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Dillistone Group Plc

ANNUAL REPORT 2025

FOR THE YEAR ENDED
31 DECEMBER 2025

Company Registration No. 4578125 (England and Wales)



ANNUAL REPORT 2025

DILLISTONE GROUP PLC

POWERING RECRUITMENT

Operating in more than 50 countries over six continents and working with thousands of users, we boast more than 30 years in the market and 100s of years of collective experience. During that time, one thing has never changed: our dedication to delivering a fast and professional service that puts our customers first. We have a reputation for exceptional service, something that can be readily seen from our excellent Trustpilot scores.

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HIGHLIGHTS

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- Adjusted operating profit of £0.166m (2024: £0.269m).
 - Loss before tax of (£0.353m) (2024: profit £0.013m) driven by exceptional items of £0.300m, of which £0.257m is related to the write down of a software asset.
 - Net cash from operating activities up 10% at £1.082m (2024: £0.959m).
 - CBIL debt reduced by £0.300m in the year, last payment due June 2026.
 - EBITDA margin increased to 28.3% (2024: 26.2%) with EBITDA decreasing by 7% to £1.190m (2024: £1.286m).
 - Recurring revenues represented 89% (2024: 90%) of Group revenue. This equates to 122% of administration + cost of sales expenses (excluding depreciation / amortisation / exceptional costs) (2024: 121%).
 - Revenue decreased by 12% to £4.202m (2024: £4.903m) reflecting a still challenging market.
 - Post year end fundraise of £1.500m secures the Group's finances for the future and supports change in strategy.

Commenting on the results and prospects, Giles Fearnley, Non-Executive Chairman, said:

2025 was another challenging year for the Group, serving a recruitment market that remains troubled, but I'm pleased to report significant and positive developments, both in the year under review and through the early months of 2026.

I am delighted by the faith shown in the Group by our new investors. The investment has stabilised the balance sheet and will enable the Group to explore new strategic avenues for growth in the future.

2026 will be a year of change for the Group as we transition from being solely focused on recruitment software to adopting a dynamic strategy, seeking opportunities for acquisition led growth.

Right now, however, the Group remains focused in the recruitment software sector, and within this niche, we have made a solid start to the year with the first quarter delivering our best order book for three years.

Visit our investor relations website at www.dillistonegroup.com for further information about Dillistone Group Plc.

Strategic Report

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DILLISTONE GROUP AT A GLANCE



The Group trades under the name Ikiru People.

Ikiru People is a leading provider of technology solutions for recruitment, staffing, and executive search firms, as well as corporate talent acquisition teams worldwide. Our platforms empower businesses to recruit, test and train candidates, support professional development, streamline processes, and source top talent.

With users in 50 countries across six continents, we bring more than 30 years of industry experience—backed by a team with centuries of collective expertise. Throughout our history, one thing has remained constant: our commitment to fast, professional service that puts customers first. Our reputation for excellence is reflected in our outstanding Trustpilot reviews.

EXECUTIVE SEARCH BRANDS



Talentis Global

Talentis is the next generation of executive search, recruiting and candidate sourcing software. Its proprietary Talentis TalentGraph takes advantage of AI and big data technology to allow recruiters to identify and engage with potential candidates across the world.



FileFinder

FileFinder is an executive search CRM used by recruiting teams at major corporations and executive search firms worldwide.



GatedTalent

GatedTalent offers career services to executives, and candidate sourcing opportunities to recruiters.

CONTINGENT BRANDS



Voyager

Voyager Infinity is an easy-to-use, all-in-one solution that streamlines the recruitment processes for all types of permanent, contract and temporary positions automating administrative tasks to make businesses more efficient, customer-centric and competitive.

Voyager Mid-Office is an automated way of managing placements, processing timesheets, raising invoices, paying staff and updating accounts packages.



ISV.online

ISV.online offers online skills testing, working with recruiters, consultancies and employers to help them secure and retain the best talent. ISV works with many of the UK's largest recruiting businesses.

CHAIRMAN'S STATEMENT

For the year ended 31 December 2025



“I am delighted by the faith shown in the Group by our new investors. The investment has stabilised the balance sheet and will enable the Group to explore new strategic avenues for growth in the future.”

2025 was another challenging year for the Group, serving a recruitment market that remains troubled, but I'm pleased to report significant and positive developments, both in the year under review and through the early months of 2026.

I have to start my statement with a reference to the post year end fundraising of £1.500m. I am delighted by the faith shown in the Group by our new investors. The investment has stabilised the balance sheet and will enable the Group to explore new strategic avenues for growth in the future.

I warmly welcome Matthias Riechert and Aakash Vanchi Nath to the Board, and once again thank Simon Warburton and Steve Hammond for the valuable contributions they made to the Group Board before stepping down in February. I am delighted that Simon and Steve remain on the board of our Ikiru People subsidiary.

Focusing on the Group's performance in 2025, in a still depressed market, the Group has delivered broadly on our consistent messaging through the year. Revenue was down, operational EBITDA and cash margins crept upwards, we continued to pay down the CBIL loan and Talentis became a viable CRM platform with users around the World.

For the purposes of obtaining true comparatives between financial years, we focus on measures which are adjusted to remove items of Government support, acquisition related and exceptional items, to better understand the underlying business.

The expected drop in revenues meant that while EBITDA fell (£1.190m v £1.286m), adjusted EBITDA margin increased to 28.3% (FY2024: 26.2%) demonstrating the potential the current core operating company has when the revenue line returns to growth.

Net cash from operating activities increased to £1.082m (FY2024: £0.959m) on the reduced revenue base. However, when adjusted for the £0.120m loan notes issued in the year, the net change in cash and cash equivalents improved 36% to (£0.256m) (FY2024: (£0.397m)).

During the year the Group paid down £300k of debt, whilst raising £0.120m through the issue of a new loan note. I am glad to note that the CBIL loan of £1.500m taken out in 2020 in the midst of the Covid crisis, will be fully repaid by the time of this year's AGM.

Dividends

The Group is not recommending a final dividend in respect of the year to 31 December 2025 (2024: nil).

Staff

We owe our progress to our remarkable team. We are incredibly fortunate to possess a workforce of such dedication and skill. I want to personally thank everyone for their hard work, commitment, and determination in delivering first-class products and services to the industries we serve. They are the foundation of the Group and looking towards the exciting future, a strong base to build on.

Corporate governance

It is the Board's duty to ensure that the Group is managed for the long-term benefit of all stakeholders.

Details of our governance processes and my role as Chairman of the Board are included in the corporate governance section that follows the Strategic Report.

Outlook

2026 will be a year of change for the Group as we transition from being solely focused on recruitment software to adopting a dynamic strategy, seeking opportunities for acquisition led growth.

Right now, however, the Group remains focused in the recruitment software sector, and within this niche, we have made a solid start to the year with the first quarter delivering our best order book for three years.

The Board looks forward to providing shareholders with updates as the year unfolds.

Giles Fearnley
Non-Executive Chairman

6 May 2026

CEO'S REVIEW

For the year ended 31 December 2025



“We expect our Ikiru People business to deliver organic growth in 2026, at Group level we will be adopting a disciplined, M&A-driven model”

I am delighted to present what is likely to be my final statement as Chief Executive Officer of Dillistone Group Plc.

In the 12 months since I last wrote to you, the Group has undergone a huge amount of change. In a challenging market, our Ikiru People business has shown resilience and, as I will explain below, appears to have turned a corner.

Earlier this year, the Group secured a substantial new investment and announced plans to embark on a new buy-and-build strategy, focused on acquiring and developing high-quality, cash-generative businesses. We believe that this strategy will deliver long-term, compounding value for shareholders.

A new strategy requires new leadership, and I'd like to join our Chair in welcoming Matthias and Aakash to the Board while thanking Simon and Steve who have stepped off the Group Board but, I'm delighted to say, remain in our Group. We continue to build our leadership team to deliver our new strategy and the search for a new Chief Executive is underway.

Review of 2025

While great change is ahead of us, today and throughout the year in review, Dillistone Group traded exclusively in the recruitment technology sector, via our subsidiary Ikiru People.

Our product portfolio is divided into two key segments, the descriptions of products in each segment are described on pages 3 and 4.

- **Solutions for contingency recruiters**, primarily serving agencies in the United Kingdom but also used internationally.
- **Solutions for executive search firms and in-house executive search teams**, with clients ranging from sole traders to boutique firms right up to globally recognised executive search brands, these products are used across the globe.

The recruitment market has faced challenges for a number of years now, impacting our clients and impacting us. Data from sources including KPMG suggest that the recruitment industry in the UK has gone through a downturn lasting at least 38 months, with job vacancies 21% below pre-pandemic levels. Many recruiting firms – including among our client base – reduced staff and many closed entirely. As a result, our focus has been on controlling our cost base and improving our margins with a view to achieving better results during these challenging times. Gross margin has grown over the last few years, and while it dipped slightly in 2025, we expect to see further improvement in 2026 and 2027.

On the contingency side of the business, we've focussed our efforts on adding ancillary products that allow us to take a

larger percentage of our clients' technology expenditure, whilst also “locking in” our clients further. Revenue per user on the contingency side grew by 2.7% in the year.

We are pleased to report that our ability to win new business is improving. New business orders in FY25 were up 12% over the previous year, with progress made on both sides of the firm.

Looking now at the executive search side of our business - In our pre-close statement, we reported that Talentis had performed well in the 2nd half of 2025, with exit ARR up 67% in the period. The increase in migration numbers also saw a steep increase in professional services fees.

This H2 growth in revenue has been driven by a variety of factors; the platform started to attract larger clients, with the average number of users per new client in H2 trebling when compared to the average at the end of H1. This led to the number of users on the platform rising 50%. Probably most importantly for the longer term, however, we saw a significant change in the nature of our clients – in the period January 2024 - May 2025, 82% of our new users signed on a month to month basis; in the period from June 2025 – December 2025, 86% of new users signed contracts for 12 months or longer.

The steps taken in 2025, we believe, will help us deliver a return to growth for the Group in 2026.

CEO'S REVIEW

For the year ended 31 December 2025

Continued

Historical KPIs and financial performance

As expected, Group's operational performance regressed slightly from FY2024. The success measure for each of the KPIs used by management is for year-on-year improvement.

| | FY25 £'000 | FY24 £'000 | % Move |
|--------------------------------|---------------|---------------|--------|
| Total revenue | 4,202 | 4,903 | (14%) |
| Recurring revenue | 3,750 | 4,394 | (15%) |
| Adjusted EBITDA * | 1,190 | 1,286 | (7%) |
| Cash from operating activities | 1,082 | 959 | 13% |
| Adjusted profit before tax ** | 11 | 117 | (91%) |

* EBITDA adjusted for exceptional items

** Adjusted profit before tax is statutory profit before acquisition related intangible amortisation, reorganisation and other costs. See note 2 and note 5.

Strategy

While we expect our Ikiru People business to deliver organic growth in 2026, at Group level we will be adopting a disciplined, M&A-driven model focused on capital allocation as the primary driver of long-term shareholder value.

The focus will be on acquiring businesses that can operate with a high degree of autonomy post-acquisition. This decentralised model enables management teams to continue driving performance

within their respective businesses, while benefiting from the Group's financial resources, governance framework, and strategic oversight. Integration risk is therefore minimised, and the focus remains on preserving and enhancing the intrinsic value of each acquired business. This will also be the Group's approach to our existing Ikiru People business which, we believe, will be cash generative from H2 2026 onwards.

Central to this strategy is a disciplined approach to capital allocation. The Group

intends to reinvest the cash flows generated by both its existing operations and acquired businesses into further acquisitions, creating a compounding effect over time. By prioritising businesses with strong cash conversion and resilient earnings profiles, the Group aims to build a portfolio capable of sustaining this reinvestment cycle across market conditions.

The Board believes that this model offers the potential to deliver attractive, long-term returns to shareholders.

Future KPIs and Financial Performance

A new strategy requires new performance metrics. While these will evolve over time, the Board expects key indicators of performance to include the following. We've provided historical results to provide context.

| | FY25 | FY24 | FY23 | FY22 |
|--------------------------------|---------|---------|--------|--------|
| cEBITDA ratio* | 7.8% | 8.3% | 6.3% | (1.0%) |
| Recurring revenue growth % | (14.3%) | (12.4%) | (1.8%) | 1.8% |
| Business Quality Ratio (BQR)** | (6.5%) | (4.1%) | 4.5% | 0.8% |

* Segment EBITDA (Note 3) less capitalised software development before exceptionals divided by total revenue

** cEBITDA ratio + recurring revenue growth %

Thank you

As I look to concluding my tenure as Group CEO over the coming months, I would like to express my sincere thanks to my colleagues across the Group for their commitment, professionalism, and support. The last few years have been challenging, and the entire

team should be proud of the resilience they have shown.

I would also like to thank our shareholders for their continued backing of the Group. Our time as a public company has had both highs and lows, but I appreciate the support I have received throughout my tenure. I'm

excited by the opportunity that I will be passing to my successor.

I look forward to continuing to support the business in my ongoing role and to seeing the strategy translate into shareholder value in the periods ahead.

FINANCIAL REVIEW

For the year ended 31 December 2025



Net cash from operating activities

13%

FY 2025 **£1.082m**
FY 2024 **£0.959m**

Adjusted EBITDA Margin*

13%

FY 2025 **28.3%**
FY 2024 **26.2%**

Summary

The Group maintained adjusted operating profitability for the third consecutive year. Highlights included:

- Post year end fundraise of £1.500m safeguards the Group's financial future
- CBIL loan due to be repaid June 2026, releases £0.300m pa to free cashflow
- Cash burn excluding fundraising improved 36% to (£0.256m) from (£0.397m) in FY2024
- Adjusted EBITDA margin increased slightly to 28.3% from 26.2% in FY2024

Revenue

Group revenue decreased by 14% to £4.202m from £4.903m in FY2024.

Revenue by type

| | FY 2025 £'000 | FY 2024 £'000 | % Change |
|-----------------------|------------------|------------------|-------------|
| Recurring revenue | 3,750 | 4,394 | (14.7%) |
| Non-recurring revenue | 320 | 395 | (19.0%) |
| Third party revenue | 132 | 114 | 15.8% |
| Total revenue | 4,202 | 4,903 | (14.3%) |
| Recurring revenue % | 89% | 90% | (0.4%) |

Gross profit margin

The gross margin reduced marginally to 89.5% from 89.7% in FY2024. As the business executes its new growth strategy via mergers and acquisitions, the Board will review and replace the key KPIs with which it evaluates performance. For the current Ikiru People operating unit itself, however, the objective is to maintain similar levels of gross margin.

Adjusted EBITDA*

The adjusted EBITDA* decreased by 7% to £1.190m from £1.286m in FY2024 with the EBITDA margin slightly higher at 28.3%, compared to 26.2% in FY2024. This marks the fourth consecutive year of margin increase, with the margin more than double the 13.2% adjusted EBITDA margin level achieved in FY2021.

Operating profit/(loss) and profit/(loss) before tax

The operating position, before acquisition related, reorganisation and other items (Adjusted operating profit) in a difficult market decreased 38% to stand at £0.166m from £0.269m in FY2024.

Inclusive of acquisition related, reorganisation and other items, the Group made an operating loss of (£0.188m) compared to an operating profit of £0.165m in FY2024.

The loss before tax moved to (£0.343m) from a profit of £0.013m in FY2024, a loss driven in large part by exceptional items of £0.300m. This led to a loss after tax of (£0.298m) (FY2024: £0.040m), with the EPS moving to (1.46p) from 0.2p

Taxation

The net tax credit for the year was £0.045m (FY2024: £0.027m).

Balance sheet

The Group's net assets decreased to £3.014m (FY2024: £3.315m).

Trade and other receivables decreased to £0.337m (FY2024: £0.430m). Trade and other payables also decreased to £1.568m (FY2024: £1.712m).

* Refers to segment EBITDA in note 3

FINANCIAL REVIEW

For the year ended 31 December 2025

Continued

R&D development

The Group capitalised £0.858m in development costs in the year (FY2024: £0.881m) as the business continued its commitment to developing its products. Amortisation of development costs was £0.989m (FY2024: £0.968m).

Financing

The Group continues to pay down its bank debt. Repayment of the Government CBIL loan received in June 2020 will end this summer. This loan of £1.5m was repayable over six years, with monthly repayments having commenced in July 2021.

As a result, bank loan borrowings at 31 December 2025 were £0.150m (FY2024: £0.450m).

During the year, the Group raised £0.120m in the form of loan notes to a related party. This lifts the level of loan notes outstanding to £0.820m (FY2024: £0.700m).

In addition, post year end the Group issued new shares to the value of £1.500m (FY2024: £0.060m) in a round of fundraising at a premium to the share price at issue. As part of the transaction, the earliest redemption date on £0.374m of loan notes was deferred for two years to June 2028. This issue fundamentally improves the strength of the balance sheet.

Cash flow

Net cash from normalised operating activities increased 13% to £1.082m (FY2024: £0.959m).

Net change in cash decreased to (£0.136m) (FY2024: (£0.37m)). Removing fundraising, the operational comparison is more fairly reflected with a figure of (£0.256m) (FY2024 (£0.397m)).

The Group finished the year with a utilisation of the bank facility (£0.211m) (2024: utilisation of the bank facility (£0.074m)).

Summarised cash flow

| | FY 2025 £'000 | FY 2024 £'000 |
|--|------------------|------------------|
| Adjusted net cash from normalised operating activities | 1,082 | 959 |
| Investing activities – net | (863) | (888) |
| Financial activities – net (excl fundraising) | (475) | (468) |
| Adjusted net change in cash and cash equivalents | (256) | (397) |
| Fundraising | 120 | 360 |
| Net change in cash and cash equivalents | (136) | (37) |
| Cash and cash equivalents at beginning of year | (74) | (19) |
| Effect of foreign exchange rate changes | (1) | (18) |
| Cash and cash equivalents at 31 st December | (211) | (74) |

On behalf of the Board



Ian Mackin
Finance Director

6 May 2026

SECTION 172 STATEMENT

For the year ended 31 December 2025

The Directors are required to include a separate statement in the annual report that explains how they have had regard to wider stakeholder needs when performing their duty under Section 172(1) of the Companies Act 2006. This duty requires that a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the company.

Guidance recommends that in connection with its statement, the Board describes in general terms how key stakeholders, as well as issues relevant to key decisions, are identified, and also the processes for engaging with key stakeholders and understanding those issues. It is the Board's view that these requirements are predominantly addressed in the corporate governance report on pages 21 to 22 and the Directors' report on pages 28 to 34. Guidance also recommends that more detailed description is limited to matters that are of strategic importance in order to remain meaningful and informative for shareholders. The Board believes that no items fall into this category during 2025.

Post year end the Group successfully raised £1.5m by issuing new equity which brought in new investors. The Group has flagged the likely change in direction towards pivoting to a serial acquirer model to drive shareholder returns in the future. As we progress through 2026, the Group will keep parties informed as the strategy crystalises

PRINCIPAL RISKS AND UNCERTAINTIES

For the year ended 31 December 2025

The Group’s principal risks are identified as those risks which have the potential for the highest impact on the Group. The Board keeps these risks under constant review, along with the mitigation measures in place. As the Group transitions strategy, the risks under review will change accordingly.

| Risk | Potential Risk Description | Mitigating Factors |
|---|---|---|
| 1. General Economic Risk | The recruitment industry has a reputation for being vulnerable to the cyclical nature of the economy. This can significantly impact revenue. | <p>The Company operates globally and so is not entirely reliant on one economy. It enjoys a high percentage of recurring revenues.</p> <p>In a downturn there may be a reduction in new permanent hires which may be replaced by temporary hires. The temporary recruitment market is potentially anti-cyclical. The Group’s products support both permanent and temporary hires.</p> <p>In a downturn, there may be an excess of candidate supply which may cause demand for skills testing software, as provided by the group.</p> <p>Innovation and new products help maintain opportunities for the business world-wide.</p> <p>The Group operates an agile approach across the business with good MI and forecasting capability and so is able to react quickly to economic downturns to protect the business.</p> |
| 2. New Software Development Risk | <p>All software suppliers must create new applications and/or enhance and create new features to existing software applications.</p> <p>There is always a risk with any new development that it does not function as expected which could damage the Group’s reputation, result in loss of new orders and therefore reduce revenue growth, or claims against the Group.</p> <p>The cost and time for developing new software could be a bigger drain on resource than budgeted.</p> | <p>Software is tested before release.</p> <p>Release strategies employed to minimise risk.</p> <p>Agile software development methodology used for all development so stakeholders have real-time visibility and influence on what is being developed and costs associated.</p> <p>We gain client feedback throughout the design process to ensure the need and user value of what we are developing and are able to react quickly to feedback.</p> |
| 3. Ability to source new or retain existing talent | <p>The Group is reliant upon specialist skills and knowledge, especially within development. It may not be possible to attract or retain suitably skilled and/or knowledgeable individuals.</p> <p>Several products within the group are reliant upon small numbers of highly skilled and knowledgeable individuals which are difficult to be transferred during any notice period.</p> | <p>We look more broadly about where we recruit staff from, allowing remote working and outsourcing where appropriate.</p> <p>Continuous individual development, with learning, group activities, and technical growth plans</p> <p>Appropriate, fair, and comparable industry salaries and benefits including notice periods.</p> <p>Long term plans to consolidate operations, techniques and to utilise more common development methodologies for new products increase the pool of knowledge within the Group.</p> |

| Risk | Potential Risk Description | Mitigating Factors |
|---|---|--|
| <p>4. Attrition of Customer Base</p> | <p>Failure to attract new customers, or the loss of existing customers, may have a detrimental effect on the Group's ability to generate revenues.</p> | <p>Account management function has been revamped over the last year with positive results seen.</p> <p>The Group continues to invest in new products and with new features and regular updates being added to existing products.</p> <p>The Group generally aims to have a new product which is attractive to existing users via a migration path as legacy products become end of life.</p> <p>Our services are regarded as being some of the best in our sector with Trustpilot and Net Promoter scores well above the industry average</p> |
| <p>5. Competitor activity</p> | <p>Some competitors offer a more specialised product range enabling them to compete in niche markets.</p> <p>The Group can easily lose market share if products are not well regarded either from being "out of date" or "buggy".</p> <p>Some competitors may try to compete on price, particularly if the market deteriorates.</p> <p>Some competitors have smaller product ranges allowing them to potentially outpace our development and function levels with comparable overall headcount.</p> <p>Some competitors may develop in emerging markets, allowing them to potentially outpace our development and function levels with reduced budgets.</p> | <p>The Group has strong customer relationships and uses account management to keep in touch with clients.</p> <p>The Group continues to invest substantially in both in its existing product portfolio and further products to suit our markets. Where products reach their end of life, we aim to ensure customers have a natural migration path to another Group product.</p> <p>We maintain awareness of competitor developments and third party integrators.</p> <p>The Group continues to look to develop further new products and additional features.</p> |
| <p>6. Business continuity risks associated with information systems, operational failure and data security including cyber security threats.</p> | <p>A failure of systems or failure of hosting facilities leading to loss of customer confidence in the Group being able to deliver their requirements.</p> <p>Loss or corruption of data held on behalf of customers which could have a detrimental effect on their confidence in data security processes and could cause financial loss.</p> <p>External attacks on servers could result in lost or corrupted data and loss of reputation.</p> | <p>Plans are regularly reviewed on how to improve data centre management.</p> <p>Data backups occur at least daily and the necessary tests carried out on a regular basis to ensure data can be restored.</p> <p>Penetration & application vulnerability testing helps minimise the risk of attacks.</p> <p>Regular review of Group wide infrastructure to improve cyber defences both locally and at data centres.</p> <p>The Information Security Committee meets monthly to review appropriate risks and strategies.</p> |

PRINCIPAL RISKS AND UNCERTAINTIES

For the year ended 31 December 2025

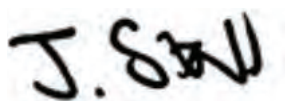
Continued

| Risk | Potential Risk Description | Mitigating Factors |
|--|--|---|
| 7. Financial performance including going concern | <p>The Group needs sufficient cash to ensure it can continue to invest in its products in the coming years as part of the core business and for future growth.</p> <p>Following the impact of Covid-19 virus, business levels did not recover to pre-Covid levels. The unstable geopolitical situation, started by the Ukraine war and increasing tensions in the Middle-East has created uncertain times for all businesses around the world.</p> <p>The Group needs sufficient cash to ensure it can continue to invest in its products in the coming years.</p> | <p>The Group actively monitors the impact of external influences on its business.</p> <p>The Group obtained a loan of £1.5m through the Government’s Covid Business Interruption Loan scheme in June 2020 which will be cleared in June 26. It has also taken advantage of other available loans and grants in the territories it operates.</p> <p>In February 2026, the Group successfully completed a fundraising round of c£1.4m net of fees which fundamentally changes the medium term cash position of the business.</p> <p>The Group has accurate forecasting models and has shown it can quickly react to changing economic circumstance to keep the business on the best possible footing.</p> |

The Board scores the impact and probability of each risk from 1 (low) to 5 (high). The risk is scored on the base position, and then on the position after the mitigating factors. The relevant scores are in the table below.

| Risk | Base Position | | | After Controls | | |
|------|---------------|-------------|-------|----------------|-------------|-------|
| | Impact | Probability | Score | Impact | Probability | Score |
| 1 | 5 | 5 | 25 | 5 | 4 | 20 |
| 2 | 4 | 4 | 16 | 4 | 3 | 12 |
| 3 | 5 | 5 | 25 | 5 | 4 | 20 |
| 4 | 5 | 4 | 20 | 5 | 3 | 15 |
| 5 | 4 | 5 | 20 | 4 | 4 | 16 |
| 6 | 5 | 4 | 20 | 5 | 2 | 10 |
| 7 | 4 | 4 | 16 | 4 | 2 | 8 |

The Strategic Report is signed on behalf of the Board by



Jason Starr
Chief Executive

6 May 2026

Governance

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BOARD OF DIRECTORS

For the year ended 31 December 2025

The Dillistone Group Plc Board is currently comprised of a non-executive chairman, three executive directors and three non-executive directors.



GILES FEARNLEY
NON-EXECUTIVE CHAIRMAN
APPOINTED JANUARY 2020

A career in the passenger transport industry saw Giles lead an MBO in 1991, forming Blazefield Holdings Limited, a business operating bus networks principally across Yorkshire and Lancashire. This company was sold to Transdev in 2006.

In 1997, he was appointed Chief Executive of Prism Rail PLC, having been one of that company's founders, and held that position until its sale to National Express in 2000. Prism Rail operated four of the UK's passenger rail franchises with a turnover of £500 million per annum.

Giles retired in November 2020 from the role of Managing Director - Bus, UK and Ireland for First Group PLC. Giles has served as chairman of both the Association of Train Operating Companies and the Confederation of Passenger Transport UK.

Giles was first appointed as a non-executive director of Dillistone Group Plc in May 2010.



JASON STARR
CHIEF EXECUTIVE OFFICER
APPOINTED JANUARY 2002

Jason joined Dillistone Systems in 1994. He became Marketing Manager in 1996 before becoming Managing Director of the UK business in 1998. Following the MBO, Jason became Managing Director of Dillistone Systems Ltd and subsequently became Group Chief Executive Officer. Jason was appointed a non-executive director of AIM listed PCIPAL PLC from 1 January 2015 before rotating off the Board in 2025.

Jason has a BA (Honours) Business Studies degree from the London Guildhall University.



IAN MACKIN
FINANCE DIRECTOR
APPOINTED SEPTEMBER 2022

Ian graduated with an honours degree in Accountancy Studies from the University of Huddersfield. After completing the Chartered Institute of Management Accountants qualification in 2004, Ian spent 11 years as Financial Controller of a childcare chain before a stint as Director of Finance in a carehome chain.

Ian joined the Group in 2018 and from 2019 was Group Financial Controller, playing a key role in the restructuring of the Group. He joined the Group Board as Finance Director in June 2022.



PAUL MATHER
CHIEF OPERATIONS OFFICER
APPOINTED JANUARY 2020

Paul has been employed in the Group since 1999 after graduating with an honours degree in Physics from the University of Surrey. Paul joined in a second line support role with Voyager Software Ltd before taking over the support function in 2000. In 2001 he became Customer Services Director before taking over as Operations Director in 2003. Paul was Operations Director for the Voyager Division following its acquisition by the Group in 2011. Paul was part of the due diligence teams for the subsequent Group acquisitions and is now responsible for Group operations globally.



JULIE POMEROY
NON-EXECUTIVE DIRECTOR
APPOINTED APRIL 2010

Julie was appointed as a non-executive director on 1st October 2021 having previously held the role of Group Finance Director, until her resignation 30 September 2021. She graduated with an honours degree in Physics from Birmingham University and is a Chartered Accountant and Chartered Director as well as holding tax and treasury qualifications. Julie was Group Finance Director of Carter & Carter Group plc until October 2005, having joined in 2002 to help grow and float the business. She had previously been Chief Financial Officer of Weston Medical Group plc and prior to this Julie worked at East Midlands Electricity plc as director of corporate finance. She was finance director of AIM quoted Biofutures International plc until July 2010. She is also a non-executive director of Nottingham CityCare Partnership CIC



MATTHIAS RIECHERT
NON-EXECUTIVE DIRECTOR
APPOINTED FEBRUARY 2026

Matthias is the co-founder and portfolio manager of the P&R Real Value Fund, established in late 2012. The fund invests in a concentrated portfolio of “young elephants”, often small-cap companies that can reinvest free cash flow at high incremental returns on capital. He is Chairman of Software Circle plc, a serial acquirer of niche, mission-critical software businesses. Matthias completed an Executive MBA at London Business School and Columbia Business School, where he focused on value investing.



AAKASH VANCHI NATH
NON-EXECUTIVE DIRECTOR
APPOINTED FEBRUARY 2026

Aakash was a senior trader at Bridgewater Associates in Connecticut, USA. Following six years at Bridgewater, he moved to London for an MBA from London Business School (LBS). He fell in love with value investing at LBS. He joined P&R in 2019 where he is the “Co-Pilot” working with Matthias Riechert on investment due diligence and portfolio management. He also has a Masters from Columbia University and a CFA level III certification.

CHAIRMAN'S INTRODUCTION TO GOVERNANCE

For the year ended 31 December 2025

Dear Shareholder

I am pleased to report on the corporate governance procedures undertaken by Dillistone Group Plc for the financial year 2025.

The Board recognises the importance of high standards of corporate governance for delivering long-term success to the Group and acknowledges its role in setting the culture, values and ethics of the Group and communicating these to all the Group's stakeholders. The Board meets regularly to discuss the monitoring and promotion of a healthy corporate culture. The Chairman has ultimate responsibility for corporate governance matters and has overseen the preparation of this governance statement accordingly.

AIM Rule 26 requires all AIM companies to disclose details of a recognised corporate governance code that its Board of Directors has decided to apply, how the Group complies with that code and, where it departs from its chosen corporate governance code, an explanation of the reasons for doing so.

The Board has determined that the Quoted Companies Alliance's ("QCA") Corporate Governance Code for small and mid-size quoted companies (the "Code") (revised on 13 November 2023) is the most appropriate for the Group to adhere to.

The Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. We have considered how we apply each principle to the extent that the Board judges these to be appropriate in the circumstances, and provide an explanation of the approach taken in relation to each. The Board considers that it did not depart from any of the principles of the Code during the period under review.

The QCA Code also requires the Board to contain the necessary mix of experience, skills, personal qualities (including gender balance) and capabilities to deliver the Group's strategy over the medium to long term. We believe our Board has a strong mix of experience as evidenced on pages 17 - 18.

Details of how we comply with the QCA Code are set out in our Statement of Compliance, which is updated annually, a copy of which can be found on our website www.ikirupeople.com

By order of the Board

Giles Fearnley
Non-executive Chairman

6 May 2026

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025

Board operation

The Board's principal role is to provide effective leadership of the Group and to establish and align the Group's purpose, strategy, values and culture. It is responsible to shareholders for delivering shareholder value by developing the overall strategy and supporting the development of the direction of the Group. The Board is also responsible for overseeing the Group's external financial and other reporting and for ensuring that appropriate risk management and internal control systems are implemented and maintained.

The Board has approved an annual Board calendar setting out the dates, location and standing agenda items for each formal scheduled Board and Committee meeting and scheduled Board calls. Board papers are circulated to Directors in advance of scheduled and unscheduled meetings, which are of an appropriate quality to enable the Directors to fulfil their obligations and adequately monitor the performance of the business. Directors who are unable to attend a meeting are expected to provide their comments to the Chairman, the Chief Executive Officer, or the Company Secretary, as appropriate.

The Board also receives management information on a regular basis that sets out the performance of the business. The Chief Executive Officer and Finance Director are invited to attend the Audit and Remuneration Committee meetings, if appropriate.

The Board meeting attendance record for 2025 is set out below.

| Name | Number of meetings held | Number of meetings attended |
|-----------------|-------------------------|-----------------------------|
| Giles Fearnley | 10 | 10 |
| Julie Pomeroy | 10 | 10 |
| Jason Starr | 10 | 9 |
| Ian Mackin | 10 | 10 |
| Paul Mather | 10 | 10 |
| Simon Warburton | 10 | 9 |
| Steve Hammond | 10 | 10 |

The Board has three principal committees: the audit committee, the remuneration committee and the nomination committee. Their responsibilities are set out in formal terms of reference for each committee, which are reviewed periodically and are available on the Group's website at www.ikirupeople.com/investor-relations/executive-committees

Audit committee

The committee is responsible for overseeing the Group's external financial reporting and associated announcements, considering risk management, internal controls procedures and the work of the external auditors. Full details of the work of the committee are set out in the audit committee report on page 22.

Nominations committee

The nomination committee is responsible for leading the Board appointments process and for considering the size, structure and composition of the Board.

During 2025, the nominations committee was not required to meet.

Remuneration committee

The main role of the remuneration committee is to set the company's remuneration policy, determine each executive director's total individual remuneration package and set the targets for performance-related pay, such as to be able to recruit, retain and motivate individuals of the highest calibre. The details of the committee's work are set out on pages 24 to 27.

Financial planning and monitoring

The Group sets annual budgets, which are subject to Board approval. Financial information, including actual performance versus budget and expected future performance, is provided to all Board members as part of the Board papers

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025

Continued

Relations with investors

The Company produces this Annual Report that is available on the Investor Relations section of the Company's website and distributed to those shareholders who have requested to receive hard copies. The investor relations section of the Company's website (www.ikirupeople.com) contains information on the Group, matters reserved for the Board, the Company's articles of association, the Committee terms of references, copies of all documents sent to shareholders and all market and regulatory announcements. Investor briefings are held on the InvestorMeet Company platform on the publication of the full year and interim results.

The Board ensures that financial reporting and operational updates are communicated to the market on a timely basis and give an accurate and balanced assessment of the business. The Company's share dealing policy sets out how the Directors meet their obligations under the AIM rules and MAR in this regard and how the advisers are involved in the market communications process coordinated by the Company Secretary.

Reappointment of Directors at the Annual General Meeting

Historically all Directors were subject to election by shareholders at the first Annual General Meeting after their appointment and under the Company's articles of association requires anyone who has been in office for three years without re appointment was required to seek re-election.

In line with the QCA Code the Company has chosen to give shareholders the opportunity to vote for directors' continuing appointment on an annual basis.

Board effectiveness

The Board keeps under review the strength and depth of its senior management. The Group undertakes regular monitoring of personal and corporate performance using agreed Key Performance Indicators and detailed financial reports. The Board does not expect to undertake an annual independent evaluation as recommended by the code given the size of the Board and the day-to-day interaction between members. A two-yearly internal evaluation is considered appropriate.

Further information is shown under Principle 7 of the QCA code on our website.

AUDIT COMMITTEE REPORT

For the year ended 31 December 2025

I am pleased to present the report on behalf of the Audit Committee.

The Committee is responsible for challenging the quality of internal controls and for ensuring that the financial performance of the Group is properly reported and reviewed. The Board considers that the Company is not currently of the size to warrant the need for an internal audit function although the Board has put in place internal financial procedures to ensure close internal controls.

Committee composition

The members of the Audit Committee were myself, Julie Pomeroy, as Chair and Giles Fearnley. We were both Non-Executive Directors and regarded by the Board as independent. The Board is of the view that we have recent and relevant experience. In 2025 two meetings were held. The Chief Executive Officer, the Finance Director and the Group's auditor attended by invitation. I report to the Board following an Audit Committee meeting and minutes are available to the Board.

Committee duties

The main duties of the Committee are set out in its terms of reference, which are available on the Company's website. In this period the main items of business included:

- reviewing a wide range of financial matters including the annual and half year results, financial statements and accompanying reports;
- monitoring the controls which ensure the integrity of the financial information reported to the shareholders;
- recommending the external auditor's remuneration and terms of engagement.

Financial reporting

The Committee reviews reports provided by the external auditor on the annual results which highlight any observation from the work they have undertaken. The key issues addressed at the meetings were in respect of the going concern reviews and the impairment reviews.

External auditor

The Committee is responsible for ensuring there is a suitable policy for ensuring that non-audit work undertaken by the auditor is reviewed to ensure it will not impact their independence and objectivity. The breakdown of fees between audit and non-audit services is provided in note 7 on page 64 of the Group's financial statements. The non-audit fees primarily relate to Group taxation compliance. In accordance with regulation changes Crowe U.K. LLP will not provide any tax services relating to FY2024 or beyond. A separate tax advisory company has been contracted.

The Committee notes that it has at all times during the year acted in accordance with its terms of reference and confirms that it has ensured, through ongoing monitoring and review, the independence and objectivity of the external auditor, and recommends that the current auditor be re-appointed for the period ending 31 December 2026.

Julie Pomeroy
Chair of the Audit Committee

6 May 2026

DIRECTORS REMUNERATION REPORT

For the year ended 31 December 2025

Remuneration report

Service contracts

The Board's policy is that service contracts of full time executive directors should provide for termination by the Group on one year's notice, with part time executive directors at no less than six months' notice. The service contracts of each of the current executive directors provide for such periods of notice.

The Chairman and non-executive Director's have a letter of appointment providing a fixed three-year service period, which may be terminated by giving six months' notice.

Non-Executive Directors' remuneration

The fees for the Chairman and any independent non-executive director are determined by the Board. The Chairman and any non-executive director are not involved in any discussions or decisions about their own remuneration.

The Chairman and any independent non-executive director do not receive bonuses and are not entitled to participate in any of the Group's share schemes. They are entitled to be reimbursed the reasonable expenses incurred by them in carrying out their duties as directors of the Company. They are also entitled to join the private medical insurance scheme.

Executive Directors' remuneration

The remuneration package of the executive directors includes the following elements:

Basic salary

Salaries are normally reviewed annually taking into account inflation and salaries paid to directors of comparable companies. Pay reviews also take into account Group and personal performance.

Performance related pay scheme

There are two performance related pay schemes for executive directors. The first is an annual bonus scheme which is based upon the achievement of certain profit and commercial targets for the Group. The executive directors' bonus recognised in the 2025 financial year is £0.008m (FY2024: £nil).

The second scheme is a long-term incentive plan linked to growth in earnings per share over a three year period or other targets set by the remuneration committee. At the discretion of the remuneration committee, executive directors are either granted share options at the ruling mid-market price at the time of the grant or a pure cash bonus fixed as a percentage of salary. The awards are subject to meeting challenging targets. Where options are awarded, the value of the award is calculated using a Black-Scholes model (see note 22 for further details).

No grants were made under the long term incentive plans in 2025 or 2024. The remuneration committee reserves the right to reinstate such a scheme in future.

Directors' remuneration

Details of the remuneration of the directors for the financial year are set out below:

| | Salary and fees £'000 | Pension payment £'000 | Benefits £'000 | 2025 Total £'000 | 2024 Total £'000 |
|--------------------------------|-----------------------------|-----------------------------|-------------------|------------------------|------------------------|
| Executive Directors | | | | | |
| J S Starr | 136 | 2 | 4 | 142 | 145 |
| I Mackin | 105 | 11 | - | 116 | 117 |
| P Mather * | 103 | 16 | - | 119 | 118 |
| S Warburton | 104 | 13 | 4 | 121 | 118 |
| S Hammond | 100 | 17 | 1 | 118 | 116 |
| Non-Executive Directors | | | | | |
| G R Fearnley | 12 | - | - | 12 | 15 |
| J P Pomeroy | 9 | 1 | 2 | 12 | 12 |
| | 569 | 60 | 11 | 640 | 641 |

* P Mather salary does not include that of his wife who is employed by the Group as a software developer.

There were no long term incentive payments made in the period (2024: £Nil)

LTIP award – share options

No options were granted to any directors in the period (2024: nil). Within Directors share options totals, there are 13,000 options included which are vested.

Directors' interests

The Directors who held office at the end of the financial year had the following interest in the ordinary shares of the Company.

| | Ordinary shares of 5 p each | |
|--------------|-----------------------------|---------------------|
| | At 31 December 2025 | At 31 December 2024 |
| J S Starr | 3,577,591 | 3,577,591 |
| G R Fearnley | 483,435 | 483,435 |
| J P Pomeroy | 78,416 | 78,416 |
| P Mather | 82,177 | 82,177 |
| S Warburton | 77,290 | 77,290 |
| S Hammond | - | - |
| I Mackin | 14,071 | 14,071 |

In FY2017 Dillistone Group Plc issued an 8.15% convertible loan note in which the directors participated. For directors, the conversion rights were cancelled in 2024. Their holdings are as follows:

| | 8.15% loan notes | |
|--------------|---------------------|---------------------|
| | At 31 December 2025 | At 31 December 2024 |
| J S Starr | £24,250 | £24,250 |
| G R Fearnley | £75,000 | £75,000 |
| J P Pomeroy | £10,000 | £10,000 |
| P Mather | £7,500 | £7,500 |
| S Warburton | £8,000 | £8,000 |

The loan notes carry an interest coupon of 8.15% pa, The interest payments are payable quarterly in arrears and individual director can elect payment by cash or the issue of further new ordinary shares. The notes held by Directors can be redeemed from June 2028 onwards.

DIRECTORS REMUNERATION REPORT

For the year ended 31 December 2025

Continued

Dillistone Group Plc issued an 9.85% convertible loan note during the 2024 in which the directors participated. Their holdings are as follows:

| | 9.85% convertible loan notes | |
|--------------|------------------------------|---------------------|
| | At 31 December 2025 | At 31 December 2024 |
| J S Starr | £90,000 | £90,000 |
| G R Fearnley | £60,000 | £60,000 |
| J P Pomeroy | £5,000 | £5,000 |
| P Mather | £15,000 | £15,000 |
| S Warburton | £15,000 | £15,000 |
| I Mackin | £30,000 | £30,000 |
| S Hammond | £15,000 | £15,000 |

The loan notes carry an interest coupon of 9.15% pa, with a conversion price of 14.0p per new Dillistone ordinary share. The interest payments are payable quarterly in arrears and individual director can elect payment by cash or the issue of further new ordinary shares. The notes can be redeemed from August 2028 onwards.

In addition, the following directors had total share options including options granted under the sharesave scheme.

| | Options over ordinary shares of 5p each | |
|---------------|---|---------------------|
| | At 31 December 2025 | At 31 December 2024 |
| J S Starr | 2,600 | 2,600 |
| J P Pomeroy * | 2,600 | 2,600 |
| P Mather ** | 24,138 | 24,138 |
| S Warburton | 24,138 | 24,138 |
| S Hammond | 24,138 | 24,138 |
| I Mackin | 15,000 | 15,000 |
| | 92,614 | 92,614 |

* JP Pomeroy appointed Non-Executive Director on 1 October 2021 previously holding the role of Executive Director

** Excludes options held by Mr Mather's spouse

DIRECTORS' REPORT

For the year ended 31 December 2025

The Directors present their annual report on the affairs of the Company and the Group, together with the audited consolidated financial statements and the independent auditor's report for the year ended 31 December 2025 in accordance with UK adopted international accounting standards. The information in the Chairman's report, the Corporate Governance report and the Directors' Responsibilities Statement form part of the Directors' report.

The Directors' report contains certain forward-looking statements and forecasts with respect to the financial condition, results, operations and business of Dillistone Group plc that may involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this Annual Report to shareholders should be construed as a profit forecast.

Results and dividends

The results for the Group for the year and the Group and Company's financial position at the end of the year are shown in the attached financial statements.

The Directors do not recommend the payment of a dividend (2024: nil).

Principal activities

The current principal activity of the Group is the development and distribution of innovative recruitment software solutions and associated consultancy and support. The principal activity of the Company is that of a parent holding company which manages the Group's strategic direction and underlying subsidiaries.

Dillistone Group Plc is a company incorporated in the United Kingdom. The registered office of the Company is 9 Cedarwood, Crockford Lane, Chineham Business Park, Basingstoke, RG24 8WD.

Future developments

The directors consider that the continued investment in product and market development will allow the business to grow organically. This will be coupled with a strategic move to grow by acquisitions.

Principal risks and uncertainties

For further details on principal risks and uncertainties, refer to pages 14 to 16.

Financial risk management

During the year the Group's principal financial instruments were CBIL loan, convertible loan notes, loans from directors and related parties, trade receivables and cash. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables which arise directly from its operations.

The main risks arising from the Group's financial instruments have been liquidity risk, interest rate risk, credit risk and exchange risk. The Group does not trade in financial instruments.

Liquidity risk

The Group's finance department's primary objective is to ensure the Group maintains sufficient funds to support the ongoing strategic and operational needs of the Group. The Group produces detailed three year cashflows to help ensure that it has the liquid resources it requires. The Group forecasts are continually monitored to ensure sufficient headroom is in place and give the Group the ability to plan for necessary borrowings or fund raisings to meet the needs of the business when necessary.

Interest rate risk

The Group is exposed to interest rate risk through its CBIL loan, floating rate overdraft, and its management of retained cash. The Group monitors its exposure to interest rate risk when borrowing and investing its cash resources.

DIRECTORS' REPORT

For the year ended 31 December 2025

Continued

Credit risk

The Group has a broad customer base and is not dependent on a small number of customers. Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Accordingly, the Group does not believe it is exposed to significant credit risk.

Exchange risk

The Group is exposed to translation and transaction foreign exchange risk. The Group's foreign operations primarily trade in their own currencies, reducing the transaction risk. As a result, the main foreign exchange transaction exposure arises when repatriating profits. The Group generally only seeks to remit cash when required in the UK and it usually has some flexibility on timing of such appropriations to minimise exchange losses and the impact of interest rates. The Group is, however, exposed to translation risks on net assets held and on the translation of overseas results.

Further details in relation to these risks are shown in note 23.

Directors

The following directors have held office since 1 January 2025:

| | |
|--------------|---|
| J S Starr | |
| J P Pomeroy | Non-Executive Director |
| G R Fearnley | Non-Executive Director and Chairman |
| P Mather | |
| S Warburton | (resigned 25 th February 2026) |
| S Hammond | (resigned 25 th February 2026) |
| I J Mackin | |
| M Reichert | Non-Executive Director (appointed 25 th February 2026) |
| A V Nath | Non-Executive Director (appointed 25 th February 2026) |

In line with the QCA code, all current Directors will offer themselves for re-election at the forthcoming AGM.

Directors' interests

Details of the share interests of the Directors are shown in the Remuneration Report.

Directors' indemnities and insurance

To the extent permitted by law, Directors are granted an indemnity from the Company in respect of liability incurred as a result of their office. The Group maintains insurance cover for all directors and officers of Group companies against liabilities which may be incurred by them while acting as directors and officers. Neither our indemnity nor the insurance provides cover in the event that a Director is proven to have acted deliberately dishonestly or fraudulently.

Employees

The Group places considerable value on the involvement of its employees and has continued its practice of keeping them informed of matters affecting them as employees and the various factors affecting the performance of the Group.

The Group holds regular meetings with employees to inform them of the development of the business and to provide them with information on matters of concern to them as employees. Consultation with employees has continued at all levels, with the aim of ensuring that their views are taken in to account when decisions are made that are likely to affect their interests.

The Directors recognise that continued and sustained improvement in the performance of the Group depends on its ability to attract, motivate and retain employees of the highest calibre.

Furthermore, the Directors believe that the Group's ability to sustain a competitive advantage over the long term depends in a large part on ensuring that all employees contribute to the maximum of their potential. The Group is committed to improving the performance of all employees through development and training.

The Group is an equal opportunity employer. The Group's policies seek to promote an environment free from discrimination, harassment and victimisation and to ensure that no employee or applicant is treated less favourably on the grounds of gender, marital status, age, race, colour, nationality or national origin, disability or sexual orientation or is disadvantaged by conditions or requirements that cannot objectively be justified. Entry into, and progression within the Group, is solely determined based on work criteria and individual merit.

Throughout the Group it is the Board's intention to provide employment opportunities and training for disabled people and to care for employees who become disabled having regard to aptitude and abilities.

Going concern

The Strategic Report and opening pages to the annual report discuss the Group's business activities and headline results, together with the financial statements and notes which detail the results for the year, net current liability position and cash flows for the year ended 31 December 2025. The Group prepares 3 year budgets and cash flow forecasts to ensure that the Group can meet its liabilities as they fall due.

The management successfully raised £1,500,000 (c £1,400,000 net of fees) through equity in February 2026. The securing of this capital injection is transformative on the balance sheet and future prospects of the Group.

The Group meets its day to day working capital requirements through its cash balance and overdraft. It has in place a £1.5m CBIL loan, secured in June 2020, repayable over 6 years with capital repayments commencing from July 2021. This loan will be fully repaid by June 2026, which will result in additional cash flow of £300,000 per year from capital payments plus associated interest before the repayment of any other debt.

There are three tranches of loan debt, £400,000 (£25,250 of which is still classified as convertible): £300,000 (all convertible debt) and a further loan note from a related party for £120,000. Apart from £25,250 which can be redeemed on completion of the CBIL loan in June 2026, the earliest they can be redeemed is summer 2028 with the £120,000 loan not due for redemption until June 2029. The majority of the debt is with current and former Directors and a related party all of whom remain supportive of the business.

To enhance the cash flow position, the Group secured an overdraft facility of £150,000 which is in place until February 2027. At this point it is not envisaged that the facility will be used.

The cash flow forecasts have been stress tested from the date of signing the accounts reviewing assumptions around new business with an appropriate stress test being applied. A extreme stress test was also prepared assuming no new Talentis licences being purchased for the entirety of the going concern period. This is obviously an unrealistic scenario, the fact that the result still did not break cash limits does however show the financial resilience the Group currently has.

As at the date of this report, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Research and development activities

The Directors consider research and development investment to be fundamental to the success of the current operating business. This is achieved by a programme of continuous software development for the recruitment market including enhancements to existing products and delivery of new products.

Streamlined Energy and Carbon Report

For further details on the Streamlined Energy and Carbon report, refer to pages 33 to 34.

DIRECTORS' REPORT

For the year ended 31 December 2025

Continued

Substantial Interests

The Directors have been notified of the following substantial shareholdings in excess of 3% of the voting share capital of the Company as at 31st March 2026.

| | Number of ordinary shares | % |
|-----------------------|------------------------------|-------|
| P&R Real Value | 6,000,000 | 16.94 |
| Sun Mountain Fund LLP | 4,550,000 | 12.85 |
| Mr Jason Starr | 3,577,591 | 10.10 |
| Mr Rory Howard | 3,300,000 | 9.32 |
| Mr Matthias Riechert | 2,800,000 | 7.91 |
| Mr James McLaughlin | 1,511,122 | 4.27 |
| Mr Nicholas Slater | 1,475,000 | 4.16 |

Except as referred to above, the Directors are not aware of any person who was interested in 3% or more of the issued share capital of the Company or could directly or indirectly, jointly or severally, exercise control.

Annual General Meeting

The 2025 Annual General Meeting will take place at the offices of Blake Morgan in London on 24 June 2026 at 11:00am. The Notice of Annual General Meeting is given, together with explanatory notes to the proposed resolutions to be considered at the meeting, in the separate document to Shareholders which accompanies this report.

Independent auditor

Resolutions to re-appoint Crowe U.K. LLP as auditor of the Group and to authorise the Audit Committee to determine their remuneration will be proposed at the 2026 Annual General Meeting.

Directors' responsibilities

The directors are responsible 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. The directors are required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading on AIM. The directors have elected under company law to prepare the Group and Company's financial statements in accordance with UK-adopted international accounting standards. 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 and profit or loss of the Group and Company for that period.

In preparing the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of 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.

Website publication

The directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditor

Each director confirms that, so far as they are aware, there is no relevant audit information (as defined in section 418 of the Companies Act 2006) of which the Company's auditor is unaware and that each director has taken all the steps they ought reasonably to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Approved by the Board and signed on its behalf by:



I J Mackin
Company Secretary & Finance Director

6 May 2026

STREAMLINED ENERGY & CARBON REPORTING

For the year ended 31 December 2025

Streamlined Energy & Carbon Reporting

The Group is committed to minimising its environmental impact, and although not required to report under SECR (UK Streamline Energy & Carbon Reporting) regulations, since 2020 we have started to track certain measures to benchmark our operations for future improvements.

Our operations are currently “office based” hence our activities are not regarded as having a high environmental impact. Furthermore, the Groups office accommodation is rented which has limited some of the direct measures we could take although over 50% of staff regularly work from home. Existing controls include:

- i) Electronic system power and hibernation policies to minimise electrical use
- ii) Energy efficiency is a key factor when purchasing new or replacement hardware
- iii) Motion activated LED lighting is throughout our premises
- iv) Video conferencing to reduce business travel where possible and encouragement to use public transport where face to face is required.
- v) Encourage staff to walk to local amenities from their office locations during breaks
- vi) Recycling and “print only if required” policies
- vii) Company EV car & cycle schemes for employees in place
- viii) High efficiency HVAC system installed in head office

DSG UK emissions 2025

| | Factor | Measure | Emissions (kgCO2e) | | | | | |
|-------------------------|--------|---------|--------------------|--------|--------|--------|--------|--------|
| | | | 2025 | 2024 | 2023 | | | |
| Electricity - Cedarwood | (kWh) | 0.20705 | 54,204 | 40,000 | 75,377 | 9,594 | 7,080 | 15,607 |
| Gas - Cedarwood | (kWh) | 0.20200 | - | 11,958 | 5,481 | - | 2,450 | 1,107 |
| Business Mileage | Miles | 0.27050 | 1,948 | 15,583 | 31,274 | 548 | 3,548 | 8,460 |
| Rail Travel | Km | 0.03546 | 5,779 | - | - | 205 | - | - |
| Combined | | | | | | 10,347 | 13,078 | 25,174 |

| Intensity Ratios | 2025 | 2024 | 2023 |
|----------------------------|---------|---------|---------|
| FTE @ 31 st Dec | 45 | 47 | 54 |
| Revenue (£k) | £4,202 | £4.903 | £5,595 |
| Intensity ratio FTE | 229.318 | 278.054 | 466.178 |
| Intensity ratio revenue | 0.0025 | 0.0027 | 0.0044 |

At the time of writing we do not have final figures for 2025 for gas & electricity from our head office landlords so have estimated the energy consumption for the missing months. Furthermore the data we have received for H2 24 is still being reviewed due to apparent errors. It has however enabled a more informed estimate for H2 2024 than was available at the time of compiling the last report. This has meant a slight change in 2024 figures.

The group has dramatically reduced its mileage this past year with many more meetings being held remotely leading to a more than 10 fold decrease in KgCO2e related to car emissions since 2023. Where face to face meetings are required, train is now typically used as the transport medium of choice and hence we have included the data for this from this year.

Financial Statements

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INDEPENDENT AUDITOR'S REPORT

to the members of Dillistone Group Plc
For the year ended 31 December 2025

Opinion

We have audited the financial statements of Dillistone Group plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2025, which comprise:

- the Group Consolidated statement of comprehensive income for the year ended 31 December 2025;
- the Group and Parent Company statements of financial position as at 31 December 2025;
- the Group and Parent Company statements of cash flows for the year then ended;
- the Group and Parent Company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Testing the mathematical accuracy of the model and the integrity of the underlying data used by management in developing their going concern assessment and agreed their forecast to the approved budgets by the board;
- The initial position of budgets and forecasts used by management have been agreed to year-end figures;
- Challenging management on the key assumptions used in the model, including agreeing to supporting evidence where appropriate, this includes revenue growth which had been benchmarked against the industry and market data;
- Assessing whether the sensitivities modelled in the 'severe but plausible' scenarios were sufficiently severe to model potential future economic downturn and had sufficient liquidity during the going concern forecast period;
- Considering the historical accuracy of management forecasting by comparing budgeted results to actual performance for the last financial year;
- Reviewing the documentation in respect of the share placement undertaken by the Group in February 2026 and vouching the receipt of funds to the bank;
- Confirming the deferral of maturity dates of existing loan notes;
- Holding discussions with representatives of the new investors in respect of the above; and
- Reviewing the disclosures in relation to going concern made by management in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £43,000 (2024: £49,000), based on 1% of revenue. Materiality for the Parent Company financial statements as a whole was set at £34,000 (2024: £39,200) based on 80% of Group materiality (2024: 80% of Group materiality).

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £30,700 (2024: £35,000) for the group and £24,000 (2024: £28,000) for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £2,150 (2024: £2,450). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The audit procedures have been carried out solely by Crowe U.K. LLP. Our audit of Dillistone Group plc and all of its subsidiaries included the audit of the US trading subsidiary, Ikiru People Inc., and the Australian trading subsidiary, Ikiru People Pty Limited, using group materiality for the purposes of the consolidation only. The work was completed remotely as the records for these entities are kept centrally in the UK by the group. No separate audit opinions will be issued for these entities.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included 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.

For all significant risks and key audit matters we have tested the design and implementation of controls. This is not a complete list of all risks identified by our audit.

INDEPENDENT AUDITOR'S REPORT

to the members of Dillistone Group Plc
 For the year ended 31 December 2025
 Continued

| Key audit matter | | How the scope of our audit addressed the key audit matter |
|---|--|---|
| <p>Revenue recognition</p> | <p>We considered the risk that revenue is not recognised in accordance with the accounting policy set out in the financial statements. The Group's revenue recognition policy can be found in note 1.4 to the financial statements. The Group generates revenue through providing recruitment software and services through contracts with customers.</p> <p>We consider the key risk of material misstatement to arise from the recognition of revenue around the year end, including the correct apportionment of revenue in the year and the related amount deferred at the year end.</p> | <p>We reviewed and assessed the Group's revenue recognition policy to ensure it complied with the requirements of IFRS 15 'Revenue from Contracts with Customers'. A key part of our assessment included testing a selection of contracts, tracing the satisfaction of performance obligations to supporting documentation and evidence, such as the issue of license keys.</p> <p>We performed testing over all material revenue streams, including:</p> <ul style="list-style-type: none"> • Substantively testing a sample of revenue transactions from the nominal ledger to underlying supporting documentation such as customer contracts or orders, invoices and cash payments to ensure revenue existed and was appropriately recognised. • Performing testing on cut-off and deferred revenue, verifying revenue transactions at the end of the financial year and at the beginning of the new financial year were recognised in the correct account period by comparing revenue close to the balance sheet date with the respective contractual terms. • Completing journals testing, focussing on any unusual transactions that credit revenue but do not follow the expected path of debiting trade receivables, cash or contract liabilities. |
| <p>Capitalised development costs</p> | <p>The Group capitalises costs incurred on product development relating to the design and development of new or enhanced products (£0.858 million). This is described in note 1.12 to the Consolidated Statement of Financial Position.</p> <p>As at 31 December 2025, the Group had development costs with a carrying value of £2.014m (2024: £2.401m). During the year, the Group capitalised development costs of £0.599m (2024: £0.881m) which have been recognised as intangible asset additions.</p> <p>These are significant judgements involved with the capitalised development costs, these include:</p> <ul style="list-style-type: none"> • Ensuring internal costs are only capitalised when the requirements of IAS 38 are met; • Determining the value of salary costs for those individuals not within the development team; • Assessing the technical and commercial feasibility of completing the project; and • Assessing the ability of the Group to complete the project. | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of management's development costs capitalisation policy and assessed the policy with reference to capitalisation requirements of IAS 38. • On a sample basis, agreeing capitalised expenditure back to supporting documentation to ensure the costs were accurate and capitalised in line with the requirements of IAS 38. • Obtaining an understanding of the method applied by management in the capitalisation of development costs. • For a sample of capitalised payroll costs, reviewing employment contracts and timecards to verify that only related development costs were capitalised. • Making enquiries of the Head of Project Development to determine the technical and commercial feasibility to complete major projects |

| Key audit matter | | How the scope of our audit addressed the key audit matter |
|--|--|---|
| <p>Carrying value of investment in subsidiaries, goodwill and intangibles</p> | <p>The Group holds goodwill at a carrying value of £3.4m, development costs of £2.1m and acquisition intangibles of £0.16m. This is shown in notes 11 and 12 to the financial statements. We note that an impairment for development costs of £0.257m has been recorded in the financial statements in 2025.</p> <p>The parent company also holds investments in the group subsidiary companies of £7.1m. This is shown in note 15 to the financial statements.</p> <p>Recovery of these assets is dependent upon future cash flows which are required to be discounted. There is a risk that forecasts for these future cash flows are not achieved or that cash flows are not discounted at an appropriate rate. If cash flows do not meet expectations the assets may become impaired. This is described in note 1.1 to the financial statements.</p> | <ul style="list-style-type: none"> • We obtained an understanding from management of the key controls pertaining to the Group's annual impairment assessment and confirmed their design and implementation via walkthroughs. • We have reviewed, tested and challenged management's impairment review of investments in subsidiaries, goodwill and intangible assets including the impairment identified by management. • The impairment reviews rely on forecasts of future cash flows based on board approved forecasts. We confirmed the arithmetical accuracy of the forecast information and impairment assessment. • We reviewed prior year forecasts against actual results to assess the accuracy of management forecasting. • We challenged management on the assumptions made, including the forecast growth rate, profitability and terminal growth rates applied. We also challenged management on the discount rate applied to these forecasts. • We performed an evaluation of sensitivities performed by management to assess whether any reasonably foreseeable change in key assumptions could result in an impairment. • We also assessed the disclosures made by management in respect of impairment. |

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, 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.

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT

to the members of Dillistone Group Plc
For the year ended 31 December 2025
Continued

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 28, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the Group and Parent Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risks of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to management override risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. Our audit procedures to respond to revenue recognition risks included sample testing a sample of income across the year, agreeing this to supporting evidence, and reviewing income received either side of the year end to ensure this has been recognised in the correct period.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

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.



Richard Baker (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor
R+ Building
2 Blagrove Street

Reading
Berkshire
RG1 1AZ

6 May 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

| | Note | 2025 £'000 | 2024 £'000 |
|--|------|---------------|---------------|
| Revenue | 3 | 4,202 | 4,903 |
| Cost of sales | | (441) | (503) |
| Gross profit | | 3,761 | 4,400 |
| Administrative expenses | | (4,022) | (4,235) |
| Other Income | 5 | 73 | - |
| Operating profit | 7 | (188) | 165 |
| Adjusted operating profit before acquisition related, reorganisation and other items | 2 | 166 | 269 |
| Acquisition related, reorganisation and other items | 6 | (354) | (104) |
| Operating (loss) / profit | | (188) | 165 |
| Financial cost | 9 | (155) | (152) |
| (Loss) / Profit / before tax | | (343) | 13 |
| Tax income | 10 | 45 | 27 |
| (Loss) / Profit for the year | | (298) | 40 |
| Other comprehensive (loss) / income(s) | | | |
| Items that will be reclassified subsequently to profit and loss: | | | |
| Currency translation differences | | (5) | (4) |
| Total comprehensive (loss) / profit for the year | | (303) | 36 |
| Earnings per share | | | |
| Basic | 11 | (1.46p) | 0.20p |
| Diluted | 11 | (1.46p) | 0.20p |

The notes on pages 44 to 76 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

| | Share capital £'000 | Share premium £'000 | Merger reserve £'000 | Convertible loan reserve £'000 | Retained earnings £'000 | Share options £'000 | Foreign exchange £'000 | Total £'000 |
|--|------------------------|------------------------|-------------------------|-----------------------------------|----------------------------|------------------------|---------------------------|----------------|
| Balance at 1 January 2024 | 983 | 1,631 | 365 | 14 | 100 | 57 | 67 | 3,217 |
| Comprehensive income | | | | | | | | |
| Profit for the year | - | - | - | - | 40 | - | - | 40 |
| Other comprehensive income | | | | | | | | |
| Exchange differences on translation of overseas operations | - | - | - | - | - | - | (4) | (4) |
| Total comprehensive profit | - | - | - | - | 40 | - | (4) | 36 |
| Transactions with owners | | | | | | | | |
| Share option charge | - | - | - | - | 30 | (28) | - | 2 |
| Share Issue | 38 | 22 | - | - | - | - | - | 60 |
| Total transactions with owners | 38 | 22 | - | - | 30 | (28) | - | 62 |
| Balance at 31 December 2024 | 1,021 | 1,653 | 365 | 14 | 170 | 29 | 63 | 3,315 |
| Comprehensive income | | | | | | | | |
| Loss for the year | - | - | - | - | (298) | - | - | (298) |
| Other comprehensive income | | | | | | | | |
| Exchange differences on translation of overseas operations | - | - | - | - | - | - | (5) | (5) |
| Total comprehensive loss | - | - | - | - | (298) | - | (5) | (303) |
| Transactions with owners | | | | | | | | |
| Share option charge | - | - | - | - | 4 | (2) | - | 2 |
| Total transactions with owners | - | - | - | - | 4 | (2) | - | 2 |
| Balance at 31 December 2025 | 1,021 | 1,653 | 365 | 14 | (124) | 27 | 58 | 3,014 |

The notes on pages 44 to 76 are an integral part of these consolidated and company financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

| | Share capital £'000 | Share premium £'000 | Merger reserve £'000 | Convertible loan reserve £'000 | Retained earnings £'000 | Share option £'000 | Total £'000 |
|------------------------------------|------------------------|------------------------|-------------------------|-----------------------------------|----------------------------|-----------------------|----------------|
| Balance at 1 January 2024 | 983 | 1,631 | 365 | 14 | 1,724 | 57 | 4,774 |
| Comprehensive income | | | | | | | |
| Loss for the year | - | - | - | - | (96) | - | (96) |
| Total comprehensive loss | - | - | - | - | (96) | - | (96) |
| Transactions with owners | | | | | | | |
| Share option charge | - | - | - | - | 30 | (28) | 2 |
| Share Issue | 38 | 22 | - | - | - | - | 60 |
| Total transactions with owners | 38 | 22 | - | - | 30 | (28) | 62 |
| Balance at 31 December 2024 | 1,021 | 1,653 | 365 | 14 | 1,658 | 29 | 4,740 |
| Comprehensive income | | | | | | | |
| Profit for the year | - | - | - | - | 15 | - | 15 |
| Total comprehensive profit | - | - | - | - | 15 | - | 15 |
| Transactions with owners | | | | | | | |
| Share option charge | - | - | - | - | 4 | (2) | 2 |
| Total transactions with owners | - | - | - | - | 4 | (2) | 2 |
| Balance at 31 December 2025 | 1,021 | 1,653 | 365 | 14 | 1,677 | 27 | 4,757 |

The notes on pages 44 to 76 are an integral part of these consolidated and company financial statements.

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

| | Notes | Group | | Company | |
|--|-------|---------------|---------------|---------------|---------------|
| | | 2025 £'000 | 2024 £'000 | 2025 £'000 | 2024 £'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Goodwill | 12 | 3,415 | 3,415 | - | - |
| Other intangible assets | 13 | 2,177 | 2,618 | - | - |
| Property, plant and equipment | 14 | 8 | 14 | - | - |
| Right of use assets | 15 | 182 | 206 | - | - |
| Investments | 16 | - | - | 7,168 | 7,071 |
| Total non-current assets | | 5,782 | 6,253 | 7,168 | 7,071 |
| Current assets | | | | | |
| Trade and other receivables | 17 | 337 | 430 | 13 | 11 |
| Current tax receivable | | - | 1 | - | - |
| Cash and cash equivalents | 19 | - | - | - | - |
| Total current assets | | 337 | 431 | 13 | 11 |
| Total assets | | 6,119 | 6,684 | 7,181 | 7,082 |
| EQUITY AND LIABILITIES | | | | | |
| Equity attributable to owners of the parent | | | | | |
| Share capital | 21 | 1,021 | 1,021 | 1,021 | 1,021 |
| Share premium | | 1,653 | 1,653 | 1,653 | 1,653 |
| Merger reserve | | 365 | 365 | 365 | 365 |
| Convertible loan reserve | | 14 | 14 | 14 | 14 |
| Retained earnings | | (124) | 170 | 1,677 | 1,658 |
| Share option reserve | 23 | 27 | 29 | 27 | 29 |
| Foreign exchange reserve | | 58 | 63 | - | - |
| Total equity | | 3,014 | 3,315 | 4,757 | 4,740 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Trade and other payables | 18 | 153 | 148 | - | - |
| Lease liabilities | 20 | 175 | 182 | - | - |
| Borrowings | 20 | 795 | 850 | 795 | 850 |
| Deferred tax liability | 10 | 159 | 223 | - | - |
| Total non-current liabilities | | 1,282 | 1,403 | 795 | 850 |
| Current liabilities | | | | | |
| Trade and other payables | 18 | 1,415 | 1,564 | 876 | 849 |
| Lease liabilities | 20 | 15 | 28 | - | - |
| Borrowings | 20 | 386 | 374 | 753 | 643 |
| Current tax payable | | 7 | - | - | - |
| Total current liabilities | | 1,823 | 1,966 | 1,629 | 1,492 |
| Total liabilities | | 3,105 | 3,369 | 2,424 | 2,342 |
| Total liabilities and equity | | 6,119 | 6,684 | 7,181 | 7,082 |

The profit for the financial year for the parent Company was £15,000 (2024: loss £96,000).

The accounts were approved by the Board of Directors and authorised for issue on 6 May 2026 and were signed on its behalf by:



IJ Mackin – Finance Director
Registration number - 4578125

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

| | For the year ended 31 December 2025 £'000 | For the year ended 31 December 2025 £'000 | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2024 £'000 |
|---|---|---|---|---|
| Operating activities | | | | |
| (Loss) / Profit before tax | (343) | | 13 | |
| Adjustment for | | | | |
| Financial cost | 155 | | 152 | |
| Depreciation and amortisation | 1,077 | | 1,131 | |
| Share option expense | 2 | | 2 | |
| Other income – RDEC credit | (73) | | - | |
| Intangible impairment | 257 | | - | |
| Foreign exchange adjustments arising from operations | (4) | | 14 | |
| Operating cash flows before movement in working capital | 1,071 | | 1,312 | |
| Decrease in receivables | 93 | | 129 | |
| Decrease in payables | (144) | | (483) | |
| Taxation refunded | 62 | | 1 | |
| Net cash generated from operating activities | | 1,082 | | 959 |
| Investing activities | | | | |
| Purchases of property, plant and equipment | (5) | | (8) | |
| Sale of fixed assets | - | | 1 | |
| Investment in development costs | (858) | | (881) | |
| Net cash used in investing activities | | (863) | | (888) |
| Financing activities | | | | |
| Interest paid | (155) | | (152) | |
| Proceeds from loan notes | 120 | | 300 | |
| Issue of shares | - | | 60 | |
| Bank loan repayments made | (300) | | (300) | |
| Lease payments made | (20) | | (16) | |
| Net cash used in from financing activities | | (355) | | (108) |
| Net decrease in cash and cash equivalents | | (136) | | (37) |
| Cash and cash equivalents at beginning of the year | | (74) | | (19) |
| Effect of foreign exchange rate changes | | (1) | | (18) |
| Cash and cash equivalents at end of year | | (211) | | (74) |

The notes on pages 44 to 76 are an integral part of these consolidated and company financial statements.

COMPANY CASH FLOW STATEMENT

For the year ended 31 December 2025

| | For the year ended 31 December 2025 £'000 | For the year ended 31 December 2025 £'000 | For the year ended 31 December 2024 £'000 | For the year ended 31 December 2024 £'000 |
|---|---|---|---|---|
| Operating activities | | | | |
| Loss before tax | 15 | | (96) | |
| Adjustment for | | | | |
| Financial cost | 129 | | 134 | |
| Investment write down | (97) | | - | |
| Share option expense | 2 | | 2 | |
| Operating cash flows before movement in working capital | 49 | | 40 | |
| Increase in receivables | (2) | | - | |
| Increase in payables | 27 | | 154 | |
| Net cash generated from operating activities | | 74 | | 194 |
| Financing activities | | | | |
| Interest paid | (129) | | (134) | |
| Proceeds from loan notes | 120 | | 300 | |
| Issue of shares | - | | 60 | |
| Bank loan repayments made | (300) | | (300) | |
| Net cash used in from financing activities | | (309) | | (74) |
| Net (decrease)/increase in cash and cash equivalents | | (235) | | 120 |
| Cash and cash equivalents at beginning of the year | | (343) | | (463) |
| Cash and cash equivalents at end of year | | (578) | | (343) |

The notes on pages 44 to 76 are an integral part of these consolidated and company financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Dillistone Group Plc (the 'Company') is a company incorporated in England and Wales. The financial statements are presented in thousand Pounds Sterling. The principal activities have been detailed in the Strategic Report and the registered office is 9 Cedarwood, Chineham Business Park, Basingstoke, RG24 8WD.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group'). The parent company financial statements present information about the Company as a separate entity and not about its Group.

Both the Group financial statements and the Company financial statements have been prepared and approved by the directors in accordance with UK-adopted international accounting standards, IFRIC Interpretations and the Companies Act 2006. In publishing the Company financial statements here together with the Group financial statements, the Company has taken advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes in these financial statements.

1. Material Accounting policies

1.1 Basis of accounting

The consolidated and company financial statements have been prepared using the significant accounting policies and measurement bases summarised below:

Significant estimates

In the application of the Group's accounting policies the directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The key areas are summarised below:

Capitalisation, amortisation and impairment of internal development expenditure

Amortisation rates are based on estimates of the useful economic lives and residual values of the assets involved. The assessment of these useful economic lives is made by projecting the economic life cycle of the asset which is subject to alteration as a result of product development and innovation. Amortisation rates are changed where economic lives are re-assessed and technically obsolete items written off where necessary.

In addition, management estimate the amount of directors' costs that are capitalised given the degree of the director's involvement in relevant projects.

Impairment of goodwill, other intangible assets and investments

The Group tests goodwill, other intangible assets and investments. These calculations require the use of estimates for future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the recoverable amount. See notes 11, 12 and 15 for calculations and impacts if assumptions are changed.

Judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, Management makes various judgements that can significantly affect the amounts recognised in the financial statements. The critical judgements are considered to be the following:

Customers' practical acceptance of licence software

As detailed in note 1.4, various elements of the Group's revenue recognition policy require determination of point at which control of the service being provided passes to the customer.

The Group uses the 'live' date as the basis of determining the timing of customer practical acceptance of the software and the passing of control. In particular for sales of perpetual licences without mandatory support, this constitutes the point in time at which performance obligations relating to the licence are fulfilled and revenue can be recognised. Likewise, for SaaS contracts, this date is the commencement for the period of time over which licence revenue can be recognised. Alternative judgements of when control passes to the customer could impact the timing of revenue recognition.

Capitalisation of internal development expenditure

Management exercises judgement in establishing both the technical feasibility of completing an intangible asset which can be used internally or sold and the degree of certainty that a market exists for the asset, or its output, for the generation of future economic benefits. See 'Amortisation of internal development expenditure' in Significant estimates above for further details.

Expected life of support contracts

As detailed in note 1.4, the Group recognises revenue arising on perpetual licences with mandatory support contracts over time. The Group must determine the relevant period to be the life of the support contract, which is unknown at inception. Management judge that the typical life of relevant support contracts to be five years. Changes to this judgement would impact the timing of revenue recognition on such contracts.

1.2 Going concern

The Strategic Report and opening pages to the annual report discuss the Group's business activities and headline results, together with the financial statements and notes which detail the results for the year, net current liability position and cash flows for the year ended 31 December 2025. The Group prepares 3 year budgets and cash flow forecasts to ensure that the Group can meet its liabilities as they fall due.

The company has experienced a decline in turnover over a number of with years with a 14% drop in 2025 primarily as a result of the macro-economic environment in the recruitment industry.

Entering 2026, the Board was in discussions and due diligence with an interested party for a sizable equity investment. These talks subsequently led to a successful equity raise of £1.5m in February 2026 (c£1.4m net of costs). This round of fundraising fundamentally alters the financial position of the Group and is included in the base case for going concern.

The Group meets its day to day working capital requirements through its cash balance and overdraft. It has in place a £1.5m CBIL loan, secured in June 2020, repayable over 6 years with capital repayments commencing from July 2021. This loan will be fully repaid by June 2026, which will result in additional cash flow of £300,000 per year from capital payments plus associated interest before the repayment of any other debt.

There are three tranches of loan debt, £400,000 (£25,250 of which is still classified as convertible): £300,000 (all convertible debt) and a further loan note from a related party for £120,000. Apart from £25,250 which can be redeemed on completion of the CBIL loan in June 2026, the earliest they can be redeemed is summer 2028 with the £120,000 loan not due for redemption until June 2029. The majority of the debt is with current and former Directors and a related party all of whom remain supportive of the business.

To enhance the cash flow position, the Group has an overdraft facility to February 2027 which enables it to access an additional £150,000. It is not envisaged this will be needed.

The cash flow forecasts have been stress tested from the date of signing the accounts reviewing assumptions around new business with an appropriate stress test being applied. A extreme stress test was also prepared assuming no new Talentis licences being purchased for the entirety of the going concern period. This is obviously an unrealistic scenario, the fact that the result still did not break cash limits does however show the financial resilience the Group currently has.

As at the date of this report, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the 12 months from the date of signing of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2025. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

1.4 Revenue

The Group's revenue recognition policy is based on the principle of transfer of promised goods and services ('performance obligations') to the customer. Revenue is recognised on the satisfaction of these contractual performance obligations using a five-step approach, consisting of:

- identification of the contract with the customer;
- identification of all performance obligations in that contract;

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For the year ended 31 December 2025

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- determination of the transaction price;
- allocation of the transaction price to the performance obligations; and
- recognition of revenue as the performance obligations are fulfilled.

Contracts are broken down into distinct goods and services in order to identify the separate performance obligations within. Goods and services are considered distinct if they are capable of being used independently by the customer, and if they are separately identifiable in the context of the contract.

Depending on the work being performed, customers are typically invoiced work in two stages: a deposit invoice at contract inception before work commences, then a final invoice on completion. For ongoing contracts such as support and SaaS contracts, invoices are issued in advance for the relevant subscription period.

Transaction prices are the amounts of consideration the Group expects to be entitled to in exchange for the transfer of promised goods and services to the customer, exclusive of VAT or any applicable sales taxes. If the timing of payments provides either the Group or customer with a benefit of financing the transfer of goods or services, a significant financing component exists. Although standard payment terms for all customers is 30 days, there is some variability in the timing of payment and delivery (for instance, some customers pay by instalments). However, timing differences between delivery and settlement are one year or less. As such, the Group applies the practical expedient in IFRS 15 not to adjust for significant financing components.

Transaction prices are allocated to contractual performance obligations based on stand-alone selling prices. Where the Group occasionally offers discounts to customers, these are allocated to performance obligations within the contract on the basis of relative stand-alone selling prices.

Revenue is recognised when control of the good or service has been passed to the customer by satisfying the performance obligation, either over time or at a point in time, as follows:

- Over time: this typically occurs when the customer simultaneously receives and consumes the benefits of a service performed by the Group.
- At a point in time: The moment of transfer of control is typically indicated by:
 - o the Group having right to payment;
 - o the customer having legal title to the asset;
 - o the Group transferring physical possession of the asset to the customer, where relevant;
 - o the customer having significant risks and rewards of ownership of the asset;
 - o the customer having accepted the asset.

The incremental costs incurred in obtaining contracts with customers (e.g. sales commissions) are recognised as an expense as incurred using the practical expedient under IFRS 15 since, if such costs were recorded as an asset, the amortisation period of that asset would be less than one year.

The Group has considered the most significant ways it generates revenue from the goods and services it sells. The following sets out how the general principles above apply to each of these significant areas and how revenue on each is recognised.

Sales of perpetual licences without a mandatory support contract

The Group licences software under licence agreements. The customer typically pays a one-off amount to purchase a licence conferring a perpetual right to use a version of the software. Revenue is recognised at a point in time, when control of the licence passes to the customer through practical acceptance. The Group considers the 'live' date to indicate practical acceptance of the software (refer note 1.1) and thus the date for transfer of control. If payments have been received in advance for licences, where practical acceptance has not yet been reached, these amounts are not recognised as revenue but as deferred income in the statement of financial position.

Sales of perpetual licences with a mandatory support contract

Some of the Group's perpetual licences are sold with mandatory support contracts. In these instances, if the customer decides to cancel their support contract their ability to use the perpetual licence ceases. In these cases, the Group considers the provision of the perpetual licence and the support contract to constitute one performance obligation. As such, the Group recognises the revenue relating to the perpetual licence over time, being the life of the support contract. As this is not known at inception, the group estimates the expected life of support contracts to be five years.

Subscription services, such as support, hosting and SaaS ('Software as a Service')

Each subscription service constitutes a separate contractual arrangement, and separate performance obligation. In each case the customer pays a contractual amount for the right to access relevant services. Since these services are consumed as they are provided revenue is recognised over time, commencing on the date they obtain access to a usable system pro-rated until the contract renewal date. If subscription services are invoiced in advance, these amounts are deferred and recognised as revenue over the relevant period.

A usable system is defined as one where a user or users can login and derive value from the contracted platform.

Installations

The customer pays a fee for the software to be installed. To the extent to which this work is not complex and could be performed by a third party, revenue is recognised at a point in time, on completion. Complex work constitutes one performance obligation with the software licence, with installation revenue recognised in accordance with how revenue is recognised on the licence.

Training

The customer pays a fee for training. To the extent to which training is not essential for use of the software, revenue is recognised at a point in time, on delivery. Training that is considered essential constitutes one performance obligation with the software licence, and training revenue is recognised in accordance with how revenue is recognised on the licence.

Third party revenues

The Group sells, predominantly as principal, software developed by other organisations together with services that are bought in from third parties. The Group applies the principles of its revenue recognition policy to sales of third-party software in the same way it does sales of its own licenced products. As such, where perpetual licences that are capable of independent use represent one performance obligation, revenue on these is recognised at a point in time on practical acceptance of the software. If use of the software relies on using other services that are consumed over time, revenue from perpetual licence sales are recognised over time in line with recognition of those other services. Services are recognised over time in the period in which they are provided.

1.5 Share based payments

The Company operates a share based payment scheme. It is an equity settled share-based compensation plan (share options) for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are determined by reference to the share option awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (e.g. profitability or sales growth targets).

All equity-settled share-based compensation is ultimately recognised as an expense in the profit or loss with a corresponding credit to share based payment reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expenses recognised in prior periods is made if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, up to the nominal value of the shares issued are reallocated to share capital with any excess being recorded as additional share premium.

1.6 Long term incentive plan ("LTIP") – capped cash bonus

The LTIP awards can be share based or cash based. The cash awards are based on a capped cash bonus with performance conditions related to the growth in earnings per share of the Group or other targets set by the Remuneration Committee. These awards automatically mature following the publication of the Annual Report of the Company, three years after the period to which the grant relates. The liability is accrued and recognised in the statement of comprehensive income.

1.7 Long term incentive plan ("LTIP") – share option based award

The LTIP awards can be share based or cash based. The number of share option granted under these awards are usually based on a percentage of salary with performance conditions related to the growth in earnings per share of the Group or other targets set by the

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Remuneration Committee. These awards can be exercised between three and ten years after the date of the grant. This element is expensed and recognised in the statement of comprehensive income over the vesting period.

1.8 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values. Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of:

- a) fair value of consideration transferred,
 - b) the recognised amount of any non-controlling interest in the acquiree and
 - c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets.
- If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (ie gain on a bargain purchase) is recognised in profit or loss immediately.

Where contingent consideration relates to the results spread over different accounting periods, the fair value of such consideration is recalculated at each year end and any adjustment is recognised in profit or loss immediately.

1.9 Adjusted operating profit

This measure is not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies. This is a measure used by the Group to assess performance. Adjusted operating profit excludes acquisition costs and related intangible asset amortisation and movements in contingent consideration and other one-off costs which can include, as an example, reorganisation costs. See notes 2 and 5.

1.10 Impairment testing of intangibles, right of use assets and property, plant and equipment (PPE)

The Group tests intangibles, right of use assets and PPE annually or more frequently if impairment indicators exist that indicate that the carrying amount may not be recoverable.

The carrying amount of the one cash-generating unit (CGU) has been determined based on value in use calculations. The value determined on the cash generating unit is compared against the assets of the Group to calculate impairments.

To determine the value-in-use, management estimates next three years expected future cash flows, determines a suitable interest rate to calculate the present value of those cash flows. The Group prepares cash flow forecasts derived from the most recent budget. A discount factors is determined for the cash generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for the cash generating unit reduce the carrying amount of any goodwill first and any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash generating unit's recoverable amount exceeds its carrying amount.

1.11 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

1.12 Intangible assets

Internal development costs

Costs incurred on product development relating to the design and development of new or enhanced products are capitalised as intangible assets when it is reasonably certain that the development will provide economic benefits, considering its commercial and technological feasibility and the resources available for the completion and marketing of the development, and where the costs can be measured reliably. The expenditures capitalised are the direct labour costs and subcontractor costs, which are managed and controlled centrally. Product development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised product development expenditure is amortised over its estimated useful life, normally estimated to be five years. As development expenditure is incurred on multiple projects simultaneously, with roll-outs occurring on a continuous basis, amortisation commences in the month of costs being incurred. Maintenance costs are expensed. Amortisation of new products commences once a product is available for use.

Capitalised product development expenditure is subject to regular impairment reviews and is stated at cost less any accumulated impairment losses. Any impairment taken during the year is shown under administrative expenses on the statement of comprehensive income. Development costs that do not meet the requirements for capitalisation are written off to profit and loss as incurred. In accordance with IAS 38, no research costs are capitalised, but are expensed.

Purchased Software

Software acquired externally is capitalised when it is expected to have ongoing use within the business. Capitalised expenditure includes both the purchase price and any costs directly associated with bringing the software into use. Amortisation is charged over the useful economic life of the software, typically 3 to 5 years, beginning when it is capable of being used by the business.

Intangible assets acquired as part of a business combination

In accordance with IFRS 3 Business Combinations, an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the Group of assets is recognised as a single asset separately from goodwill where the individual fair values of the assets in the Group are not reliably measurable. Where the individual fair values of the complementary assets are reliably measurable, the Group recognises them as a single asset provided the individual assets have similar useful lives.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided to write off the cost of each intangible asset over its useful economic life as follows:

| Intangible assets: | Estimated life |
|--|-----------------|
| Brand and IP | 15 years |
| Acquired developed technology | 6 - 11.25 years |
| Contractual customer relationships | 1.25 years |
| Non-contractual customer relationships | 6 - 10.25 years |

The useful economic life of intangible assets are reviewed annually.

1.13 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation on these assets is provided at rates estimated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

| | |
|----------------------------------|--|
| Leasehold land and buildings | the lower of 5 years or the remaining lease period |
| Right to use assets | lease period |
| Office and computer equipment | 3-5 years straight line |
| Fixtures, fittings and equipment | 3 years straight line |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

1.14 Financial assets

The Group classifies its financial assets under the definitions provided in International Financial Reporting Standard 9 (IFRS 9), depending on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Management considers that the Group's financial assets fall under the amortised cost category. These are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets. The Group's financial assets held at amortised cost arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. As such they comprise trade receivables, intercompany trading balances (in relation to Company accounts), and cash and cash equivalents. Financial assets do not comprise prepayments.

The Group's financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue. The exception are trade and receivables balances, which are recorded at their transaction price as they do not contain a significant financing component (see note 1.4). The Group's financial assets are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables, being loss allowances for 'expected credit losses' (ECLs) per IFRS 9, are measured on a lifetime basis using the simplified approach set out in that financial reporting standard. The Group's method in measuring ECLs reflects:

- unbiased and probability-weighted amounts, determined using a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group has applied the practical expedient in IFRS 9 of using a provision matrix to calculate ECLs. This requires the use of historical credit loss experience, as revealed for groupings of similar trade receivable assets, to estimate the relevant ECLs. As such, the Group has employed the following process in calculating ECLs:

- Grouping – trade receivables are grouped based on the similarity of their customer risk profile, being underlying product type and geographical region;
- Default definition – amounts not collected are defined in accordance with the credit risk management of the Group and include qualitative factors, broadly encompassing scenarios where the customer is either unable or unwilling to pay.
- Collection profiles and loss rates – the collection time periods (e.g. within 30 days, 30 – 60 days, etc.) for sales made in the preceding 12-month period are gathered, amounts not collected assessed and loss rates based on ageing inferred;
- Historical periods – historic losses are reviewed over a 3-year time horizon;
- Forward-looking assessment – the Group considers relevant future economic factors affecting each group of trade receivables, giving an expected probability of default for the portfolio.

The resultant expected loss rates are applied to the ageing profile of grouped trade receivables at the balance sheet date to give the lifetime ECLs for each. This produces the loss allowances to be booked as an impairment adjustment to the carrying value of trade receivables.

Trade receivables are reported net of the resultant loss allowances. The loss is recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables are recognised based on the general impairment model within IFRS 9.

The Parent Company's receivables due from Group companies are subject to the requirements of IFRS 9, with specific considerations relating to:

- Whether the loans are within the scope of IFRS 9;
- Whether the loans meet the Solely Payments of Principal and Interest test; and
- Whether the loans are in a "hold to collect" business model.

The Parent Company has followed the considerations required under IFRS 9 on the above, and determined the appropriate recognition of the balances receivable from Group companies is at 'amortised cost' following the General ECL model.

This requires the Parent Company to further consider:

- Whether the loans are credit impaired; and
- Whether the loans have suffered a significant increase in credit risk.

The Parent Company has followed the considerations required under IFRS 9 on the above, and noted that neither of the above have occurred during the year ended 31 December 2025 and as such, the appropriate model is the 12-month ECL model. The implications of this have been disclosed in note 17.

1.15 Financial liabilities

The Group classifies its financial liabilities under the definitions provided in IFRS 9. All financial liabilities are recorded initially at fair value plus or minus directly attributable transaction costs. Except where noted, such liabilities are then measured at amortised cost using the effective interest method.

Financial liabilities measured at amortised cost include trade payables, intercompany trading balances (in relation to Company accounts), bank loans and accruals. All financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provision of the instrument.

Unless otherwise indicated, the carrying values of the Group's financial liabilities measured at amortised cost represents a reasonable approximation of their fair values.

1.16 Convertible loan notes

The proceeds received on issue of the Group's convertible loan note are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the loan note. The remainder of the proceeds is allocated to the conversion option and is recognised in the 'Convertible loan note reserve' within Shareholders' equity, net of income tax effects.

1.17 Investments

Investments in subsidiary companies are included at cost in the accounts of the Company less any amount written off in respect of any impairment in value.

1.18 Leases

The Group leases office space usually on a fixed period, some with an ability to extend at the option of the Group and computer equipment on a fixed term basis. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. The Group acts only as lessee, not as lessor.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The discount rate used on the office building is 5%, which is based on the bank loan borrowing rate plus commitment and legal fees. The discount rate on the computer equipment varies depending on the implicit rate in the lease, with this calculated to ensure that the final liability on the agreement is equal to the final cash payment that is required.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

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Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

1.19 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less and which are subject to an insignificant risk of changes in value.

1.20 Equity

Equity comprises the following:

- 'Share capital' represents the nominal value of equity shares.
- '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.
- 'Merger reserve' is used where more than 90% of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 2006.
- 'Convertible loan note reserve' represents the equity element arising on the issue of a loan note with rights to an equity conversion.
- 'Share option reserve' represents equity-settled share-based employee and non-employee remuneration until such share options are exercised, or expire.
- 'Retained earnings' represents retained profits and losses.
- 'Foreign exchange reserve' represents translation differences arising on the consolidation of investments in overseas subsidiaries.

1.21 Foreign currency translation

The consolidated financial statements are presented in sterling, which is also the functional currency of the parent Company.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss.

On consolidation, the assets and liabilities of the Group's overseas subsidiaries are translated from their functional currency to Sterling at exchange rates prevailing on the statement of financial position date. Income and expenses have been translated from their functional currency into Sterling at the average rate for each month over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

1.22 Income taxes

Current income tax assets and liabilities comprise those obligations to fiscal authorities in the countries in which the Group carries out its operations. They are calculated according to the tax rates and tax laws applicable to the fiscal period and the country to which they relate. Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amount of assets and liabilities in the consolidated financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the statement of financial position date.

Tax on adjusted profits is calculated as the total tax position for the year less the Deferred tax on acquisition intangibles contained within Note 9.

1.23 Defined contribution pension scheme

The pension costs charged in profit or loss represent the contributions payable by the Group during the year.

1.24 Research and development

The group qualified for R&D relief under the RDEC scheme See note 10.

1.25 Accounting standards

At the date of authorisation of these financial statements, the following Standards and Interpretations relevant to the Group operations that have not been applied in these financial statements were in issue but not yet effective:

| Standard | Effective Date |
|---|----------------|
| IFRS 18 Presentation and Disclosure in Financial Statements | 1 January 2027 |

The expected impact of this has not yet been assessed.

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2025 that have a material impact on the Group's financial statements.

2. Reconciliation of adjusted profits to consolidated statement of comprehensive income

| | Note | Acquisition related, reorganisation and other costs | | | Acquisition related, reorganisation and other costs | | |
|--|------|---|-------------|------------|---|-------------|------------|
| | | Adjusted profits 2025 £'000 | 2025* £'000 | 2025 £'000 | Adjusted profits 2024 £'000 | 2024* £'000 | 2024 £'000 |
| Revenue | | 4,202 | - | 4,202 | 4,903 | - | 4,903 |
| Cost of sales | | (441) | - | (441) | (503) | - | (503) |
| Gross profit | | 3,761 | - | 3,761 | 4,400 | - | 4,400 |
| Administrative expenses | | (3,668) | (354) | (4,022) | (4,131) | (104) | (4,235) |
| Other Income | | 73 | - | 73 | - | - | - |
| Operating profit / (loss) | | 166 | (354) | (188) | 269 | (104) | 165 |
| Financial income | | - | - | - | - | - | - |
| Financial cost | | (155) | - | (155) | (152) | - | (152) |
| Profit / (loss) before tax | | 11 | (354) | (343) | 117 | (104) | 13 |
| Tax income | | 31 | 14 | 45 | 5 | 22 | 27 |
| (Loss)/profit for the year | | 42 | (340) | (298) | 122 | (82) | 40 |
| Other comprehensive loss net of tax: | | | | | | | |
| Currency translation differences | | (5) | - | (5) | (4) | - | (4) |
| Total comprehensive (loss)/profit for the year net of tax | | 37 | (340) | (303) | 118 | (82) | 36 |
| Earnings per share | | | | | | | |
| Basic | 10 | 0.21p | - | (1.46p) | 0.61p | - | 0.20p |
| Diluted | 10 | 0.21p | - | (1.46p) | 0.61p | - | 0.20p |

* See note 5

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

3. Segment reporting

Divisional segments

| | Ikiru People 2025 £'000 | Central 2025 £'000 | Total 2025 £'000 | Ikiru People 2024 £'000 | Central 2024 £'000 | Total 2024 £'000 |
|--|-------------------------------|--------------------------|------------------------|-------------------------------|--------------------------|------------------------|
| Segment revenue | 4,202 | - | 4,202 | 4,903 | - | 4,903 |
| Segment EBITDA | 1,142 | 48 | 1,190 | 1,254 | 32 | 1,286 |
| Depreciation and amortisation expense | (1,024) | - | (1,024) | (1,017) | - | (1,017) |
| Segment result before reorganisation and other costs | 118 | 48 | 166 | 237 | 32 | 269 |
| Reorganisation and other costs | (300) | - | (300) | 12 | - | 12 |
| Segment result | (182) | 48 | (134) | 249 | 32 | 281 |
| Acquisition related amortisation | - | (54) | (54) | - | (116) | (116) |
| Operating (loss) / profit | (182) | (6) | (188) | 249 | (84) | 165 |
| Loan interest/ lease interest | (25) | (130) | (155) | (24) | (128) | (152) |
| (Loss) / profit before tax | | | (343) | | | 13 |
| Income tax income | | | 45 | | | 27 |
| (Loss) / profit for the year | | | (298) | | | 40 |
| Additions of non-current assets | 863 | | 863 | 1,113 | | 1,113 |

Revenue by Business Segment

The following table provides an analysis of the Group's revenue by product area for the 12 months of the financial year.

| | 2025 £'000 | 2024 £'000 |
|----------------------|---------------|---------------|
| Recurring income | 3,750 | 4,394 |
| Non-recurring income | 320 | 395 |
| Third party revenues | 132 | 114 |
| | 4,202 | 4,903 |

See note 1.4 on the revenue recognition policy under IFRS 15 and the distinction on timing of revenue recognition. In the table above 'Recurring income' represents all income recognised over time, whereas 'Non-recurring income' and 'Third party revenues' represent all income recognised at a point in time.

Recurring income includes all support services, SaaS and hosting income and revenue on perpetual licenses with mandatory support contracts deferred under IFRS 15. Non-recurring income includes sales of new licenses which do not require a support contract, and income derived from installing licences including training, installation and data translation. Third party revenues arise from the sale of third party software.

It is not possible to allocate assets and additions between recurring, non-recurring income and third party revenue. No customer represented more than 10% of revenue of the Group in 2025 or 2024.

Revenue by Business Sector

The following table provides an analysis of the Group's revenue by market sector.

| | 2025 £'000 | 2024 £'000 |
|------------------|---------------|---------------|
| Contingent | 2,913 | 3,187 |
| Executive Search | 1,289 | 1,716 |
| | 4,202 | 4,903 |

For the brands which comprise the respective sectors, please refer to pages 3 to 4.

4. Geographical analysis

The following table provides an estimated of the Group's revenue by geographic market based on the Customers' country. This is provided for information only as the Board does not review the performance of the business from a geographical viewpoint.

Revenue

| | 2025 £'000 | 2024 £'000 |
|-----------|---------------|---------------|
| UK | 3,312 | 3,750 |
| Europe | 349 | 464 |
| Americas | 294 | 382 |
| Australia | 141 | 131 |
| ROW | 106 | 176 |
| | 4,202 | 4,903 |

All non-current assets are held in the UK, the total for 2025 is £5,782,000 (2024: £6,253,000)

5. Other operating income

| | 2025 £'000 | 2024 £'000 |
|-------------|---------------|---------------|
| RDEC Credit | 73 | - |

6. Acquisition related, reorganisation and other costs

| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Included within administrative expenses: | | |
| Reorganisation and other costs | 43 | - |
| Impairment of capitalised development | 257 | - |
| US government grant (Employee Retention Program) | - | (12) |
| Amortisation of acquisition intangibles | 54 | 116 |
| | 354 | 104 |

Reorganisation and other costs include severance payments and loss of office payments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

7. Operating (Loss)/Profit

| | 2025 £'000 | 2024 £'000 |
|---|---------------|---------------|
| Operating (loss)/profit is stated after charging: | | |
| Depreciation on property, plant and equipment | 11 | 13 |
| Depreciation on Right to use assets | 24 | 33 |
| Amortisation | 1,042 | 1,085 |
| Money purchase pension contributions | 243 | 246 |
| Fees receivable by the Group auditors: | | |
| Audit of financial statements | 20 | 19 |
| Other services: | | |
| Audit of accounts of subsidiaries of the Company | 54 | 51 |
| Taxation compliance services | - | 21 |

8. Employees

The average number of employees was:

| | 2025 number | 2024 number |
|-------------------------------|----------------|----------------|
| Operations | 42 | 47 |
| Management | 8 | 9 |
| Total Employee numbers | 50 | 56 |

Their aggregate remuneration including directors' remuneration comprised:

| | 2025 £'000 | 2024 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 2,299 | 2,547 |
| Social security costs | 279 | 271 |
| Pension costs | 243 | 246 |
| Share based payments | 3 | 5 |
| LTIP share based | - | (3) |
| | 2,824 | 3,066 |

The aggregate remuneration includes salary cost totalling £781,000 (2024: £741,000) that has been capitalised in intangible assets.

Key management of the Group are the directors and the divisional directors. Remuneration of key management was as follows:

| | 2025 £'000 | 2024 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 616 | 696 |
| Social security costs | 76 | 82 |
| Pension costs | 64 | 71 |
| Share based payments | 3 | 1 |
| LTIP share based | - | (3) |
| | 759 | 847 |

The Company's only employees are the directors. Details of directors' emoluments, share options and pension entitlements are given in the Report to the Shareholders on Directors' Remuneration on pages 24 to 27.

9. Financial income and cost

| | 2025 £'000 | 2024 £'000 |
|-----------------------------------|---------------|---------------|
| Finance cost on bank overdraft | 45 | 36 |
| Finance cost on loan notes | 65 | 42 |
| Finance cost on lease liabilities | 19 | 18 |
| Interest on CBIL loan | 26 | 56 |
| | 155 | 152 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

10. Tax income

| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Current tax | 18 | (1) |
| Prior year adjustment – current tax | 2 | (5) |
| Total current tax | 20 | (6) |
| Deferred tax | (43) | (9) |
| Prior year adjustment – deferred tax | (8) | 17 |
| Deferred tax rate change | - | (7) |
| Deferred tax re acquisition intangibles | (14) | (22) |
| Total deferred tax | (65) | (21) |
| Tax (income) for the year | (45) | (27) |
| Factors affecting the tax credit for the year | | |
| (Loss) / Profit before tax | (343) | 13 |
| UK rate of taxation | 25.0% | 19.0% |
| Profit / (Loss) before tax multiplied by the UK rate of taxation | (87) | 3 |
| Effects of: | | |
| Overseas tax rates | 1 | 9 |
| Impact of deferred tax not provided | 21 | 18 |
| Enhanced R&D relief | - | (72) |
| RDEC Credit | 18 | - |
| Disallowed expenses | 8 | 3 |
| Rate difference between CT rate and deferred tax rate | - | (1) |
| Rate difference between CT rate and rate of R&D repayment | - | 1 |
| Prior year adjustments | (6) | 12 |
| Tax (income) | (45) | (27) |

Deferred tax liability provided in the financial statements is as follows:

| | Group | | | Company | |
|--|---------------|-------------------|---------------|---------------|---------------|
| | 2025 £'000 | Movement £'000 | 2024 £'000 | 2025 £'000 | 2024 £'000 |
| Internally generated intangible and fixed assets | 117 | (52) | 169 | - | - |
| Acquisition intangibles | 41 | (13) | 54 | - | - |
| | 158 | (65) | 223 | - | - |

| | Group | | | Company | |
|--|---------------|-------------------|---------------|---------------|---------------|
| | 2024 £'000 | Movement £'000 | 2023 £'000 | 2024 £'000 | 2023 £'000 |
| Internally generated intangible and fixed assets | 169 | 8 | 161 | - | - |
| Acquisition intangibles | 54 | (29) | 83 | - | - |
| | 223 | (21) | 244 | - | - |

The UK corporation tax rate for the year has been calculated at 25.0%. Deferred tax is provided in relation to the UK at a rate of 25.0% (2024: 25.0%). The tax credit is impacted by the R&D tax credits available to the UK business.

The Group has gross tax losses of £534,000 (2024: £616,000) for which no deferred tax asset has been recognised as the timing of their utilisation is uncertain.

The Group also has non-trading loan relationship deficits of £531k (2024: £413k) which can be relieved against future profits where the correct criteria are met.

11. Earnings per share

| | 2025 Using adjusted profit | | 2024 Using adjusted profit | |
|--|----------------------------------|------------|----------------------------------|------------|
| | 2025 | 2025 | 2024 | 2024 |
| Profit/(loss) attributable to ordinary shareholders (note 2) | £42,000 | (£298,000) | £122,000 | £40,000 |
| Weighted average number of shares | 20,418,021 | 20,418,021 | 19,922,119 | 19,922,119 |
| Basic (loss)/profit per share | 0.21p | (1.46p) | 0.61 p | 0.20 p |
| Weighted average number of shares after dilution | 20,418,021 | 20,418,021 | 19,922,119 | 19,922,119 |
| Fully diluted (loss)/profit per share | 0.21p | (1.46p) | 0.61p | 0.20p |

Reconciliation of basic to diluted average number of shares:

| | 2025 | 2024 |
|---|------------|------------|
| Weighted average number of shares (basic) | 20,418,021 | 19,922,119 |
| Effect of dilutive potential ordinary shares – employee share plans | - | - |
| Weighted average number of shares after dilution | 20,418,021 | 19,922,119 |

There are 502,728 (2024: 593,825) share options not included in the above calculations, as they are underwater or have been forfeited.

The impact of the convertible loan notes in the period is not dilutive, as the EPS of the convertible loan notes is greater than the basic EPS, and therefore does not impact the calculation of the fully diluted earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

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12. Goodwill

| Group | Goodwill £'000 |
|----------------------------|-------------------|
| Cost | |
| At 1 January 2024 | 3,415 |
| Additions | - |
| At 31 December 2024 | 3,415 |
| Additions | - |
| At 31 December 2025 | 3,415 |
| Carrying amount | |
| At 31 December 2025 | 3,415 |
| At 31 December 2024 | 3,415 |

At the year end date, an impairment test has been undertaken by comparing the recoverable amount of the CGU to which the goodwill has been allocated, against the carrying value of that CGU. The recoverable amount of the cash generating unit is based on value-in-use calculations.

The key assumptions used for value-in-use calculations are those regarding growth rates and discount rates. The discount rate is reviewed annually to take into account the current market assessment of the time value of money and the risks specific to the cash generating units and rates used by comparable companies. The pre-tax discount rate used to calculate value-in-use is 18.0% (2024: 16.4%). Costs are reviewed and increased for inflation and other cost pressures. The long term growth rate used for the terminal value calculation was 1.0% (2024: 1.0%). The allocation of goodwill to the CGU is as follows:

| | Opening £'000 | Addition £'000 | Impairment £'000 | Closing £'000 |
|--------------|------------------|-------------------|---------------------|------------------|
| Ikiru People | 3,415 | - | - | 3,415 |

The calculations showed the discount rate would need to be increased to 21.8% or the forecast cashflow reduced by 30.3% before an impairment became necessary.

13. Other intangible assets

| Group | Development costs £'000 | Purchased software £'000 | Acquisition intangibles £'000 | Total £'000 |
|------------------------------------|----------------------------|-----------------------------|----------------------------------|----------------|
| Cost | | | | |
| At 1 January 2024 | 13,432 | 166 | 4,172 | 17,770 |
| Additions | 881 | - | - | 881 |
| Written off | - | - | - | - |
| At 31 December 2024 | 14,313 | 166 | 4,172 | 18,651 |
| Additions | 858 | - | - | 858 |
| Written off | (2) | - | - | (2) |
| At 31 December 2025 | 15,169 | 166 | 4,172 | 19,507 |
| Amortisation and impairment | | | | |
| At 1 January 2024 | 10,944 | 166 | 3,838 | 14,948 |
| Charge for the year | 968 | - | 117 | 1,085 |
| Written off | - | - | - | - |
| At 31 December 2024 | 11,912 | 166 | 3,955 | 16,033 |
| Charge for the year | 989 | - | 53 | 1,042 |
| Impairment | 257 | - | - | 257 |
| Written off | (2) | - | - | (2) |
| At 31 December 2025 | 13,156 | 166 | 4,008 | 17,330 |
| Carrying amount | | | | |
| At 31 December 2025 | 2,013 | - | 164 | 2,177 |
| At 31 December 2024 | 2,401 | - | 217 | 2,618 |

Acquisition intangibles can be summarised as follows:

| | Brand £'000 | Brand and IP £'000 | Total £'000 |
|----------------------------|----------------|-----------------------|----------------|
| NBV | | | |
| At 1 January 2025 | 23 | 195 | 218 |
| Amortisation | (13) | (41) | (54) |
| At 31 December 2025 | 10 | 154 | 164 |

Intangible assets under development are reviewed each reporting period for impairment prior to amortisation. Cash flows projections are prepared covering a three year period, and the terminal value calculated. Key assumptions are: growth rate of 1.0% (2024: 1.0%) used for the terminal value calculation, increases in costs due to inflationary pressures and a discount rate of 18.0% (2024: 14.8%).

The calculations showed the discount rate would need to be increased to 21.77% or the forecast cashflow reduced by 30.2% before impairments became necessary. Purchased software is reviewed for impairment based on its continued use within the business. During 2025 an asset specific impairment has been booked based on future product life expectations. This has been included under the administrative expenses line in the income statement and the quantum is disclosed in note 5.

The Company has no intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

14. Property, plant and equipment

| Group | Office & computer equipment £'000 | Fixtures and fittings £'000 | Total £'000 |
|----------------------------|--------------------------------------|--------------------------------|----------------|
| Cost | | | |
| At 1 January 2024 | 877 | 163 | 1,040 |
| Additions | 3 | 5 | 8 |
| Disposals | (3) | - | (3) |
| At 31 December 2024 | 877 | 168 | 1,045 |
| Additions | 5 | - | 5 |
| Disposals | - | - | - |
| At 31 December 2025 | 882 | 168 | 1,050 |
| Depreciation | | | |
| At 1 January 2024 | 858 | 162 | 1,020 |
| Charge for the year | 11 | 2 | 13 |
| Eliminated on disposal | (2) | - | (2) |
| At 31 December 2024 | 867 | 164 | 1,031 |
| Charge for the year | 9 | 2 | 11 |
| Eliminated on disposal | - | - | - |
| At 31 December 2025 | 876 | 166 | 1,042 |
| Carrying amount | | | |
| At 31 December 2025 | 6 | 2 | 8 |
| At 31 December 2024 | 10 | 4 | 14 |

The Company has no property, plant and equipment.

15. Right of use assets

| Group | Land and buildings £'000 | Office & computer equipment £'000 | Total £'000 |
|----------------------------|--------------------------------|--|----------------|
| Cost | | | |
| At 1 January 2024 | 397 | 50 | 447 |
| Additions | 224 | - | 224 |
| Adjustment to RoU asset | (397) | - | (397) |
| At 31 December 2024 | 224 | 50 | 274 |
| Additions | - | - | - |
| At 31 December 2025 | 224 | 50 | 274 |
| Depreciation | | | |
| At 1 January 2024 | 388 | 44 | 432 |
| Charge for the year | 28 | 5 | 33 |
| Eliminated on disposal | (397) | - | (397) |
| At 31 December 2024 | 19 | 49 | 68 |
| Charge for the year | 23 | 1 | 24 |
| At 31 December 2025 | 42 | 50 | 92 |
| Carrying amount | | | |
| At 31 December 2025 | 182 | - | 182 |
| At 31 December 2024 | 205 | 1 | 206 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

16. Non-current asset investments

| Company | Investments in subsidiaries £'000 |
|-----------------------------------|--------------------------------------|
| At 1 January 2024 | 7,071 |
| Impairment | - |
| At 31 December 2024 | 7,071 |
| Write back of previous impairment | 97 |
| At 31 December 2025 | 7,168 |

Investments are reviewed annually for impairment. Cash flows projections are prepared covering a three year period, and the terminal value calculated. Key assumptions are; growth rate of 1.0% (2024: 1.0%) used for the terminal value calculation, increases in costs due to inflationary pressures and a discount rate of 18.0% (2024: 14.8%).

The Company has the following subsidiary undertakings:

| Name | Principal activity | Holding of ordinary shares | Registered |
|--|--|-------------------------------|-----------------|
| Ikiru People Limited | Sale of computer software and related support services | 100% | England & Wales |
| Ikiru People Pty Limited | Sale of computer software and related support services | 100% | Australia |
| Ikiru People Inc | Sale of computer software and related support services | 100% | USA |
| FCP Internet Limited | Dormant | 100% | England & Wales |
| FCP Internet Holdings Limited | Dormant holding company | 100% | England & Wales |
| GatedTalent Limited | Dormant | 100% | England & Wales |
| ISV Software Limited | Dormant | 100% | England & Wales |
| Woodcote Software Limited | Dormant | 100% | England & Wales |
| Voyager Software Limited | Dormant | 100% | England & Wales |
| Voyager Software (Australia) Pty Limited | Dormant | 100% | Australia |

The registered addresses of related undertakings are as follows:

| Company | Registered Address |
|--|--|
| Dillistone Group Plc | 9 Cedarwood, Crockford Lane, Chineham Business Park, Basingstoke, RG24 8WD |
| Ikiru People Limited | 9 Cedarwood, Crockford Lane, Chineham Business Park, Basingstoke, RG24 8WD |
| Ikiru People Pty Limited | Level 14, 275 Alfred Street, North Sydney, NSW 2060, Australia |
| Ikiru People Inc | 221 River Street, 9th Floor, Suite 9126, Hoboken, NJ 07030, USA |
| FCP Internet Limited | 9 Cedarwood, Crockford Lane, Chineham Business Park, Basingstoke, RG24 8WD |
| FCP Internet Holdings Limited | 9 Cedarwood, Crockford Lane, Chineham Business Park, Basingstoke, RG24 8WD |
| GatedTalent Limited | 9 Cedarwood, Crockford Lane, Chineham Business Park, Basingstoke, RG24 8WD |
| ISV Software Limited | 9 Cedarwood, Crockford Lane, Chineham Business Park, Basingstoke, RG24 8WD |
| Woodcote Software Limited | 9 Cedarwood, Crockford Lane, Chineham Business Park, Basingstoke, RG24 8WD |
| Voyager Software Limited | 9 Cedarwood, Crockford Lane, Chineham Business Park, Basingstoke, RG24 8WD |
| Voyager Software (Australia) Pty Limited | Level 14, 275 Alfred Street, North Sydney, NSW 2060, Australia |

17. Trade and other receivables

| | Group | | Company | |
|--|---------------|---------------|---------------|---------------|
| | 2025 £'000 | 2024 £'000 | 2025 £'000 | 2024 £'000 |
| Trade receivables - net | 210 | 308 | - | - |
| Other current assets | 17 | 15 | - | - |
| Prepayments and contract assets income | 110 | 107 | 13 | 11 |
| | 337 | 430 | 13 | 11 |

The carrying value of trade receivables is considered a reasonable approximation of fair value. All of the receivables have been reviewed for indicators of impairment. The movement in the expected credit losses (ECLs) provision is shown below.

Trade receivables are recorded and measured in accordance with note 1.14 above. See note 1.1 and 1.14 for further details on the Group's approach to calculating ECLs and the material estimates and judgements involved.

| | Current £'000 | From 1 to 30 days past due £'000 | From 31 to 60 days past due £'000 | Greater than 60 days past due £'000 | Total £'000 |
|---------------------------|------------------|--|---|---|----------------|
| Trade Receivables | | | | | |
| Gross Carrying Amount | 142 | 48 | 10 | 17 | 218 |
| Loss Allowance Provision | 1 | 1 | 1 | 5 | 7 |
| <i>Expected Loss Rate</i> | 1% | 3% | 5% | 27% | |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

The movement in the provision for loss allowances is as follows:

| | £'000 |
|---------------------------------------|----------|
| Balance as at 1 January 2024 | 43 |
| Decrease during the year | (24) |
| Balance as at 31 December 2024 | 19 |
| Decrease during the year | (12) |
| Balance as at 31 December 2025 | 7 |

The ageing profile of trade receivables as at the year end is as follows:

| | 2025 £'000 | 2024 £'000 |
|---------------------------|---------------|---------------|
| Current | 142 | 261 |
| Past due date: | | |
| Up to 30 days overdue | 48 | 37 |
| More than 30 days overdue | 28 | 29 |
| | 218 | 327 |

18. Trade and other payables

| | Group | | Company | |
|--------------------------------|---------------|---------------|---------------|---------------|
| | 2025 £'000 | 2024 £'000 | 2025 £'000 | 2024 £'000 |
| Current liabilities | | | | |
| Trade payables | 561 | 374 | 119 | 47 |
| Group payables | - | - | 704 | 743 |
| Contract liabilities | 636 | 882 | - | - |
| Accruals | 218 | 308 | 53 | 59 |
| | 1,415 | 1,564 | 876 | 849 |
| Non-current liabilities | £'000 | £'000 | £'000 | £'000 |
| Contract liabilities | 85 | 148 | - | - |
| Trade Payables | 68 | - | - | - |
| | 153 | 148 | | |

The deferred income in 2025 and 2024 represents the entire balance of contract liabilities from contracts with customers. The movement on this balance is recognised as revenue in the reporting period. The revenue recognised in the reporting period that was included as a contract liability (deferred income) at the start of the period was £882,000 (2024: £1,104,000).

19. Cash and cash equivalents

| | Group | | Company | |
|-----------------------------------|---------------|---------------|---------------|---------------|
| | 2025 £'000 | 2024 £'000 | 2025 £'000 | 2024 £'000 |
| Cash balances available on demand | - | - | - | - |

20. Borrowings

| | Group | | Company | |
|----------------------------------|---------------|---------------|---------------|---------------|
| | 2025 £'000 | 2024 £'000 | 2025 £'000 | 2024 £'000 |
| Current bank borrowings | 386 | 374 | 753 | 643 |
| Non current bank borrowings | - | 150 | - | 150 |
| Non current loan note borrowings | 795 | 700 | 795 | 700 |
| Total borrowings | 1,181 | 1,224 | 1,548 | 1,493 |

The directors consider that the fair value of borrowings approximates to the carrying value.

In June 2020, the Company secured a loan of £1.5m under the UK Government's Business Interruption Loan (CBIL) scheme. The Loan is repayable over 6 years with capital repayments commencing in July 2021. Interest is payable at 3.99% over base with the UK Government effectively paying the first 12 months interest under the CBIL scheme.

As at the end of December 2025, the Group had an overdraft facility in the UK of £290,000 of which £211,000 was utilised at year end (2024: £74,000 utilised). Under the banking arrangements all UK accounts are netted and the balances are shown net.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

| | 2024 £'000 | Cash flows £'000 | Lease adjustments £'000 | Non cash movement between current and non current £'000 | Closing 2025 £'000 |
|--|---------------|---------------------|-------------------------------|---|--------------------------|
| Reconciliation of liabilities arising from financing activities | | | | | |
| Non current borrowings | | | | | |
| Bank Loan | 150 | - | - | (150) | - |
| Loan notes | 700 | 120 | - | - | 820 |
| Lease liabilities* | 182 | - | - | (7) | 175 |
| Total non current borrowings | 1,032 | 120 | - | (157) | 995 |
| Current borrowings | | | | | |
| Banking facility | 74 | 137 | - | - | 211 |
| Bank Loan | 300 | (300) | - | 150 | 150 |
| Loan notes | - | - | - | - | - |
| Lease liabilities | 28 | (20) | - | 7 | 15 |
| Total current borrowings | 402 | (183) | - | 157 | 376 |
| | | | | | |
| | 2023 £'000 | Cash flows £'000 | Lease adjustments £'000 | Non cash movement between current and non current £'000 | Closing 2024 £'000 |
| Non current borrowings | | | | | |
| Bank Loan | 450 | - | - | (300) | 150 |
| Loan notes | 400 | 300 | - | - | 700 |
| Lease liabilities | 3 | - | 218 | (39) | 182 |
| Total non current borrowings | 853 | 300 | 218 | (339) | 1,032 |
| Current borrowings | | | | | |
| Banking facility | 19 | 55 | - | - | 74 |
| Bank Loan | 300 | (300) | - | 300 | 300 |
| Loan notes | - | - | - | - | - |
| Lease liabilities* | 5 | (16) | - | 39 | 28 |
| Total current borrowings | 324 | (261) | - | 339 | 402 |

*Lease adjustment due to entering a new 10 year lease.

21. Share capital

| | 2025 £'000 | 2024 £'000 |
|---|---------------|---------------|
| Allotted, called up and fully paid | | |
| Ordinary shares of 5p each | 1,021 | 1,021 |

No share options were exercised in the period (2024: nil).

| | 2025 Number | 2024 Number |
|-------------------------------------|----------------|----------------|
| Shares issued and fully paid | | |
| Beginning of the year | 20,418,021 | 19,668,021 |
| Shares issued in the year | - | 750,000 |
| Shares issued and fully paid | 20,418,021 | 20,418,021 |

22. Lease arrangements

The Group has exercised an option to break the lease of its Basingstoke office, effective February 2024. The maturity of undiscounted lease liabilities is as follows:

| | 2025 £'000 | 2024 £'000 |
|----------------------|---------------|---------------|
| Less than one year | 15 | 20 |
| One to five years | 86 | 74 |
| More than five years | 89 | 116 |
| | 190 | 210 |

23. Share options

Share based payments

There are three share option schemes in operation: an Enterprise Management Incentive Scheme (the 'EMI Scheme') which complies with the requirements of HMRC; a scheme which has not been approved by HMRC (the 'Unapproved Scheme') and a Share Save Scheme ("SAYE Scheme"). The terms and conditions of the EMI and Unapproved schemes are the same. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are normally forfeited if the employee leaves the Company before the options become available to exercise, which would normally be three years after grant. Performance conditions are associated with the LTIP options. The Company also operates a SAYE scheme which allows discounts of up to 20% to be offered. The scheme has a linked savings contract of 3 years.

Expected volatility takes into account historic volatility of the share price and its current trend.

There were no grants of options in 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

Details of the number of share options and the weighted average exercise price ("WAEP") outstanding during the year are as follows:

| | 2025 | | 2024 | |
|--------------------------------------|---------------|-------|---------------|-------|
| | No of options | WAEP | No of options | WAEP |
| Outstanding at the beginning of year | 593,825 | 22.77 | 1,961,490 | 24.91 |
| Granted during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Forfeited during the year | (91,097) | 35.25 | (1,367,665) | 25.84 |
| Outstanding at the end of the year | 502,728 | 20.51 | 593,825 | 22.77 |
| Exercisable at the year end | 226,120 | 31.29 | 197,680 | 35.27 |

The Company's mid-market share price on 31 December 2025 was 8.5p. The average mid-market share price in 2025 was 8.74p.

The fair value of all options granted is calculated using a Black-Scholes pricing model and is shown as an employee expense with a corresponding increase in equity. The employee expense is recognised equally over the time from grant until vesting of the option. The expense charged takes into account the likelihood of performance targets being met. The employee expense for the year was £2,000 (2024: £2,000).

Share options remaining in the schemes are as follows:

| Scheme type | Date of grant | Exercise from | Lapse date | Options remaining | Exercise price (p) |
|-------------|---------------|---------------|------------|-------------------|--------------------|
| EMI | 09/11/2017 | 09/11/2020 | 08/11/2027 | 30,000 | 58.00 |
| EMI | 03/07/2019 | 03/07/2022 | 02/07/2029 | 90,000 | 33.00 |
| EMI | 10/02/2021 | 10/02/2024 | 09/02/2031 | 30,000 | 22.00 |
| EMI (LTIP) | 10/02/2021 | 10/02/2024 | 09/02/2031 | 16,120 | 22.00 |
| EMI | 16/06/2022 | 16/06/2025 | 15/06/2032 | 60,000 | 22.50 |
| Sharesave | 22/11/2022 | 01/01/2026 | 01/07/2026 | 276,608 | 11.70 |
| | | | | 502,728 | |

The weighted average remaining contractual life of options at 31 December 2025 was 2.26 years (2024: 3.08 years).

LTIP

LTIP awards under the long term incentive plan take the form of a cash bonus of up to one-third annual salary or the grant of share options, with appropriate performance conditions in place. In 2025, the charge in respect of the LTIP schemes, which are share based and require separate disclosure under IFRS 2, was £nil (2024: £9,000).

24. Financial instruments

The Group uses various financial instruments; these include cash, bank deposits, bank loans and various items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

The Group's finance department maintains liquidity, manages relations with the Group's bankers, identifies and manages foreign exchange risk and controls Group treasury operations. Treasury dealings such as investments and foreign exchange are conducted only to support underlying business transactions. Consequently, the Group does not undertake speculative foreign exchange dealings for which there is no underlying exposure.

The Group's policies for management of the financial risks to which it is exposed are outlined below.

(i) Interest rate risk

The Group is exposed to interest rate risk on its floating rate borrowings and its financial assets. The interest rate profile of the Group's financial assets at 31 December 2025 was:

At 31 December 2025

| | Group | | Company | |
|--|--|---|--|---|
| | Non interest bearing financial assets £'000 | Floating rate financial assets £'000 | Non interest bearing financial assets £'000 | Floating rate financial assets £'000 |
| Trade and other receivables (current assets) | 227 | - | - | - |
| | 227 | - | - | - |

The interest rate profile of the Group's financial assets at 31 December 2024 was:

At 31 December 2024

| | Group | | Company | |
|--|--|---|--|---|
| | Non interest bearing financial assets £'000 | Floating rate financial assets £'000 | Non interest bearing financial assets £'000 | Floating rate financial assets £'000 |
| Trade and other receivables (current assets) | 323 | - | - | - |
| | 323 | - | - | - |

The table below shows the Group's financial liabilities split by those bearing interest at floating rates or fixed rates and those that are non-interest bearing.

At 31 December 2025

| | Non interest bearing financial liabilities £'000 | Floating rate financial liabilities £'000 | Fixed rate financial liabilities £'000 |
|--|---|--|---|
| Trade and other payables (current liabilities) | 393 | - | - |
| Borrowings – loan notes | - | - | 820 |
| Borrowings – bank | - | 361 | - |
| Lease liabilities | 190 | - | - |
| | 583 | 361 | 820 |

At 31 December 2024

| | Non interest bearing financial liabilities £'000 | Floating rate financial liabilities £'000 | Fixed rate financial liabilities £'000 |
|--|---|--|---|
| Trade and other payables (current liabilities) | 448 | - | - |
| Borrowings – loan notes | - | - | 700 |
| Borrowings – bank | - | 524 | - |
| Lease liabilities | 210 | - | - |
| | 658 | 524 | 700 |

The table below shows the Company financial liabilities split by those bearing interest at floating rates or fixed rates and those that are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

| At 31 December 2025 | Non interest bearing financial liabilities £'000 | Floating rate financial liabilities £'000 | Fixed rate financial liabilities £'000 |
|--|---|--|---|
| Trade and other payables (current liabilities) | 797 | - | - |
| Borrowings loan notes | - | - | 820 |
| Borrowings - bank | - | 728 | - |
| | 797 | 728 | 820 |

| At 31 December 2024 | Non interest bearing financial liabilities £'000 | Floating rate financial liabilities £'000 | Fixed rate financial liabilities £'000 |
|--|---|--|---|
| Trade and other payables (current liabilities) | 823 | - | - |
| Borrowings - loan notes | - | - | 700 |
| Borrowings - bank | - | 793 | - |
| | 823 | 793 | 700 |

The benchmarks for interest rates on floating rate financial assets and financial liabilities are bank base rates for the currencies in which the assets are held. Sensitivities of movements in interest rates have been considered by directors and reasonably possible movements in interest rates are not considered to have a material impact on future Group profits or equity.

(ii) Credit risk

The Group's principal financial assets are cash and cash equivalents and trade and other receivables. Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and monies on deposit with financial institutions.

Trade receivables are adjusted for credit risk by applying the impairment methodology set out in IFRS 9 (see note 1.14). Provisions for loss allowances arising from expected credit losses are booked against the carrying value of trade receivables (see note 17). Once the Group has determined that there is no reasonable expectation of recovery, the relevant trade receivable balances are written off against the loss allowance provision. Indicators that recovery cannot reasonably be expected include the conclusion of legal proceedings or 3rd-party debt collection without full recovery.

Debt ageing and collections are monitored on a regular basis and for new customers deposits are usually required. Some trade receivables are past due as at the reporting date. The company bases its provisions on trade receivable balances based on the expected credit loss model ('ECL') as required by IFRS. Information on financial assets past due are included in note 17.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group has no significant concentration of credit risk. The Group's maximum exposure to credit risk at the reporting date is represented by the carrying value of financial assets, as follows:

| | Group | | Company | |
|--|---------------|---------------|---------------|---------------|
| | 2025 £'000 | 2024 £'000 | 2025 £'000 | 2024 £'000 |
| Trade and other receivables (current assets) | 227 | 323 | - | - |
| Cash and cash equivalents | - | - | - | - |
| | 227 | 323 | - | - |

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure it has sufficient liquidity to meet its liabilities when due.

As at 31 December 2025, the Group and Company's financial liabilities (excluding deferred income, payroll taxes, VAT and similar taxes) have contractual cashflows as summarised below, maturity of lease liabilities is set out in note 22:

| <i>Group</i> | Carrying amount | < 1 year | 1-2 years | 2-5 years | >5 years |
|--|-----------------|------------|-----------|------------|----------|
| 31 December 2025 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Trade and other payables (current liabilities) | 393 | 393 | - | - | - |
| Trade and other payables (non-current liabilities) | - | - | - | - | - |
| Borrowings | 1,181 | 386 | - | 795 | - |
| Projected interest on borrowings | 212 | 80 | 77 | 55 | - |
| | 1,786 | 859 | 77 | 850 | - |

| | Carrying amount | < 1 year | 1-2 years | 2-5 years | >5 years |
|--|-----------------|------------|------------|------------|----------|
| 31 December 2024 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Trade and other payables (current liabilities) | 448 | 448 | - | - | - |
| Trade and other payables (non-current liabilities) | - | - | - | - | - |
| Borrowings | 1,224 | 374 | 150 | 700 | - |
| Projected interest on borrowings | 188 | 89 | 50 | 49 | - |
| | 1,860 | 911 | 200 | 749 | - |

The Group forecasts its cash requirements through its budget processes and looks to ensure that it has sufficient cash over the coming year to meet liabilities as they fall due and over each subsequent annual period covered by the 3 year forecast. As such it considers the time bands set out above the most appropriate representation of its liquidity risk profile.

| <i>Company</i> | Carrying amount | < 1 year | 1-2 years | 2-5 years | >5 years |
|--|-----------------|--------------|-----------|------------|----------|
| 31 December 2025 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Trade and other payables (current liabilities) | 797 | 797 | - | - | - |
| Trade and other payables (non-current liabilities) | - | - | - | - | - |
| Borrowings | 1,548 | 753 | - | 795 | - |
| Projected interest on borrowings | 212 | 80 | 77 | 55 | - |
| | 2,557 | 1,630 | 77 | 850 | - |

| | Carrying amount | < 1 year | 1-2 years | 2-5 years | >5 years |
|--|-----------------|--------------|------------|------------|----------|
| 31 December 2024 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Trade and other payables (current liabilities) | 823 | 823 | - | - | - |
| Trade and other payables (non-current liabilities) | - | - | - | - | - |
| Borrowings | 1,493 | 643 | 150 | 700 | - |
| Projected interest on borrowings | 188 | 89 | 50 | 49 | - |
| | 2,504 | 1,555 | 200 | 749 | - |

(iv) Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases which are denominated in a currency other than Sterling. Exposures to currency exchange rates are primarily denominated in US Dollars (\$), Australian Dollars (AUD) and Euros (€). The Group does not use derivatives to hedge translation exposures arising on the consolidation of its overseas operations.

The Group aims to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

At the year end, the Group had assets totalling £96,000 and £nil liabilities in Euros (2024: assets totalling £85,000 and liabilities totalling £nil), assets totalling £60,000 and liabilities totalling £65,000 denominated in US Dollars (2024: assets totalling £93,000 and liabilities totalling £15,000) and assets totalling £57,000 and liabilities totalling £46,000 denominated in Australian Dollars (2024: assets totalling £103,000 and liabilities totalling £48,000). If each of the exchange rates strengthened by 5%, the impact on the statement of comprehensive income would be as follows:

| | Group | |
|--------------------|---------------|---------------|
| | 2025 £'000 | 2024 £'000 |
| Euros | 5 | 4 |
| US Dollars | 6 | 4 |
| Australian Dollars | 1 | 3 |
| | 12 | 11 |

At the year end, the Company had liabilities totalling £nil denominated in Euros (2024: £nil), assets totalling £nil denominated in US Dollars (2024: assets totalling £nil) and assets totalling £nil denominated in Australian Dollars (2024: assets totalling £nil).

For the Company, a 5% increase in the value of each of the above currencies would have resulted in an impact on the income statement as follows:

| | Company | |
|--------------------|---------------|---------------|
| | 2025 £'000 | 2024 £'000 |
| Euros | - | - |
| US Dollars | - | - |
| Australian Dollars | - | - |
| | - | - |

Capital risk management

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for Shareholders and benefits for other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares, sell assets or take on bank debt. The decision to take on some element of debt gives the Group additional flexibility in its capital structure and enables it to lower its cost of capital.

The Group considers its capital to include share capital, share premium, merger reserve, translation reserve, convertible loan note reserve, share option reserve, retained earnings and net cash. Net cash comprises borrowings less cash and cash equivalents.

| | Note | 2025 £'000 | 2024 £'000 |
|-------------------------------|------|---------------|---------------|
| Total borrowings | 19 | 1,181 | 1,224 |
| Less cash or cash equivalents | | - | - |
| Net borrowings | | 1,181 | 1,224 |
| Total equity | | 3,055 | 3,315 |
| Total capital gearing ratio | | 38.7% | 36.9% |

Summary of financial assets and liabilities by category

The carrying amounts of the financial assets and liabilities as recognised at the statement of financial position date of the years under review may also be categorised as follows:

| | Group | | Company | |
|---|---------------|---------------|---------------|---------------|
| | 2025 £'000 | 2024 £'000 | 2025 £'000 | 2024 £'000 |
| Loans and receivables | | | | |
| Trade and other receivables | 227 | 323 | - | - |
| | 227 | 323 | - | - |
| Financial liabilities held at amortised cost | | | | |
| Trade and other payables | 393 | 448 | 797 | 823 |
| Utilisation of bank overdraft | 211 | 74 | 578 | 343 |
| Loan notes | 820 | 700 | 820 | 700 |
| CBIL loan | 150 | 450 | 150 | 450 |
| | 1,574 | 1,672 | 2,345 | 2,316 |

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the Group Finance Director and to the audit committee.

25. Control

The directors do not consider there to be any controlling party.

26. Related party transactions

Group

Details of earnings of key management is included in note 8. Such remuneration includes a Group director's spouse who is employed as a software engineer. The amounts outstanding at the year end due to key management was £nil (2024: £nil).

The directors and certain key management participated in the issue of convertible loan notes in 2017 as follows and were converted to ordinary loans by the cancellation of the conversion rights in 2024.

| | |
|-----------------|---------|
| Giles Fearnley | £75,000 |
| Jason Starr | £24,250 |
| Julie Pomeroy | £10,000 |
| Simon Warburton | £8,000 |
| Paul Mather | £7,500 |

Interest outstanding at the year end due to key management was £2,000 (2024: £2,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Continued

The directors also participated in the issue of convertible loan notes in 2024 as follows:

| | |
|-----------------|---------|
| Giles Fearnley | £60,000 |
| Jason Starr | £90,000 |
| Julie Pomeroy | £5,000 |
| Simon Warburton | £15,000 |
| Paul Mather | £15,000 |
| Ian Mackin | £30,000 |
| Steve Hammond | £15,000 |

Interest outstanding at the year end due to key management was £6,000 (2024: £5,000).

A related party participated in the issue of a loan note in 2025

| | |
|--------------|----------|
| Yuriko Starr | £120,000 |
|--------------|----------|

Company

The Company has a related party relationship with its subsidiaries, its directors, and other employees of the Company with management responsibility.

Ikiru People Limited paid a management charge of £624,000 (2024: £627,000) to Dillistone Group Plc. At the year end, Ikiru People Limited was owed £566,000 (2024: £556,000)

Ikiru People Inc paid a management charge of £35,000 (2024: £83,000) to Dillistone Group Plc. At the year end, Ikiru People Inc was owed £145,000 (2024: £166,000)

Ikiru People Pty Limited paid a management charge of £23,000 (2024: £42,000) to Dillistone Group Plc. At the year end, Ikiru People Pty Limited was owed £4,000 (2024: Ikiru People Pty Limited owed £33,000)

FCP Internet Holdings Limited was owed by the company £2,000 at the year end (2024: owed by the company £2,000)

Woodcote Software Limited owed the Company £13,000 (2024: £13,000)

27. Dividends

No dividends were paid in 2025 and 2024. No final dividend in respect of the year ended 31 December 2025 is proposed.

28. Subsequent Events

Following the end of the reporting period, the Group successfully raised £1.5 million in an equity raise. The details of the raise are below

| | |
|--|------------------|
| Issue Price | 10 pence |
| Number of existing Ordinary Shares | 20,418,021 |
| Number of new Ordinary shares | 15,000,000 |
| Updated number of Ordinary shares | 35,418,021 |
| Percentage of the enlarged issued share capital represented by new Ordinary shares | 42.4% |
| Admission Date | 25 February 2026 |

As part of the transaction, it has been agreed to postpone the repayment date of the following 8.15% Loan Notes until 8th June 2028.

| | |
|-----------------|----------|
| Mike Love | £250,000 |
| Giles Fearnley | £75,000 |
| Jason Starr | £24,250 |
| Julie Pomeroy | £10,000 |
| Simon Warburton | £8,000 |
| Paul Mather | £7,500 |

The postponement of the Loan Notes constitutes a related party transaction under AIM rule 13.

DIRECTORS AND ADVISERS

| | |
|----------------------------|--|
| Directors | <p>G R Fearnley - Non-Executive Chairman J P Pomeroy - Non-Executive M Riechert - Non-Executive (appointed 25 February 2026) A V Nath - Non-Executive (appointed 25 February 2026) J S Starr - Chief Executive I J Mackin - Finance Director P Mather - Chief Operations Officer</p> |
| Secretary | I J Mackin |
| Company number | 4578125 |
| Registered office | 9 Cedarwood, Crockford Lane, Chineham Business Park, Basingstoke, RG24 8WD |
| Independent auditor | <p>Crowe U.K. LLP R+ 2 Blagrove Street Reading RG1 1AZ</p> |
| Principal bankers | <p>HSBC Bank Plc Basingstoke Commercial Centre 8 London Street Basingstoke RG21 7NU</p> |
| Solicitors | <p>Blake Morgan LLP Apex Plaza Forbury Road Reading RG1 1AX</p> |
| Nominated adviser | <p>Zeus Capital Limited 82 King Street Manchester M2 4WQ</p> |
| Broker | <p>Zeus Capital Limited 82 King Street Manchester M2 4WQ</p> |
| Registrars | <p>MUFG Corporate Markets (UK) Limited Central Square 29 Wellington Street Leeds LS1 4DL</p> |

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