



2025 Annual Report

And Consolidated Financial Statements
for the year ended 31 December 2025

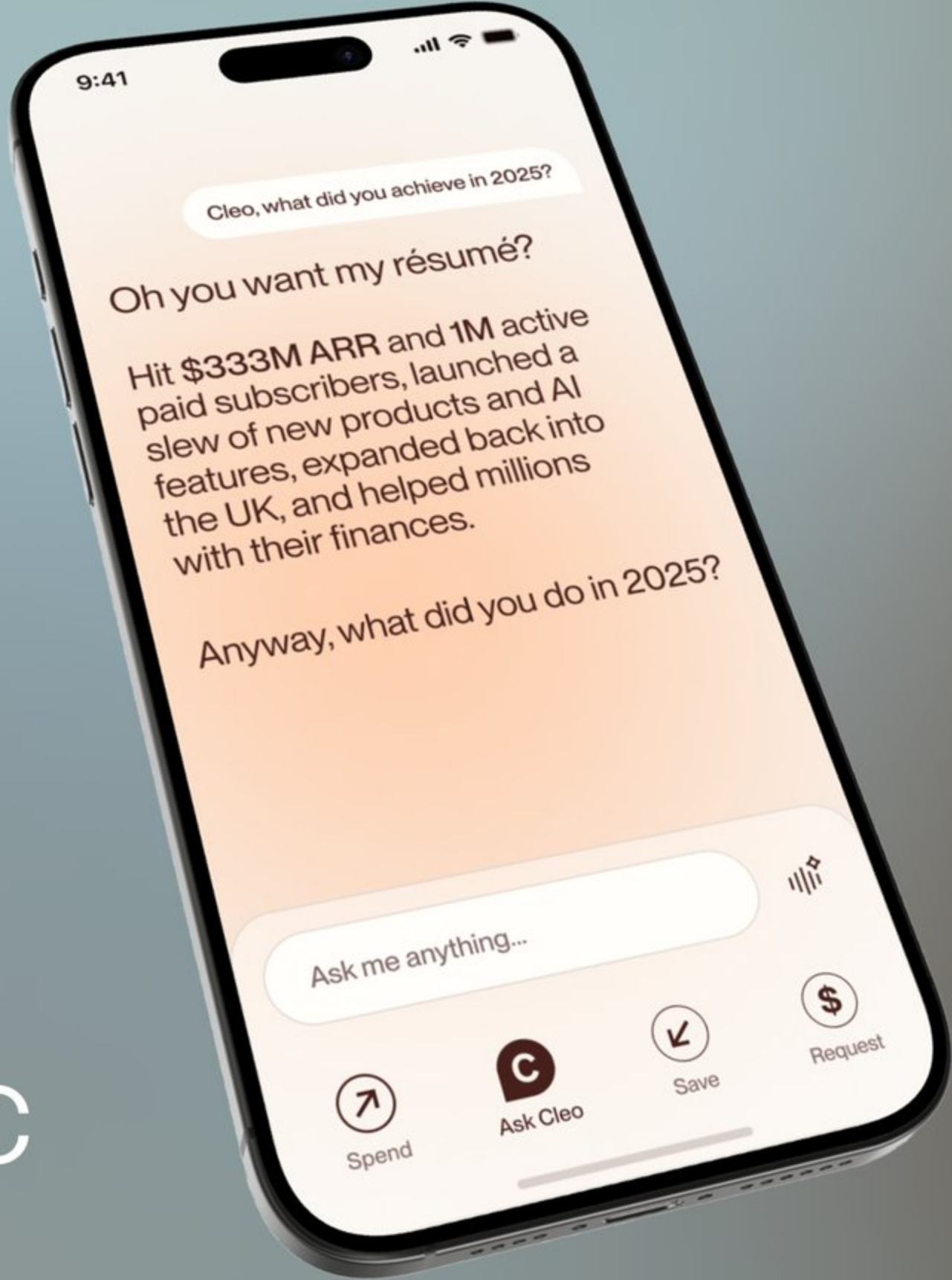


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Strategic Report



Q How did we scale this year?

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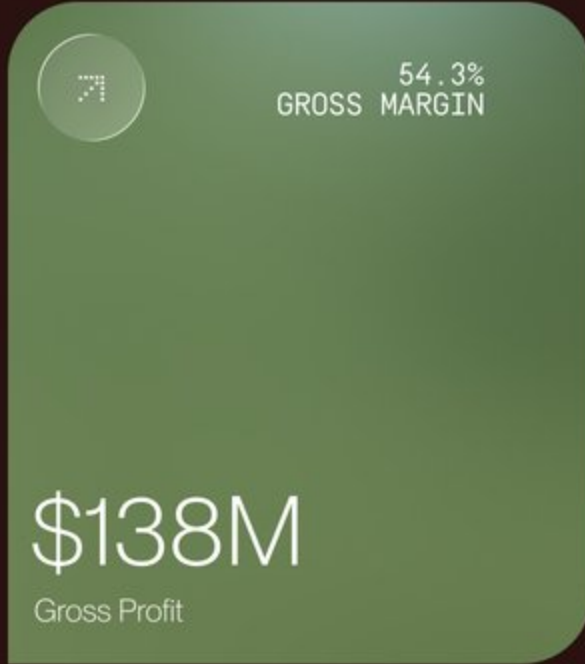
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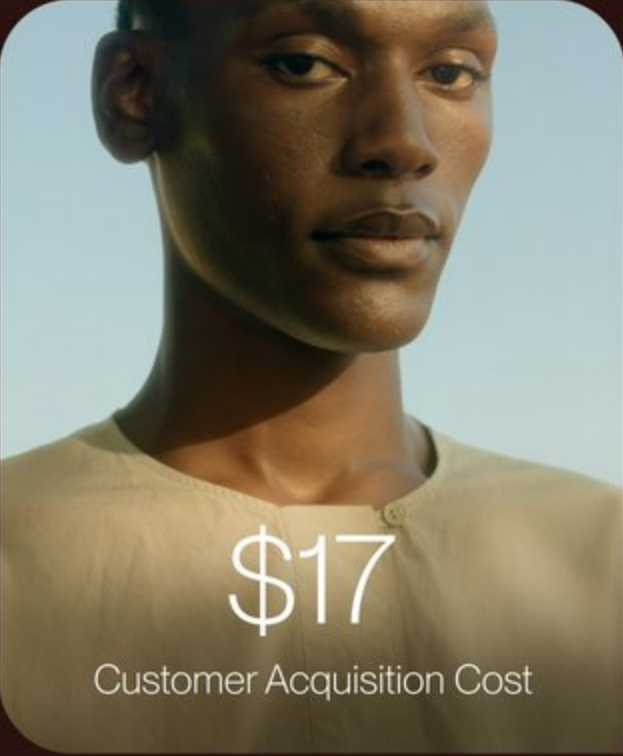
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2025 Highlights



MONEY 20/20 '25 Grand Prix Winner, Money 20/20 Awards

This block contains the Money 20/20 award logo and text indicating that the company was a '25 Grand Prix Winner and a Money 20/20 Awards recipient.



CEO Statement



CEO Statement

Q So... Why does Cleo exist?



Barney Hussey-Yeo
Chief Executive Officer

When we started Cleo in 2016, we believed something simple but contrarian: that AI would eventually become the most important interface in personal finance. Not a chatbot bolted onto a banking app, but a system that understands people, reasons through their financial lives, and acts on their behalf.

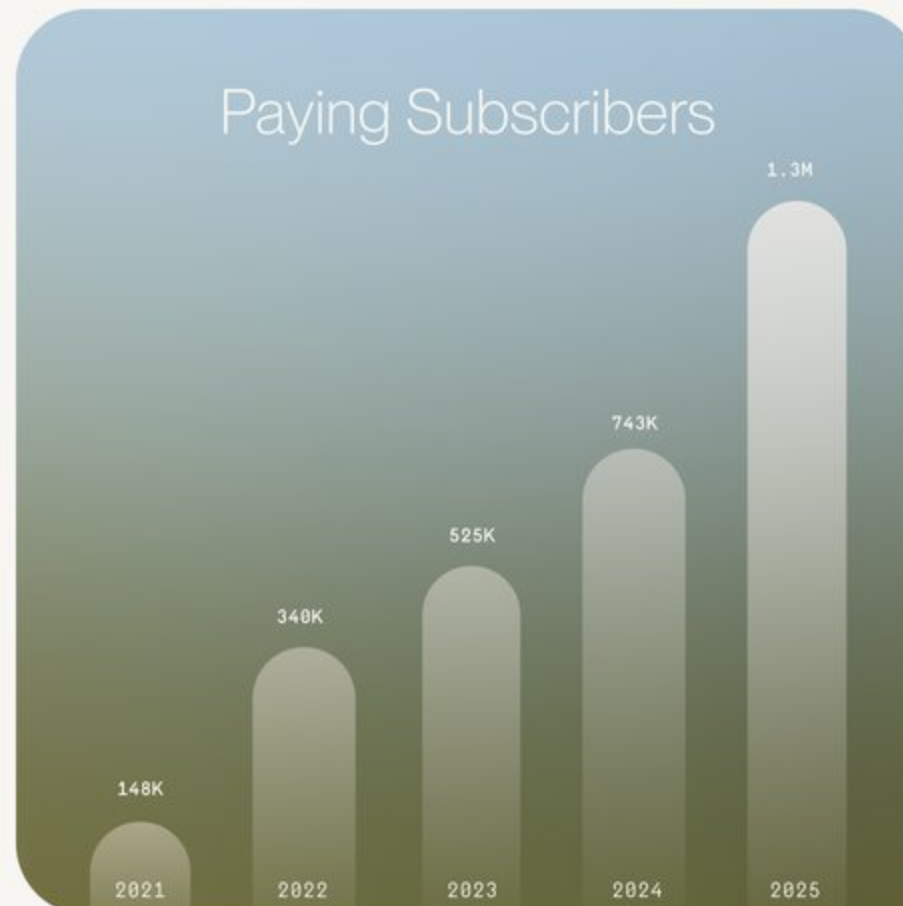
2025 was the year that Cleo evolved from “smart assistant” to a financial intelligence system: a network of reasoning models, autonomous agents and real-time data pipelines working together to guide millions of people through their financial lives. It was also the year that we proved that AI done well doesn’t just make finance easier, it changes behaviour, improves outcomes and builds trust at scale.

Built for Real Lives

As costs rise and income becomes less predictable, a more pressured financial environment can make it harder for our users to feel in control.

Even within this reality, our users show remarkable resilience. They work hard, care for their families, manage uneven pay cycles, and balance multiple responsibilities, all while staying focused on making progress. Cleo exists for this reality. She’s there in moments when things feel unclear, when confidence wavers, and when people are ready to take action but aren’t sure where to begin.

We ended 2025 with over 1.3 million active paid subscribers chatting with Cleo each month. For a product that speaks with personality, and isn’t afraid to roast you on a bad spending week, that level of engagement says everything.





Barney Hussey-Yeo
Chief Executive Officer

Building the First Real AI Financial Assistant

With **Cleo 3.0**, we built a reasoning-first architecture that meaningfully expanded what Cleo could do. Instead of narrow intent matching, Cleo now operates through specialised agents that:

- Analyse a user's full financial life.
- Generate proactive insights.
- Build personalised plans.
- Act through automated savings, bill protection, risk-aware advances, and more.

Features like **Memory**, **Voice** and **Advanced Reasoning** - core to our new AI Pro Tier - brought Cleo closer than ever to the human-like coaching experience we envisioned years ago. Memory lets Cleo maintain continuity across a user's goals and habits. Voice makes the experience more natural and personal. And frontier-model reasoning allows Cleo to deliver guidance that feels deeply personalised.

The result is an assistant that doesn't just answer questions, but understands context, predicts needs and nudges you at the right moment - often before you realise you need support.

Autopilot: From Advice to Action

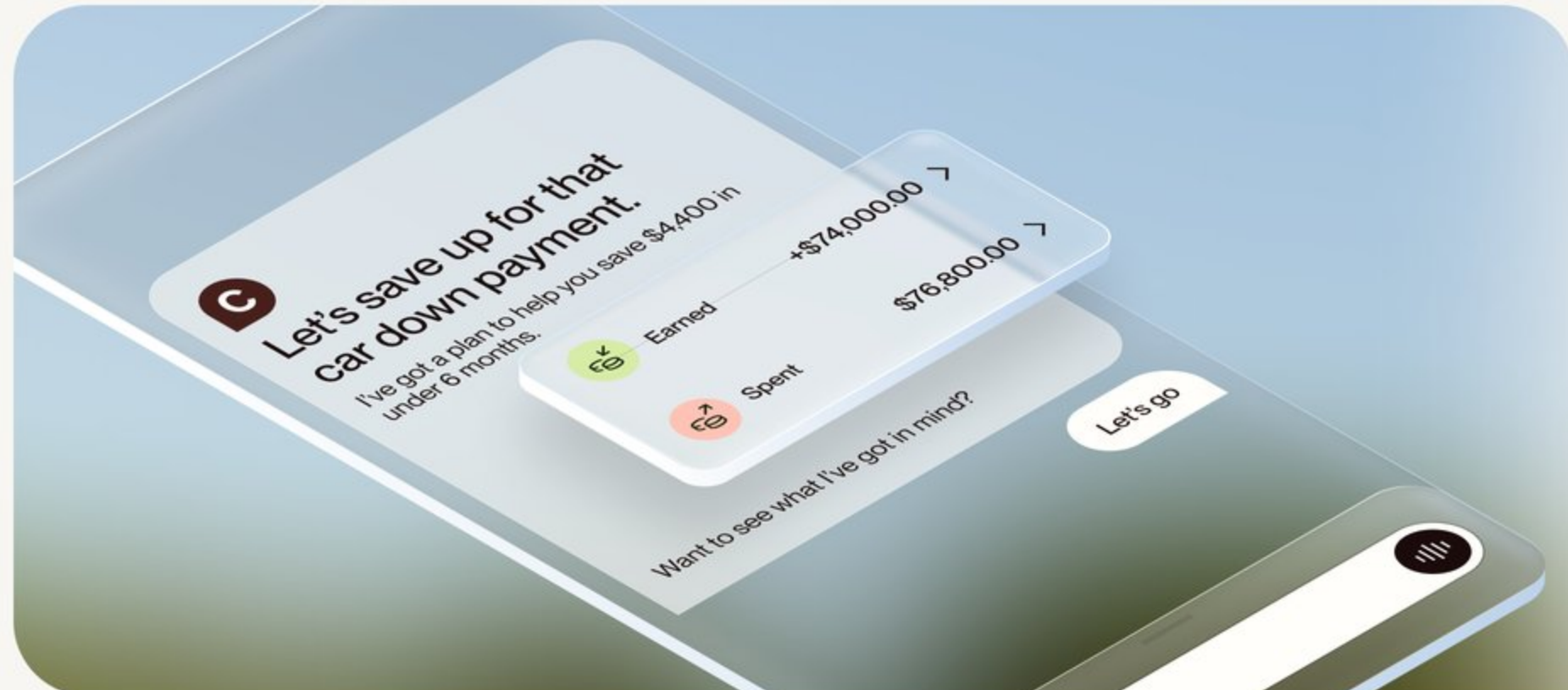
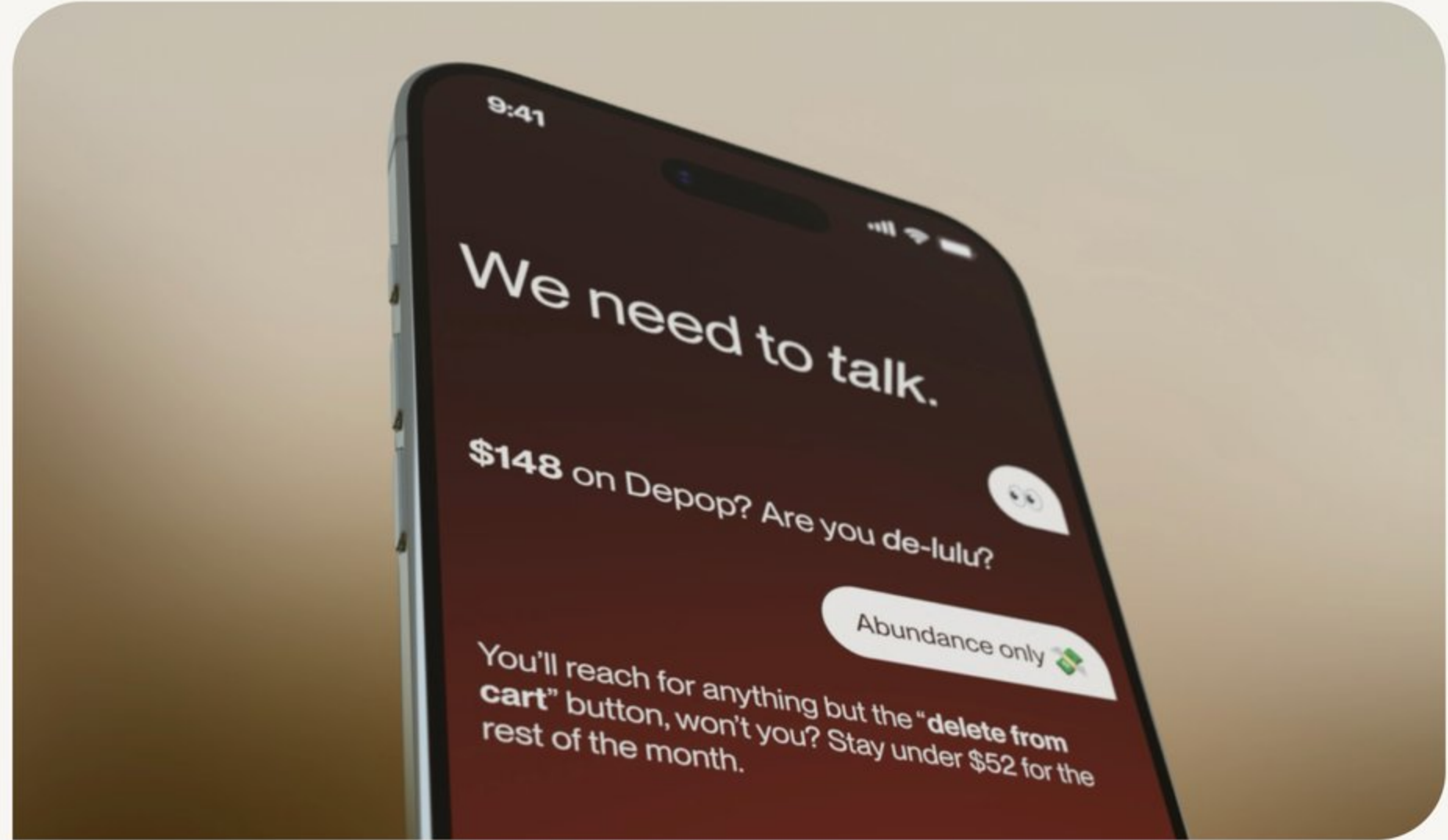
In February 2026, we launched our most ambitious product yet: Cleo Autopilot, a system that takes users from intention to real financial progress.

Autopilot introduced:

- **Masterplans:** long-term, goal-oriented financial roadmaps.
- **Daily Plans:** real-time adjustments based on spending, income and risk.
- **Instant Actions:** automatic savings, spending limits, shortfall predictions, bill support, and more.

It marked the beginning of a more autonomous approach to personal finance - not a dashboard, not a budget, but a system that works continuously in the background to keep people on track.

And this is only the start of what autonomous money can become.





Barney Hussey-Yeo
Chief Executive Officer

Breakthrough Growth in Our Core Business

2025 was also a year of real scale for Cleo. We ended the year at \$333m ARR, an 80% increase from the end of 2024, with over one million active paid subscribers by October 2025. Just as importantly, that growth came from a broader set of engines than ever before.

AI Pro became the fastest-adopted subscription tier in Cleo's history, while Card, Marketplace and new products such as MoneyIQ and Debt Reset each started to contribute in different ways to engagement, monetisation and long-term value. What this showed is that Cleo is evolving from a single product into a wider financial platform: one that can support more of a user's financial life, more often, and with more intelligence.

We did this while staying disciplined in how we scaled. Our financial profile remained strong through the year, with healthy margins, stable acquisition efficiency and thoughtful investment in AI, engineering, data and marketing. We grew because users kept finding value in the product, returning to it regularly, and recommending it to others. That combination - strong engagement, expanding product depth and disciplined execution - is what gives us confidence in the durability of the business we are building.

A Stronger Foundation

Behind this growth, our financial foundation strengthened materially in 2025. Gross margins closed the year at 54%, stable year-on-year, supported by ongoing efficiencies in cost-to-serve and a healthier revenue mix across subscriptions, card spend and new products.

We continued to invest meaningfully in AI, engineering, data and marketing. The operating leverage in our model means we can keep doing both as we scale.

Cleo continued to operate with minimal core operating burn, supported by strong margin performance and the recurring nature of our subscription revenue. As of 31 December 2025, we held cash of \$42.6m, with further committed capacity available across our debt facilities.

Expanding Cleo

We also prepared for something we've been working toward for a long time: taking Cleo beyond the US.

Our first major international expansion in 2026 is the UK - a return home for many of us, and a market with significant potential. The appetite for a new kind of financial relationship is clear, and the excitement we've seen from early community engagement has been encouraging.

The opportunity isn't just to launch in a new geography, but to extend a new category of financial assistant to millions more people. And the UK is only the beginning.

Days to Reach 50k MAU



A Team Built for What's Next

Cleo's 2025 saw new leaders join across growth, credit, communications and AI. We expanded our ML and engineering bench, and continued to strengthen performance, clarity, and collaboration across the organisation.

And we did it while keeping the culture that makes Cleo work: high-agency teams, bold builders and people who want to work close to the frontier.

In an interview I did in 2025, I reflected on how progress in AI happens when teams bring curiosity, speed and purpose together. That's been Cleo's advantage. Everything we delivered this year came from a team deeply committed to helping our users move forward.

Looking Ahead

We enter 2026 with clarity, momentum and a product that is only just beginning to show its full potential. The next chapter will be more personalised, more predictive, more autonomous.

What won't change is our mission: to help people build better financial lives, with tools that feel human, supportive and genuinely useful.

If 2025 proved anything, it's that the next decade of personal finance won't be shaped by dashboards, alerts or spreadsheets.

It will be shaped by intelligence.

And Cleo is leading that shift.





Barney Hussey-Yeo

Founder & Chief Executive Officer

03 July 2026



2025 Company Overview

2025 Company Overview

🔍 You started as a chatbot, what now?

Who We Are

Cleo is an AI financial assistant built to help people feel in control of their money. What began ten years ago as a simple conversational interface has evolved into a deeply intelligent financial platform that understands behaviour, anticipates needs and acts alongside users to improve their financial lives.

What Makes Cleo Different

Emotionally Intelligent AI

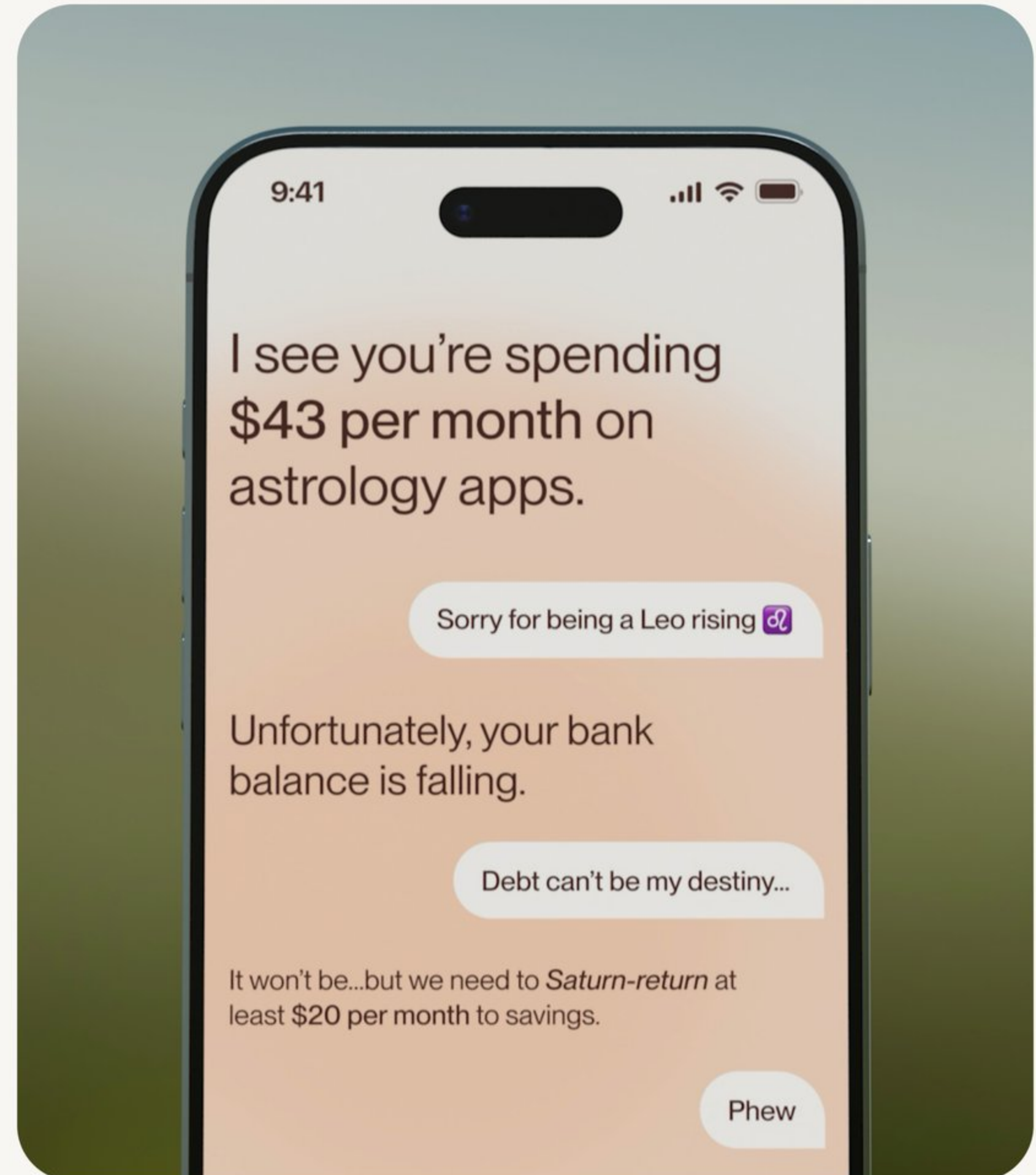
Cleo is trained on millions of real interactions, enabling her to understand context, nuance and human financial behaviour. With the launch of Cleo 3.0, she now reasons through complex situations, retrieves long-term memory, runs multi-step plans, and can act on behalf of users, bringing predictive intelligence and continuity to everyday money decisions.

A Proactive Financial Planner

Cleo isn't just a place to ask questions. She works continuously in the background - spotting upcoming risks, surfacing insights, and guiding users toward their goals. With Autopilot, Cleo can now create personalised financial plans, break them down into daily actions, and deliver timely nudges that help users stay on track.

Real Help for Real People

Our users are predominantly early earners navigating a financially challenging economy. They're working hard, juggling multiple priorities, and often underserved by traditional financial institutions. Cleo helps them stretch their paycheck, avoid fees, manage debt, build credit and grow confidence, without shame or judgement.



Our Products and Services

Cleo's products are designed to work together as a single financial system - helping users understand their money, take action, and build long-term financial health.

Core AI Experience

At the heart of Cleo is personalised financial guidance delivered through conversation. Cleo provides clear insights, coaching, and prompts that help users make better decisions day to day, supported by automation where it matters most - so understanding finances doesn't require a finance degree.

Planning, Action and Automation

Cleo supports users in moving from intention to progress by helping them set goals, understand trade-offs, and take timely action. This includes proactive alerts, automated savings and controls, and tools that reduce the risk of running out of money - turning insights into action.

Subscriptions

Cleo offers a tiered subscription model designed to meet users at different stages of their financial journey:

- **Plus** for everyday financial clarity.
- **Pro** for deeper, more personalised coaching powered by advanced AI.
- **Builder** for users focused on credit building and long-term financial health.

Cashflow and Spending

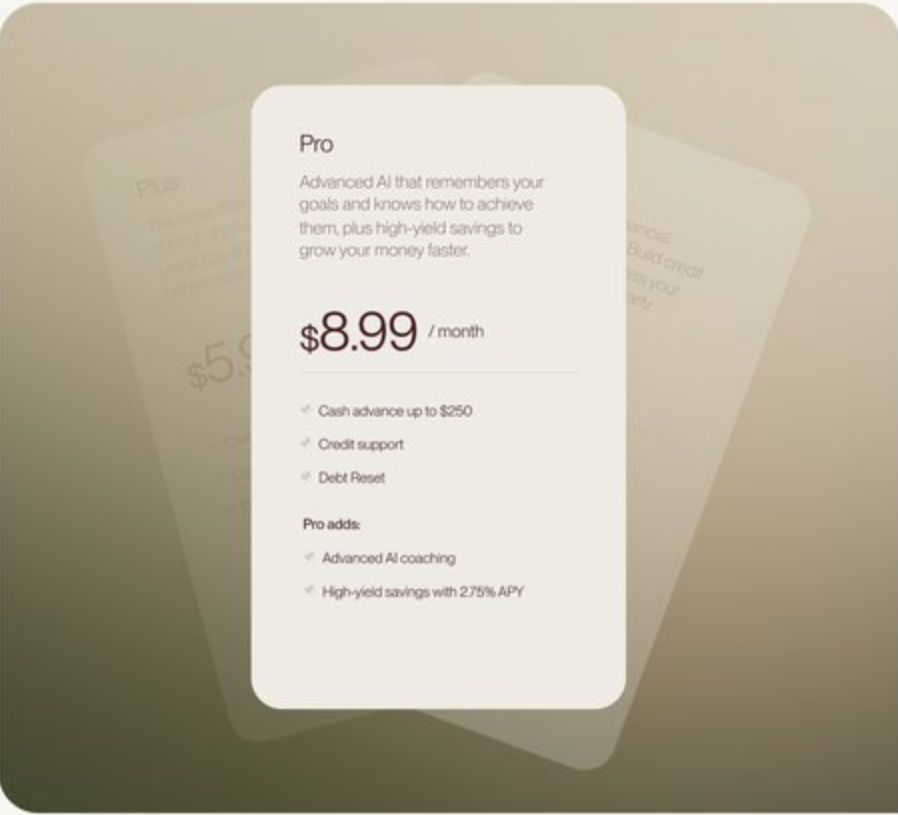
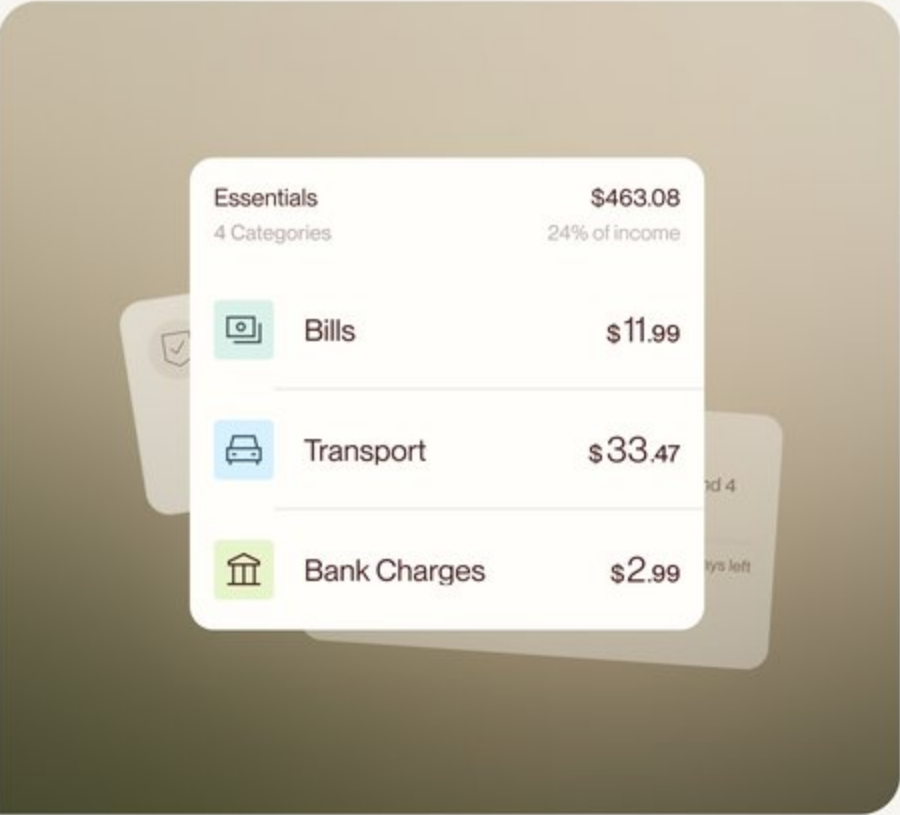
The Cleo Builder Card continues to grow rapidly, with spend and engagement climbing year on year. With the addition of cashback rewards, smarter automations and integrated coaching, it has become a foundational tool for users building credit and managing everyday expenses.

Earned Wage Access

Cleo offers Earned Wage Access, giving users access to a portion of income they have already earned ahead of payday. Advances are delivered free on a standard timeline, or instantly for an optional Express fee.

Marketplace and New Products

Cleo connects users to relevant financial products and savings opportunities through its Marketplace, while continuing to expand into new areas that address major recurring expenses and debt management - including products like Debt Reset.



The Impact We're Making

Cleo is used because she delivers real results. Users:

- Build savings through automated hacks like Set & Forget and Swear Jar.
- Reduce overspending with challenges and targeted coaching.
- Improve credit scores through the Builder Card and better payment habits.
- Avoid overdrafts, late fees and interest through proactive EWA and bill-related insights.
- Gain clarity and confidence: more than ever - with many users describing Cleo as their financial "first call."

Across hundreds of millions of interactions, Cleo's AI has become smarter, more intuitive and more personal - an assistant shaped by the real financial lives of people who use her.

Impact in Numbers



29%

average increase in income over 30 months, per active user



+15 pts

average increase in credit score for Builder users in first 6 months



4x

average increase in savings over lifetime for an active saver with Cleo vs non-active savers

Our Financial Foundation

Cleo's growth in 2025 needed infrastructure to match. During the year, we syndicated our warehouse facility, adding Viola Credit alongside our existing HSBC partnership and increasing total capacity to \$100m - giving the business the headroom to keep scaling without compromising liquidity. In March, we also raised additional funding through a convertible loan note to accelerate product innovation across AI, credit and automation.

The transition to IFRS in 2024 has strengthened the quality and transparency of how the business reports performance and provisions for risk, and positions Cleo well as we continue to expand internationally and evolve our capital structure. We also concluded a long-running FTC matter with no material impact on operations.

Our Values

- **Make It Happen** - We move decisively, execute fast and bring ideas to life.
- **Learn at Speed** - We experiment relentlessly, iterate quickly and use data to fuel improvement.
- **No Bullshit** - We communicate clearly, challenge assumptions and hold each other to high standards.
- **Bring Good Vibes** - We show up authentically and create an environment where people can do their best work.

Looking Ahead

2025 was a defining year for Cleo. With the foundations of profitability, strong user engagement and the launch of game-changing AI capabilities, we're entering our next phase of scale. We're expanding internationally, deepening our product ecosystem, and unlocking more autonomous actions that help users improve their financial lives effortlessly.

We're not just building an app, but a financial partner that grows more capable, personal and indispensable every day. This is the future of money management, and we're just getting started.





Our Products

2025 Product Launch: Cleo 3.0

🔍 How did the company level up?

Today, Cleo serves over a million users through products that provide flexible access to income, short-term liquidity, and subscription-based financial guidance. We're creating a new kind of financial relationship, one where AI works conversationally and proactively to help people move from questions to clarity to action. The technology amplifies human potential, helping millions of people take control of their financial futures.

In 2025, we launched **Cleo 3.0**, a foundational upgrade that materially advances Cleo's intelligence, responsiveness, and ability to drive real financial outcomes. Cleo 3.0 introduces a new agentic AI architecture that can handle multi-step tasks directly in chat, selecting tools and reasoning through actions to help users move from questions to decisions to execution more seamlessly.

This upgrade is powered by deeper transaction understanding, long-term conversational memory, frontier-model reasoning, alongside new real-time voice interaction. Together, these capabilities make Cleo more context-aware, more consistent over time, and better able to deliver guidance that fits a user's real-world circumstances.

Voice

Real-time voice interaction enables natural, two-way conversation with Cleo. It creates a faster, more intuitive experience than text alone and supports a more human, emotionally resonant interaction, particularly in moments of financial stress or uncertainty.

Reasoning

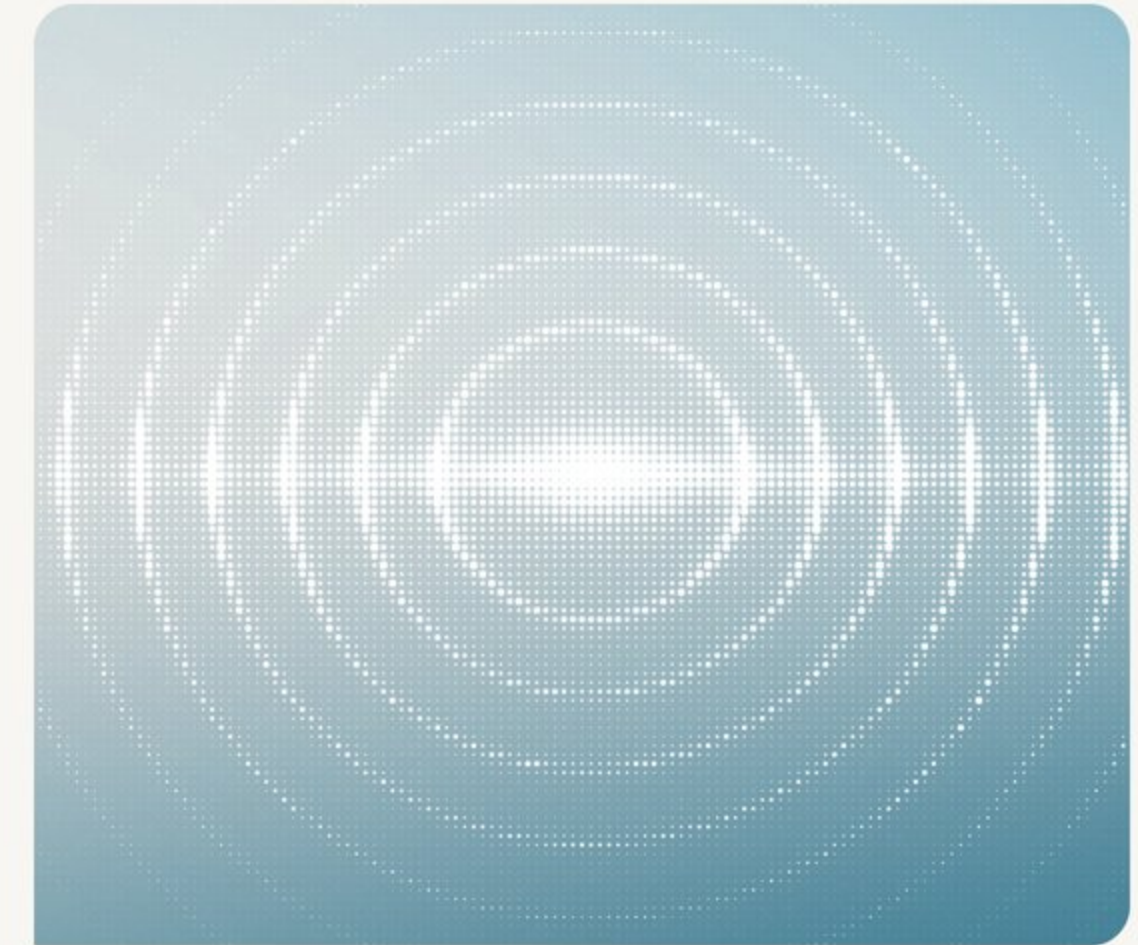
Powered by OpenAI's advanced o3 model, Cleo can analyse recent transaction history with stronger reasoning to generate more relevant insights and clearer explanations. This helps users understand trade-offs and make better financial decisions with confidence.

Memory

Memory allows Cleo to retain and recall key information from user conversations, including goals, preferences, concerns, and past decisions. This continuity allows Cleo to build understanding over time, not just react in the moment, enabling more consistent guidance and stronger personalisation over time.

Smart Insights

Smart Insights proactively surface patterns and risks from up to six months of transaction data, including spending trends, upcoming pressure points, and savings opportunities. By identifying issues early, Smart Insights reduce effort and help users intervene before small problems become larger ones.



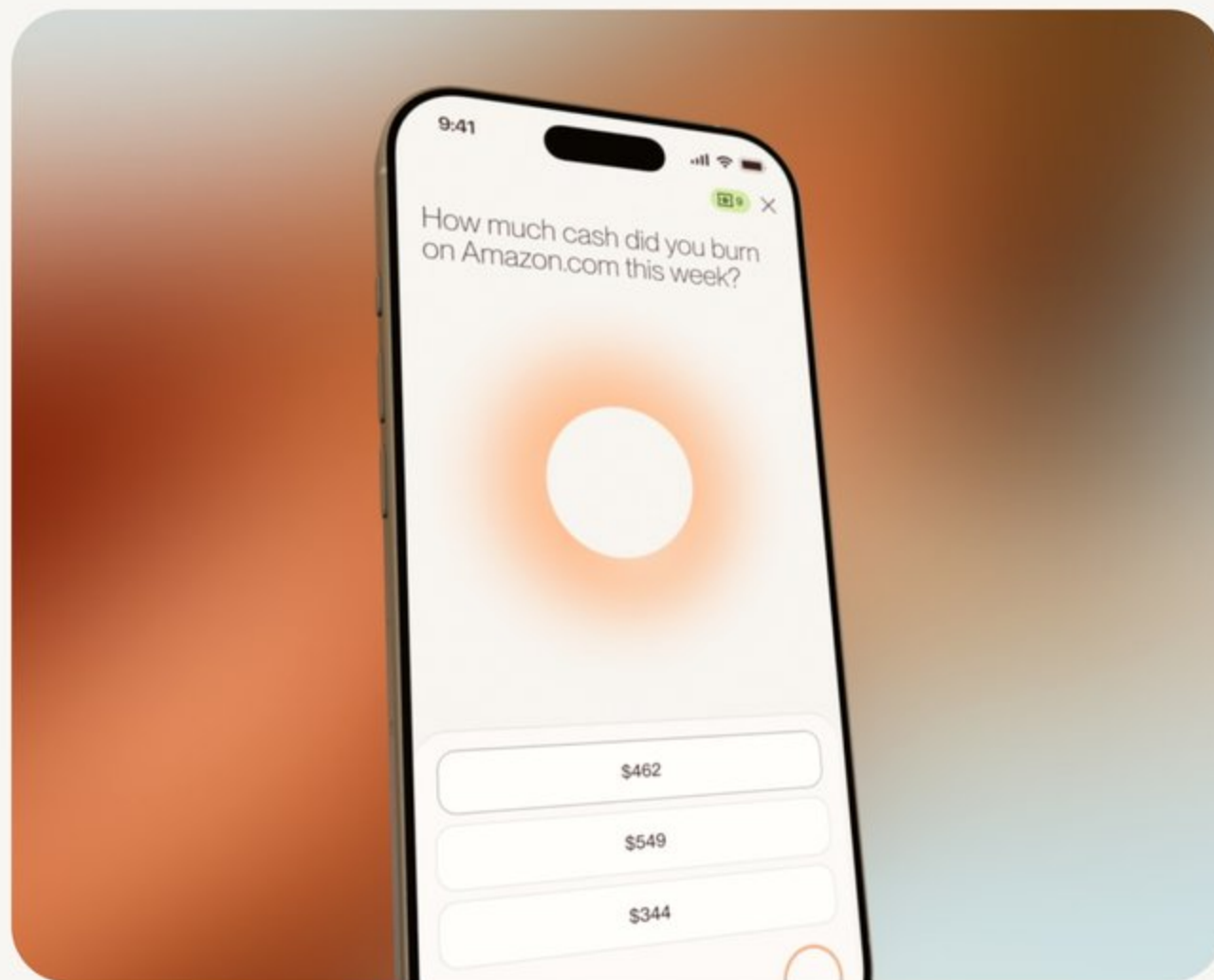
New Product Launches

Money IQ

Money IQ is Cleo's daily personalised quiz that turns financial understanding into a game. Users test their knowledge of their own spending and can win real money for getting it right, reinforcing learning through rewards. By turning personalised questions into teachable moments, Money IQ helps users build stronger habits and understand the logic behind Cleo's recommendations.

Debt Reset

Debt Reset provides users with a structured, personalised plan for addressing high-interest debt. The tool breaks complex debt situations into clear, manageable steps, supported by reminders and behavioural nudges designed to help users make consistent progress over time.



Money IQ



Debt Reset

Product Development and New Bets

Cleo's product development approach combines long-term conviction with disciplined, evidence-led investment. We pursue a small number of vision-led initiatives aligned with our ambition to build an intelligent AI financial assistant, alongside research-led opportunities to identify and scale new revenue-generating products. Investment is staged and increases only when user demand, strategic fit, and commercial viability are demonstrated, allowing Cleo to innovate boldly while maintaining strong capital discipline.

Autopilot and Financial Products

Autopilot is the intelligence layer at the centre of Cleo's product ecosystem. It understands a user's financial position, learns their patterns, forecasts cashflow, and determines how and when money should move, always within the guardrails a user sets. Rather than operating as standalone features, Cleo's financial products are increasingly orchestrated by Autopilot to help users stay on track automatically.

From the moment income is received, Autopilot plans around upcoming bills and commitments, adapts long-term plans in real time, and takes action only where a user has given clear consent. Over time, routine financial decisions are increasingly handled in the background, allowing users to move from actively managing their money to trusting Cleo to run it for them.

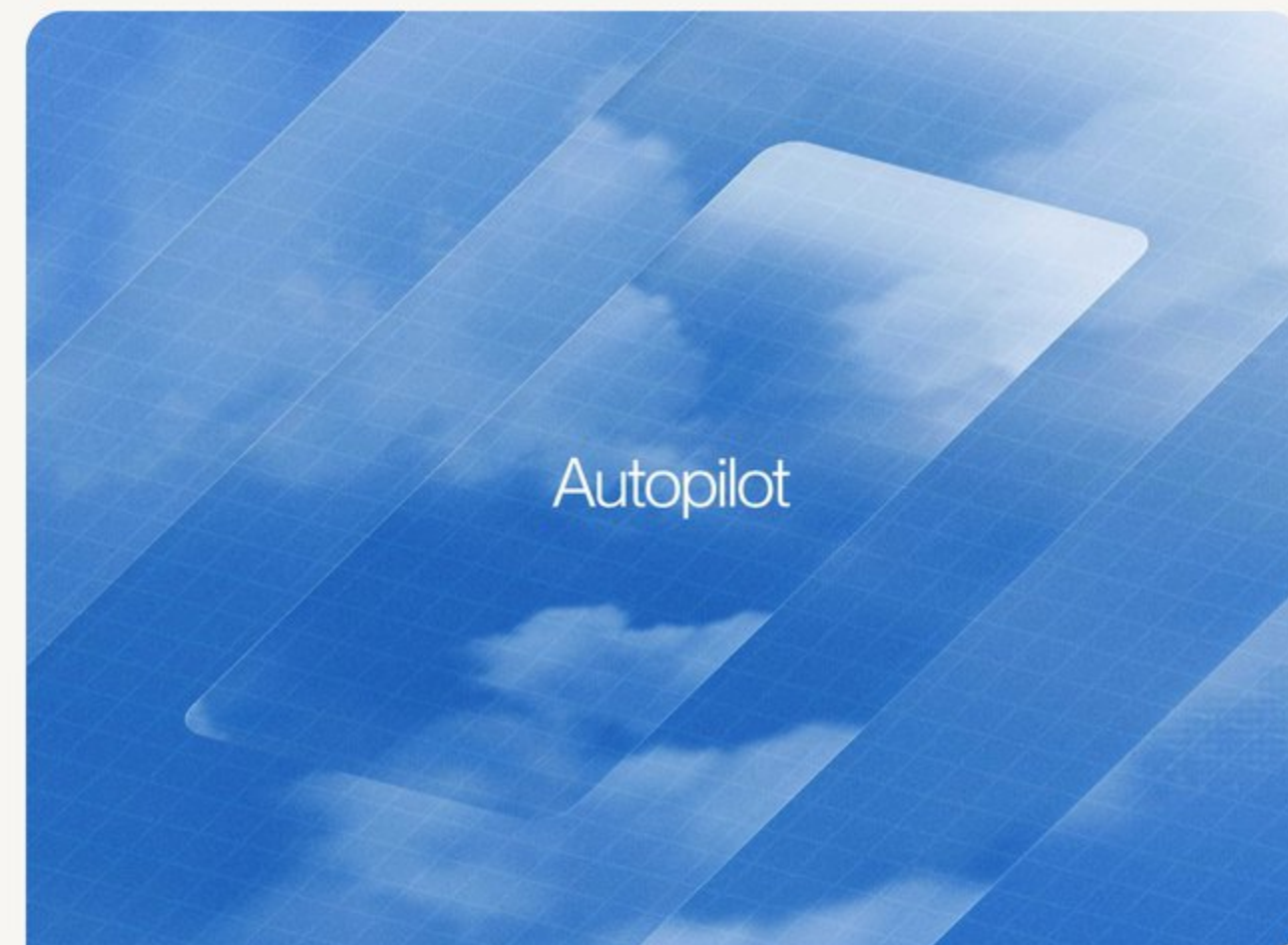
Cleo's expanding suite of financial products enables Autopilot to act, not just advise. The **Flex Card** brings secured credit and **Buy Now, Pay Later** into a single intelligent card, allowing Autopilot to route payments dynamically, enforce budget guardrails, and smooth spending in line with a user's circumstances.

Together, Autopilot and Cleo's financial products operate as a coordinated system. Insight, decision-making, and execution are tightly integrated, allowing Cleo to move beyond guidance toward fully automated, user-first financial management.

Looking ahead: Market Expansion

Cleo's 2026 return to the UK marks an important expansion into a large, highly attractive market with strong structural alignment to our core business. The UK combines high cultural alignment with the US and a similar income profile, enabling efficient product localisation and faster execution. With a population of approximately 70 million and the world's sixth-largest economy, the UK represents a significant opportunity to scale Cleo's offering in a mature financial services market.

The UK's advanced payment rails and leadership in open banking provide a strong foundation for Cleo's AI-driven, automated approach to money management. Cleo also returns with meaningful brand recognition, having previously served hundreds of thousands of weekly active users in the market. This re-entry is further supported by an existing UK-based team footprint and established government and regulatory relationships, positioning Cleo to re-launch with speed, credibility, and confidence.



Timeline



Company Overview Timeline



January 2016
Cleo's founded by a data
scientist who's bad at money



July 2017
\$2.8m seed round*



March 2018
Cleo crosses the pond
to America



September 2018
Cleo Plus goes live.
\$10m Series A announced*



February 2019
Cleo reached
1 million users.



December 2020
\$44m Series B led by
EQT Ventures*



May 2021
Cleo Builder Drops



June 2022
\$80m Series C
led by Sofina*



March 2023
Cleo's AI integrates
with GPT



January 2024
Cleo hits \$100m ARR



June 2024
\$60m warehouse debt
facility closed with HSBC



September 2024
Total EWA
originations hit \$1bn!



November 2024
Cleo Marketplace goes live



December 2024
743k active paid subscribers



December 2024
Cleo finished the year at
\$186m ARR!



May 2025
AI Pro
tier launches



October 2025
+1m active paid
subscribers



December 2025
Cleo reaches
+\$333m ARR



Customer Care



Customer Care

🔍 How do you make an app feel human?

Cleo's mission is to improve users' financial wellbeing through emotionally intelligent AI. Our customer support teams play a critical role in delivering this, resolving issues with clarity and care, while generating the insights that help us build trust and improve the product.

As Cleo's user base scaled, our support platform scaled with it, leading to the best customer satisfaction and response times in our history.

This was a year of strong growth, operational discipline and capability upgrades across our support operations. We aligned teams across the business around a clear objective: reducing customer contact while improving overall customer experience.

By focusing on faster issue resolution as our primary operational lever, we improved customer satisfaction while supporting a growing and more complex customer base, reducing the share of dissatisfied customer ratings by 23% year on year.

With international growth on the horizon, we expanded our global support coverage in 2025, strengthening coverage to provide more consistent, round-the-clock support and enable future European markets. Alongside this, we invested in specialist teams handling disputes, escalations, and customers with more complex support needs.

Throughout 2025 we reduced customer contact rate by 43%, from 5.0% to 2.9% of monthly active users. Over the same period, our growing customer base drove a 34% increase in total support contacts year on year, reflecting continued strong user growth. We now support more customers than ever - while giving them fewer reasons to contact us.

Improvements in our human-based customer support team are only part of the picture. In 2025 we grew the share of support interactions solved through Cleo's AI assistant, reducing inbound queries through smarter self-service.

Trained on millions of Cleo interactions, the assistant now resolves approximately 70% of customer conversations that reach it end-to-end, freeing our support teams to focus on more complex and sensitive cases. AI doesn't just lower costs - it enables faster resolution and a more consistent personal experience for customers.

Support teams hold some of the deepest product knowledge in the business. They understand every edge case, workaround and how to resolve issues in moments that matter most to users. They are experts in crafting solutions in the trickiest of situations.



This year we reinvested efficiency and product-driven savings to make our support team a greater part of the product engine, playing a central role in training Cleo’s conversational intelligence through large-scale annotation and quality programmes.

Leveraging this expertise, we reviewed more than 575,000 real customer conversations, generating 4.6 million data points to refine how Cleo understands and responds to customer questions. For high-volume customer intents, such as Earned Wage Access requests, this work reduced lower-quality outcomes from 13.9% to 6.7%, representing a 52% reduction in responses requiring improvement.

Our support team doesn’t just resolve issues - they help make Cleo smarter every day.

A key test of a scaling support operation is its ability to manage demand peaks, seasonality, and an expanding product offering.

This year, we established a dedicated Learning & Development function for support teams and strengthened our Quality Assurance frameworks. As part of this, we introduced targeted training bootcamps for agents requiring additional support, delivering measurable quality score improvements for 78% of participating agents.

We also invested in tooling to reduce administrative overhead, allowing agents to spend more time supporting customers directly, a focus we will continue into 2026.

When customers come to us in stressful moments, our aim is to help them leave feeling clearer and more in control. This focus on empathy, clarity, and practical guidance underpins the improvements we’ve seen in customer satisfaction across the year.

Our focus remains on building a lean, scalable support function that enables Cleo to deliver the smartest AI financial assistant. In 2026, we will continue to deepen automation, strengthen specialist expertise, and thoughtfully scale our teams as we expand further into international markets.

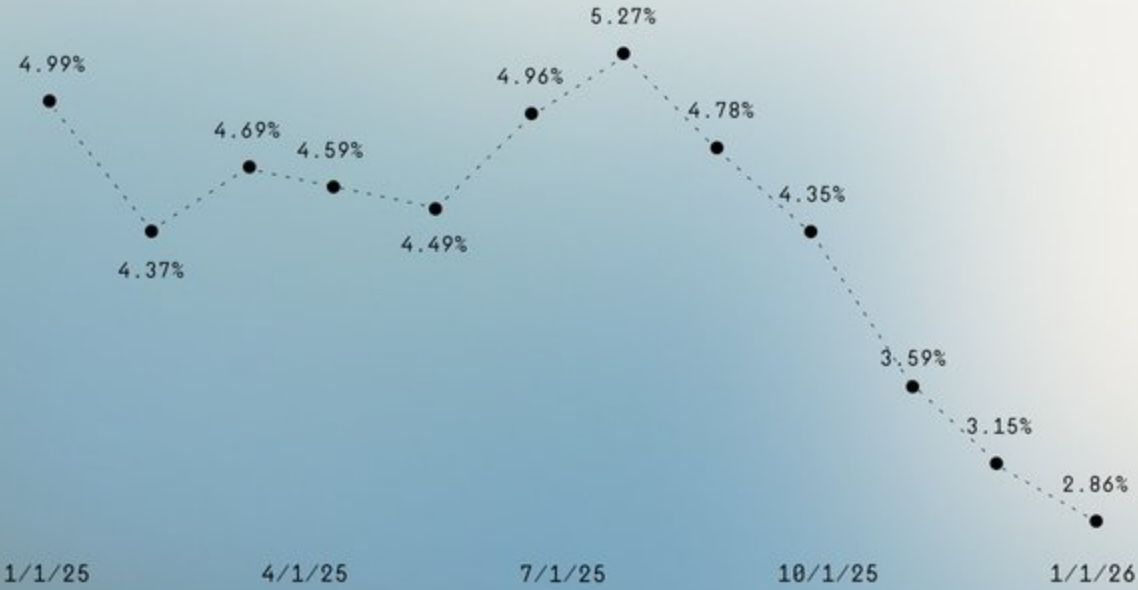
Customer Review



FROM THE APP STORE:
★★★★★ AARON MILES 2025-10-25

[I felt] frustrated!!!! @ first. People let me tell y'all the customer service team at Cleo is utterly FANTASTIC!!! Now I am not a tech savvy type person, but thank God the team at Cleo is. They were so very very very very very very patient with me and got my issues resolved. I would recommend Cleo and its customer service team to ANYONE!!!

Contact Rate





Our People

People Update

🔍 What kind of culture are you building?

At Cleo, our people are the engine behind our mission and growth. As we continue to scale, our focus remains consistent: building a high-performance organisation where exceptional individuals can do the best work of their careers. Our approach is grounded in clarity, accountability, and a culture that supports both high standards and high trust.

A Culture Built for Scale and Impact

Our company culture continues to evolve as we expand, rooted in the belief that when people feel supported, connected, and empowered, they do their best work. In 2025 we made deliberate investments in leadership development, cross-team collaboration, and strengthening our performance frameworks to align individual contribution with organisational success.

Hiring, Developing, and Retaining Top Talent

Over the past year, we continued to attract exceptional talent internationally, with hires across the UK, EU, and US in key functions Engineering, Machine Learning, Product & Design. Our total headcount reached 515, reflecting sustainable, thoughtful growth aligned with our mission. Our recruitment processes now include bar-raiser hiring, structured assessments, and deeper alignment with our values, ensuring that every new joiner lifts the standard of the organisation.

Alongside hiring, we invested in strengthening how performance is defined, measured, and supported across the business. Our performance framework now places greater emphasis on OKR achievement, ongoing skill development, and behaviours that reflect Cleo's values, creating clear expectations for impact at every level.

Retention remains a strategic priority. During the year, we invested in a new London headquarters, designed to support collaboration, productivity, and employee wellbeing as the organisation continues to scale.

We also continued to strengthen our policies and benefits, with a focus on supporting employee development and providing meaningful support at key life stages. Our competitive benefits package is designed to promote wellbeing, long-term financial security, and sustained performance, and includes comprehensive health coverage, enhanced parental leave, pension matching, mental health support, and paid sabbaticals.



Performance and Reward

To support a high-performance culture, we continue to refine our performance management and rewards systems. We conduct performance reviews every quarter to ensure we are consistently holding the bar high, providing clear feedback, and recognising meaningful impact. Our approach recognises strong delivery against objectives, growth in critical skills as well as role-modelling of our values. This focus helps ensure high performance is recognised fairly and consistently, while reinforcing accountability and excellence across the organisation.

We review compensation every six months as part of our commitment to competitive total rewards as well as recognising strong performance. Our approach to compensation reviews is a suggested formulaic increase which is based on inflation, an individual's performance rating as well as their positioning in the band. This approach is designed to encourage fairness and transparency whilst rewarding high performance. Managers then typically are able to adjust these formulaic increases for other factors such as criticality of skills and internal relativities but it is expected that adjustments will, on the whole, not be significant. We feel that this approach strikes the best balance between consistency and fairness whilst giving flexibility and autonomy to managers.

Fairness and transparency are key reward principles at Cleo and we embody them further in the decision to set internally and externally public salary bands in all locations for virtually all roles. These bands are set based on geographically specific market data and are a clear guide to employees of what they can earn at each level and function. For this reason they are also a clear signal of our belief that pay at Cleo must be equitable and by being transparent to both managers and employees what we will pay for each role at Cleo, we hope to guide managers to more equitable pay decisions.

Workplace Wellbeing and Connection

Performance and wellbeing go hand-in-hand at Cleo. Our people programmes are designed to spark authentic connection and reinforce our Bring Good Vibes value. We offer 12 employee-led clubs that support a wide range of interests, from sports and movement to creativity and mindfulness. Cleo Clubs bring people together around shared passions — from physical wellbeing to creative hobbies — helping teams connect beyond their core roles, build community, and recharge together.

Our annual Offsite received a 98% positive approval rating, with 97% of attendees feeling more connected to colleagues and 80% feeling more energised and motivated at work.

Our London HQ is intentionally designed to have four activity-based working zones, each with different lighting, sensory environments, and layouts to support varied working styles and energy levels, as well as a dedicated wellbeing room. Even small details reinforce our culture — meeting rooms are playfully named after money animals (Cash Cow, Golden Goose, Piggy Bank), reflecting our mission and keeping the workplace fun and purposeful.



Diversity, Equity, Inclusion & Belonging

Cleo sees diversity, equity, inclusion and belonging as important to building a resilient, high-performing organisation. Teams with varied perspectives and experiences strengthen decision-making, support innovation and help us better serve our broad customer base. Our focus is on embedding inclusive practices across the employee lifecycle and fostering an environment where people feel they belong and can contribute fully. We use workforce insights and employee feedback to inform priorities, with leadership accountability for maintaining an inclusive culture as we scale. By supporting equitable experiences and a strong sense of belonging, we aim to drive engagement, retention and sustainable long-term value.

Engagement and Experience

Employee engagement remains a key measure of organisational health at Cleo. Our people consistently report strong alignment with our mission and pride in their work, supporting retention, productivity and a positive culture. We gather regular, structured feedback through termly engagement surveys. Insights from these surveys directly inform company-wide and departmental action plans, which are consistently implemented to strengthen areas of performance and address opportunities for improvement. This approach ensures our people feel heard, supported and connected, reinforcing a high-performing, resilient workplace as Cleo scales.

Employment of Disabled People

Cleo's employment policies are designed to ensure that everyone, including those with existing or new disabilities, whether visible or invisible, is treated fairly. In line with the Equality Act 2010, we give full and fair consideration to applications from disabled people, having regard to their aptitudes and abilities, and we make reasonable adjustments to accommodate any employee or applicant with a disability where we are aware of it. Where an employee becomes disabled, we take reasonable steps to support them to remain in employment, including arranging retraining where needed, so that they can continue to develop and progress.

Equal Opportunities & Fairness

Cleo is committed to maintaining a workplace culture grounded in fairness, inclusion and mutual respect. We are an equal opportunity employer and make employment decisions based on merit, skills and potential, without regard to personal characteristics or background.

We recognise that a diverse workforce and an inclusive environment strengthen our ability to innovate, understand our customers and deliver long-term value. Our focus is on ensuring that all colleagues have equitable access to opportunities, development and progression, and that every individual feels able to contribute fully.

We have zero tolerance for discrimination, harassment, bullying or victimisation. Clear policies, reporting channels and accountability mechanisms are in place to help ensure concerns are addressed promptly and appropriately. We believe that a respectful, supportive working environment is fundamental to high performance. Upholding these standards is a shared responsibility across the business and an important part of how we manage risk, support our people and drive long-term growth.



Looking Ahead

In 2026, we will continue strengthening the foundations we've laid to deliver a best-in-class employee experience. We'll build on our onboarding programme, introduce further tailored learning and development opportunities, refine our high-performance systems, and deepen our commitment to an inclusive workforce. We remain focused on hiring, developing, and retaining brilliant people who believe in Cleo's mission and want to shape the future of financial wellbeing.



Our Stakeholders

Engaging with Stakeholders

🔍 What does it mean to build something enduring?

At Cleo, maintaining strong, trusted relationships with our stakeholders is essential to our mission of helping people improve their financial health through technology and transparency. As we continue to grow by expanding our user base, team and partnerships, our long-term success depends on acting responsibly and thoughtfully towards all those who play a role in Cleo's journey.

Our Stakeholders

Our key stakeholders include our users, investors, regulators, partners, suppliers, colleagues as well as the wider communities and environment we operate in. Each plays an important role in enabling Cleo to deliver on its mission. We believe strong stakeholder engagement underpins sound decision making.

Our Users

Cleo is built on the belief that everyone deserves access to tools that genuinely help them improve their financial health. Our focus is on creating a human, supportive experience that goes beyond what traditional banking and budgeting apps offer. This is reflected in the strong engagement and loyalty of our community, as well as consistently high ratings across platforms - with Cleo scoring 4.6/5 on the Apple App Store and 4.4/5 on Google Play Store.

Our culture places a strong emphasis on designing products and experiences that start with the user's real life challenges. We aim to make finance feel accessible, supportive, and even a little fun. Every feature we build, from spending insights to personalised savings goals and AI-driven coaching, is designed to help people take control of their money and build lasting financial confidence.

Cleo's growth has always been grounded in solving meaningful problems for our users. We're committed to ensuring our products lead to tangible improvements in financial wellbeing, with transparency, fairness, and empathy at the heart of our approach. Particular care is taken to support users who are facing financial pressure, helping them navigate difficult moments and make progress toward their goals with understanding and respect.

Our Investors

Cleo's continued momentum and growth have been greatly supported by the commitment of our investors, whose capital and confidence have enabled us to scale responsibly while pursuing our mission to transform how people engage with their money. Their support has strengthened our ability to navigate an evolving economic landscape with confidence, while fuelling our ambition to expand and innovate.

We remain committed to transparent and open communication with our investors, keeping them informed through regular performance updates and board meetings to ensure they remain strong, aligned partners on our journey.

In March 2025, we raised a \$38.8 million convertible loan note from our existing investors; a clear signal of their continued confidence in Cleo's mission, performance, and long-term potential. This investment not only provided additional funding to accelerate growth and innovation, but also reinforces the deep trust and partnership we have built with our investors over time.



Our Regulators

Regulatory Engagement

Cleo regularly engages with its regulators and maintains strong relationships as it complies with all applicable regulations that impact the products and services it offers. Cleo strives to ensure that its interactions with regulators in the United States and United Kingdom consistently uphold its commitment to transparency, cooperation, and accuracy.

In 2025, Cleo settled a matter with the FTC. Over the course of several years, the FTC conducted an industry-wide sweep of subscription-based businesses, and while Cleo strongly disagreed with the FTC's allegations and believes it would have prevailed in court, we chose to settle with the FTC to put the matter behind us and instead focus on the core mission of Cleo - helping improve the financial lives of its millions of users. As part of this process, Cleo enhanced its internal compliance controls and added to the legal, compliance, and policy team to further strengthen its regulatory posture.

New Licences

In 2025, Cleo AI Inc. obtained licences in California, Kansas, Utah and Wisconsin. Cleo currently operates in 48 states and has obtained the necessary licences or authorisations in all states that have regulated Earned Wage Access. At the end of 2025, Cleo AI Inc. holds seven EWA state licences. Cleo is committed to ensuring that its services are delivered in full compliance with each state's regulatory framework.

As licensing regimes continue to evolve across the United States, Cleo actively monitors legislative and regulatory developments to stay ahead of new requirements. The Company also maintains open lines of communication with state regulators to support smooth onboarding and periodic reporting requirements. These new licences further enable Cleo to expand access to responsible financial tools for workers. Cleo continues to invest in dedicated compliance and legal resources to support its expanding regulatory footprint.

Cleo is planning to operate in other jurisdictions beyond the United States in 2026 and during the year has begun establishing regulatory relationships with regulators in those new jurisdictions. This includes early-stage discussions to understand local regulatory expectations and consumer protection standards. We intend to apply the same high bar for transparency and compliance internationally as we do in the United States.

Our Partners and Suppliers

Strong relationships with our users, suppliers, and commercial partners are essential to delivering our objectives. Our ecosystem spans payments, banking, data connectivity, fraud prevention, and operational tools - all of which enable us to provide fast, compliant, and user-centred financial services.

We work closely with our partners as long-term collaborators, not just vendors. Their capabilities support critical parts of our platform, from payment processing and earned wage access to identity verification - enabling us to increase reliability, improve performance, and innovate quickly.

Cleo applies rigorous standards when selecting and monitoring partners. All suppliers undergo robust due diligence covering data securing, compliance, financial stability and responsible data use. In 2025, we strengthened this framework further by enhancing controls and expanding supplier oversight.

As Cleo grows, we prioritise partners who can support responsible scale, uphold high compliance standards, and share our commitment to improving financial health. Together, we're building a resilient and user-first platform designed for long-term impact.

Our Employees

Please refer to Our People, page 23, for more information on how we engage with our employees.



Environmental, Social, and Governance

A close-up photograph of a person's hands working with a hand plane on a wooden board. The person is wearing a dark long-sleeved shirt and a blue wristband. The background is a light-colored, textured surface, possibly a workbench or a wall. The lighting is warm and focused on the hands and the wood.

Environmental, Social, and Governance

🔍 What does it mean to build something enduring?

Our Approach to Sustainability

Cleo's mission is to change the world's relationship with money, built on the responsible application of AI. As we grow, we recognise that our environmental and social impact must be managed with the same level of responsibility as our technology, data practices and customer outcomes.

Social Impact

As a financial wellbeing platform, Cleo's strongest ESG contribution arises from its impact on people. Cleo's products support users in budgeting, reducing fees, improving credit scores and managing financial shocks. Outcomes that are closely linked to long term social sustainability.

During 2025, Cleo continued to grow its global team, expanding to 515 employees at year end, a 46% increase from 2024, while maintaining flexible hybrid work policies that reduce commuting emissions and support employee wellbeing.

Graduate Programme

At Cleo, we're building an inclusive Machine Learning & Engineering team and offering exciting opportunities for Junior and Graduate Engineers, under our Early Careers Programme. Our programme is open to graduates in computer science, engineering, mathematics, coding bootcamp alumni, or self-taught individuals.

These junior engineers work alongside experienced engineers, data analysts, and designers to create features that enhance our customers' financial health. Through mentorship and hands-on projects, the programme provides a strong foundation for early-career growth while strengthening Cleo's long-term technical capability.

Women & Non-Binary Engineering Group

Cleo supports a Women and Non-Binary Engineering Group that provides a supportive, inclusive space for frontend, backend, and machine learning engineers. Our community is committed to providing a platform where every voice is heard and valued, helping members connect, grow, and succeed in their careers.

The group focuses on three key areas:

- Skill-sharing and collaboration.
- Visibility, awareness and support.
- Hiring and promoting women and non-binary engineers.

By building a strong network, we aim to empower each other to navigate the unique challenges faced by women and non-binary individuals in engineering. The group hosts two meetings a month, providing space for informal catchups to structured goals & agenda, ensuring there are opportunities for both casual support and focused problem-solving.

This community plays an important role in shaping an inclusive engineering culture where people can do their best work.

Governance of ESG and Climate

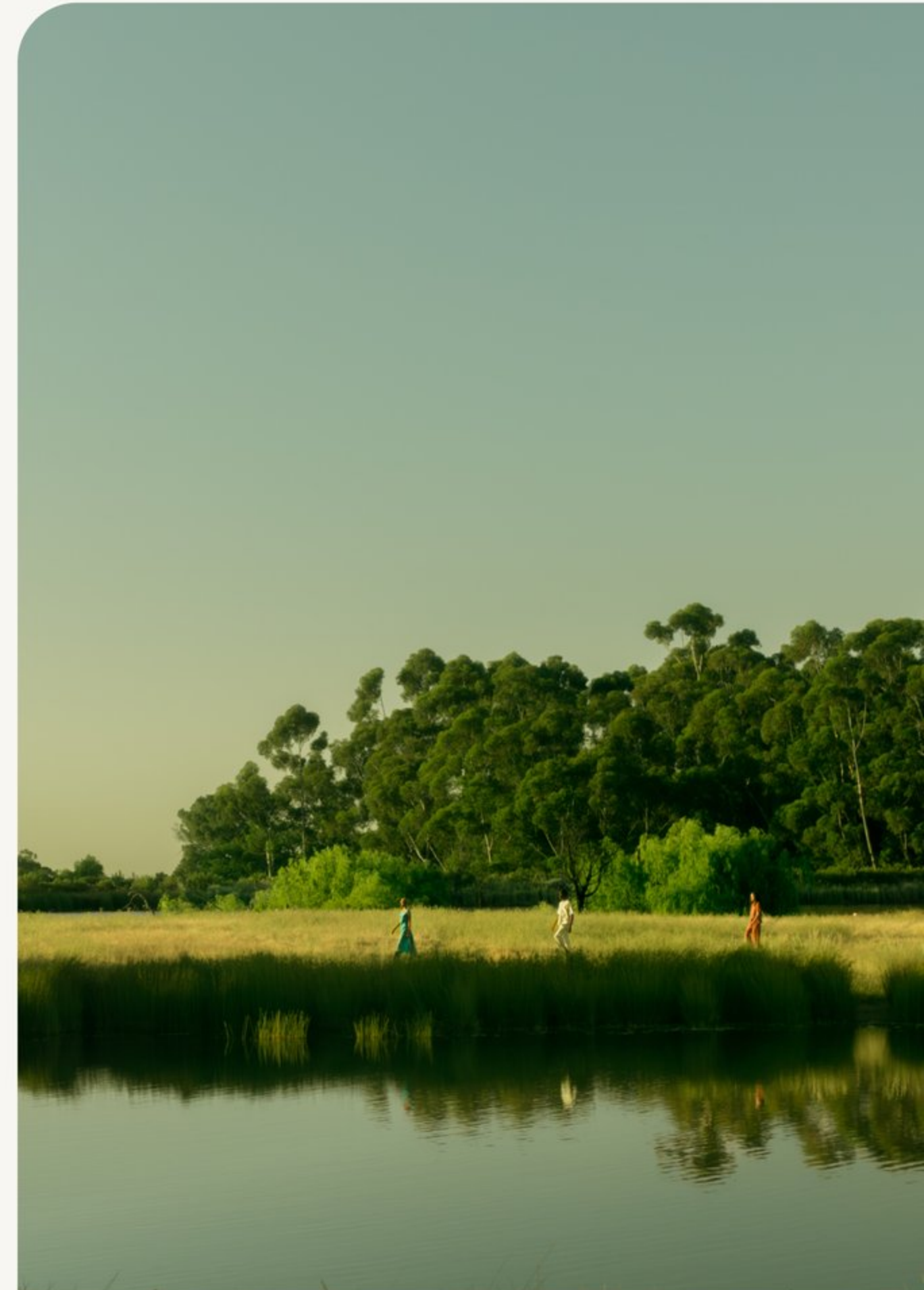
2025 marks our most comprehensive year of ESG reporting to date. We completed our first climate risk and materiality assessment, expanded our emissions reporting, and formalised our operational governance around sustainability. Our approach is intentionally iterative: establishing a baseline, improving data quality, and embedding ESG considerations into decision-making across the company.

Cleo is governed by a board of four directors, with responsibility spanning strategy, performance, risk and governance. While Cleo does not yet have a dedicated climate or ESG committee, climate-related matters now feature more prominently in board-level discussions following the publication of Cleo's first climate disclosure.

During 2025 Cleo initiated its ESG governance framework, including:

- Board-level oversight of climate and sustainability issues.
- Operational management ownership of climate risks, aligned with Cleo's existing three-lines-of-defence risk model.
- A proposed operational climate lead, with responsibility for coordinating climate disclosures and decarbonisation initiatives.

These changes ensure climate and ESG issues receive visibility at the right levels while Cleo continues to build capability.



Energy Usage and Greenhouse Gas Emissions

As Cleo is classified as a large unquoted Company under the definitions set in Section 465 and 466, Chapter 15 of Companies Act 2006, it needs to comply with the government legislation implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") on Streamlined Energy and Carbon Reporting (SECR).

Cleo completed a full greenhouse gas (GHG) emissions inventory across Scopes 1, 2 and 3 in line with the GHG Protocol Corporate Accounting and Reporting Standard, the world's most widely adopted framework for carbon measurement. Consistent with best practice, Cleo applies the operational control approach to define its organisational boundary, meaning all facilities and activities over which Cleo has full authority to implement operational policies are included within the inventory. This boundary covers Cleo's UK-based headquarters and its global remote workforce, reflecting the Company's digitally native, distributed operating model.

Emissions were quantified using recognised emissions factors and reported in tonnes of CO₂ equivalent (tCO₂e), ensuring comparability and accuracy across reporting years.

Scope 2: Indirect GHG emissions from the generation of purchased electricity consumed by the Company.

Scope 3: All other indirect emissions that occur in the Company's value chain.

No direct Scope 1 emissions arise as the Company operates from fully electric premises with no natural gas consumption, company-owned vehicles, or refrigerant losses.

Cleo's 2025 inventory therefore provides a comprehensive view of the Group's environmental footprint and serves as a foundation for future emissions reduction planning, supplier engagement and disclosure improvements. As a first year inventory, the Group recognises data limitations and will continue to improve coverage and methodology in future reporting cycles.

Scope 3 emissions represent 99% of Cleo's footprint, driven largely by purchased goods and services, capital goods, and business travel.

Electricity usage increased by 123%, partly driven by significant headcount growth, but also due to the transition to our Head office in the year, with an overlap of leases. This also caused Scope 2 emissions to increase by 90%.

Scope
Scope 2
Scope 3

Total All Scopes

Energy Consumption	(kWh)	
Energy Type	FY2025	FY2024
Electricity	119,917	53,855
Gas	0	0
Transport Fuel (Grey FLEET)	0	0
Total Energy	119,917	53,855

Energy Intensity Ratio	(kWh)	
Intensity Ratios	FY2025	FY2024
Average UK Headcount (FTE)	295	238
Energy Intensity [kWh PER FTE]	406.50	226.28
Carbon Intensity [tCO ₂ e PER FTE]	0.07	0.05

Emissions Summary

Activity Category	Total Emissions (tCO ₂ e)
Indirect GHG Emissions from Purchased Energy	21.2
Other Indirect Emissions	2812.6
Category 1: Purchased Goods & Services	1456.8
Category 2: Capital Goods	750.9
Category 3: Fuel- & Energy-Related Activities	4.82
Category 4: Upstream Transportation & Dist.	1.05
Category 5: Waste Generated in Operations	0.33
Category 6: Business Travel	333.9
Category 7: Employee Commuting	208.7
Category 8: Upstream Leased Assets	56.1
Total All Scopes	2833.8

	(kWh)		Total Emissions (tCO ₂ e)
	FY2025	FY2024	
	119,917	53,855	+122.7%
	0	0	-
	0	0	-
	119,917	53,855	+122.7%

	(kWh)		Change
	FY2025	FY2024	
	295	238	+23.9%
	406.50	226.28	+79.6%
	0.07	0.05	+43.9%

Energy Efficient Actions

Cleo continues to operate from energy-efficient office spaces with:

- 100% electric operations (no gas consumption).
- No company-owned vehicle fleet.
- Remote/hybrid working policy reducing office energy demand.
- Use of energy-efficient IT equipment.

Climate-Related Risks and Opportunities

Cleo conducted its first climate risk assessment covering physical and transition risks across short, medium and long-term horizons.

Physical Risks Identified:

- Windstorms: Potential disruption to office access and infrastructure, though mitigated by strong remote-working capability.
- Extreme heat: Low risk at Cleo's primary office location.
- Surface water flooding: Very low risk at Cleo's primary office location.

Across all scenarios assessed to date, Cleo's distributed workforce and digital-first operations significantly reduce operational exposure.

Transition Risks

Key transition risks include:

- Regulatory requirements for climate reporting, including expanding disclosure frameworks.
- Public scrutiny of AI energy use, especially related to model training and cloud consumption.
- Investor expectations for ESG alignment.
- Technology shifts requiring greener compute resources.

Cleo has identified opportunities such as green cloud partnerships, internal sustainability KPIs, and optimisation of AI models for lower energy use.

ESG Action Plan and Roadmap

Cleo has drafted an ESG and climate roadmap, which includes the initiatives summarised below.

Governance & Oversight

- Assign a board member or committee oversight for climate and sustainability.
- Appoint a senior operational climate lead.

Decarbonisation & Data Quality

- Set measurable emissions reduction targets for Scope 2 and selected Scope 3 categories
- Improve emissions data quality through investment in tools and supplier engagement
- Seek external assurance for future disclosures, such as SBTi approval

Risk Management Integration

- Incorporate climate risk formally into Cleo's risk register and quarterly risk reviews.
- Conduct annual climate materiality and scenario assessments, progressing from qualitative to quantitative over time.

Stakeholder Engagement & Training

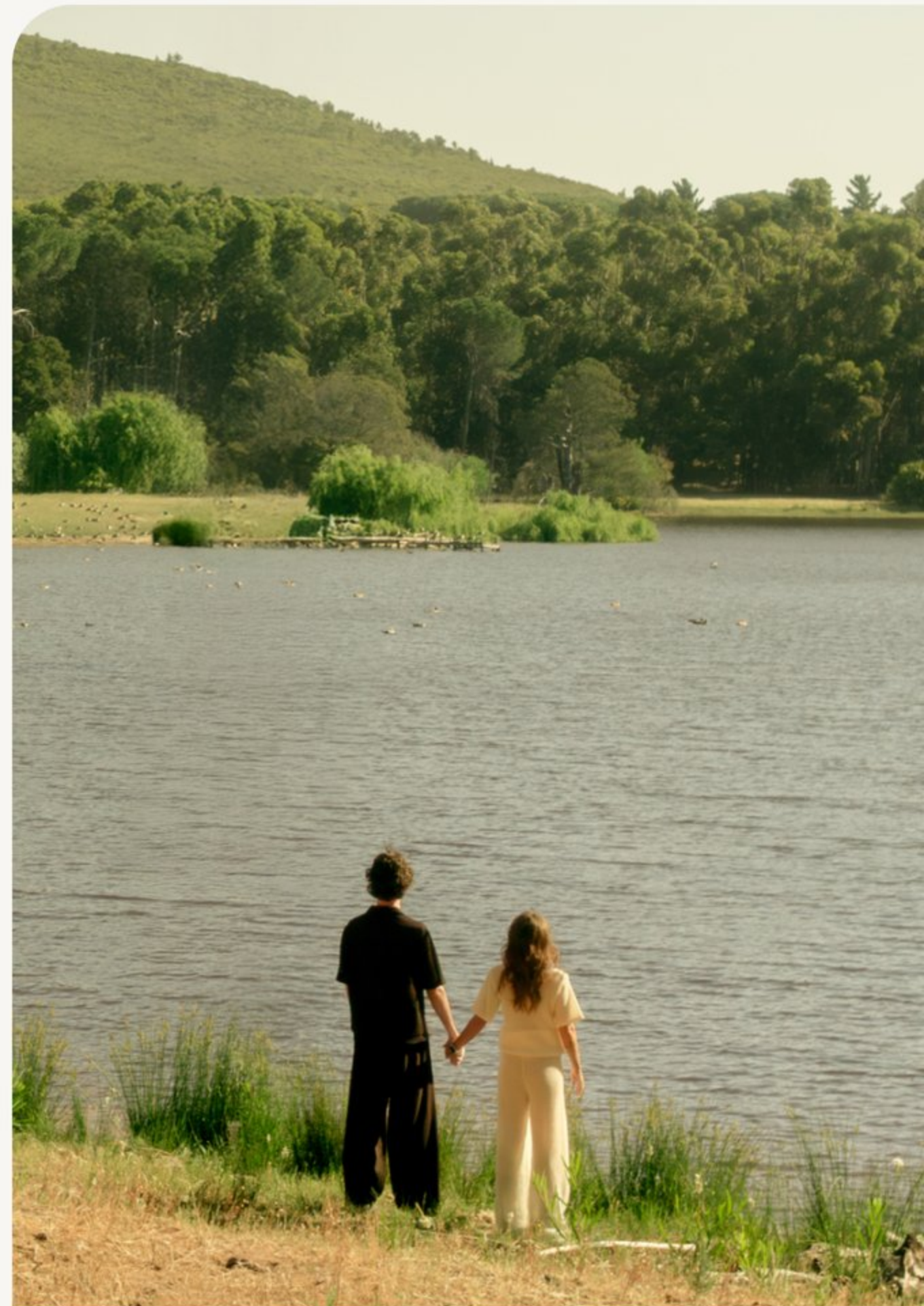
- Develop an employee climate training programme.
- Establish structured engagement for investors, employees and suppliers.

These actions support Cleo's ambition to strengthen its ESG maturity year-on-year and meet emerging regulatory and investor expectations.

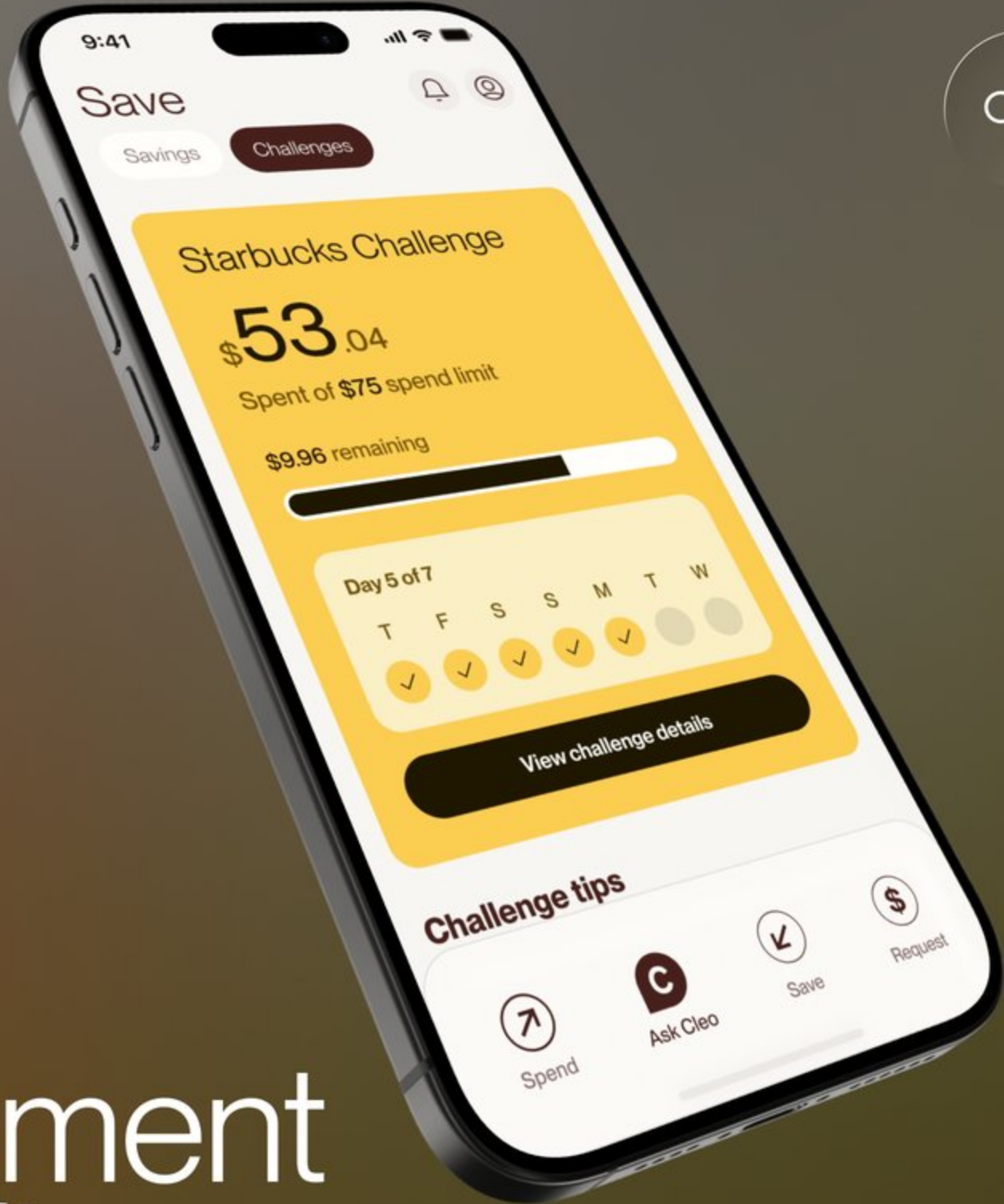
Summary

2025 represented a foundational year in Cleo's ESG journey. We strengthened governance, enhanced transparency and developed the processes needed to integrate climate and sustainability considerations into strategic planning.

Our focus for the coming year is to build on this foundation, embedding ESG across operations, setting measurable climate targets, improving data quality, and continuing to deliver positive impact for our customers, employees and stakeholders.



Risk Management & Compliance



What keeps you up at night... and how do you handle it?

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Risk Management & Compliance

Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategic plans are subject to several risks and uncertainties. Cleo's approach to risk management is designed to be proportionate, forward-looking, and aligned with the scale and complexity of the business. The Group's internal control framework is aligned to the 'three lines of defence' model. Operational Management is the first line, and they are primarily responsible for the direct management of risk, ensuring that appropriate mitigating controls are in place and that they are operating effectively. The second line is formed of the Company's internal governance functions such as legal and compliance, commercial finance, internal controls and the wider finance function. The third line includes other third-party advisors and experts as well as our independent auditors.

The Company will continue to assess its risk management processes to ensure they remain fit for purpose. The Company maintains a risk register which is reviewed regularly by the senior team.

The analysis contained in the risk register forms the basis of the principal risks and uncertainties detailed below. These risks are not intended to be exhaustive, and additional risks may arise that are not currently known or are not presently considered material.

Business and Retail Risk

The Group is exposed to business and retail risk arising primarily from its consumer-facing financial products and from counterparties and partners supporting the delivery of those products.

Description and impact — Retail risk arises principally from Cleo's provision of financial products that involve advancing funds to users, including Earned Wage Access ("EWA") and other related offerings. These products expose the Group to the risk that customers may be unable or unwilling to repay amounts advanced, particularly during periods of economic stress or rising unemployment.

Management outlook

- Dynamic monitoring, with ongoing review of repayment performance and delinquency trends to enable timely intervention
- Extensive stress testing and scenario analysis for new financial products
- Product controls and limits, including caps on advance amounts and careful assessment of eligibility thresholds
- Ongoing investment in risk management capabilities

Competitive Environment

The Group operates in a highly competitive market where the actions of the Group and its competitors could have an adverse impact on the Group.

Description and impact — The Group has several competitors offering similar products. If a new or existing competitor can provide an improved service or product then there is a risk to the Group's competitiveness.

Management outlook

- Diversification across multiple revenue streams through new product development.
- Offering competitive subscription prices.
- Ensuring constant development and iteration of current products.

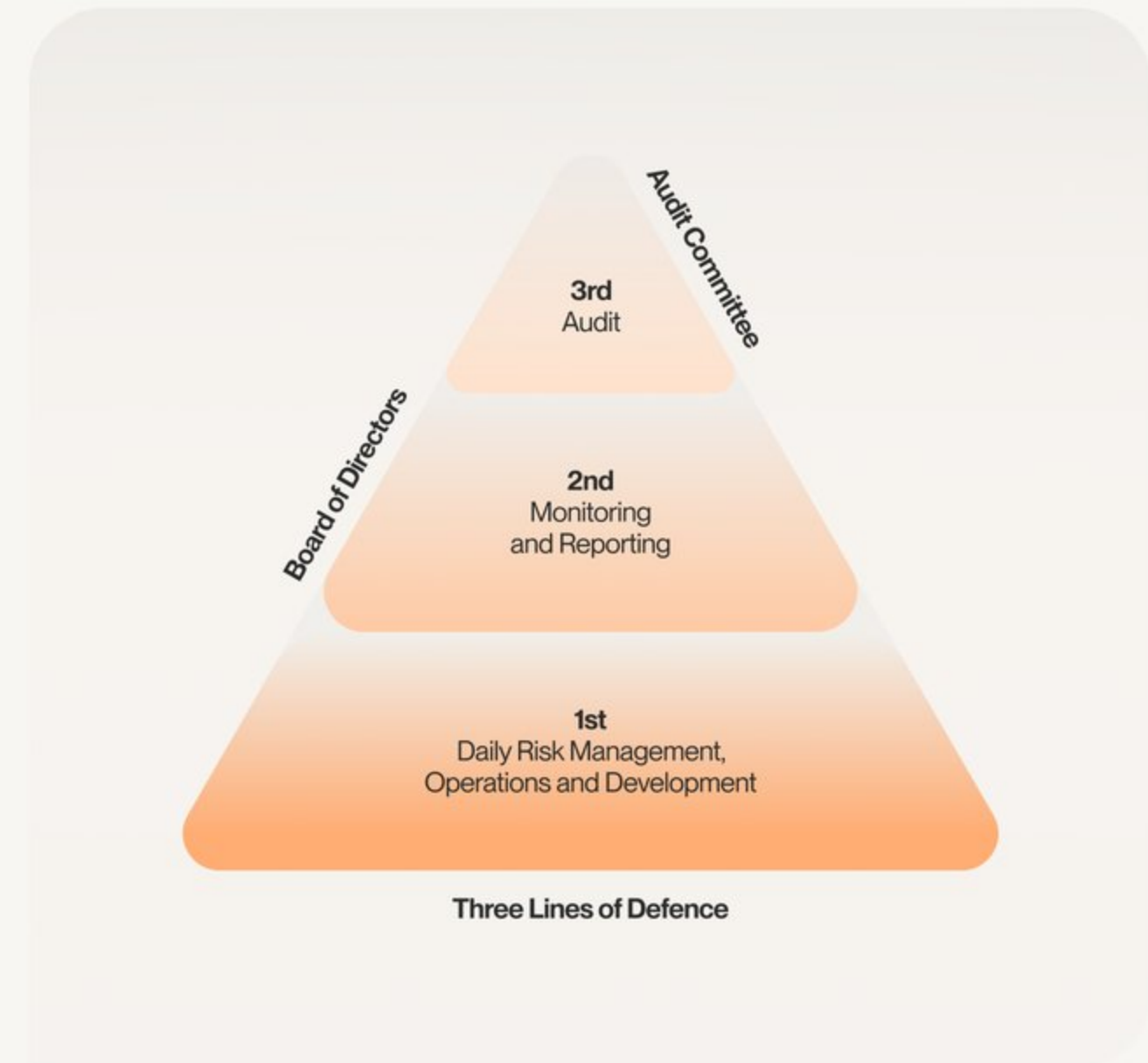
Data protection

Non-compliance with various data protection related regulations could lead to fines for the Group.

Description and impact — This includes GDPR, GLBA and US state data security/ privacy regulations.

Management outlook

- Cleo has a number of policies and internal controls in place to manage and mitigate risk to data security, including Access Rights, Privacy and Information Security.
- Regular training across the business on data protection obligations.



Laws and Regulations / Litigation

Non-compliance with various laws and regulations could lead to fines, sanctions, or legal liabilities.

Description and impact — This includes US state EWA licensing and regulations as well as state or federal regulatory scrutiny around consumer protection. The global nature of Cleo's business requires it to operate within the regulatory frameworks of multiple jurisdictions, each with its own set of requirements. As the Company continues to grow, its presence in the United States also brings increased visibility, including the potential for engagement with private litigants within a more active legal environment.

Management outlook

- A dedicated legal and compliance team responsible for staying up-to-date with changes in relevant laws and regulations, ensuring the Group's adherence to all applicable rules.
- Active participation in industry groups such as the American Fintech Council to gain insights into emerging regulatory changes and share best practices with peers.
- The Cleo legal and compliance team works closely with regulatory bodies, external counsel, and industry experts to assess and respond to new or evolving regulations.
- Periodic internal testing of regulatory controls and annual risk assessments
- Training for the wider business covering laws and regulations.

Terms and conditions for Cleo's products and services that provide for a class action waiver, and arbitration, those terms are affirmatively consented to prior to any service being provided, and there is a regular re-consent process to ensure consistent application of the terms across the user base.

IT Systems and Security

The Group relies on a large number of IT systems and software platforms. Many are interdependent and a failure in any could disrupt the operations of the Group. The Group also holds consumer data which could be susceptible to theft.

Description and impact — Any failure of the Group's IT systems through an attack or malfunction could impair the operations of the business. If there was a theft or breach of data held this could lead to severe reputational damage for the Group.

Management outlook

- A dedicated team to review IT and systems security compliance.
- Maintaining separate platforms for portals and the app.
- Restricting access to systems and following the principle of least privilege.

Reputational and Brand Damage

The Group has a respected brand which could be easily damaged by poor press or customer service.

Description and impact — Any impairment to the Group's brand could directly lead to a fall in consumer confidence and loss of subscribers and therefore revenue. Partners that the Group rely on to operate could also terminate their relationships as a result of reputational damage.

Management outlook

- Continually investing in the groups brand.
- Regular user interviews to obtain feedback to drive improvements.
- Ensuring employees have a clear vision of the Group strategy and how to execute it.

Foreign Exchange Risk

Potential foreign exchange volatility due to macro economic factors which affect the business.

Description and impact — The Group incurs costs in USD, GBP, EUR and PLN therefore any fluctuations in exchange rates could be significant.

Management outlook

- Close monitoring of USD v GBP currency exposure by the finance team.
- Holding bank accounts in USD, GBP and PLN.



Emerging Risks

Cleo continues to scale its operations, expand its product portfolio, and enter new geographic markets, the risk landscape in which the Group operates is evolving. The Board recognises that growth, innovation, and increased scale introduce new and emerging risks alongside those already identified.

The Group's risk management strategy therefore adopts a forward-looking approach to emerging risks that is proportional to the changing nature and complexity of the business.

Regulatory and Compliance Outlook

The regulatory environment for fintech and AI-enabled financial services continues to develop rapidly, with increasing focus on consumer protection, transparency, data use, and the governance of automated and AI-driven decision-making. As Cleo expands into additional jurisdictions and broadens its product offering, the Group expects:

- Greater regulatory scrutiny across multiple regimes, particularly in relation to consumer communications, product design, and affordability considerations.
- Increased complexity arising from differing regulatory expectations between geographies, including variations in financial services regulation, data protection requirements, and AI-specific frameworks.
- Ongoing evolution of AI regulation, which may require enhancements to governance, model oversight, and internal controls.

Management outlook

Cleo continues to strengthen its legal, compliance, and risk management capabilities in line with business growth. The Group maintains active engagement with regulators, invests in scalable compliance infrastructure, and embeds regulatory considerations early in product development and market entry decisions. This approach is intended to support sustainable growth while maintaining high standards of consumer trust and regulatory compliance.

Geopolitical and Macroeconomic Environment

The global operating environment remains subject to heightened geopolitical uncertainty and macroeconomic volatility. As Cleo grows internationally, the Group may be increasingly exposed to:

- Changes in geopolitical conditions that could affect cross-border operations, regulatory alignment, or access to talent and partners.
- Macroeconomic pressures, including inflation, interest rate movements, and economic slowdowns, which may influence consumer behaviour, credit performance, and demand for financial products.
- Increased exposure to currency fluctuations and funding market conditions as the Group's geographic footprint expands.

Management outlook

The Group seeks to mitigate these risks through geographic and product diversification, disciplined capital and liquidity management, and ongoing scenario planning. The Board regularly reviews macroeconomic and geopolitical developments to assess potential impacts on strategy, financial performance, and operational resilience.

Growth, Product Expansion and Operational Scale

Cleo's strategy involves continued innovation, expansion into new markets, and the launch of additional products to support users across more aspects of their financial lives. As a result, the Group anticipates:

- Increased operational and execution risk associated with scaling systems, processes, and teams.
- Greater complexity in risk management and underwriting models as products and customer segments diversify.
- Enhanced reliance on third-party partners, platforms, and infrastructure to support growth.

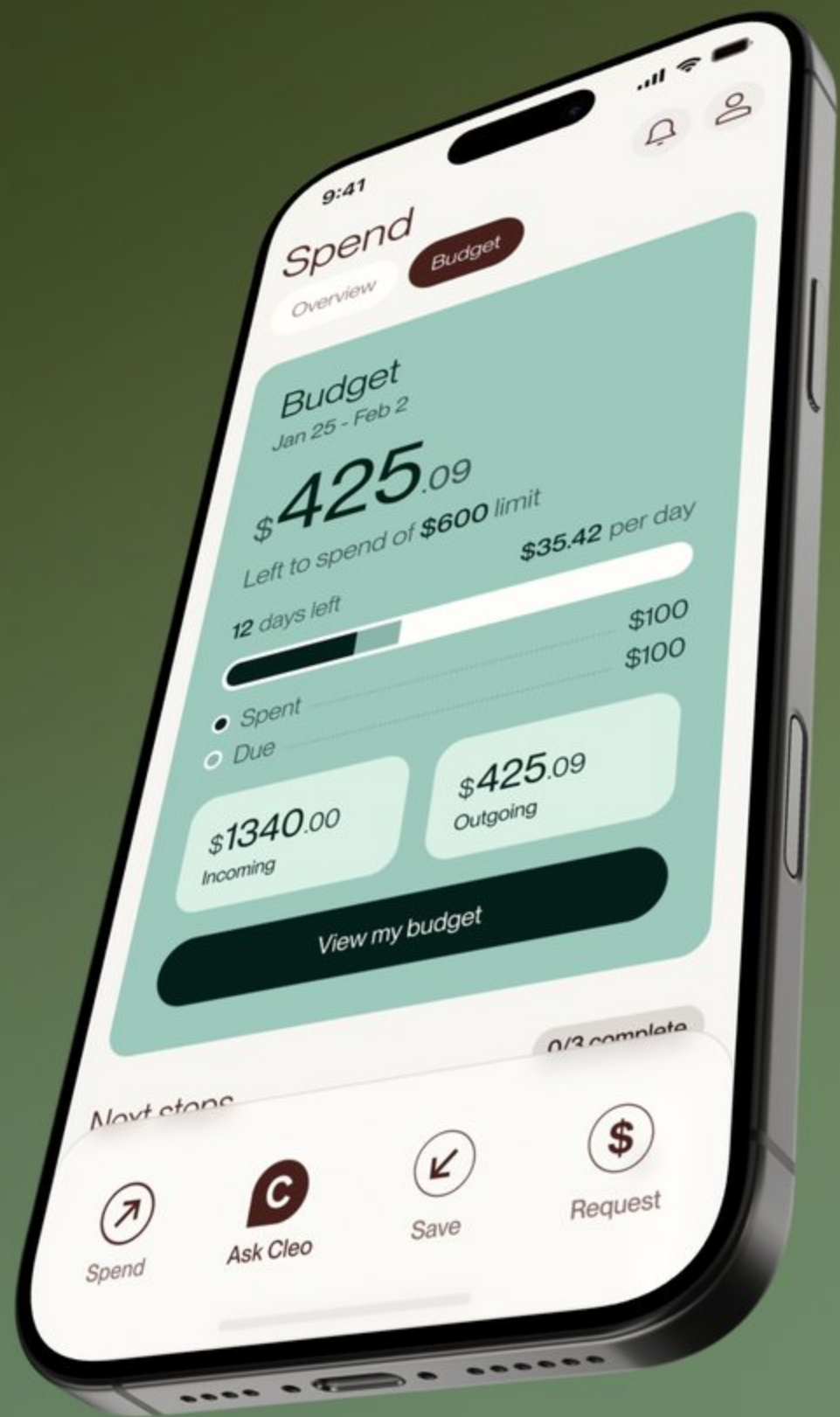
Management outlook

The Group applies structured governance and risk assessment processes to new product launches and market entries. Investment in technology, data, and risk capabilities is prioritised to ensure that internal controls, oversight, and operational resilience evolve alongside the business.

Overall Risk Management Perspective

The Board believes that Cleo's success depends on its ability to identify and manage emerging risks proactively while continuing to innovate and grow. The Group's risk management framework is therefore reviewed regularly to ensure it remains appropriate for the scale and complexity of the business, supporting sustainable growth and long-term value creation for stakeholders.

Governance Overview



How does Cleo ensure responsible growth?

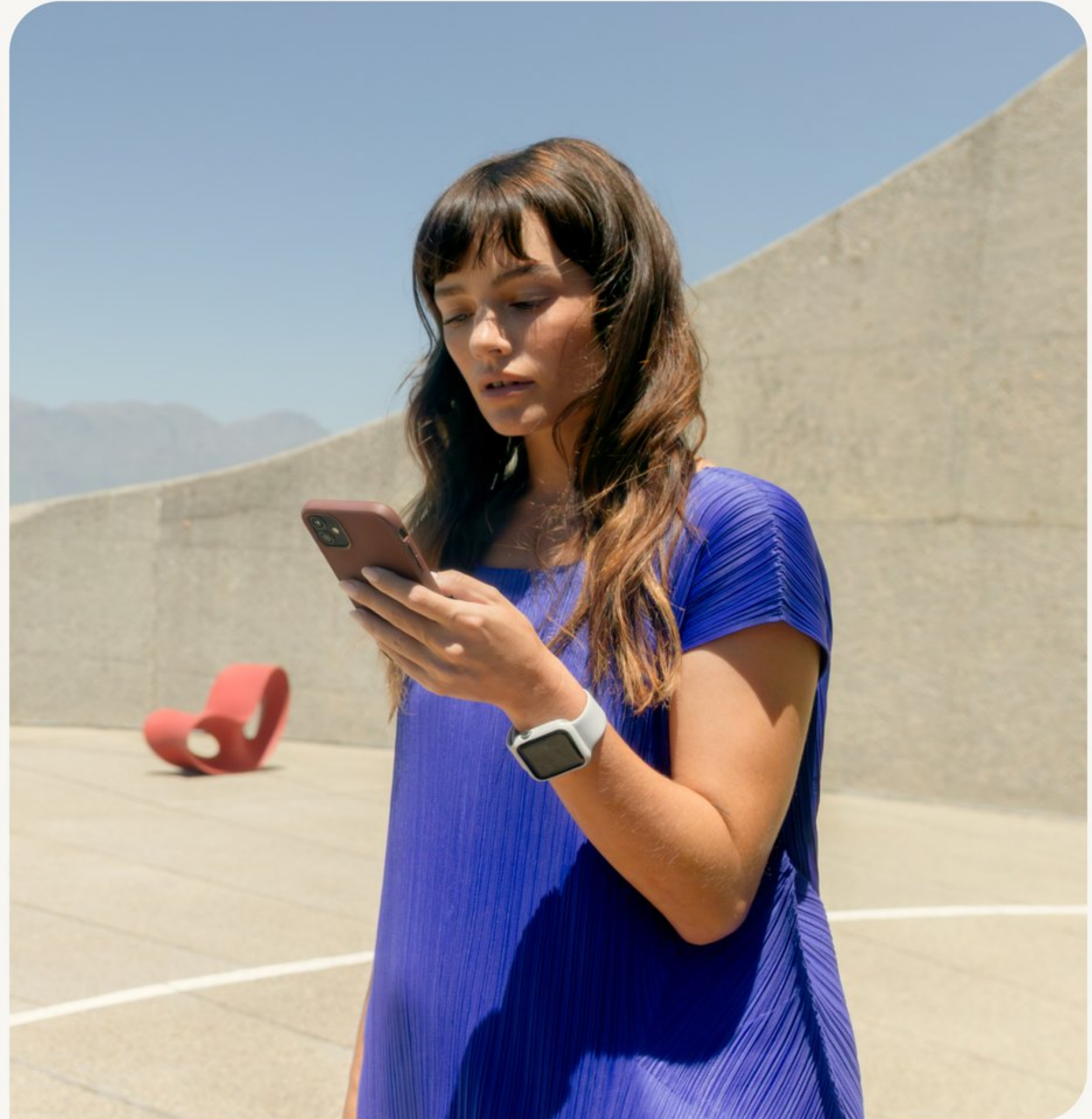
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Governance Overview

Cleo is committed to maintaining the highest standards of corporate governance as we continue to grow and mature as a business. Our governance framework is designed to support sustainable, long-term value creation for all stakeholders: our customers, employees, investors, and the wider community.

2025 was a pivotal year for Cleo as we continued to strengthen our governance infrastructure to reflect our scale and strategic ambitions. The Board focused on ensuring effective oversight of our financial, operational, and non-financial performance while maintaining a culture of accountability and transparency. During the year, we formally established Audit and Remuneration Committees, further enhancing Board oversight and aligning our governance structure with best practice among global fintechs.

We believe that good governance is not simply about compliance, but about embedding the right values, behaviours, and decision-making processes across the Group.



The Board

Cleo's Board comprised four Directors, bringing together a balance of entrepreneurial, financial, and governance expertise appropriate for a technology-led financial services company.



Barney Hussey-Yeo

Appointment Date: 9th November 2015
Committee Membership: N/A

Experience

Barney founded Cleo in 2016, drawing on his expertise in data science and machine learning to build one of the UK's fastest-growing fintech companies. Before launching Cleo, he completed an M.Sc. in Machine Learning at the University of Bristol and worked as a data scientist, where he developed a strong belief in the potential of AI to reshape financial services.

Since founding the company, he has led Cleo through multiple funding rounds, raising over \$137 million.



Rob Moffat

Appointment Date: 11th February 2019
Committee Membership: Audit Committee

Experience

Rob joined Balderton Capital in 2009 and was promoted to partner in 2015.

Rob's focus sectors are fintech, mobile consumer and vertical AI. Rob works closely with companies including Cleo, Stream, Primer, Zego, Premialab, PlayPlay, Agave, Lassie, Qargo, Lawhive, Light, Taktile and Carwow. Prior investments include Dream Games (acquired by CVC), Wooga (acquired by Playtika) and Numeral (acquired by Mambu).

The Board

Cleo's Board comprised four Directors, bringing together a balance of entrepreneurial, financial, and governance expertise appropriate for a technology-led financial services company.



Tom Mendoza

Appointment Date: 11th June 2020

Committee Membership: Remuneration Committee

Experience

Tom started his career in the world of hedge funds at ING and PSAM, where he led and managed event-driven investments within technology and financial services.

Having built and bootstrapped the business from initial concept into a global and fast-growing profitable connectivity service, Tom then sold Tep to DHL in 2018. Prior to joining EQT Ventures, Tom was responsible for HotelTonight's international expansion across the UK and Ireland, the company's largest international market.

As a Partner at EQT Ventures, Tom focuses on opportunities within fintech and crypto.



Anthony Keusters

Appointment Date: 5th April 2022

Committee Membership: Audit Committee

Experience

Anthony represents the Sofina shareholding within team.blue, and as investment professional at Sofina, he focuses on investments in technology.

Anthony led Sofina's recent investment in team.blue. Other Sofina investments Anthony is involved in are Drylock, Lillydoo and Collibra.

Before joining the investment team at Sofina in 2017, Anthony worked as a tax & legal counsel for Sofina and as a tax consultant for Deloitte. Anthony holds a Master in Law and Postgraduates in Finance.

Governance Framework

Cleo's governance framework is designed to ensure clarity of accountability and effective oversight across all aspects of our operations. The framework is proportional to the Group's current size and stage of development, but consistent with the principles of the UK Corporate Governance Code and relevant regulatory expectations.

The Board

The Board provides entrepreneurial leadership and strategic direction to Cleo, setting clear objectives and ensuring that management delivers against them responsibly. It oversees performance, monitors risk, and ensures that the business operates with integrity and in alignment with our purpose - to help people improve their relationship with money through AI-driven financial empowerment.

The Board meets regularly throughout the year, supported by the executive leadership team. Meetings are structured to allow sufficient focus on key strategic matters, financial performance, risk management, regulatory obligations, and talent development.

Summary of Board activities and key areas of focus during 2025:

Strategy

- Oversight of Cleo's growth strategy and expansion into new international markets.
- Considering longer-term strategic opportunities and risks that may impact Cleo's business model, technology platform, and growth trajectory - including market trends, competitive dynamics, and regulatory developments relevant to AI-driven financial services.
- Reviewing and approving the scope of new product and feature proposals, particularly where initiatives extend beyond Cleo's established product strategy or represent entry into new markets, customer segments, or regulatory environments. The Board ensures that such proposals align with Cleo's mission, risk appetite and long-term strategic priorities.

Business & Financial Performance

- Approving our Group FY2026 budget and longer 5 year business plan to 2030.
- Monitoring our performance against budget and approving revised forecasts.
- Approving our FY2024 Group annual report and its financial website disclosures.

Risk & Compliance

- Reviewing and approving the Group's risk appetite framework.
- Overseeing key risk areas and associated change programmes.
- Strengthening financial controls and compliance systems in anticipation of regulatory changes.

Corporate Governance

- Establishing and resourcing the Audit and Remuneration Committees.
- Approving the reappointment of RSM as auditors.

Remuneration

- Reviewing our approach to remuneration and incentives to align with long-term success.
- Approving share option exercises.
- Approving our key remuneration policies.

The Board is satisfied that it has operated effectively throughout the year and that it possesses the right mix of skills, experience, and independence to support Cleo's ambitions.



The Board Committees

Audit Committee

The Audit Committee oversees the integrity of Cleo's financial reporting, internal controls, and risk management framework. It is responsible for reviewing the effectiveness of internal and external audit processes and ensuring that Cleo maintains strong financial discipline and transparent reporting.

Key activities in the year included:

- Reviewing and enhancing internal control procedures;
- Overseeing Cleo's external audit process, including reappointing RSM as group auditors; and
- Assessing Cleo's risk management and compliance functions, including data privacy and information security.

Remuneration Committee

The Remuneration Committee was established to design and oversee Cleo's approach to executive remuneration, ensuring it is aligned with long-term value creation, responsible risk-taking, and stakeholder expectations.

During 2025, the Committee reviewed our performance and reward framework, introduced a consistent approach to variable pay, and began developing policies to ensure fairness, competitiveness, and transparency across the business.

Key activities in the year included:

- Reviewing our approach to remuneration and incentives to align with long-term success.
- Approving share option exercises.
- Approving our key remuneration policies.

Governance in Action

Governance at Cleo is not static - it is an evolving framework that underpins our mission and culture. 2025 saw Cleo take significant steps to strengthen governance maturity and embed accountability at every level of the organisation.

Key activities in the year included:

- Enhancing our three lines of defence model across risk and compliance.
- Strengthening internal audit capability and expanding Board reporting on risk.
- Formalising Cleo's ESG governance structure, ensuring Board-level oversight of environmental and social initiatives;
- Establishing clear escalation pathways for whistleblowing and employee concerns.
- Conducting an internal Board effectiveness review, identifying opportunities to improve strategic focus and diversity of thought.

Cleo's governance culture continues to evolve in line with our growth trajectory and regulatory expectations. The Board remains committed to continuous improvement, ensuring our governance framework supports innovation, resilience, and trust.



Statutory Governance Reporting s172

The Directors recognise their duty under Section 172(1) of the Companies Act 2006 to act in a way that promotes the long-term success of Cleo for the benefit of its members as a whole, while having regard to the interests of its employees, customers, investors, partners, regulators, and the wider community.

Cleo's mission is to help people improve their relationship with money and this guides the Board's decision-making and shapes how we deliver sustainable growth. As a growing technology company, maintaining strong and transparent relationships with our key stakeholders is fundamental to our continued success. The Board actively considers the potential impact of its decisions on each stakeholder group and ensures these perspectives are reflected in our strategy, culture, and day-to-day operations.

In fulfilling its Section 172 duties, the Board remains focused on balancing short-term priorities with long-term objectives, supporting innovation while maintaining responsible governance, and ensuring Cleo continues to operate with integrity, inclusion, and accountability.

The following sections outline how the Board has engaged with stakeholders during the year and how these engagements have influenced key decisions in 2025.

s172 Consideration	Annual Report Section	Page Number
Consequences of any decision in the long term	Strategic Report; Company Overview	10
	Strategic Report; Environmental, Social and Governance	31
Interests of the Company's employees	Strategic Report; Our People	23
Fostering business relationships with suppliers, customers and others	Strategic Report; Engaging with Stakeholders	29
Impact of operations on the community and the environment	Strategic Report; Environmental, Social and Governance	31
Maintaining a reputation of high standard of business conduct	Risk Management & Compliance	35
	Corporate Governance; Governance Framework	43
Acting fairly between members of the Company	Strategic Report; Engaging with Stakeholders	29

Directors' Report

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31 December 2025.

In accordance with s414C(11) of the Companies Act 2006, and in keeping with the spirit of the UK Corporate Governance Code, some matters required to be included in the Directors' Report have been included elsewhere in the Annual Report. These matters are cross-referenced below and together form part of the Directors' Report.

Disclosures	Annual Report Section	Page Number
Principal Activities of the Company	Strategic Report; Company Overview	10
Business Review	Strategic Report; CEO Statement	5
	Strategic Report; Company Overview	10
Future Developments in the Company's Business	Strategic Report; CEO Statement	5
	Strategic Report; Our Products	14
s172 Statement	Corporate Governance; Section 172 Statement	45
Maintaining & Developing Employee Involvement	Strategic Report; Our People	23
Employee Engagement (inc. Diversity, Equity & Inclusion)	Strategic Report; Our People	23
Stakeholder Engagement	Strategic Report; Engaging with Stakeholders	29
Corporate Governance Standards	Corporate Governance; Governance Framework	43
Group Corporate Governance Framework	Corporate Governance; Governance Framework	43
List of Directors	Corporate Governance; The Board	41
Risk Management and Internal Controls	Risk Management and Compliance	35
Culture and People	Strategic Report; Our People	23
Environmental Reporting	Strategic Report; Environmental, Social and Governance	31
Licences and Authorisations	Engaging with Stakeholders	29
Group Structure and Branches Outside the UK	Notes to the Consolidated Financial Statements; Investments in Subsidiaries (Note 18)	78
Directors' Remuneration	Notes to the Consolidated Financial Statements; Directors' Remuneration (Note 6)	69

Results and Dividends

The results for the year are set out on page 52.

No ordinary or preference dividends were paid. The directors do not recommend payment of a dividend.

Directors' Liabilities

The Group maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the Group.

Research and Development

The Group continues to incur expenditure on research and development in order to develop new products and enhance existing offerings. The Group accounting policy for research and development is discussed in note 1 to these financial statements. The Group capitalised \$10.0m (2024: \$8.2m) in relation to technology development costs.

Political Donations

The Group has not made any political donations to, nor incurred any political expenses in relation to, any registered political parties, organisations or candidates.

Acquisition of Own Shares

We have not purchased any of our own shares (2024: nil).

Financial Instruments

Cleo enters into material financial instruments as part of our normal business operations, see Note 26 for more details. Our financial risk management framework can be found in the 'Risk management' section on pages 35–38.

Please refer to notes 26 and 28 which give information on how we manage liquidity, market and credit risk.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed as auditors for another term and appropriate arrangements will be put in place for them to be deemed reappointed.

Post Balance Sheet Events

Please refer to Note 35 of the Consolidated Financial Statements on page 94 for information about our post balance sheet events.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report, the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

The directors have chosen to prepare the Group Financial Statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the United Kingdom (UK) and the Companies Act 2006 and the Company Financial Statements in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

The law provides that the directors may only approve the financial statements if they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for the financial year to which they relate.

Strategic Report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's strategic report information required by Large and Medium-sized companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of risk exposure and management.



Statement of Disclosure to Auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

In preparing the financial statements, the Directors are required to:

1. Maintain appropriate accounting records which enable the Directors to understand the Company's and Group's transactions and financial position;
2. Select appropriate accounting policies and apply them consistently;
3. Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
4. Make judgements and accounting estimates that are reasonable and prudent;
5. Provide additional disclosures in certain circumstances to ensure that readers of the financial statements can understand the impact of particular transactions and matters on the Group and Company's financial position and financial performance;
6. Ensure that the financial statements comply with the requirements of the Companies Act 2006;
7. Make an assessment of the Group and Company's ability to continue as a going concern; and
8. Use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard assets of the Group and Company and to prevent and detect fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Director Confirmations

The Directors consider that the annual report and accounts, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the company's position, performance, business model and strategy.

Each of the Directors, as of the date of approval of this Directors Report, confirm that:

- So far as the Directors are aware, there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- They have taken all of the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

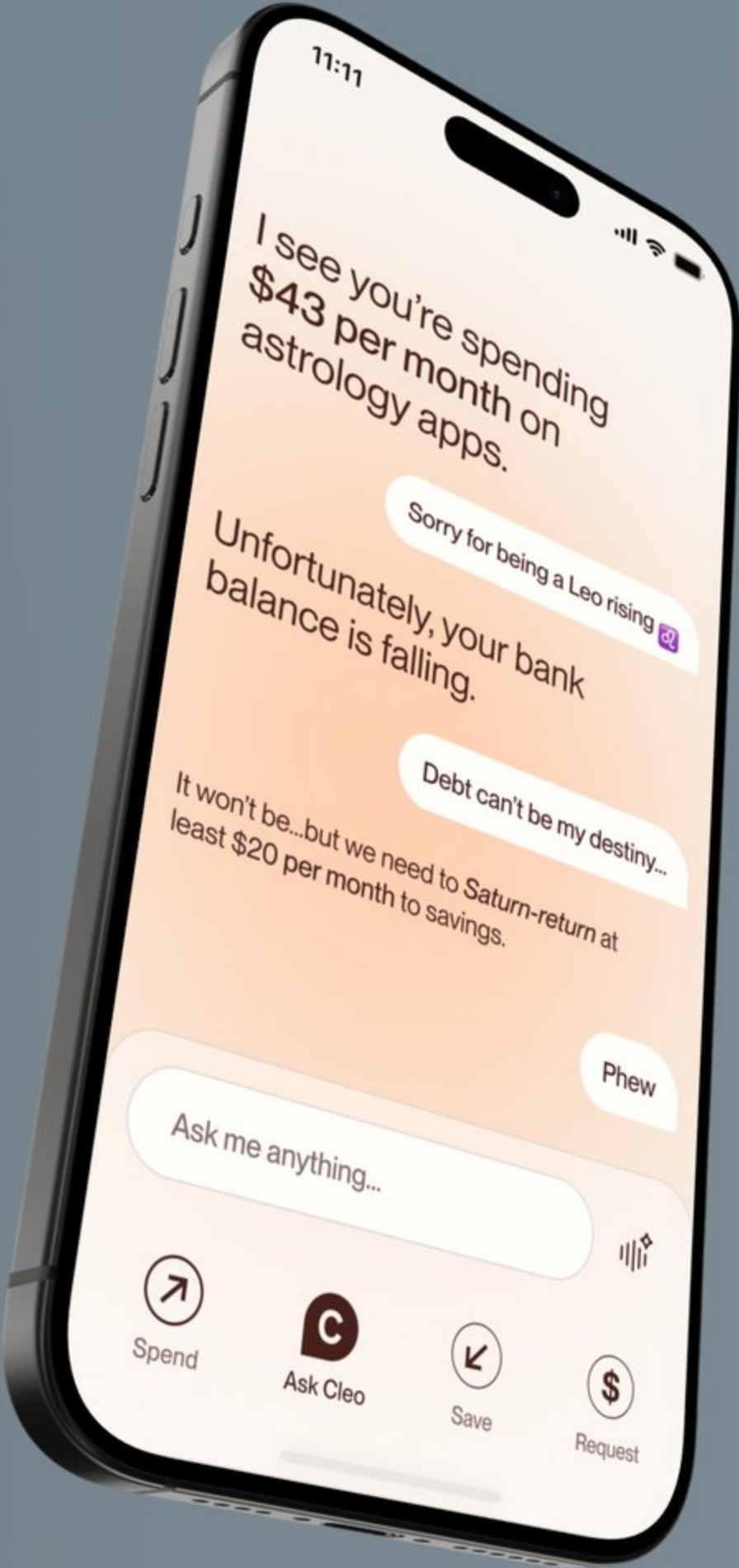
This report was approved by the Board on 03 July 2026 and signed on its behalf



Barney Hussey-Yeo
Director



Financial Statements



What do the numbers actually say?

Strategic Report

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- 004 2025 Highlights
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Risk Management & Compliance

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Governance Overview

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Independent Auditor's Report

Opinion

We have audited the financial statements of Cleo AI Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, Company statement of financial position, consolidated statement of changes in equity, Company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- The Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- The Parent Company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of Matter – FTC settlement

We draw attention to Note 3 to the financial statements, which describes the significant judgement applied by the directors in accounting for the settlement with the U.S. Federal Trade Commission (FTC) as a non-adjusting event under IAS 10 in the prior period financial statements. As set out in the note, the directors have concluded that no present obligation existed on 31 December 2024 and, accordingly, the settlement has been recognised in the current period. This judgement involves consideration of the timing at which an obligation arose under the relevant legal and regulatory framework. Our opinion is not modified in respect of this matter.

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the strategic report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Parent Company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' Remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 47, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team and component auditors:

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the Group and Parent Company operate in and how the Group and Parent Company are complying with the legal and regulatory frameworks;
- Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the control environment

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are UK-adopted IAS, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting correspondence with local tax authorities.

The Group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied by management in the preparation of the financial statements and, in respect of revenue, we gained an understanding of the process and controls operated over revenue recognition, performed walkthrough tests and performed a 3-way match between third-party wallet reports, back-end data and accounting records, supported by transaction sample testing.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our Group audit approach.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our Group audit approach. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

Neil Griggs

Neil Griggs (Senior Statutory Auditor)
03 July 2026

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB



Cleo AI LTD.
Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025
Company Number: 09864205

The loss and total comprehensive loss for the year ended 31 December 2025 derives wholly from continuing operations.

The loss and total comprehensive loss for the year are entirely attributable to the owners of the Parent Company.

The notes on pages 61 to 96 are an integral part of these financial statements.

	Notes	2025 (\$)	2024 (\$) As restated
REVENUE	4	254,119,575	135,700,075
COST OF SALES		[116,171,099]	[54,903,391]
Gross profit		137,948,476	80,796,684
ADMINISTRATIVE EXPENSES		[156,994,943]	[81,463,395]
OTHER OPERATING INCOME		492,895	-
Operating loss	8	[18,553,572]	[666,711]
FINANCE INCOME	10	795,409	547,412
FINANCE COSTS	11	[9,411,433]	[3,901,486]
FAIR VALUE MOVEMENTS ON FINANCIAL LIABILITIES	12	[12,427,664]	[3,199,000]
Loss before taxation		[39,597,260]	[7,219,785]
INCOME TAX EXPENSE	13	163,471	[412,494]
Loss for the financial year		[39,433,789]	[7,632,279]
Other comprehensive income, net of taxation:			
Items that may be subsequently reclassified to profit or loss: Exchange differences on translation of foreign operations		2,121,543	[601,337]
Loss and total comprehensive loss for the year		[37,312,246]	[8,233,616]

Cleo AI LTD.
Consolidated Statement of Financial Position

For the year ended 31 December 2025
Company Number: 09864205

The loss and total comprehensive expense for the year ended 31 December 2025 derives wholly from continuing operations.

The loss and total comprehensive expense for the year are entirely attributable to the owners of the Parent Company.

The notes on pages 61 to 96 are an integral part of these financial statements.

	Notes	2025 (\$)	2024 (\$) As restated	2023 (\$) As restated
Assets				
Non-current assets				
INTANGIBLE ASSETS	14	14,491,382	10,967,536	8,750,247
Property, plant and equipment				
- OWNED	15	3,383,650	574,665	496,667
- RIGHT-OF-USE ASSETS	16	7,712,235	557,247	264,666
DEFERRED TAX ASSET	24	4,228,116	-	-
		29,815,383	12,099,448	9,511,580
Current assets				
TRADE AND OTHER RECEIVABLES	19	83,008,584	54,965,597	19,601,111
CASH AND CASH EQUIVALENTS		42,686,119	26,176,840	32,283,962
CURRENT TAX RECOVERABLE		-	250,304	396,363
		125,694,703	81,392,741	52,281,436
Total assets		155,510,086	93,492,189	61,793,016
Liabilities				
Non-current liabilities				
LEASE LIABILITIES	23	8,595,691	86,863	-
BORROWINGS	25	107,445,130	38,958,672	18,929,701
WARRANT LIABILITIES	27	9,655,000	5,240,000	2,041,000
Total non-current liabilities		125,695,821	44,285,535	20,970,701
Current liabilities				
TRADE AND OTHER PAYABLES	21	23,528,251	12,145,376	7,026,557
LEASE LIABILITIES	23	884,020	378,916	364,591
BORROWINGS	25	3,009,661	4,865,286	-
CURRENT TAX PAYABLE		3,865,621	320,004	-
Total current liabilities		31,287,553	17,709,582	7,391,148
Total liabilities		156,983,374	61,995,117	28,361,849

Cleo AI LTD.
Consolidated Statement of Financial Position

For the year ended 31 December 2025
Company Number: 09864205

The notes on pages 61 to 96 are an integral part
of these financial statements.

The financial statements were approved by the
Board of Directors and authorised for issue on
03 July 2026 and are signed on its behalf by:



Barney Hussey-Yeo
Director

	Notes	2025 (\$)	2024 (\$) As restated	2023 (\$) As restated
Equity				
CALLED UP SHARE CAPITAL	29	63,856	63,851	63,838
SHARE PREMIUM	30	112,091,889	111,849,645	111,608,062
SHARE OPTION RESERVE	30	22,729,528	18,629,891	12,571,966
FOREIGN EXCHANGE RESERVE	30	[35,434]	[2,156,977]	[1,555,640]
RETAINED EARNINGS	30	[136,323,127]	[96,889,338]	[89,257,059]
Total equity		[1,473,288]	31,497,072	33,431,167
Total equity and liabilities		155,510,086	93,492,189	61,793,016

Cleo AI LTD.
Company Statement of Financial Position

For the year ended 31 December 2025
Company Number: 09864205

As permitted by s408 Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income and related notes.

The Company's loss and total comprehensive loss for the year was \$39,332,975 (2024 as restated: \$10,592,423).

	Notes	2025 (\$)	2024 (\$) As restated	2023 (\$) As restated
Assets				
Non-current assets				
INTANGIBLE ASSETS	14	14,491,382	10,967,536	8,750,247
Property, plant and equipment				
- OWNED	15	3,358,170	539,961	483,821
- RIGHT-OF-USE ASSETS	16	7,712,235	557,247	264,666
INVESTMENTS	17	2,169,413	1,233,011	11
		27,731,200	13,297,755	9,498,745
Current assets				
TRADE AND OTHER RECEIVABLES	19	61,261,312	49,074,962	37,611,188
CASH AND CASH EQUIVALENTS		9,937,936	4,634,950	19,842,346
CURRENT TAX RECOVERABLE		-	250,304	396,363
		71,199,248	53,960,216	57,849,897
Total assets		98,930,448	67,257,971	67,348,642
Liabilities				
Non-current liabilities				
LEASE LIABILITIES	23	8,595,691	86,863	-
BORROWINGS	25	68,105,408	13,884,057	18,929,701
WARRANT LIABILITIES	27	9,655,000	5,240,000	2,041,000
Total non-current liabilities		86,356,099	19,210,920	20,970,701
Current liabilities				
TRADE AND OTHER PAYABLES	21	4,128,816	3,259,907	2,177,506
LEASE LIABILITIES	23	884,020	378,916	364,591
BORROWINGS	25	3,009,661	4,865,286	-
Total current liabilities		8,022,497	8,504,109	2,542,097
Total liabilities		94,378,596	27,715,029	23,512,798

Cleo AI LTD.
Company Statement of Financial Position

For the year ended 31 December 2025
Company Number: 09864205

The notes on pages 61 to 96 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 03 July 2026 and are signed on its behalf by:



Barney Hussey-Yeo
Director

	Notes	2025 (\$)	2024 (\$) As restated	2023 (\$) As restated
Equity				
CALLED UP SHARE CAPITAL	29	63,856	63,851	63,838
SHARE PREMIUM	30	112,091,889	111,849,645	111,608,062
SHARE OPTION RESERVE	30	22,729,528	18,629,891	12,571,966
FOREIGN EXCHANGE RESERVE	30	[34,586]	[2,156,911]	[1,555,640]
RETAINED EARNINGS	30	[130,298,835]	[88,843,534]	[78,852,382]
Total equity		4,551,852	39,542,942	43,835,844
Total equity and liabilities		98,930,448	67,257,971	67,348,642

Cleo AI LTD.
Consolidated Statement of Changes in Equity

For the year ended 31 December 2025
Company Number: 09864205

	Note	Called Up Share Capital (\$)	Share Premium (\$)	Share Option Reserve (\$)	Foreign Exchange Reserve (\$)	Retained Earnings (\$)	Total Equity (\$)
As restated for the year ended in 31 December 2024:							
Balance as at 1 January 2024		63,838	111,608,062	6,232,612	[1,449,925]	[80,982,420]	35,472,167
EFFECT OF PRIOR PERIOD ADJUSTMENT	36	-	-	6,339,354	[105,715]	[8,274,639]	[2,041,000]
As restated		63,838	111,608,062	12,571,966	[1,555,640]	[89,257,059]	33,431,167
LOSS FOR THE FINANCIAL YEAR, AS RESTATED		-	-	-	-	[7,632,279]	[7,632,279]
Other comprehensive income, net of tax:							
FOREIGN EXCHANGE GAIN/[LOSS] ON TRANSLATION, AS RESTATED		-	-	-	[601,337]	-	[601,337]
Loss and total comprehensive loss for the year, as restated		-	-	-	[601,337]	[7,632,279]	[8,233,616]
Transactions with owners in their capacity as owners:							
ISSUE OF SHARES	29	13	241,583	-	-	-	241,596
SHARE BASED PAYMENT CHARGE	7	-	-	6,057,925	-	-	6,057,925
Total transactions with owners in their capacity as owners		13	241,583	6,057,925	-	-	6,299,521
Balance as at 31 December 2024, as restated		63,851	111,849,645	18,629,891	[2,156,977]	[96,889,338]	31,497,072
LOSS FOR THE FINANCIAL YEAR		-	-	-	-	[39,433,789]	[39,433,789]
Other comprehensive income, net of tax:							
FOREIGN EXCHANGE GAIN/[LOSS] ON TRANSLATION		-	-	-	2,121,543	-	2,121,543
Loss and total comprehensive loss for the year		-	-	-	2,121,543	[39,433,789]	[37,312,246]
Transactions with owners in their capacity as owners:							
ISSUE OF SHARES	29	5	242,244	-	-	-	242,249
SHARE BASED PAYMENT CHARGE	7	-	-	4,099,637	-	-	4,099,637
Total transactions with owners in their capacity as owners		5	242,244	4,099,637	-	-	4,341,886
Balance as at 31 December 2025		63,856	112,091,889	22,729,528	[35,434]	[136,323,127]	[1,473,288]

Cleo AI LTD.
Company Statement of Changes in Equity

For the year ended 31 December 2025
Company Number: 09864205

	Note	Called Up Share Capital (\$)	Share Premium (\$)	Share Option Reserve (\$)	Foreign Exchange Reserve (\$)	Retained Earnings (\$)	Total Equity (\$)
As restated for the year ended in 31 December 2024:							
Balance as at 1 January 2024		63,838	111,608,062	6,232,612	[1,449,925]	[70,577,743]	45,876,844
EFFECT OF PRIOR PERIOD ADJUSTMENT	36	-	-	6,339,354	[105,715]	[8,274,639]	[2,041,000]
As restated		63,838	111,608,062	12,571,966	[1,555,640]	[78,852,382]	43,835,844
LOSS FOR THE FINANCIAL YEAR, AS RESTATED		-	-	-	-	[9,991,152]	[9,991,152]
Other comprehensive income, net of tax:							
FOREIGN EXCHANGE GAIN/[LOSS] ON TRANSLATION, AS RESTATED		-	-	-	[601,271]	-	[601,271]
Loss and total comprehensive loss for the year, as restated		-	-	-	[601,271]	[9,991,152]	[10,592,423]
Transactions with owners in their capacity as owners:							
ISSUE OF SHARES	29	13	241,583	-	-	-	241,596
SHARE BASED PAYMENT CHARGE	7	-	-	6,057,925	-	-	6,057,925
Total transactions with owners in their capacity as owners		13	241,583	6,057,925	-	-	6,299,521
Balance as at 31 December 2024, as restated		63,851	111,849,645	18,629,891	[2,156,911]	[88,843,534]	39,542,942
LOSS FOR THE FINANCIAL YEAR		-	-	-	-	[41,455,301]	[41,455,301]
Other comprehensive income, net of tax:							
FOREIGN EXCHANGE GAIN/[LOSS] ON TRANSLATION		-	-	-	2,122,325	-	2,122,325
Loss and total comprehensive loss for the year		-	-	-	2,122,325	[41,455,301]	[39,332,976]
Transactions with owners in their capacity as owners:							
ISSUE OF SHARES	29	5	242,244	-	-	-	242,249
SHARE BASED PAYMENT CHARGE	7	-	-	4,099,637	-	-	4,099,637
Total transactions with owners in their capacity as owners		5	242,244	4,099,637	-	-	4,341,886
Balance as at 31 December 2025		63,856	112,091,889	22,729,528	[34,586]	[130,298,835]	4,551,852

Cleo AI LTD.
Consolidated Statement of Cash Flows

For the year ended 31 December 2025
Company Number: 09864205

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash at bank and in hand.

The notes on pages 61 to 96 are an integral part of these financial statements.

	2025 (\$)	2024 (\$) As restated
Cash flows from operating activities		
LOSS AFTER TAXATION	[39,433,789]	[7,632,279]
Adjustments for:		
DEPRECIATION	1,318,688	723,340
AMORTISATION	7,327,125	5,768,612
LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	[41]	4,627
FINANCE INCOME	[795,409]	[547,412]
EQUITY SETTLED SHARE-BASED PAYMENTS	4,099,637	6,057,925
FINANCE COSTS	9,411,433	3,901,486
OTHER LOSSES	12,427,664	3,199,000
INCOME TAX EXPENSE	[163,471]	412,494
Movement in working capital:		
[INCREASE] IN RECEIVABLES	[28,042,987]	[35,364,486]
INCREASE IN PAYABLES	11,531,253	5,262,684
Cash absorbed by operations	[22,319,897]	[18,214,009]
INCOME TAX REFUNDED	[268,724]	53,569
Net cash outflow from operating activities	[22,588,621]	[18,160,440]
Cash flows from investing activities		
ACQUISITION OF TANGIBLE FIXED ASSETS	[819,977]	[355,018]
ACQUISITION OF INTANGIBLE FIXED ASSETS	[9,977,552]	[8,164,096]
PROCEEDS ON DISPOSAL OF TANGIBLE FIXED ASSETS	1,522	6,067
INTEREST RECEIVED	795,409	547,412
Net cash used in investing activities	[10,000,598]	[7,965,635]

Cleo AI LTD.
Consolidated Statement of Cash Flows

For the year ended 31 December 2025
Company Number: 09864205

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash at bank and in hand.

The notes on pages 61 to 96 are an integral part of these financial statements.

	Notes	2025 (\$)	2024 (\$) As restated
Cash flows from financing activities			
PAYMENT OF CAPITAL ELEMENT OF LEASE LIABILITIES		[787,236]	[652,717]
PROCEEDS FROM ISSUE OF SHARES		242,249	241,596
PROCEEDS FROM BANK BORROWINGS – NET OF ARRANGEMENT FEES		13,563,190	24,383,418
PROCEEDS FROM ISSUE OF CONVERTIBLE LOAN NOTES		38,821,569	-
INTEREST PAID		[6,172,154]	[3,390,647]
Net cash generated from financing activities		45,667,618	20,581,650
Net increase / (decrease) in cash and cash equivalents		13,078,399	[5,544,425]
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		26,176,840	32,283,962
FOREIGN EXCHANGE LOSSES/[GAINS] ON CASH AND CASH EQUIVALENTS		3,430,880	[562,697]
Cash and cash equivalents at the end of the year		42,686,119	26,176,840

Cleo AI LTD.
Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Company Number: 09864205

1. GENERAL INFORMATION

Cleo AI Ltd. ("the Company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Fourth Floor, The Gilbert, 40 Finsbury Square, London, United Kingdom, EC2A 1PX.

The Group ("the Group") consists of Cleo AI Ltd. and all its subsidiaries as listed in note 18.

The Group's principal activities and nature of its operations are disclosed in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PREPARATION

These consolidated financial statements of Cleo AI Ltd. have been prepared in accordance with UK-adopted International Accounting Standards, in conformity with the requirements of the Companies Act 2006 ("IFRS"). They have been prepared under the historical cost convention, modified to include certain financial instruments at fair value.

The financial statements of the Group are presented in US dollars (\$), while the functional currency of each individual entity within the Group is the currency of the primary economic environment in which it operates. The functional currency of the Company is Sterling (£).

The preparation of the consolidated financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements have been made and their effect is disclosed in note 3.

The Company meets the definition of a qualifying entity under FRS 101: Reduced Disclosure Framework ("FRS 101"), The Financial Reporting Standard applicable in the UK and Republic of Ireland. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements and, where relevant, equivalent disclosures have been made in the Group financial statements, in accordance with FRS 101:

- Under paragraph 10(d) of IAS 1, Presentation of Financial Statements, the requirement to present a Statement of Cash Flows and related notes;

- Under paragraph 38 of IAS 1, Presentation of Financial Statements, the requirement to present comparative information in respect of reconciliations of the carrying amounts of property, plant and equipment and intangible assets at the beginning and end of the prior period;
- Under paragraphs 134–136 of IAS 1, Presentation of Financial Statements, the requirement to disclose information relating to the Company's objectives, policies and processes for managing capital.
- Under paragraph 16 of IAS 1, Presentation of Financial Statements, the requirement to include an explicit and unreserved statement of compliance with IFRS;
- Under paragraph 17 of IAS 24, Related Party Disclosures, the requirement to disclose key management personnel compensation by category (short-term employee benefits, post-employment benefits and other long-term benefits);
- Under IFRS 7, Financial Instruments: Disclosures, the requirement to disclose the categories of financial instruments and the nature and extent of risks arising from those financial instruments;
- Under IAS 24, Related Party Disclosures, the requirement to disclose related party transactions entered into between wholly-owned members of the Group; and
- The requirement to disclose the future impact of new IFRS standards in issue but not yet effective at the reporting date.

ADOPTION OF NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

No new standards, amendments or interpretations were adopted during the year. Accordingly, there has been no impact on the amounts recognised in the current or prior periods, and no significant impact is expected in future periods.

STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The following relevant new standards, amendments to standards and interpretations have been issued, but are only effective for financial periods beginning on 1 January 2026, and have therefore not been early adopted:

- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective from 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective from 1 January 2027)

The directors are assessing the impact of the adoption of IFRS 18 and the Amendments to IFRS 9 and 7.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Cleo AI Ltd. and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). The Parent Company and its subsidiaries all have a reporting date of 31 December.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

GOING CONCERN

During the year, the Group incurred a loss of \$39.4m (2024: \$7.6m). At the balance sheet date, the Group had cumulative losses of \$136.3m (2024: \$96.9m) and net liabilities of \$1.5m (2024: net assets of \$31.5m).

In line with its business plan, the Group expects to achieve sustained positive cash flows in the near future. The business is expected to have sufficient cash for the following 12 months from the date of approval of the financial statements.

Notwithstanding the loss reported by the Group and Company, the financial statements have been prepared on a going concern basis which assumes that the Group and Company will be able to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of the financial statements.

At the time of approving the financial statements, the directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Cleo AI LTD.
Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Company Number: 09864205

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

FOREIGN AND FUNCTIONAL CURRENCIES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or, where applicable, the date of remeasurement. Non-monetary items measured at historical cost are not retranslated.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities at the reporting date are recognised in the Statement of Comprehensive Income.

On consolidation, the assets and liabilities of foreign operations are translated into US dollars (\$) at the closing exchange rate as at the reporting date. The income and expenses of foreign operations are translated into US dollars (\$) at the average exchange rate for the period, unless exchange rates fluctuate significantly, in which case transaction-specific rates are used.

Exchange differences arising from translating the net assets of foreign operations (including the UK parent Company with a functional currency of Sterling) at the closing exchange rate, and the translation of the results of foreign operations at the average exchange rate for the period, are recognised in other comprehensive income. These differences are accumulated in the foreign currency translation reserve within equity.

On disposal of a foreign operation, the cumulative translation differences related to that operation are reclassified to profit or loss as part of the gain or loss on disposal.

REVENUE

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The specific criteria relating to each of the Group's sales channels that must be met before revenue is recognised are described below.

Subscription revenue

Subscription revenue represents revenue earned from customers for the provision of Cleo+, Credit Builder Card services, AI Pro and Grow. Revenue from subscription fees is recognised over the subscription period on a straight-line basis, as the customer receives and consumes the benefits of the service evenly throughout the subscription term. Customers are billed monthly at the point of subscription, and payment is typically received upfront at the beginning of each subscription period. Where payments are received in advance, they are recorded as deferred revenue (contract liabilities) and subsequently recognised as revenue over the subscription period as access to the services is provided.

Subscription contracts provide customers with access to a series of distinct services that have the same pattern of transfer and are therefore accounted for as a single performance obligation. Time elapsed is used as the measure of progress.

Contract modifications occur when customers upgrade or downgrade between subscription tiers. Upgrades are accounted for as separate contracts where the additional fee reflects the standalone selling price of the additional services. Downgrades are accounted for prospectively as a termination of the existing contract and the creation of a new one.

Refund rights exist for subscription fees where customers cancel within the applicable grace period. Refunds have historically been insignificant, and accordingly no refund liability is recognised.

Express fee revenue

Express fee revenue is recognised at the point of disbursement of the Earned Wage Access ("EWA") advance, when access to the expedited service is made available to the customer. When the customer opts to pay the express fee, the benefits are received at the time the earned wages are disbursed to the customer's account, at which point all performance obligations have been satisfied under IFRS 15.

Express fees are collected upon repayment of the EWA advance. EWA advances are typically repaid within 16 to 30 days, and any earned but unpaid express fees at the period end are recognised as a receivable.

The Group applies the practical expedient not to adjust for significant financing components, as the period between payment and transfer of services is less than one year.

Other Revenue

Other revenue consists of Marketplace revenue and Interchange revenue.

Marketplace revenue comprises commissions earned from third-party financial product providers whose products are offered to customers via the Group's platform.

The Group acts as an agent in these arrangements and therefore recognises revenue net, representing only the commission earned.

The performance obligation is to facilitate the customer's introduction to the third-party provider, which is satisfied at a point in time when the customer purchases a product through the platform.

The transaction price is determined as a fixed percentage of the value of the underlying product, in accordance with contractual terms. Revenue is recognised once the purchase is completed. Each transaction contains a single performance obligation.

Interchange revenue relates to fees earned on card transactions made by customers using the Group's branded payment cards.

The Group acts as an agent, with the issuing bank acting as principal, and therefore recognises interchange revenue net of issuing bank fees. The performance obligation is satisfied at a point in time when a card transaction is processed with a merchant.

Revenue is recognised based on an agreed percentage of the transaction value, using transaction data received from card networks. Interchange income is accrued as earned and settled net against amounts payable to the issuing bank. Chargebacks and disputes are recognised as reductions to revenue when identified.

FINANCE INCOME AND FINANCE COSTS

Finance income and costs are recognised in profit and loss using the effective interest rate method.

RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is written off against profits in the year in which it is incurred. In the event that an internally generated intangible asset arises from the Company's development activities then it will be recognised only if all of the following conditions are met:

- a. Completion of the asset is technically feasible;
- b. The Company intends to complete the intangible asset and use or sell it;
- c. The Company has the ability to use the asset or sell it;
- d. The intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset, or, if it is to be used internally, the asset will be used in generating such benefits;
- e. There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f. The expenditure attributable to the intangible asset during its development can be measured reliably.

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Cleo AI LTD.
Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Company Number: 09864205

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life.

Development costs — 33% straight line

PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit and loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate assets' cost amounts to their residual values over their estimated useful lives, as follows:

- Office equipment — 25% straight line
- Fixtures and fittings — 25% straight line
- Computers — 25% straight line
- Leasehold improvements — 25% straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Administrative expenses' in the profit and loss.

IMPAIRMENT OF NON-CURRENT ASSETS

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

INVESTMENTS

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

FINANCIAL INSTRUMENTS

Financial instruments

The Group recognises financial assets and liabilities on the Statement of Financial Position when it becomes party to the contractual provisions of the instrument. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities are included in the initial measurement.

Classification and measurement of financial assets

Earned Wages Access ("EWA") advances and other receivables are initially measured at fair value plus transaction costs. These assets are held to collect contractual cash flows, which represent solely payments of principal, and interest, and are therefore measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand.

Impairment of financial assets

The Group recognises expected credit losses (ECLs) on financial assets measured at amortised cost. ECLs represent the present value of the difference between contractual cash flows and the cash flows expected to be received, discounted at the original effective interest rate.

The Group applies two impairment approaches: Express fee receivables are considered trade receivables for the purposes of impairment under IFRS 9 and are assessed using the simplified approach to expected credit losses (ECL). Under this approach, lifetime ECLs are recognised at each reporting date. A provision matrix is applied to measure lifetime ECLs, based on historical credit loss experience, adjusted for forward-looking macroeconomic information.

Earned Wages Access ("EWA") advances are assessed under the general three-stage model. Assets are measured at 12-month ECL unless there has been a significant increase in credit risk since initial recognition, in which case lifetime ECL is recognised. Due to the short contractual duration of Salary Advances (typically 16–30 days), the 12-month probability of default is considered to approximate the lifetime probability of default.

A financial asset is considered to be in default when it is more than 180 days past due or when there is other objective evidence that the Group is unlikely to recover the full contractual amount. Assets are written off when there is no reasonable expectation of recovery.

Changes in the ECL allowance are recognised in profit or loss.

Financial liabilities and equity

Financial liabilities and Equity Instruments are classified based on the substance of contractual arrangements.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Contract liabilities

Contract liabilities arise when payments are received before the related goods or services are delivered. These liabilities are recognised as revenue when the Group fulfills its performance obligations.

Cleo AI LTD.
Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Company Number: 09864205

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Equity instruments

Equity instruments issued are recorded at fair value net of transaction costs.

Preference shares

Preference shares are classified as equity where they do not contain a contractual obligation to deliver cash or another financial asset. Such shares are initially recognised at the fair value of the consideration received, net of directly attributable transaction costs.

Preference shares classified as equity are not subsequently remeasured. Dividends are recognised as distributions in equity when declared and are not recognised as an expense in profit or loss.

Convertible Loan Notes

Convertible loan notes are classified as financial liabilities as the terms of the instruments include a contractual obligation for the Group to deliver cash and the associated conversion feature does not meet the criteria for classification as equity.

The convertible loan notes contain embedded derivative features, including a variable-price equity conversion option. The Group has designated the entire instrument at fair value through profit or loss on initial recognition.

Convertible loan notes are initially recognised at fair value. Transaction costs directly attributable to instruments designated at fair value through profit or loss are recognised immediately in profit or loss.

Subsequently, the convertible loan notes are measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss, except for the portion attributable to changes in the Group's own credit risk, which is recognised in other comprehensive income. Amounts recognised in other comprehensive income are not subsequently reclassified to profit or loss but may be transferred within equity.

On settlement or conversion, the liability is derecognised. Where the notes are converted into equity instruments, the liability is derecognised at its fair value at the date of conversion and the shares issued are recognised within share capital and share premium.

Warrent liabilities

Warrants are assessed on initial recognition to determine whether they meet the definition of an equity instrument under IAS 32; where they fail equity classification (for example, because they do not satisfy the fixed-for-fixed condition), they are classified as derivative financial instruments and measured at fair value through profit or loss ("FVTPL") in accordance with IFRS 9. Warrants are initially recognised at fair value, with transaction costs expensed as incurred, and are subsequently remeasured to fair value at each reporting date, with all gains or losses arising from changes in fair value recognised in profit or loss. Fair value is determined [using appropriate valuation techniques, including option pricing models such as Black-Scholes or other market-consistent methods, incorporating observable and unobservable inputs as appropriate].

Derecognition of financial assets and liabilities

A financial asset is derecognised when the contractual rights to cash flows expire, are settled, or when substantially all risks and rewards of ownership are transferred. Financial liabilities are derecognised when the related obligation is discharged, cancelled, or expires. Gains or losses on derecognition are recognised in profit or loss.

Financial assets deemed unrecoverable are written off in profit or loss.

LEASES

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

Leases of low value assets

Leases where the underlying asset is 'low value', lease payments are recognised as an expense on a straight-line basis over the lease term.

Initial and subsequent measurement of the right-of-use asset

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

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

Right-of-use assets on a straight-line basis over the shorter of the lease term and the useful life.

The right-of-use asset is adjusted for any re-measurement of the lease liability and lease modifications.

Initial measurement of the lease liability

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

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

Subsequent measurement of the lease liability

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss.

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

Remeasurement of the lease liability

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

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

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

Lease modifications

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

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

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

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

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Notes to the Consolidated Financial Statements

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is released or the deferred income tax liabilities is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

PENSIONS

The Group operates a defined contribution plan for its employees. The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

SHARE-BASED PAYMENTS

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also considers non- vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

In the Company's financial statements, where share options are granted to employees of a subsidiary, the parent recognises the cost of the share-based payment as an intercompany receivable from the subsidiary, reflecting the subsidiary's obligation to reimburse the parent for the benefit conferred on its employees. For options granted to employees of the parent, the expense is recognised in profit or loss over the vesting period.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

JUDGEMENTS

In preparing the financial statements, the Directors have made the following judgements that have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with separately below):

Classification of 'express fees' within revenue (IFRS 15 vs IFRS 9)

The Group operates a synthetic earned wage access ("EWA") product, under which customers are able to access funds. EWA is available to customers without charge as part of the Group's subscription offering, with standard access timelines. Customers may optionally elect to receive accelerated access to funds in exchange for an 'express fee'.

A key judgement is the classification of these express fees as revenue within the scope of IFRS 15 Revenue from Contracts with Customers rather than under IFRS 9 Financial Instruments.

In making this assessment, management considers the nature of the promise to the customer and the substance of the arrangement. The Group has concluded that:

- The express fee is charged in exchange for a distinct, optional service, namely the provision of expedited access to funds ahead of the standard (free) processing timeline available under the subscription.
- The ability for customers to access EWA services without paying the express fee supports the conclusion that the fee is not integral to the origination of the underlying financial asset, but instead relates to an incremental service.
- The expedited access service represents a separate performance obligation, as customers can choose whether or not to obtain this service independently of the underlying EWA advance.
- The fee does not represent compensation for the time value of money, credit risk or other components typically reflected in interest income.

Cleo AI LTD.
Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS
(Continued)

Accordingly, the Group recognises express fees as revenue at the point in time when the expedited service is provided (i.e. when funds are made available to the customer on an accelerated basis), in accordance with IFRS 15. Had these fees been determined to be within the scope of IFRS 9, they would have been recognised over the expected life of the financial asset. The classification adopted therefore affects both the timing and presentation of income.

Management continues to monitor regulatory and accounting developments in this area given evolving market practices in EWA and similar products.

Allocation of fair value movements on financial instruments with group entities (IFRS 9 / IAS 32 / IAS 27)

The Group enters into funding arrangements at the UK parent entity level, which include equity-linked instruments such as warrants. These warrants are classified as financial instruments at fair value through profit or loss (FVTPL) in accordance with IFRS 9 Financial Instruments, with fair value movements recognised in the income statement.

A key judgement arises in determining the appropriate allocation of fair value movements where the underlying financing arrangements partly relate to, or economically benefit, other Group entities (including CleoAI Inc).

Management acknowledges that certain financing arrangements, although legally entered into by the UK parent, are wholly or partly undertaken on behalf of other Group entities, reflecting how capital is deployed and managed across the Group. As a result, a portion of the fair value movement on these instruments might be considered to economically relate to those entities rather than the UK parent in isolation.

This portion is recognised in the UK parent as an additional cost of investment, with a corresponding capital contribution (equity investment) recognised in the relevant subsidiary (Inc), reflecting the substance of the transaction as a shareholder funding activity. The allocation is determined based on management's assessment of the extent to which the underlying financing supports the activities and funding requirements of the respective entities.

This treatment reflects the principle that intra-group funding arrangements should be presented in accordance with their economic substance rather than solely their legal form, consistent with IAS 27 Separate Financial Statements and IAS 32 Financial Instruments: Presentation.

Assessment of provisions and non-adjusting events relating to regulatory investigations (IAS 37 / IAS 10)

During early 2025, the Group reached a settlement of USD17m with the U.S. Federal Trade Commission ("FTC") in connection with an industry-wide investigation. The settlement was recognised in the 2025 financial statements. A key judgement arose in determining whether a provision or disclosure was required in the 2024 financial statements in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and whether the subsequent developments represented an adjusting or non-adjusting event under IAS 10 Events after the Reporting Period.

Management concluded that, as at 31 December 2024:

- There was no present obligation arising from a past event, as no formal complaint had been filed by the FTC and no enforcement decision had been taken.
- The investigation was sector-wide and legal advice supported management's view that there was no constructive obligation for the Group.
- The Group had not admitted any wrongdoing, nor had specific settlement terms been proposed or agreed.
- Accordingly, the recognition criteria for a provision under IAS 37 were not met.

In addition, management determined that developments occurring in early 2025, including the FTC's decision to file a formal complaint and to offer settlement terms, which CleoAI accepted in order to avoid drawn out and costly litigation, represented new conditions arising after the reporting date, rather than evidence of conditions that existed at 31 December 2024. Therefore, these developments were treated as a non-adjusting event under IAS 10 and no provision was recognised in the 2024 financial statements.

The settlement agreed in 2025 was recognised as an expense in that period, when a present obligation arose and a reliable estimate could be made. This assessment required significant judgement, particularly in evaluating the point at which a regulatory investigation gives rise to a present obligation and whether subsequent enforcement actions provide evidence of pre-existing conditions.

ESTIMATES

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

Measurement, useful lives and impairment of PPE

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and

residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. In the event of impairment, an estimate of the asset's recoverable amount is made. The value of the assets are tested whenever there are indications of impairment.

Deferred taxation

Deferred tax liabilities are assessed based on assumptions regarding the future, the likelihood that assets will be realised, and liabilities will be settled and estimates as to the timing of those future events and as to the future tax rates that will be applicable. Deferred tax assets in respect of tax losses carried forward are recognised on the basis that there are expected to be sufficient profits generated to utilise these losses in the near future.

Interest rate implicit in the lease liabilities

The Group uses judgement to assess whether the interest rate implicit in the lease is readily determinable. When the interest rate implicit in the lease is not readily determinable, the Group estimates the incremental borrowing rate based on its external borrowings secured against similar assets, adjusted for the term of the lease. On this basis, the Group has estimated its incremental borrowing rate to be between 9.15% and 12.00%.

Measurement of expected credit losses

The Group makes an estimate of the expected credit losses allowance on Earned Wages Access ("EWA") advances and Express fee receivables. Key assumptions in determining the weighted-average loss rate include the credit rating of the customer, the ageing profile of receivables and historical experience. The carrying amount of these balances are disclosed in note 20.

FVTPL measurement of financial liabilities

The fair value measurement of these instruments involves significant estimation uncertainty, as neither has an observable market price. Warrants are valued using appropriate valuation techniques selected by management, taking into account specific contractual features including vesting conditions, exercise price, and any path-dependent or non-standard terms. The convertible loan note is valued by estimating the equity value of the Company using a Monte Carlo simulation model following a market-based approach. Both instruments incorporate significant unobservable inputs and are therefore classified as Level 3 fair value measurements in accordance with IFRS 13. Key assumptions include the fair value of the underlying equity, expected volatility, expected life, risk-free interest rate, the probability and timing of future conversion events, discount rates applied, and, where relevant, dividend yield. These estimates are reviewed at each reporting date and updated where necessary to reflect current market conditions and revised expectations. Changes in these assumptions could result in a material change in the fair value recognised in future periods.

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Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
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4. REVENUE

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

	2025 [\$]	2024 [\$]
Revenue by class of business		
SUBSCRIPTION REVENUE	89,751,320	57,883,203
EXPRESS FEES	156,782,952	76,021,822
OTHER REVENUE	7,585,303	1,795,050
Total	254,119,575	135,700,075
Timing of recognition		
POINT IN TIME	164,429,648	77,879,041
RECOGNISED OVER TIME	89,689,927	57,821,034
Total	254,119,575	135,700,075
All revenue is generated in the United States of America.		

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Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
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5. EMPLOYEES

The average monthly number of persons (including Directors)
employed by the Group and Company during the year was:

	2025 (Company)	2024 (Company) As restated
EXECUTIVES	9	5
PRODUCT DEVELOPMENT AND TECHNICAL	242	151
SUPPORT	85	77
Total	336	233
	2025 (Group)	2024 (Group)
EXECUTIVES	11	8
PRODUCT DEVELOPMENT AND TECHNICAL	253	202
SUPPORT	180	84
Total	444	294
	2025 (Company)	2024 (Company)
WAGES AND SALARIES	41,274,877	28,809,120
SOCIAL SECURITY COSTS	5,605,012	3,671,593
PENSION COSTS	1,980,528	1,317,834
SHARE-BASED PAYMENT	3,744,056	6,124,380
Total	52,604,473	39,922,927

The aggregate payroll costs (including Directors' remuneration)
were as follows:

5. EMPLOYEES

(Continued)

The aggregate payroll costs (including Directors' remuneration) were as follows:

6. DIRECTORS' REMUNERATION

Only one Director receives remuneration from the Group. Their total emoluments for qualifying services is:

	2025 (Group)	2024 (Group) As restated
WAGES AND SALARIES	48,923,531	34,797,875
SOCIAL SECURITY COSTS	6,071,861	4,062,846
PENSION COSTS	2,005,842	1,317,834
SHARE-BASED PAYMENT	4,018,711	6,124,380

Total	61,019,945	46,302,935
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	2025 (Group)	2024 (Group)
		As restated
WAGES AND SALARIES	315,466	266,637
PENSION COSTS	25,316	20,138
SOCIAL SECURITY COSTS	37,160	27,027

Total	377,942	313,802
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Cleo AI LTD.
Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
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7. SHARE-BASED PAYMENT TRANSACTIONS

The Company operates an equity-settled share-based remuneration scheme for employees of the Group. Equity-settled share-based payments are measured at fair value at the date of grant. The vesting period for all options is four-five years.

The Black-Scholes option pricing model was used to calculate the fair value of options at grant date.

The movements for the Group in the year were as follows:

The options outstanding at 31 December 2025 has an exercise price ranging from £0.01 to £2.91 and a remaining contractual life of four years.

The share-based payment charge for the year totalled \$4,018,711 (2024 as restated: \$6,124,380) for the Group and \$3,744,056 (2024 as restated: \$6,124,380) for the Company.

Group

Input ranges were as follows:

Historical volatility was 65%, which includes the early years of the Company's life; volatility has decrease to 60% during the year which aligns the Company with its peers.

Movement	2025	2024	Price (Pence) 25/24
OUTSTANDING AT JAN 1	3,826,937	3,668,272	48.00 / 43.00
GRANTED	394,943	804,787	84.00 / 72.00
CANCELLED	[445,094]	[367,479]	75.00 / 51.00
EXERCISED	[338,907]	[278,643]	52.00 / 49.00
OUTSTANDING AT 31 DEC	3,437,879	3,826,937	48.00 / 48.00
EXERCISABLE AT 31 DEC	2,508,277	2,510,799	39.00 / 37.00

Black-Scholes Model Inputs

Input Parameter	2025	2024
SHARE PRICES [PENCE]	144-947	144-947
EXERCISE PRICE [PENCE]	1-291	1-291
DIVIDEND YIELD [%]	-	-
EXPECTED VOLATILITY [%]	50.00%-65.00%	50.00%-65.00%
RISK-FREE RATE [%]	0.30-4.75	0.30-4.62
EXPECTED LIFE [YEARS]	5	5

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Notes to the Consolidated Financial Statements

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8. EXPENSES

Cost of sales:

IMPAIRMENT LOSS ON EWA ADVANCES	63,872,505	26,128,140
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Administrative expenses:

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT - OWNED	372,770	256,737
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT - RIGHT-OF-USE ASSETS	945,918	466,603
AMORTISATION OF INTANGIBLE ASSETS - OWNED	7,327,125	5,768,612
LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT - OWED	[41]	4,627
NET U.S. FEDERAL TRADE COMMISSION SETTLEMENT	16,800,000	-
FOREIGN EXCHANGE LOSSES/[GAINS]	5,079,502	[614,131]
SHARE BASED PAYMENTS	4,018,711	6,124,380
OPERATING LEASE RENTALS - LOW VALUE	5,566	50,442

The \$16.8m settlement with the U.S. Federal Trade Commission was in relation to a resolved regulatory investigation.

9. AUDITORS REMUNERATION

Fees payable to the Group's auditor and its associates:

AUDIT OF THE GROUP AND COMPANY’S FINANCIAL STATEMENTS	214,510	177,512
ALL OTHER NON-AUDIT SERVICES	21,305	47,127

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10. FINANCE INCOME

	2025 (\$)	2024 (\$)
BANK INTEREST RECEIVED	700,012	402,118
OTHER INTEREST RECEIVED	95,397	145,294
Total	795,409	547,412

11. FINANCE COSTS

	2025 (\$)	2024 (\$)
INTEREST ON LEASE LIABILITIES	491,028	31,222
INTEREST ON BANK LOANS	5,468,280	3,359,425
INTEREST ON CONVERTIBLE LOAN NOTE	2,374,831	-
AMORTISATION OF LOAN FEES	1,077,294	510,839
Total	9,411,433	3,901,486

12. OTHER LOSSES

	2025 (\$)	2024 (\$)
FAIR VALUE MOVEMENT ON CONVERTIBLE LOAN NOTE	8,012,664	-
FAIR VALUE MOVEMENT ON WARRANT LIABILITY	4,415,000	3,199,000
Total	12,427,664	3,199,000

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The Group has unrecognised deferred tax assets of \$20.9m (2024: \$18.3m) in respect of losses incurred within the Group. There is no recognition due to the uncertainty as to the recoverability in those entities where the losses exist.

13. INCOME TAX

Current tax:

UK INCOME TAX CREDIT	[93,650]	[264,789]
UK INCOME TAX CREDIT – PRIOR YEAR	[47,715]	-
FOREIGN INCOME TAX CHARGE	4,206,010	677,283

Current tax expense	4,064,645	412,494
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Deferred tax:

FOREIGN DEFERRED TAX CREDIT	[4,235,447]	-
FOREIGN DEFERRED TAX CHARGE – PRIOR YEAR	7,331	-

Deferred tax credit	[4,228,116]	-
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INCOME TAX [CREDIT]/EXPENSE	[163,471]	412,494
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LOSS BEFORE INCOME TAX	[39,597,260]	[7,219,785]
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Loss before income tax multiplied by the effective rate of corporation

TAX 25% [2024: 23.52%]	[9,899,315]	[1,698,093]
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Effects of:

EXPENSES NOT DEDUCTIBLE FOR TAX PURPOSES	4,504,217	2,217,979
RESEARCH AND DEVELOPMENT TAX CREDIT	93,650	299,975
OTHER PERMANENT DIFFERENCES	[7,935]	[12,520]
EFFECT OF OVERSEAS TAX RATES	[70,223]	[169,239]
OTHER FIXED ASSET DIFFERENCE	60,431	[1]
ADJUSTMENT TO TAX CHARGE IN RESPECT OF PRIOR YEARS	40,384	
ADJUSTMENT TO BROUGHT FORWARD VALUES	-	1,885
ADDITIONAL DEDUCTION FOR R&D EXPENDITURE	-	[363,862]
MOVEMENT IN DEFERRED TAX NOT RECOGNISED	5,115,320	161,452
AMOUNT RECOGNISED DIRECTLY IN STATEMENT OF CHANGES IN EQUITY	-	[25,082]
INCOME TAX	[163,471]	412,494

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The amortisation charge is included within administrative expenses in the Statement of Comprehensive Income

14. INTANGIBLE ASSETS (GROUP AND COMPANY)

Development Costs (\$)

Cost

AT 1 JANUARY 2024	22,321,740
ADDITIONS	8,164,096
EXCHANGE DIFFERENCES	[549,635]
At 31 December 2024	29,936,201
ADDITIONS	9,977,552
EXCHANGE DIFFERENCES	2,439,232
At 31 December 2025	42,352,985

Amortisation and impairment

AT 1 JANUARY 2024	13,571,493
CHARGE FOR THE YEAR	5,768,612
EXCHANGE DIFFERENCES	[371,440]
At 31 December 2024	18,968,665
CHARGE FOR THE YEAR	7,327,125
EXCHANGE DIFFERENCES	1,565,813
At 31 December 2025	27,861,603

Net book value

At 31 December 2025	14,491,382
At 31 December 2024	10,967,536

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Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
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The depreciation charge is included within administrative expenses in the Statement of Comprehensive Income.

15. PROPERTY, PLANT AND EQUIPMENT - OWNED (GROUP)

	Office Equipment (\$)	Fixtures & Fittings (\$)	Computer Equipment (\$)	Lease Improvements (\$)	Total (\$)
Cost					
AT 1 JANUARY 2024	6,754	95,455	911,006	-	1,013,215
ADDITIONS	-	73,944	281,074	-	355,018
DISPOSALS	[3,162]	[29,597]	[255,463]	-	[288,222]
EXCHANGE DIFFERENCES	[49]	[1,649]	[15,998]	-	[17,696]
At 31 December 2024	3,543	138,153	920,619	-	1,062,315
ADDITIONS	-	31,459	496,127	2,560,498	3,088,084
DISPOSALS	-	-	[10,653]	-	[10,653]
RECLASSIFICATION	-	[49,340]	49,340	-	-
EXCHANGE DIFFERENCES	265	7,440	78,751	51,537	137,993
At 31 December 2025	3,808	127,712	1,534,184	2,612,035	4,277,739
Depreciation and impairment					
AT 1 JANUARY 2024	4,053	45,692	466,803	-	516,548
CHARGE FOR THE YEAR	905	24,071	231,761	-	256,737
ELIMINATED ON DISPOSAL	[3,170]	[24,612]	[249,746]	-	[277,528]
EXCHANGE DIFFERENCES	264	[775]	[7,596]	-	[8,107]
At 31 December 2024	2,052	44,376	441,222	-	487,650
CHARGE FOR THE YEAR	934	37,600	254,952	79,284	372,770
ELIMINATED ON DISPOSAL	-	-	[9,172]	-	[9,172]
RECLASSIFICATION	-	[23,858]	23,858	-	-
EXCHANGE DIFFERENCES	145	2,600	39,369	727	42,841
At 31 December 2025	3,131	60,718	750,229	80,011	894,089
Net book value					
At 31 December 2025	677	66,994	783,955	2,532,024	3,383,650
At 31 December 2024	1,491	93,777	479,397	-	574,665

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The depreciation charge is included within administrative expenses in the Statement of Comprehensive Income.

15. PROPERTY, PLANT AND EQUIPMENT - OWNED (COMPANY)
(Continued)

	Office Equipment (\$)	Fixtures & Fittings (\$)	Computer Equipment (\$)	Lease Improvements (\$)	Total (\$)
Cost					
AT 1 JANUARY 2024	6,754	77,978	911,006	-	995,738
ADDITIONS	-	45,089	281,074	-	326,163
DISPOSALS	[3,162]	[29,597]	[255,463]	-	[288,222]
EXCHANGE DIFFERENCES	[49]	[1,649]	[15,998]	-	[17,696]
At 31 December 2024	3,543	91,821	920,619	-	1,015,983
ADDITIONS	-	28,451	496,127	2,560,498	3,085,076
DISPOSALS	-	-	[10,653]	-	[10,653]
EXCHANGE DIFFERENCES	265	7,440	78,751	51,537	137,993
At 31 December 2025	3,808	127,712	1,484,844	2,612,035	4,228,399
Depreciation and impairment					
AT 1 JANUARY 2024	4,053	41,061	466,803	-	511,917
CHARGE FOR THE YEAR	905	17,074	231,761	-	249,740
ELIMINATED ON DISPOSAL	[3,170]	[24,612]	[249,746]	-	[277,528]
EXCHANGE DIFFERENCES	264	[775]	[7,596]	-	[8,107]
At 31 December 2024	2,052	32,748	441,222	-	476,022
CHARGE FOR THE YEAR	934	25,370	254,952	79,284	360,540
ELIMINATED ON DISPOSAL	-	-	[9,172]	-	[9,172]
EXCHANGE DIFFERENCES	145	2,600	39,367	727	42,839
At 31 December 2025	3,131	60,718	726,369	80,011	870,229
Net book value					
At 31 December 2025	677	66,994	758,475	2,532,024	3,358,170
At 31 December 2024	1,491	59,073	479,397	-	539,961

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Notes to the Consolidated Financial Statements

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The depreciation charge is included within administrative expenses in the Statement of Comprehensive Income.

16. PROPERTY, PLANT AND EQUIPMENT – RIGHT-OF-USE ASSETS (GROUP AND COMPANY)

	Right-of-use Property (\$)	Right-of-use Office Eq (\$)	Total (\$)
Cost			
AT 1 JANUARY 2024	835,955	-	835,955
ADDITIONS	753,905	-	753,905
EXCHANGE DIFFERENCES	[14,182]	-	[14,182]
At 31 December 2024	1,575,678	-	1,575,678
ADDITIONS	7,318,896	247,635	7,566,531
DISPOSALS	[865,793]	-	[865,793]
EXCHANGE DIFFERENCES	607,155	4,984	612,139
At 31 December 2025	8,635,936	252,619	8,888,555
Depreciation and impairment			
AT 1 JANUARY 2024	571,289	-	571,289
CHARGE FOR THE YEAR	466,603	-	466,603
EXCHANGE DIFFERENCES	[19,461]	-	[19,461]
At 31 December 2024	1,018,431	-	1,018,431
CHARGE FOR THE YEAR	941,012	4,906	945,918
ELIMINATED ON DISPOSAL	[865,793]	-	[865,793]
EXCHANGE DIFFERENCES	77,664	100	77,764
At 31 December 2025	1,171,314	5,006	1,176,320
Net book value			
At 31 December 2025	7,464,622	247,613	7,712,235
At 31 December 2024	557,247	-	557,247

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The capital contribution represents the fair value adjustments on a warrant issued by the Company in respect of a financing arrangement entered into for its subsidiary.

The addition relates to the incorporation during the year of two subsidiaries, Cleo AI (UK) Ltd and Cleo AI sp. z o.o.

17. INVESTMENTS

Cost and carrying amount	Shares In Subsidiary Undertakings (\$)
	As restated
At 1 January 2024	11
CAPITAL CONTRIBUTION	1,233,000
At 31 December 2024	1,233,011
ADDITIONS	1,402
CAPITAL CONTRIBUTION	842,805
EXCHANGE DIFFERENCES	92,195
At 31 December 2025	2,169,413

18. SUBSIDIARIES

Name Of Subsidiary	Registered Office	Nature Of Business	Held Direct	Held Indirect
CLEO AI INC	1209 ORANGE ST, WILMINGTON DE 19801	FINANCIAL MANAGEMENT SOFTWARE	100%	
CLEO AI FUNDING SECURED I, LLC	1209 ORANGE ST, WILMINGTON DE 19801	FUNDING VEHICLE		100%
CLEO AI [UK] LTD	FOURTH FLOOR, THE GILBERT, 40 FINSBURY SQUARE, LONDON, EC2A 1PX	FINANCIAL MANAGEMENT SOFTWARE	100%	
CLEO AI SP. Z.O.O.	UL. ORZYCKA 6 / 1B, 02-695 WARSZAWA, MAZOWIECKIE, POLAND	FINANCIAL MANAGEMENT SOFTWARE	100%	

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Credit risk arises primarily from EWA advances and express fee receivables.

EWA advances are assessed under the general three-stage model. The Group uses days past due as the primary indicator of significant increase in credit risk:

- 0–90 days past due: Stage 1
- 91–180 days past due: Stage 2
- >180 days past due: considered in default

Receivables are written off once they exceed 180 days past due as there is no reasonable expectation of recovery. Accordingly, no balances are classified as Stage 3 at the reporting date.

Given the short contractual duration of EWA advances (typically 16–30 days), the 12-month probability of default is considered to approximate the lifetime probability of default.

ECLs are calculated using PD, LGD and EAD inputs, incorporating forward-looking information.

Express fee receivables are assessed using the simplified approach, with lifetime ECLs measured using a provision matrix based on historical loss experience adjusted for forward-looking factors.

20. EXPECTED CREDIT LOSSES

Movements on total expected credit losses are shown in the following table

	2025 (\$)	2024 (\$)
BALANCE AT 1 JANUARY	18,574,130	7,025,631
CHARGE FOR THE YEAR	71,301,827	33,860,831
WRITE OFFS [NET OF RECOVERIES]	[51,719,574]	[22,312,332]
Balance at 31 December	38,156,383	18,574,130

EWA advances

Details regarding the expected credit loss stages for the EWA advances are shown in the table below:

Year ended 31 December 2025	Gross (\$)	ECL (\$)	Net (\$)
12 MONTH ECL [WITHIN 90 DAYS]	86,331,920	17,831,619	68,500,301
LIFETIME ECL [OVER 91 DAYS]	16,675,493	16,675,493	-
Total	103,007,413	34,507,112	68,500,301
Year ended 31 December 2024	Gross (\$)	ECL (\$)	Net (\$)
12 MONTH ECL [WITHIN 90 DAYS]	59,589,445	14,590,673	44,998,772
LIFETIME ECL [OVER 91 DAYS]	7,306,761	2,463,032	4,843,729
Total	66,896,206	17,053,705	49,842,501

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20. EXPECTED CREDIT LOSSES
(Continued)

Express fee receivable

Details regarding the expected credit losses for the express fee receivable are shown in the table below:

Year ended 31 December 2025	Gross (\$)	ECL (\$)	Net (\$)
CURRENT	5,767,933	441,981	5,325,952
1-30 DAYS PAST DUE	1,556,687	333,835	1,222,851
31-60 DAYS PAST DUE	735,415	437,134	298,281
61-90 DAYS PAST DUE	703,836	619,095	84,741
91-180 DAYS PAST DUE	1,722,154	1,722,154	-
OVER 180 DAYS PAST DUE	6,865,405	6,865,405	-
Total	17,351,430	10,419,606	6,931,825
Year ended 31 December 2024	Gross (\$)	ECL (\$)	Net (\$)
CURRENT	3,187,125	118,051	3,069,074
1-30 DAYS PAST DUE	1,030,285	133,879	896,406
31-60 DAYS PAST DUE	438,269	169,430	268,839
61-90 DAYS PAST DUE	281,387	196,636	84,751
91-180 DAYS PAST DUE	675,320	276,800	398,520
OVER 180 DAYS PAST DUE	2,970,353	625,629	2,344,724
Total	8,582,739	1,520,425	7,062,314

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21. TRADE AND OTHER PAYABLES

GROUP
Current

	2025 (\$)	2024 (\$)
TRADE PAYABLES	4,992,626	3,085,885
SOCIAL SECURITY AND OTHER TAXES	1,519,585	1,019,647
OTHER PAYABLES	1,007,415	319,218
ACCRUALS	10,409,798	4,557,377
CONTRACT LIABILITIES	5,598,827	3,163,249
Total trade and other payables	23,528,251	12,145,376

COMPANY
Current

TRADE PAYABLES	365,077	868,541
SOCIAL SECURITY AND OTHER TAXES	1,519,585	1,019,647
OTHER PAYABLES	456,593	297,128
ACCRUALS	1,787,561	1,074,591
Total trade and other payables	4,128,816	3,259,907

22. CONTRACT BALANCES

Contract liabilities relate to consideration received from customers in advance of the performance obligation being satisfied. Contract liabilities are shown within trade and other payables on the Statement of Financial Position.

The significant changes in contract liabilities are presented below:

	2025 (\$)	2024 (\$)
AT 1 JANUARY	3,163,249	2,064,373
NEW CONTRACT LIABILITIES	5,598,827	3,163,249
REVENUE RECOGNISED IN THE YEAR THAT WAS INCLUDED IN THE OPENING BALANCE	[3,163,249]	[2,064,373]
At 31 December	5,598,827	3,163,249

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

As disclosed in note 16, the carrying value of right-of-use assets in respect of the above lease liabilities is \$7,712,235 (2024: \$557,247).

Property leases relates to office premises and have termination dates ranging between 2026 - 2035, with fixed lease payments, upward-only rent review provisions, a tenant break option exercisable in 2031 and landlord lease incentives in the form of capital contribution. Office equipment leases have termination dates up to 2030.

The rates of interest implicit in the Group's lease arrangements are not readily determinable and management have determined that the incremental borrowing rate to be applied in calculating the lease liability is between 9.15% and 12.00%. The fair value of the Group's lease obligations is approximately equal to their carrying amount.

23. LEASE LIABILITIES

Group and Company

At 31 December 2025

	Less than 1 year (\$)	Between 1 and 5 years (\$)	Over 5 years (\$)	Total (\$)
BUILDINGS	1,784,033	5,905,150	6,748,743	14,437,926
OFFICE EQUIPMENT	69,557	257,619	-	327,176
FUTURE FINANCE CHARGES ON LEASE LIABILITIES	[969,570]	[2,894,374]	[1,421,447]	[5,285,391]
Present value of lease liabilities	884,020	3,268,395	5,327,296	9,479,711

At 31 December 2024

	Less than 1 year (\$)	Between 1 and 5 years (\$)	Over 5 years (\$)	Total (\$)
BUILDINGS	403,307	90,156	-	493,463
FUTURE FINANCE CHARGES ON LEASE LIABILITIES	[24,391]	[3,293]	-	[27,684]
Present value of lease liabilities	378,916	86,863	-	465,779

The movements on lease liabilities during the year is set out below.

	2025 (\$)	2024 (\$)
AT 1 JANUARY	465,779	364,591
ADDITIONS	9,834,637	753,905
INTEREST	491,028	31,222
PAYMENTS	[1,278,264]	[683,939]
FOREIGN EXCHANGE DIFFERENCE	[33,469]	-

At 31 December	9,479,711	465,779
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Effect of leases on financial performance

	2025 (\$)	2024 (\$)
DEPRECIATION ON RIGHT-OF-USE ASSETS [IN ADMINISTRATIVE EXPENSES]	945,918	466,603
INTEREST ON LEASE LIABILITIES [IN FINANCE COSTS]	491,028	31,222
LOW-VALUE LEASE EXPENSE [IN ADMINISTRATIVE EXPENSES]	5,566	50,442
Total	1,442,512	548,267
CASH FLOWS ON LEASES, INCLUDING LOW-VALUE	1,283,830	734,381

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Deferred tax assets are recognised in respect of deductible temporary differences arising from the different timing of recognition of EWA-related provisions for accounting and US tax purposes. Under applicable US tax rules, deductions are generally deferred until realisation or write-off, whereas IFRS requires earlier recognition of the associated expense. The deferred tax asset will unwind over future periods as the underlying balances become deductible for tax purposes.

In 2025, the US subsidiary revised its tax accounting method for US filings. The Group considers this method to more appropriately reflect the underlying economics of its tax position and to provide more relevant and reliable information, thus resulting in the recognition of a deferred tax asset in 2025.

24. DEFERRED TAX

	Group		Company	
	2025 (\$)	2024 (\$)	2025 (\$)	2024 (\$)
DEFERRED TAX ASSET	4,228,116	-	-	-
Total	4,228,116	-	-	-
BALANCE AT 1 JANUARY	-	-	-	-
[CHARGE]/CREDIT TO PROFIT AND LOSS	4,228,116	-	-	-
[CHARGE]/CREDIT TO OTHER COMPREHENSIVE INCOME	-	-	-	-
Total	4,228,116	-	-	-

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25. BORROWINGS (GROUP)

	2025 (\$)	2024 (\$)
OTHER BORROWINGS	20,302,603	18,749,343
CONVERTIBLE LOAN NOTES	50,812,466	-
BANK LOANS	39,339,722	25,074,615
Total	110,454,791	43,823,958
Within one year		
OTHER BORROWINGS	3,009,661	4,865,286
Total	3,009,661	4,865,286
After one year		
OTHER BORROWINGS	17,292,942	13,884,057
CONVERTIBLE LOAN NOTES	50,812,466	-
BANK LOANS	39,339,722	25,074,615
Total	107,445,130	38,958,672

25. BORROWINGS (COMPANY)

OTHER BORROWINGS	20,302,603	18,749,343
CONVERTIBLE LOAN NOTES	50,812,466	-
Total	71,115,069	18,749,343
Within one year		
OTHER BORROWINGS	3,009,661	4,865,286
Total	3,009,661	4,865,286
After one year		
OTHER BORROWINGS	17,292,942	13,884,057
CONVERTIBLE LOAN NOTES	50,812,466	-
Total	68,105,408	13,884,057

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25. BORROWINGS

(Continued)

Other borrowings comprise a £15m loan, which is presented net of unamortised transaction costs of £53k (2024: £97k) and includes accrued fees for a final payment of £146k (2024: £79k). The outstanding principal at the year end, translated at the closing exchange rate, was \$20.2m (2024: \$18.1m). The loan accrues interest at the Sterling base rate plus 7% per annum, subject to a minimum of 11.5% per annum. The loan is secured by way of fixed and floating charges over the assets of the Group and matures on 1 November 2028.

On 26 March 2025, the Company issued unsecured US dollar denominated Convertible Loan Notes ("CLNs") maturing on 26 March 2027, raising proceeds of \$38.8m. Interest accrues at 8% per annum for the first 18 months and 15% per annum thereafter. Interest is payable in cash on redemption or converts into equity on conversion.

The CLNs convert automatically on a Qualified Financing or immediately prior to a Share Sale, Asset Sale or Listing (unless the noteholder majority elects cash redemption). They may also be converted or redeemed at the noteholder majority's election on a Non-Qualified Financing, on the maturity date, or on the occurrence of an insolvency event.

Bank loans comprise a \$39.8m (2024: \$26.0m) warehouse debt facility, presented net of \$860k of unamortised issue costs, maturing September 2027. The loans accrue interest at the one-month Term Secured Overnight Financing Rate ("Term SOFR") plus a margin of 5.5% per annum, and are secured over all of the assets of Cleo AI Funding Secured I, LLC. During the year, a further \$13,750,000 was drawn down under this facility.

The Group is subject to financial and other covenants under two borrowing facilities: a venture debt facility entered into by Cleo AI Ltd with HSBC Innovation Bank Limited on 10 November 2023, and a revolving warehouse facility entered into by Cleo AI Funding Secured I, LLC originally with HSBC Innovation Bank Limited on 6 June 2024, under which funds managed by Viola Credit subsequently acceded as additional lenders.

The principal financial covenants under the venture debt facility require the Group to maintain a minimum level unrestricted cash and remaining months' liquidity, measured on an ongoing basis.

The principal financial covenants under the warehouse facility require the Group to maintain a minimum level of tangible net worth, unrestricted cash, and remaining months' liquidity, together with a minimum liquidity reserve maintained by the borrower.

In addition, the facility contains ongoing receivables pool performance covenants, including minimum express fee coverage and maximum default rate and delinquency rate thresholds.

The carrying amount of liabilities subject to these covenants as at 31 December 2025 was \$20.2m in respect of the venture debt facility and \$39.8m in respect of the warehouse facility.

The Group was in compliance with all applicable covenants as at 31 December 2025.

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The Directors monitor the Group's financial risk management policies and exposure and approve financial transactions. The Director's overall risk management strategy seeks to assist the Group in meeting its financial targets whilst minimising potential adverse effects on financial performance.

Risk Management Policies

The Group's Directors are responsible for overseeing capital resources and maintaining efficient capital flow, together with managing the Group's cash flow risk, foreign exchange risk, credit risk and liquidity risk.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows associated with a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to movements in interest rates as the interest rate charged on bank loans and other borrowings are determined by market interest rates.

Credit Risk

Credit risk is the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk principally arises from cash and cash equivalents, EWA advances and express fee receivables. The Group regularly reviews balances to determine whether there has been a significant increase in the credit risk of its financial assets since their initial recognition. Where a significant increase in credit risk is identified, the loss allowance is measured based on the risk of a default occurring over the expected life of the instrument rather than considering only the default events expected within 12 months of the year-end.

26. FINANCIAL INSTRUMENTS (GROUP)

The totals for each category of financial instrument, measured in accordance with IFRS 9 as detailed in the accounting policies, are as follows:

Financial assets held at amortised cost:

Current assets

TRADE AND OTHER RECEIVABLES	78,502,648	52,647,812
CASH AND CASH EQUIVALENTS	42,686,119	26,176,840
Total financial assets held at amortised cost	121,188,767	78,824,652

Financial liabilities held at amortised cost

Current liabilities

TRADE AND OTHER PAYABLES	16,409,839	7,962,480
LEASE LIABILITIES	884,020	378,916
BORROWINGS	3,009,661	4,865,286
Total current liabilities	20,303,520	13,206,682

Non-current liabilities

LEASE LIABILITIES	8,595,691	86,863
BORROWINGS	56,632,664	38,958,672
Total non-current liabilities	65,228,355	39,045,535
Total financial liabilities held at amortised cost	85,531,875	52,252,217

The Directors consider the book value of all financial instruments to equate to their fair value.

Financial liabilities held at fair value through profit and loss, as restated:

Non-current liabilities

CONVERTIBLE LOAN NOTES	50,812,466	-
WARRANT LIABILITIES	9,655,000	5,240,000
Total non-current liabilities	60,467,466	5,240,000

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Liquidity risk
Liquidity risk is the risk that the Group is unable to meet its financial obligations as they fall due. The Group employs efficient cash management, credit control and an efficient cost base to minimise liquidity risk, therefore ensuring funds are available to meet commitments as they fall due.

Foreign exchange risk
Foreign exchange risk is mitigated by closely monitoring foreign exchange movements, having natural hedges with the Group's overseas operations, and having appropriate terms with non-US Dollar denominated suppliers.

26. FINANCIAL INSTRUMENTS (GROUP)
(Continued)

The Group's maximum exposure to credit risk is limited to the carrying amounts of financial assets recognised at the reporting date, as summarised below:

	2025 (\$)	2024 (\$)
TRADE AND OTHER RECEIVABLES	78,502,648	52,647,812
CASH AND CASH EQUIVALENTS	42,686,119	26,176,840
Total	121,188,767	78,824,652

Contractual cash flows relating to the Group's financial liabilities are as follows:

Within one year:

TRADE PAYABLES	4,992,626	3,085,885
OTHER PAYABLES	1,007,415	319,218
ACCRUALS	10,409,798	4,557,377
LEASE LIABILITIES	884,020	378,916
BORROWINGS	3,009,661	4,865,286
Total	20,303,520	13,206,682

After one year:

Lease Liabilities:

BETWEEN 1-2 YEARS	852,406	86,863
BETWEEN 2-3 YEARS	955,731	-
BETWEEN 3-4 YEARS	1,076,093	-
BETWEEN 4-5 YEARS	319,483	-
OVER 5 YEARS	5,391,978	-
Total	8,595,691	86,863

Borrowings:

BETWEEN 1-2 YEARS	107,445,130	7,368,328
BETWEEN 2-3 YEARS	-	31,590,344
Total	107,445,130	38,958,672

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27. FAIR VALUE MEASUREMENT

The Group's financial liabilities measured at fair value through profit or loss comprise convertible loan notes and warrant liabilities. Both instruments are classified as Level 3 fair value measurements under IFRS 13 as the valuations incorporate significant unobservable inputs.

The fair value of both the convertible loan notes and warrant liabilities has been determined by estimating the equity value of the Company using a Monte Carlo simulation valuation model following a market-based approach. This technique is considered appropriate given the complexity of the contractual terms and the range of possible outcomes, including conversion on a financing event, conversion on sale or listing, redemption at maturity, and settlement on insolvency.

Convertible Loan Notes

The convertible loan notes were issued during the year and were initially recognised at their transaction price, representing fair value at inception, of \$38.7 million. At 31 December 2025, the fair value of the liability was \$50.8 million.

Warrants

The Group holds six warrant instruments issued by Cleo AI Ltd. Each instrument was assessed against the fixed-for-fixed criterion in IAS 32. None of the warrants satisfy this criterion and accordingly all are classified as financial liabilities measured at fair value through profit or loss under IFRS 9.

Following reassessment of the Group's warrant instruments during the year, the liabilities have been recognised in the current period, with cumulative fair value movements from their respective dates of issue recognised as adjustments to the prior and current years.

The movement in fair value recognised during the year is summarised below.

The movement in the carrying amount recognised during the year was as follows:

	2025 (\$)
AT INCEPTION	38,744,194
INTEREST ON CONVERTIBLE LOAN NOTES	2,374,831
FAIR VALUE MOVEMENTS	8,012,664
EXCHANGE DIFFERENCES	1,680,777
At 31 December 2025	50,812,466
	2025
DISCOUNT RATE	11.50%
RISK-FREE RATE	3.50%
EXPECTED VOLATILITY	62.00%
EXPECTED TIMING OF CONVERSION	3-15 MONTHS

Credit risk assumptions are reflected through the discount rate applied to future cash flows and probability-weighted downside scenarios, including insolvency.

	2025 (\$)	2024 (\$) As restated
AT 1 JANUARY	5,240,000	2,041,000
FAIR VALUE MOVEMENTS	4,415,000	3,199,000
At 31 December 2025	9,655,000	5,240,000
	2025	2024
MINIMUM EXERCISE TIME FROM YEAR END	4.0 - 5.0 YEARS	4.0 - 5.0 YEARS
MAXIMUM EXERCISE TIME FROM YEAR END	5.0 - 9.4 YEARS	5.0 - 9.4 YEARS
RISK-FREE RATE	4.20%	4.17%
EXPECTED VOLATILITY	62.00%	62.00%
EXPIRATION	5.0 - 9.4 YEARS	5.0 - 9.4 YEARS

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28. CAPITAL MANAGEMENT

Capital risk is the risk that the Group does not have the quantity or quality of capital resources required to meet its capital requirements. Inadequate capital or poor capital management could result in a default on our lending facilities or operational implications, including operational losses.

Cleo manages its capital with the objective of maintaining a strong financial position to support its growth strategy, meet regulatory and covenant requirements, and provide sustainable value to stakeholders. The Group's capital structure primarily consists of equity, including issued share capital and reserves, as well as borrowings. The Group seeks to optimise its capital structure by balancing the need for financial flexibility with the goal of minimising the cost of capital.

The Group monitors its capital position through various financial metrics, such as liquidity ratios. To manage capital effectively, Cleo places significant emphasis on cash flow management and operational efficiency. These metrics are used to assess the Group's ability to fund ongoing operations, invest in product development, and support strategic initiatives. Cleo also needs to ensure it remains compliant with the externally imposed capital requirements of its borrowing facilities. The Group remains committed to maintaining a prudent level of financial leverage to support sustainable growth. It also considers potential funding sources, including equity financing and further drawdowns of its available debt facilities, to ensure adequate capital availability.

During the reporting period, the Group maintained a stable capital position, supported by strong operating cash flows and disciplined cost management. This was further strengthened by the issuance of a convertible loan note and an additional drawdown under the warehouse facility with HSBC.

Looking ahead, Cleo remains focused on maintaining financial resilience while pursuing strategic growth initiatives to enhance shareholder value.

29. SHARE CAPITAL (GROUP AND COMPANY)

All ordinary and preferred shares carry full voting and dividend rights. Deferred shares carry no voting or dividend rights. Growth shares carry no voting rights, shareholders have a right to dividends so that the holders each receive a total of one penny in aggregate.

	2025 (No)	2024 (No)
Share capital issued and fully paid		
ORDINARY SHARES OF 0.001P EACH	8,559,034	8,227,928
GROWTH SHARES OF 0.001P EACH	770,528	718,886
	2025 (\$)	2024 (\$)
Share capital issued and fully paid		
ORDINARY SHARES OF 0.001P EACH	63,847	63,481
GROWTH SHARES OF 0.001P EACH	9	9
Preference share capital issued and fully paid		
	2025 (No)	2024 (No)
SERIES SEED PREFERRED SHARES OF 0.001P EACH	2,134,901	2,134,901
A PREFERRED SHARES OF 0.001P EACH	6,702,765	6,702,765
DEFERRED SHARES OF 0.001P EACH	2,990,607	2,986,117
B1 PREFERRED SHARES OF 0.001P EACH	2,055,417	2,055,417
B2 PREFERRED SHARES OF 0.001P EACH	9,084,769	9,084,769
C PREFERRED SHARES OF 0.001P EACH	5,259,250	5,259,250
	28,227,709	28,223,219

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29. SHARE CAPITAL
(Continued)

All ordinary and preferred shares carry full voting and dividend rights. Deferred shares carry no voting or dividend rights. Growth shares carry no voting rights, shareholders have a right to dividends so that the holders each receive a total of one penny in aggregate.

All preference share classes participate in returns only through the capital distribution waterfall set out in the Articles and carry no obligations on the Company to repay capital or deliver cash to shareholders. They therefore meet the definition of equity instruments.

On a capital distribution, the shares rank in the following order:

- 1. C preferred shares
- 2. B1 preferred shares & B2 preferred shares
- 3. A preferred shares & Series seed preferred shares
- 4. Deferred shares
- 5. Growth shares and Ordinary shares

Preference share capital issued and fully paid	2025 (\$)	2024 (\$)
SERIES SEED PREFERRED SHARES OF 0.001P EACH	27	27
A PREFERRED SHARES OF 0.001P EACH	87	87
DEFERRED SHARES OF 0.001P EACH	40	40
B1 PREFERRED SHARES OF 0.001P EACH	25	25
B2 PREFERRED SHARES OF 0.001P EACH	113	113
C PREFERRED SHARES OF 0.001P EACH	69	69
	361	361

Share movement

Year to 31 December 2025

Dates	Share Class	No. Allotted	Nominal Value (Pence)	Cash Paid (£)	No. Redesignated
Issues					
28 March 2025	Ordinary Shares	1,904	0.001	804	-
28 May 2025	Ordinary Shares	134,203	0.001	89,688	-
30 July 2025	Ordinary Shares	20,817	0.001	5,145	-
16 - 18 October 2025	Ordinary Shares	99,232	0.001	49,658	-
28 - 6 November 2025	Growth Shares	44,659	0.001	3,439	-
7 November 2025	Ordinary Shares	1,882	0.001	2,183	-
18 December 2025	Ordinary Shares	17,991	0.001	5,043	-
19 December 2025	Growth Shares	3,025	0.001	233	-
19 - 22 December 2025	Ordinary Shares	55,077	0.001	21,421	-
29 December 2025	Growth Shares	8,448	0.001	651	-
Redesignations					
28 November 2025	Deferred Shares	-	-	-	4,490
28 November 2025	Growth Shares	-	-	-	[4,490]

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29. SHARE CAPITAL
(Continued)

Year to 31 December 2024

Dates	Share Class	No.Allotted	Nominal Value (Pence)	Cash Paid (£)	No. Redesignated
Issues					
5 – 9 January 2024	Growth Shares	52,269	0.001	2,875	-
15 – 18 January 2024	Ordinary Shares	12,159	0.001	3,047	-
26 March 2024	Ordinary Shares	20,947	0.001	5,688	-
20 May 2024	Ordinary Shares	2,067	0.001	455	-
28 May 2024	Ordinary Shares	54,650	0.001	47,714	-
11 – 28 June 2024	Ordinary Shares	9,073	0.001	2,625	-
29 July 2024	Growth Shares	20,250	0.001	1,478	-
2 August 2024	Ordinary Shares	667	0.001	233	-
29 August 2024	Growth Shares	4,224	0.001	308	-
9 September 2024	Ordinary Shares	874	0.001	341	-
14 September 2024	Growth Shares	598,266	0.001	43,673	-
2 October 2024	Ordinary Shares	46,372	0.001	28,718	-
20 – 30 December 2024	Ordinary Shares	129,908	0.001	43,637	-
20 – 30 December 2024	Growth Shares	71,993	0.001	5,255	-
30 December 2024	Ordinary Shares	1,926	0.001	3,316	-
Redesignations					
19 September 2024	Deferred Shares	-	-	-	20,196
19 September 2024	Growth Shares	-	-	-	[20,196]
20 September 2024	Deferred Shares	-	-	-	7,920
20 September 2024	Growth Shares	-	-	-	[7,920]

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30. RESERVES

Reserves of the Group represent the following:

Called up share capital
Share capital represents the par value of ordinary shares issued by the Company.

Share premium
Share premium represents consideration received for shares issued above their nominal value net of transaction costs.

Share options reserve
The share options reserve represents the cumulative share-based payment expense.

Foreign exchange reserve
The translation reserve represents foreign exchange gains and losses on the retranslation of the results and net assets of the Group into the presentational currency.

Retained earnings
Retained earnings represent the cumulative profit and loss of the Group, net of distributions to owners.

31. ANALYSIS OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Balance at 1 January 2025 (\$)	Cash Flows (\$)	New Leases (\$)	Other Non-Cash Movements (\$)	Exchange Rate Movements (\$)	Balance at 31 December 2025 (\$)
Borrowings	[43,823,958]	[52,384,759]	-	[11,239,045]	[3,007,029]	[110,454,791]
Lease Liabilities	[465,779]	1,278,264	[9,834,637]	[491,028]	33,469	[9,479,711]
Total	[44,289,737]	[51,597,523]	[10,218,759]	[11,239,015]	[2,589,438]	[19,934,502]

Other non-cash movements consist of accrued fees of \$148k, accrued interest and fair value adjustments of \$10.55m, and amortisation of arrangement fees of \$702k.

	Balance at 1 January 2024 (\$)	Cash Flows (\$)	New Leases (\$)	Other Non-Cash Movements (\$)	Exchange Rate Movements (\$)	Balance at 31 December 2024 (\$)
Borrowings	[18,929,701]	[24,383,418]	-	[510,839]	-	[43,823,958]
Lease Liabilities	[364,591]	652,717	[753,905]	-	-	[465,779]
Total	[19,294,292]	[24,241,540]	[753,905]	-	-	[44,289,737]

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32. RETIREMENT BENEFIT SCHEMES

The Group and the Company each operate defined contribution pension schemes for eligible employees. The scheme assets are held separately from those of the Group and the Company in independently administered funds. The expense recognised represents the contributions payable by the respective entity to these funds. At the balance sheet date, contributions totalling \$456,594 (2024: \$297,128) were outstanding in respect of the Group and the Company.

Details regarding the total charge in respect of defined contribution schemes are disclosed in note 5.

33. CONTROL

In the opinion of the directors there is deemed to be no one controlling party.

34. RELATED PARTY TRANSACTIONS

Key management personnel are considered to comprise solely the directors of the entity. Details of transactions with key management personnel are disclosed in note 6.

Group and Company

During the year, the Parent Company charged its subsidiaries \$38,755,099 in management charges (2024: \$39,924,458) and interest of \$604,805 (2024: \$Nil). At the balance sheet date, the subsidiaries owed the parent \$56,447,598 (2024: \$47,047,156). These transactions and balances have been eliminated on consolidation and are therefore not reflected in the consolidated financial statements of the Group.

35. EVENTS AFTER THE REPOTING DATE

In April 2026, the Group agreed an increase to its existing warehouse financing facility. Following the increase, the total facility size is \$200 million, comprising committed funding of \$150 million together with an additional \$50 million accordion feature. The facility remains subject to customary terms and conditions.

36. PRIOR PERIOD ADJUSTMENT

During the year ended 31 December 2025, the Group identified material errors in its previously issued financial statements relating to the recognition and measurement of certain equity-settled share-based payment arrangements and the classification of warrants. These errors arose from deficiencies in the application of relevant accounting standards and calculation processes, and have been corrected in the current year in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The principal errors identified were as follows:

Share-based payment arrangements (IFRS 2):

Errors were identified in the calculation of the expense and corresponding equity reserve for employee share options previously performed by management's expert, a recognised specialist in this area. These arose from inaccuracies in the valuation of options, and calculation errors in applying graded vesting, resulting in an incorrect attribution of expense over the vesting period. As a result, the share-based payment expense and related equity reserve were misstated in prior periods.

The errors were identified as part of enhanced financial reporting procedures undertaken during 2025, including additional analysis performed in support of the U.S. GAAP standalone audit of Cleo AI Inc and a broader review of legacy share-based payment arrangements. This review was prompted in part by significant growth in the Group's revenues, which contributed to increases in estimated share price valuations and heightened scrutiny over equity-related accounting.

Classification and measurement of warrants (IAS 32 / IFRS 9):

Certain warrants included within the Group's capital structure were incorrectly classified as equity instruments. Upon reassessment, these instruments were determined to fail the 'fixed-for-fixed' criterion under IAS 32 and should therefore have been classified as financial liabilities measured at fair value through profit or loss (FVTPL) under IFRS 9. Consequently, prior period financial statements omitted recognition of financial liabilities for these warrants and did not recognise fair value movements in profit or loss.

These errors primarily arose due to limitations in technical interpretation and review controls over complex financial instruments and share-based payment arrangements, particularly in a period of rapid growth. As a result of the Group now preparing financial statements in accordance with both U.S. GAAP and IFRS , the Group has enhanced its financial reporting controls so that Finance is consulted on all financing transactions in a timely manner and will adopt closer oversight and formal reviews of output from external technical specialists.

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36. PRIOR PERIOD ADJUSTMENT

(Continued)

The effect of the adjustments is shown in the tables below:

Consolidated Statement Of Financial Position		31 December 2023, as previously reported (\$)	Prior Period Adjustment (\$)	31 December 2023, as restated (\$)	31 December 2024, as previously reported (\$)	Prior Period Adjustment (\$)	31 December 2024, as restated (\$)
Non-Current Liabilities							
WARRANTS LIABILITY	-	2,041,000	2,041,000	-	5,240,000	5,240,000	
TOTAL NON-CURRENT LIABILITIES	18,929,701	2,041,000	20,970,701	39,045,535	5,240,000	44,285,535	
TOTAL LIABILITIES	26,320,849	2,041,000	28,361,849	56,755,117	5,240,000	61,995,117	
Equity							
SHARE OPTIONS RESERVES	6,232,612	6,339,354	12,571,966	9,183,001	9,446,890	18,629,891	
FOREIGN EXCHANGE RESERVE	[1,449,925]	[105,715]	[1,555,640]	[2,195,127]	38,150	[2,156,977]	
RETAINED EARNINGS	[80,982,420]	[8,274,639]	[89,257,059]	[82,164,298]	[14,725,040]	[96,889,338]	
TOTAL EQUITY	35,472,167	[2,041,000]	33,431,167	36,737,072	[5,240,000]	31,497,072	
TOTAL EQUITY AND LIABILITIES	61,793,016	-	61,793,016	93,492,189	-	93,492,189	
Consolidated Statement Of Comprehensive Income				31 December 2024, as previously reported (\$)	Prior Period Adjustment (\$)	31 December 2024, as restated (\$)	
ADMINISTRATION EXPENSE				[78,211,994]	[3,251,401]	[81,463,395]	
OPERATING [LOSS]/ PROFIT				2,584,690	[3,251,401]	[666,711]	
OTHER LOSSES				-	[3,199,000]	[3,199,000]	
LOSS BEFORE TAXATION				[769,384]	[6,450,401]	[7,219,785]	
LOSS FOR THE FINANCIAL YEAR				[1,181,878]	[6,450,401]	[7,632,279]	
Other Comprehensive Income, Net Of Taxation:							
Items That May Be Subsequently Reclassified To Profit Or Loss:							
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS				2,646,756	[3,248,093]	[601,337]	
LOSS AND TOTAL COMPREHENSIVE INCOME/[LOSS] FOR THE YEAR				1,464,878	[9,698,494]	[8,233,616]	

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36. PRIOR PERIOD ADJUSTMENT
(Continued)

Company Statement Of Financial Position	31 December 2023, as previously reported (\$)	Prior Period Adjustment (\$)	31 December 2023, as restated (\$)		31 December 2024, as previously reported (\$)	Prior Period Adjustment (\$)	31 December 2024, as restated (\$)
Non-Current Asset							
INVESTMENTS IN SUBSIDIARIES	11	-	11		11	1,233,000	1,233,011
TOTAL NON-CURRENT ASSET	9,498,745	-	9,498,745		12,064,755	1,233,000	13,297,755
Non-Current Liabilities							
WARRANTS LIABILITY	-	2,041,000	2,041,000		-	5,240,000	5,240,000
TOTAL NON-CURRENT LIABILITIES	18,929,701	2,041,000	20,970,701		13,970,920	5,240,000	19,210,920
TOTAL LIABILITIES	21,471,798	2,041,000	23,512,798		22,475,029	5,240,000	27,715,029
Equity							
SHARE OPTIONS RESERVES	6,232,612	6,339,354	12,571,966		9,183,001	9,446,890	18,629,891
FOREIGN EXCHANGE RESERVE	[1,449,925]	[105,715]	[1,555,640]		[2,195,061]	38,150	[2,156,911]
RETAINED EARNINGS	[70,577,743]	[8,274,639]	[78,852,382]		[75,351,494]	[13,492,040]	[88,843,534]
TOTAL EQUITY	45,876,844	[2,041,000]	43,835,844		43,549,942	[4,007,000]	39,542,942
TOTAL EQUITY AND LIABILITIES	67,348,642	-	67,348,642		66,024,971	1,233,000	67,257,971

The Company's loss and total comprehensive loss for the year ended December 2024 increased by \$5,073,536 because of the restatement, from \$5,518,887 to \$10,592,423.