

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the 'UK MAR') which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

10 December 2025

Redcentric plc
('Redcentric', the 'Company' or the 'Group')

Half Year Results
Updated MSP Growth Strategy
Robust performance & strong base for future growth and cash generation

Redcentric plc (AIM: RCN), a leading UK IT Managed Services provider, is pleased to announce its half year unaudited results for the six months ended 30 September 2025 ('H1 FY26' or the 'period' or the "first half").

Corporate Highlights

- Developing and growing the Managed Service Provider ("MSP") business unit is now the focus for the Group with the Board seeing an attractive opportunity to build additional shareholder value;
- The Board welcomed new senior management, with Michelle Senecal de Fonseca, formerly a Non-Executive Director, becoming CEO in May 2025, and Tony Ratcliffe joining as CFO in August 2025;
- Progressed negotiations in the period for the sale of the Data Centre ("DC") business and announced on 23 October the disposal of the DC business, for an enterprise valuation of up to £127 million, payable in cash;
- The Board believes this is transformational deal for the Group, allowing it to focus on the attractive MSP opportunity, reduce the leverage on the Group's balance sheet, and return material proceeds to shareholders most likely via a Tender Offer;
- The Board remains focused on completing the DC sale transaction by the end of March 2026; and
- Following the planned material reduction in net debt and unburdened by the capital expenditure requirements of the DC business, the Board expects the Group to deliver higher cash conversion and improved free cash flow. Reflecting this the Board will, at the end of the year, consider the possible reintroduction of a progressive dividend policy and / or a potential introduction of a share repurchase plan.

Updated MSP Strategy Highlights

- The Group intends to offer enhanced cybersecurity solutions by building upon its current security portfolio and better integrating security products to its customer offering;
- Leveraging MSP's established market leadership, capitalising on the public sector opportunity by delivering advanced managed services and critical sovereign cloud capabilities;
- Expand relationships with selected partners in certain vertical markets in order to accelerate go-to-market initiatives to fuel new customer growth; and
- Drive operational efficiency by optimising the Group's cost base and investing in automation to build a scalable platform for future growth.

Financial Highlights

Unless otherwise indicated, the following results are based on the continuing operations of the Group, the MSP business. Percentage changes are calculated on absolute values:

Six months to 30 Sept 2025 ("H1 FY26")	Six months to 30 Sept 2024 ("H1 FY25")	Change
<small>Unaudited *restated</small>	<small>Unaudited *restated</small>	

	Unaudited	restated	Change
Total revenue	£66.8m	£69.2m	-3.6%
Recurring revenue ¹	£60.4m	£60.9m	-0.9%
Recurring revenue percentage ¹	90.4%	88.0%	+2.5%
Gross profit	£41.1m	£40.9m	+0.5%
Gross margin	61.6%	59.1%	+2.5%
Adjusted EBITDA ²	£9.1m	£8.9m	+2.7%
Adjusted EBITDA ² margin	13.7%	12.8%	+0.8%
Reported operating profit	£3.6m	£3.7m	-2.4%
Reported profit before tax	£1.9m	£1.6m	+18.7%
Group Net debt	(£68.6m)	(£66.6m)	+2.9%
Group Adjusted net debt ³	(£41.8m)	(£39.9m)	+4.6%
Adjusted basic earnings per share ⁴	1.86p	1.70p	+9.3%
Reported basic earnings per share	1.19p	1.13p	+4.8%

A full explanation of the alternative performance measures used is available in the Appendix. In summary:

¹ Recurring revenue comprises the revenue that repeats either under contractual arrangement or by predictable customer habit;

² Adjusted EBITDA comprises earnings before interest, tax, depreciation and amortisation ('EBITDA') further adjusted for exceptional items and share-based payments, including National Insurance;

³ Adjusted net debt comprises reported net debt (borrowings net of cash) but excluding any supplier loans or lease liabilities that would have been classified as operating leases under IAS17 and is a measure reviewed by the Group's banking syndicate as part of covenant compliance; and

⁴ Adjusted basic earnings per share comprises earnings before interest, tax, depreciation and amortisation, exceptional items and share-based payments to which a notional tax charge of 25% is applied.

*restated to reflect continuing operations

Financial Highlights - Total Operations

(Combined MSP business unit and the DC business unit that is recognised as discontinued under IFRS5)

- Solid first-half performance;
- Total revenue for the Group was £83.6m (H1 FY25: £86.8m);
- Total recurring revenue for the Group was £77.0m (H1 FY25: £78.3m);
- Group maintained strong recurring revenue performance with recurring revenue as a percentage of total revenue up 1.9% from 90.2% to 92.1%;
- Adjusted EBITDA was £17.4m (H1 FY25 £18.2m); and
- Gross margin improved up 2.2% from 58.3% to 60.5%.

Outlook

- Board is confident in the outlook for the Group and enthusiastic about the clear growth strategy for subsequent years;
- Following the leadership transition and the significant time and resources dedicated to the business unit separation and the DC sale, the Board anticipates broadly flat MSP revenues for the current year.
- Management's focus is on margin expansion and rigorous cost discipline as the business emerges from this transformational period, with a clear strategy for future years;
- Refocus of the Group to higher margin MSP business is already underway;
- Recurring revenue model and lower capex MSP business, with reduced debt, has attractive earnings potential with improved cash conversion;
- Enhanced MSP growth strategy expected to deliver attractive revenue and earnings growth in FY27 and beyond;
- DC disposal targeted to complete by end of March 2026, and anticipated to enable the Board to announce a significant return of capital to shareholders, materially reduce debt and provide modest investment opportunities to accelerate MSP growth;
- Board to review capital allocation and dividend policy at the year end in light of lower capex and higher cash conversion MSP business; and
- Confidence in the medium to long-term outlook of earnings and cash generation with a strong business model and transformed balance sheet

Commenting on the results, Michelle Senecal de Fonseca, CEO of Redcentric, said: "I am delighted to deliver

these positive results, in what has been a very busy first half for the Group. Whilst the transformational year has been challenging, it is pleasing to see that our focus on securing and maintaining higher margin business and managing costs has already delivered improved margins from the MSP business. With the sale of the DC business now announced, our ongoing focus is very much on MSP as we start to execute the new strategy and growth plan which we believe will accelerate growth in both revenue and earnings in the years to come, building on the strong foundations of a market leading position and a high recurring revenue model."

Analyst Presentation

A presentation for sell-side analysts will be held at 9.30am today at Burson Buchanan's office. If you are interested in attending, please email Burson Buchanan on redcentric@buchanancomms.co.uk.

For further information:

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Notes to Editors:

Redcentric has a strong track record in delivering IT Managed Services provision that empowers businesses to scale, innovate and grow in a rapidly evolving digital landscape. As technology continues to advance the Company's goal is to be the go-to-all-in-one infrastructure and managed IT service provider for customers of all sizes offering an unmatched range of products and solutions.

The Company's MSP division serves the private and public sectors with all their IT requirements. The MSP division acts as an outsourced IT department, handling day to day maintenance and security of customers' IT infrastructures. This allows customers to improve security and efficiency and focus on growing their core businesses.

From infrastructure management and cloud services to cybersecurity and data analytics, Redcentric has a comprehensive suite of solutions designed to meet the diverse needs of modern businesses.

For additional information please visit www.redcentricplc.com

Chairman's Statement

I am pleased to introduce the half year results of the Redcentric Group for the six months ended 30 September 2025.

Overview

The first half year has been a busy one, dominated by progression of the proposed sale of the DC business. Post period end, the Board was delighted to announce on 23 October the sale of the DC business to Stellonor Datacenters Group Limited, backed by a fund managed by DWS Group. The consideration, all payable in cash, is based on an enterprise valuation of up to £127 million. This consideration is subject to adjustment on completion to ensure the DC business is sold on a cash free, debt free basis and is also subject to a target level of working capital and a number of adjustments relating to commercial and property contract matters.

Completion of the DC sale remains dependent on several agreed conditions precedent being satisfied, which

comprise regulatory requirements, as well as certain conditions relating to outstanding matters from the separation of the business into two segments. It is positive to report that certain of these conditions precedent have already been satisfied. Whilst the technical long stop date for completion is 31 May 2026, the Board currently estimates that completion will occur on or before 31 March 2026.

This is a pivotal year for the Group and this transaction is expected to be transformational, allowing a reduction in Group debt, the ability to de-risk and focus on the future MSP growth strategy and the ability to return significant amounts of capital to shareholders.

Following the completion of the DC business sale, the Board is excited about the significant growth potential in its MSP business. The refreshed lower-capex growth strategy outlined in the CEO's report is expected to drive strong operational leverage, delivering margin expansion and, with reduced financing costs, substantially higher cash conversion. This clear pathway should further strengthen the balance sheet and create scope for enhanced shareholder returns through additional distributions, as the Board monitors ongoing debt repayment and dividend policies.

Focus on the MSP business

The sale of the DC business is also pivotal because it will allow the Group to focus on the MSP market which the Board believes provides a very attractive opportunity for growth and scale, which can be capitalised on by leveraging the Group's existing operational infrastructure and cost base, thus creating the potential to deliver attractive returns to shareholders while continuing to deliver market leading service to the Group's valued client base.

The Board has agreed an enhanced MSP growth strategy, which is discussed in more detail in the CEO's Review.

Solid progress and momentum have been achieved in the first half, with the MSP business delivering revenues of £66.8m with an increased gross margin of 61.6% (H1 FY25: £69.2m at a gross margin of 59.1%) from success in its three core service towers: Cloud, Connectivity and Communication. The recurring revenue model, a key strength of the MSP business, accounted for 90.4% of total MSP revenues (H1 FY25: 88.0%). Adjusted EBITDA of £9.1m at an Adjusted EBITDA margin of 13.7% shows an increase (H1 FY25: £8.9m at an adjusted EBITDA margin of 12.8%). This performance is very solid given the challenging market environment.

The work involved in the separation of the two business units during the period, plus the time focused on the DC disposal has presented some significant and inevitable distractions during this financial year. However, management is dedicated to its commitment to drive MSP revenue whilst prudently managing the cost base to maximise stakeholder value.

Possible Return of capital to shareholders

As the DC sale reaches completion, the Board intends to review the capital allocation from the sale proceeds, with the funds due to be received on completion allocated to deliver benefits to shareholders and to strengthen the Group's financial position. The Board will be considering a number of options, including an agreed reduction in its debt to enhance financial stability, returning capital to shareholders (most likely by way of a Tender Offer), repurchasing shares and evaluating opportunities to accelerate growth within the MSP business. At this stage, the Board has agreed with its lenders to reduce the size of its Revolving Credit Facility ("RCF") following completion of the disposal, from £60m to £30m and to reduce RCF amounts drawn at completion to no more than £19m (RCF borrowings at 30 September 2025 were £41m).

Shareholders will be kept informed of further progress and the expected outcome and timing of the completion of the DC sale and any further capital allocation decisions. In the event of a return of capital by tender offer, this would be subject to shareholder approval at a General Meeting.

Board changes and people

During the first half, the Board appointed Michelle Senecal de Fonseca as CEO in May 2025, following her tenure as a Non-Executive Director of Redcentric since February 2024. Michelle has driven the MSP strategic refresh and has a strong operational focus on MSP, which is already delivering positive change.

The Board also welcomed Tony Ratcliffe as CFO in August 2025. Tony has a successful background in delivering

growth and building and realising shareholder value in technology businesses, a number of those having been listed on the AIM market.

I also wish to express my continued appreciation to all our colleagues for their efforts in driving the Group's progress. We are equally grateful to all of our valued clients for their partnership and to our investors for their continuing support as we transform the business in this busy year.

Richard McGuire

Non-Executive Chairman

Chief Executive Officer's Review

Introduction

I am pleased to report the first half results for FY26.

A huge effort has been incurred in the period to initially separate the two business units, MSP and DC, from what had historically been a single, combined business and subsequently to advance the sale of the DC business.

Both the Company and the buyer of the DC business, Stellanor Data Centers Group, are working hard to finalise the remaining conditions precedent to allow legal completion of the sale to occur as soon as possible. Whilst we are committed to support the buyer for twelve months post completion by way of a transitional services agreement, the clear focus and attention of the Board and management going forward is very much directed to addressing what it sees as an attractive MSP market opportunity. The Group has strong MSP foundations built on recurring revenues which it is expected can be further built upon to create incremental shareholder value over the medium term. The focus of my review below is devoted to the ongoing MSP business.

The IT Managed Services market

UK customer demand for managing IT infrastructure, cybersecurity and end-user systems is well established, with the Service Addressable Market (SAM) estimated at over £10 billion per annum.

This IT Managed Services market is highly fragmented, supplied by approximately 12,000 providers in the UK. There are a small number of very large, predominantly global, providers, a huge number of quite small providers and a modest number of mid-tier providers. It is the large and mid-tier providers that dominate the marketplace and this is where Redcentric sits as a mid-tier leader. The Group's competitors are a broad spectrum of businesses from global telecommunication companies through hardware and software providers, system integrators and a range of independent providers, and include companies providing individual elements of the overall IT Managed Services spectrum.

Redcentric enjoys a diverse portfolio of customers equally split over the public and private sectors. It has built a particularly strong position in the public sector, particularly with NHS trusts and associated social care as well as in the commercial markets among customers that require compliant oriented services.

Management believes the Group has the requisite national scale to provide diverse and attractive product and service offerings with the ability to be nimble enough to offer the right level of customised and technically compliant services with intimate account engagement. Maintaining this agility and deep customer knowledge differentiates the Group from the global service providers and is the key reason in being rewarded with long-term customer loyalty. The investment the Group makes in maintaining and expanding a wide array of technical and regulated compliance certifications separates it from most of its peers. The Group is fortunate not to suffer from many of the challenges that its smaller competitors face, such as the lack of a delivery structure, reputation, reliability and financial strength. The Board also views the Group's AIM listing as a strong and visible demonstration of the Group's solid balance sheet and governance, making the Group a particularly attractive counterparty for its customers to contract with.

The MSP Strategy

The Group provides a broad range of IT Managed Services across its three core specialist areas of Cloud, Connectivity and Communication. Each of these areas has a dedicated focus with technologically advanced infrastructure and appropriately skilled resource. Historically, the Group has built its offerings both organically and through M&A.

The Group has positioned itself in the market as being able to combine the benefits of proprietary networks with a flexible and technically skilled workforce able to deliver and support critical services and solutions in an exceptionally secure environment. The Group seeks to differentiate itself in three distinct ways:

- Innovation - in the design and delivery of its services;
- Reliability - applying the right technical skills, organised in the right way, to give predictable high-quality results; and
- Value - service offerings designed to offer value for money to mid-market customers.

Since becoming CEO in May, my focus and priority has been to review and update the MSP strategy. I believe that the combination of the current dynamics in the MSP marketplace together the Group's core strengths and capabilities in this sector provide a unique opportunity to capitalise on a number of high-priority attractive growth initiatives. The strategy to exploit these opportunities is focused on:

Cybersecurity solutions

Cyber threats, compliance mandates and privacy concerns continue to intensify. The Group intends to build upon its existing security portfolio by continuing to invest in a comprehensive security product offering, building compliance frameworks suited to its customer sectors, and creating offerings that enhance cyber-resilience for customers. Investment will be made to obtain certifications with key security vendors, enhance our Security Operations Centre (SOC) capabilities and to develop proprietary compliance intellectual property. Enhancing the Group's cybersecurity solutions are expected to support the growth of higher margin recurring revenue, under-pinned by cross selling to existing customers and demonstrating our strong competitive advantage.

Public sector cloud modernisation

There is a significant opportunity to upgrade and modernise cloud platforms in the public sector, where the Group already has a strong presence. The Group intends to prioritise cloud migration, partnerships and modernisation initiatives to further develop managed services for public cloud environments, including highlighting our own sovereign cloud capabilities. Sovereign cloud is a cloud environment that ensures compliance with the legal frameworks of specific countries or regions, allowing customers to meet the digital sovereignty requirements by keeping data within national boundaries, enhancing data protection and security to address the growing demand for data privacy and compliance. Investment will be made in cloud platforms and infrastructure with resources focussed to deliver to more public framework agreements. These initiatives are expected to capitalise on existing relationships and capabilities, with the objective of further embedding the Group within its existing customer base and providing a lower risk route to enhanced revenues.

Expand the Group's partner ecosystems

Currently, the Group has a limited, but valuable number of selected partners in certain of the vertical markets in which it operates. By developing these partnerships into more robust ecosystems, it will provide a richer route to market for the Group to grow its new customer business. Additionally, the Group is selecting additional partners for faster evolution of some of its newer service offerings. Understanding the requirements of different regulated industries and maintaining today already a highly secured, certified workforce, the Group intends to put additional focus on commercial entities that require such compliant and differentiated service offerings.

Cost and efficiency improvements

The Group is making efforts to reduce the MSP's facilities requirement, to further focus on procurement and supplier optimisation, both to reduce cost. Investments are expected to be made in network delivery automation and to upgrade its Microsoft 365 ERP installation to better align to the current and future business needs and to provide a scalable platform for further growth. Further details of how we will look to improve our operational efficiencies is set out below.

Artificial Intelligence ("AI")

Whilst these are the primary nearer-term drivers anticipated to unlock further growth, the Group expects to monitor market trends and opportunities and to be agile to further market opportunities. These areas will likely include AI and

automation software, Generative AI (GenAI). While the world is focused on AI applications and data centre capacity, it is overlooking the lack of significant available AI enabled network connectivity. The Group's current infrastructure is already AI-enabled and is working with its partners to find the right customer use cases to maximise the intended benefits.

Business Model

The Group has a well-established and capable direct sales and account management team, who are complemented by a few strategic partners, who work to continue to attract new customers and to deepen and broaden its relationships with existing customers. As noted above, the strategic review has identified the need to work with a more defined set of partners to accelerate market penetration, better leverage the Group's existing partnerships with more structure and create specific ecosystems aligned to key market segments.

The Group's very high proportion of recurring revenue is a highly attractive facet of its business model. Focus continues on maintaining the level of recurring revenues, as this provides a solid and highly visible picture of future revenues and earnings, but also to complement these revenues with non-recurring revenues, for example professional services around security or new client installations, which can provide useful uplifts in revenue.

The Group's MSP business is focussed towards the public sector, and large enterprise customers, with a significant amount of business secured through bid or tender processes. Customer contracts vary but are typically multi-year contracts, a key strength. There is of course a natural cycle when customer contracts approach renewal and the Group generally seeks to renew on broadly similar or enhanced terms. Therefore, focus on securing renewals is a key internal KPI with the Group focused on maintaining or increasing customer profitability through upselling and cost of service improvements

Whilst the Group has a complete and attractive portfolio of offerings, it is committed to remaining at the technological forefront of the market and therefore seeks to broaden its offering to provide customers with solutions that best meet their needs. The Group has a strong and reliable national infrastructure and has developed a delivery model that provides assurance and certainty for customers.

Operations

As already noted, there has been significant change in the first half, particularly driven by the split of the business into separate MSP and DC business units.

Other operational highlights in the first half within the MSP business include:

Hardware and licencing optimisation

Following a comprehensive review of internal platforms and the licensing estate, specifically the utilisation of VMWare and MS licensing across the relative services, there has been solid progress in optimising hardware usage and licencing. Following a re-architecture of Redcentric's internal data capture (specifically internal licensing usage) capabilities, the Group will be taking further steps to consolidate and significantly reduce internal systems requirements. Current expectations are a significant reduction in internal system license expenditure with some impact in H2 FY26 and a more significant impact during FY27 and beyond.

Rack Consolidation

Following the end of sale notification of its hardware recovery services solution offering, the Group has restructured the remaining client contracts to allow for the decommissioning of its colocation rack estate, creating operational efficiencies which allow cost savings going forward.

Operational efficiency initiatives

In conjunction with the strategic review of the MSP market and business, I have had the opportunity to review all operational aspects of the MSP and can report a number of planned initiatives that are expected to improve operational efficiency and effectiveness, provide the platform for further growth in MSP and to better manage its cost base in the medium to long term. These initiatives include:

Rationalisation of facilities

The MSP business is based in Harrogate and also has a sizeable but under-utilised facility in York. The York facility has now been vacated and the lease is in the process of being assigned.

Delivery automation

The MSP business intends to accelerate its further automation of its circuit provisioning in its Connectivity tower.

With modest up-front investment, the Board believes it can bring forward certain operational efficiencies and cost savings, effective from the second half of FY27.

Microsoft 365 ERP system upgrade

Whilst material investment has been made historically in the Group's Microsoft 365 ERP system, there have been significant changes in the Group's structure and operations, driven by prior year acquisitions and now the imminent sale of the DC business. Whilst the Customer Engagement (CE) side requires less modification, the Board has approved the investment required to update the Finance & Operations ("F&O") component to better suit the Group's current and planned business and to provide a much more appropriate platform for future growth. While discovery and planning is currently underway, it is expected that the majority of this investment will be made during FY27, financed from the proceeds of the DC sale, and will generate progressive operational and cost saving initiatives from the latter part of FY27 and beyond.

Organic growth

The sales team continues to exploit the opportunities arising from prior acquisitions, with the enlarged customer base presenting new cross-selling opportunities and the new product offerings providing a wider range of services to the existing customer base. The Group also has the opportunity to target its increased VMware customer base for cross-selling opportunities. The organic sales strategy can be summarised into three key focus areas:

1. Cross-sell multiple products and services to existing customers, where they only have one or a few products or services;
2. Cross-sell other Group products and services to VMware customer wins; and
3. Attracting new customers.

The Group appointed Aleksandra Lubavs as Chief Revenue Officer in June 2025 and under her leadership the sales team is focussed and driven to meet ambitious targets for both recurring and non-recurring revenue.

Inorganic growth

The Group has worked hard through the complexities of splitting the MSP and DC business units, the associated internal reorganisations and, following completion of the DC sale, will have twelve months of managing transitional services for the acquirer of the DC business. These factors, as well as the need to focus on the attractive organic growth initiatives identified above and the operational changes contemplated, mean the current intention is very much on an organic growth strategy. That being said, management is ensuring it builds a platform that could be accelerated further with M&A, and the Board retains its opportunistic approach to M&A should potential opportunities fulfil various criteria including being strategically relevant, financially accretive, contribute to Group scale, expand or enhance infrastructure to deliver greater levels of security and service, bring new technologies to benefit from innovation, be a cheaper alternative than building the capabilities internally or offer cross-selling opportunities.

Summary financial results

More detailed financial data is summarised in the CFO's Review with fuller detail in the Financial Statements. Revenues from continuing operations were £66.8m (H1 FY25: £69.2m), all organic. Recurring revenue increased as a proposition to 90.4% (H1 FY25: 88.0%). These are commendable results in what remains a challenging market.

Gross profit increased to £41.1m in H1 FY26 (representing a 61.6% gross margin) from £40.9m (representing a 59.1% gross margin) in H1 FY25. The increase in gross margin was due to a conscious focus to secure and retain higher margin business.

Adjusted EBITDA increased to £9.1m in H1 FY26 (at a 13.7% margin) from £8.9m (at a 12.8% margin). It is positive to see the increase in absolute Adjusted EBITDA as well as Adjusted EBITDA margin, achieved whilst operating costs continue to remain under pressure.

Outlook

The focus for FY26 and beyond is to drive recurring revenue within our MSP business, whilst actively managing the cost base to deliver the strongest possible margin and cashflow performance over the medium to long-term.

The Board and senior management believe that there is fundamentally an attractive MSP opportunity to build scale and deliver shareholder value, with key initiatives laid out to target growth, improve the operational effectiveness of the MSP business and to lower the cost base.

In the current market environment, with the distractions experienced in the year from the sale of the DC business and the modest investment to deliver the growth strategy, the Board currently expects that FY26 MSP revenues will be broadly flat versus FY25 MSP revenues. Management is focused on managing general cost pressures and expects a modest reduction in earnings in FY26 but that this is followed by more ambitious revenue and earnings growth from FY27 and beyond. I am confident of the Group's medium to long-term MSP prospects as it executes this strategy.

I look forward to updating shareholders of the Group's performance in due course.

Michelle Senecal de Fonseca

Chief Executive Officer

Chief Financial Officer's Review

Overview

The results for the first half continue to highlight a change in presentation from the first half of FY25. As previously announced, the Board made the decision to separate the DC and MSP business units (which had been aggregated in all previous financial reporting), as they represented two quite distinct business units, operating in different market segments with different business models and having different resource requirements.

The consequence of the decision to sell the DC business was that under IFRS 5, the financial reporting for this period primarily highlights the continuing operations, i.e. MSP, as it did in the full year results for FY25. The detail in the Statement of Comprehensive Income therefore shows the line-by-line results of MSP, together with appropriate comparative data for the prior year first half to allow a meaningful comparison. The DC business unit's results continue to be presented, in accordance with IFRS 5, as a discontinued operation in the Consolidated Statement of Comprehensive Income, with its assets and liabilities classified as held for sale in the Consolidated Statement of Financial Position. Under IFRS5, the comparative balance sheet has not been restated to reflect the change in presentation and therefore, by definition, the balance sheet items show more marked variances compared to the prior half year.

The financial review below covers the primary Financial Statements as presented and, unless otherwise stated, focuses on the continuing MSP business. Where significant differences have arisen because of the change in presentation as noted above, these are highlighted.

Revenue

Revenue for continuing operations, the MSP business unit, for the first half was generated wholly from the UK and was £66.8m, a decrease of 3.6% on £69.2m generated in H1 FY25. Total revenue can be analysed below:

	Six months ended 30 September 2025 Unaudited £'000	Six months ended 30 September 2024 Unaudited *restated £'000	Year ended 31 March 2025 Audited £'000
Continuing operations - MSP business unit	66,759	69,241	135,138
Discontinued operations - DC business unit	21,533	22,249	44,571
Inter-segment revenue	(4,655)	(4,705)	(9,818)
Total revenue	83,637	86,785	169,891

**restated to reflect continuing operations*

The Group's continued focus remains on maximising recurring revenues which provide strong visibility and security of future revenues.

The mix of revenues for the MSP business unit, is summarised below:

	Six months ended 30 September 2025 Unaudited	Six months ended 30 September 2024 Unaudited *restated	Year ended 31 March 2025 Audited
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Continuing operations	£'000	£'000	£'000
Recurring revenue	60,355	60,898	120,657
Product sales	2,243	2,803	4,888
Services revenue	4,161	5,540	9,593
Total revenue	66,759	69,241	135,138

*restated to reflect continuing operations

Recurring revenue amounted to £60.4m (H1 FY25: £60.9m) representing an increased proportion of 90.4% of total revenue (H1 FY25: 88.0% of total revenue).

Gross profit

Continuing operations	Six months ended		
	Six months ended 30 September 2025	September	Year ended 31 March 2025
		30	Unaudited *restated £'000
Gross profit	41,131	40,926	83,281
Gross margin	61.6%	59.1%	61.6%

*restated to reflect continuing operations.

The gross profit for the first half from continuing operations was £41.1m, an increase of 0.5% on £40.9m generated in H1 FY25. This represented a gross margin of 61.6%, which compared to 59.1% in H1 FY25. In common with competitors in the sector, whilst the Group has the benefit of index linked annual price increases in a number of customer contracts, it also typically encounters price pressure as customers may renew contracts at lower prices for newer offerings. It has also experienced general cost pressures which will remain a high priority activity to manage as far as possible, with the focus being on securing and maintaining higher quality revenues.

Operating expenses

For continuing operations, the Group's total operating costs were £37.5m, an increase of 0.8% on the £37.2m in H1 FY25. For continuing operations, the Group's underlying operating costs were in line with H1 FY25 at £32.0m. An analysis of the major components of the cost base is shown below:

Continuing operations	Six months		
	Six months ended 30 September 2025	30 September	Year ended 31 March 2025
		Unaudited *restated £'000	Audited £'000
UK-based employee costs	18,133	17,668	36,006
Office costs	133	(158)	742
Network and equipment costs	7,367	7,756	22,471
Other sales, general and administration costs	5,681	6,079	3,960
Offshore based employee and office costs	691	693	1,344
Underlying operating costs	32,005	32,038	64,523
Depreciation of property, plant and equipment	2,103	1,811	4,001
Amortisation of intangibles	1,221	1,165	2,593
Depreciation of right-of-use assets	779	938	1,610
Exceptional costs	1,293	739	924
Share-based payments and associated National Insurance	98	515	1,235
Total operating costs	37,499	37,206	74,886

*restated to reflect continuing operations.

It should be highlighted that network and equipment costs represent technical infrastructure costs that cannot individually be linked to customer contracts.

Whilst costs have been well managed, there remains significant pressure on all costs, and this will continue in the second half of the year.

Adjusted EBITDA

The Board's key measure of underlying business profitability and assessing trends across periods is adjusted earnings before interest, tax, depreciation and amortisation ('EBITDA') further adjusted for exceptional items, share-based payments and associated National Insurance costs ("Adjusted EBITDA"). Adjusted EBITDA for continuing operations for the first half was £9.1m, an increase of 2.7% on the £8.9m generated in H1 FY25, essentially driven by the higher gross margin and the successful cost control in the period.

Finance costs

For continuing operations, net finance costs for the Group year reduced to £1.7m (H1 FY25: £2.1m), as the unutilised element of the revolving credit facility ("RCF") was reduced.

Tax

For continuing operations, the tax charge for the first half was £0.1m (H1 FY25: credit of £0.2m).

Discontinued operations

The net profit after tax for the discontinued operations, being the DC business unit was, £0.9m (H1 FY25: £2.0m), shown as a single line item in the Consolidated Statement of Comprehensive Income. A fuller analysis of the components of the performance of the DC business is shown below.

	Six months ended 30 September 2025 Unaudited	Six months ended 30 September 2024 Unaudited	Year ended 31 March 2025 Audited
	£'000	£'000	£'000
Revenue	21,533	22,249	44,571
Cost of sales	(8,390)	(8,742)	(18,415)
Gross profit	13,143	13,507	26,156
Operating expenditure	(10,507)	(10,827)	(23,091)
Gain on contingent consideration	-	-	-
Adjusted EBITDA from discontinued operations	8,322	9,311	16,633
Depreciation of property, plant and equipment	(1,800)	(1,976)	(3,617)
Amortisation of intangibles	(387)	(416)	(832)
Depreciation of right-of-use assets	(3,360)	(4,138)	(8,308)
Exceptional costs	(98)	(85)	(779)
Exceptional income	-	-	-
Share-based payments	(41)	(16)	(32)
Operating profit from discontinued operations	2,636	2,680	3,065
Finance costs	(765)	(715)	(1,461)
Profit before tax from discontinued operations	1,871	1,965	1,604
Income tax (expense)/credit	(955)	78	(809)
Profit for the period from discontinued operations	916	2,043	795

Revenue for the discontinued operations for the period was generated entirely in the UK and was £21.5m, a decrease of 3.2% on the £22.2m generated in H1 FY25.

Gross profit for the discontinued operations for the year was £13.1m, a decrease of 2.7% on £13.5m generated in H1 FY25. This represented a gross margin of 61.0%, which was a modest increase compared to a 60.7% gross margin in H1 FY25.

Operating costs for the discontinued operations were £10.5m, compared to £10.8m in H1 FY25.

Adjusted EBITDA for the discontinued operations for the half was £8.3m, compared to £9.3m generated in H1 FY25.

Earnings per share

As detailed further in note 10, the basic and diluted earnings per share for continuing operations amounted to 1.19 pence per share and 1.17 pence per share in the first half, compared to 1.13 pence per share and 1.10 pence per share in H1 FY25.

Adjusted basic and adjusted diluted earnings per share on continuing operations, which is an Alternative Performance Measure and excludes tax, amortisation of acquired intangibles, share-based payments plus associated National Insurance and exceptional items, to which a notional tax charge of 25% is applied amounted to 1.86 pence per share and 1.83 pence per share in the year, compared to 1.70 pence per share and 1.65 pence per share in H1 FY25.

Intangible assets

As detailed further in note 11, total intangible assets amounted to £35.5m at the half year, compared to £36.4m at the year-end date FY25.

Property, plant and equipment

As detailed further in note 12, total property, plant and equipment amounted to £10.0m at the half year, compared to £10.2m at the year-end date FY25. Total additions in the first half year amounted to £3.9m whilst total depreciation in the period amounted to £3.9m.

Right-of-use assets

As detailed further in note 13, total right-of-use assets amounted to £4.1m at the half year, compared to £4.7m at the year-end date FY25. Total additions in the first half year amounted to £8.1m whilst total amortisation in the year

amounted to £4.6m.

Trade and other receivables

Total trade and other receivables (both current and non-current) amounted to £35.8m at the half year, compared to £32.3m at the year-end date FY25. The expected credit loss provision amounted £0.1m at the half year-end date, compared to £0.1m at half year-end FY25. Trade debtor days were 32 at 30 September 2025 compared to 34 at 30 September 2024. Trade debtor days are calculated as gross trade debtors divided by revenue (incl. VAT) multiplied by 182.5.

Trade and other payables

Total trade and other payables amounted to £32.0m at the half year, compared to £32.9m at the year-end date FY25.

Trade payable days were 28 at 30 September 2025 compared to 34 at 30 September 2025. Trade payable days are calculated as trade payables divided by total purchases (cost of sales and operating expenditure) multiplied by 182.5.

Net debt

As detailed further in the Appendix, net debt for the Group amounted to £68.6m at 30 September 2025, compared to £65.5m at 31 March 2025, an increase of £3.1m.

The table below summarises the Group's total movements (continuing and discontinued operations) in the components of net debt, with the cash flow and non-cash flow elements separated out:

	As at 31 March 2025 Audited £'000	Net cash Flow Unaudited £'000	Net non- cash flow Unaudited £'000	As at 30 September 2025 Unaudited £'000
Cash	3,018	1,078	(38)	4,058
Revolving Credit Facility	(38,947)	(405)	(1,523)	(40,875)
Term Loan	(3)	3	-	-
Asset Financing Facility	(4,924)	277	470	(4,177)
Lease Liabilities	(24,599)	1,944	(4,920)	(27,575)
	(65,455)	2,897	(6,011)	(68,569)

Included in lease liabilities at 30 September 2025 are £26.8m (31 March 2025: £23.6m) of IFRS 16 lease liabilities that were previously classified as operating leases under IAS 17 *Leases*.

The split of net debt at 30 September 2025 between continuing operations and discontinued operations is shown below:

	Continuing Operations Unaudited £'000	Discontinued Operations Unaudited £'000	Total Group Year ended 30 September 2025 Unaudited £'000
Cash	4,058	-	4,058
Revolving Credit Facility	(40,875)	-	(40,875)
Asset Financing Facility	(1,419)	(2,758)	(4,177)
Lease Liabilities	(3,955)	(23,620)	(27,575)
Net Debt	(42,191)	(26,378)	(68,569)

Financing

Total facilities and amounts drawn at 30 September 2025, compared to the year-end date FY25 are summarised below.

	30 September 2025			31 March 2025		
	Available Unaudited £'000s	Drawn Unaudited £'000s	Undrawn Unaudited £'000s	Available Audited £'000s	Drawn Audited £'000s	Undrawn Audited £'000s
Committed						
Revolving Credit Facility	60,000	41,000	19,000	80,000	39,000	41,000
Term Loan	-	-	-	3	3	-
Asset Financing Facility	10,000	4,177	5,823	10,000	4,924	5,076
Lease Liabilities	27,575	27,575	-	24,600	24,600	-
	97,575	72,752	24,823	114,603	68,527	46,076

Uncommitted

Accordion Facility	20,000	-	20,000	20,000	-	20,000
	20,000	-	20,000	20,000	-	20,000
Total borrowing facilities	117,575	72,752	44,823	134,603	68,527	66,076

Uncommitted facilities represent facilities available to the Group, but which may be withdrawn by the lender subject to agreement by the lenders and hence are not within the Group's control.

As at 30 September 2025, the Group was party to £70.0m of committed banking facilities, comprising a Revolving Credit Facility ("RCF") of £60.0m of which a net £41.0m was utilised at 30 September 2025 and a £10.0m Asset Financing Facility ("AFF") of which £4.2m was utilised at 30 September 2025.

The borrowing cost of the RCF is determined by the Group's leverage and has a borrowing cost of 205 basis points over SONIA at the Group's current leverage levels. A commitment fee is payable on the undrawn portion of the RCF at 82 basis points, being 40% of the borrowing cost.

On completion of the anticipated DC sale, the Group has agreed to repay its RCF down to a maximum of £19.0m and to reduce its RCF facility down from £60.0m to £30.0m. In the three months following the anticipated sale, the Group expects to review its banking facilities.

Lease liabilities

Total current and non-current lease liabilities amounted to £4.0m at the half year-end date, compared to £4.7m at the year-end date FY25.

Provisions

Provisions amounted to £0.2m at the half year date, compared to £0.7m at the year-end date FY25.

Tony Ratcliffe

Chief Financial Officer

Redcentric plc

Condensed consolidated statement of comprehensive income for the six months ended 30 September 2025

		Six months to 30 September 2025 Unaudited	Six months to 30 September 2024 Unaudited	Year ended 31 March 2025 *restated
	Note	£'000	£'000	£'000
Continuing operations				
Revenue	6	66,759	69,241	135,138
Cost of sales		(25,628)	(28,315)	(51,857)
Gross profit		41,131	40,926	83,281
Operating costs		(37,499)	(37,206)	(74,886)
Adjusted EBITDA¹		9,126	8,888	18,758
Depreciation of property, plant and equipment		(2,103)	(1,811)	(4,001)
Amortisation of intangibles		(1,221)	(1,165)	(2,593)
Depreciation of right-of-use assets		(779)	(938)	(1,610)
Exceptional costs	7	(1,293)	(739)	(924)
Share-based payments and associated National Insurance		(98)	(515)	(1,235)
Operating profit		3,632	3,720	8,395
Finance income		6	-	-
Finance costs	8	(1,704)	(2,091)	(4,011)
Profit before taxation on continuing operations		1,934	1,629	4,384
Income tax (expense)/credit	9	(43)	163	(1,691)
Profit for the period from continuing operations		1,891	1,792	2,693
Discontinued operations				
Profit after tax for the period from discontinued operations	5	916	2,043	795
Profit for the period attributable to owners of the parent		2,807	3,835	3,488
Other comprehensive income				
Items that may be reclassified subsequently to profit or				

Other comprehensive income

Items that may be reclassified subsequently to profit or

loss:				
Currency translation differences		(127)	(134)	(105)
Net loss on cash flow hedges		(258)	-	(245)
Deferred tax in relation to prior years		-	-	14
Total comprehensive profit for the period		2,422	3,701	3,152
 Earnings per share				
Basic earnings per share	10	1.77p	2.43p	2.20p
Diluted earnings per share	10	1.73p	2.36p	2.13p
 Earnings per share from continuing operations				
Basic earnings per share	10	1.19p	1.13p	1.70p
Diluted earnings per share	10	1.17p	1.10p	1.64p

¹ For an explanation and reconciliation of the alternative performance measures used in this report, please refer to pages APM section of this Report.

^{*} For detail on the prior year restatements, please see note 2.2.

Redcentric plc

Condensed consolidated statement of financial position as at 30 September 2025

		30 September 2025 Unaudited	30 September 2024 Unaudited	31 March 2025 Audited
	Note	£'000	£'000	£'000
Non-Current Assets				
Intangible assets	11	35,457	78,121	36,428
Property, plant and equipment	12	10,028	21,925	10,208
Right-of-use assets	13	4,058	32,583	4,689
Trade and other receivables		4,961	2,783	3,508
Deferred tax asset		2,012	2,770	2,109
		56,516	138,182	56,942
Current Assets				
Inventories		2,255	3,232	2,509
Trade and other receivables		30,866	35,508	28,809
Corporation tax receivable		-	40	-
Cash and cash equivalents		4,058	4,001	3,018
Assets held for sale	14	86,244	-	82,169
		123,423	42,781	116,505
Total Assets		179,939	180,963	173,447
 Current Liabilities				
Trade and other payables		29,618	40,933	30,436
Bank loans and asset financing		816	1,318	822
Lease liabilities	16	1,514	8,626	1,526
Financial liabilities		354	-	153
Provisions	17	-	1,469	507
Corporation tax payable		328	-	329
Liabilities directly associated with the assets held for sale	14	46,314	-	40,320
		78,944	52,346	74,093
Non-Current Liabilities				
Trade and other payables		2,393	128	2,461
Bank loans and asset financing		41,478	41,420	39,933
Lease liabilities	16	2,441	19,265	3,181
Financial liabilities		149	-	92
Provisions	17	233	11,036	233
		46,694	71,849	45,900
Total Liabilities		125,638	124,195	119,993
Net Assets		54,301	56,768	53,454
 Equity				
Called up share capital	18	159	159	159
Share premium account	18	75,649	75,649	75,649
Common control reserve		(9,454)	(9,454)	(9,454)
Own shares held in treasury		(126)	(761)	(298)
Cash flow hedge reserve		(503)	-	(245)
Translation reserve		(1,264)	(1,166)	(1,137)
Retained earnings		(10,160)	(7,659)	(11,220)
Total Equity		54,301	56,768	53,454

Redcentric plc

Consolidated cash flow statement for the six months ended 30 September 2025

	Six months to 30 September 2025 Unaudited	Six months to 30 September 2024 Unaudited	Year ended 31 March 2025 Audited
	£'000	£'000	£'000
Profit before taxation	3,805	3,594	5,988
Finance costs	2,463	2,806	5,472
Operating profit	6,268	6,400	11,460
Adjustment for non-cash items			
Depreciation and amortisation	9,650	10,444	20,961
Exceptional costs	1,391	824	1,703
Share-based payments	139	531	1,267
Operating cash flow before exceptional items and movements in working capital	17,448	18,199	35,391
Cash costs of exceptional items	(1,414)	(871)	(1,320)
Cash costs of provisions	(325)	(34)	(33)
Operating cash flow before changes in working capital	15,709	17,294	34,038
Changes in working capital			
Decrease in inventories	254	955	1,678
Increase in trade and other receivables	(5,303)	(1,633)	(846)
Decrease in trade and other payables	(1,785)	(1,133)	(4,959)
Cash generated from operations	8,875	15,483	29,911
Tax paid	(44)	(12)	(145)
Net cash generated from operating activities	8,831	15,471	29,766
Cash flows from investing activities			
Purchase of property, plant and equipment	(3,869)	(4,093)	(9,664)
Purchase of intangible assets	(302)	(801)	(1,698)
Net cash used in investing activities	(4,171)	(4,894)	(11,362)
Cash flows from financing activities			
Dividends paid	(1,907)	(1,899)	(5,705)
Disposal of treasury shares on exercise of share options	139	6	387
Financing of property, plant and equipment	37	890	1,714
Financing of unsecured loans	-	-	966
Interest received	6	-	-
Interest paid on bank loans, term loans and asset financing	(1,634)	(1,897)	(3,597)
Interest paid on leases	(558)	(618)	(1,251)
Repayment of leases	(1,386)	(4,371)	(8,762)
Repayment of asset financing liabilities	(156)	(582)	(1,031)
Repayment of term loans	(3)	(8)	(18)
Drawdown of bank loans	4,000	2,500	8,500
Repayment of bank loans	(2,000)	(3,500)	(9,500)
Payment of loan arrangement fees	(120)	(200)	(200)
Net cash used in financing activities	(3,582)	(9,679)	(18,497)
Net increase / (decrease) in cash and cash equivalents	1,078	898	(93)
Cash and cash equivalents at beginning of period	3,018	3,130	3,130
Effect of exchange rates	(38)	(27)	(19)
Cash and cash equivalents at end of the period	4,058	4,001	3,018

Redcentric plc

Condensed consolidated statement of changes in equity for the six months ended 30 September 2025

	Share capital £'000	Share premium £'000	Common control reserve £'000	Own shares held in treasury £'000	Cash flow hedge reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2024 audited	159	75,649	(9,454)	(779)	-	(1,032)	(10,060)	54,483
Profit for the period	-	-	-	-	-	-	3,835	3,835
Transactions with owners								
Share-based payments	-	-	-	-	-	-	477	477
Dividends paid	-	-	-	-	-	-	(1,899)	(1,899)
Share option exercises	-	-	-	18	-	-	(12)	6
Other comprehensive income								
Currency translation differences	-	-	-	-	-	(134)	-	(134)
At 30 September 2024 unaudited	159	75,649	(9,454)	(761)	-	(1,166)	(7,659)	56,768

Loss for the period	-	-	-	-	-	-	(347)	(347)
Transactions with owners								
Share-based payments	-	-	-	-	-	-	660	660
Dividends paid	-	-	-	-	-	-	(3,806)	(3,806)
Share option exercises	-	-	-	463	-	-	(82)	381
Other comprehensive income								
Currency forward contracts	-	-	-	-	(245)	-	-	(245)
Currency translation differences	-	-	-	-	-	29	-	29
Deferred tax relating to prior periods	-	-	-	-	-	-	14	14
At 31 March 2025 audited	159	75,649	(9,454)	(298)	(245)	(1,137)	(11,220)	53,454
Profit for the period	-	-	-	-	-	-	2,807	2,807
Transactions with owners								
Share-based payments	-	-	-	-	-	-	193	193
Dividends paid	-	-	-	-	-	-	(1,907)	(1,907)
Share option exercises	-	-	-	172	-	-	(33)	139
Other comprehensive income								
Currency forward contracts	-	-	-	-	(258)	-	-	(258)
Currency translation differences	-	-	-	-	-	(127)	-	(127)
At 30 September 2025 unaudited	159	75,649	(9,454)	(126)	(503)	(1,264)	(10,160)	54,301

Redcentric plc

Notes to the unaudited condensed set of financial statements for the six months ended 30 September 2025

1 Corporate information

The unaudited financial statements for the six months ended 30 September 2025 and the six months ended 30 September 2024 do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2025 were approved by the Board on 23 September 2025. The auditor's report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 (2) or (3) of the Companies Act 2006.

These condensed Interim Financial Statements were approved for issue by the Board on 9 December 2025 and were not independently reviewed by the Group's auditor.

Redcentric plc is a public limited company incorporated and domiciled in England and Wales, whose shares are publicly traded on the AIM market of the London Stock Exchange. Redcentric plc was incorporated on 11 February 2013 and admitted to AIM on 24 April 2013. The registered office is located at Central House, Beckwith Knowle, Harrogate, HG3 1UG.

These unaudited condensed Interim Financial Statements comprise the Company and its subsidiaries (together referred to as the "Company" or the "Group"). The principal activity of the Group during the year was the supply of IT Managed Services, with the provision of DC services considered a discontinued operation.

The principal accounting policies applied in the preparation of these condensed interim Financial Statements are consistent with those set out more fully in the Annual Report and Accounts for the year ended 31 March 2025. These policies have been applied consistently in the current and prior period.

This Financial Information is presented in pound sterling, being the currency of the primary economic environment in which the Group operates. All amounts have been rounded to the nearest thousand (£'000), unless otherwise indicated. The Financial information is prepared on the historical cost basis except that derivative financial instruments are measured at fair value.

2 Accounting policies

2.1 Basis of preparation

These condensed Interim Financial Statements for the six months ended 30 September 2025 have been prepared in accordance with the AIM Rules for Companies, comply with IAS 34 Interim Financial Reporting as adopted by the UK-adopted international accounting standards and should be read in conjunction with the Annual Financial

in accordance with International Accounting Standards, and should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2025. They do not include all of the information required for a complete set of Financial Statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last Annual Financial Statements.

2.2 Going Concern

The Financial Statements are prepared on a going concern basis which the Directors believe to be appropriate for the following reasons:

The Group and Company meets their day-to-day working capital requirements from the Group's operational cash flows, a Revolving Credit Facility, Asset Financing Facility and leasing arrangements. As at the half year date, the Revolving Credit Facility is a £60.0m facility (net £41.0m utilised at 30 September 2025), while the Asset Financing Facility is a £10.0m facility (increased from £7.0m in August 2024). A total of £4.2m of the Asset Financing Facility was utilised at 30 September 2025. In March 2024 the Revolving Credit Facility and Asset Financing Facility were extended at the Group's request, with a new maturity date of 26 April 2026. Subsequently, on 25 July 2025, the Revolving Credit Facility and Asset Financing Facility were extended a further year to 26 April 2027. In parallel with this extension, the Revolving Credit Facility was reduced from £80.0m to £60.0m, with Bank of Ireland exiting the facility, all other terms remaining unchanged.

The Directors have prepared detailed line-by-line financial forecasts, including cash flow forecasts, on a monthly basis for a period exceeding 12 months from the date of approval of these Financial Statements (the "going concern assessment period") which indicate that, taking account of reasonably possible downsides on the operations and its financial resources, the Group and the Company will have sufficient funds to meet their liabilities as they fall due for that period, and will comply with debt covenants over that period.

The Group is required to comply with financial debt covenants for adjusted leverage (net debt to adjusted EBITDA), cashflow cover (adjusted cashflow to debt service, where adjusted cashflow is defined as adjusted EBITDA less tax paid, dividend payments, IFRS 16 lease repayments and cash capital expenditure) and provisions relating to guarantor coverage such that guarantors must exceed a prescribed threshold of the Group's gross assets, revenue and adjusted EBITDA. The guarantors are Redcentric plc, Redcentric Solutions Limited and Redcentric Data Centres Limited. Covenants are tested quarterly each year. The Group can confirm it has met each quarterly bank covenant.

The Directors' forecasts in respect of the going concern assessment period have been built from the updated detailed three year plan to 31 March 2028 as presented to the Board in November 2025, and the going concern assessment takes account of the debt covenant requirements.

The DC business unit has been presented as an asset held for sale and as such the base and downside scenario assumes a sale takes place in the forecast period at current expected consideration, net proceeds and an assumed distribution to shareholders. Should the disposal complete as anticipated, it is expected to lead to a substantial improvement in the Group's liquidity position and the Directors would expect to renegotiate the terms of the Group's facilities and associated covenants to ensure they are appropriate for the size of the Group going forwards.

Whilst a sale is deemed to be highly probable now that contract exchange has been achieved, alternative scenarios have been undertaken to assess the Group's ability to continue as a going concern should a sale fail to complete. The following paragraphs outline the scenario planning underpinning both a sale occurring and not occurring. In the former instance it would govern the period up to the sale for the DC business, and beyond a sale for the continuing business.

The forecasts include a number of assumptions in relation to order intake, renewal and churn rates, EBITDA margin improvements, the impact of energy efficiency investment and improved electricity pricing at forward rates favourable to those achieved in prior years.

The DC business unit has been presented as an asset for sale and, on completion, with consideration in cash, the Board would anticipate a very substantial upside scenario.

Whilst the Group's trading and cash flow forecasts have been prepared using current trading assumptions, the operating environment continues to present several challenges which could negatively impact the actual performance achieved. These risks include, but are not limited to, achieving forecast levels of new order intake, the impact on

customer confidence as a result of general economic conditions, inflationary cost pressures including unexpected one-off cost impacts, and the efficacy of energy efficiency measures under a prolonged period of hot weather. In making their going concern assessment, in light of these risks, the Directors have also modelled a combined severe but plausible downside scenario when preparing the forecasts.

The downside scenario assumes significant economic downturn over FY26 and FY27, primarily impacting recurring new order intake and non-recurring product and services revenues as the Directors note the uncertainties surrounding the timing and extent of non-recurring revenue from quarter to quarter. In this scenario, recurring monthly order intake is forecast to materially reduce compared to base case budget and product and services non-recurring revenues are forecast to similarly materially reduce compared to base case budget incorporating potential supply chain issues, reduced investment from the Group's existing customer base and failure to expand market share as planned. In addition, the downside scenario also assumes the new business obtained does not achieve the gross margin planned, with a reduction to the planned gross margin achievement across all new recurring revenue modelled.

An additional factor that can impact the revenue and gross margin assumptions in the going concern assessment period is the level of customer cancellations (of an individual service or product). Whilst known, near-term customer cancellations have been modelled, coupled with an underlying level of customer cancellations based on historic trends, there remains a risk that unexpected, medium to large customer cancellations could occur in the near-term. The Group is protected contractually to a large extent with notice periods and cancellation clauses, however a residual risk remains. An additional level of customer cancellations has therefore been modelled each quarter in the downside scenario to reflect this risk.

Following the energy efficiency measures delivered in FY24, electricity volumes are significantly more predictable than they have been historically. In addition, power prices are primarily fixed (at current volumes) through to September 2028. However, there remains a risk that periods of sustained higher summer temperatures, considering the impacts of wider climate-related factors, could increase energy usage at sites where new efficiency measures have been introduced, but not tested, at these prolonged higher temperatures.

In preparing the cash flow forecasts and analysis relating to debt covenant compliance through the going concern assessment period, the Directors have considered the nature of exceptional items and are satisfied that such items meet the Group's accounting policy and borrowings facility agreement definition of exceptional items.

Given external market analysis indicates an expectation that interest rates have stabilised, no sensitivity on interest rates has been included in the plausible downside scenario. Both the base case and severe but plausible downside forecast scenarios continue to model the payment of dividends, including a potential final FY25 dividend payment in January 2026, however in the instance of a DC business sale there is not anticipated to be a dividend paid in the testing period, due to significant funds being return to shareholders from the proceeds anticipated. The Directors will continue to monitor the impact and timing of dividend payments in the normal course of their quarterly liquidity and debt covenant compliance monitoring.

Under the downside scenario modelled, and including the new customer contract overlay, the forecasts demonstrate that the Group is expected to maintain sufficient liquidity and will continue to comply with the relevant debt covenants without management taking mitigating actions. While not modelled, mitigating actions which are within the Group's control would also be available in the event of a severe downside. Such actions include, but are not limited to, the rephasing of discretionary capital expenditure, and further management of discretionary cost areas such as marketing, training and travel.

The Directors therefore remain confident that the Group and Company have adequate resources to continue to meet their liabilities as and when they fall due within the period of at least 12 months from today's date.

2.3 *Prior period restatement*

As a result of the DC business unit carve out and subsequent recognition as a discontinued operation at 31 March 2025, the prior half results have been restated so that all of H1 FY25, H1 FY24 and FY24 profit and loss are presented on a continuing basis.

The restated Consolidated Statement of Comprehensive Income for the six months ended 30 September 2024 is as follows:

	Six months to 30 September 2024 (previously reported) Unaudited £'000	IFRS 5 presentational adjustment £'000	Six months to 30 September 2024 *restated Unaudited £'000
Continuing operations			
Revenue	86,785	(17,544)	69,241
Cost of sales	(36,169)	7,854	(28,315)
Gross profit	50,616	(9,690)	40,926
Operating costs	(44,216)	7,010	(37,206)
Adjusted EBITDA¹	18,199	(9,311)	8,888
Depreciation of property, plant and equipment	(3,787)	1,976	(1,811)
Amortisation of intangibles	(1,581)	416	(1,165)
Depreciation of right-of-use assets	(5,076)	4,138	(938)
Exceptional costs	(824)	85	(739)
Share-based payments and associated National Insurance	(531)	16	(515)
Operating profit	6,400	(2,680)	3,720
Finance costs	(2,806)	715	(2,091)
Profit before taxation on continuing operations	3,594	(1,965)	1,629
Income tax credit	241	(78)	163
Profit for the period from continuing operations	3,835	(2,043)	1,792
Discontinued operations			
Profit after tax for the period from discontinued operations	-	2,043	2,043
Profit for the period attributable to owners of the parent	3,835	-	3,835
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences	(134)	-	(134)
Total comprehensive profit for the period	3,701	-	3,701

As a result of the changes to segmental reporting in accordance with IFRS 8, and the classification of the DC business unit as a discontinued operation and asset held for sale in accordance with IFRS 5, a number of APM's have been restated for the prior period which are not reconciled in the table above due to their nature. The following reconciliations show the movement from the final H1 FY25 position to the restated H1 FY25 position shown.

	Six months to 30 September 2024 (previously reported) Unaudited £'000	IFRS 5 presentational adjustment £'000	Six months to 30 September 2024 *restated Unaudited £'000
Recurring revenue	78,280	(17,382)	60,898
EBITDA	16,844	(9,210)	7,634
Adjusted operating profit	8,838	(2,996)	5,842

3 Critical accounting judgements, key sources of estimation uncertainty and other areas of estimation

In the application of the Group's accounting policies, which are described in the Group's 2025 Annual Report and Accounts, the Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, without clear direction from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Judgements

The Group has identified the following items as a critical accounting judgement which could have a significant impact on the amounts recognised in the Financial Statements for the period ended 30 September 2025.

3.1.1 Segmental reporting - prior period restatement

During the prior year, management re-evaluated the composition of its operating structure, which resulted in the separation of one previously reported business into two distinct operating segments, being the MSP business unit and the DC business unit. Work to formally carve out the DC business began in summer 2024, with Redcentric Data Centres Limited being incorporated on 28 August 2024 as a wholly owned subsidiary of Redcentric PLC. On 1 February 2025 the trade and assets of the DC business were transferred from Redcentric Solutions Limited into

Redcentric Data Centres Limited, such that the trading activities of the DC business unit essentially sits within Redcentric Data Centres Limited and the trading activities of the MSP business unit essentially sits within Redcentric Solutions Limited. As a result of this carve out and migration, management were able to report to the Board, (the Chief Operating Decision Maker "CODM") from 1 February 2025, discrete financial information for both business units.

In order to complete this business unit separation, a thorough and detailed contract by contract analysis was undertaken for components of both revenue and costs to determine into which business unit individual items belonged. In preparing comparative information for the two new segments, management had to exercise judgement in applying the basis of this separation retrospectively but believe that the approach taken and result obtained represented a reasonable set of comparative results.

Comparative information in respect of revenue from external customers was derived from the underlying financial records on an aggregated basis determined by its revenue product category, as opposed to contract detail level obtained in respect of the current year. The level of estimation from this approach was low due to the discrete nature of the revenue streams within the data centre business.

Inter-segment revenues, and corresponding cost of sales and operating costs, for both periods were derived with reference to the contractual relationships that governed the period from 1 February 2025 onwards. Management judge the contracts to be on an arms-length basis, determined by reference to existing third-party customer and supplier contracts and considered extensively at the Board level before their initiation.

Cost of sales from external customers for both periods was derived by reference to underlying financial records, with limited judgement applied due to the discrete nature of costs that are analysed in this caption.

Operating costs before adjusted EBITDA for both periods were derived again by reference to underlying financial records, principally the cost centre originally used for existing reporting, thereby requiring little judgement. Judgement has been applied in respect of corporate overheads, by reference to appropriate metrics such as headcount and sales effort, though the quantum of costs assessed under this basis is a small proportion of overall overheads.

Depreciation and amortisation for both periods could again be derived by underlying financial records by reference to asset registers and their corresponding categorisation. Judgement was mainly applied in this area in reference to the split of Customer relationship intangible assets. In this example the segmentation has been performed by reference to which business unit that customer relationship has been allocated to when separating the business units on 1 February 2025.

Exceptional costs and exceptional income have been assessed by management on an item-by-item basis for both periods based on the business unit that drove the exceptional activity, which in most cases was discrete.

Share-based payments for both periods have been derived by reference to the associated employees, with no judgement required.

Finance costs in respect of lease arrangements in both periods have been derived by underlying financial records, with little judgement required. Finance costs in respect of the Group's RCF have been allocated based on an estimation of the original drawdown requirement, adjusted for the estimated segmental cash flows subsequent to initial drawdown. This has required a degree of judgement in respect of the drawdown allocation and the subsequent judgements over cash flows, however represents management's best estimation of the segments' use of the RCF during this period. Other bases were considered including working capital / capital employed, as well as measures such as revenue or profitability measures, however management deemed these bases to be either inappropriate or requiring a higher degree of estimation than the method used.

These allocations represent management's best estimate of the financial impact of the DC business on prior periods and management considers this to provide relevant, reliable, and understandable information to users of the Financial Statements in accordance with the principals of IFRS8 and IFRS5.

3.1.2 Assets held for sale and discontinued operations

Management has exercised judgement in determining whether the criteria for classification of an operation held for sale under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* were met for the DC business unit at the year-end reporting date of 31 March 2025 and interim reporting date of 30 September 2025. The DC business

at the year-end reporting date of 31 March 2025 and interim reporting date of 30 September 2025. The DC business was formerly separated as of 1 February 2025.

The Board considered the DC business unit and hence Redcentric Data Centre Limited subsidiary to meet the criteria to be classified as held for sale at 31 March 2025 and for the current interim reporting period of 30 September 2025 for the reasons discussed in the 2025 Annual Report:

The Group announced the sale of the DC business on 23 October 2025, subject to certain conditions. Although there are always inherent uncertainties in any such transaction, the Board believes that a sale will occur prior to 31 March 2026 and therefore criteria for classification as an asset held for sale continue to be met.

Management also exercised judgement in determining what components of the Group's operations met the requirements of IFRS5 to ensure that only trade that is ceasing was included in the discontinued operations disclosures. It should be highlighted that in the allocation of costs to the two business units, all central and shared costs, which would be ongoing in the event of a disposal of the DC business unit, have been shown within the MSP business unit with the exception of the RCF finance costs which have been split to ensure that the costs that will continue post a disposal are correctly recognised in accordance with IFRS5.

Accordingly, the assets and liabilities of the DC business unit have been reclassified as assets held for sale and liabilities held for sale within the Consolidated Statement of Financial Position. The Income Statement results of the DC business have also been extracted from the total business results and shown separately within the Consolidated Statement of Comprehensive Income in accordance with IFRS5.

3.1.3 *Exceptional items*

The Group presents separately on the face of the Consolidated Statement of Comprehensive Income, material items of income and expenses, which, because of their nature and expected infrequency of events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of the Company's underlying financial performance. An element of management judgment is required in identifying these exceptional items.

Additional information and a detailed breakdown of exceptional items is included in note 7.

3.2 *Estimates*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the this or the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.2.1 *Dilapidation provision*

The Group has recognised a dilapidations provision for the cost of returning the leasehold properties to their agreed condition at the end of the lease term, in accordance with the terms of the lease agreements. In determining the fair value of the provision, assumptions and estimates have been made in relation to the expected cost for anticipated condition of the properties at the end of the lease term and reinstatement works plus inflation and discount rates. In order to reduce the estimation uncertainty regarding expected costs Management engaged a third party expert to prepare detailed valuations at 31 March 2025. These were then discounted back to present value by management. Additional information is included in note 17.

4 **Segmental reporting**

IFRS8 requires operating segments to be identified based on internal financial information reported to the chief operating decision-maker (CODM) for decision-making purposes. The Group considers the role of the chief operating decision-maker (CODM) for decision-making purposes as being performed by the main Board. The Board believes that the Group continued to comprise a single reporting segment, being the provision of IT Managed Services to customers until the Data Centre business was transferred from Redcentric Solutions Limited to Redcentric Data Centres Limited on 1 February 2025. After this point the Board reviewed financial information for the P&L on a two divisional basis being the provision of IT Managed Services ("MSP") and the provision of Data Centre Services ("DC"). Balance Sheet and Cash Flow information however continued to be reviewed on a Group basis.

In restating comparative information, management exercised judgement in applying the basis of segmentation retrospectively based on available and reliable information, rather than conducting standalone segment determination on the prior period contract structure. Management deemed that reconstructing a full standalone segmental view based on the prior period structure would have been unduly complex and impractical as it would have required reconstructing historic allocations at a level of detail not used by management in prior decision making. Management exercised judgement in applying the basis of segmentation retrospectively based on available and reliable information which it believes presents a fair comparison. This judgement is considered in more detail below.

Comparative information in respect of revenue from external customers was derived from the underlying financial records on an aggregated basis determined by its revenue product category, as opposed to contract detail level obtained in respect of the current year. The level of estimation from this approach was low due to the discrete nature of the revenue streams within the data centre business.

Inter-segment revenues, and corresponding cost of sales and operating costs, for both years were derived with reference to the contractual relationships that governed the period from 1 February 2025 onwards. The contracts management judge to be on an arms-length basis, determined by reference to existing third party customer and supplier contracts and considered extensively at the Board level before their initiation.

Cost of sales from external customers for both years was derived by reference to underlying financial records, with limited judgement applied due to the discrete nature of costs that are analysed in this caption.

Operating costs before adjusted EBITDA for both periods were derived again by reference to underlying financial records, principally the cost centre originally used for existing reporting, thereby requiring little judgement. Judgement has been applied in respect of corporate overheads, by reference to appropriate metrics such as headcount and sales effort, though the quantum of costs assessed under this basis is a small proportion of overall overheads.

Depreciation and amortisation for both periods could again be derived by underlying financial records by reference to asset registers and their corresponding categorisation. Judgement was mainly applied in this area in reference to the split of Customer relationship intangible assets. In this example the segmentation has been performed by reference to which business unit that customer relationship has been allocated to when separating the business units on 1 February 2025.

Exceptional costs and exceptional income have been assessed by management on an item-by-item basis for both years based on the business unit that drove the exceptional activity, which in most cases was discrete.

Share-based payments for both years have been derived by reference to the associated employees, with no judgement required.

Finance costs in respect of lease arrangements in both years have been derived by underlying financial records, with little judgement required. Finance costs in respect of the Group's RCF have been allocated based on an estimation of the original drawdown requirement, adjusted for the estimated segmental cash flows subsequent to initial drawdown. This has required a degree of judgement in respect of the drawdown allocation and the subsequent judgements over cash flows, however represents managements best estimation of the segments' use of the RCF during this period. Other bases were considered including working capital / capital employed, as well as measures such as revenue or profitability measures, however management deemed these bases to be either inappropriate or requiring a higher degree of estimation than the method used.

These allocations represent managements best estimate of the financial impact of the DC business on prior periods and management considers this to provide relevant, reliable, and understandable information to users of the Financial Statements in accordance with the principles of IFRS8 and IFRS5.

The CODM assesses profit performance principally through an adjusted EBITDA measure.

Whilst the Board reviews the Group's three revenue streams separately (recurring, product and service), the operating costs and operating asset base used to derive these revenue streams are the same for all three categories and are presented as such in the Group's internal reporting to the CODM. In addition, the Statement of Financial Position is still presented on a Group basis hence it is not disclosed in the following information on a line-by-line basis.

The Group has presented the DC segment as a discontinued operation and restated the comparatives for H1 FY25 for consistency.

consistency.

4.1 Segmental results

The segment results for the period ended 30 September 2025 are as follows:

	MSP business unit continuing operations Unaudited £'000	DC business unit discontinued operations Unaudited £'000	Total segments Unaudited £'000	Adjustments and eliminations Unaudited £'000	Consolidated Unaudited £'000
Revenue					
Recurring revenue	59,409	17,613	77,022	-	77,022
Product revenue	2,243	-	2,243	-	2,243
Services revenue	4,161	211	4,372	-	4,372
External customers	65,813	17,824	83,637	-	83,637
Inter-segment	946	3,709	4,655	(4,655)	-
Total revenue	66,759	21,533	88,292	(4,655)	83,637
Cost of sales					
External customers	(25,555)	(7,444)	(32,999)	-	(32,999)
Inter-segment	(73)	(946)	(1,019)	1,019	-
Total cost of sales	(25,628)	(8,390)	(34,018)	1,019	(32,999)
Gross profit	41,131	13,143	54,274	(3,636)*	50,638
Adjusted EBITDA					
Depreciation of property,	9,126	8,322	17,448	-	17,448
Depreciation of property, plant and equipment	(2,103)	(1,800)	(3,903)	-	(3,903)
Amortisation of intangibles	(1,221)	(387)	(1,608)	-	(1,608)
Depreciation of right-of-use assets	(779)	(3,360)	(4,139)	-	(4,139)
Exceptional costs	(1,293)	(98)	(1,391)	-	(1,391)
Share-based payments and associated National Insurance	(98)	(41)	(139)	-	(139)
Operating profit	3,632	2,636	6,268	-	6,268
Finance costs	(973)	(1,496)	(2,469)	-	(2,469)
Profit before tax	2,665	1,140	3,805	-	3,805

*This is eliminated out in operating costs therefore the effect is £nil at adjusted EBITDA.

The segment results for the period ended 30 September 2024 are as follows:

	MSP business unit continuing operations (*Restated) Unaudited £'000	DC business unit discontinued operations (*Restated) Unaudited £'000	Total segments (*Restated) Unaudited £'000	Adjustments and eliminations (*Restated) Unaudited £'000	Consolidated (*Restated) Unaudited £'000
Revenue					
Recurring revenue	60,104	18,176	78,280	-	78,280
Product revenue	2,803	-	2,803	-	2,803
Services revenue	5,540	162	5,702	-	5,702
External customers	68,447	18,338	86,785	-	86,785
Inter-segment	794	3,911	4,705	(4,705)	-
Total revenue	69,241	22,249	91,490	(4,705)	86,785
Cost of sales					
External customers	(28,221)	(7,948)	(36,169)	-	(36,169)
Inter-segment	(94)	(794)	(888)	888	-
Total cost of sales	(28,315)	(8,742)	(37,057)	888	(36,169)
Gross profit	40,926	13,507	54,433	(3,817)*	50,616
Adjusted EBITDA					
Depreciation of property,	8,888	9,311	18,199	-	18,199
Depreciation of property, plant and equipment	(1,811)	(1,976)	(3,787)	-	(3,787)
Amortisation of intangibles	(1,165)	(416)	(1,581)	-	(1,581)
Depreciation of right-of-use assets	(938)	(4,138)	(5,076)	-	(5,076)
Exceptional costs	(739)	(85)	(824)	-	(824)
Share-based payments and associated National Insurance	(515)	(16)	(531)	-	(531)
Operating profit	3,720	2,680	6,400	-	6,400
Finance costs	(1,206)	(1,600)	(2,806)	-	(2,806)
Profit before tax	2,514	1,080	3,594	-	3,594

*This is eliminated out in operating costs therefore the effect is £nil at adjusted EBITDA.

The segment results for the year ended 31 March 2025 are as follows:

	MSP business unit continuing operations Audited £'000	DC business unit discontinued operations Audited £'000	Total segments Audited £'000	Adjustments and eliminations Audited £'000	Consolidated Audited £'000
Revenue					
Recurring revenue	119,070	35,928	154,998	-	154,998
Product revenue	4,888	-	4,888	-	4,888
Services revenue	9,593	412	10,005	-	10,005
External customers	133,551	36,340	169,891	-	169,891
Inter-segment	1,587	8,231	9,818	(9,818)	-
Total revenue	135,138	44,571	179,709	(9,818)	169,891
Cost of sales					
External customers	(51,681)	(16,828)	(68,509)	-	(68,509)
Inter-segment	(176)	(1,587)	(1,763)	1,763	-
Total cost of sales	(51,857)	(18,415)	(70,272)	1,763	(68,509)
Gross profit	83,281	26,156	109,437	(8,055)*	101,382
Adjusted EBITDA					
Depreciation of property,	18,758	16,633	35,391	-	35,391
Depreciation of property, plant and equipment	(4,001)	(3,617)	(7,618)	-	(7,618)
Amortisation of intangibles	(2,593)	(832)	(3,425)	-	(3,425)
Depreciation of right-of-use assets	(1,610)	(8,308)	(9,918)	-	(9,918)
Exceptional costs	(924)	(779)	(1,703)	-	(1,703)
Share-based payments and associated National Insurance	(1,235)	(32)	(1,267)	-	(1,267)
Operating profit	8,395	3,065	11,460	-	11,460
Finance costs	(2,352)	(3,120)	(5,472)	-	(5,472)
Profit before tax	6,043	(55)	5,988	-	5,988

*This is eliminated out in operating costs therefore the effect is £nil at adjusted EBITDA.

5 Discontinued Operations

As previously announced and noted, the Board took the decision to create two autonomous business units, DC and MSP. At the balance sheet date year ended 31 March 2025, the Board had made the decision to sell the DC business unit (Redcentric Data Centres Limited), allowing the Group to concentrate on its core MSP business. The DC business unit has therefore been treated as a discontinued operation at the period end reporting date.

The profit/(loss) of the discontinued operation is as follows:

	Six months to 30 Sept 2025 Unaudited £'000	Six months to 30 Sept 2024 Unaudited £'000	Year ended 31 March 2025 Audited £'000
Revenue	21,533	22,249	44,571
Cost of sales	(8,390)	(8,742)	(18,415)
Gross profit	13,143	13,507	26,156
Operating expenditure	(10,507)	(10,827)	(23,091)
Adjusted EBITDA	8,322	9,311	16,633
Depreciation of property, plant and equipment	(1,800)	(1,976)	(3,617)
Amortisation of intangibles	(387)	(416)	(832)
Depreciation of right-of-use assets	(3,360)	(4,138)	(8,308)
Exceptional costs	(98)	(85)	(779)
Share-based payments and associated National Insurance	(41)	(16)	(32)
Operating profit from discontinued operations	2,636	2,680	3,065
Finance costs	(765)	(715)	(1,461)
Profit before tax from discontinued operations	1,871	1,965	1,604
Income tax (expense)/credit	(955)	78	(809)
Profit for the period from discontinued operations	916	2,043	795

Earnings per share from discontinuing operations

Basic earnings per share	0.58p	1.29p	0.50p
Diluted earnings per share	0.57p	1.26p	0.49p

Finance costs for the discontinued operation do not include finance costs which relate to the DC business unit but will remain within the continuing business. These finance costs will however be shown in the DC segment finance costs in note 4.

6 Revenue

Revenue for the six months ended 30 September 2025 was generated wholly from the UK and is analysed as follows:

	Six months to 30 Sept 2025 Unaudited £'000	Six months to 30 Sept 2024 Unaudited (*Restated) £'000	Year ended 31 March 2025 Audited £'000
Recurring revenue	60,355	60,898	120,657
Product revenue	2,243	2,803	4,888
Services revenue	4,161	5,540	9,593
Total revenue from continuing operations	66,759	69,241	135,138
Discontinued operations	21,533	22,249	44,571
Intercompany revenue	(4,655)	(4,705)	(9,818)
Total revenue	83,637	86,785	169,891

*restated to reflect continuing operations

6.1 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	Six months to 30 Sept 2025 Unaudited £'000	Six months to 30 Sept 2024 Unaudited *restated £'000	Year ended 31 March 2025 Audited £'000
Receivables, included in trade and other receivables, net of provisions	17,765	18,187	16,529
Accrued income, included in trade and other receivables	4,874	5,935	4,510
Deferred income, included in trade and other payables	(8,796)	(10,664)	(9,499)

7 Exceptional items

	Six months to 30 Sept 2025 Unaudited £'000	Six months to 30 Sept 2024 Unaudited *restated £'000	Year ended 31 March 2025 Audited £'000
Included within operating costs:			
Acquisition related professional and legal fees	69	319	484
Integration costs	21	29	-
Restructuring costs	224	391	440
DC disposal professional fees and other costs	979	-	-
Total exceptional costs from continuing operations	1,293	739	924
Total exceptional costs from discontinued operations	98	85	779
Total exceptional costs	1,391	824	1,703

*restated to reflect continuing operations

8 Finance costs

	Six months to 30 Sept 2025 Unaudited £'000	Six months to 30 Sept 2024 Unaudited *restated £'000	Year ended 31 March 2025 Audited £'000
Interest payable on bank loans and term loans	1,444	1,748	3,277
Interest payable on asset financing facilities	57	56	146
Interest payable on leases	124	136	287
Amortisation of loan arrangement fees	79	148	300
Other interest payable	-	3	1
Total exceptional costs	1,704	2,091	4,011

*restated to reflect continuing operations

9 Income Tax

The tax credit recognised reflects management estimates of the tax credit for the period and has been calculated using the estimated average tax rate of UK corporation tax for the period of 25.0% (H1 FY25: 25.0%).

10 Earnings per share (EPS)

The calculation of basic and diluted EPS for continuing operations is based on the following earnings and number of shares.

Earnings	Six months to 30 September 2025	Six months to 30 September 2024	Year ended 31 March 2025
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Statutory profit	1,891	1,792	2,693
Tax charge/(credit)	43	(163)	1,691
Amortisation of acquired intangibles	619	699	1,535
Share-based payments and associated National Insurance	98	515	1,235
Exceptional costs	1,293	739	924
Adjusted earnings before tax	3,944	3,582	8,078
Notional tax charge	(986)	(896)	(2,020)
Adjusted earnings	2,958	2,687	6,059

*restated to reflect continuing operations

Weighted average number of ordinary shares	Number '000	Number '000	Number '000
In issue	159,146	158,525	159,021
Held in treasury	(122)	(618)	(540)
For basic EPS calculations	159,024	157,907	158,481
Effect of potentially dilutive share options	2,998	4,857	5,351
For diluted EPS calculations	162,022	162,764	163,832

EPS for continuing operations	Pence	Pence	Pence
Basic	1.19	1.13	1.70
Adjusted	1.86	1.70	3.82
Diluted	1.17	1.10	1.64
Adjusted diluted	1.83	1.65	3.70

The calculation of basic and diluted EPS for the Group (combined continuing and discontinued operations) is based on the following earnings (number of shares noted above).

Earnings	Six months to 30 September 2025	Six months to 30 September 2024	Year ended 31 March 2025
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Statutory profit	2,807	3,835	3,488
Tax charge/(credit)	998	(241)	2,500
Amortisation of acquired intangibles	1,006	1,083	2,367
Share-based payments and associated National Insurance	139	531	1,267
Exceptional costs	1,391	824	1,703
Adjusted earnings before tax	6,341	6,032	11,325
Notional tax charge	(1,585)	(1,508)	(2,831)
Adjusted earnings	4,756	4,524	8,494

EPS for combined continuing and discontinued operations	Pence	Pence	Pence
Basic	1.77	2.43	2.20
Adjusted	2.99	2.86	5.36
Diluted	1.73	2.36	2.13
Adjusted diluted	2.94	2.78	5.18

In line with the Group's policy, the notional tax charge above is calculated at a standard rate of 25% (FY25: 25%).

11 Intangible assets

	Goodwill £'000	Customer contracts and related relationships £'000	Trademarks and brands £'000	Software and licences £'000	Total £'000
Cost					
At 1 April 2024 audited	60,640	80,130	649	7,650	149,069
Additions	-	-	-	801	801
Transfer from ROU assets	-	-	-	123	123
At 30 September 2024 unaudited	60,640	80,130	649	8,574	149,993

Additions	-	-	-	897	897
Reclassification to assets held for sale	(33,399)	(9,604)	-	-	(43,003)
At 31 March 2025 audited	27,241	70,526	649	9,471	107,887
Additions	-	-	-	302	302
Reclassification to assets held for sale	-	-	-	(52)	(52)
At 30 September 2025 unaudited	27,241	70,526	649	9,721	108,137
Accumulated depreciation					
At 1 April 2024 audited	-	64,105	649	5,432	70,186
Charged in the period	-	1,083	-	498	1,581
Transfer from ROU assets	-	-	-	105	105
At 30 September 2024 unaudited	-	65,188	649	6,035	71,872
Charged in the period	-	1,284	-	560	1,844
Reclassification to assets held for sale	-	(2,257)	-	-	(2,257)
At 31 March 2025 audited	-	64,215	649	6,595	71,459
Charged in the period	-	1,006	-	602	1,608
Reclassification to assets held for sale	-	(384)	-	(3)	(387)
At 30 September 2025 unaudited	-	64,837	649	7,194	72,680
Net book value					
At 30 September 2025 unaudited	27,241	5,689	-	2,527	35,457
At 31 March 2025 audited	27,241	6,311	-	2,876	36,428
At 30 September 2024 unaudited	60,640	14,942	-	2,539	78,121

12 Property, plant and equipment

	Leasehold improvements £'000	Office fixtures and fittings £'000	Vehicles and computer equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 1 April 2024 audited	16,294	9,085	24,384	-	49,763
Additions	1,522	76	2,495	-	4,093
Transfer from ROU assets	156	-	650	-	806
Disposals	-	-	(53)	-	(53)
At 30 September 2024 unaudited	17,972	9,616	27,029	-	54,617
Additions	2,371	377	2,629	194	5,571
Disposals	(300)	(65)	(55)	-	(420)
Reclassification to assets held for sale	(17,877)	(7,558)	(96)	(194)	(25,725)
Exchange	-	(12)	-	-	(12)
At 31 March 2025 audited	2,166	2,358	29,507	-	34,031
Additions	2,129	97	1,640	3	3,869
Reclassification	-	-	194	(194)	-
Reclassification to assets held for sale	(2,129)	(7)	-	191	(1,945)
Exchange	-	(8)	-	-	(8)
At 30 September 2025 unaudited	2,166	2,440	31,341	-	35,947
Accumulated depreciation					
At 1 April 2024 audited	6,615	4,418	17,308	-	28,341
Charged in the period	1,043	914	1,830	-	3,787
Disposals	-	-	(53)	-	(53)
Transfer from ROU assets	485	-	125	-	610
Exchange	-	7	-	-	7
At 30 September 2024 unaudited	8,143	5,339	19,210	-	32,692
Charged in year	1,309	780	1,742	-	3,831
Disposals	(155)	(50)	57	-	(148)
Reclassification	-	-	(57)	-	(57)
Reclassification to assets held for sale	(7,976)	(4,442)	(65)	-	(12,483)
Exchange differences	-	(12)	-	-	(12)
At 31 March 2025 audited	1,321	1,615	20,887	-	23,823
Charged in the period	1,393	631	1,879	-	3,903
Reclassification to assets held for sale	(1,330)	(460)	(10)	-	(1,800)
Exchange differences	-	(7)	-	-	(7)
At 30 September 2025 unaudited	1,384	1,779	22,756	-	25,919
Net book value					
At 30 September 2025 unaudited	782	661	8,585	-	10,028
At 31 March 2025 audited	845	743	8,620	-	10,208
At 30 September 2024 unaudited	9,829	4,277	7,819	-	21,925

13 Right-of-use-assets

	buildings £'000	equipment £'000	Total £'000
Cost			
At 1 April 2024 audited	67,143	14,250	81,393
Additions	313	82	395
Transfer to PPE	(156)	(650)	(806)
Transfers to IA	-	(123)	(123)
Disposals	(13,084)	(627)	(13,711)
At 30 September 2024 unaudited	54,216	12,932	67,148
Additions	192	206	398
Reassessments	(335)	-	(335)
Disposals	(1,275)	(605)	(1,880)
Reclassification to assets held for sale	(50,058)	-	(50,058)
At 31 March 2025 audited	2,740	12,533	15,273
Additions	8,014	46	8,060
Reassessments	4	-	4
Modifications	(2,004)	-	(2,004)
Disposals	(11,885)	-	(11,885)
Reclassification to assets held for sale	5,966	-	5,966
At 30 September 2025 unaudited	2,835	12,579	15,414
Accumulated depreciation			
At 1 April 2024	32,527	11,388	43,915
Charged in the period	4,518	558	5,076
Transfer to property, plant and equipment	(485)	(125)	(610)
Transfer to intangible assets	-	(105)	(105)
Disposals	(13,084)	(627)	(13,711)
At 30 September 2024 unaudited	23,476	11,089	34,565
Charged in the period	4,448	394	4,842
Disposals	673	(2,519)	(1,846)
Reclassification to assets held for sale	(26,977)	-	(26,977)
At 31 March 2025 audited	1,620	8,964	10,584
Charged in year	4,155	415	4,570
Modifications	(431)	-	(431)
Disposals	(11,885)	-	(11,885)
Reclassification to assets held for sale	8,518	-	8,518
At 30 September 2025 unaudited	1,977	9,379	11,356
Net book value			
At 30 September 2025 unaudited	858	3,200	4,058
At 31 March 2025 audited	1,120	3,569	4,689
At 30 September 2024 unaudited	30,740	1,843	32,583

Most of the Group's right-of-use assets are associated with the leased property portfolio.

Included in the net book value of land and buildings at 31 March 2025 is £0.2m right-of-use assets for dilapidations (FY24: £0.7m).

14 Assets held for sale

The major classes of assets and liabilities of the DC business unit, which met the criteria for being held for sale as at 30 September 2025 are as follows:

	Six months ended 30 September 2025 Unaudited £'000	Six months ended 30 September 2024 Unaudited £'000	Year ended 31 March 2025 Audited £'000
Intangible assets	40,411	-	40,746
Property, plant and equipment	13,387	-	13,242
Right-of-use assets	25,633	-	23,081
Trade and other receivables	3,534	-	3,227
Prepayments	2,090	-	754
Contract acquisition asset	505	-	425

Accrued income	684	-	694
Assets held for sale	86,244	-	82,169

	Six months ended 30 September 2025 Unaudited £'000	Six months ended 30 September 2024 Unaudited £'000	Year ended 31 March 2025 Audited £'000
Trade and other payables	3,166	-	1,005
Accruals	2,547	-	3,017
Deferred income	582	-	733
Asset financing liabilities	2,758	-	3,119
Leases	23,620	-	19,892
Corporation tax liability	319	-	-
Deferred tax liability	2,190	-	1,650
Provisions	11,132	-	10,904
Liabilities held for sale	46,314	-	40,320

The above assets and liabilities are held at their carrying value which is lower than their fair value. No impairment was identified on classification as held for sale.

During the first half, a process of legally assigning property leases and novating the assets and financial liabilities to Redcentric Data Centres Limited commenced and is ongoing. The asset financing liabilities will be settled prior to the completion of the DC sale.

15 Financial liabilities

The Group holds the following financial instruments:

15.1 Financial liabilities at amortised cost: interest bearing loans and borrowings

	Six months ended 30 September 2025 Unaudited £'000	Six months ended 30 September 2024 Unaudited £'000	Year ended 31 March 2025 Audited £'000
Current			
Lease liabilities	1,514	8,626	1,526
Term loans	-	13	3
Asset financing liabilities	816	1,305	819
Total current financial liabilities held at amortised cost	2,330	9,944	2,348
Non-current			
Lease liabilities	2,441	19,265	3,181
Bank loans	40,875	38,808	38,947
Asset financing liabilities	603	2,612	986
Total non-current financial liabilities held at amortised cost	43,919	60,685	43,114

15.2 Net debt

During the period, the Group net debt (combined continuing and discontinued operations) increased from £65.5m to £68.6m as at 30 September 2025, with the movements shown in the table below:

	Six months ended 30 September 2025 Unaudited £'000	Six months ended 30 September 2024 Unaudited £'000	Year ended 31 March 2025 Audited £'000
Operating profit	6,268	6,400	11,460
Depreciation and amortisation	9,650	10,444	20,961
Exceptional costs	1,391	824	1,703
Share-based payments	139	531	1,267
Adjusted EBITDA¹	17,448	18,199	35,391
Working capital movements	(6,834)	(1,811)	(4,127)
Movement on provisions	(325)	(34)	(33)
Adjusted cash generated from operations	10,289	16,354	31,231
Cash conversion	59.0%	89.9%	88.2%
Capital expenditure - cash purchases	(4,171)	(4,894)	(11,362)
Capital expenditure - finance lease purchases	-	(73)	(276)

Asset financing proceeds	37	890	2,680
Net capital expenditure	(4,134)	(4,077)	(8,958)
Corporation tax paid	(44)	(12)	(145)
Interest received	6	-	-
Interest paid	(1,604)	(1,872)	(3,560)
Loan arrangement fees/fee amortisation	(79)	(148)	(300)
Finance lease interest	(558)	(618)	(1,251)
Effect of exchange rates	(37)	(27)	(18)
Other movements in net debt	(2,316)	(2,677)	(5,274)
			16,999
Normalised net debt movement¹	3,839	9,600	
			(1,320)
Cash cost of exceptional items	(1,414)	(871)	
Remeasurements relating to lease liabilities	3,605	187	(611)
Remeasurements relating to Asset Financing Facility liabilities	628	-	334
IFRS 16 lease additions	(7,967)	(396)	(494)
Drawdown on Asset Financing Facility	(37)	(890)	(2,680)
Dividends paid in cash	(1,907)	(1,899)	(5,705)
Disposal of treasury shares on exercise of share options	139	6	387
			(10,089)
	(6,953)	(3,863)	
Decrease in net debt	(3,114)	5,737	6,910
Net debt at the beginning of the period	(65,455)	(72,365)	(72,365)
Net debt at the end of the period	(68,569)	(66,628)	(65,455)

¹For an explanation of the alternative performance measures used in this report, please refer to the Appendix. Exceptional items are outlined in note 7.

15.3 Other financial liabilities

	Six months to 30 September 2025 Unaudited £'000	Six months to 30 September 2024 Unaudited £'000	Year ended 31 March 2025 Audited £'000
Derivatives designated as hedging instruments			
Current financial liabilities	354	-	153
Non-current financial liabilities	149	-	92
Total financial liabilities carried at fair value	503	-	245

Derivatives designated as hedging instruments reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US dollars (USD).

15.4 Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The sole risk managed using derivative instruments is foreign currency risk. The Group's risk management strategy and how it is applied to manage risk are explained in the 2025 Annual Report.

The Group is holding the following foreign exchange forward contracts:

	Six months to 30 September 2025 Unaudited £'000	Six months to 30 September 2024 Unaudited £'000	Year ended 31 March 2025 Audited £'000
Current foreign exchange forward contract			
Current foreign exchange forward contract	354	-	153
Non-current foreign exchange forward contract	149	-	92
	503	-	245

15.5 Fair values

Management assessed that fair values of cash and cash equivalents, trade receivables, accrued income, trade payables and other current liabilities approximate their carrying values largely due to the short-term nature of these instruments.

The fair value of loans was calculated using Level 2 valuation techniques reflecting the borrowing rate at the end of the reporting period and any unamortised arrangement fees relating to those borrowings.

At 30 September 2025 the Group held the following financial instruments measured at fair value through other comprehensive income (FY25: none).

	Level 1 £'000	Level 2 £'000	Level 3 £'000
Foreign exchange forward contract	-	503	-

The Group used the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers in or out of Level 3 fair value measurements in FY25 or FY24.

16 Lease liabilities

The following disclosures relate to continuing operations only. Future minimum lease payments under leases together with the present value of net minimum lease payments are as follows:

	Present value as at 30 Sept 2025 £'000	Future lease payments as at 30 Sept 2025 £'000	Present value as at 30 Sept 2024 £'000	Future lease payments as at 30 Sept 2024 £'000	Present value as at 31 March 2025 £'000	Future lease payments as at 31 March 2025 £'000
Less than 1 year	1,514	163	1,677	8,626	955	9,581
Due 1 - 2 years	801	103	904	4,531	732	5,263
Due 2 - 3 years	968	57	1,025	3,689	567	4,256
Due 3 - 4 years	292	22	314	3,767	409	4,176
Due 4 - 5 years	167	13	180	3,472	254	3,726
After more than 5 years	213	6	219	3,806	137	3,943
	3,955	364	4,319	27,891	3,054	30,945
					4,707	569
						5,276

17 Provisions

	Dilapidation provision £'000
At 1 April 2024 audited	12,374
Additional provisions created in the period	165
Utilised in the period	(34)
At 30 September 2024 unaudited	12,505
Additional provisions created in the period	360
Reassessment of provisions in the period	(1,222)
Utilised in the period	1
Transferred to assets held for sale	(10,904)
At 31 March 2025 audited	740
Additional provisions created in the period	229
Reassessment of provisions in the period	(183)
Utilised in the period	(325)
Transferred to assets held for sale	(228)
At 30 September 2025 unaudited	233

18 Share capital

	Ordinary shares of 0.1p each		Share premium £'000
	Number	£'000	
At 1 April 2024 audited	158,884,919	159	75,649
New shares issued	122,069	-	-
At 30 September 2024 unaudited	159,006,988	159	75,649
New shares issued	138,925	-	-
At 31 March 2025 audited	159,145,913	159	75,649
New shares issued	-	-	-
At 30 September 2025 unaudited	159,145,913	159	75,649

At 30 September 2025, the Company's issued share capital consisted of 159,145,913 ordinary shares of which 102,291 were in treasury.

19 Subsequent event

Subsequent to the reporting date of 30 September 2025, the Company announced on 23 October 2025 that it conditionally agreed the sale of the DC business, Redcentric Data Centres Limited, to Stellanor Datacenters Group Limited, for a cash consideration based on an enterprise valuation of up to £127 million. This consideration is subject to adjustment on completion to ensure the DC business is sold on a cash free debt free basis and is also subject to a target level of working capital and a number of adjustments relating to commercial and property contract matters.

Completion of the disposal is dependent on several agreed conditions precedent being satisfied, which comprise regulatory requirements, as well as certain conditions relating to outstanding matters from the separation of the business into two segments, typical in a disposal of a carved out business.

Since the announcement, the Group has been working to address the required conditions precedent, some of which have been met.

Appendix - Alternative Performance Measures

This report contains certain financial measures and analyses that are not defined or recognised under IFRS but are presented to provide readers with additional financial information that management believes will be helpful to investors and other readers in assessing the underlying performance of the Group.

This additional information is not uniformly defined by all companies and may not be comparable with similarly titled measures and disclosures by other companies. These measures are unaudited and should not be viewed in isolation or as an alternative to those measures that are derived in accordance with IFRS.

This information is again presented on a continuing basis unless otherwise indicated.

Recurring revenue

Recurring revenue is the revenue that repeats annually, either under contractual arrangement or by predictable customer habit. It is a helpful measure as it highlights how much of the Group's total revenue is secured and anticipated to repeat in future periods, providing a measure of the financial strength and stability of the business. It is a measure that is very well understood by the investor and analyst community. It is also a key measure used internally for tracking revenue mix and performance reporting.

Continuing operations:

	Six months ended 30 September 2025	Six months ended 30 September 2024	Year ended 31 March 2025
	Unaudited £'000	*restated £'000	Audited £'000
Recurring revenue	60,355	60,898	120,657
Non-recurring revenue	6,404	8,343	14,481
Total revenue	66,759	69,241	135,138

**restated to reflect continuing operations*

The recurring revenue percentage is the percentage of recurring revenue as a proportion of total revenue and was 90.4% in the period, an increase of 2.4ppts from the prior first half (H1 FY25: 88.0%), remaining a favourable performance measure.

Capital expenditure - maintenance and customer

Maintenance capital expenditure is the element the capital expenditure that is incurred in support of the Group's underlying infrastructure rather than in support of specific customer contracts. This metric shows the level of internal investment the Group is making through capital expenditure. As the measure explains and analyses routine capital expenditure, land and buildings (including any associated assets relating to dilapidation provisions) and asset

financing additions are excluded due to the infrequency of this expenditure occurring.

Customer capital expenditure relates to expenditure on assets utilised by the Group in delivering IT Managed Services to its customers.

The tables below are reported on a Group (combined continuing and discontinued operations) basis.

Capital expenditure is analysed as:

	Six months ended 30 September 2025 Unaudited £'000	Six months ended 30 September 2024 Unaudited £'000	Year ended 31 March 2025 Audited £'000
Property plant and equipment additions	3,869	4,084	9,664
Intangible additions	302	801	1,698
Right-of-use asset additions	46	82	288
Total capital expenditure	4,217	4,967	11,650

*These are right-of-use assets defined by the banking covenants.

Capital expenditure is split as:

	Six months ended 30 September 2025 Unaudited £'000	Six months ended 30 September 2024 Unaudited £'000	Year ended 31 March 2025 Audited £'000
Maintenance capital expenditure	2,795	2,034	6,519
Customer capital expenditure	1,422	2,933	5,131
Total capital expenditure	4,217	4,967	11,650

EBITDA and Adjusted EBITDA

Adjusted EBITDA is earnings before interest, taxation, depreciation and amortisation ("EBITDA") excluding exceptional items and share-based payments plus any associated National Insurance. The same adjustments to earnings are also made in determining the adjusted EBITDA margin.

The Board considers that this metric provides a useful measure of assessing the underlying trading performance of the Group as it excludes items which can dramatically impact financial performance, for example one-off exceptional costs, or amortisation of acquired intangibles arising from business combinations, which varies year on year dependent on the timing and size of any acquisitions, and obscure the visibility of the underlying trading performance of the business. Adjusted EBITDA also helps to more easily assess the business' ability to generate cashflow and is a widely adopted metric.

	Six months ended 30 September 2025 Unaudited £'000	Six months ended 30 September 2024 Unaudited *restated £'000	Year ended 31 March 2025 Audited £'000
Reported operating profit	3,632	3,720	8,395
Amortisation of intangible assets arising on business combinations	622	868	1,535
Amortisation of other intangible assets	599	297	1,058
Depreciation of property, plant and equipment	2,103	1,811	4,001
Depreciation of right-of-use assets	779	938	1,610
EBITDA	7,735	7,634	16,599
Exceptional costs (see note 7)	1,293	739	924
Share-based payments and associated National Insurance	98	515	1,235
Adjusted EBITDA	9,126	8,888	18,758

*Restated to reflect continuing operations

Adjusted EBITDA increased to £9.1m, £0.2m higher than the prior half year, with an adjusted EBITDA margin of 13.7% (H1 FY25: 12.8%).

Adjusted operating profit

Adjusted operating profit is operating profit excluding amortisation on acquired intangibles, exceptional items and share-based payments and any associated National Insurance.

Reconciliation of operating profit to adjusted operating profit for continuing operations is as follows:

	Six months ended 30 September 2025 Unaudited £'000	Six months ended 30 September 2024 Unaudited *restated £'000	Year ended 31 March 2025 Audited £'000
Reported operating profit	3,632	3,720	8,395
Amortisation of intangible assets arising on business combinations	622	868	1,535
Exceptional costs	1,293	739	924
Share-based payments and associated National Insurance	98	515	1,235
Adjusted operating profit	5,645	5,842	12,089

**Restated to reflect continuing operations*

Adjusted net debt

Adjusted net debt is reported net debt (i.e. total borrowings net of cash) less supplier term loans and less lease liabilities that would have been classified as operating leases under IAS 17 and is a measure reviewed by the Group's banking syndicate as part of covenant compliance. The table below is based on the full Group numbers combining both continuing and discontinued operations.

	Six months ended 30 September 2025 Unaudited £'000	Six months ended 30 September 2024 Unaudited £'000	Year Ended 31 March 2025 Audited £'000
Borrowings - Revolving Credit Facility	(40,875)	(38,808)	(38,947)
Borrowings - Lease liabilities	(27,575)	(27,891)	(24,599)
Borrowings - Term loan	-	(13)	(3)
Borrowings - Asset Financing Facility	(4,177)	(3,917)	(4,924)
Total borrowings	(72,627)	(70,629)	(68,473)
Cash	4,058	4,001	3,018
Reported net debt	(68,569)	(66,628)	(65,455)
Term loans	-	13	3
Lease liabilities that would have been classified as operating leases under IAS 17	26,791	26,671	23,562
Adjusted net debt	(41,778)	(39,944)	(41,890)

Shown as:

Continuing operations	(39,020)	(39,944)	(38,771)
Discontinued operations	(2,758)	-	(3,119)
Adjusted net debt	(41,778)	(39,944)	(41,890)

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