

This announcement contains inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

7 August 2024

Sorted Group Holdings Plc
("Sorted", the "Company" or the "Group")

Interim results for the six months ended 30 June 2024

Sorted (AIM: SORT) announces its unaudited interim results for the six months ended 30 June 2024.

CHAIRMAN'S REPORT FOR THE PERIOD ENDED 30 JUNE 2024

Dear Shareholders,

I am pleased to present the Chairman's statement for Sorted's unaudited interim results for the six months ended 30 June 2024 ("H1 FY24" or the "Period").

2023 marked a significant turning point for Sorted. On 28 June 2023, we announced a secured convertible bridge loan agreement (the "Convertible Loan Agreement") with Sorted Holdings Limited ("SHL") to lend it up to £2.6 million (the "Loan") for working capital purposes. The Convertible Loan Agreement had a redemption premium of 50% and was secured by a first fixed and floating charge over SHL's business and assets. At the Company's option, the Loan could be converted into shares representing approximately 100% of the fully diluted share capital of SHL.

Additionally, we simultaneously announced the entry into exclusive non-binding heads of terms for a potential acquisition of the entire issued share capital of SHL by the Company for a nominal consideration of £1.00 (the "Proposed Acquisition"). The Proposed Acquisition constituted a reverse takeover under the AIM Rules for Companies (the "AIM Rules"). Accordingly, in accordance with rule 14 of the AIM Rules, the Company's ordinary shares were suspended from trading on AIM on 28 June 2023.

On 30 January 2024, we announced and published an AIM admission document in connection with the Proposed Acquisition. The AIM admission document detailed, among other things, the proposed acquisition of SHL, a proposed subscription of 2,285,712 new ordinary shares of 62.5 pence each in the Company ("Ordinary Shares") at 87.50 pence per new Ordinary Share to raise approximately £2.0 million, a proposed consolidation of every 625 existing ordinary shares of nominal value of 0.1 pence each into one new Ordinary Share, a proposed change of name and AIM ticker symbol to Sorted Group Holdings PLC and SORT respectively, director appointments, a notice of general meeting, and the restoration of trading of the Company's existing ordinary shares on AIM. Terms were agreed for the acquisition of the entire issued and to be issued share capital of SHL for an aggregate nominal consideration of approximately £66.73 to be paid in cash at completion.

The Proposed Acquisition was attractive for several reasons. This included the Proposed Acquisition being a significant opportunity to leverage SHL's technology and substantial capital investment made in SHL to date (exceeding £70 million). In addition, SHL had an attractive software-as-a-service ("SaaS") business model in the ecommerce sector with scalable, predictable revenue performance. SHL's diverse customer base of household retail brands and strong industry partnerships with the business being UK-based business with over 60 employees. Lastly, the global ecommerce market in which SHL operates has been forecast to grow significantly and is a highly fragmented market.

On 25 January 2024, we announced that the Company had entered into an unsecured term loan facility agreement with Bidco 3 Limited (the "Lender" or "Bidco 3") for a total principal amount of up to £3.0 million (the "Facility"). Bidco 3 is a special purpose holding company focused on making strategic investments. The directors of the Company (the "Directors" or the "Board") believe that the Group has adequate financial resources and will not need to draw on this Facility to continue in operational existence for the foreseeable future.

On 16 February 2024, all resolutions were duly passed at a general meeting of the Company. The proposals set out in the AIM admission document were completed on 19 February 2024 with the enlarged group successfully admitting to trading on AIM on the same day ("Admission"). As part of this, Carmen Carey was appointed as Chief Executive Officer, Mahmoud Warriah as Chief Financial Officer, and Petar Cvetkovic as Non-Executive Director. To reflect the Company's new name, the website changed to www.sorted.com on Admission.

On 30 April 2024, the Company announced that it had received approximately £2.0 million in research and development ("R&D") tax credits from His Majesty's Revenue & Customs ("HMRC") (together the "R&D Tax Credit"). The R&D Tax Credit relates to SHL's claim made to HMRC in respect of the financial year ended 30th September 2022. The R&D Tax Credit has been directly applied towards reducing the Group's pay as you earn ("PAYE") and value added tax ("VAT") liabilities for the financial year ended 31st December 2023 and up to 29th February 2024.

Operational and Financial Restructuring

On 28 May 2024, it was announced that Carmen Carey had stepped down as Chief Executive Officer ("CEO") and Executive Director of the Group with immediate effect, although she will continue to support the Company during a three-month notice period.

During this period, we undertook significant restructuring efforts to align the business with its strategic goals and to ensure long-term sustainability, which are outlined as follows:

- **Employee Headcount Reduction:** The headcount was reduced from 66 to 51, eliminating an expensive corporate layer that is no longer required for the business. This enabled the Board to promote the next level of high-end talent to form the new senior management team.
- **Cost Reduction:** We have reduced back-office costs related to legal, HR, and finance functions, enabling management to reallocate resources towards front-office functions, specifically software engineering and sales. This is anticipated to lead to a total people cost reduction of approximately £1.2 million on an annualised basis.
- **Property Costs:** We have reorganised our offices, closing the London office and resizing the Manchester office to be more fit for purpose. This is expected to deliver an annualised six-figure saving.
- **Operational Efficiencies:** We are introducing efficiencies to run the Sorted platform more cost-effectively. Our second largest cost, outside of personnel, is our IT infrastructure, which we will focus on reducing in the second half of the financial year ending 31 December 2024 ("FY24").

H1 FY24 has been transformative for our Company as we have embarked on a strategic initiative to foster a "start-up" mentality within our organisation. The key objectives have been to streamline our operations, reduce unnecessary corporate and executive costs, and return to our nimble roots in Manchester.

Outlook and Future Strategy

Throughout this period of significant change, our commitment to maintaining revenue levels and customer satisfaction has remained steadfast. I am proud to report that, despite comprehensive restructuring efforts, we have successfully upheld our revenue streams, reflecting the strength and adaptability of our team. Our customers have expressed their continued trust in our services, as evidenced by the renewal of their contracts with Sorted.

These changes have not only reduced costs but also enhanced our ability to respond quickly to market needs and opportunities. Specifically, we have reduced costs in back-office functions such as HR, internal IT, Finance, and Legal, as well as property and office expenses. These savings have been strategically reinvested in front-office areas, particularly in expanding our Sales team and enhancing our Software Development teams.

We have made significant investments in both our core team and our service offerings during this period, ensuring that we are well-positioned to capitalise on future growth opportunities. Our efforts have been geared towards fostering a culture of innovation and agility, essential for navigating the competitive landscape that we operate in as well as increasing long-term value for our shareholders.

As we look forward to the remainder of the financial year, we are optimistic about the future. Our strategic focus on agility, efficiency, and customer satisfaction will continue to guide us. We are confident that the steps we have taken will not only strengthen our market position but also lay a solid foundation for sustained growth and success. The acquisition of SHL and the

consequential reverse takeover have provided us with a valuable platform for potential growth opportunities. Armed with this knowledge, we are actively exploring avenues for sustainable expansion and enhancement of our offerings.

We entered FY24 with a solid financial foundation. The successful fundraises that took place in 2024 provided us with ample resources and, together with the loan facility agreement with Bidco 3 Limited for up to £3.0 million, enabled us to pursue our strategic acquisition objective against the backdrop of the complex business landscape.

Throughout the acquisition process, we have remained committed to our key stakeholders, particularly our shareholders. We recognise that change brings uncertainty, and we have made every effort to navigate these challenges with transparency and fairness. Our team has shown remarkable resilience and adaptability during this period of transition, and we are grateful for their dedication to our shared vision.

Finally, I would like to express my heartfelt gratitude to our shareholders, clients, and partners for their unwavering support throughout this transformative period. Your confidence in our ability to navigate these challenges and capitalise on emerging opportunities has been instrumental in our progress.

In conclusion, while the previous financial year ended 31 December 2023 presented its fair share of hurdles, we are well-funded and strategically positioned for the future. With a solid financial foundation, streamlined operations, and a focus on delivering a new strategic path going forward, we are confident in our ability to create long-term value for our shareholders. We thank our shareholders and stakeholders for their continued trust and support.

Yours sincerely,

Simon Wilkinson
Executive Chair, Sorted Group Holdings PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2024

		Six months ended 30 June 2024 Unaudited	Six months ended 30 June 2023 Unaudited
	Note	£	£
Revenue	4	3,188,490	3,277,780
Cost of sales		(1,226,643)	(1,346,206)
Gross profit		1,961,847	1,931,574
Administrative expenses		(3,654,220)	(5,580,336)
Amortisation and depreciation		(1,488,922)	(2,746,240)
Other operating income		98,640	-
Exceptional administrative income		1,990	-
Exceptional administrative expenses		-	-
Operating loss	4	(3,080,665)	(6,395,002)
Finance income		12,340	5,344
Finance expense		(365,880)	(200,391)
Loss before tax		(3,434,205)	(6,590,049)
Taxation		(245)	-
Loss for the period		(3,434,450)	(6,590,049)

Earnings per share

Loss per share - basic and diluted (51.2p) (155.6p)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD
ENDED 30 JUNE 2024**

	Six months ended 30 June 2024 Unaudited	Six months ended 30 June 2023 Unaudited
	£	£
Loss for the period	(3,434,450)	(6,590,049)
Total comprehensive income for the period attributable to owners of the company	(3,434,450)	(6,590,049)

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2024

Note	30 June 2024 Unaudited £	31 December 2023 Unaudited £
Non-current assets		
Intangible assets	6,344,243	7,454,644
Right-of-use asset	48,181	114,647
Property, plant and equipment	21,278	34,511
	<u>6,413,702</u>	<u>7,603,802</u>
Current assets		
Trade and other receivables	1,223,051	2,827,792
Current tax asset	-	-
Cash and cash equivalents	2,340,065	408,479
	<u>3,563,116</u>	<u>3,236,271</u>
Current liabilities		
Trade and other payables	(3,880,136)	(4,131,186)
Lease liability	(53,871)	(118,756)
	<u>(3,934,007)</u>	<u>(4,249,942)</u>
Net current assets	<u>(370,891)</u>	<u>(1,013,671)</u>
Total assets less current liabilities	<u>6,042,811</u>	<u>6,590,131</u>
Non-current liabilities		
Lease Liability	(3,288)	(4,260)
Loans and warrant liabilities	(4,425,366)	(7,159,394)
	<u>(4,428,654)</u>	<u>(7,163,654)</u>
Net assets	<u>1,614,157</u>	<u>(573,523)</u>
Capital and reserves		
Called up share capital	18,467,734	16,340,507
Share premium reserve	20,939,009	20,088,118
Other reserves	40,925,452	38,281,441
Retained earnings	(78,718,039)	(75,283,589)
Total equity	<u>1,614,157</u>	<u>(573,523)</u>

The unaudited interim financial statements on pages 4 to 14 were authorised for issue by the board

and were signed on its behalf by:

Mahmoud Warriah
Chief Financial Officer

**CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY FOR THE PERIOD ENDED 30 JUNE 2024
EQUITY ATTRIBUTABLE TO THE PARENT
COMPANY**

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
At 1 January 2023	16,340,507	20,088,118	38,041,649	(69,575,976)	4,894,298
Loss for the period	-	-	-	(6,590,049)	(6,590,049)
Shard interest reserve	-	-	76,664	-	76,664
At 30 June 2023	16,340,507	20,088,118	38,118,313	(76,166,025)	(1,619,086)
At 1 January 2024	16,340,507	20,088,118	38,281,441	(75,283,589)	(573,523)
Loss for the period	-	-	-	(3,434,450)	(3,434,450)
Shard interest reserve	-	-	169,150	-	169,150
Subscription (2,285,712 shares at 62.5p nominal and 25p premium)	1,428,570	571,428	-	-	1,999,998
Fee shares issue	85,714	34,286	-	-	120,000
Convertible shares and interest	214,285	85,714	-	-	299,999
Equity issued in lieu of accrued interest	398,659	159,464	(558,123)	-	-
Reverse acquisition	-	-	3,032,983	-	3,032,983
At 30 June 2024	18,467,734	20,939,009	40,925,452	(78,718,039)	1,614,157

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE
2024**

		Six months ended 30 June 2024 Unaudited	Six months ended 30 June 2023 Unaudited
	Note	£	£
Cash flows from operating activities			
Loss for the year from continuing activities		(3,434,205)	(6,590,049)
<i>Adjustments to cash flows from non-cash items:</i>			
Depreciation and amortisation		1,488,922	2,746,240
Finance income		(12,340)	(5,344)
Finance costs		365,880	200,391
<i>Working capital adjustments:</i>			
(Increase)/Decrease in trade and other receivables		(395,259)	47,099
Decrease in R&D receivable		2,000,000	-
Increase/(Decrease) in trade and other payables		(467,594)	908,457
Cash used in operations		(454,595)	(2,693,206)
Income taxes paid		(245)	-
Net cash used in operating activities		(454,840)	(2,693,206)
Cash flows from investing activities			
Purchase of intangible assets		(298,821)	(998,472)

Decrease of intangible assets	(1,000,000)	(1,000,000)
Purchase of property, plant, and equipment	-	(11,906)
Interest received	12,340	5,344
Net cash acquired as part of reverse acquisition	2,691,816	-
Net cash from/(used) in investing activities	2,405,335	(1,005,034)
Cash flows from financing activities		
Proceeds from issue of ordinary shares, net of issue costs	1,999,998	-
Proceeds from issue of ordinary shares where cash already received and held as part of reverse acquisition	(1,999,998)	-
Lease liability payments	(65,859)	(147,736)
Interest paid	(35,511)	(103,891)
Proceeds from loans	82,461	1,760,750
Share interest reserve	-	76,664
Net cash generated from financing activities	(18,909)	1,585,787
Net (decrease)/increase/ in cash and cash equivalents	1,931,586	(2,112,454)
Cash and cash equivalents at beginning of period	408,479	2,668,437
Cash and cash equivalents at end of period	2,340,065	555,983
Non-cash financing activities		
Liabilities settled by share issues	(858,122)	-
Directors' fees settled by share issues	(120,000)	-

SORTED GROUP HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

1 General information

Sorted Group Holdings PLC and its subsidiary Location Sciences AI Limited (together the "Group") provide a Software as a Service (SaaS) Delivery Experience Platform (DEP) that powers dynamic checkouts, delivery management and tracking globally. Through partnerships with some of the biggest global carriers and customer-obsessed retailers, Sorted transforms the delivery experience into a delight, for everyone that touches it. Sorted provides mission critical software using an application programming interface (API) driven platform that enables fast and seamless integrations with retailers offering enhanced features.

The Company is a public limited company which is quoted on the AIM market of the London Stock Exchange and is incorporated and domiciled in England and Wales.

2 Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom, International Financial Reporting Interpretations Committee ("IFRIC") interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies adopted are consistent with those of the financial statements for the year ended 31 December 2023, as described in those financial statements.

The accounting resulting from the reverse acquisition (see notes 3 and 6) causes the comparative amounts to be restated such that the figures for the six-month period ended 30 June 2023, as well as the balance sheet as at 31 December 2023, represent those of Sorted Holdings Limited and subsidiaries (before the reverse acquisition). The results for the six-month period 30 June 2024, as well as the balance sheet as at 30 June 2024 is the same as the comparatives but also includes the balances of Sorted Group Holdings Plc and subsidiaries (before the reverse acquisition) as at 30 June 2024 and the results of the same from the acquisition date of 16 February 2024. The comparative results and balances, although largely extracted from audited results of

Sorted Holdings Limited, have not been audited. The results and balances for the current period have not been subject to an audit.

The latest financial statements of Sorted Group Holdings Plc are those for the year ended 31 December 2023 and have been delivered to the Registrar of Companies and included an unqualified auditors' report and did not contain a statement under Section 498(2) or Section 498(3) Companies Act 2006. As described above, the current results are not comparable with this latest financial statements due to the reverse acquisition.

3 Going concern

This going concern note should be read in conjunction with the note for the year ended 31 December 2023, which detailed significant events and strategic initiatives for the Company.

On 30 January 2024, we announced and published an AIM admission document in connection with the Proposed Acquisition. The AIM admission document detailed, among other things, the proposed acquisition of SHL, a proposed subscription of 2,285,712 new ordinary shares at 87.50 pence per share to raise approximately £2.0 million, a proposed 625 to 1 share consolidation, a proposed change of name and AIM ticker symbol to Sorted Group Holdings PLC and SORT respectively, director appointments, a notice of general meeting, and the restoration of trading of the Company's existing ordinary shares on AIM. Terms were agreed for the acquisition of the entire issued and to be issued share capital of SHL for an aggregate nominal consideration of approximately £66.73 to be paid in cash at completion.

The Proposed Acquisition was attractive for several reasons, including:

- Significant opportunity to leverage Sorted's technology and substantial capital investment (exceeding £70 million).
- An attractive software-as-a-service ("SaaS") business model in the ecommerce sector with scalable, predictable revenue performance.
- Diverse customer base of household retail brands and strong industry partnerships.
- Global ecommerce market forecast to grow significantly.
- Highly fragmented market.
- UK-based business with over 60 employees.

On 25 January 2024, we announced that the Company had entered into an unsecured term loan facility agreement with Bidco 3 Limited (the "Lender" or "Bidco 3") for a total principal amount of up to £3.0 million (the "Facility"). Bidco 3 is a special purpose holding company focused on making strategic investments. The Directors believe that the Group has adequate resources and will not need to draw on this loan to continue in operational existence for the foreseeable future.

On 16 February 2024, all resolutions were duly passed at a general meeting of the Company. The proposals set out in the AIM admission document were completed on 19 February 2024 with the enlarged group successfully admitting to AIM on the same day ("Admission"). As part of this, Carmen Carey was appointed as Chief Executive Officer, Mahmoud Warriah as Chief Financial Officer, and Petar Cvetkovic as Non-Executive Director. To reflect the Company's new name, the website changed to www.sorted.com on Admission.

On 30 April 2024, SGH plc announced that it had received approximately £2.0 million in research and development ("R&D") tax credits from His Majesty's Revenue & Customs ("HMRC"). The R&D Tax Credit relates to Sorted Group Limited's claim made to HMRC in respect of the financial year ended 30 September 2022. The R&D Tax Credit has been directly applied towards reducing the Group's pay as you earn ("PAYE") and value added tax ("VAT") liabilities for the financial year ended 31 December 2023 and up to 29 February 2024.

On 28 May 2024, it was announced that Carmen Carey stepped down as Chief Executive Officer ("CEO") and Executive Director of the Group with immediate effect and will continue to support Sorted during a three-month notice period.

During this period, we undertook significant restructuring efforts to align the business with its strategic goals and ensure long-term sustainability, which are outlined as follows:

- **Employee Headcount Reduction:** The headcount was reduced from 66 to 51, eliminating an expensive corporate layer that is no longer required for the business. This enabled the Board to promote the next level of high-end talent to form the new senior management team.
- **Cost Reduction:** We have reduced back-office costs related to legal, HR, and

finance functions, enabling management to reallocate resources towards front-office functions, specifically software engineering and sales. This is anticipated to lead to a total people cost reduction of approximately £1.2 million on an annualised basis.

Property Costs: We have reorganised our offices, closing the London office and resizing the Manchester office to be more fit for purpose. This is expected to deliver an annualised six-figure saving.

Operational Efficiencies: We are introducing efficiencies to run the Sorted platform more cost-effectively. Our second largest cost, outside of personnel, is our IT infrastructure, which we will focus on reducing in the second half of the financial year ending 31 December 2024 ("FY24").

These strategic actions have been taken to streamline operations, reduce costs, and position the Company for future growth. The Directors have prepared detailed cash flow forecasts and have considered various scenarios, including the potential impacts of market conditions and the restructuring efforts.

The Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements for the period from 1 July 2024 to 30 June 2025.

4 Loss per share

	Six months ended 30 June 2024 Unaudited £	Six months ended 30 June 2023 Unaudited £
Loss attributable to shareholders	(3,434,450)	(6,590,049)
	No.	No.
Weighted average number of shares (basic)	6,704,660	4,236,140

The calculation of basic loss per share of 51.2p (June 2023: 155.6p) is based on loss after taxation and the weighted average number of ordinary shares in issue during the period. The weighted average number of shares for 30 June 2023 retrospectively includes the impact of the share consolidation (see note 6).

5 Segmental analysis

Operating segments are based on internal reports about components of the Company, which are regularly reviewed and used by the Board of Directors being the Chief Operating Decision Maker ("CODM") for strategic decision making and resource allocation, in order to allocate resources to the segment and to assess its performance.

The segmental analysis has been restated due to the reverse acquisition (refer note 7). The comparative period is represented by two reportable segments - 'Corporate & Enterprise' and 'Return & Reverse Logistics'. With the reverse acquisition on 16 February 2024, the additional reportable segment, 'Verify', was added.

Verify provides location verification services, utilising sophisticated machine learning and pattern recognition technologies. Verify detects location ad-fraud and checks the accuracy and quality of location signals used to improve the performance of digital advertising. The Verify business was gradually scaled down beginning on February 16th, with operations progressively reduced until its full closure in June 2024. This strategic move was made to concentrate resources and focus on the Sorted Corporate and Enterprise business.

The corporate & enterprise segments provides a software as a service platform, the Delivery Experience Platform, that powers dynamic checkouts, delivery management and tracking globally. The segment remains stable with a successful renewal of a major client and a consistently low churn rate. This revenue stream continues to be our primary focus.

The return & reverse logistics segment provides software as a service platform that enables retailers of all sizes to automate their return processes and access competitively priced carrier return rates. We continue to develop the business, focusing on organic growth.

It should be noted that a segmental analysis of the Consolidated Statement of Financial Position is not part of routine management reporting and, consequently, no segmental

analysis of assets is shown here.

An analysis of operating revenue is as follows:

	Six months ended 30 June 2024 Unaudited £	Six months ended 30 June 2023 Unaudited £
Verify	(8,057)	-
Corporate & Enterprise (Ship & Track)	2,771,978	2,785,851
Return & Reverse Logistics	424,569	491,929
	<u>3,188,490</u>	<u>3,277,780</u>

An analysis of EBITDA is as follows:

	Six months ended 30 June 2024 Unaudited £	Six months ended 30 June 2023 Unaudited £
Verify	(589,651)	-
Corporate & Enterprise (Ship & Track)	(1,063,080)	(3,683,387)
Return & Reverse Logistics	60,983	34,626
	<u>(1,591,748)</u>	<u>(3,648,761)</u>

An analysis of profit or loss before tax is as follows:

	Six months ended 30 June 2024 Unaudited £	Six months ended 30 June 2023 Unaudited £
Verify	(577,311)	-
Corporate & Enterprise (Ship & Track)	(2,907,453)	(6,604,189)
Return & Reverse Logistics	50,559	14,140
	<u>(3,434,205)</u>	<u>(6,590,049)</u>

6 Share capital

	30 June 2024 Unaudited £	31 December 2023 Audited £
7,639,705 ordinary shares of 62.5p each (December 2023: 2,647,587,398 of 0.1p each)	4,774,815	2,647,588
1,040,712,398 deferred shares of 0.99p each	10,303,053	10,303,053
376,651,734 New Deferred shares of 0.9p each	3,389,866	3,389,866
	<u>18,467,734</u>	<u>16,340,507</u>

Share issue

Share consolidation and issue

Following an announcement on 28 June 2023 where the Company entered into an exclusive non-binding heads of terms for a potential acquisition of the entire issued share capital of Sorted Holdings Limited (the "Proposed Acquisition"), we published an AIM admission document on 30 January 2024. This document detailed the proposed acquisition of SHL, a proposed subscription of 2,285,712 new ordinary shares at 87.50 pence per new ordinary share to raise approximately £2.0 million, a proposed 625 to 1 share consolidation, a proposed change of name and AIM ticker symbol to Sorted Group Holdings PLC and SORT respectively, director appointments, a notice of general meeting, and the restoration of trading of the Company's existing ordinary shares on AIM. Terms were agreed for the acquisition of the entire issued and to be issued share capital of SHL for an aggregate nominal consideration of approximately £66.73 to be paid in cash at completion which was subsequently paid in full.

completion which was subsequently paid in full.

Share rights

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

Deferred shares have attached to them no voting, dividend or capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Warrants in Issue

1) Promoter Warrants - non-transferable warrants to subscribe for up to 2,400,000 Ordinary Shares, exercisable at £1.25 for five years from 25 May 2021, were issued to certain members of the Concert Party in consideration of those persons assembling and co-ordinating the Concert Party's investment in the Company in May 2021 and facilitating the appointment of Simon Wilkinson as Non-Executive Chairman.

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

2) Cornerstone Investor Warrants - non-transferable warrants to subscribe for up to 400,000 Ordinary Shares, exercisable at £1.25 for five years from 25 May 2021, were issued to the Cornerstone Investors of the May 2021 placing.

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

3) Broker Warrants - transferable warrants to subscribe for up to 160,000 Ordinary Shares, exercisable at £1.25 for five years from 25 May 2021 were issued as shown below.

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

4) Director Warrants - non-transferable warrants to subscribe for, in aggregate, 192,000 Ordinary Shares were issued to the Executive Directors and the Non-Executive Directors, exercisable at £1.25 for five years from 21 May 2021, provided that the Ordinary Shares have traded at a Volume Weighted Average Price (VWAP) at or above 0.30p for 20 consecutive Business Days, or on a change of control of the Company.

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

7 Reverse acquisition

On 16 February 2024, Sorted Group Holdings Plc acquired all the outstanding share capital in Sorted Holdings Limited (refer to note 3). The acquisition was one whereby a nominal value of £66,73 was paid in cash to acquire the outstanding share capital of Sorted Holdings Limited. Consequentially, new directors were appointed, being directors and key management personnel from Sorted Holdings Limited.

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

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

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

The consideration transferred is as follows:

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

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

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

8 Availability of half year report

Copies of the half-year report are available on request from the Company's registered office at Level 6 111 Piccadilly, Manchester, England, M1 2HY and can also be viewed at:

<https://www.sorted.com>

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About Sorted

Sorted's Delivery Experience supports retailers in providing exceptional delivery experiences and analysing post-purchase performance. It enables customers to track deliveries and returns or exchange of parcels with ease.

Founded more than a decade ago, Sorted is trusted by leading retailers - such as Asda, ASOS and M&S - to make customer purchase experiences a differentiator.

www.sorted.com

[@SortedOfficial](https://twitter.com/SortedOfficial)

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