (unless otherwise stated)*	Year to 31 December 2025	Six months to 30 June 2025**	Year to 31 December 2024	Comparison to prior year
Revenue	4,646,258	2,423,317	5,636,903	(18%)
Administrative costs	3,893,376	2,006,534	4,990,127	(22%)
Loss before tax	4,388,929	2,146,490	4,858,609	(10%)
Loss per share	53.42p	28.10p	52.15p	(2.4%)
Net (liabilities)/assets				Negative
	(2,653,477)	(728,630)	1,415,326	decrease
Net current (liabilities)/assets				Negative
	(4,884,076)	(95,713)	830,432	decrease
Cash at bank	843,676	1,106,231	2,655,840	(68%)
Group borrowings	5,150,927	4,555,387	4,463,947	15%

* Continuing operations

** Unaudited.

The Board made further reductions in overheads during FY25 and the impact of these can be seen in the decreased administration costs in FY25 to £3,893,376 compared to the previously reported year ended 31 December 2024 of £4,990,127, representing a 22% period on period reduction. The FY24 loss before tax includes the costs of the acquisition of SHL.

Strategic Actions Taken

FY25 saw the continued emphasis on our Sorted 2.0 transformation plan, with workstreams related to innovation, operational agility and delivery excellence continuing to gain momentum. We continued to embed advanced AI into our Delivery Experience Platform, with a focus on scalability, automation and intelligent service enhancement.

SORTED GROUP HOLDINGS PLC

INDEPENDENT DIRECTOR'S FINANCIAL REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2025

Corporate Governance

We are committed to upholding the highest standards of corporate governance. Throughout the year, we monitored the Company's compliance with applicable laws, regulations, and best practices. We reviewed the effectiveness of internal controls, risk management systems, and ethical practices. We are pleased to report that Sorted Group Holdings PLC has maintained a robust governance framework, with appropriate checks and balances in place to safeguard shareholder interests.

Stakeholder Relations

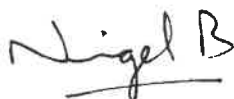
As an Independent Director, I place great importance on the Company's relationships with its key stakeholders. I have closely monitored the engagement efforts undertaken by the team to foster a positive team culture, ensure fair treatment, and provide opportunities for professional growth. Furthermore, I have assessed the Company's relationships with clients, suppliers, and other stakeholders, ensuring that open lines of communication are maintained and that their expectations are being met.

Looking Ahead

As an Independent Director, I remain committed to our fiduciary duties and to serving the best interests of Sorted Group Holdings PLC and its shareholders. I will continue to provide oversight, guidance, and independent perspectives to the Board as the Company navigates the evolving landscape. I will monitor progress against strategic objectives, evaluate risk management practices, and advocate for responsible and sustainable business practices.

As noted above in the Chairman's Statement, following completion of the Disposal, the Company became an AIM Rule 15 Cash Shell.

The Board continues to evaluate appropriate opportunities in the sectors the Board considers appropriate, seeking to identify one or more projects or assets which the Company can acquire, which would constitute a reverse takeover under AIM Rule 14. Any reverse takeover transaction will require the publication of an AIM Rules compliant admission document and will be subject to Shareholder approval at a further general meeting of the Company to be convened at the appropriate time.



Nigel Burton

Independent Non-Executive Director, Sorted Group Holdings PLC

15 October 2026

SORTED GROUP HOLDINGS PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors present their Strategic Report for the year ended 31 December 2025 ("FY25"). The comparative reporting period is for the year ended 31 December 24 ("FY24").

Fair review of the business

The fair review of the business is set out in the Executive Chair's and Independent Director's reviews, which describe in detail the financial results and future plans for Sorted Group Holdings PLC. The Board monitors progress on the overall Group strategy and the individual strategic elements by reference to KPIs. The primary measures are revenue and costs.

Principal risks and uncertainties

The principal risks to the Group are as follows:

Description	Sorted Group Holdings PLC continues to be in a cash consumption phase.
Impact	Going concern has been carefully considered and details are provided in the Corporate Governance Report below and in Note 1.2 of the consolidated financial statements.
Mitigation	As noted in the Chairman's Statement, following an initial advance and the agreement from two investors to provide funding to cover both existing creditors and ongoing costs, the Company is expected to have sufficient cash to fund the ongoing 'PLC' costs for the foreseeable future.
Description	Failure to complete a suitable transaction under AIM Rule 14.
Impact	If the Company is unable to complete a reverse takeover under AIM Rule 14 and publish an admission document on or before the date falling six months from completion of the Disposal, admission to trading on AIM would be cancelled six months from the date of suspension, should the reason for the suspension not have been rectified. In the absence of a suitable transaction it is unlikely that continued funding would be available to maintain the Company as a going concern.
Mitigation	There can be no certainty that the Company will be able to implement a suitable transaction which would enable the Company's shares to continue trade on AIM within six months of Completion.

The Board meets regularly to review specific and general risks that face the Group. The Board strives to position the Group in a way that any risks can be minimised and met, should the need arise.

The Group is managing these risks by reducing the overheads of the Group and continuing to analyse new opportunities as they arise. The Board are committed to delivering shareholder value in the long-term.

Strategic risks

The key strategic risk is whether the Company will be able to complete a reverse takeover under AIM Rule 14 and publish an admission document on or before the date falling six months from completion of the Disposal, admission to trading on AIM would be cancelled six months from the date of suspension, should the reason for the suspension not have been rectified.

This report, in conjunction with the Chairman's statement and Independent Director's report, form the Strategic Report for the purposes of s414A of the Companies Act 2006.

Section 172 statement

The Directors believe that they have effectively implemented their duties under section 172 of the Companies Act 2006 through adherence to the Quoted Companies Alliance Corporate Governance Code, as disclosed on pages 8 - 10 and as published on our website: <https://sghplc.co.uk/corporate-governance.html>. The Chairman's Report details the Group's future plans to achieve its long-term strategy.

The Group is committed to maintaining an excellent reputation and strives for high standards, while maintaining an awareness of the environmental impact of the work that it does and strives to reduce its carbon footprint.

SORTED GROUP HOLDINGS PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors recognise the importance of the wider stakeholders in delivering their strategy and achieving sustainability within the business; in ensuring that all our stakeholders are considered as part of every decision process we believe we act fairly between all members of the Company.

This report was approved by the Board on the 15 October 2026 and signed on its behalf by:



Simon Wilkinson

Executive Chair

15 October 2026

SORTED GROUP HOLDINGS PLC

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 DECEMBER 2025

The Board recognises the importance of good corporate governance in order to protect and build upon the substantial investments made by our diverse shareholder base. We have chosen to apply the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), which was developed by the Quoted Companies Alliance ("QCA") in consultation with a number of significant institutional small company investors, as an alternative corporate governance code applicable to AIM companies. The underlying principle of the QCA Code is that "the purpose of good corporate governance is to ensure that the Company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term". The QCA launched an updated version of its Code in 2023, which the Board has agreed to adopt, to the extent appropriate for a Company of its size and nature. The principal changes, which require all Directors to stand for re-election annually and for the Remuneration committee Report to be put to an advisory vote, will be implemented at the forthcoming AGM.

An explanation of how these principles have been applied during FY25 is set out on the Company's website. Details of the Directors' Remuneration, Audit Committee and internal control sections are set out in this report.

Certain information required under the QCA Code is included within the Strategic Report and the Directors' Remuneration Report.

Name	Date Appointed	Date Resigned	Role	Committees
Petar Cvetkovic	29/01/2024	-	Non-Executive Director	Remuneration, Nomination, Audit
Nigel Burton	25/05/2021	-	Non-Executive Director	Remuneration, Nomination, Audit
Mahmoud Warriah	29/01/2024	19/12/2025	Chief Financial Officer	Remuneration, Nomination, Audit

The Board is responsible to the shareholders for the proper management of the Group through setting the overall strategy of the business and to review the people, performance, policies and budgets of the Group. The Board typically meets quarterly and also meets for any other extraordinary matters as they may arise. Detailed information on matters to be discussed during the meetings are circulated in advance of the meeting to ensure Non-Executive Directors can contribute in an educated manner.

Independence

The Independent Directors at the reporting date are Dr Nigel Burton and Petar Cvetkovic. Petar was appointed in this role on 29 January 2024. The Independent Directors are responsible for monitoring the Board and ensuring no individual or group takes control of the Board's decision making and that all key stakeholders are fully briefed on matters and their responsibilities.

Board Balance

A minimum of 50% of the Board will always consist of Non-Executive Directors. During FY25 all Non-Executive Directors were independent of the management team and are not involved in any other business or relationship, either as an Executive or Non-Executive, which may impair their independent nature and judgement.

As announced on 28 May 2024, the Group intends to appoint a new Chief Executive Officer when it becomes appropriate for the business to do so. In the interim, Simon Wilkinson will continue to operate as the Group's Executive Chair.

Nomination Committee

The Group's Nomination Committee is responsible for reviewing and making proposals to the Board on the appointment of Directors and meets as necessary. During FY25, the Group's Nomination Committee consisted of Petar Cvetkovic and Dr. Nigel Burton.

SORTED GROUP HOLDINGS PLC

CORPORATE GOVERNANCE (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Performance Evaluation and Re-election

The Board has continued to evaluate its effectiveness and performance during FY25, taking into account the Financial Reporting Council's Guidance on Board Effectiveness. Director appraisals will be performed to ensure that their performance is, and continues to be, effective, that where appropriate they maintain their independence and that they are demonstrating continued commitment to the role. The Directors will be evaluated internally based on their responsibilities to the Board. At the AGM all continuing Directors stand for re-election on an annual basis.

The Directors carry out continued professional development throughout the year where appropriate and each Director keeps up to date with market changes through the use of market articles and industry contacts.

Remuneration Committee

The Group's Remuneration Committee is responsible for the specific remuneration and incentive packages for each of the Company's Executive Directors, senior executives and managers. During FY25, the Group's Remuneration Committee consisted of Nigel Burton and Petar Cvetkovic. Further details of the Committee's remit are contained in the Directors' Remuneration Report on pages 11 - 13.

Relations with Shareholders

The Group encourages two-way communication with both its institutional and private investors and responds promptly to all queries received. The Non-Executive Directors communicate regularly with the Group's institutional shareholders and ensure that their views are communicated fully to the Board. The Board recognises the Group's AGM as an important opportunity to meet with the Group's private shareholders. The Directors are available to listen to the views of shareholders informally immediately following the AGM.

Annual General Meeting

The Annual General Meeting of the Group provides shareholders with the opportunity to be updated on the Group's progress and to ask questions of the Board.

Financial Reporting and Internal Control

The Company has established policies covering the key areas of internal financial control and the appropriate procedures, controls, authority levels and reporting requirements which must be applied throughout the Group.

The key procedures that have been established in respect of internal financial control are:

- The review of an annual budget set by the Board;
- The review of monthly management accounts with comparisons to budget;
- The review of monthly forecast updates with comparisons to budget;
- The review of monthly cashflow forecasts with comparisons to budget;
- Weekly meetings of the Executive Directors and Senior Management to review priorities and issues; and
- Restriction of user access to systems, including but not limited to Financial, HR and Technology.

The above controls have been established to support the growth of the business and to protect against future risks.

Corporate Culture

It is the Board's view that the Group's corporate culture is consistent with its objectives, strategy and business model. The Board is aware that the culture set by the Board will greatly impact all aspects of the Group and the way that employees behave. The Board invites employees to provide feedback on their peers and management.

SORTED GROUP HOLDINGS PLC

CORPORATE GOVERNANCE (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Consolidated Accounts

The above-mentioned Financial Reporting and Internal Controls apply to all subsidiaries. The accounts of all subsidiaries are combined with those of the Company to form consolidated accounts each month. Following Admission, the Chief Financial Officer is responsible for producing the consolidated accounts, including the elimination of intercompany transactions and balances. Following Mahmoud Warriah's resignation, the responsibilities of the CFO are being undertaken by other members of the finance team, with support from the Board.

Audit Committee

The Group's Audit Committee is responsible for ensuring the financial performance of the Group is properly monitored and reported on, the effectiveness of accounting systems and financial reporting procedures. During FY25, the Group's Audit Committee consisted of Petar Cvetkovic and Nigel Burton, who acted as Non-Executive Chair of the committee.

The Audit Committee considers all proposals for non-audit services and ensures that these do not impact on the objectivity and independence of the auditor. The Audit Committee reviews, with the external auditor, the safeguards and procedures developed by the auditor to counter threats or perceived threats to their objectivity and independence. Non-audit services performed by the external auditor are assessed for threats to objectivity and independence on a case-by-case basis.

Board and Committee Attendance

Name	Main Board	Audit Committee	Remuneration Committee	Nomination Committee
Simon Wilkinson	8/8	1/1*	1/1*	1/1*
Nigel Burton	8/8	1/1	1/1	1/1
Mahmoud Warriah	8/8	1/1*	1/1*	1/1*
Petar Cvetkovic	8/8	1/1	1/1	1/1

* Simon Wilkinson and Mahmoud Warriah attended these meetings as observers only.

Going concern

The financial statements have been prepared on a going concern basis.

Subsequent to the reporting date, the Company completed the disposal of its trading subsidiary and is now pursuing a strategy of identifying and acquiring one or more suitable businesses or projects. The Directors have prepared detailed cash flow forecasts covering a period of at least twelve months from the date of approval of these financial statements. These forecasts take into account the Company's expected ongoing operating costs, existing cash resources and the ongoing support of two significant investors, who have committed to provide financial support to enable the Company to meet its liabilities as they fall due, should this be required.

Having reviewed the forecasts and the support available from the Company's investors, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

On behalf of the Board



Simon Wilkinson
Executive Chair

15 October 2026

SORTED GROUP HOLDINGS PLC

DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

As a Company admitted to trading on AIM, Sorted Group Holdings PLC is not required to present a Directors' Remuneration report, however, a number of voluntary disclosures have been made. The Company has complied with the disclosure requirements set out in the AIM Rules.

Remuneration Committee

During FY25, the Remuneration Committee, comprising Dr Nigel Burton and Petar Cvetkovic, determines the Group's policy for executive remuneration and the individual remuneration packages for Executive Directors. In setting the Group's remuneration policy, the committee considers a number of factors including:

- salaries and benefits available to Executive Directors of comparable companies; and
- the need to both attract and retain executives of appropriate calibre.

Remuneration of Executive Directors

Consistent with this policy, benefit packages awarded to Executive Directors comprise a mix of basic salary and performance-related remuneration that is designed as an incentive. The remuneration packages can comprise the following elements:

- base salary: the Remuneration Committee sets the base salaries to reflect responsibilities and the skills, knowledge and experience of the individual;
- bonus scheme: the Executive Directors are eligible to receive a bonus dependent on both individual and Group performance as determined by the Remuneration Committee;
- equity: share options; and
- various other add on benefits such as private medical insurance.

The Executive Directors are engaged under separate contracts which require a notice period of three or six months given at any time by the individual.

Year to 31 December 2025

Director	Salary and Fees £	Pension £	Consultancy Fee £	Total £
M Warriah	227,594	9,674	-	237,268
S Wilkinson	67,943	-	294,309	362,252
	<u>295,537</u>	<u>9,674</u>	<u>294,309</u>	<u>599,520</u>

Year to 31 December 2024

Director	Salary and Fees £	Pension £	Consultancy Fee £	Total £
M Warriah	176,839	8,036	-	184,875
S Wilkinson	50,269	-	180,505	230,774
C Carmen	135,072	576	-	135,648
	<u>362,180</u>	<u>8,612</u>	<u>180,505</u>	<u>551,297</u>

SORTED GROUP HOLDINGS PLC

DIRECTORS' REMUNERATION REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Remuneration of Non-Executive Directors

The fees and equity awarded to Non-Executive Directors are determined by the Board. The Non-Executive Directors do not receive any other forms of benefit such as private medical insurance.

Year to 31 December 2025

Director	Salary and Fees £	Total £
N Burton (Non-Executive)	67,943	67,943
P Cvetkovic (Non-Executive)	67,943	67,943
	<u>135,886</u>	<u>135,886</u>

Year to 31 December 2024

Director	Salary and Fees £	Total £
N Burton (Non-Executive)	50,269	50,269
P Cvetkovic (Non-Executive)	61,439	61,439
	<u>111,708</u>	<u>111,708</u>

Director Warrants

Non-transferable warrants to subscribe for, in aggregate, 192,000 Ordinary Shares were issued to the Executive Directors and the Non-Executive Directors, exercisable at 125p for five years from 25 May 2021, provided that the Ordinary Shares have traded at a Volume Weighted Average Price (VWAP) at or above 187.5p for 20 consecutive Business Days, or on a change of control of the Company. These warrants lapsed on 25 May 2026.

Name	Number of Ordinary Shares subject to Director Warrants
Simon Wilkinson	48,000
Dr Nigel Burton	48,000

Broker Warrants

Transferable warrants to subscribe for, in aggregate, 66,000 Ordinary Shares were issued to the Executive Directors and the Non-Executive Directors, exercisable at 125p for five years from 25 May 2021. These warrants lapsed on 25 May 2026.

Name	Number of Ordinary Shares subject to Broker Warrants
Dr Nigel Burton	40,000
Mark Slade*	16,000
David Rae**	10,000

*Director between 24 July 2017 to 22 June 2022

**Director between 12 February 2018 to 22 June 2022

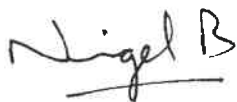
SORTED GROUP HOLDINGS PLC

DIRECTORS' REMUNERATION REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Promoter Warrants

Promoter warrants were issued to certain investors in the fundraising completed on 25 May 2021 in consideration of those persons assembling and co-ordinating the Concert Party's investment in the Company. As part of this issuance, non-transferable warrants to subscribe for, in aggregate, 800,000 Ordinary Shares were issued to Simon Wilkinson, exercisable at 125p for five years from 25 May 2021. These warrants lapsed on 25 May 2026.



Nigel Burton

Non-Executive Director, Remuneration Committee

15 October 2026

SORTED GROUP HOLDINGS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors are pleased to present the annual report and audited financial statements of Sorted Group Holdings PLC for the year ended 31 December 2025.

Dividends

The Directors do not recommend the payment of a dividend (2024 - £Nil).

Board of Directors

Simon Wilkinson, Executive Chair

Simon joined Sorted Group Holdings PLC as Non-Executive Chair in May 2021 and Executive Chair on 24 May 2024. Simon is a highly experienced software executive and entrepreneur, having been involved with a number of public and private companies over his career. He was most recently Chief Executive Officer then Chairman of Mobica, a world-leading, award-winning software services company offering bespoke development, QA and consultancy. He was previously Chief Executive Officer of Myriad Group AG, which was listed in Zurich, and founder and Chief Executive Officer of Magic4 Ltd, a mobile messaging software market leader, backed by 3i, Philips Ventures and Motorola Ventures.

Nigel Burton, Non-Executive Director

Nigel was appointed as a Non-Executive Director in May 2021. Nigel spent 14 years as an investment banker at leading city institutions including UBS Warburg and Deutsche Bank, including as the Managing Director responsible for the energy and utilities industries. Following this he spent 15 years as Chief Financial Officer or Chief Executive Officer of a number of private and public companies. He is currently a Non-Executive Director of Metir PLC.

Mahmoud Warriah, Chief Financial Officer

From startups to blue chips, Mahmoud has a strong track record of successfully delivering commercial, transitional and business transformational change. He is a qualified chartered accountant with extensive experience across multiple sectors and draws upon his computer science degree to resolve complex operational challenges. Mahmoud has been Sorted's acting interim Chief Financial Officer since 3 October 2022 and was appointed Chief Financial Officer on 29 January 2024. Mahmoud resigned as Chief Financial Officer on 19 December 2025.

Petar Cvetkovic, Non-Executive Director

Petar is the Founder and current Chairman of Welford Investments Limited, which specialises in equity holdings in growth companies, ownership of freehold commercial properties and advisory work. Over the course of his 37-year career, he has led some of the UK's best-known logistic firms, working in parcels, contract and shared-user distribution as well as supply chain and international logistics. Petar was formerly the Chief Executive Officer of DX (Group) PLC and Target Express.

Financial Risk Management

The Group's financial instruments comprise cash and cash equivalents, trade receivables and payables and borrowings. The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk.

Interest rate and credit risk - the principal assets of the Group subject to interest rate risk are its cash deposits. These are short-term liquid assets and as a result the exposure to interest rate income risk is not considered significant. The principal focus of the Directors has been to minimise any credit risk in relation to its cash deposits even at the expense of interest income received. Borrowings include financial instruments on fixed interest rate terms and a revolving credit facility at a variable rate. As a result, the exposure to interest rate expense risk is low and no active management of interest rate risk is undertaken by the Board.

Foreign currency risk - the main functional currency is Pounds Sterling. Throughout 2025, the Company's transactions have primarily been denominated in Pounds Sterling (£'000s) and the Group has had low exposure to foreign currency risk.

Liquidity risk - the Board's policy is to ensure that sufficient cash and cash equivalents are held on a short-term basis at all times in order to meet the Group's operational needs. The Group does actively raise funds through market placings and other loan facilities.

SORTED GROUP HOLDINGS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Liquidity risk is actively managed through regular review of cash requirements of the business in conjunction with the strategic and operational plans for the Group.

Substantial shareholdings

As at 30 September 2026 the Directors had been notified of the following holdings representing 3% or more of the issued share capital of the Company:

	Number of ordinary shares	Percentage of issued share capital
Shard Credit Partners Venture Debt Fund I LP	2,752,140	36.02%
Turner Pope Investments (TPI) Ltd	615,800	8.06%
Richard Hughes	320,000	4.19%
Mahmud Kamani	320,000	4.19%
SDI (Retail Co 8) Ltd (Frasers Group)	285,714	3.74%

Directors

The Directors, who held office during the FY25, were as follows:

S Wilkinson
N Burton
M Warriah (Resigned 19 December 2025)
P Cvetkovic

The Company maintains Director and Officers' liability insurance.

Statement of Directors' responsibilities

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the UK Endorsement Board. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as endorsed by the UK Endorsement Board have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the Annual Report and Financial Statements are made available on the Company's website. Financial statements are published on the Company's website in accordance with applicable legislation in the United Kingdom. The maintenance and integrity of the Company's website are the responsibility of the directors. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

SORTED GROUP HOLDINGS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Directors' interests in shares

During FY25, the Directors held the following interests in Sorted Group Holdings PLC:

	At 31 December 2025			At 31 December 2024		
	Ordinary Shares of 0.01p each	Options over Ordinary Shares of 0.01p each	Warrants over Ordinary Shares of 0.01p each	Ordinary Shares of 62.5p each	Options over Ordinary Shares of 62.5p each	Warrants over Ordinary Shares of 62.5p each
S Wilkinson	228,571	-	848,000	228,571	-	848,000
N Burton	204,571	-	88,000	204,571	-	88,000
M Warriah	114,285	115,000	-	114,285	115,000	-
P Cvetkovic	40,000	-	-	40,000	-	-

The market price of the Company's shares at the end of FY25 was 30.00p.

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'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 auditor is aware of that information.

Annual General Meeting

Notice of the forthcoming Annual General Meeting of the Company together with resolutions relating to the Company's ordinary business will be given to the members separately.

Reappointment of auditors

The auditors, Rawlinson & Hunter Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.



Simon Wilkinson
Executive Chair

15 October 2026

SORTED GROUP HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC

Opinion

We have audited the financial statements of Sorted Group Holdings PLC (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2025 which comprise the Consolidated Income Statement, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the 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;
- the Company 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 of 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's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the 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 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.

Material uncertainty related to going concern

We draw attention to Note 1.2 in the financial statements, which indicates that if the Company is unable to complete a reverse takeover or otherwise comply with AIM Rule 15 within 6 months of 20 October 2026, admission to trading on AIM would then be cancelled and there can be no certainty that the Company will be able to implement a suitable transaction to enable compliance with AIM Rule 15 within this timeframe. In the absence of a suitable transaction it is unlikely that continued funding would be available to maintain the Company as a going concern.

These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining the Directors' going concern assessment and the forecast they have prepared to 31 December 2027 which predict available cash, after settlement of outstanding creditors at the report signing date, injection of capital from the new investors who have committed their support to fund the ongoing 'PLC' costs for the foreseeable future and challenging the rationale for assumptions used in the preparation of this forecast;
- considering the impact of the various geopolitical events and the wider economic issues arising from these on the Directors' assessment to continue to adopt the going concern basis of accounting;
- the availability of future funding committed by the new investors including assessing their ability to provide support as it becomes required by the Group and Company. The Company has received letters of support from two individuals who have indicated their willingness to provide additional funding to the Company of £125,000 each; and

SORTED GROUP HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC

- considering the likelihood of an acquisition occurring which would constitute a reverse takeover under AIM Rule 14. No conclusions could be reached on this matter.

Based on the work we have performed, we have identified material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the Group 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.

Key audit matters

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. Key audit matters are those matters that, in our professional judgment, 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.

Risk 1: Revenue recognition

There is a risk of fraud in revenue recognition that would result in material misstatement to revenue reported. Specifically, revenues included within the main trading subsidiary, Sorted Group Limited.

In addition, there are risks over revenue accuracy and cut-off in relation to the risk of fraud arising in revenue and manipulation of revenue being recoded in the incorrect accounting period.

How we address the Key Audit Matter

Accuracy and cut-off of revenue was tested by agreeing the revenue recognised to the expected amount for a sample of revenue contracts in line with IFRS 15. No material unexplained differences were identified.

Analytical review of the different types of revenue streams was carried out to assess whether there were any movements from the prior year and during the financial year that were outside of expectations. No material unexplained differences were identified.

Key observations communicated to the Audit Committee

The revenue recognition for the Group is considered to be materially accurate and recorded in the appropriate accounting period.

Risk 2: Valuation of system development costs in intangible assets

The risk exists that the system development costs in intangible assets relating to the Sorted Group Limited subsidiary are impaired.

How we address the Key Audit Matter

The impairment review prepared by management was reviewed for the appropriateness of the valuation basis and parameters used in the calculation supporting the value.

Key observations communicated to the Audit Committee

No impairment of the valuation of the system development costs in intangible assets needed to be reflected in the financial statements relating to the subsidiary undertaking.

Risk 3: Going concern

There exists a risk that the going concern basis is not appropriate in the preparation of these financial statements.

How we address the Key Audit Matter

Refer the "Material uncertainty related to going concern" section of this Report.

SORTED GROUP HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC

Key observations communicated to the Audit Committee

Following the disposal of Sorted Group Limited, the Company became an AIM Rule 15 cash shell. If the Company is unable to complete a reverse takeover under AIM Rule 14 (or otherwise satisfy the requirements of AIM Rule 15) and publish an admission document within six months of the disposal, trading in the Company's Ordinary Shares will be suspended from AIM.

Following any such suspension, the Company would have a further six months to complete a suitable transaction and secure readmission. If this is not achieved, the Company's admission to trading on AIM would be cancelled.

There is a material uncertainty as to whether the Company will be able to complete a suitable reverse takeover, or otherwise satisfy the requirements of AIM Rule 15, within the required timeframe. This uncertainty may cast significant doubt on the Company's ability to continue as a going concern.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

Materiality is defined as the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group of £215,000 based on 5% of net loss before tax. We believe that net loss before tax provides us with a basis for determining materiality which is the most relevant measure to the stakeholders of the Group.

We determined materiality for the Company of £1,000 based on 3% of net assets (rounded). We believe that net assets provide the most appropriate measure to the stakeholders of the nature of the Company as an investment holding entity.

We calculated materiality during the planning stage of the audit based on the management accounts provided to us. The materiality was subsequently reviewed based on the final financial statements. Final materiality for the Group was £219,000.

Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgment was that performance materiality was 75% of our planning materiality, namely £161,250. This is at the top end of the range of 50% and 75% typically used. In arriving at the top range of 75%, we considered the nature of the transactions in the Income Statement and the balances in the Consolidated Statement of Financial Position and the relative value of transactions recorded in the other primary statements.

Reporting threshold

Our reporting threshold is defined as an amount below which identified misstatements are considered as being clearly trivial.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of the audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

We performed an audit of the complete financial information of 5 full scope components.

SORTED GROUP HOLDINGS PLC

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

The Group comprises the Company, 4 consolidated subsidiaries and 2 immaterial dormant entities which are not consolidated. Monitoring and control over the operations of these subsidiaries is centralised in Manchester and London.

The full scope components accounted for 100% of the numbers reported in the Consolidated Income Statement and Consolidated Statement of Financial Position.

Whilst materiality for the Group financial statements as a whole was set out as detailed in this report, each component of the Group was audited to an equal or lower level of materiality.

Audits of the components were performed at a materiality level calculated by reference to a proportion of Group materiality appropriate to the relative scale of the business concerned.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Chairman's Report, Strategic Report, Independent Director's Financial Review, Corporate Governance Report, Directors' Remuneration Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements; and
- the part of the Report of the Remuneration Committee required to be audited by us has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the 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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

SORTED GROUP HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 15, 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 the 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 the 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.

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.

Based on our understanding of the Group and the industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulations. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated 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 were related to posting inappropriate journal entries to inflate revenue of the Group and the Company, and management bias in accounting estimates and judgmental areas of the financial statements, such as intangible asset valuations. Audit procedures performed by us included:

- discussing with the Directors and management involved in the risk and compliance functions including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reviewing correspondence between the Group and legal advisors, and discussions with management responsible for compliance with laws and regulations;
- reviewing Board minutes as well as relevant meeting minutes;
- challenging assumptions made by management in arriving at accounting estimates and judgements;
- identifying and testing journal entries, in particular, any journal entries posted with unusual account combinations, such as a credit to revenue and a debit to the statement of financial position (other than to expected accounts), which may be indicative of the overstatement or manipulation of revenue; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

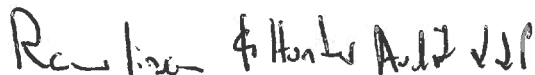
SORTED GROUP HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SORTED GROUP HOLDINGS PLC

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. Our 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.



William Watson (Senior Statutory Auditor)

For and on behalf of

Rawlinson & Hunter Audit LLP

Chartered Accountants & Statutory Auditor

Eighth Floor

6 New Street Square

New Fetter Lane

London

EC4A 3AQ

15 October 2026

SORTED GROUP HOLDINGS PLC

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2024 £
Revenue	4	4,646,258	5,636,903
Cost of sales		(1,313,387)	(1,756,780)
Gross profit		3,332,871	3,880,123
Administrative expenses		(3,893,376)	(4,990,127)
Operating loss before exceptional administrative expenses, amortisation and depreciation	5	(560,505)	(1,110,004)
Amortisation and depreciation	14, 15	(3,034,235)	(3,003,219)
Goodwill impairment	14	-	(199,910)
Operating loss	5	(3,594,740)	(4,313,133)
Finance expense	10	(846,764)	(765,017)
Finance income	9	52,575	219,541
Loss before taxation		(4,388,929)	(4,858,609)
Income tax	11	308,076	1,107,777
Total comprehensive loss from continuing operations		(4,080,853)	(3,750,832)
Profit from discontinued operation, net of tax	12	12,050	387,473
Total comprehensive loss for the year		(4,068,803)	(3,363,359)
Earnings and loss per share			
Loss per share from continuing operations - basic and diluted	13	(0.5342)	(0.5215)
Earnings per share from discontinued operations - basic and diluted	13	0.0016	0.0539
Total loss per share from operations - basic and diluted	13	(0.5326)	(0.4676)

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The notes on pages 30 to 63 form part of these Group financial statements.

SORTED GROUP HOLDINGS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 £	2024 £
Non-current assets			
Intangible assets	14	2,854,280	4,952,128
Tangible assets	15	66,765	144,154
		<u>2,921,045</u>	<u>5,096,282</u>
Current assets			
Trade and other receivables	18	750,026	951,969
Cash and cash equivalents		843,676	2,655,840
		<u>1,593,702</u>	<u>3,607,809</u>
Current liabilities			
Trade and other payables	20	1,969,532	2,723,264
Borrowings	21	4,460,790	-
Lease liabilities	22	47,456	54,113
		<u>6,477,778</u>	<u>2,777,377</u>
Net current (liabilities)/assets		<u>(4,884,076)</u>	<u>830,432</u>
Non-current liabilities			
Borrowings	21	690,137	4,463,947
Lease liabilities	22	309	47,441
		<u>690,446</u>	<u>4,511,388</u>
Net (liabilities)/assets		<u>(2,653,477)</u>	<u>1,415,326</u>
Equity			
Called up share capital	24	18,467,735	18,467,735
Share premium reserve	24	20,939,009	20,939,009
Other reserves	24	40,655,530	40,655,530
Retained earnings	24	(82,715,751)	(78,646,948)
Equity attributable to the owners of the Company		<u>(2,653,477)</u>	<u>1,415,326</u>

The notes on pages 30 to 63 form part of these Group financial statements.

SORTED GROUP HOLDINGS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2025

The financial statements were approved by the Board and authorised for issue on 15 October 2026 and are signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Nigel B', with a horizontal line drawn underneath the signature.

Nigel Burton
Director

Company registration number: 06458458 (England and Wales)

SORTED GROUP HOLDINGS PLC

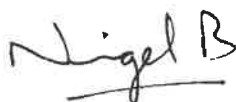
COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 £	£	2024 £	£
Non-current assets					
Investments	16		67		67
Current assets					
Trade and other receivables	18	24,336		12,167	
Cash and cash equivalents		157		1,500,154	
		24,493		1,512,321	
Current liabilities					
Trade and other payables	20	(1,990)		(114,850)	
Net current assets			22,503		1,397,471
Total assets less current liabilities			22,570		1,397,538
Net assets			22,570		1,397,538
Equity					
Called up share capital	24	18,467,735		18,467,735	
Share premium	24	20,939,009		20,939,009	
Other reserves	24	12,182,753		12,182,753	
Retained earnings	24	(51,566,927)		(50,191,959)	
Total equity			22,570		1,397,538

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax for the parent Company for the year was £1,374,968 (2024 - £3,604,739).

The financial statements were approved by the Board and authorised for issue on 15 October 2026 and are signed on its behalf by:



Nigel Burton
Director

The notes on pages 30 to 63 form part of these parent financial statements.

Company registration number: 06458458 (England and Wales)

SORTED GROUP HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
Balance at 1 January 2024	16,340,507	20,088,118	38,281,441	(75,283,589)	(573,523)
Year ended 31 December 2024:					
Loss for the year	-	-	-	(3,363,359)	(3,363,359)
Transactions with owners:					
Shard loan interest reserve	-	-	(100,772)	-	(100,772)
Subscription (2,285,712 shares at 62.5p nominal and 25p premium)	1,428,570	571,428	-	-	1,999,998
Fee shares issue (137,142 shares at 62.5p nominal and 25p premium)	85,714	34,286	-	-	120,000
Convertible shares and interest (342,856 shares at 62.5p nominal 25p premium)	214,285	85,714	-	-	299,999
Loan interest to be converted to equity	-	-	558,122	-	558,122
Equity issued in lieu of accrued interest (637,855 shares at 62.5p nominal and 25p premium)	398,659	159,463	(558,122)	-	-
Reverse acquisition (Note 30)	-	-	2,474,861	-	2,474,861
Balance at 31 December 2024	<u>18,467,735</u>	<u>20,939,009</u>	<u>40,655,530</u>	<u>(78,646,948)</u>	<u>1,415,326</u>
Year ended 31 December 2025:					
Loss for the year	-	-	-	(4,068,803)	(4,068,803)
Balance at 31 December 2025	<u>18,467,735</u>	<u>20,939,009</u>	<u>40,655,530</u>	<u>(82,715,751)</u>	<u>(2,653,477)</u>

The notes on pages 30 to 63 form part of these Group financial statements.

SORTED GROUP HOLDINGS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
Balance at 1 January 2024	16,340,507	20,088,118	12,740,875	(46,587,220)	2,582,280
Year ended 31 December 2024:					
Loss for the year	-	-	-	(3,604,739)	(3,604,739)
Transactions with owners:					
Subscriptions (2,285,712 shares at 62.5p nominal and 25p premium)	1,428,570	571,428	-	-	1,999,998
Fee shares issue (137,142 shares at 62.5p nominal and 25p premium)	85,714	34,286	-	-	120,000
Convertible shares and Interest (342,856 shares at 62.5p nominal and 25p premium)	214,285	85,714	-	-	299,999
Equity issued in lieu of accrued interest (637,855 shares at 62.5p nominal and 25p premium)	398,659	159,463	(558,122)	-	-
Balance at 31 December 2024	<u>18,467,735</u>	<u>20,939,009</u>	<u>12,182,753</u>	<u>(50,191,959)</u>	<u>1,397,538</u>
Year ended 31 December 2025:					
Loss for the year	-	-	-	(1,374,968)	(1,374,968)
Balance at 31 December 2025	<u>18,467,735</u>	<u>20,939,009</u>	<u>12,182,753</u>	<u>(51,566,927)</u>	<u>22,570</u>

The notes on pages 30 to 63 form part of these parent financial statements.

SORTED GROUP HOLDINGS PLC

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

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	28		(775,178)		(2,471,138)
R&D credit received			-		3,054,064
Net cash (outflow)/inflow from operating activities			(775,178)		582,926
Cash flows from investing activities					
Expenditure on intangible assets		(863,424)		(870,306)	
Purchase of tangible assets		(852)		(33,636)	
Proceeds from disposal of subsidiaries (net of cash disposed)	12	-		661,002	
Interest received		52,575		19,541	
Net cash acquired in reverse acquisitions	30	-		2,691,816	
Net cash (used in)/generated from investing activities			(811,701)		2,468,417
Cash flows from financing activities					
Proceeds from issue of shares		-		1,999,998	
Proceeds from issue of ordinary shares where cash already received and held as part of reverse acquisition		-		(1,999,998)	
Reduction in borrowings via equity		-		(608,342)	
Repayment of bank loans		(50,414)		-	
Repayment of leases - capital		(53,789)		(83,911)	
Interest paid		(121,082)		(111,729)	
Net cash used in financing activities			(225,285)		(803,982)
Net (decrease)/increase in cash and cash equivalents			(1,812,164)		2,247,361
Cash and cash equivalents at beginning of year			2,655,840		408,479
Cash and cash equivalents at end of year			843,676		2,655,840

For full details on non-cash financing activities see Note 28.

The notes on pages 30 to 63 form part of these Group financial statements.

SORTED GROUP HOLDINGS PLC

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

1 Accounting policies

Company information

Sorted Group Holdings PLC ("the Company") is a public company limited by share capital, incorporated and domiciled in England and Wales, registered and principal trading address is 5th Floor Room 502d, Chancery Place, 50 Brown Street, Manchester, England, M2 2JG.

The Company's ordinary shares are traded on the AIM market of the London Stock Exchange.

Principal activity

The principal activity of the Group headed by the Company (the "Group" or "Sorted") during the year ended 31 December 2025 was the provision of a Software as a Service ("SaaS") delivery platform that powers dynamic checkouts, delivery management and delivery tracking around the world.

Following the sale of Sorted Group Limited for a nominal cash consideration of £1.00 on 20 April 2026 (the "Disposal"), the Company became an AIM Rule 15 cash shell. Accordingly, the Company is required, within six months of completion of the Disposal, to complete an acquisition or acquisitions constituting a reverse takeover under AIM Rule 14 and to publish an admission document.

For the purposes of AIM Rule 15, becoming an investing company pursuant to AIM Rule 8 (which requires the raising of at least £6 million) is treated as a reverse takeover and would similarly require the publication of an admission document.

If the Company does not complete a reverse takeover or otherwise comply with AIM Rule 15 within 6 months of 20 October 2026, admission to trading on AIM would then be cancelled.

The Board continues to evaluate appropriate opportunities and is actively seeking to identify and acquire one or more businesses, projects or assets that would facilitate the Company's readmission to AIM.

1.1 Statement of compliance

The Group financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations as adopted by the UK ("IFRSs").

Following the reverse acquisition in the prior year (see Note 1.3), both the current year and comparative year information have now been fully prepared in accordance with IFRSs on a consistent basis. All first time adoption adjustments arising from SHL's transition from FRS 102 to IFRSs were recognised in the prior year; accordingly, no further transition related adjustments are required, and the financial statements for both periods are presented under the Group's established IFRS accounting policies.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

Subsequent to the reporting date, the Company completed the disposal of its trading subsidiary and is now pursuing a strategy of identifying and acquiring one or more suitable businesses or projects. The Directors have prepared detailed cash flow forecasts covering a period of at least twelve months from the date of approval of these financial statements. These forecasts take into account the Company's expected ongoing operating costs, existing cash resources, and the ongoing support of two significant investors, who have committed to provide financial support to enable the Company to meet its liabilities as they fall due, should this be required.

SORTED GROUP HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.2 Going concern (Continued)

Having reviewed the forecasts, available funding arrangements and the support available from the Company's investors, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

In the absence of a suitable transaction, it is unlikely that continued funding would be available to enable the Company and Group to continue as a going concern. Therefore, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

These conditions indicate the existence of a material uncertainty that may cast significant doubt upon the Company's and Group's ability to continue as a going concern. In particular, there is a material uncertainty as to whether the Company will be able to complete a suitable transaction that would enable the Company's shares to be readmitted to trading on AIM within the required timeframe.

Nevertheless, the Directors continue to evaluate appropriate opportunities and are seeking to identify one or more projects or assets that the Company can acquire which would constitute a reverse takeover under AIM Rule 14. Having considered the opportunities currently under evaluation and the Company's available resources, the Directors have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

1.3 Reverse acquisition

The accounting resulting from the reverse acquisition in the prior year (see Note 30) continues to apply such that the results for the year ended 31 December 2025, as well as the Statement of Financial Position as on 31 December 2025, represent those of Sorted Holdings Limited and its subsidiaries ("SHL") but also include the balances of Sorted Group Holdings PLC and subsidiaries as on 31 December 2025 and the results of the same from the reverse acquisition date of 16 February 2024. The comparative amounts for the year ended 31 December 2024 reflect a full year of reporting under this basis.

Whilst reverse acquisition accounting is a departure from the standard consolidation practice under Companies Act 2006 (the "Act") of the legal parent consolidating the legal subsidiary, its adoption is necessary for the financial statements to present a true and fair view as required by the Act.

1.4 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2025.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination.

SORTED GROUP HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.4 Basis of consolidation (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

1.5 Changes in accounting policy

For the purpose of the preparation of these consolidated financial statements, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 January 2025. None of the standards that have been applied have had a material effect on the financial statements.

1.6 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker for the use in strategic decision making and monitoring of performance. The Group considers the chief operating decision maker to be the Executive Board.

1.7 Revenue

Revenue represents the invoice value of services and software licences provided to external customers in the period, stated exclusive of value added tax.

Consideration received from customers in respect of services is only recorded as revenue to the extent that the Group has performed its contractual obligations in respect of that consideration. Management assess the performance of the Group's contractual obligations against project milestones and work performed to date.

Revenue from software licences sold in conjunction with services is invoiced separately from those services and recognised over the period of the licence.

Revenue from software licences for the use of the technology platform is recognised over the period of the license.

Revenue from software development is recognised to the extent that the Group has obtained the right to consideration through its performance.

The IFRS 15 practical expedient has been applied whereby the promised amount of consideration has not been amended for the effects of a significant financing component as at the contract inception there are no contracts where the period between transfers of promised goods or services and customer payment is expected to exceed one year.

1.8 Foreign currency transactions and balances

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Pounds Sterling ("£"), which is the Group's presentational currency.

SORTED GROUP HOLDINGS PLC

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

1 Accounting policies

(Continued)

1.8 Foreign currency transactions and balances (Continued)

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

The results and financial position of all Group entities that have a functional currency different from the presentational currency of the Group are translated into Pounds Sterling, which is the functional currency of the Group, as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- Income and expenses for each income statement are translated at the average exchange rate for the month where these approximate the exchange rate at the date of the transaction; and
- All resulting exchange differences are recognised within other comprehensive income and taken to the foreign exchange reserve.

1.9 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in-order-to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their estimated useful economic life of 4 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

1.10 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.11 Intangible assets and amortisation

Internally developed software

Intangible assets are predominantly internally generated software development costs for Sorted's technologies. Development costs are capitalised when certain criteria are met. The product must be technically feasible, sale is intended, a market exists, expenditure can be measured reliably, and sufficient resources are available to complete the project. The extent of capitalisation is limited to the amount, which taken together with further related costs, will be recovered from the future economic benefits related to the asset. When the Board is sufficiently confident that all of the criteria for capitalisation are met, development costs are amortised over the expected useful life, currently 4 years, from the date the asset is available for use. Development costs that have been capitalised, but where amortisation has not yet commenced are reviewed annually for impairment. If no intangible asset can be recognised based on the above, then development costs are recognised within administrative expenses in the Consolidated Income Statement.

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

System development costs	4 years
Domain name	10 years
Computer software costs	3 years

SORTED GROUP HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.12 Fixed assets

Fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Fixtures, fittings and leasehold property	25% or shorter dependent upon the lease term
Computer equipment	33%
Right-of-use Asset	Lease term (see Note 1.15)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Income Statement.

1.13 Impairment of non-financial assets

At each reporting end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.14 Investments

Investments are carried at cost, less any impairment in value.

The Company grants options over its equity investments to the employees of its subsidiaries where material. The carrying value of the investment in this subsidiary is increased by an amount equal to the value of the share-based payment charge attributable to the option holder in the subsidiary.

Dividends on equity securities are recognised in income when receivable.

1.15 Leases

On commencement of a contract (or part of a contract) which gives the Group the right to use an asset for a period of time in exchange for consideration, the Group recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease or a 'low-value' lease.

SORTED GROUP HOLDINGS PLC

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

1 Accounting policies

(Continued)

1.15 Leases (Continued)

Initial and subsequent measurement of right-of-use assets

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation methods applied are as follows:

Leased property - on a straight-line basis over the life of the lease

The right-of-use asset is adjusted for any re-measurement of the lease liability and lease modifications, as set out below.

Initial measurement of the lease liability

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise.

Lease payments include fixed payments, less any lease incentives receivable, variable lease payments dependent on an index or a rate and any residual value guarantees. Variable lease payments are initially measured using the index or rate when the leased asset is available for use.

Termination penalties are included in the lease payments if the lease term has been adjusted because the Group reasonably expects to exercise an option to terminate the lease.

The exercise price of an option to purchase the leased asset is included in the lease liability when the Group is reasonably certain to exercise that option.

Subsequent measurement of the lease liability

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss, unless interest is directly attributable to qualifying assets, in which case it is capitalised in accordance with the Group's policy on borrowing costs.

Variable lease payments are not included in the measurement of the lease liability as they are not dependent on an index or rate, are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

Re-measurement of the lease liability

The lease liability is adjusted for changes arising from the original terms and conditions of the lease that change the lease term, the Group's assessment of its option to purchase the leased asset, the amount expected to be payable under a residual value guarantee and/or changes in lease payments due to a change in an index or rate. The adjustment to the lease liability is recognised when the change takes effect and is adjusted against the right-of-use asset, unless the carrying amount of the right-of-use asset is reduced to nil, when any further adjustment is recognised in profit or loss.

Adjustments to the lease payments arising from a change in the lease term or the lessee's assessment of its option to purchase the leased asset are discounted using a revised discount rate. The revised discount rate is calculated as the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee's incremental borrowing rate at the date of reassessment.

SORTED GROUP HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2025**

1 Accounting policies

(Continued)

1.15 Leases (Continued)

Changes to the amounts expected to be payable under a residual value guarantee and changes to lease payments due to a change in an index or rate are recognised when the change takes effect, and are discounted at the original discount rate unless the change is due to a change in floating interest rates, when the discount rate is revised to reflect the changes in interest rate.

Lease modifications

A lease modification is a change that was not part of the original terms and conditions of the lease and is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more additional assets with a commensurate adjustment to the payments under the lease.

For a lease modification not accounted for as a separate lease, the lease liability is adjusted for the revised lease payments, discounted using a revised discount rate. The revised discount rate used is the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee Group's incremental borrowing rate at the date of the modification.

Where the lease modification decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any difference between the adjustment to the lease liability and the adjustment to the right-of-use asset is recognised in profit or loss.

For all other lease modifications, the adjustment to the lease liability is recognised as an adjustment to the right-of-use asset.

1.16 Cash and cash equivalents

Cash is represented by 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.

1.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.18 Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.19 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

SORTED GROUP HOLDINGS PLC

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

1 Accounting policies

(Continued)

1.19 Taxation (Continued)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from temporary differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing differences.

1.20 Financial instruments

Financial assets

Financial assets are recognised when the Group and Company becomes party to the contractual provisions of the instrument.

The Company does not have financial assets other than cash and cash equivalents and trade and other receivables.

Trade and other receivables

Trade receivables are initially measured at their transaction price. Other receivables are initially measured at fair value plus transaction costs. Receivables are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these receivables are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial assets

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

Trade receivables

For trade receivables, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

Financial liabilities and equity

Financial liabilities are recognised when the Group and Company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group or Company after deducting all of its liabilities.

SORTED GROUP HOLDINGS PLC

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

1 Accounting policies

(Continued)

1.20 Financial instruments (Continued)

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

Trade and other payables are initially measured at fair value, net of direct transaction costs and subsequently measured at amortised cost.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of borrowings using the effective interest rate method.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at fair value on initial recognition net of transaction costs.

Derecognition of financial assets (including write-offs) and financial liabilities

A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party.

When there is no reasonable expectation of recovering a financial asset it is derecognised ('written off').

The gain or loss on derecognition of financial assets measured at amortised cost is recognised in profit or loss.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amount of a financial liability (or part thereof) that is derecognised and the consideration paid is recognised in profit or loss.

Derivative financial instruments

The Company has certain warrant instruments, which is a derivative. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

1.21 Equity

Equity comprises:

- Share capital - the nominal value of ordinary shares is classified as equity.
- Share premium - represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Other reserves - this comprises a reserve relating to equity-settled share-based payment arrangements, a merger accounting reserve, and a reverse acquisition reserve.
- Retained earnings - includes all current and prior period retained profits/(losses).

SORTED GROUP HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2025**

2 New standards, interpretations, and amendments not yet effective

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2025:

IAS 21	Amendments to Lack of Exchangeability
--------	---------------------------------------

The amendment listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been endorsed by the UK):

IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity (Effective 1 January 2026)
IFRS 9 and IFRS 7	Amendments to Classification and Measurement of Financial Instruments (Effective 1 January 2026)
Various standards	Annual Improvements to IFRS Accounting Standards - Volume 11 (Effective 1 January 2026)
IFRS 18	Presentation and Disclosures in Financial Statements (Effective 1 January 2027)
IFRS 19	Subsidiaries without Public Accountability: Disclosures (Effective 1 January 2027) - Not applicable to the Group

None of the standards, interpretations and amendments which are effective for periods beginning after 1 January 2026, and which have not been adopted early, are expected to have a material effect on the financial statements, with the exception of IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 is expected to affect the presentation of the statement of profit or loss and related disclosures; however, the Group has not yet completed a detailed assessment of its impact. The Group does not intend to adopt IFRS 18 early.

SORTED GROUP HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2025**

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's and the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical accounting judgements and estimates

Impairment – methodology for determining value in use

The recoverable amount of the Shipping CGU was determined using a value-in-use discounted cash-flow model. This approach reflects management's assessment of the CGU's expected future cash flows, discounted using a rate that reflects current market conditions and risks specific to the CGU.

The use of a value-in-use methodology, and the assumptions applied in forecasting cash flows and selecting the discount rate, requires significant judgement.

Deferred tax

A deferred tax asset was not recognised for UK tax losses as the Directors do not expect that the tax losses will be utilised in the foreseeable future.

System development costs capitalised within intangible fixed assets

The Group capitalises intangible fixed assets to the extent that they create an enduring asset that delivers economic benefits at least as great as the amount capitalised. System development costs are amortised on a straight line basis over 4 years and regular reviews are carried out to consider if the asset is subject to impairment.

In some instances, when determining the amount to be capitalised, the Directors exercise judgement in determining the amount of time certain employees have spent on a capital project. The Directors complete a detailed assessment, understanding each individual project / operational priorities and commitments, reviewed as part of regular and ongoing project meetings, before deciding whether a project is deemed to be capital in nature. Any time which is deemed not to have been spent on a capital project is written off to the Income Statement as incurred.

Key sources of estimation uncertainty

Impairment - determining the recoverable amount

As set out in the critical judgements section above, the Shipping CGU's recoverable amount was based on a value-in-use method. The value-in-use method was applied as it resulted in a higher recoverable amount than fair value less costs of disposal.

The recoverable amount is the higher of value in use or fair value less costs of disposal. The value in use is the present value of future cash flows using a pre-tax discount rate that reflects the time value of money and the risk specific to the CGU. Fair value less costs of disposal reflects market inputs or inputs based on market evidence if readily available. If these inputs are not readily available, the fair value is estimated by discounting future cash flows modified for market participants' views. The relevant local statutory tax rates have been applied in calculating post-tax to pre-tax discount rates. The Group has used budgeted forecasts to estimate the future expected cashflows.

In preparing the value-in-use calculation, management applied a pre-tax discount rate of 25.1%, derived from a post-tax rate of 24.2%, together with a long-term growth rate of 2.0% applied to cash flows beyond the forecast period. The cash flow projections are based on management's forecasts to 2030, which reflect management's current expectations of market conditions, revenue growth, margin development and cost inflation over the forecast period. These cash flows have then been extrapolated to 2031 using the long-term growth rate to estimate the terminal value.

SORTED GROUP HOLDINGS PLC

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

4 Segmental analysis

Operating segments are based on internal reports about components of the Group, which are regularly reviewed and used by the Board for strategic decision making, to allocate resources across segments and to assess performance by segment.

The Group only has one operating segment, being 'Shipping and Tracking'. As such, the financial statements represent the segment.

It should be noted that a segmental analysis of the Balance Sheet is not part of routine management reporting and consequently no segmental analysis of assets is shown here.

An analysis of the Group's revenue by geographical segment is as follows:

	2025	2024
	£	£
UK Revenue	4,646,258	5,606,981
ROW Revenue	-	29,922
	<u>4,646,258</u>	<u>5,636,903</u>

All non-current assets of the Group are held in the UK.

During the year there was revenue from individual customers that represented more than 10% of revenue as follows:

	2025	2024
	£	£
Customer 1	1,293,994	1,239,998
Customer 2	562,500	753,400
Customer 3	516,734	496,184
	<u>2,373,228</u>	<u>2,489,582</u>

There are no significant financing components, nor variable consideration elements in customers' contracts.

5 Loss before taxation

The operating loss is stated after charging:

	2025	2024
	£	£
Depreciation expense	72,963	108,957
Amortisation expense	<u>2,961,272</u>	<u>2,894,262</u>

SORTED GROUP HOLDINGS PLC

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

6 Auditor's remuneration

	2025 £	2024 £
Audit of the Company's and subsidiaries' financial statements	140,000	157,000
All other non-audit services comprising permitted tax services	1,225	6,250
	<u>141,225</u>	<u>163,250</u>

7 Staff costs

The average monthly number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2025 No.	2024 No.
Operating and administrative staff	45	55
Non-Executive Directors	2	2
	<u>47</u>	<u>57</u>

The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

	2025 No.	2024 No.
Operating and administrative staff	-	-
Non-Executive Directors	2	2
	<u>2</u>	<u>2</u>

Staff costs including Directors' remuneration were as follows:

	2025 £	2024 £
Wages and salaries	3,289,062	4,131,696
Social security costs	394,655	471,211
Pension costs, defined contribution scheme	133,003	162,166
	<u>3,816,720</u>	<u>4,765,073</u>

SORTED GROUP HOLDINGS PLC

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

7 Staff costs

(Continued)

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension costs charge represents contributions payable by the Group to the fund and amounted to £133,003 (2024 - £162,166). Contributions totalling £Nil (2024 - £20,058) were payable to the fund at the Statement of Financial Position date and are included in creditors.

£849,875 (2024 - £797,811) of these staff costs were capitalised as part of the system development costs (refer Note 14).

8 Key management compensation and Directors' remuneration

	2025 £	2024 £
Salaries and other short-term employee benefits	418,138	613,102
Consultancy fee	294,309	180,505
Pension costs	9,674	8,612
	<u>722,121</u>	<u>802,219</u>

The Directors are of the opinion that the key management of the Group comprises the Executive and the Non-Executive Directors of the Group. These persons have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Directors' remuneration is disclosed in the Directors' Remuneration Report on pages 11 - 13.

9 Finance income

	2025 £	2024 £
Bank interest received	45,997	19,541
Fair value gain on warrants	-	200,000
Other interest income	6,578	-
	<u>52,575</u>	<u>219,541</u>

During the prior year, the warrants (previously issued as part of the Shard Loan (see Note 21) were waived for no consideration as part of the reverse acquisition (see Note 30). This resulted in a gain on derecognition of the warrants.

10 Finance expenses

	2025 £	2024 £
Interest relating to lease liability	2,082	22,654
Loan interest payable	844,682	742,363
	<u>846,764</u>	<u>765,017</u>

SORTED GROUP HOLDINGS PLC

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

11 Taxation

	2025 £	2024 £
Current tax		
Adjustments in respect of prior period current tax	(308,076)	(1,107,777)

Factors affecting the tax credit for the year

The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK (2024 - higher than the standard rate of corporation tax in the UK) of 25% (2024 - 25%).

The differences are reconciled below:

	2025 £	2024 £
Loss on ordinary activities before tax	4,388,929	4,858,609
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	1,097,232	1,214,652
Effects of:		
Effect of expenses not deductible	(456,009)	(507,221)
Utilisation of tax losses not previously recognised	5	-
Group relief	2,683	-
Difference between capital allowances and depreciation	(17,036)	3,889
Unrecognised deferred tax assets	(626,775)	(711,320)
Adjustment to corporation tax charge in respect of prior period in relation to R&D tax credits	307,976	1,107,777
Taxation credit for the year	308,076	1,107,777

Subject to the UK tax authority's agreement, the Group has UK tax losses of approximately £68.8 million (2024 - £67.8 million) available to carry forward and offset against future taxable profits. The utilisation of these losses is subject to agreement by HMRC and is dependent on whether the trade is deemed sufficiently similar under relevant tax legislation. The Group has a potential deferred tax asset of £17 million (2024 - £17 million) which will not be recognised until it is regarded as more likely than not that there will be sufficient taxable profits from which the tax losses can be deducted. In addition, no deferred tax asset is recognised in respect of future tax deductions on exercise of share options.

SORTED GROUP HOLDINGS PLC

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

12 Discontinued operations

During the prior financial period, Sorted Group Holdings PLC completed the disposal of its Returns business. The disposal included the business operations and associated intellectual property, comprising software, systems, and content assets specifically utilised for the Group's "Returns" services, catering primarily to small and medium-sized fashion apparel retailers, charities, and educational institutions. The total consideration agreed upon for the disposal was £775,000, payable in cash.

The strategic rationale behind this disposal was to enable Sorted Group Holdings PLC to sharpen its strategic focus on its core Ship and Track business, which primarily serves larger enterprise clients. This business segment offers higher margins and superior customer retention. In contrast, Clicksit's Returns business targeted smaller and medium-sized enterprises, and the Board concluded that Clicksit's operations would achieve greater commercial synergies and fit more effectively within a similar business.

Clicksit ceased trading activities in September 2024 following the disposal of the Returns business.

During the year ended 31 December 2025, the Group had no trading activity in respect of the discontinued operation. However, the Group continued to recognise certain income and expenses directly attributable to the discontinued operation arising from post-sale obligations and wind-down activities. Management has concluded these items are directly attributable to the discontinued operation and would not have arisen but for the disposal. Accordingly, these amounts are presented within discontinued operations in the current year.

The financial performance presented below is for the year ended 31 December 2025.

	2025 £
Other income	11,789
Administrative expenses - including write-off of provisions	261
Profit before income tax	12,050
Income tax expense	-
Profit from discontinued operation	12,050

The financial performance presented below is for the year ended 30 September 2024.

	2024 £
Revenue	605,823
Cost of sales	(616,944)
Loss before income tax	(11,121)
Income tax expense	-
Loss of discontinued operation	(11,121)
Gain on sale of discontinued operation	398,594
Profit from discontinued operation	387,473

SORTED GROUP HOLDINGS PLC

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

12 Discontinued operations

(Continued)

The post-tax gain on disposal of discontinued operations was determined as follows:

	2024 £
Cash consideration received	775,000
Total consideration received	775,000
Cash disposed of	-
Costs of selling	(113,998)
Net cash inflow on disposal of discontinued operations	661,002
<i>Net assets disposed (other than cash):</i>	
Intellectual property	(262,408)
	(262,408)
Pre-tax gain on disposal of discontinued operation	398,594
Related tax expense	-
Gain on disposal of discontinued operation	398,594

13 Earnings or loss per share

The calculation of earnings or loss per share is based on the reported profit or loss from operations and the number of shares in issue, being the weighted average number of ordinary equity shares in issue during the period.

IAS 33 requires that, when the number of ordinary shares change without a change in resources, the number of ordinary shares outstanding for purposes of calculating earnings per share is adjusted for the proportionate change as if the event occurred at the beginning of the earliest period presented.

The weighted average number of ordinary shares used in calculating earnings per share for the year ended 31 December 2025 and the comparative year ended 31 December 2024 has been adjusted retrospectively to reflect the share capital reorganisation which was effective at 6:00 p.m. on 25 September 2025, whereby each existing ordinary share was subdivided into one new ordinary share of 0.01 pence and one deferred share of 62.49 pence. The number of ordinary shares in issue and held by each shareholder did not change, and the reorganisation resulted solely in a change to the nominal value of the ordinary shares. Accordingly, 7,639,705 new ordinary shares and 7,639,705 new deferred shares were issued as part of the reorganisation.

Prior to this, the comparative year ended 31 December 2024 was adjusted retrospectively for the share consolidation completed in February 2024, which reduced the number of ordinary shares without changing the resources available to the Group.

SORTED GROUP HOLDINGS PLC

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

13 Earnings or loss per share

(Continued)

	2025	2024
Loss for the year from continued activities	(4,080,853)	(3,750,832)
Profit for the year from discontinued activities	12,050	387,473
Total loss for the financial year	(4,068,803)	(3,363,359)
Weighted average number of shares		
Ordinary shares opening number	7,639,705	4,236,140
Share issuance weighted for 317 days outstanding in 2024	n/a	2,955,973
Total weighted average number of shares	7,639,705	7,192,113
Earnings per share		
Loss per share from continuing activities - basic and diluted	(0.5342)	(0.5215)
Earnings per share from discontinued activities - basic and diluted	0.0016	0.0539
Loss per share from activities - basic and diluted	(0.5326)	(0.4676)

Share subdivision

As set out in Note 24, a share subdivision took place at 6:00 p.m. on 25 September 2025, whereby each existing ordinary share was subdivided into one new ordinary share of 0.01 pence and one deferred share of 62.49 pence. The number of ordinary shares in issue and held by each shareholder did not change, and the subdivision resulted solely in a change to the nominal value of the ordinary shares. Accordingly, 7,639,705 new ordinary shares and 7,639,705 new deferred shares were issued as part of the subdivision.

Share consolidation

A share consolidation took place on 16 February 2024 at a ratio of 625:1. To ensure comparability and compliance with IAS 33, the earnings and loss per share for the years ended 31 December 2025 and 31 December 2024 have been calculated retrospectively to reflect both the February 2024 share consolidation and the September 2025 share subdivision.

Dilutive instruments

Instruments that could potentially dilute basic loss per share in the future but are antidilutive at the balance sheet date and are not included in the calculation of diluted loss per share.

SORTED GROUP HOLDINGS PLC

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

14 Intangible assets Group

	Goodwill	Computer software costs	Domain name	System development costs	Total
	£	£	£	£	£
Cost					
At 1 January 2024	9,063,933	118,607	160,000	30,431,203	39,773,743
Additions	-	-	-	870,306	870,306
Disposals	-	-	-	(296,699)	(296,699)
At 31 December 2024	9,063,933	118,607	160,000	31,004,810	40,347,350
Additions	-	1,270	-	862,154	863,424
At 31 December 2025	9,063,933	119,877	160,000	31,866,964	41,210,774
Amortisation					
At 1 January 2024	8,864,023	91,017	101,333	23,262,726	32,319,099
Charge for the year	-	20,090	16,000	2,874,414	2,910,504
Impairment	199,910	-	-	-	199,910
Disposals	-	-	-	(34,291)	(34,291)
At 31 December 2024	9,063,933	111,107	117,333	26,102,849	35,395,222
Charge for the year	-	7,301	16,000	2,937,971	2,961,272
At 31 December 2025	9,063,933	118,408	133,333	29,040,820	38,356,494
Carrying amount					
At 31 December 2025	-	1,469	26,667	2,826,144	2,854,280
At 31 December 2024	-	7,500	42,667	4,901,961	4,952,128

Internal development represents the cost incurred in developing the Group's proprietary platform. These internal costs have been capitalised in accordance with the Group's accounting policies where all the conditions for capitalisation have been met.

Impairment of research and development is considered within the conditions of capitalisation. Amortisation charges are included in administrative expenses, disclosed separately on the Consolidated Income Statement.

During the current year, management considered the recoverability of the intangible assets, no impairment was required.

Due to the discontinued operations classification, amortisation of £Nil (2024 - £16,242) is included in the line 'Profit on discontinued operation, net of tax' in the Income Statement, rather than in the 'Amortisation and depreciation' line.

The Company has no intangible assets.

SORTED GROUP HOLDINGS PLC

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

15 Tangible assets

Group

	Fixtures, fittings and leasehold property £	Computer equipment £	Right-of-use Asset £	Total £
Cost				
At 1 January 2024	567,010	356,341	164,070	1,087,421
Additions	-	33,636	102,138	135,774
Disposals	-	-	(153,007)	(153,007)
At 31 December 2024	567,010	389,977	113,201	1,070,188
Additions	-	852	-	852
Disposals	-	(6,447)	-	(6,447)
At 31 December 2025	567,010	384,382	113,201	1,064,593
Depreciation				
At 1 January 2024	567,010	321,830	49,423	938,263
Charge for the year	-	26,091	82,866	108,957
Eliminated on disposal	-	-	(121,186)	(121,186)
At 31 December 2024	567,010	347,921	11,103	926,034
Charge for the year	-	20,137	52,826	72,963
Eliminated on disposal	-	(1,169)	-	(1,169)
At 31 December 2025	567,010	366,889	63,929	997,828
Carrying amount				
At 31 December 2025	-	17,493	49,272	66,765
At 31 December 2024	-	42,056	102,098	144,154

The Company has no fixed assets.

SORTED GROUP HOLDINGS PLC

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

16 Investments (Company only)

	2025 £	2024 £
Investments in subsidiaries	67	67
		Subsidiaries £
Cost or valuation		
At 1 January 2025 and 31 December 2025		3,034,441
Impairment loss		
At 1 January 2025 and 31 December 2025		(3,034,374)
Carrying amount		
At 31 December 2025		67
At 31 December 2024		67

17 Subsidiaries

Details of the Group subsidiaries held as direct or indirect investments of the Company as at 31 December 2025 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2025	2024
Sorted Holdings Limited*	Holding Company	Same registered office address as Group	100%	100%
Location Sciences AI Limited	Dormant	Same registered office address as Group	100%	100%

* Sorted Holdings Limited, in turn, holds 100% interest in Sorted EBT Limited (dormant), Clicksit App Limited (see Note 12), Sorted Group Limited (shipping services), and Sorted LLC (dormant).

SORTED GROUP HOLDINGS PLC

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

18 Trade and other receivables

	Group 2025 £	2024 £	Company 2025 £	2024 £
Trade receivables	813,159	896,071	8,101	-
Provision for bad and doubtful debts	(124,937)	-	-	-
	<u>688,222</u>	<u>896,071</u>	<u>8,101</u>	<u>-</u>
Other receivables	15,409	6,133	15,893	12,081
Prepayments	46,395	49,765	342	86
	<u>750,026</u>	<u>951,969</u>	<u>24,336</u>	<u>12,167</u>

Trade and other receivables are all current and the net carrying amount of trade receivables is considered a reasonable approximation of fair value.

All of the Group's trade and other receivables have been assessed for impairment based upon the expected credit losses model. In order to manage credit risk, the Directors set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

Trade receivables are regularly reviewed for bad and doubtful debts (Note 19). The Group's policy is to include a provision for impairment based on estimated credit losses. This includes an assessment where relevant of forward-looking information on macroeconomic factors that may affect the ability of customers to settle receivables. Trade receivables are written off where there is no reasonable expectation of recovery, for example where the customer has entered insolvency proceedings or where a customer has failed to make contractual payments for an extended period.

The Group's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in the financial risk management and impairment note.

19 Trade receivables - credit risk

Group movement in the allowances for doubtful debts	2025 £	2024 £
Additional allowance recognised	124,937	-
Balance at 31 December 2025	<u>124,937</u>	<u>-</u>

Expected credit losses are measured by applying an expected loss rate to the gross carrying amount. In the current year, certain debtors totalling £124,937 (2024: £Nil) were identified as being at risk of default and provided for.

The Company does not have any expected credit losses.

SORTED GROUP HOLDINGS PLC

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

20 Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Trade payables	171,349	497,485	779	2,260
Accrued expenses	922,047	956,951	1,211	55,590
Deferred income	409,965	516,547	-	-
Social security and other taxes	278,603	630,022	-	-
Other payables	187,568	122,259	-	57,000
	<u>1,969,532</u>	<u>2,723,264</u>	<u>1,990</u>	<u>114,850</u>

The Directors consider that the carrying amount of trade and other payables approximated their fair value. Trade payables are normally paid between 30 and 60 days of receipt of the invoice.

The Group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk management and impairment note.

21 Borrowings

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
NVM Loan	690,137	650,137	-	-
Convertible Loans	1,092,837	1,058,897	-	-
Shard Loan	3,367,953	2,754,913	-	-
	<u>5,150,927</u>	<u>4,463,947</u>	<u>-</u>	<u>-</u>

At 31 December 2025, Convertible Loans and Shard Loan have been classified as current liabilities, as they are considered repayable on demand. This classification arises from a covenant breach on the Shard loan during the year, together with the terms of the intercreditor agreement. The NVM Loan has remained classified as a non-current liability. At 31 December 2024, all borrowings were classified as non-current liabilities (see Note 23).

All loans are only repayable once the Shard Loan provided to another Sorted group company is repaid in August 2027.

Convertible Loan

The Convertible Loan ("CLNs") of £1,092,837 relates to loan agreements between the SHL and former shareholders of the SHL. This agreement was entered into on 28 June 2023 for the purpose of providing SHL with working capital. The loan has a potential redemption premium of 436% and is secured by a first fixed and floating charge over SHL's business and assets. At the Lenders' option, the loan can be converted into shares representing nearly 0.6% of the fully diluted share capital of SHL. The Directors do not believe that there would be a strong commercial rationale for exercising the conversion rights and gaining a minor and illiquid interest in an operating subsidiary of the Company. However, if the CLN holders do choose to exercise their conversion rights, the number of shares in SHL to which they would be entitled depends on the determination of the conversion price pursuant to the relevant convertible loan agreements. The conversion price is linked to the last equity raise carried out by SHL unless the parties agree an alternative price. The Directors are of the opinion that it is unlikely that an alternative price would be agreed.

SORTED GROUP HOLDINGS PLC

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

21 Borrowings

(Continued)

In this case, if all remaining CLNs were exercised at the expected conversion price, they would convert into 918 new shares in SHL in aggregate, roughly equivalent to 0.6 per cent. of the entire issued share capital of SHL. This loan is subordinated to another intercompany loan under the terms of an intercreditor agreement.

Repayment of this loan will commence only after the Shard loan ("principal loan"), repayable on 22 August 2027, has been fully settled. Subject to the satisfaction of the intercreditor agreement and full repayment to the primary chargeholder, this loan becomes repayable.

Shard Loan

The Group entered into an arrangement with Shard Credit Partners Venture Debt I Sarl ("Shard") to obtain funding in August 2022. The Shard Loan is secured (with a fixed charge) over the fixed property (see Note 15) and intellectual property (see Note 14) as well secured (with a variable charge) over all the property and undertaking of the Company.

The loan has a fixed interest rate of 10.75%, reduced by 0.25% each if the Company has 1) at least one woman on the Board of Directors; and 2) at least one female shareholder who is a member of the senior management team.

Post balance sheet amendments to terms

Subsequent to the balance sheet date, the following changes were agreed regarding the terms of the Shard Loan:

1. Extension of maturity:

The loan's maturity date has been extended to 31 December 2027.

2. Re-confirmation of a PIK interest toggle:

The Borrower may elect for interest otherwise payable on each scheduled interest payment date to be capitalised (PIK), with the capitalised interest accruing at a rate of 18% from the date of capitalisation. This is applicable to quarterly interest payments scheduled from 30 June 2025 through to the loan's repayment date of 31 December 2027, payable alongside the principal amount upon loan maturity. This toggle was elected from 30 June 2025.

3. Deletion of prepayment obligations:

In October 2025, Sorted breached the covenant that the aggregate amount of the Loans utilised will not exceed 70% of ARR. The amendment removes the clause requiring mandatory prepayments; the amounts are no longer payable, either retrospectively, or in the future.

These amendments were agreed and executed after the balance sheet date, and therefore do not affect the classification of borrowings as at 31 December 2025. Refer to Note 31 for further details.

On 2 April 2026, the Group announced the proposed sale of its principal trading subsidiary, Sorted Group Limited, for a nominal cash consideration of £1.00 (the "Disposal"). In addition, as part of the Disposal, Shard and Shard Credit Holdings Limited entered into a deed with each of SGL, SHL and CAL (the "Obligors") under which Shard released the Obligors from all obligations and security granted to Shard, including the funding facility under which SGL then owed £3.52 million to Shard, conditional on, and taking effect on the day following, completion of the sale (the "Debt Restructuring"). In addition, as at 1 April 2026, the other members of the Group agreed to release SGL from all obligations, including indebtedness, owed to them and security granted to them outstanding at that date. Accordingly, no amounts owed to or from companies included in the Group remained at the date of sale. Completion was subject to shareholder approval, which was granted at the General Meeting on 20 April 2026.

NVM Loan

The facility was provided by NVM Private Equity LLP, carries interest at 8% and is unsecured. During the year, the loan notes were extended to 31 January 2027. This loan is subordinated to another intercompany loan under the terms of an intercreditor agreement. Repayment of this loan will commence only after the principal loan, repayable on 22 August 2027, has been fully settled. Subject to the satisfaction of the intercreditor agreement and full repayment to the primary chargeholder, this loan becomes repayable.

SORTED GROUP HOLDINGS PLC

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

21 Borrowings

(Continued)

Impact of SGL disposal

Following the Disposal and Debt Restructuring in April 2026, the CLNs and NVM loan became repayable. However, Sorted Holdings Ltd, the subsidiary the loans were issued to, has no assets. There is no parent company guarantee of these loans.

22 Lease liabilities

Group	2025 £	2024 £
Current liabilities	47,456	54,113
Non-current liabilities	309	47,441
	<u>47,765</u>	<u>101,554</u>

The maturity of the gross contractual undiscounted cash flows due on the Group's lease liabilities is set out below based on the period between 31 December 2025 and the contractual maturity date.

	2025 £	2024 £
Within one year	51,691	56,172
In two to five years	400	51,691
	<u>52,091</u>	<u>107,863</u>

The leases relate to certain office equipment and office space.

23 Financial risk management and impairment of financial assets

Treasury risk management

The Group manages a variety of market risks, including the effect of changes in foreign exchange rates, liquidity and counterparty risks.

Credit risk

The Group's principal financial assets are bank balances, cash, trade and other receivables.

The credit risk on liquid funds is limited because the counterparties are UK banks or "Blue Chip" companies with high credit ratings assigned by international credit rating agencies.

The credit risk associated with trade receivables is minimal as invoices are based on contractual agreements with long-standing customers. Credit losses historically incurred by the Group have consequently been considered by the Directors to be exceptional in their occurrence. The Group maintains a provision against receivables, however, this is not necessarily linked to credit risk and the ageing of receivables is not the most relevant indicator to determine the potential impairment of a receivable. The nature of the Group's operations is such that misunderstandings or minor disagreements may arise during the course of contracts, which may sometimes require an adjustment to be made to achieve settlement and the Group's provisions are made on a case by case basis, based on Directors' knowledge of the circumstances surrounding overdue balances as they arise.

As a result, investment returns and credit risk to the Group in this regard are not material to the financial statements.

SORTED GROUP HOLDINGS PLC

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

23 Financial risk management and impairment of financial assets

(Continued)

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date. No collateral is held in respect of these amounts which are expected to be received in full. In order to manage credit risk, credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

The Company has significant credit risks associated with the inter-company debt due from its subsidiary, which is fully provided for as at the year end. As with the Group's policy for making provisions against trade receivables, provisions against inter-company debt is considered based on the Directors' knowledge of the subsidiary's trading activity and financial position.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Current £	30-60 days £	61-90 days £	> 90 days £	Total £
2025					
Gross trade receivables	648,472	17,352	17,118	130,217	813,159
Expected credit loss	(10,140)	(10,140)	(10,029)	(94,628)	(124,937)
Total net of expected credit loss	638,332	7,212	7,089	35,589	688,222

Currency risk

The Group's operations are primarily located in the United Kingdom. The Group's transactions during 2025 were predominantly denominated in Pounds Sterling, with consequently little exposure to foreign currency risks. Due to the limited currency risks to the Group, forward exchange contracts are not considered necessary and are not used. At the year end, the Group operated both sterling and dollar bank accounts. Going forward the Directors will continue to monitor the currency risk.

The translation risk on the Group's foreign exchange payables and receivables is considered to be immaterial due to their short-term nature.

Liquidity risk

When considering the loan facilities available to the Group as at 31 December 2025, the Group is deemed to have sufficient capital resources to meet its external current liabilities as they fall due. The Group is currently in the process of reviewing its funding requirements. See Note 1.2 for going concern consideration.

Operational cash flow represents ongoing trading revenue and costs, administrative costs and research and development activities. The Group manages its liquidity requirements by the use of both short-term and long-term cash flow forecasts. The Group's policy is to ensure facilities are available as required or to issue equity share capital to ensure cash resources available are in accordance with long-term cash flow forecasts. The Group currently has no overdrawn committed facilities as at 31 December 2025.

The Group actively manages its working capital to ensure it has sufficient funds for operations and planned research and development activities.

The Group's main financial liabilities include trade payables, borrowings and operational costs. All amounts for trade and other payables are due for payment in accordance with agreed settlement terms with suppliers or statutory deadlines. All such payment terms are within six months.

SORTED GROUP HOLDINGS PLC

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

23 Financial risk management and impairment of financial assets

(Continued)

Maturity analysis - Group

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

At 31 December 2025	Within 1 Year	Between 1 to 5 years	Contractual cash flows	Carrying Value
	£	£	£	£
Trade payables	171,349	-	171,349	171,349
Other payables	191,661	-	191,661	191,661
Accrued expenses	922,047	-	922,047	922,047
Lease liabilities	47,456	309	47,765	47,765
Borrowings*	4,460,790	690,137	5,150,927	5,150,927
Total liabilities	5,793,303	690,446	6,483,749	6,483,749

At 31 December 2024	Within 1 Year	Between 1 to 5 years	Contractual cash flows	Carrying Value
	£	£	£	£
Trade payables	497,485	-	497,485	497,485
Other payables	58,158	-	58,158	58,158
Accrued expenses	956,951	-	956,951	956,951
Lease liabilities	54,113	47,441	101,554	101,554
Borrowings*	-	4,463,947	4,463,947	4,463,947
Total liabilities	1,566,707	4,511,388	6,078,095	6,078,095

* At 31 December 2025, Convertible Loans and Shard Loan have been classified as current liabilities, as they are considered repayable on demand. This classification arises from a covenant breach on the Shard loan during the year, together with the terms of the intercreditor agreement. The NVM Loan has been classified as a non-current liability. At 31 December 2024, all borrowings were classified as non-current liabilities. All the other borrowings are only repayable once the Shard Loan is repaid per the intercreditor agreement.

As liquidity is managed on a Group basis, a maturity analysis for the Company is not considered to be relevant.

Capital management

The Group's activities are of a type and at a stage of development where the most suitable capital structure is that of one primarily financed by equity. The Directors will reassess the future capital structure when projects under development are sufficiently advanced.

The Group's financial strategy is to utilise its resources and current trading revenue streams to commercialise its products and grow revenues. The Group keeps investors informed of its progress with its projects through regular announcements and raises additional equity finance at appropriate times.

The Group manages capital on the basis of the carrying amount of equity, and debt with regard to maintaining sufficient liquidity to enable the Group to continue to trade and invest in commercialisation. As at the year end the equity to overall financing ratio, excluding IFRS 16 adjustments, is -0.37 (2024 - 0.2).

SORTED GROUP HOLDINGS PLC

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

23 Financial risk management and impairment of financial assets

(Continued)

Categories of financial instruments

All of the Group's financial assets are classified as loans and receivables; see Note 18. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

All of the Group's financial liabilities are classified as liabilities at amortised cost; see Note 20. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

The accounting policies applied are set out in Note 1.

24 Share capital

	2025	2025	2024	2024
	Number	£	Number	£
Allotted, called up and fully paid shares				
Ordinary shares of 0.01p each (2024 is 62.5p each)	7,639,705	763	7,639,705	4,774,815
Deferred shares of 0.99p each	1,040,712,398	10,303,054	1,040,712,398	10,303,054
Deferred shares of 0.9p each	376,651,734	3,389,866	376,651,734	3,389,866
Deferred shares of 62.49p each	7,639,705	4,774,052	-	-
	<u>1,432,643,542</u>	<u>18,467,735</u>	<u>1,425,003,837</u>	<u>18,467,735</u>

Share subdivision

Following an announcement on 27 August 2025, the Board proposed a share capital reorganisation to reduce the nominal value of the Company's ordinary shares. At 6:00 p.m. on 25 September 2025, each existing ordinary share was subdivided into one new ordinary share of 0.01 pence and one deferred share of 62.49 pence (the "Share Subdivision"), resulting in the issue of 7,639,705 new ordinary shares and 7,639,705 new deferred shares. The number of ordinary shares in issue and held by each shareholder did not change, and the subdivision affected only the nominal value of the ordinary shares. Application was made for the admission of the new ordinary shares to trading on AIM at 8:00 a.m. on 26 September 2025.

Share rights

Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Deferred shares have no voting rights, no rights to receive notice of or attend any general meeting, no rights to income, and can only receive capital on a winding up (i) up to the paid-up value of the share, and (ii) only once at least £100,000,000 has been paid out on each ordinary share.

Warrants in Issue

1) **Promoter Warrants** - non-transferable warrants to subscribe for up to 2,400,000 Ordinary Shares, exercisable at 125p (1,500,000,000 Ordinary shares, exercisable at 0.20p before the share consolidation in 2023) for five years from 25 May 2021, were issued to certain members of the Concert Party in consideration of those persons assembling and coordinating the Concert Party's investment in the Company in May 2021 and facilitating the appointment of Simon Wilkinson as Non-Executive Chair. These warrants all expired on 25 May 2026.

Name	Number of Ordinary Shares subject to Promoter Warrants
Richard Hughes	800,000
Mahmud Kamani	800,000
Simon Wilkinson	800,000

SORTED GROUP HOLDINGS PLC

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

24 Share capital

(Continued)

2) **Cornerstone Investor Warrants** - non-transferable warrants to subscribe for up to 400,000 Ordinary Shares, exercisable at 125p (250,000,000 Ordinary shares, exercisable at 0.20p before the share consolidation in 2023) for five years from 25 May 2021, were issued to the Cornerstone Investors of the May 2021 placing. These warrants all expired on 25 May 2026.

Name	Number of Ordinary Shares subject to Cornerstone Investment Warrants
Ben Turner	80,000
Donna Turner	120,000
James Pope	80,000
Maxine Pope	120,000

3) **Broker Warrants** - transferable warrants to subscribe for to 160,000 Ordinary Shares, exercisable at 125p (250,000,000 Ordinary shares, exercisable at 0.20p before the share consolidation in 2023) for five years from 25 May 2021 were issued as shown below. These warrants all expired on 25 May 2026.

Name	Number of Ordinary Shares subject to Broker Warrants
Turner Pope	94,000
Dr Nigel Burton	40,000
Mark Slade	16,000
David Rae	10,000

4) **Director Warrants** - non-transferable warrants to subscribe for, in aggregate, 192,000 Ordinary Shares (120,000,000 before the share consolidation in 2023) were issued to the Executive Directors and the Non-Executive Directors, exercisable at 125p (0.20p before the share consolidation in 2023) for five years from 25 May 2021, provided that the Ordinary Shares have traded at a Volume Weighted Average Price (VWAP) at or above 187.5p for 20 consecutive Business Days, or on a change of control of the Company. These warrants all expired on 25 May 2026.

Name	Number of Ordinary Shares subject to Director Warrants
Simon Wilkinson	48,000
Dr Nigel Burton	48,000
Mark Slade	48,000
David Rae	48,000

The expense recognised in respect of all warrants issued as part of the May 2021 fundraise has been recognised directly in the share premium reserve, based on the fair value of the services received that are considered to directly relate to the issuing of shares.

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Retained earnings

This comprises all current and prior periods retained profits and losses of the Group, net of distributions to owners.

Other reserves

This comprised a reserve relating to equity-settled share-based payment arrangements, a merger accounting reserve, and a reverse acquisition reserve.

25 Commitments

No capital expenditure was committed to as at 31 December 2025 (2024 - £Nil).

SORTED GROUP HOLDINGS PLC

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

26 Related party transactions

At 31 December 2025, Simon Wilkinson owed £12,000 (2024 - £12,000) to the Group and Nigel Burton owed £Nil (2024 - £12,000) to the Group. These balances have been cleared since the year end. All of these individuals are shareholders and also Directors of the Company.

During the year, the Group engaged People4 LTD for HR consultancy work at a cost of £16,800 (2024 - £24,500). In 2024 the Group engaged The Hiring Hub Limited at a cost of £25,800, and The Furza Training Group at a cost of £42,608, for recruitment placement fees but they were not engaged with in this financial year. They are all related parties with Simon Wilkinson.

During the year, the Group paid consultancy fees to Simon Wilkinson of £294,309 (2024 - £180,505), as outlined in the Directors' Remuneration Report and Note 8.

27 Contingent liabilities

Correspondence has been received from Mahmoud Warriah, former Chief Financial Officer of the Group, between September 2025 and May 2026, making a number of claims for compensation including, inter alia, unfair dismissal and holiday pay. Whilst the Group contests these claims, and the Group's insurers are handling the unfair dismissal claim, there is a contingent liability relating to holiday pay of £44,615. It is understood that the initial ACAS hearing is scheduled for November 2027.

28 Cash absorbed by Group operations

	2025 £	2024 £
Loss for the financial year from:		
Continuing operations	(4,080,853)	(3,750,832)
Discontinued operations	12,050	387,473
Loss for the financial year including discontinued operations	(4,068,803)	(3,363,359)
Adjustments to cashflows for non-cash items:		
Finance expense	846,764	765,017
Finance income	(52,575)	(219,541)
Goodwill impairment	-	199,910
Amortisation	2,961,272	2,910,504
Depreciation	72,963	108,957
Gain on sale of discontinued operation	-	(398,594)
Loss/(profit) on disposal of assets	5,629	(7,868)
Movements in working capital:		
Decrease/(increase) in trade and other receivables	201,943	(1,178,241)
Decrease in trade and other payables	(742,371)	(1,287,923)
Cash used in operations	(775,178)	(2,471,138)

SORTED GROUP HOLDINGS PLC

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

29 Net debt

Group	1 January 2025	Cash flows	Non-cash changes	31 December 2025
	£	£	£	£
Cash and cash equivalents*	2,655,840	(1,812,164)	-	843,676
Leases	(101,554)	53,789	-	(47,765)
Borrowings	(4,463,947)	128,821	(815,801)	(5,150,927)
Net cash / (debt)	(1,909,661)	(1,629,554)	(815,801)	(4,355,016)

	1 January 2024	Cash flows	Non-cash changes	31 December 2024
	£	£	£	£
Cash and cash equivalents*	408,479	2,247,361	-	2,655,840
Leases	(123,016)	106,030	(84,568)	(101,554)
Borrowings	(7,159,395)	-	2,695,448	(4,463,947)
Net cash / (debt)	(6,873,932)	2,353,391	2,610,880	(1,909,661)

* Cash and cash equivalents at the year-end includes cash of £Nil (2024 - £615,828) held in a solicitors' client account.

SORTED GROUP HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2025**

30 Reverse acquisition

On 16 February 2024, Sorted Group Holdings PLC acquired all the outstanding share capital in Sorted Holdings Limited (refer to Note 1.3). The acquisition was one whereby a nominal value of £66.73 was paid in cash to acquire the outstanding share capital of SHL. Consequently, new Directors were appointed, being Directors and key management personnel from SHL.

Consistent with the AIM Rules classifying this transaction as a reverse takeover, management assessed and concluded that the acquisition is, in substance, a reverse acquisition in accordance with the principles in IFRS 3. However, given that Sorted Group Holdings PLC and subsidiaries (before the acquisition) did not meet the definition of a business in accordance with IFRS 3, the reverse acquisition is rather accounted for by analogy to the reverse acquisition accounting principles in IFRS 3 and the principles in IFRS 2 (as generally acceptable accounting principles exist).

As a result, the acquisition is accounted for such that SHL is identified as the acquirer and the net assets of Sorted Group Holdings PLC and subsidiaries (before the acquisition) deemed acquired. The consideration for the reverse acquisition is measured at the fair value of the cash transferred and the deemed consideration of the loan previously granted to SHL, which remains outstanding on 16 February 2024.

Accordingly, the resulting balances and transactions for the periods prior to 16 February 2024 are those of SHL and subsidiaries (before the acquisition).

	£
Cash	67
Loan previously provided	2,516,491
	<u>2,516,558</u>

The allocation of the consideration transferred to the net assets acquired by Sorted Holdings Limited is as follows:

	£
Cash	2,691,816
Accounts receivable and other receivables	178,772
Accounts payable and accruals	(803,086)
Listing costs expensed	449,056
	<u>2,516,558</u>

The amount of £2,474,861 recognised as an adjustment within equity (other reserves) is a function of the above allocation of consideration and other adjustments. The other adjustments are mainly related to the accounting implications of the reverse acquisition as set out in Note 1.3, whilst presenting the legal share capital and share premium of Sorted Group Holdings PLC.

SORTED GROUP HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2025**

31 Events after the reporting date

Disposal of subsidiary undertaking

Subsequent to the balance sheet date, the Group entered into and completed a transaction to sell SGL to a third party, Brislington Holdco Limited ("BHL"), for the consideration of £1.00. Completion occurred on 20 April 2026, prior to the approval of these financial statements.

Intercompany balances prior to the disposal

Prior to completion of the sale of SGL to BHL, amounts owed to and from group companies were written off. Amounts outstanding at 31 December 2025 were recognised directly in equity at the time of the transaction closing, while amounts arising between 1 January 2026 and the completion date were recognised in profit or loss. Accordingly, no amounts owed to or from group companies remained at the date of sale.

Amendments to Shard Loan Facility

On the completion of the sale of SGL to BHL on 20 April 2026, the Shard loan together with all accumulated interest was transferred to BHL. Accordingly, the Facility Agreement with the Group was extinguished as at the date of sale.

Cancellation of Bidco 3 Loan Facility

In June 2026, the loan agreement in place between Bidco 3 Limited and the Company was cancelled following the sale of SGL. £Nil was outstanding to Bidco 3 Limited as at 31 December 2025 (2024: £Nil).

Letters of Support from two investors

On 14 October 2026 the Company entered a letter of support (the "LoS") with two new investors (the "Investors"). The LoS commits the Investors to advance up to £250,000 to the Company (the "Commitment"). The precise instrument to satisfy the Commitment is to be confirmed at the discretion of the Investors, although the Commitment is immediately available to draw upon. The Commitment is available for a period of up to 12 months from the date of approval of the Company's FY25 report and accounts (the "Support Period").

The Investors have agreed that for the duration of the Support Period the Investors will not demand the repayment of any monies advanced to the Company if and to the extent that any such repayment would leave the Company unable to meet its liabilities as they fall due. However, this will cease to apply if there is a change of control of the Company, the Company enters any insolvency process and/or the Company obtains alternative funding of not less than the Commitment.

It is anticipated that the funds made available under the LoS will enable the Company to principally service its ongoing costs as an AIM Rule 15 Cash Shell for the foreseeable future as well as to settle certain of its outstanding creditors.

SORTED GROUP HOLDINGS PLC

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

32 Share-based payments

Sorted announced the implementation of new share incentive awards ("New Awards") under the existing Sorted Group Holdings PLC Share Option Plan, to retain and incentivise key management personnel. The New Awards have been granted to one Director of the Company, certain persons discharging managerial responsibilities ("PDMRs"), and several senior management team members.

The New Awards comprise 763,964 new share options over ordinary shares of 0.01 pence each in the Company ("Ordinary Shares"). The options vest in three equal instalments on the first, second, and third anniversaries of the grant date, conditional upon achieving minimum share price targets of 75p, 90p, and 110p respectively, measured against the average closing mid-market price of Ordinary Shares over the preceding 30 days. No charge has been made in these financial statements as a result of the issue of the New Awards on the basis that the fair value of the New Awards is considered to be immaterial.

These Options carry an exercise price of 62.5p and have a ten-year life span from the grant date, exercisable once the vesting conditions have been satisfied. Any Ordinary Shares acquired upon exercising the Options must be held for at least twelve months thereafter.

Allocation of the options as at 31 December 2025 is as follows:

Recipient	Number of options granted
Mahmoud Warriah - Chief Financial Officer (Former Director)	115,000
Paul Hill - Product Director (PDMR)	115,000
Victoria Hill - Carrier Director (PDMR)	115,000
Russell Waite - Engineering Director (PDMR)	115,000
Senior managers (10 individuals)	303,964
	763,964

Following this grant, the total number of Ordinary Shares under option was 763,964, representing approximately 10% of the Company's current issued ordinary share capital. Of the above options, 134,000 have lapsed following the departure of a number of recipients.