Meeting your communications needs in a world of constant change

Gamma Communications plc
Annual Report and Accounts 2024

At Gamma, we believe that connectivity is not just about technology, but about people.

We're good together

Realising the true value of relationships can be game changing. We help businesses create genuine connections through intuitive, seamless experiences that feel more human.

#GoodTogether

Gamma is a leading provider of technology-based communication services across Europe.

We're here to empower the people at the heart of good business. We want a better connected world in which we can work smarter for the benefit of business, people and the planet.

Revenue
Grew from £521.7m to £579.4m

£579.4m
+11%

Adjusted EBITDA
Grew from £114.3m to £125.5m

£125.5m
+10%

Profit from operations
Grew from £71.5m to £95.6m

£95.6m
+34%

Dividend per share
Grew from 17.1p to 19.5p

19.5p
+14%

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Effective strategic delivery

Strong results and future growth opportunities

Martin Hellawell
Chair

I am pleased to present my Chair's statement following a year of strong performance.

The financial performance will be dissected in great detail throughout this report so I'll keep my perspective on the numbers simple and high level. There's a lot to like. Recurring revenues were stable at 89% of the business in 2024. Gross margins remain strong at 52%, translating to net margins of 19% at Adjusted PBT level. Cash generation continues to impress with a December 2024 net cash balance of £153.7m and that's after the acquisitions of Coolwave and BrightCloud, the completion of the £27.3m share buyback, and the dividend payment. Gross profit growth of 12% came from above market organic growth rates and inorganic activity. Adjusted EBITDA growth rate of 10% came from a combination of that gross profit growth and very sensible and disciplined cost control. Profit before tax growth rate of 34%, which when excluding the impact of prior year exceptional items, underpins an Adjusted PBT growth rate of 14% which was a result of the same and the additional bonus of strong interest accumulation on our cash balance.

Similarly, you will see more detailed and better descriptions of the business elsewhere in this report but let me give you my overview and perspective, and to give context to some of the recent investments we have made. The Board spends significant time working with the executive team to provide challenge and encouragement on these most significant elements of the business.

We look at the business as three segments. Gamma Business represented 64% of our business in 2024. This is our most established and mature business and largely sells through a very extensive network of partners and largely to SME customers. Gamma Enterprise sells to larger customers in the corporate and public sector space. This represented 22% of our business in 2024. Finally, Gamma Europe is the sum of all our businesses outside of the UK, notably in Germany, Netherlands and Spain. All three segments showed positive progress both strategically and financially, further strengthened by acquisitions in all three segments completed in the year.

In terms of the technologies we bring to market, we can also look at them in three broad segments.

Firstly Cloud-based communication systems. Historically, organisations used hardware-based PBX systems to manage incoming and outgoing calls to its organisation. Over time these hardware-based systems are being retired in favour of Cloud-based solutions. Often known as UCaaS or for operations with more intensive communication requirements CCaaS or now CX. Gamma is a UK market leader in this space and in 2024 surpassed one million Cloud seats under management. Gamma offers a choice of solutions in this area. The Horizon offering with core software from Broadsoft (which was acquired by Cisco) represents a large part of the existing base.

Overview of results

Dividend per share

19.5p +14%

Grew from 17.1p to 19.5p

Adjusted earnings per share (fully diluted)

85.1p +13%

Grew from 75.1p to 85.1p

Earnings per share (fully diluted)

72.0p +31%

Grew from 54.9p to 72.0p

Cash generated by operations

£116.8m -5%

Declined from £123.5m to £116.8m. The reduction reflects one-off favourable movements in working capital in 2023

In 2023 Gamma acquired Pragma (previously referred to as EnableX in the 2023 Annual Report), adding the iPECS solution to the portfolio. This has been a successful addition to the Company's offering. For very small customers or customers with less complex requirements, we have our own developed solution, PhoneLine+, which has performed well over the course of the year. In addition, we have now launched the latest Cisco offerings in the market which over time we believe will become a significant part of our portfolio. There is large opportunity in this market for both organisations moving to Cloud-based solutions for the first time (in aggregate over half of the combined UK and German market are still using hardware-based technology) and for organisations who can benefit from better price/performance in replacement systems.

The second area we address is what we broadly call voice enablement. In layman's terms, this adds the ability for a system (hardware or software or a combination of both) to make voice calls, using a telephone number and to carry those calls across a network. Gamma has a large "SIP trunk" business which enables hardware PBX systems to use broadband to carry calls. As the hardware PBX market declines, the traditional SIP trunk market declines for Gamma. Our job is to ensure that as many customers as possible formerly using a hardware PBX solution in association with a SIP trunk, transfer to a Gamma Cloud-based system. Customers may wish to voice-enable other software they have invested in such as Microsoft Teams or AWS Connect solutions. Service providers who sell a communications solution may need a partner to voice enable their solution to give it the required functionality. Gamma has enormous experience in this voice enablement area and has significantly invested in its own network to provide the carrying services. We see this as a strategic area of opportunity for the Company. Voice enablement services to the Service Provider market has been a particular star performer of the business in the recent period. To further strengthen this business, Gamma acquired Coolwave in early 2024 to extend our voice enablement services to around 20 countries with the footprint continuing to expand in 2025, significantly extending our offering.

Our third area of activity is in connectivity. This is the business of providing communication networks to organisations, notably providing broadband, fibre, ethernet and/or mobile contracts. We are conscious we don't do enough in the mobile space and need to go faster here. We were particularly pleased to "import" our know-how in IoT (Internet of Things) connectivity from our German business and launch this in the UK in 2024. This allows in-the-field devices (there are thousands of them, for example a mobile car fault diagnostics device) the ability to receive and transmit data. We don't talk much about our connectivity business but it's a significant proportion of what we do. The portal we are working on will be particularly beneficial in accelerating this aspect of the business as we launch new fibre offerings and our scale IoT solution this year.

These offerings are common across our Gamma Business, Gamma Enterprise and Europe segments although not all offerings are available in all countries today. In addition, Gamma Enterprise extends beyond these core building blocks to provide complete managed ICT services to corporate and public sector organisations. In this vein, we acquired Satisnet, a cyber security services company, in 2023, and BrightCloud, a specialist provider of contact centre solutions, in 2024, to add further breadth and depth to this part of the portfolio.

Germany

Germany was a particular area of focus for the Board in 2024. As the largest potential market for what we do in Europe, with the highest number of organisational users and a low penetration of Cloud-based systems to date, we believe the German market is a significant opportunity for the Company and one we have chosen to focus on. We made a previous acquisition in Germany in July 2020. The business progressed well in 2024. But we recognised we were too sub-scale to satisfy our ambitions and organic growth alone would take too long in this region.

In September we completed the acquisition of Placetel. Placetel was previously owned by Cisco and sells Cloud-based systems predominantly to small organisations through digital channels. The consideration for the business was in part attributable to a commitment from Gamma to Cisco for Cisco licences over a five-year period. The current base of Placetel is 269,000 users. We were delighted to complete this deal and equally delighted with progress since the acquisition completed.

This gave us additional scale and a digital channel to the small customer segment but it did not provide the scale in Germany we still craved. The executive team, and notably Andrew, has been scouring the German market for several years and nurturing relationships with potential targets.

The one we found most attractive was STARFACE so when the opportunity came to acquire this business, we took it. The current base for STARFACE is 225,000 Cloud seats on its own proprietary platform along with approximately 360,000 seats on its hardware solution. There are many attractive features of this business including the quality of its people, its national coverage, its margin and growth profile, and the customer and partner base. I particularly liked the fact that the technology can be used either on-premise or in the Cloud and it is incredibly straight forward to transfer from one to the other. This creates a hedge for us in Germany in case Cloud adoption takes longer than predicted. The deal was agreed post year end and closed in February 2025.

We believe these two acquisitions, combined with the existing business in Germany, represent a major step forward for the Group and whilst we are very conscious that the hard work starts here, we are very excited by the opportunity Germany now gives us. To put it into context, we now have far more Cloud seats under contract in Germany than we did in the UK at the time of IPO in 2014.

Move to the Main Market

Gamma has grown significantly since it first listed on AIM in October 2014, achieving consistently strong growth both organically and through acquisition. Adjusted EBITDA has grown from £23.1m in the year ended 31 December 2014 to £125.5m in the year ended 31 December 2024 (a CAGR of 18%). We are now in the top five companies traded on AIM by size, with a market capitalisation of now well over £1bn. Looking forward to its next decade of growth, the Board considered whether AIM remained the correct market for Gamma's listing and concluded, after consultation with our shareholders, that it was the natural time to apply for admission to the Main Market.

The move, which is expected to see Gamma join the FTSE 250 Index, will give us new and deeper access to capital along with an increased global profile. We are grateful for the support from our IHT shareholders since we joined AIM and acknowledge that their holdings will no longer be tenable once the move completes. The move will require us to report against the UK Corporate Governance Code, and I am confident that we have the right processes in place to ensure we do that to a very good standard. We are well-progressed with the process and plan to complete the move on 2 May 2025. We will keep shareholders informed as we near completion.

Capital allocation policy and financing

The Board is aware of the cash the Company continues to generate and wants to deploy this cash in the best way for our shareholders. We continue to review our capital allocation framework and shareholders will note that the Group has taken on debt for the first time, through a £130m multicurrency Revolving Credit Facility that was put in place in January 2025 to finance the acquisition of STARFACE.

Given our desire to create appropriate returns for shareholders, we will be announcing a further share buyback programme of up to £50m and have instructed Peel Hunt to manage the programme on our behalf. We will provide regular updates on the number of shares purchased and confirm once the programme has concluded. This follows our first share buyback in 2024 purchasing £27.3m of shares.

Dividend

Gamma remains committed to a progressive dividend policy which has seen the dividend increase by between 10-15% every year since our IPO in 2014. Gamma has paid one third of the dividend as an interim dividend with the final two thirds as a final dividend once the results for the full year are known. We intend to continue this policy.

The Board is pleased to propose a final dividend, in respect of the year ended 31 December 2024, of 13.0p per share (2023: 11.4p), an increase of 14%. Subject to shareholder approval at the forthcoming AGM, this dividend will be payable on Thursday 19 June 2025 to shareholders on the register on Friday 30 May 2025. When added to the 6.5p interim dividend (2023: 5.7p) this makes a total dividend of 19.5p for the year (2023: 17.1p), an increase of 14%.

Board composition

As I reported in last year's Annual Report, Henrietta Marsh retired as the Senior Independent Non-Executive Director at the conclusion of the 2024 AGM having served on the Board since April 2019. Following her departure, and a review by the Nomination Committee of the Board roles and Committee membership, we made recommendations for several changes which took place at the close of the 2024 AGM. Rachel Addison, who has served on the Board since October 2022, assumed the role of Senior Independent Director and Chair of the Remuneration Committee. Rachel has extensive experience in working with public companies, with recent financial and operational management experience, and as the Remuneration Committee Chair of Hyve plc before it was taken private in June 2023. She has undertaken a review of our Remuneration Committee adviser to ensure we receive appropriate support as we move to the Main Market.

We merged the Audit and Risk Committees, with the joint Committee being chaired by Charlotta Ginman. As expected, with Charlotta's guidance, this transition has gone smoothly, with the Committee having adapted its meeting structure and agendas to facilitate the change. The Committee comprises solely independent Non-Executive Directors, being Charlotta Ginman, Rachel Addison and Xavier Robert.

Finally, I assumed the role of Workforce Engagement Director and have provided more detail on what this entails in the Governance report.

The Nomination Committee discusses board succession planning at each meeting and remains aware of the Board's diversity, both from gender and ethnicity perspectives. We currently have a gender balance of 71% male, 29% female. The Committee continues to recognise that there are regrettably no ethnically diverse Directors on the Board and has the clear intention to address that at the earliest opportune time. We are also aware of the Listing Rules requirement to disclose our gender and ethnicity data for the Board and senior management and will report on that in next year's Annual Report.

Board evaluation

The Board completed its second internal evaluation at the end of 2024 as part of a three-year rolling programme. This was again facilitated through the use of an online questionnaire which all Directors completed, with questions remaining constant from the prior year, alongside individual meetings between all Directors with myself and Rachel Addison as Senior Independent Director.

The Board continues to function well and all scores were the same or higher compared to last year with one notable exception. That was the performance of your Chair but rest assured I still got one of the highest ratings. Nevertheless, I've had very harsh words with myself.

Overall I am satisfied with the progress of the Board but we still have a long way to go. PLC boards are onerous for any board member, in particular the executive team, and I am very mindful of that. With changes of advisers, our decision to move to the Main Market, the amount of M&A activity, one very active NED less and our first share buyback, the amount of governance work has been particularly high. I would like to express my sincere gratitude to the team for their very hard work.

We acknowledge the provision in the UK Corporate Governance Code that an externally facilitated performance review should be conducted every three years. I intend to work with the Company Secretary to commission this review towards the end of 2025 and will report on the output in next year's Annual Report.

Sustainability

We remain committed to providing transparency and actively engaging with our stakeholders to ensure alignment with our environmental objectives. We ensure that management is incentivised to achieve our aims through ESG targets and, for awards made in 2025 onwards, have agreed to move the ESG performance metric from the annual bonus to the Long Term Incentive Plan ("LTIP"), supporting the longer-term nature of ESG projects and their outcomes. This is for both the Executive Directors and Executive Committee.

We published our second Sustainability Report in 2024, highlighting progress made in all areas of ESG (environment, social and governance). We have reported against the Task Force on Climate-related Financial Disclosures ("TCFD") within this Annual Report, reporting compliance in full with the eleven recommendations. Further detail can be found on page 54.

Our Carbon Disclosure Project ("CDP") score has recently been verified as a B rating, for the fourth consecutive year. This is an important metric for our Enterprise customers. As reported last year, our planned achievement of science-based net-zero targets by 2042 has been verified by the Science Based Targets initiative ("SBTi"), another important milestone.

We have commenced work on our Transition Plan, which has formalised a large number of projects to support our progress towards our net-zero targets. This comprises tangible and measurable projects to improve our impact on the environment, supported by named Executive Committee members and with progress tracked by the ESG Committee.

Employees

During 2024 we welcomed new colleagues from Coolwave, BrightCloud and Placetel, followed by STARFACE in February 2025. Each acquisition has brought us businesses of different sizes, offering a variety of solutions as we continue to expand and deepen our offering. The expansion into Europe is pleasing and we have reviewed our integration approach to ensure that all new colleagues quickly become part of the Gamma Group.

We have put in place a rolling programme of events to support my role as Workforce Engagement Director, including employee roundtables, focus groups and an in-depth review of the results of the Engagement Survey. These meetings allow me to deepen my knowledge and gain valuable insights into the business. More detail is included in the Governance report and I look forward to continuing to engage with the workforce throughout 2025.

We continue to believe that the Gamma culture of belonging in a good place to work, with development potential for all, is a differentiator which allows us to recruit the talented individuals that we need to drive the business forwards.

The Board and I would like to express our thanks to all our staff for their dedication, hard work and enthusiasm.

Gamma is fundamentally a people business and I would again like to thank all the Gamma team, our partners, customers, suppliers and shareholders for your support and encouragement, and for continuing efforts to develop Gamma to face the next stage of our growth. It's been a busy year of good progress. Despite the relatively gloomy economic backdrop, which is not helpful, we are excited by the opportunities that are ahead of us. We are equally cognisant that there is an ever evolving market in which we have to keep moving at pace to stay ahead. Thank you again for your ongoing support.

Martin Hellawell
Chair

24 March 2025

INVESTMENT CASE

1

Leading position in a large and growing market

Gamma has leading market positions in its primary geographies in key categories. As the communications landscape evolves and becomes more complex, Gamma is well positioned to take further share. In the UK, a large portion of the market is yet to convert to cloud communications. There is also a significant opportunity for Gamma to lead the transition in Germany, a substantially larger market than the UK, but with significantly lower cloud communications adoption.

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Commercial agility, key partnerships, and reach

Gamma's strong financial position and strategic partnerships enable the business to remain flexible and agile with our solutions. Global technology companies want to work with Gamma because of our customer approach and reach, both directly in the large Enterprise and Public Sector space as well as through our well-established Channel Partner base to the SME end users. Gamma focuses on collaboration with the world's best technology providers in this sector, including Cisco, Microsoft, Amazon, and iPECS (joint venture between Ericsson and LG).

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3

Carrier capability

Gamma has its own network which carries our customers' voice calls, unlike many competitors that rely on third-party infrastructure. In fact, some of these competitors depend on Gamma's network to voice enable their own services. Our network reduces business risk by providing predictable, competitive costs and allows Gamma to offer flexible contract terms.

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Breadth of innovative solutions for every size of business

Through the expansion of our own offering and partnerships with global technology leaders, Gamma serves as a one-stop-shop for communications solutions for businesses of all sizes, from sole traders through to international banks. This coverage enables us to broaden our market opportunity and take a greater share of wallet.

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Attractive financial profile

Gamma's financial model is characterised by ~90% recurring revenue, which provides a consistent and predictable income. We also maintain high levels of cash conversion (96% Adjusted cash conversion in FY24), enabling Gamma to reinvest in organic and inorganic growth, as well as shareholder returns.

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Supporting business acceleration – communications with a conscience

Gamma is a leading provider of technology-based communication services across Europe. The wider communications market is still growing strongly and Gamma is well positioned to benefit from the key growth areas.

Communications are critical to all businesses, large or small. Gamma's communications services provide those critical services to businesses across Europe.

In the UK, around one third of all business calls transit the Gamma network. Gamma supports tens of thousands of small businesses as well as large Enterprises and Public Sector organisations.

Our differentiators

Our purpose is to:
Empower the people at the heart of good business.

Our mission is to:
Make communication more human.

Our vision is to:
Create a better connected world in which we can work smarter for the benefit of business, people and the planet. When it comes to business, the combination of what we do and how we do it has developed a robust model that generates dependable, high-quality earnings on a recurring basis.

Our differentiators:
We consider ourselves to be a genuinely distinct and exceptional communications service provider, and the following five aspects distinguish us from other companies:

- Authentic and approachable
- Intuitive technology
- Our people and ethics
- Complete product set
- Embrace simplicity

How we create value

Our product categories

A developer and provider of UCaaS, CCaaS, voice, data and mobile communication services for businesses of all sizes.

Cloud Communications
Gamma provides Unified Communications as a Service ("UCaaS") to allow businesses to bring together multiple communication types in one service and, by deploying in the cloud, ensure they can be accessed wherever they are needed. Increasingly, businesses look to improve customer experience ("CX"), and Gamma provides solutions at a range of scale and complexity.

Voice Enablement
Gamma enables other applications providers such as Microsoft Teams to make and receive telephone calls using phone numbers utilising our core voice network.

Connectivity
Modern day voice services require data connectivity to operate. Gamma provides a full suite of connectivity connections and services across fixed and mobile telephony.

How we sell

We supply a broad range of simplified communications and software services to small, medium and large-sized organisations, both through our large network of Channel Partners and directly.

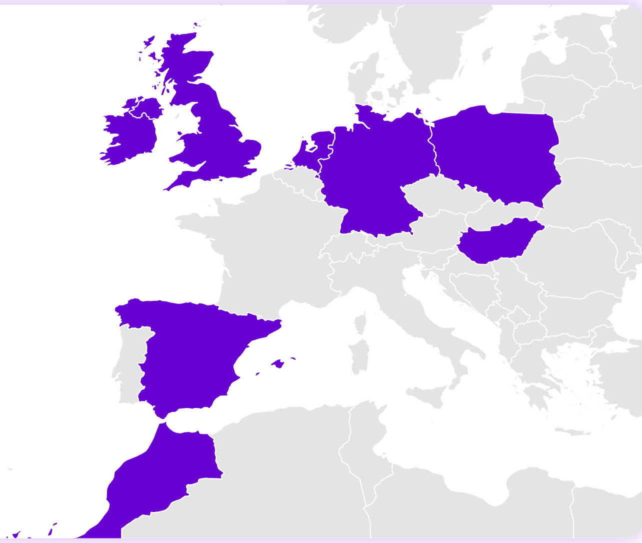
Gamma Business
Our primary route to market, the channel is at the heart of what we do. We provide market-leading products to 1,000+ Channel Partners, with an exceptional service wrap.

Gamma Enterprise
Our Enterprise business supports the requirements of Enterprises and Public Sector organisations looking to contract directly with the network operator.

Europe
Our European businesses sell both directly and through the channel consisting of sales primarily in Germany, the Netherlands and Spain.

Where we operate

Gamma supplies communication solutions into the UK, German, Dutch and Spanish business markets, as well as having employees in eight countries.



Proportion of sales

Gamma Business
64%

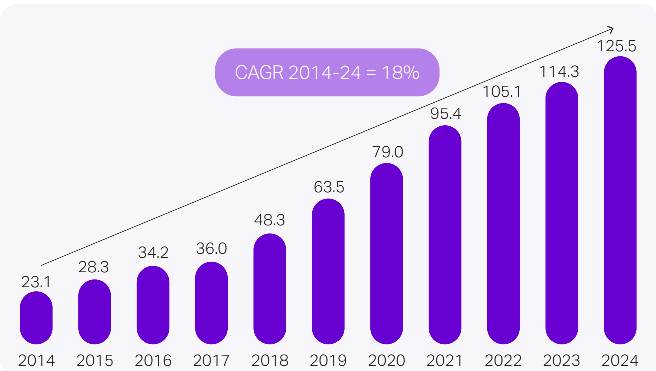
Gamma Enterprise
22%

Europe
14%

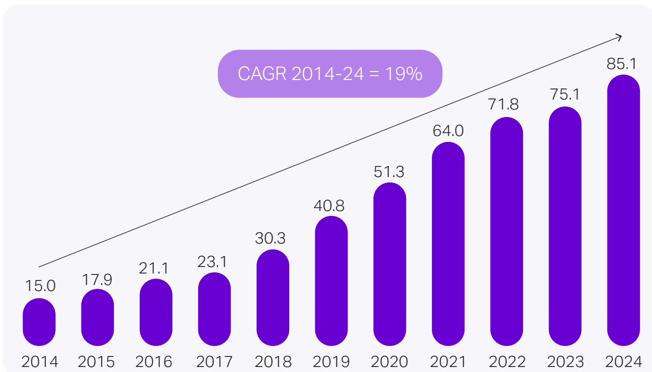
Who we support

AA, HM Revenue & Customs, London Stock Exchange, Department for Work & Pensions, Edmundson Electrical, Morrisons

Adjusted EBITDA (£m)



Adjusted earnings per share (fully diluted) (p)



Positioned to benefit from a growing communications market

How we do business is as important as what we do, and Gamma's ethos is as important as the capability we provide.

Our consistent growth

Gamma has been serving businesses in the UK since 2002. More recently, we have expanded into Europe offering the same innovative communications tools with our high levels of customer service.

Our smallest customer may be a business with one employee and our largest customer has over 90,000 employees.

Gamma has customers in the UK, Germany, the Netherlands, Spain, Belgium and Ireland. Following our acquisition of Coolwave in January 2024, we are now able to offer communications services in around 20 countries.

Gamma delivers its portfolio of solutions through a mix of routes to market. We typically serve small and medium-sized businesses through a network of Channel Partners. The customers of our Channel Partners are our "end users". In the UK our Channel Partners own the contract with the end user, while in Europe they tend to be dealers, i.e. Gamma contracts directly with the end user and the partner takes a commission.

Larger organisations tend to be served directly through an Enterprise sales force which delivers custom solutions based on Gamma's core portfolio. It also serves the UK Public Sector, including some key Government departments.

Our commercial model is based on multi-year subscription contracts. This combined with the market drivers means we have a strong recurring revenue model with stable margins and high levels of cash generation.

In the past ten years Gamma has grown its revenue from £173.2m to £579.4m, a CAGR of 13%; at the same time Adjusted EBITDA has grown from £23.1m to £125.5m (a CAGR of 18%), through a combination of organic and acquired growth. Over the next four years the market for Western European UCaaS seats is expected to grow by 50% and Gamma is well placed to exploit that increase.

Our solutions

Our portfolio of products provides a range of services to enable companies of all sizes to establish and maintain connections and conversations that drive their businesses. Gamma's core solutions fall into three categories:

- Cloud Communications Software
- Voice enablement (which allows Cloud Communications Software to make and receive calls using phone numbers)
- Connectivity – broadband, ethernet and mobile

Cloud Communications Software – UCaaS, CCaaS and CX

UCaaS allows businesses to bring together multiple communication types in one service and, by deploying in the Cloud, ensure they can be accessed wherever they are needed.

At their core are telephony services which manage how phone calls can be made, received and managed within an organisation. This can then be extended with video, messaging and wide collaboration capabilities.

Gamma works with global providers like Microsoft, Cisco and iPECS Co (previously Ericsson-LG) to integrate with and/or provide their UCaaS services to our partners and customers. We also offer proprietary IP products tailored to address specific needs.

PhoneLine+, developed in house by our GammaLabs software team, is a basic UCaaS product designed for micro-businesses (fewer than ten users), replacing traditional landline services using VoIP technology to deliver voice calls.

For the SME market, Gamma provides multiple strategic products. In the UK, we sell our core Horizon Cloud PBX product, and iPECS, a Cloud communications product, made by iPECS Co. Following the acquisition of the STARFACE Group, we are now able to offer their proprietary UCaaS product in Germany, alongside a hardware PBX which can be seamlessly converted to a Cloud product over time.

Since 2023, Gamma has strengthened our partnership with Cisco, which allows us to sell the more complex products which Cisco have been developing. These products are focused mainly on larger SMEs and enterprises. This partnership includes the full Cisco Collaboration suite, from basic voice calling through to complex AI-powered Contact Centre solutions.

The lines between CCaaS, CX and UCaaS are becoming blurred and some features which had historically been seen as "contact centre specific" are now required in basic UC solutions – for example, our PhoneLine+ solution can be integrated with WhatsApp to provide a simple "omnichannel" capability where customers of our end users can be contacted by both voice and text. We will continue to develop our CCaaS product set, including Horizon Contact, our Cloud-based customer engagement platform, and SmartAgent, which enhances AWS's Connect platform. In July 2024, Gamma acquired BrightCloud, one of Cisco's top global CX partners, providing us a further Enterprise-level CX offering.

Voice enablement

We also provide "voice enablement" to support UCaaS software products. Providers like Microsoft and Cisco produce high-quality software but in order to be able to use that software to make and receive calls using phone numbers, the user needs the communications infrastructure capability which Gamma has. Gamma has the ability to "host" phone numbers for its end users and its network enables it to route telephone calls to and from those numbers – this requires a sophisticated infrastructure coupled with the ability to comply with local regulation in every country in which this solution is provided.

Historically, businesses bought hardware communications systems which were physically located in their premises. Gamma has voice-enabled these for nearly 20 years using a technology known as "SIP trunking", which uses internet access to carry voice rather than typical telephone networks. Now the same expertise can be used to allow, for example, a user of Microsoft Teams to use Teams to call telephone numbers. This is a growth area for our business and we are the market leader for voice enablement of Microsoft Teams in the UK and the Netherlands. Following our acquisition of Coolwave and further development, we are now able to provide this solution in around 20 countries (and we intend to grow that number further).

There are very few companies which can provide both the UCaaS software and voice enablement across multiple countries with the quality that Gamma is able to provide.

Connectivity

We also provide the connectivity required for modern day voice services. Unified Communications is based on IP Telephony which requires data connectivity to the internet. This can be achieved using broadband, ethernet or a mobile device. By partnering with local experts, Gamma provides these products to our customers in every country in which we operate.

We are also able to support customers with IoT projects through Fusion IoT and eSIM technology. The Fusion IoT platform from our German Epsilon business integrates various network operators into a single management portal, simplifying global connectivity for businesses, and has been brought into the UK in 2024. The platform supports different types of connectivity, including narrowband solutions for long battery life and 5G for high data demands.

In order for any business to fully exploit the next generation of communication tools, they need a UCaaS product, voice enablement of that solution and connectivity. Gamma can provide all three of those elements in the UK, but would like to expand our connectivity offering in Germany.

Our wider portfolio

These three broad product areas constitute the majority of our portfolio. We include them and the other parts of our proposition – such as cyber security – in "Gamma Elements", which describes how everything we do fits together and how we deliver our full capabilities to market.

Very few other providers are able to provide all the things we do across Europe and to a business of any size. Gamma does this in a way which makes it easy for our partners to resell and makes it easy for our end users to get the communication solution that they need. Our service wrap differentiates us from our competitors – we make a complex solution easy to deploy and use as well as providing support for our partners and their customers (our end users).

Gamma does all of this with a suite of provisioning tools and a level of service quality which is market leading.

Businesses need Gamma

Excellent communications will always be important to all businesses whether large or small. None of Gamma's end users – restaurants, local shops, doctors' surgeries, accountants and many more – are able to do what they do without our support.

In the UK, around one third of all business calls transit the Gamma network. Gamma supports tens of thousands of small businesses as well as large enterprises.

We deliver communications with a conscience which allows every one of our end users to optimise the running of their organisation.

In summary

Gamma supports thousands of businesses across Europe of all shapes and sizes. Each one of them relies on Gamma for its communications solutions and to stay connected.

The communications market is forecast to continue to grow as communication needs evolve and the technology landscape changes.

Our portfolio fits the needs of the market today and continues to evolve to meet predicted future needs. Our approach to doing business, "communications with a conscience", continues to support our existing partners and customers as well as introducing new ones to Gamma.

We have the ability to provide voice enablement solutions in around 20 countries – very few companies have the ability to do this and to provide the UCaaS products on top.

Gamma can also provide the full suite of connectivity offerings – supplying everything that any business needs for a full communications solution.

We pride ourselves on very high standards of customer service which remains a crucial part of Gamma's offering to the business market. In 2024 Gamma scored 5.1 in its Value Enhancement Score survey, which is above industry benchmarks for both High-Tech (4.4) and Telecoms (3.9).

Gamma's unique combination of solutions, routes to market and how we do business, mean that we are the best placed business-to-business communications provider to be able to capitalise on a European market which is forecast to double its UCaaS seats over the next five years.

The future of business communications

DRIVER 1

Creating human experiences

Trend

As consumers and as employees, each of us as individuals are driving the requirements for communications providers. We are all used to the smartphone-era ease of use, completeness and ubiquity of high-quality technology interactions, and we are bringing those expectations and standards into all aspects of our lives.

As consumers, we want more ways to talk to the businesses that we want to transact with, to control when we want to talk to them, and we want them to maintain a record of our interaction so we do not have to repeat ourselves and we feel like a valued customer.

As employees we have the same expectations and want to be able to work without any penalty regardless of where we are. As a result, we are demanding more and more from the collaboration and communication tools our employers are deploying.

Businesses of all sizes are having to react to this and are looking for solutions to provide these experiences to their customers and employees. Gamma is well positioned in these markets with a range of solutions that address the need to make people's experience feel more human.

Artificial Intelligence ("AI") plays an increasingly important role in this space as businesses look for solutions which allow them to deliver great experiences to customers as efficiently as possible. Machine intelligence and Generative AI techniques allow consumers to interact with virtual agents to handle simple tasks, or AI can support human agents in responding more quickly and effectively to any questions or queries, among other uses.

How we capitalise

Gamma's contact centre tools (also referred to as CCaaS) support multiple communication channels (voice, SMS, email, WhatsApp etc) and allow businesses of all sizes to deliver an improved customer experience ("CX") to their customers, irrespective of their size.

This includes the very smallest business, not just businesses which recognise themselves as a "contact centre".

Because these solutions are core to the relationship between a business and its customers there is an appreciation of the value that the service delivers and an increased willingness to pay for the solution.

"The overall communications and information and communications technology market (across our geographies) is expected to grow to €46.8bn by 2029."

DRIVER 2

A new way to work

Trend
Most businesses now have parts of their teams working across different locations. Most will also be using an increasing number of tools, systems and applications which allow remote access to data.

This means all businesses are exploring how they update their technology and communications estates to support these new ways of working.

Businesses are assessing their needs and are increasingly adopting Cloud-based services, either as new services or migrating their on-premises services to Cloud-based equivalents. Some are using stand-alone Cloud telephony services and some are integrating this with an existing Microsoft Teams, or similar, installation.

How we capitalise
Gamma provides the connectivity services which support this new work paradigm, either fixed or mobile, and our applications and tools enable businesses, their employees, their customers and their suppliers to talk to each other and work together. This includes video and messaging services to allow remote and hybrid teams to stay connected.

Gamma is a market leader in voice enablement to hardware PBX equipment in the UK and one of the largest providers of Cloud services. We are also one of the leading providers of technology to allow Microsoft Teams to make and receive telephone calls.

This means we have a range of services which allow us to meet customers' needs in both Cloud and on-premises modes and we can support businesses as they migrate across modes.

DRIVER 3

Connecting everything securely

Trend
The internet continues to drive changes in the way the world works. This impacts every person and every business. We are increasingly using services that transmit and receive data over the internet, resulting in higher consumption of data and bandwidth whether we are at home, in the office or on the move.

This trend is now extending to machines and applications exchanging information, the Internet of Things ("IoT") and using AI to manage and drive intelligent decisions from data produced by these machines and applications. The growth in these demands will continue, driving demand for Gamma's services in the future.

As the amount of data crossing networks, and its importance to businesses increases, so does the need for services to secure that data. These cyber security services will be required by all businesses and with increasing sophistication.

How we capitalise
As a consequence of these changes, parts of the market for communications services are forecast to grow significantly over the next five years. There are two core areas of growth – Cloud technologies, and machine-based connectivity and data services. There will be both new customer acquisition and customer migration opportunities within this.

We enhanced our managed service capability with the acquisition of Satisnet, a UK-based Managed Security Services Provider in August 2023, and have successfully cross-sold this service to several existing customers including Savills, the global property agent. We see further upsell and cross-sell opportunities across our client base.

We are now also able to support customers with IoT projects through Fusion IoT and eSIM technology in the UK as well as Germany. Our Fusion IoT platform integrates various network operators into a single management portal, simplifying global connectivity for businesses, and has been brought into the UK in 2024. The platform supports different types of connectivity, including narrowband solutions for long battery life and 5G for high data demands.

Gamma's range of services means we are well positioned to support businesses to navigate this change.

Key market trends

TREND 1

Customers are requiring more complex communications solutions
Both changing working patterns (e.g. hybrid and home working) and new technologies (e.g. AI) mean that businesses are becoming more demanding in what they require from their communications systems. This presents Gamma with the opportunity to increase our Average Revenue Per User ("ARPU") by selling more to existing customers to ensure that their communications solutions continue to meet their needs.

By expanding our portfolio of solutions and ensuring that we incorporate all of the latest technologies we are able to reach a broader cross-section of the overall market. Our portfolio of communications solutions ranges from PhoneLine+ which is designed to appeal to the micro-market (fewer than ten users) through to the provision of Cisco Collaboration tools or voice enablement of Microsoft Teams, solutions that can support tens of thousands of users.

We have also expanded the solutions we can offer through two strategic acquisitions in the year. Our acquisition of Coolwave and our subsequent development of its offerings means that we can now offer voice enablement (compliant with local regulations) in around 20 countries. Our acquisition of BrightCloud gives us a rich portfolio of customer experience ("CX") solutions enabling us to support our larger Enterprise customers to run their Contact Centres.

We continue to develop our offering and look for opportunities to sell additional services to our end user base. This may be through our own development, partnering with a third party, or through acquisition.

TREND 2

German Cloud market is still under-penetrated
We have consistently set out the case for there being a significantly bigger market opportunity in Germany. First, it is the largest business communications market in Europe. Second, the proportion of sales of communications solutions which are based in the Cloud is much lower than most of Europe.

We have therefore been increasing our presence in Germany through a combination of organic growth and acquisitions.

In 2020 we acquired HFO which is a SIP PBX provider. In the time we have owned it, we have grown the German SIP PBX base by 36% to 199,000 trunks. Moreover, under our ownership, we have built a successful Cloud Communication business in Germany which had 42,000 seats at the end of 2024 (311,000 including Placetel).

Alongside growing this business organically, we have been seeking out strategic acquisitions to increase our scale and we have made two significant acquisitions. In September we acquired Placetel from Cisco. Placetel is the German market leader in selling Cloud Communications online. It allows Channel Partners to easily provision sales online. Some of our existing Channel Partners are now also partnering with Placetel. The business also allows very small businesses to buy UCaaS services online; a growth area in Germany. Since the acquisition we have increased the level of investment in marketing in the business and we have seen the rate of growth of Cloud Seats increase.

The second acquisition in Germany, post period-end, was STARFACE. We have admired the STARFACE business for a number of years and we were therefore pleased to be able to announce in February 2025 that we had acquired it. It is a strategically significant acquisition for Gamma. STARFACE is a market leader in the provision of communication platforms to SME businesses in Germany and operates via its nationwide Channel Partner network. STARFACE filled a significant gap in our German operations because it brings solutions which are tailored for the German marketplace and better geographic coverage in the partner base.

At the time of acquisition, STARFACE had 225,000 Cloud Seats on its own proprietary platform. In addition it had approximately 360,000 seats on its hardware solution. The STARFACE solution allows customers who are uncomfortable moving straight to the Cloud to take the hardware-based solution which can be easily converted to a Cloud-based solution as and when the end user is ready. This ability to switch is important in the German market where some end users prefer not to consume IT and communications services in the Cloud.

We intend to encourage end users in Germany to move to the Cloud more quickly. We therefore anticipate a greater proportion of STARFACE sales being of its Cloud solutions (as opposed to its hardware solutions) over the coming years. Cloud solutions have a greater long-term value whereas hardware solutions provide more short-term revenues. It is therefore possible that revenues from STARFACE may fall in the short-term (as less hardware is sold but more Cloud Seats are sold) but this is beneficial to Gamma for longer-term growth and a move towards having a customer base on long-term recurring revenue contracts. It is the right strategy to pursue to build long-term value in the business.

On a pro-forma basis (i.e. had Gamma owned STARFACE at the end of 2024), Gamma Germany had 536,000 Cloud Seats, with a large base of hardware seats which are capable of being moved into the Cloud when the customer is ready to make that journey.

We are excited at the prospects for growth in the German market and we expect the German market to be a significant driver for growth in the medium-term and longer-term. It should be noted that in the short-term market growth rates are likely to be lower than we have seen in the UK due to the well-publicised macro-economic issues in Germany. However, given the overall market is larger, growth will likely last for many years to come.

As well as the organic growth potential, we continue to seek additional acquisitions to improve our scale and market position in Germany. We would like to expand both our connectivity offering in Germany as well as the solutions we offer to Service Providers.

TREND 3

Hardware PBX to Cloud migrations

Above we noted that, in Germany, we expect users to move from a hardware solution to a Cloud solution over the coming years. In the UK we have been seeing a similar trend for some time – roughly half of business users in the UK have already migrated to the Cloud. However, this means that half have not, and this represents a significant opportunity for UCaaS sales.

A trend is emerging where end users who have taken Gamma SIP to voice-enable a hardware PBX are moving towards a full Cloud communications solution. We are starting to see a reduction in SIP PBX as users migrate away from hardware solutions.

As Cloud PBX solutions become more feature rich, this trend is accelerating. We believe we are well placed to increase ARPUs for customers who stay with Gamma (i.e. they choose a migration path from Gamma SIP PBX to a Gamma provided UCaaS solution). The wholesale ARPU from a single SIP end user is typically around £1.25 per user per month. If these customers migrate to a Microsoft Teams solution, that can almost double, and it can increase further if end users migrate to one of Gamma's UCaaS offerings. To capitalise on this coming trend it has been important for Gamma to increase the breadth of its UCaaS portfolio. Cloud PBXs are not homogenous and have a variety of features. Gamma's Cloud solutions are now able to meet the needs of most end users.

TREND 4

PSTN switch off in the UK

We had previously identified the PSTN switch off in the UK as being a growth driver. However, given the ongoing delays in the switch off happening, it has not driven growth as much as we would have hoped at this point. Notwithstanding, we are encouraged by the growth of PhoneLine+ (which is the solution we have built for micro-businesses who had relied on single lines) and we now have 34,000 seats.

Continued business growth

Andrew Belshaw
Chief Executive Officer

Gamma is uniquely placed to benefit from powerful market drivers

I am pleased to report another set of strong results for Gamma in 2024. Despite general soft macro-economic performance in our two main markets of the UK and Germany in the last quarter of the year, Group revenue increased by £57.7m to £579.4m (2023: £521.7m), an increase of 11% on the prior year. Adjusted EBITDA for the Group increased by £11.2m (10%) to £125.5m (2023: £114.3m). Profit before tax for the year was £95.6m, an increase of 34% from the prior year figure of £71.5m.

Cash generated by operations for the year was £116.8m compared to £123.5m in 2023 – the reduction attributable to nonrepeatable working capital improvements in the prior year which are outlined in the Financial section. The closing Net cash balance for the year was £153.7m (2023: £134.8m). The cash balance has increased after investing £19.2m in capital items, paying £15.4m in relation to acquisitions, and returning £44.6m to shareholders through a share buyback programme (£27.3m) and dividends (£17.3m).

Continuing to deliver our strategy

We continue on our journey in line with our previously agreed five-year plan, which mapped our competitive and market landscape out to the end of 2026. Our plan was informed by the aftermath of the COVID-19 pandemic, the rise of hybrid working and the resulting changes in the communications market, which significantly impacted how people work.

Our plan identified four strategic priorities:

- Develop a common pan-European solution set for UCaaS and CCaaS for SMEs.
- Develop multiple routes to market in each country in which we operate.
- Become a trusted partner to Enterprises across Europe, transforming their communications estates.
- Create an organisation that engages all our people with a common set of values and goals.

Throughout the year we continued to build on each of these strategic pillars to grow every part of our business.

Strategic priority 1 —

Develop a common pan-European solution set.

Gamma is in the strongest position we have held within our industry – we are now a credible challenger communications business in both the UK and Germany. Channel Partners across Europe want to work with us because of the quality of our customer support and the variety of solutions we can offer their end users, and the global technology companies (such as Cisco) want to work with us because of the breadth of our distribution capability. We continue to work with global solution providers to explore the possibility of adding other relevant solutions into our portfolio.

We are currently converging on a focused portfolio of Cloud Communications solutions, which will address different market segments:

Lower end of SME

PhoneLine+ (and its digital variant CircleLoop) – this solution was developed internally and provides a price-competitive solution to micro-businesses of up to ten employees.

Placetel is our equivalent solution for the German market. It uses Cisco's Collaboration Suite.

SME

Horizon has been sold in the UK for many years as a Cloud solution. It can be integrated with Microsoft Teams and Cisco Webex to provide a full unified solution. We launched Webex integration in September 2024 and it has been one of our most successful product launches (in terms of seat sales in the early months).

iPECS is a feature-rich solution, acquired with Pragma, designed to appeal to SMEs.

Following our acquisition of STARFACE, the STARFACE solution suite will be sold to SMEs in Germany. As noted above, this can be sold as both a hardware and UCaaS solution which is important as it gives us access to a much bigger addressable market.

Large SME and Enterprise

We offer the full Cisco Collaboration suite from basic voice calling through to complex AI-powered Contact Centre solutions. We will launch Cisco's Collaborate Suite in Spain in mid-2025. We also support Microsoft Teams and Amazon CX solutions.

We have launched Operator Connect for Microsoft Teams in all countries in which we operate and shortly, via our Coolwave acquisition, it will be available in around 20 countries, with the footprint continuing to expand in 2025. This will appeal to Enterprises who operate across several countries.

We continue to keep our portfolio of solutions under review to ensure that we have the most up to date and innovative solutions for our end users of all sizes and in all countries.

Strategic priority 2 —

Develop multiple routes to market in each country in which we operate.

Gamma has always been known for its high levels of customer service and a key part of this is our ability to make communications solutions easy to provision and to operate. Maintaining this level of service is complex because there are multiple routes to market and it is hard to excel in every route – the fact that we can do this is therefore a key differentiator for Gamma, and hard to replicate.

In the UK we have focused on the indirect route to market through our valued Channel Partners who sell mainly to SME customers. We have sold to UK-based Enterprise and Public Sector customers directly. In Europe we prioritise the channel but there are a variety of sales models including wholesale, resale, dealer and direct. Across all routes to market, customer portals are important. Customers want to order solutions made up of multiple components – not only do we need to provide third-party software and hardware, we need to bundle this with our own voice enablement services at the point of provisioning which, among other things, ensures that end users can continue to use their existing telephone numbers.

During 2024 we commenced our project to rebuild our existing suite of portals. Our goal is to deliver a seamless integration of existing portals across Europe with new products – ensuring a best in class experience for our Channel Partners.

As well as being a differentiator in the market, our future portal will support all the routes to market which we use. We will be able to add solutions quickly into the new portal which will mean that as new trends appear we can bring solutions to market quickly and therefore begin to generate revenues at pace. Through a combination of our portal and also the fact that we have a telecoms network, we are able to turn "product" from larger organisations who are not telecoms providers (such as Cisco and Microsoft) into "solutions" which can be consumed easily by both Channel Partners and end users.

"Gamma has produced another strong set of results and the opportunities which lie ahead of us suggest a promising future for the Group."

"As customers require more complex communications solutions, we continue to see opportunities to grow our revenues further."

Strategic priority 3 —
Become a trusted partner to Enterprises across Europe, transforming their communications estates.

Gamma has long been known as a key supplier to SME customers across Europe and this market continues to be a driver of growth for us. One of our strategic aims was to become equally well-known in the Enterprise and Public Sector spaces, and this is now the case in the UK, with many notable contract wins. We aspire to take our Enterprise business into Europe.

In addition to our organic growth, we have invested in this business through the acquisition of new capabilities.

In 2021 we acquired Mission Labs that gave us the SmartAgent solution that enhances the AWS Connect platform. Sales have grown considerably with over 16,000 customer service agents using SmartAgent in the UK and Europe.

Our acquisition of Satisnet in August 2023 has enhanced our capability as a managed security services provider. Savills, the global property agents, upgraded their network from a traditional Gamma MPLS network to a new secure SD-WAN platform which incorporates a new Secure Access Edge provided by the integration of Satisnet. We see further upsell and cross-sell opportunities across our client base.

In July 2024 we acquired BrightCloud to enhance our CX practice and quickly set about integrating this into our portfolio. To this end, we have secured a multi-year agreement with the City and County of Swansea for an integrated CX and UCaaS solution.

We continue to look for acquisitions which will bring additional capability to our Enterprise offering.

As well as working with Amazon and Cisco, we have invested organically in the Microsoft Operator Connect solution which enables any organisation to voice-enable Microsoft Teams (although this tends to be used by larger end users). We deployed Operator Connect across all our businesses and have secured several European and pan-European contracts.

We have also brought the IoT solution from our German Epsilon business into the UK. For our long-standing customer The AA, we enhanced their patrol connectivity by successfully deploying Fusion IoT, our multi-network data SIM, into their entire fleet improving their connectivity. In addition, our IoT offering will enable us to provide solutions for "non-voice" users of single phone lines which will no longer be available as the PSTN is switched off (for example, lift lines or alarm systems which are monitored remotely).

Strategic priority 4 —
Create an organisation that engages all our people with a common set of values and goals.

We have continued to prioritise employee engagement as a core element of our people strategy, and embed the Group Values launched in 2023. To support the integration of newly acquired companies to the Group, we conducted culture and values sessions, aligning new teams with the Company's values and ways or working. These also provided a platform for employees to share feedback and suggestions, which have been incorporated into future initiatives.

We're there and we care – caring for our employees, our customers, our environment and all stakeholders.

We love to grow – not only growing as a business, but also reflecting that we are made up of individuals who strive for personal growth.

We do the right thing – we act openly in our relationships both within and outside of Gamma.

We step up and own it – everyone within our organisation takes ownership of problems and helps one another to solve them.

We continued to support the Group-wide EDI programme, "You Belong", which, at present, comprises four employee community groups – Wellbeing, Women, Early Careers and Multicultural. The programme aligns with Gamma's business and people goals and demonstrates our commitment to fostering a diverse workforce.

We expanded our apprenticeship scheme in critical skills areas including customer service, project management, cyber security, sustainability, IT and AI. Our current cohort of 69 apprentices is constituted from a blend of new entrant apprentices and existing employees continuing their professional development through the apprenticeship model across a breadth of business units and locations.

Our progress in apprenticeship and graduate development in the UK has been recognised by a prestigious "5% Club" Silver Award. The 5% Club was set up to help members enable 5% of their workforce to be in "earn and learn positions" (including apprentices, sponsored students and graduates on formalised training schemes) within five years of joining.

Gamma Business

Gamma Business is our business unit which sells to SMEs in the UK, mainly via Channel Partners. Revenue – supported by the acquisitions of Pragma and Coolwave – grew from £332.2m to £368.9m. This is an increase of 11%.

Sales of PhoneLine+ accelerated and the Horizon and iPECS bases continue to grow in line with historical performance. The cross-selling of additional modules for Horizon (such as call recording or collaboration) has been pleasing and our penetration rates continue to increase, which is important as this offsets any ARPU reductions on the sales of the core Horizon product.

Within Gamma Business sits our Service Provider business. This supports many of the world's leading Cloud Communication solution providers – 60% of Gartner's Magic Quadrant for UCaaS, CPaaS and CCaaS – by providing scalable and reliable voice communication services. In 2024 we carried in excess of 12 billion minutes of traffic for these providers.

Gamma Enterprise

Gamma Enterprise had a strong 2024, and revenues – supported by the acquisitions of Satisnet in August 2023 and BrightCloud in July 2024 – grew from £110.1m to £126.5m in 2024, an overall increase of 15%.

In the Enterprise space, for example, WM Morrisons awarded Gamma a five-year agreement to design, deploy and manage their entire estate of local and wide network infrastructure. Edmundson Electrical awarded us a multiyear contract to deploy a UCaaS solution across over 400 locations, and global share registrar Equiniti awarded Gamma, in partnership with AWS, a CX contract for their 1,400 worldwide agents. We were also awarded material contracts with AXA, Quilter, One Stop, Southern Water and Infinis.

In the Public Sector, Derbyshire County Council awarded Gamma a three-year agreement for the supply of a managed Microsoft Teams UCaaS solution for their 8,000 staff members, and the Isle of Wight Council also chose us for their Microsoft Teams voice enablement as did Framework Housing, The Royal Borough of Windsor and Maidenhead, University of Staffordshire and East Hampshire District Council.

Acquisitions made over the last two years also bring additional product capability and expertise to our Enterprise business unit and enabled cross- and up-sell as described above.

We have also recently acquired Allnet Solutions – a small acquisition which gives us a logistics capability. This means that we can now hold more spares in stock and quickly configure hardware ourselves, providing our Enterprise customers a better quality of service.

Europe

Europe continues to be a mixed picture with strong competition for Cloud PBX in Spain and the Netherlands, and macro-economic challenges in Germany. Our German business has fared better with both the Placetel acquisition and healthy organic growth. European revenue grew by 9% and gross profit growth was 21% on a constant currency basis.

As noted, market conditions in the Netherlands and Spain continue to be difficult. The Dutch market is already well-penetrated for Cloud PBX and in Spain the market is dominated by the MNOs (particularly Telefonica). Nonetheless,

“Gamma has achieved another strong set of results, marked by robust revenue growth, stable margins, and strong cash generation. Our broadened product set is resonating well with both Channel Partners and Enterprise customers.”

we see voice enablement (and particularly voice enablement of Microsoft Teams) as being a growth driver in the Netherlands and Spain over the medium-term. The market for Microsoft Teams is evolving and the existing players do not have a strong foothold.

In Spain we are also seeing interest from Channel Partners around the upcoming launch of the Cisco Collaboration Suite. We have had enquiries from a number of new partners with whom we do not currently work.

During 2024 we added 5,000 voice-enabled Microsoft Teams users across Europe, an increase of 56%. Whilst Microsoft Teams usage in Europe lags behind that of the UK, we are building a base of Operator Connect customers and we are now the leading supplier of Operator Connect in the Netherlands – albeit the market is very immature. We are starting to see traction in both Germany and Spain for the voice enablement of Microsoft Teams.

Our acquisitions of Placetel and STARFACE demonstrate that we are continuing to invest in Europe. We have a commitment to building a market-leading European business with a particular focus on Germany where we believe that over time we can build a business of the same size and scale of our business in the UK.

Outlook

Our experience was that the macro-economic picture for most of 2024 was slightly stronger than it had been in 2023 in the UK. We saw this weaken in the final quarter and we believe that 2025 may be weaker than 2024. If this is the case, as in previous periods of economic softness, we still expect satisfactory organic growth due to the strong growth drivers in our markets. In Germany, with our increased scale and capability following the recent acquisitions of STARFACE and Placetel, we expect significant medium- and long-term growth given we are well placed in this market as new technologies are adopted.

Notwithstanding the broader economic outlook, we believe that our enhanced product set will continue to drive growth as businesses across Europe look for more complex communication solutions to deal with recent trends in working patterns.

Our trading performance in 2024 was good. The acquisitions we have made have been immediately accretive to our underlying organic growth in both gross profit and EBITDA. Whilst we do not expect the macro-economic picture in the UK or Germany to improve in 2025, we believe that our organic growth potential and the acquisitions we have made will enable us to continue to perform well into 2025 and beyond.

The communications market in Europe continues to grow and evolve. We have identified growth opportunities in both the UK and Europe, and in both SME and Enterprise (using both our own solutions and those of third parties).

We have a robust business model based on recurring revenue from solutions that are critical to the businesses which use them. Our continued profitability, strength in cash generation and the availability of liquidity leave us well placed to maximise the opportunity even in challenging macro-economic times.

I would like to thank our staff for their hard work in 2024 which has driven this performance. In particular we have asked a lot of the Gamma team given the amount of integration activity we are undertaking, and I am proud of the way that the whole Gamma team has embodied our value of “stepping up and owning” the challenge of integrating our acquisitions without losing sight of growing our existing business.

I look forward to working with our customers, partners and colleagues for the benefit of all our stakeholders as we continue to grow the business over the coming years.

Andrew Belshaw
Chief Executive Officer

24 March 2025

Making progress against our strategic objectives

Our goal is to be the leading provider of communications solutions to SMEs in Europe and to be a trusted partner to large Enterprises, transforming their communications estates.

We have four strategic pillars which guide the direction and approach of the business in achieving this goal.

Our approach to delivering solutions depends on the specific needs of the customer group we are targeting. We have a mix of capabilities that we either develop ourselves or we partner with global technology businesses to bring their solutions to market.

We typically provide our own products to smaller businesses and partner for the more complex needs of larger customers. In all cases we work to develop a range of add-on and complementary services which increase the value to our customers and partners, making the complete service unique to Gamma.

Strategic pillar 1

Develop a common pan-European solution set

The communication needs of small and medium-sized businesses across Europe have a common set of core requirements. We will establish a common set of products to address those needs in all the markets we operate in. This will be a combination of products we build ourselves and those we bring into the portfolio through partnership.

We continue to ensure that we have the right products in our portfolio, balancing investment in new and emerging technology with the need to maintain the services which our customers rely on.

We have evolved our UCaaS portfolio to offer clear, differentiated products for each segment of the market, bringing together products from the large global technology companies and those we deliver ourselves. For micro-businesses (up to ten employees), PhoneLine+ is our product of choice, developed in house by our GammaLabs team. In the SME space, we offer Horizon Cloud PBX and iPECS (from iPECS Co) in the UK, and STARFACE's proprietary UCaaS product in Germany, which can be sold both as a hardware and a UCaaS solution, giving us access to a much bigger addressable market. At the larger SME and Enterprise end of the spectrum, we provide Cisco's full Collaboration suite.

Our extensive distribution capability and the resulting close connection to the market mean that we are uniquely placed to represent the needs of businesses to our global technology partners and equally to explain the value and benefit of those solutions to businesses across Europe.

Links to KPIs

1 2 4 9

Links to principal risks

1 2 3 4 5 6 7 8

Strategic pillar 2

Develop multiple routes to market in each country in which we operate

There are multiple opportunities for us to sell to end users in each country in which we operate. Our goal is to ensure that we have all the appropriate routes to market and required supporting systems to access all parts of the markets in which we operate.

This is a combination of the right products, the right channels and the right internal infrastructure to be able to serve the markets efficiently. This will increasingly require a digital-first mindset and necessitate operating in as automated and intelligent way as possible.

Across all routes to market, customer portals are important. Customers want to order solutions made up of multiple components – not only do we need to provide third-party software and hardware, we need to bundle this with our own voice enablement services at the point of provisioning which, among other things, ensures that end users can continue to use their existing telephone numbers.

During 2024 we commenced our project to rebuild our existing suite of portals. Our goal is to deliver a seamless integration of existing portals across Europe with new products built via a third party – ensuring a great experience for our Channel Partners. In 2025 we will launch Single Sign On and a range of new products. Through a combination of our portal and also the fact that we have a telecoms network, we are able to turn "product" from larger organisations who are not telecoms providers (such as Cisco and Microsoft) into "solutions" which can be consumed easily through all routes to market.

Links to KPIs

1 2 4 9

Links to principal risks

1 2 4 6 7 8

Key

KPIs

1. Revenue
2. Gross profit
4. Adjusted EBITDA
9. Adjusted EPS (fully diluted)

Principal risks

1. Existing routes to market and product strategy not aligned to changing customer buying behaviours and needs
2. Slow responses to shifts in the competitive landscape, leading to a decline in market share
3. Over-reliance on any single supplier
4. Inability to attract and retain talent
5. Unplanned service disruption
6. Data loss and cyber attacks
7. Legal and regulatory non-compliance in the telecommunications market
8. Inability to maximise M&A opportunities

Strategic pillar 3

We will become a trusted partner to Enterprises across Europe, transforming their communications estates

Enterprises have more complex communication needs than SMEs and also prefer to work with fewer providers, especially those who remove the burden of them owning and operating large estates.

In this segment, we use our proximity to the market and the customer to develop a deep understanding of their needs. Our Enterprise and Public Sector business is a managed service provider, which removes the burden from larger organisations of owning and operating larger and complex communication estates. This means that during our contract lifecycle, we can improve and upgrade customer solutions with new capability or products we bring to market. The acquisitions of Satisnet (managed security services) and BrightCloud (customer experience solutions) are two such examples.

Our breadth of coverage and capability means that we can offer services ranging from secure, resilient networking through to high intensity contact centre capability, and many combinations in between. We can deliver services from Amazon, Microsoft and Cisco along with many other large technology providers.

Many enterprises operate across multiple countries, providing us opportunities to expand our Enterprise offering into Europe, with key deals in 2024 including Savills, David Lloyd and AJ Gallagher. As we build our European presence further, our goal is to serve Enterprise and Public Sector customers across all countries in which we operate.

Links to KPIs

1 2 4 9

Links to principal risks

1 2 3 5 6 7

Strategic pillar 4

Create an organisation that engages all our people with a common set of values and goals

Our people make Gamma who we are, and Gamma is committed to creating an inclusive and collaborative environment that focuses on belonging for all – enabling people to thrive and do their best work. To maintain our unique offering and position in the market we must ensure we have a diverse, engaged and passionate workforce, and a culture and approach that distinguishes us positively in all the markets we operate in.

We continue to embrace and embed the Gamma Values as launched in 2023, encouraging employees to nominate colleagues for our quarterly Gamma Values awards.

We also reinforced support for our Group-wide equality, diversity and inclusion ("EDI") programme, "You Belong". This currently comprises four employee community groups – Wellbeing, Women, Early Careers and Multicultural – and brings community members together through a range of activities.

Building on the You Belong approach, Gamma continues to ensure we are actively involved in supporting groups of talent which are underrepresented, for example working with apprentices and introducing a scholarship programme for students in STEM subjects at the University of Salford in Manchester and Glasgow Caledonian University. Our progress has been recognised by a prestigious "5% Club" Silver Award.

We're there, and we care · We love to grow · We step up and own it · We do the right thing

Links to KPIs

1 2 4 9

Links to principal risks

1 2 4 8

BrightCloud acquisition

Enterprise and Public Sector customers require increasingly complex contact centre products and AI-driven CX solutions, along with ongoing managed service support following installation. There is also opportunity for existing on-premise contact centre implementations to be migrated to the Cloud. Through partners, Cisco has a 14% market share of the UK Contact Centre market, and is increasing investment in its new Webex Contact Centre offering. Cisco is also predicted to take 16% share of the UCaaS market (approximately 18m seats in total) by 2028.

BrightCloud is Cisco's leading European Enterprise partner for CCaaS, and is renowned for its expertise in CX transformation. Our acquisition of BrightCloud in July 2024 allows us to meet these customer demands, increase the scale and capability of our Enterprise business, and supports our strategic pillar to become a trusted partner to enterprises across Europe looking to transform their communications estates. The acquisition also further deepens Gamma's strategic partnership with Cisco.

We have quickly set about integrating BrightCloud into our portfolio: as well as using BrightCloud's considerable experience in implementations, support and expert services, we look for opportunities to combine this with our existing UCaaS capabilities. To this end, we have secured a multi-year agreement with the City and County of Swansea for an integrated CX and UCaaS solution.

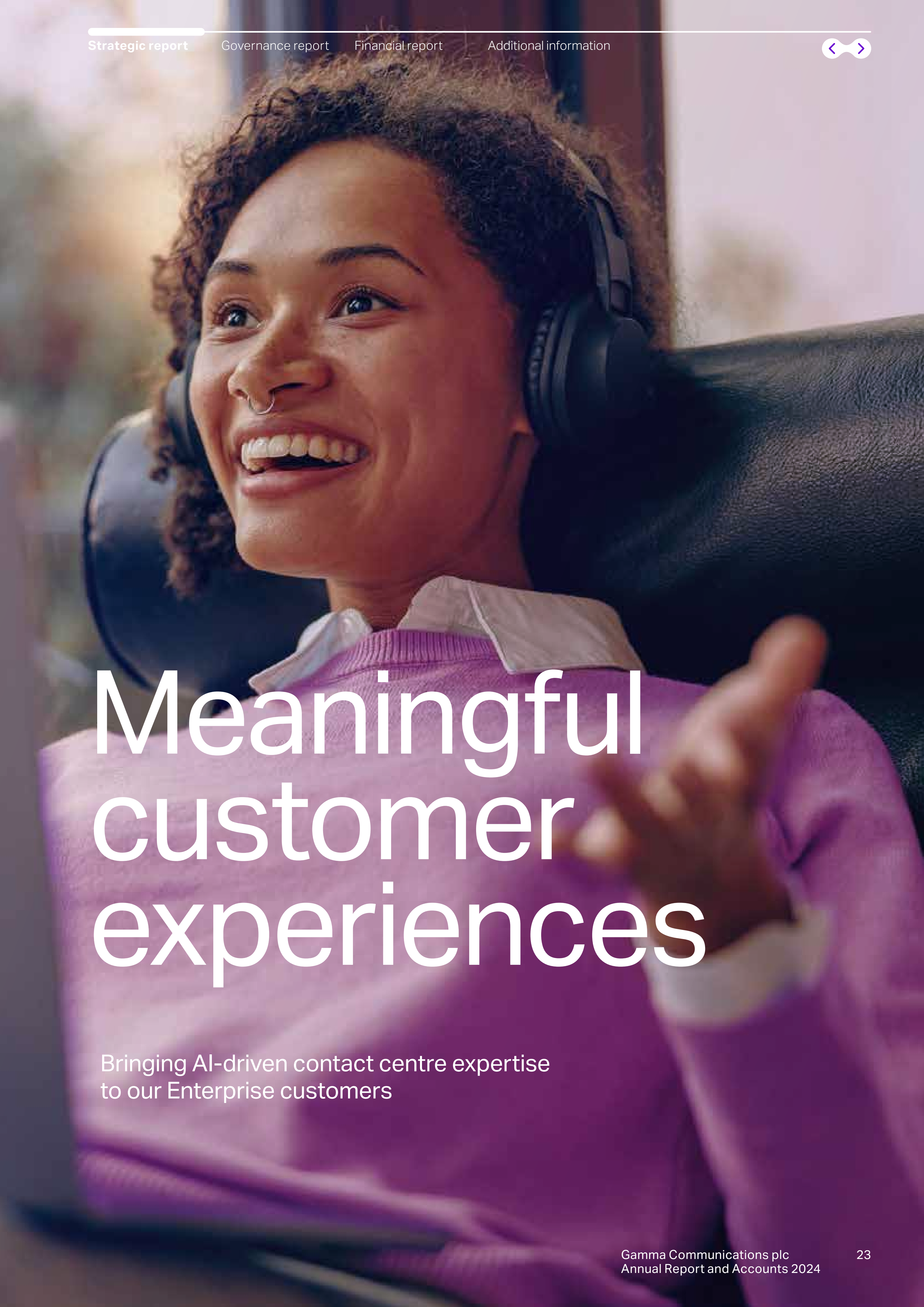
Cisco Contact Centre market share

14%

Links to strategic pillars

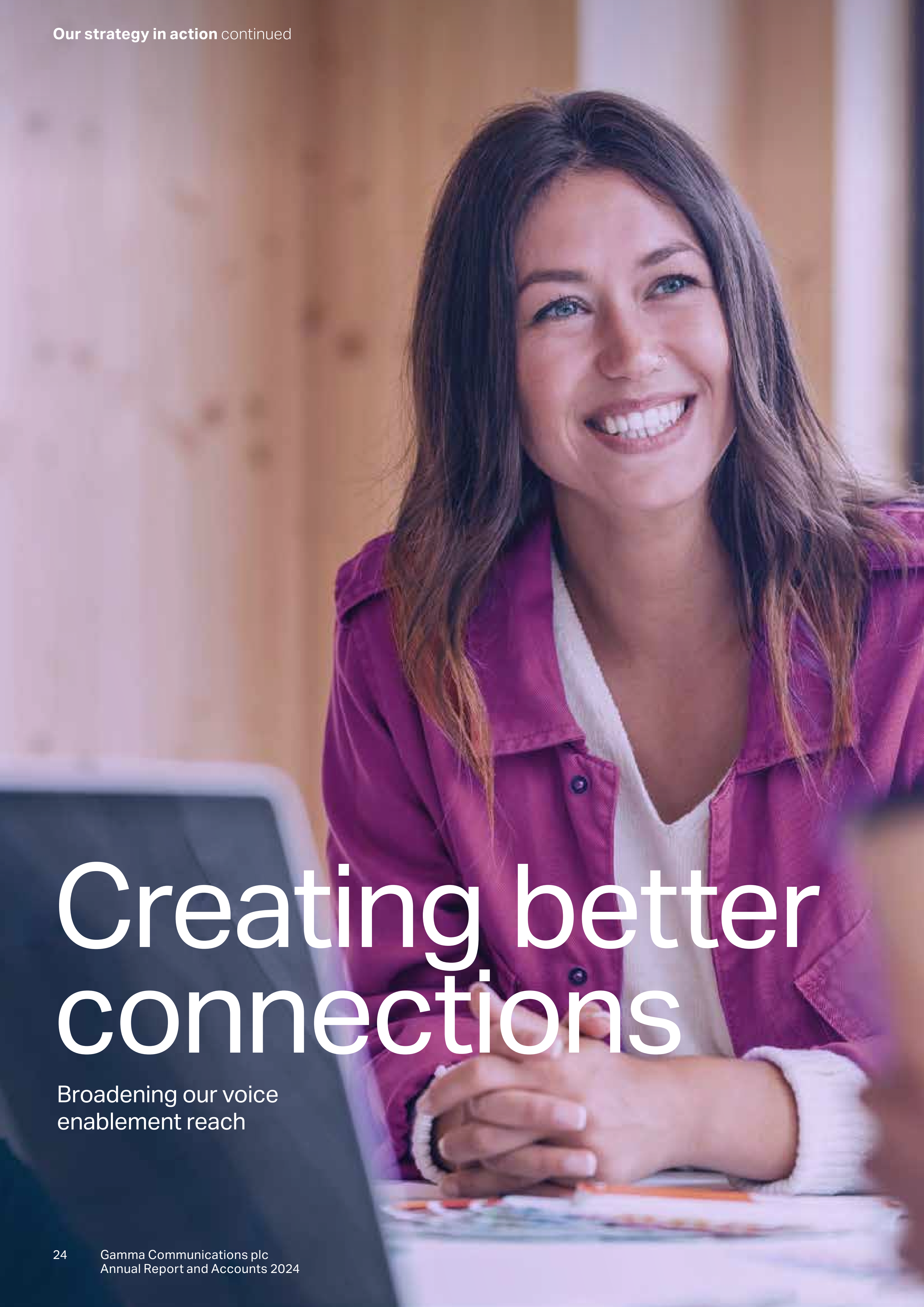
3 We will become a trusted partner to Enterprises across Europe, transforming their communications estates

Read more
Page 21



Meaningful customer experiences

Bringing AI-driven contact centre expertise to our Enterprise customers



Creating better connections

Broadening our voice enablement reach

Coolwave Communications acquisition

The global CPaaS market is anticipated to grow, with 28% CAGR and worth $63bn by 2029. The world's leading Cloud Communication solution providers often do not own their own voice networks or numbers: they partner with suitable telecommunications operators in each country in which they operate, and require them to comply with local regulations. They will often prefer to negotiate with as few such operators as possible. A broader geographic reach for our voice enablement products (including Microsoft Teams through Direct Routing and Operator Connect) therefore opens up not only access to additional customers, but also the opportunity to broaden our relationship with existing ones.

Since our acquisition of Coolwave in January 2024, we can now provide voice enablement compliant with local regulations in around 20 countries, and are continuing to expand that footprint with a targeted roadmap of compliance and capability. In our Service Provider business, reported as part of Gamma Business, we support hyperscalers and around 60% of Gartner's Magic Quadrant for UCaaS, Communications Platform as a Service ("CPaaS") and CCaaS, providing scalable and reliable voice communication services. In 2024 we carried over 12 billion minutes of traffic for these providers.

Number of countries served is around

20

Links to strategic pillars

1 Develop multiple routes to market in each country in which we operate

Read more
Page 20

Measuring our progress

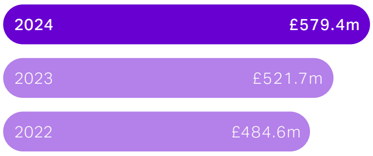
The assessment of our KPIs, their link to our strategy, movement in the year and their progression are described here.

Financial

KPI 1

Revenue

£579.4m +11%



Revenue from sales to all customers.

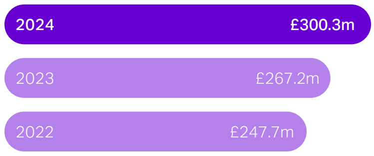
Our progress
Revenue has grown in the year with organic growth of 5% in our key products and supported by acquisitions.

Strategic focus
Gamma monitors growth in revenue as it shows how successful Gamma has been in expanding its markets and growing its customer base.

KPI 2

Gross profit

£300.3m +12%



Revenue less cost of sales.

Our progress
Gross profit has continued to grow in the year in line with revenue, including 6% organic growth.

Strategic focus
Gross profit is a measure used to evaluate the performance of the Group as well as each of the operating segments.

KPI 3

Gross margin

51.8% +1%

Gross profit as a percentage of revenue.

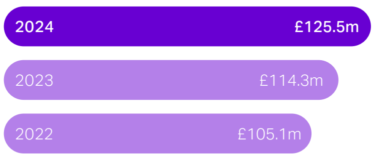
Our progress
Gross margin is in line with the prior year.

Strategic focus
Gross margin is a measure of the Group's profitability.

KPI 4

Adjusted EBITDA

£125.5m +10%



Profit before tax excluding interest, depreciation, amortisation and adjusted for exceptional and other adjusting items.

Our progress
Adjusted EBITDA has continued to grow, including 6% organic growth

Strategic focus
Adjusted EBITDA is the primary measure used to evaluate the performance of the Group as well as each of the operating segments.

KPI 5

Adjusted PBT

£111.9m +14%

2024	£111.9m
2023	£97.9m
2022	£87.8m

Adjusted PBT is profit before tax adjusted for exceptional and other adjusting items, amortisation arising from business combinations and changes in fair value of contingent consideration and put option liability.

Our progress
Adjusted PBT has grown in line with Adjusted EBITDA and with increased interest income in 2024 due to higher cash balances during the year.

Strategic focus
Adjusted PBT includes all income and costs except taxation and adjusting items and therefore provides a view of the core financial performance of the Group.

KPI 6

Net cash

£153.7m +14%

2024	£153.7m
2023	£134.8m
2022	£92.5m

Cash and cash equivalents less borrowings at the end of the year.

Our progress
Net cash has substantially grown.

Strategic focus
Net cash shows the liquidity position of the Group.

KPI 7

Cash generated by operations

£116.8m -5%

2024	£116.8m
2023	£123.5m
2022	£99.1m

Net cash flows from operating activities before tax paid.

Our progress
Cash generated by operations has fallen year-on-year due to cash outflows on working capital in the period.

Strategic focus
Cash generated by operations is a measure of the quality of Gamma's earnings. It provides financial strength and the ability to pay sustainable dividends to our shareholders as well as reinvestment in the business in line with our capital allocation policy.

KPI 8

EPS (fully diluted)

72.0p +31%

2024	72.0p
2023	54.9p
2022	50.6p

Earnings after tax divided by the fully diluted number of shares.

Our progress
EPS has grown very strongly reflecting significantly lower exceptional items in the period.

Strategic focus
Long-term growth in EPS (fully diluted) is a fundamental driver to increasing shareholder value.

KPI 9

Adjusted EPS (fully diluted)

85.1p +13%

2024	85.1p
2023	75.1p
2022	71.8p

Diluted EPS with earnings adjusted for exceptional and other adjusting items, amortisation arising from business combinations and changes in fair value of contingent consideration and put option liability and related tax benefits.

Our progress
Fully diluted Adjusted EPS has continued to grow despite the increase in the UK tax rate.

Strategic focus
Fully diluted Adjusted EPS is a measure of how successful we are in our strategy and ultimately how Gamma increases value for its shareholders.

KPI 10

Recurring revenue

89% +0%

2024	89%
2023	89%
2022	89%

The percentage of revenue recognised over time over total revenue. See note 4 in the financial statements.

Our progress
Recurring revenue is in line with the prior year.

Strategic focus
Recurring revenue gives an indication of future performance of the business.

Measuring our progress

In addition to its key performance indicators, Gamma also tracks performance against additional metrics that further assist in measuring progress.

Performance

PM 1

UK Cloud PBX seats

1,040k +9%

2024	1,040k
2023	954k
2022	766k

Number of UK billed seats at the end of the year on our Cloud PBX products (Horizon, iPECS, PhoneLine+ and CircleLoop).

Our progress
Continued growth on all Cloud PBX products.

Strategic focus
Growth in this metric demonstrates the ability of the sales force to win new customers whilst also retaining existing relationships.

PM 2

UK SIP PBX Trunks

932k -9%

2024	932k
2023	1,019k
2022	1,053k

Number of UK SIP channels enabling traditional hardware PBX at the end of the year.

Our progress
SIP PBX channels have started to decrease due to the move to Cloud.

Strategic focus
Decline in this product represents a move towards Cloud and an opportunity to increase revenue through the migration to our Cloud solutions.

PM 3

UK SIP Cloud Trunks

481k +21%

2024	481k
2023	398k
2022	367k

Number of UK SIP channels enabling a non-Gamma Cloud PBX at the end of the year.

Our progress
Continued growth as we support voice enablement across the market.

Strategic focus
Growth in this metric demonstrates that Gamma can create value through our voice enablement capability, even when a non-Gamma Cloud PBX is chosen as the end user solution.

PM 4

UK Microsoft Teams users

467k +9%

2024	467k
2023	429k
2022	356k

Number of Microsoft Teams users who are voice-enabled, either through Operator Connect or Microsoft Teams Direct Routing.

Our progress
Continued growth.

Strategic focus
Growth in this metric demonstrates that Gamma can create value through our voice enablement capability, even when Microsoft Teams is chosen as the end user solution.

PM 5

UK network availability

100%* +0%

2024	100.0%
2023	100.0%
2022	100.0%

Availability of UK strategic platforms.

Our progress
The network has continued to have strong availability throughout the year.

Strategic focus
Having a stable, available network helps to attract and retain customers.

* UK core network 99.999% rounded

PM 6

R&D spend

£32.2m +2%

2024	£32.2m
2023	£31.7m
2022	£29.1m

The sum of research costs expensed through the Consolidated statement of profit or loss and capital expenditure on development costs in intangibles during the year (which excludes any impairment charge).

Our progress
We have continued to invest in research and development.

Strategic focus
New and continued development on our products contributes to overall growth, alongside key partnerships.

Financial review

Continued strong financial performance

Bill Castell
Chief Financial Officer

Revenue
£579.4m +11%
Grew from £521.7m to £579.4m

Gross profit
£300.3m +12%
Grew from £267.2m to £300.3m

Adjusted EBITDA
£125.5m +10%
Grew from £114.3m to £125.5m

Profit before tax
£95.6m +34%
Grew from £71.5m to £95.6m

Adjusted PBT
£111.9m +14%
Grew from £97.9m to £111.9m

Cash generated by operations
£116.8m -5%
Declined from £123.5m to £116.8m

EPS (fully diluted)
72.0p +31%
Grew from 54.9p to 72.0p

Adjusted EPS (fully diluted)
85.1p +13%
Grew from 75.1p to 85.1p

Overview

Gamma's financial performance has been strong, increasing revenue by 11% to £579.4m (2023: £521.7m) and gross profit by 12% to £300.3m (2023: £267.2m). Group Adjusted EBITDA increased by 10% to £125.5m (2023: £114.3m), profit before tax increased by 34% to £95.6m (2023: £71.5m) and Adjusted PBT increased by 14% to £111.9m (2023: £97.9m). EPS (fully diluted) increased to 72.0p (2023: 54.9p) whilst Adjusted EPS (fully diluted) increased by 13% (2023: 5%) to 85.1p (2023: 75.1p). Acquisitions have positively contributed to the Group's performance during the period. On an Organic constant currency basis, revenue increased by 5%, gross profit by 6%, and Adjusted EBITDA by 6%.

In the reporting of financial information in this Financial review, the Group uses certain measures in addition to those reported under IFRS, under which the Group reports. These measures are known as Alternative Performance Measures ("APMs"). The Group believes that these additional measures, which are used internally, are useful to users of the financial information in helping them understand business performance. The Group does not consider these APMs to be a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS. These APMs are explained, defined and reconciled from the most comparable IFRS metric on pages 171 to 176 and used consistently period on period other than the inclusion of Organic growth as a new APM in the current year. This has been included as a result of an increased number of acquisitions during 2023 and 2024 and the increased contribution of the European business to the Group.

Revenue and gross profit

Gamma Business

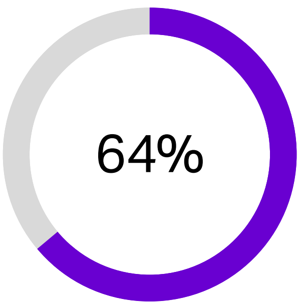
Gamma Business' performance has remained strong. The acquisitions of Pragma and Coolwave, have contributed £19.1m of revenue and £7.9m of gross profit on an inorganic basis in the year. Organic growth was 5% for revenue and 6% for gross profit. This has been driven by a combination of targeted price rises on legacy products and growth in our UCaaS portfolio, with increasing penetration rates of additional modules to our Horizon Cloud PBX solution, as well as increasing net additions on our internally developed PhoneLine+ solution. Service Provider, which is reported within Gamma Business and includes the Coolwave acquisition, contributed 21% of revenue (£76.3m) and 19% of gross profit (£36.3m) in Gamma Business. The Service Provider business provides carrier services such as hosting telephone numbers and connecting calls. Our customers are carriers who wish to run a service but do not have network capabilities. It saw strong growth in SIP trunks supporting non-Gamma Cloud PBX solutions, where our network capability supports the growth of large customers, including hyperscalers. Gross margin has remained broadly stable, which is in line with expectations. There was a slight decline as connectivity products migrate from higher-margin copper to lower-margin fibre solutions.

	2024 £m	2023 £m	Change
Revenue	368.9	332.2	+11%
– *Of which Service Provider*	*76.3*	*67.1*	*+14%*
Gross profit	194.7	176.1	+11%
– *Of which Service Provider*	*36.3*	*32.8*	*+11%*
Gross margin	52.8%	53.0%	

Revenue

£368.9m

Revenue proportion



Gamma Enterprise

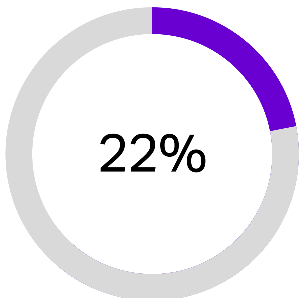
Overall, the growth in Gamma Enterprise has been very strong, driven by acquisitions coupled with solid underlying organic growth. The acquisitions of Satisnet, adding cyber product capabilities completed in August 2023, and CX company BrightCloud, completed in July 2024, have contributed £9.7m (2023: £4.6m) of inorganic revenue and £4.4m (2023: £1.5m) of inorganic gross profit. On an organic basis, growth was 6% for revenue and 6% for gross profit, despite a degree of price pressure in the lower end of the Public Sector, which is a relatively small part of our overall Public Sector business. On an organic basis Public Sector is approximately 30% of Gamma Enterprise's revenue and gross profit. Growth has been driven by several significant contract wins, including an SD-WAN, LAN, WiFi and security infrastructure for WM Morrison and a Fusion IoT solution for The AA, together with growth from existing customers and continued project rollouts. Other notable wins in the year include Quilter Cloud UCX, AXA UK SIP services and Edmundson Electrical UCaaS rollout in the Enterprise sector with Dorset NHS and Westminster City Council in the Public Sector. Additionally, there have been several large wins for our CX platform, SmartAgent, with Equiniti, and additional sales to JD Sports Fashion in the USA and Bourne Leisure in the UK.

	2024 £m	2023 £m	Change
Revenue	126.5	110.1	+15%
Gross profit	60.2	52.6	+14%
Gross margin	47.6%	47.8%	

Revenue

£126.5m

Revenue proportion



Europe

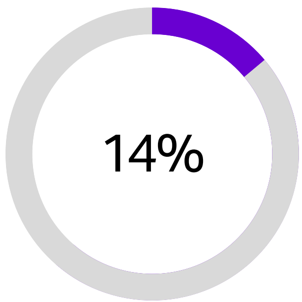
Europe's gross profit increased significantly, with healthy organic growth in Germany also enhanced by the acquisition of Placetel. The acquisition of Placetel, completed in September 2024, has contributed £7.4m of revenue and £6.0m of gross profit. European results were impacted by negative foreign exchange movements, with Pound Sterling having strengthened against the Euro compared to the prior year. On an organic constant currency basis, revenue was down 1%, with gross profit growth of 5%. European organic revenue has benefitted from growth in Cloud PBX and CCaaS, more than offset by declines in the traditional products (Broadband, Hardware and the mobile Epsilon business). Conditions in the Netherlands continue to be challenging where revenue has declined, with organic constant currency growth in Spain and Germany. Germany has seen continued organic growth in SIP and UCaaS seats. European gross margin was enhanced by the acquisition of Placetel and the improvement also reflects the renegotiation of Spanish network costs, where we have benefitted from Group purchasing power, and the product mix.

	2024 £m	2023 £m	Change
Revenue	84.0	79.4	+6%
– *Of which Germany*	*54.3*	*47.4*	*+15%*
Gross profit	45.4	38.5	+18%
– *Of which Germany*	*26.4*	*19.3*	*+37%*
Gross margin	54.0%	48.5%	

Revenue

£84.0m

Revenue proportion



Operating expenses

Operating expenses grew from £200.2m in 2023 to £210.0m. We break these down as follows:

	2024 £m	2023 £m	Change
Operating expenses excluding research and development costs, depreciation, amortisation and exceptional items	156.5	135.6	+15%
Research and development costs	19.7	17.3	+14%
Depreciation and amortisation (excluding business combinations)	20.4	21.3	(4)%
Amortisation arising due to business combinations	13.4	10.0	+34%
Exceptional items	–	16.0	nm
Total operating expenses	**210.0**	**200.2**	**+5%**

Operating expenses excluding research and development costs, depreciation, amortisation and exceptional items increased by 15%, comprising the following:

- The UK businesses' operating expenses grew by 14% (compared to gross profit growth of 11%). On an organic basis operating expenses grew by 5% (compared to gross profit growth of 6%). This was primarily due to inflation and the incremental costs relating to the ongoing implementation of the new Finance ERP system and completion of the implementation of the Group-wide HR system, without which operating expenses grew by 4%.
- The increase in European operating expenses was 19% (compared to gross profit growth of 18%). On an organic basis operating expenses in Europe fell by 1% in Pounds Sterling, with a 2% increase on a constant currency basis (compared to gross profit growth of 5%).
- Central costs increased 21% (£2.1m) mainly due to professional fees related to acquisitions, including those not pursued, of £2.8m (2023: £0.9m). A net contingent consideration release of £1.3m (2023: £nil) related to the Satisnet and Pragma acquisitions reduced central costs, though this was partly offset by the recognition of foreign exchange losses on the Placetel deferred consideration of £0.8m (2023: £nil).

The decision to stop ongoing development of some of our own collaboration software temporarily lowered development spend capitalisation earlier in the year before we then moved resources onto new development projects which commenced later, such as the ongoing development of our new Channel Partner portal. As a result, research and development expense increased by 14% with a greater portion of developer time spent on non-capitalisable activity.

Depreciation and amortisation on tangible and intangible assets (excluding business combinations) decreased to £20.4m (2023: £21.3m) due to lower technology amortisation in 2024.

Amortisation arising due to business combinations increased to £13.4m (2023: £10.0m). This reflected an increased level of intangible assets following the acquisitions of Coolwave, BrightCloud and Placetel in the year, as well as the impact of a full year of amortisation on the Satisnet and Pragma intangible assets in 2024.

Exceptional items

There were no exceptional items in the year (2023: two).

The exceptional items in 2023 were the impairment of development cost intangible assets of £12.7m and restructuring costs of £3.3m.

Adjusted EBITDA

Adjusted EBITDA grew from £114.3m to £125.5m (10%) driven primarily by the revenue and gross profit growth across the Group. There were also a few items that together increased costs by £2.5m in 2024 which impacted Adjusted EBITDA. These comprised a £1.9m increase in professional fees on acquisitions, a £0.8m foreign exchange loss on Placetel deferred consideration and a reduced benefit from R&D tax credits of £1.1m; these were partly offset by a £1.3m net benefit from contingent consideration releases.

We incurred £1.4m of incremental costs relating to the ongoing implementation of the new Finance ERP system and completion of the implementation of the Group-wide HR system which are treated as other adjusting items for measuring Adjusted EBITDA. These implementation costs are recorded as other adjusting items as the anticipated total cost of c.£3.0m for the implementation across 2024 and 2025 is considered significant.

Profit before tax and Adjusted PBT

Profit before tax grew from £71.5m to £95.6m (34%) and Adjusted PBT grew from £97.9m to £111.9m (14%). This was driven primarily by the revenue and gross profit growth across the Group and profit before tax benefitted by the one-off impact of £16.0m of exceptional costs incurred in 2023. Both profit before tax and Adjusted PBT were similarly impacted by the items which impacted Adjusted EBITDA above, other than the system implementation costs which only impacts profit before tax.

Taxation

The effective tax rate for 2024 was 27% (2023: 25%). This increase follows the statutory UK rate rising from 19% to 25% in April 2023 which meant the UK statutory rate increased from 23.5% for the calendar year 2023, to 25% for the calendar year 2024. The effective tax rate in 2024 applied to trading profits was above the 25% statutory UK average rate due primarily to the professional fees related to acquisitions that were not deductible in determining taxable profit.

Net cash and cash flows

The Group had Net cash of £153.7m (2023: £134.8m). The Group had no borrowings at 31 December 2024 (2023: £1.7m), following a final repayment of the German mortgage of £1.5m (2023: £0.5m) during the year. Since year end the Group has agreed a £130m multicurrency Revolving Credit Facility to facilitate the STARFACE acquisition and to support the H1 2025 share buyback.

Cash generated by operations was £116.8m (2023: £123.5m). Adjusted cash generated by operations was £120.4m (2023: £123.7m), which reflects the cash impact of 2023 exceptional items on 2024 (£2.7m in respect of restructuring) and other adjusting items in 2024 (£0.9m in respect of system implementations). Adjusted cash conversion was 96% (2023: 108%).

The impact of working capital on the year has been negative primarily due to nonrepeatable working capital improvements in the prior year, with a year-on-year relative working capital outflow totalling £18.5m. This is primarily due to:

- A year-on-year outflow of £8.4m in relation to trade and other receivables and contract assets. In particular 2023 benefitted from the cash effect of unwinding some prepayments that year, relative to 2024.
- A year-on-year outflow of £6.9m in relation to trade and other payables. This outflow is mainly the result of the timing of VAT and payroll tax payments including an increase in quarterly payments in advance in the year.
- A year-on-year outflow of £6.0m in relation to provisions as amounts provided for the 2023 restructuring exercise, which occurred in late 2023, were paid out during 2024. As noted previously, Adjusted cash conversion is not impacted by this working capital outflow as the restructuring was treated as exceptional and is thus excluded.

Tax paid increased to £23.9m (2023: £15.3m). This reflects the increase in the UK average tax rate to 25% (2023: 23.5%) which is also applied to higher 2024 profits.

The primary cash items which are not directly related to trading were:

- £27.3m of treasury shares were purchased and paid in cash as part of the share buyback programme announced in March 2024 and which expired in September 2024 (2023: £nil).
- Capital spend was £19.2m, which is a decrease from £23.0m in 2023. This is discussed below.
- £17.3m was paid as dividends (2023: £15.2m).
- £15.4m was the total payment for acquisitions net of cash acquired (2023: £30.5m): £6.3m for the acquisition of Coolwave (net of cash acquired), £8.7m for the acquisition of BrightCloud (net of cash acquired), £1.7m of contingent consideration based on milestones achieved in 2023 as a final payment in relation to Mission Labs, £0.5m deferred consideration for NeoTel, £0.5m deferred consideration for Coolwave and £0.3m deferred consideration for Placetel, partly offset by a net cash receipt of £2.6m on the acquisition of Placetel.
- £7.1m (2023: £4.9m) of interest was received on cash and cash equivalents, increased during the year due to higher cash holdings.
- £1.8m was received from the issue of shares (2023: £1.9m) on the exercise of share options.

Gamma's Group treasury policy is governed by the Audit & Risk Committee. Gamma manages cash centrally and seeks to maximise value and return whilst balancing associated risks. The policy manages concentration risk by setting an appropriate limit on the amount that can be placed with any one institution, and manages credit risk by setting a minimum requirement around the credit rating of the financial Institution. Given 86% of Group revenue is generated from our UK business, all deposit balances are held with large established UK financial institutions. Cash in Europe is primarily held for working capital purposes and follows the credit rating requirements as set out above.

Capital spend

Capital spend in 2024 was £19.2m (2023: £23.0m) broken down as follows:

- £12.5m on the capitalisation of development costs incurred during the period (2023: £14.4m). The decrease followed our decision to stop ongoing development of some of our own collaboration software. This temporarily lowered development spend capitalisation, whilst increasing research and development expense, as we moved resources onto new development projects which commenced later in the year, such as the ongoing development of our new Channel Partner portal. In addition, the restructuring during 2023 reduced total research and development spend.
- £4.9m on the core network, including increasing capacity as well as computer equipment and fixtures and fittings (2023: £5.6m).
- £1.8m with third-party software vendors for the software which underpins our Cloud PBX products (2023: £3.0m).

Adjusted EPS (fully diluted) and EPS (fully diluted)

Adjusted EPS (fully diluted) increased from 75.1p to 85.1p (13%), which compares to a 5% increase in 2023. The increase reflects the impact of strong Adjusted EBITDA growth and increased interest income. The increase in statutory UK corporation tax rate to 25% in April 2023 had a continued negative growth impact in 2024 of 2% since the increased tax rate was effective for the whole of the year. The share buyback had a positive impact of 1%.

EPS (fully diluted) increased from 54.9p to 72.0p (31%). The growth is higher than the adjusted metric due to the impact in the prior year of the exceptional cost of the capitalised development impairment and restructuring.

Acquisitions

The acquisitions of Coolwave in February 2024, BrightCloud in July 2024 and Placetel in September 2024, along with the completion of the fair value accounting for Pragma, were the primary drivers behind the £34.6m increase in intangible assets from £154.7m to £189.3m.

These acquisitions together created intangible asset additions of £40.9m which comprises £23.7m customer contracts intangibles, £3.8m brand intangibles, £6.0m of technology intangibles, £3.7m goodwill and £3.7m of capitalised development intangibles. The acquisition of Placetel also led to the recognition of an additional £16.0m of deferred consideration in the year which will be paid over five years.

Share buyback

In total 1,910,596 ordinary shares were acquired by the Company for an aggregate £27.3m over the course of the share buyback and held as treasury shares. This represented approximately 2% of the Company's ordinary share capital at commencement of the buyback. This resulted in a charge being recorded in Other Reserves of £27.3m which was partially offset by £3.3m in respect of 186,946 treasury shares, which were subsequently used to settle exercised share options. This was the primary reason Other Reserves reduced by £25.1m from £6.9m to (£18.2m).

Financing

In January 2025, the Group agreed the acquisition of SF Technologies Holdings GmbH ("STARFACE"), with the acquisition completing on 19 February 2025. To facilitate this acquisition in January 2025 the Group agreed a new three-year £130m multicurrency Revolving Credit Facility. £30m was drawn down in February 2025 to fund the acquisition of STARFACE.

Capital allocation policy

Gamma has a strong balance sheet and continues to generate significant operating cash flow with liquidity maintained through its £130m multicurrency Revolving Credit Facility. The Board's main priorities when it comes to our cash is to enhance the growth of the business, both organically and through acquisition, and to reward shareholders through growth in earnings alongside our progressive dividend policy whilst retaining a robust capital base.

After applying the Board's capital allocation framework we will be announcing a share buyback programme of up to £50m commencing on 25 March 2025 until the end of June 2025, subject to reapproval of the relevant share purchase authorities at the 2025 AGM.

The Board will continue to keep its capital allocation policy and potential further distributions to shareholders, including share buybacks, under review, balancing opportunities for investment in organic and inorganic growth and liquidity.

Dividends

The Board is proposing a final dividend of 13.0p (2023: 11.4p). This is an increase of 14% and is in line with our progressive dividend policy.

Subject to shareholder approval, the final dividend is payable on 19 June 2025 to shareholders on the register on 30 May 2025.

Bill Castell
Chief Financial Officer

24 March 2025

"The Group delivered continued strong financial performance with good gross profit growth flowing through to Adjusted EBITDA and considerable cash generation."

Understanding the risks that affect the Group

This section describes the principal risks that could have a material adverse impact on the Group and how those risks are identified, evaluated, mitigated and managed.

How Gamma manages risk

Gamma has a well-established framework for the management of risk in each area of its business. An integrated risk management process provides visibility of risks across the Company and enables consistent data-driven decision-making. This process is maintained within a centrally managed framework and is supported by dedicated personnel who apply a consistent approach to assessing risks and implementing proportionate controls.

The process involves identifying and assessing risks based on their likelihood and potential impact on the business. Risk owners are accountable for implementing controls and treatment plans to manage risks within the defined appetite. A centralised risk register is maintained, capturing all identified risks, their assessment scores, the status of current controls and associated action plans. Risks are categorised and aligned with Gamma's business priorities to ensure appropriate visibility, assessment and mitigation.

Risk management happens at multiple levels within the organisation and all employees are encouraged to consider business risks. The organisation level at which risk is owned is determined by its severity. This ensures the owner has the appropriate authority to respond to a risk. Alongside an ongoing education and training programme, the Company continues to build a risk aware culture.

Each category of risk has clearly assigned accountability within the Executive Committee and wider leadership team with reporting lines to the CEO and ultimately the Board.

Risk governance

The Board holds ultimate responsibility for establishing and overseeing the Group's risk management policy and framework. This includes fostering a strong risk management culture within the organisation and ensuring the effective identification, assessment and management of individual risks. The Board has completed its annual robust assessment of the emerging and principal risks, with the most recent review conducted in January 2025.

To support this, the Board has delegated to the Audit & Risk Committee, chaired by Charlotta Ginman (Independent Non-Executive Director), the responsibility to oversee the Group's risk management efforts on an ongoing basis. The Audit & Risk Committee comprises two other Independent Non-Executive Directors, and the CEO and CFO have a standing invitation to join. It generally meets four times per year and liaises where necessary with other Board Committees. In addition to this ongoing oversight, the Board itself conducts a deep dive into the Group's risks as part of its annual review.

The main tasks of the Audit & Risk Committee, in relation to risk management, are to ensure and advise the Board that:

- Management has implemented an appropriate and effective risk assessment, risk management and internal control framework.
- The nature and extent of the principal and emerging risks faced are understood and that they are effectively managed and mitigated, along with determining the overall risk appetite.
- An appropriate risk management culture exists within the organisation.

Gamma utilises certified frameworks for the management of risk related to information security (ISO 27001), business continuity (ISO 22301) and environmental management (ISO 14001). These frameworks are also supported by associated policies, including anti-bribery and corruption, modern slavery and human trafficking, ethical behaviour and wider social and governance matters. There is also a whistleblowing policy in place to support our externally facilitated whistleblowing service.

The risk management process

Within the risk management governance framework, Gamma has a well-established process for managing risk. The process follows four simple steps:

Identification – All employees are encouraged to consider and document risks within their working routines and the risk management process supports this at every organisational level. Identification may be reactive where an employee detects a risk, or proactive where category-specific risks will be modelled in a risk workshop. Gamma's Executive Committee will raise and discuss risk within various regular forums ensuring risk is an embedded business process.

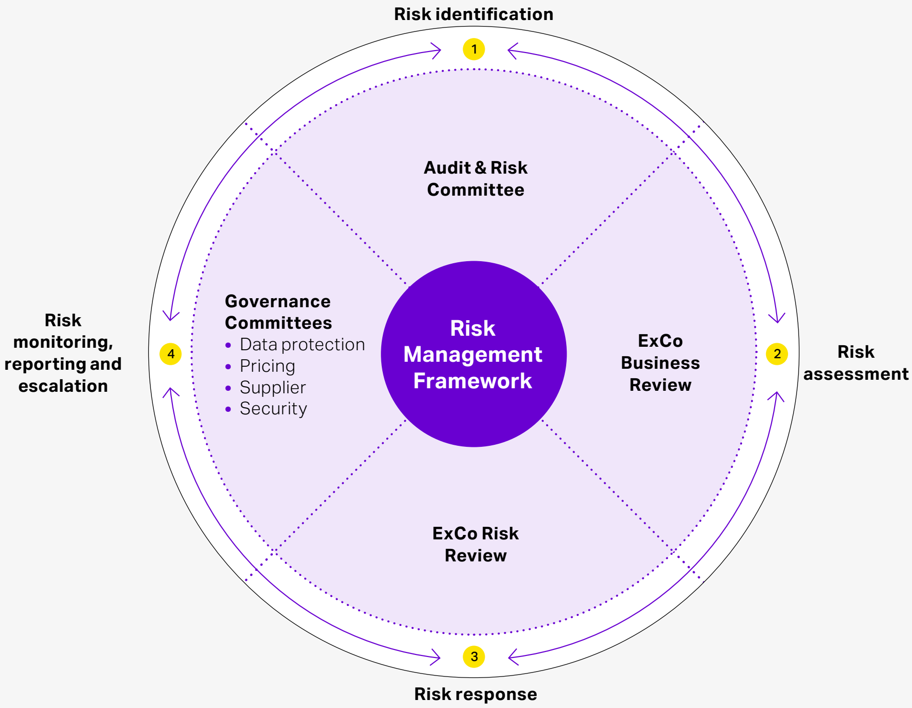
Assessment – Risks are assessed by the risk owner in terms of impact and likelihood, which when combined will provide a severity rating (High, Medium, or Low). The criteria for the impact and likelihood of risks are reviewed annually by the Audit & Risk Committee.

Risk response – Once assessed, an appropriate risk response must be taken to reduce the risks faced by the organisation to its defined risk appetite. One of the following risk responses will be implemented; treat, tolerate, avoid or transfer.

Monitoring, reporting and escalation – The risk register is reviewed regularly by the risk owners (facilitated by the Group risk team) before being presented to the Audit & Risk Committee on a quarterly basis. The risk owner is responsible for monitoring assigned risks, the effectiveness of current controls and the progress of actions, and is supported by the Group risk team.

Unpredictable and significant events

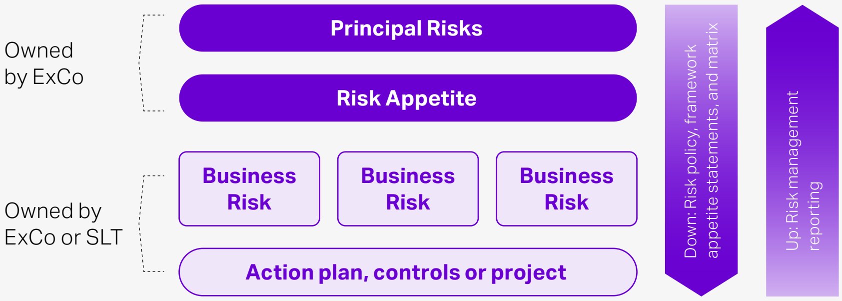
Where highly unpredictable, significant and close proximity risks (sometimes referred to as black swan events) occur they are managed through Gamma's risk management process and are closely monitored by the relevant team within Gamma. They are assessed, scored and managed using the integrated framework, recognising the assessment and Company response must be enacted at the pace of the event. A post-risk review occurs to ensure the Company learns and adjusts its risk framework where appropriate.



Risk appetite

The level of risk that is accepted when achieving strategic objectives has been determined by the Board and is reviewed annually. The Board establish a view on risk appetite for each principal risk, considering both the appetite to accept risk and the required level of investment in implementing controls to manage risk exposure.

○ Risk management process
● Governance forums to support the risk management process



Risk responsibilities

Gamma's Executive Committee ("ExCo") own the most significant risks to Gamma, which include principal risks and material business risks. They are supported by Gamma's Senior Leadership Team ("SLT").

Risk management framework

The Group's risk management approach ensures risks are identified and managed at all levels. Where possible, mitigation strategies are implemented to reduce overall risk exposure in alignment with the Board's risk appetite.

Gamma's principal risks and how they are mitigated

Our business is subject to various risks and uncertainties. In the subsequent pages, we have outlined the risks that we currently consider most significant to Gamma's business and performance.

Changes in the year

Principal risk

Our principal risks remain unchanged overall; however, we have consolidated two risks. The risks previously identified as "Failure to develop new routes to market in response to changing buyer behaviour" and "Customer needs becoming misaligned with Gamma's products" are now encompassed within the principal risk: "Existing routes to market and product strategy not aligned to changing customer buying behaviours and needs". This change reflects the significant overlap between these risks, including their underlying causes, potential impacts, and the controls and actions in place to manage them. By combining them, we've streamlined our risk framework to provide a clearer, more accurate view of the key factors influencing our product and market strategies.

We continuously assess whether the risk level associated with each principal risk is increasing or decreasing. This year, we have identified one principal risk where the impact has increased whilst the likelihood has decreased: "Inability to maximise M&A opportunities". The overall risk severity remains medium risk and the shift is primarily due to the completion of larger acquisitions compared to previous years. To mitigate this, we are increasing investment in controls to support due diligence and integration.

Emerging risk

The Group's ongoing risk management process involves the identification and evaluation of emerging risks, and assessing their impact on the business. This is achieved through operational risk assessments and various horizon scanning initiatives. During the year both the Audit & Risk Committee and Board reviewed the emerging risks facing the Company and concluded they remained the same as disclosed in the 2023 Annual Report.

1

Climate change

Climate change continues to be recognised as an emerging risk. Failure to proactively act may result in it becoming a principal risk in the future, primarily due to the changing regulatory landscape in the territories in which the Group operates.

Whilst considered less of a risk factor, there is also potential for increasingly extreme climate-related events to disrupt the supply chain, as well as our own operations and infrastructure. The transition to a low-carbon economy may also present financial challenges which have been considered.

Gamma is committed to proactively address environmental challenges and ensure the long-term resilience of its business. This is demonstrated by Gamma's robust strategies that encompass climate risk assessments, setting emissions reduction targets including through targets in the LTIP, and enhancing supply chain resilience. This is detailed in the TCFD report on pages 54 to 69.

2

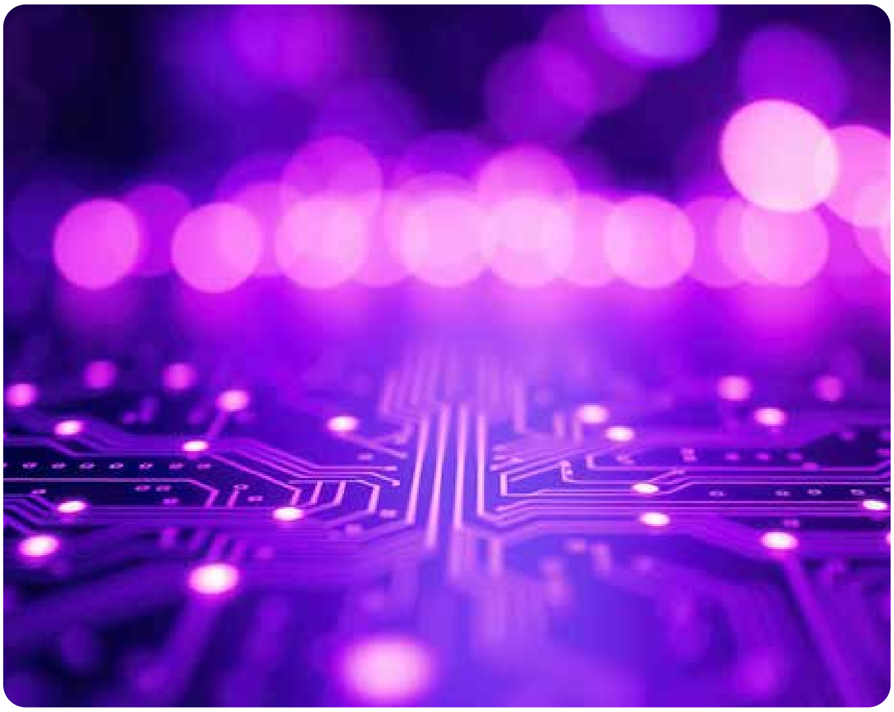
Macro-economic and geopolitical uncertainty

Macro-economic and geopolitical uncertainty remains an emerging risk. Global geopolitical tensions and macro-economic instability continue to pose significant challenges. Ongoing conflicts, such as the war in Ukraine and in the Middle East, alongside trade disputes and shifting international alliances, contribute to a volatile environment which can cause further inflationary pressures or unpredicted supply chain issues. Gamma's recurring revenue streams could become destabilised should inflationary pressures result in insolvency within our partners and customer base. Gamma holds a regular Credit Committee which reviews any increasing bad debt within its customer base and informs management of any developing trends so that appropriate mitigating actions can be taken.

3

Artificial Intelligence ("AI")
Gamma is already leveraging AI in some of its products and sees partnerships with big technology companies as the opportunity to further capitalise on this emerging technology. AI is monitored from the following two perspectives:

- Increased fraud and cyber attack driven by generative AI toolsets. Traditional controls will need to be bolstered to ensure we can cope with new threats as they become better understood.
- New entrants to the market developing generative AI products that outperform our products in the market or commoditise the market to be predominantly price driven. Both are enabled by the acceleration of AI adoption and availability. Although possible, the level of research and development required to do so would be substantial and likely to be prohibitive.



Principal risks

The Board, supported by the Audit & Risk Committee, conducts an annual assessment of the Group's principal risks, considering both emerging and evolving threats. The table below provides a summary of these risks, their strategic relevance and potential impact.

	Principal risks	Strategic relevance	Risk score	Trend
1	Existing routes to market and product strategy not aligned to changing customer buying behaviours and needs		High	
2	Slow responses to shifts in the competitive landscape, leading to a decline in market share		High	
3	Over-reliance on any single supplier		Medium	
4	Inability to attract and retain talent		Medium	
5	Unplanned service disruption		Medium	
6	Data loss and cyber attacks		High	
7	Legal and regulatory non-compliance in the telecommunications market		Medium	
8	Inability to maximise M&A opportunities		Medium	

Principal risks and uncertainties

1 Existing routes to market and product strategy not aligned to changing customer buying behaviours and needs

Risk score: High

Strategic link:

Risk trend:

Risk owner: Chief Product and Marketing Officer

Potential impact
Gamma's inability to adapt to market changes in a timely manner could limit its opportunity to grow, as the business needs to have access to the largest possible proportion of its target audience for each of its key products and services. If new routes to market are not identified and executed successfully this could result in competitors gaining market share. Additionally, if Gamma fails to deliver against market demands, products are likely to become unattractive to existing and prospective customers resulting in lost revenue and market share.

Mitigating actions
- Gamma continually assesses the effectiveness of its current routes to market: direct, indirect and digital.
- The Company also routinely assesses how customer buying behaviour is changing in its core markets.
- Gamma's product strategy is regularly assessed to diversify and/or rationalise Gamma's portfolio according to market demands.
- Gamma ensures that it maintains a two-way dialogue with its customers to understand their needs, primarily via direct customer and wholesale Channel Partner feedback processes.

Changes in the year
Fibre adoption is steadily increasing across the UK, and we are continuing to provide customers with access to fibre connections and capability from a number of suppliers. Additionally, with the rapid shift from SIP to UCaaS, we are onboarding and offering Cisco's Collaboration software to partners and customers as an effective migration pathway.

The acquisition of Placetel, and post year end STARFACE, in Germany will enable us to expand our resale and digital direct capabilities.

We have strengthened our investment in technology to support Channel Partners with an enhanced portal. This investment allows Channel Partners to access an increased range of products through easier navigation.

Opportunities
The market for buying and selling communication services is changing and businesses are researching and procuring services in a wider range of ways. Gamma is well placed to respond rapidly to these changes, therefore improving customer acquisition rates and the value of each customer relationship. Gamma's ability to effectively migrate customers to next generation Cloud voice platforms and services will ensure Gamma strengthens its market position as a leading voice provider in the UK and Europe.

2 Slow responses to shifts in the competitive landscape, leading to a decline in market share

Risk score: High

Strategic link:

Risk trend:

Risk owner: Chief Product and Marketing Officer

Potential impact
If the Company loses its competitive edge, in terms of product, pricing strategy and service development, then its plans for revenue growth and market position may be negatively impacted. This would be caused by the loss of its customers and a diluted addressable market.

Mitigating actions
- Gamma consistently gathers market insight to ensure that its products, marketing and customer service are closely aligned to the evolution of market demands and adoption of relevant technologies.
- In addition, Gamma monitors the development of third-party products to ensure a fast follower approach when taking products to market.
- Gamma's build, buy or partner strategies are informed by its competitive position and strengths in key market segments.

Changes in the year
Over the past year, Gamma has observed continued market consolidation alongside the convergence of UCaaS and CCaaS, driven by global technology giants investing in these solutions. This has included the early adoption of AI into their product offerings. Gamma responds to these types of market trends by continually testing the relevance of its own product portfolio within each market.

Opportunities
Gamma's continued ability to select the right market segments to serve with its own products as well as distribute third-party products will widen its addressable market.

Our principal risks key

Risk trend:

Increasing

Stable

Decreasing

Strategic link:

Develop a common pan-European solution set

Develop multiple routes to market in each country in which we operate

We will become a trusted partner to Enterprises across Europe, transforming their communications estates

Create an organisation that engages all our people with a common set of values and goals

3 Over-reliance on any single supplier

Risk score: Medium

Strategic link:

Risk trend:

Risk owner: Chief Financial Officer

Potential impact

An over-reliance on any single supplier may result in missed opportunities where supplier market-led plans are misaligned with Gamma's core markets.

Failure of key suppliers to perform may have an impact on the Company's ability to deliver products and services and its creditability in the business market.

Mitigating actions

- Gamma reviews and adjusts the Company policy and plans regarding the diversification of its supply chain.
- The Company continues to carefully consider build, buy or partner strategies, reducing the risk of over-reliance on any one supplier.
- Ongoing supplier monitoring is in place, through regular performance reviews and adherence to service KPIs.
- Gamma utilises market intelligence to understand the competitive landscape and the intentions of strategic suppliers.
- Increased investment in portals to streamline the onboarding of new suppliers.

Changes in the year

Throughout 2024, Gamma has formed new supplier relationships to enhance its market opportunities across the UK and Europe. As a result, certain suppliers have become more strategically important.

Opportunities

Continuing to leverage multiple long-term partnerships with suppliers in key product and technology is inherent in our business model. This will increase Gamma's addressable markets and geographical reach.

4 Inability to attract and retain talent

Risk score: Medium

Strategic link:

Risk trend:

Risk owner: Chief People Officer

Potential impact

Gamma is dependent on its employees to achieve its strategic priorities. Therefore, reliance is placed on the Group's ability to recruit, develop and retain employees. If the Group loses key people, this could have an impact on its ability to deliver business objectives.

Mitigating actions

- Nurturing talent across Gamma remains a crucial part of its strategy and internal succession plans.
- Gamma conducts a regular review of remuneration packages (cash compensation, benefits and share schemes) to ensure they are competitive within the market place.
- Training and communication with employees as well as maintaining annual performance review processes which promote positive employee engagement.
- Employee satisfaction is measured biannually using an engagement survey. Anonymous feedback is collated which enables managers to act more swiftly to reinforce positive trends and tackle any negative sentiment.

Changes in the year

Gamma has introduced a new online learning platform, offering employees access to live and on-demand courses to support their learning and development. Throughout the year, tailored training has also been provided to the SLT and line managers. Additionally, enrolment in our apprenticeship programme is ongoing, and we are preparing to launch a new mentoring programme to further enhance employee growth and support.

Opportunities

The growth of the Group has increased the opportunities for internal promotion and transfers which will enable Gamma to develop its workforce of the future. Over a quarter of all appointments during 2024 resulted from internal moves and promotions within Gamma.

5 Unplanned service disruption

Risk score: Medium

Strategic link:

Risk trend:

Risk owner:
Chief Financial Officer

Potential impact
If any of Gamma's services are disrupted, and therefore unavailable to its customers, for any material length of time, it could result in loss of customer confidence.

Mitigating actions
- Gamma has a comprehensive operational governance framework to manage the availability and performance of services.
- Business continuity planning and disaster recovery plans are established in critical areas.
- A 24/7 crisis response framework is utilised and regularly tested.

Changes in the year
In 2024, business continuity and disaster recovery plans were expanded beyond the UK and introduced into our European countries, ensuring all subsidiaries have aligned business continuity and disaster controls in place. The Company continuously invests in enhancing and upgrading the infrastructure that supports its products and services, ensuring the implementation of resilient design.

Opportunities
Continuing the programme of investment in Gamma's resilience and crisis management policies and processes will further differentiate Gamma in the business market.

6 Data loss and cyber attacks

Risk score: High

Strategic link:

Risk trend:

Risk owner:
Chief Technology Officer

Potential impact
A major security incident could have a significant reputational impact and in some cases impact Gamma's commercial position. Potential fines could also be enforced if the Company were found to be in breach of its obligations relating to various regulations e.g. the Telecommunications Security Act ("TSA"), Network and Information Systems Security ("NIS2") or the General Data Protection Regulations ("GDPR"). Large-scale and complex cyber attacks, such as ransomware attacks, may become more frequent and severe as hackers, data thieves and other threat actors are becoming increasingly sophisticated in using techniques and tools, including AI, that circumvent security controls, evade detection and remove forensic evidence.

Mitigating actions
- Ongoing penetration testing and continuous compliance checks are extended across critical infrastructure.
- Integrated security behaviours training is in place and well adopted.
- Ongoing investment in Gamma's cyber security strategy will continue to advance threat detection and controls.
- Continual review of adherence to ISO 27001 and National Cyber Security Centre Essentials Plus schemes are in place within the Company.
- Gamma has representation on industry forums to stay aware of emerging threats.

Changes in the year
Through partnerships with bigger companies with global brands and growth in the UK public sector, Gamma is becoming increasingly visible to malicious actors. Large-scale and complex cyber attacks, such as ransomware attacks, may increase in frequency and magnitude as hackers, data thieves and other threat actors are becoming increasingly sophisticated in using techniques and tools, including AI, that circumvent security controls, evade detection and remove forensic evidence.

Gamma has continued to evolve its security control environment and governance structure at pace, investing in both personnel and technology to improve security in 2024. Gamma's standard security controls have matured to include routine and bespoke penetration testing; continuous compliance checks; and integrated security behaviours training, which is mandatory for all employees. In addition, the acquisition of Satisnet enhances our own internal capabilities in mitigating this risk.

Opportunities
Continuing the evolution of Gamma's approach to security controls and embedding these in Gamma's day-to-day operations will allow the Company to continue to leverage its reputation as a robust and credible communications provider to the business market. Gamma uses Satisnet, our own cyber specialist company, as our first line Managed Security Service Provider ("MSSP") to enhance our security controls.

Our principal risks key

Risk trend:
- Increasing
- Stable
- Decreasing

Strategic link:
- Develop multiple routes to market in each country in which we operate
- Develop a common pan-European solution set
- We will become a trusted partner to Enterprises across Europe, transforming their communications estates
- Create an organisation that engages all our people with a common set of values and goals

7 Legal and regulatory non-compliance in the telecommunications market

Risk score: Medium

Strategic link:

Risk trend:

Risk owner: Chief Financial Officer

Potential impact
The Company's activities can be impacted by the decisions of relevant legislative, regulatory or judicial bodies both domestically and in other non-UK territories within which it operates, the outcomes of which could put Gamma at a competitive disadvantage in its target markets. Legal and regulatory non-compliance could lead to significant reputational damage and resultant fines.

Mitigating actions
- Ongoing monitoring of likely legislative or regulatory changes within each market is in place.
- Gamma engages with regulators as appropriate, lobbying where the impact of legislative changes could be of material consequence.
- When changes are identified, internal resource is aligned to ensure the impact is understood and controls required are applied.
- Training surrounding competition law and anti-competitive behaviour is provided to employees with roles where this risk may occur.

Changes in the year
Work is ongoing to comply with new legislation and regulation, such as the NIS2 and Critical Entities Resilience ("CER") legislation in Europe. Additionally, Gamma has invested in a programme of work to respond to the impact of the TSA.

Opportunities
Through the convergence of telecoms and ICT customer buying behaviours, there will be further opportunity for Gamma to establish strategic partnerships in adjacent markets where ICT companies are unable to fulfil all parts of a customer requirement.

8 Inability to maximise M&A opportunities

Risk score: Medium

Strategic link:

Risk trend:

Risk owner: Chief Financial Officer

Potential impact
If Gamma fails to identify, acquire and successfully integrate acquisitions the Company could fail to achieve its strategic goals.

Mitigating actions
- Potential targets are constantly sought out and analysed by dedicated personnel to support key areas of Gamma's growth strategy.
- Critical reviews of M&A opportunities are undertaken against Gamma's return on investment hurdle rates, along with assessing their strategic value.
- Gamma applies specialist resource and third parties to conduct thorough due diligence, negotiation and contractual preparation.
- To ensure a cohesive integration Gamma also ensures that its Executive Committee responsibilities are aligned to any new acquisition to support the ongoing development and growth post-acquisition.

Changes in the year
M&A remains an important part of Gamma's future growth plans in terms of extending its geographic reach, gaining further scale in existing markets and broadening its product offering.

Three acquisitions were completed during 2024 and two post year-end, including larger deals, and Gamma integrated a number of previous acquisitions. Gamma continued to invest in its deal origination and execution capabilities and, with the help of external support, enhanced its approach to integration planning.

Opportunities
Gamma's strong balance sheet and cash generation allows it to continue to complement the organic strategy through M&A, creating opportunities to swiftly expand into adjacent markets and achieve greater scale in current markets.

Maintaining strong stakeholder relationships is essential to Gamma's long-term success

Shareholders

Shareholders are key beneficiaries in the value that we create. We are committed to transparent and open engagement with them.

Key areas of interest
- Financial performance
- Dividends
- Capital allocation
- Share price
- Strategy
- Business model
- Behaviours towards other stakeholders including in ESG areas

How we engage
Our principal means of engaging with our shareholders are through:
- Communications such as trading updates and other announcements made through a regulatory information service, Annual Reports and notices of general meetings.
- Regular one-to-one meetings with shareholders, with the CEO and CFO being available to shareholders or potential shareholders.
- All members of the Board, including the Chair and Senior Independent Director, being available to meet with shareholders.
- Attendance at roadshow events organised by the broker who also provides analyst coverage of the Group.
- Information on the investor section of our website.
- Discussions held during the Annual General Meeting ("AGM").

What we have done
- Continued strategic investment both organically and through acquisition, bringing new capabilities and new market opportunities to the Group, both in the UK and across Europe.
- Announced our intention to move to the Main Market of the London Stock Exchange, which is expected to complete on 2 May 2025, bringing with it a requirement for greater levels of transparency and governance.
- Gamma continues to comply with the Quoted Companies Alliance Corporate Governance Code ("QCA Code") and intends to report against the UK Corporate Governance Code for the 2025 Annual Report.

Links to other relevant sections
The Gamma business Page 08
Our strategy Page 20
TCFD Page 54

Our people

Developing and attracting high-quality talent is a key driver of our success.

Key areas of interest
- Safe working environment
- Culture and values
- Development and progression
- Reward and recognition
- Equality, diversity and inclusion
- Environmental footprint
- Wellbeing
- Workplace policies
- Collaboration
- Share price

How we engage
- Martin Hellawell (Chair and Independent Non-Executive Director) is the Workforce Engagement Director.
- The Non-Executive Directors met with employees and You Belong group leaders to discuss their views of working at Gamma.
- During 2024 the Gamma employee survey was conducted on a biannual basis and provides valuable insight to senior management. Results are reported to the Board which uses the information to shape future surveys to areas of interest.
- Quarterly webcasts are led by the CEO and other senior management on Company performance and activities of the Group.
- During Wellbeing Week Gamma actively encouraged feedback and ideas from employees.

What we have done
- Continued to invest in our People function.
- Acted upon feedback from the Employee Survey creating Company-wide and individual team action plans, including aligning quarterly roadshow meetings to the strategic pillars and values; better visibility of internal vacancies; and greater focus on training and development.
- Continued to support our You Belong groups, bringing like-minded groups of employees together to discuss topics and suggest ways the Company can improve their experience.

Links to other relevant sections
Our people Page 50

Customers

UK Channel Partners

Gamma chooses to do the right thing with our partners. This means making sure all can enjoy sensible, good business and we can all grow together serving our customers.

Key areas of interest
- Ensuring our service
- Long-term relationships
- Innovative solutions
- Product development
- Product availability

How we engage
- Gamma Channel Partner Programme.
- 24/7 UK-based technical help.
- Each Channel Partner has a dedicated Business Development Manager who is responsible for ensuring that they have what they need from Gamma to build their own business. Channel Partners also have access to the Gamma Business Senior Management Team.
- Regular in-person or virtual roadshows to showcase new products and to share the development roadmap.

What we have done
- Through the Gamma Channel Partner Programme, we offer a suite of additional training resources – the Gamma Academy. These resources, tools and information are all accessible online.
- All our Channel Partners were invited to our GammaVerse conference, held in October in the QE II Conference Centre, London, which included showcases and presentations of Gamma's solutions and expert insights into the communications industry. This event was attended by the Chair and Executive Directors.

Links to other relevant sections
The Gamma business Page 08

Customers

End users:

We provide the services to allow businesses of all sizes to transform their communication capabilities to be future-proof, forward-looking, secure, reliable and resilient.

Key areas of interest
- Service capability
- Product quality
- Product availability
- Product cost

How we engage
- We assign customer service managers to each account, giving a consistent point of contact within Gamma.
- We offer 24/7 support through our support team.
- The support infrastructure is co-located, meaning that end users get through to the right person to handle the query.
- Gamma offers a service scheme to allow customers to choose the level of service required to match the end customer needs.
- Customer satisfaction surveys are completed utilising the Net Promoter Score methodologies and the results are shared with the Board.

What we have done
- Our Gamma Enterprise business unit organises an annual conference (GX) for our customers which allows them to stay in touch with the senior team at Gamma as well as to share knowledge with their peers.
- In Gamma Business we have continued to develop our online sales and support platform in line with our strategic plan to give our customers the best service possible at all stages of their interaction with us.
- In Europe we have continued to develop our brand, so that customers can better understand our culture and values, and have been first to market with new Microsoft voice services to allow us to address the changing needs of customers.

Links to other relevant sections
The Gamma business Page 08
Our strategy Page 20

Suppliers

Developing strong operational relationships is key to success.

Key areas of interest
- Social and ethical impact
- Payment practices
- Long-term partnerships to develop innovative products and solutions

How we engage
- We partner with key suppliers to ensure that we have common goals and strategies.
- We ensure responsible procurement, undertaking due diligence on new suppliers and regularly reviewing existing suppliers in line with policies approved by the Board.
- Gamma's supplier payments policy is to pay suppliers on or before the agreed term (which will vary from contract to contract).
- Executive Directors maintain direct relationships with key suppliers to ensure matters can be raised at the appropriate level.

What we have done
- Every key Gamma supplier continues to have an allocated owner in procurement to ensure a consistent approach to supplier management.
- To ensure that Gamma's business is conducted ethically, sustainably and within the local law, Gamma has implemented an Ethical Procurement policy and expects its suppliers to meet the principles outlined in the policy.
- Regular supplier review meetings take place internally to discuss and monitor key supplier performance.
- Gamma publishes an annual Modern Slavery Statement which can be found on our website.

Links to other relevant sections
TCFD Page 54

Regulators

We operate within the requirements of a regulated industry across all geographies.

Key areas of interest
Ofcom regulates the UK market, with its duties set out in the Communications Act 2003. Its primary duties are:

- To further the interests of citizens in relation to communications matters.
- To further the interests of consumers in relevant markets, where appropriate, by promoting competition. Much of the UK compliance landscape is derived from EU law, and whilst we remain cognisant of the risks of divergence in future, we expect the UK and EU regulations to remain closely aligned.

How we engage

- Engaging with Ofcom both formally and informally, including regular contact with Gamma's senior team.
- Responding to consultations published by government or regulators, where appropriate.
- Working alongside industry to agree processes that ensure policy objectives achieve the desired outcomes for end users. We educate our partners on changes to their business practices that will result from changes in regulation, either directly using webinars and meetings or via trade associations.

What we have done

- We continue to highlight the complex supply chains that require nuanced processes. We share our experiences of how our partners operate in a diverse market that promotes choice and competition for businesses but only if industry processes are able to accommodate these routes to market now and in the future.
- Challenged the cost assumptions made of implementation – these are sometimes underestimated.
- Contributed extensively to industry working groups to solve challenges facing the industry and to the benefit of our end users, in particular on the topic of trying to reduce nuisance calls and scams within our industry.
- Built long-lasting links with cross-border trade associations which we utilise to identify key upcoming threats to our business model in our key geographies and jointly lobby the regulator by presenting alternative solutions.

Communities

We have a duty to conduct business in a responsible way that aligns with our purpose and values.

Key areas of interest
- Environmental and social impact
- Improving quality of life
- Protecting people
- Diversity and inclusion

How we engage
- We are committed to supporting the communities in which we are based and are enhancing our charitable giving plan.

What we have done
- Supported communities via financial donation including a matching scheme for funds raised by employees.
- Supported through time donated, where employees are given one day a year to help support their chosen charity.
- Supported four undergraduates from underprivileged or underrepresented backgrounds through their university degrees at the University of Salford and Glasgow Caledonian University through the Gamma Scholarship Programme.
- As well as a range of other physical challenges such as a virtual 1,000-mile team walk, marathons and bike rides, the Company ran our first Gamma Games, bringing staff and suppliers together in Salford. Together we raised over £203k for charities in our communities such as Family Fund, Hideout, DEBRA, Child Autism UK, Mind and Anthony Nolan.

Links to other relevant sections
Our people Page 50
TCFD Page 54

Section 172

The Board of Directors considers, both individually and together, that it has acted in the way that it considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172 (a)-(f) of the Companies Act in the decisions taken during the year.

The Board considers the matters set out in section 172 of the 2006 Act in all its discussions and decision-making, which includes all of the stakeholders listed in the previous section on pages 42 to 46 along with:

The likely consequences of any decision in the long term:

The Directors recognise that the decisions they make today will affect the Group's long-term success. During the year the Board continued to monitor the Group's strategy, discussed further on page 20, which shows how the Group will increase value for all our stakeholders. This guides the Board's decisions between short- and long-term investments.

The interests of the Company's employees:

The Board recognises that our people are a key differentiator and they are always considered as part of the Board's discussions and decision-making. The Board is committed to the people agenda, with continued focus on understanding and developing employees through learning about their needs via the biannual employee survey. Results and actions from the survey are then shared with Martin Hellawell as the Workforce Engagement Director. Led by Martin Hellawell, the Non-Executive Directors met with several of our employees in a roundtable forum in 2024 to learn about their roles as managers and listen to their feedback and concerns. We recognised our employees through the quarterly values awards and have put in place specific actions to address feedback. The Board supported investment for the introduction of a Group-wide HR system in 2024 and the Audit & Risk Committee monitored progress with its implementation given the critical data being managed and to ensure appropriate accountability. The Board reviewed the people aspect of potential acquisitions as part of the approval process including the impact on existing and future employees. The Remuneration Committee takes an active interest in the remuneration of employees at all levels to ensure that the overall reward is equitable. Further detail on our people initiatives is included in the Our people section on page 50.

The need to foster the Company's business relationships with suppliers, customers and others:

The Board understands the importance of fostering good relationships with its suppliers and customers – without them we do not have a business. We have set out on page 43 and 44 how we engage with this group. The Board relies on its subcommittees and senior management to develop relationships and to share the views of the relevant stakeholders. Board members meet with partners at large customer events like GammaVerse, as well as monitoring the relationship with key customers and suppliers via the Executive Directors and the Executive Committee.

The impact of the Company's operations on the community and the environment:

Gamma's impact on the community and the environment continues to be an important Board matter. The SBTi has approved our near-term science-based emissions reduction targets. Gamma has also committed to set long-term emissions reduction targets with the SBTi in line with reaching net-zero by 2042. In support of these targets, the Remuneration Committee agreed to include an ESG performance condition in the LTIP for awards to be made in 2025, aligning the longer-term nature of ESG-related targets with the longer time period over which the LTIP is measured. Outcomes against the UN Sustainable Development Goals continues to be assessed and reported against, to ensure a meaningful contribution. Through the ESG Committee, the Board ensures that environmental policies and suitable governance structures are established to align with Gamma's committed environmental targets. Gamma has held "Certified Carbon Neutral Company" status (conferred by Climate Impact Partners) since 2006 and has committed to become a carbon net-zero business by 2042. Gamma published its second TCFD report in 2024 which can be found on page 54 onwards.

The desirability of the Company maintaining a reputation for high standards of business conduct:

The Board intends that Gamma be a positive contributor to society as a whole, to the UN Sustainable Development Goals, to its employees, customers, suppliers, shareholders and other stakeholders, and to the environment. To this end Gamma requires that all its employees and Directors: a) comply with the law in each jurisdiction where Gamma operates; b) where specified in a Company policy, meet a higher standard than basic "compliance with local law"; and c) maintain high ethical standards whenever representing Gamma or its Group companies. This is set out in the Ethical Conduct policy which is publicly available on the Group's website. There is an anonymous whistleblowing facility across all Group companies, using external specialist suppliers, and reporting in the first instance to two Independent Non-Executive Directors, which enables employees to raise concerns if they wish.

The need to act fairly as between members of the Company:

The Board recognises that it has to balance competing interests in reaching its decisions. Where there are conflicting interests, the Board will act as equitably and fairly as it is able to take into account the implication for each stakeholder. The Chair ran a series of meetings with our largest shareholders during the year, to hear their views on the Company. Further detail on these meetings can be found in the Governance report on page 78. In early 2025 the Remuneration Committee on behalf of the Board consulted with major shareholders on changes to executive pay and the implementation of the Directors' Remuneration Policy, and further information can be found in the Remuneration report on page 89 onwards.

Decisions made during the year:

The principal decisions taken by the Board during the year, along with how the Directors considered stakeholder interests when taking into consideration their duties under section 172 of the Companies Act, are set out below.

Principal decision and stakeholders considered	Board's decision-making process	Long-term considerations
Dividend Shareholders, our people, customers and suppliers.	The Board considers its commitment to a progressive dividend policy which has seen the dividend increase by between 10-15% every year since IPO in 2014. It considers the financial resources required to execute our strategy, including organic investment needs and acquisition opportunities; maintaining a sufficient level of dividend cover and equitable treatment of our stakeholders.	The Board aims to ensure that dividends are consistent with the Company's financial performance without detriment to the strength of the balance sheet and future sustainability.
Acquisitions Shareholders, our people, operating companies, suppliers, future employees and partners, and professional advisers.	The Executive Directors provide information to the Board on potential acquisitions. The Board considers this information taking the Group's strategy as well as the impact on different stakeholders into account. The acquisitions of Coolwave Communications in February 2024, BrightCloud in July 2024, Placetel in September 2024, and STARFACE and Allnet Solutions in February 2025 were subject to detailed review by a newly established M&A Committee before Board approval. The M&A Committee supports the Board with initial feasibility assessments and recommendations.	The Board considers the long-term benefits of the investment versus the short-term impact on different stakeholders.
Listing status Shareholders, our people, customers, suppliers and professional advisers.	The Board has an obligation to shareholders to ensure that the Company is structured optimally, and took the decision during 2024 to commence the process to move its listing from AIM to the Main Market, following consultation with and taking feedback from its major shareholders, along with considering expected customer and supplier needs. The Board concluded that it was the natural time to apply for admission to the Main Market following ten years of continuous growth, whilst looking forward to future development. The move is expected to provide Gamma with new and deeper access to liquid capital along with an increased global profile. The decision was also underpinned by an acknowledgement that we are already operating with robust governance practices in place, and have iteratively improved our reporting in recent years to be increasingly comparable to Main Market listed companies, given that we will be required to report against the UK Corporate Governance Code in next year's Annual Report.	The Board considers the Company's access to capital markets and ensures that shareholders are offered the most appropriate platform through which to invest in Gamma.

Principal decision and stakeholders considered	Board's decision-making process	Long-term considerations
Capital allocation Shareholders, our people, customers and suppliers.	The Group's budget, approved by the Board, sets the allocation of capital to deliver our growth strategy through investment in R&D, capital expenditure, talent and acquisitions. The weighting of each is determined by our strategic priorities over the short to medium term. In March 2024 the Board approved a share buyback programme of up to £35m to return value to our shareholders. This decision was made taking into consideration feedback received from our major shareholders. On completion of the programme in September 2024, £27.3m worth of shares had been bought back. After applying the Board's capital allocation framework we will be announcing a share buyback programme of up to £50m in March 2025, to last until the end of June 2025, subject to reapproval of the relevant share purchase authorities at the AGM in May 2025.	Balancing investment for future growth through capital efficiency whilst supporting our people and customers in the short term as well as meeting shareholder expectations.
Financing Shareholders and our people.	Gamma has a very high cash conversion, with an Adjusted cash conversion of 96% as at 31 December 2024. This has created a robust financial foundation, allowing Gamma to reinvest in both organic and inorganic growth opportunities. Given the scale of the STARFACE acquisition in February 2025, the Group agreed a three-year, with an option to extend for a further 12 months, £130m multicurrency Revolving Credit Facility. £30m was drawn down in February 2025 to fund the acquisition of STARFACE with the remaining purchase consideration funded out of Group cash.	The Board considers the most appropriate use of the Company's capital and may support its strong cash position with financing facilities, taking into account shareholder expectations on appropriate levels of debt.
Board composition Shareholders and our people.	Following the retirement of Henrietta Marsh as a director at the AGM on 21 May 2024 there have been no new appointments to the Board. Several changes to Board roles and Committee structure were recommended by the Nomination Committee during 2024 as set out in its report on page 81. There was consideration of the skills and experiences of the existing Non-Executive Directors and their tenures with Gamma when considering the roles each would assume.	The Nomination Committee reviews Board composition at each meeting, bearing in mind the Company's future strategic needs, and reports its findings to the Board.

Building a high performing, supportive and inclusive workplace

Employee engagement

In 2024, Gamma continued to prioritise employee engagement as a core element of its People strategy, ensuring that the Company's strong culture continues to flow through business operations during this period of growth.

To support the integration of newly acquired companies to the Group, Gamma conducted culture and values sessions. These sessions aimed to align new teams with the Company's values and ways of working. They also provided a platform for employees to share feedback and suggestions, which have been incorporated into future initiatives.

The biannual employee survey, utilising the Peakon Employee Voice tool, gathered both quantitative and qualitative data on employee engagement. Employees were asked a series of questions, allowing them to provide personal ratings and comments. This feedback offered the business clear and detailed insights, enabling swift analysis and prompt implementation of actions. In the most recent survey, conducted in September 2024, 1,815 individuals were invited to participate, achieving an 83% participation rate and generating 9,675 comments.

Survey findings are promptly shared with the CEO, the Executive Committee and the Gamma People Business Partners. These results were also communicated to all employees via email and the quarterly webcast and presented to the Board. Following each survey, the leadership team reviewed the feedback and scores, working with their teams to initiate action. Managers implemented localised plans; an approach Gamma believes is enhancing engagement levels.

Additionally, Gamma has continued to embed and embrace the Group Values launched in 2023. The quarterly Gamma Values Awards, where employees nominate colleagues for exemplifying one of the four Values, resulted in over 350 nominations in 2024. 18 employees were recognised as Gamma Values Winners (four winners per quarter, with two additional winners in the last quarter of 2024).

Gamma's Workforce Engagement Director, Martin Hellawell, has been actively involved in a programme of events, including employee roundtables and focus groups. For more information on these activities, please see the Governance report.

Our voluntary attrition remained stable at 11.3% in December 2024, compared to 11.1% in December 2023. This continues to trend below the technology industry benchmark.

The Board will continue to assess and monitor culture and how the desired culture has been embedded. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the Company's purpose, values and strategy, it will seek assurance that management has taken corrective action.

Group employee numbers at 31 December 2024

	Male	Female	Total
Directors of Gamma Communications plc	5 (71%)	2 (29%)	7
Senior managers of the Company (including subsidiary directors)	47 (81%)	11 (19%)	58
Employees[1]	1,291 (67%)	635 (33%)	1,926

Group employee numbers at 31 December 2023

	Male	Female	Total
Directors of Gamma Communications plc	5 (62%)	3 (33%)	8
Senior managers of the Company (including subsidiary directors)	48 (80%)	12 (20%)	60
Employees[1]	1,283 (68%)	612 (32%)	1,895

Senior managers are as defined in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

During 2024 we focused efforts on working with hiring managers and third-party recruitment partners to develop effective, diverse shortlists and talent pools across all levels of role. This is a long-term plan to create a more diverse pipeline of talent that has the potential to reach senior management in time.

1 Total employees, including Directors and senior managers

Equality, diversity and inclusion ("EDI")

Gamma is committed to creating an inclusive and collaborative environment that focuses on belonging for all – enabling people to thrive and do their best work. In 2024, Gamma's EDI priorities remained to:

- build a diverse and inclusive workplace where everyone is valued;
- understand its current demographics and use this data to inform strategy;
- attract underrepresented groups to Gamma so the workplace is reflective of the communities the Company operates in; and
- develop, engage and provide opportunities for all employees to grow and deliver their best work.

In 2024, Gamma reinforced its support for the Group-wide EDI programme, You Belong. Comprised of four employee community groups – Wellbeing, Women, Early Careers and Multicultural – the programme aligns with Gamma's business and people goals and demonstrates its commitment to fostering a diverse workforce.

Throughout the year, a range of activities took place, notably, the Women at Gamma programme launch which brought together over 30 community members to address, understand and develop strategies to overcome limitations to women achieving their full potential in business. Additionally, the Early Careers community introduced initiatives such as mentoring and personal development planning.

In 2025, the focus remains on supporting the objectives of these community groups whilst further exploring the diversity within Gamma, providing the necessary business support and enhancing awareness and education across the Gamma workforce.

Gamma also improved its demographics data collection approach in 2024, through the implementation of a new Group-wide HR system. We continued to work with hiring managers and external partners to focus on diverse shortlists for positions and developed materials for social media channels to start building brand awareness across those groups that are underrepresented at Gamma. 49% of hires in 2024 came from those underrepresented groups.

In 2025, Gamma will continue to build these networks and attraction strategies to focus on diverse talent pools, and we will work with internal communities to drive engagement with these sourcing strategies.

Sharing in the success of Gamma's business growth

Gamma is keen to make sure that all employees who would like to be shareholders can do so in a tax-efficient way. In the UK, Gamma operates an optional Save As You Earn ("SAYE") scheme, which allows eligible employees to acquire shares, and a Share Incentive Plan ("SIP") that allows employees to buy shares monthly. In 2024, 26% (2023: 29%, 2022: 29%) of eligible employees chose to participate in the SAYE scheme, with options being granted over 186,638 shares (2023: 372,921, 2022: 257,201).

In addition to the UK SIP and SAYE schemes, Gamma offers two discretionary executive share plans:

Long-Term Incentive Plan ("LTIP")
Executive Directors and other members of the Executive Committee participate in the discretionary LTIP. The plan entitles participants to an allocation of, or options over, free (or nominal value) shares subject to certain performance and service conditions being met.

Restricted Share Award ("RSA")
Employees in business-critical roles (outside of the Executive Committee) could be granted an RSA award, further aligning the financial interests of our senior employees and key decision makers with those of our shareholders.

Health, safety and wellbeing

Gamma experiences only a few minor workplace injuries and had no fatalities or major injuries related to work in the UK during 2024. All employees complete risk assessments for their working environment, including remote and hybrid setups. The Company continues to collaborate with third-party specialists to ensure that employees are supported and that their work environments are safe.

Employee wellbeing continues to be an important aspect of the employment proposition at Gamma. During 2024, we appointed a dedicated Wellbeing Manager to oversee all initiatives across the Group and ensure members of our Wellbeing Community receive appropriate support. The Wellbeing Manager will also ensure our Wellbeing Team has structured guidance and that all employees, wherever they reside, will have a consistent experience. Across Europe, the Wellbeing Team has 23 qualified Mental Health First Aiders.

The success of Gamma's Wellbeing Week in 2023 led to an expanded format in 2024, with a two-week programme filled with activities led by both internal and external speakers. Topics focused on all aspects of wellbeing, covering five key themes: Healthy Minds, Physical Health, Mental Health, Financial Wellbeing and Feeling Good.

The voice of our Wellbeing Community has always been important to leadership at Gamma, and this continues to be the case. Previously, health insurance and menopause support were flagged as areas for improvement. During 2024 (in the UK), we launched our Private Medical Insurance scheme which also gave colleagues access to menopause support. We will be looking at ways we can offer this support internationally, including introducing a global Employee Assistance Programme.

Skills and talent

Gamma remains focused on attracting, retaining and developing people with the critical skills required to win today and continue to transform the business for success tomorrow.

Building on strong foundations already in place, 2024 has seen extensive work to expand the learning available to all employees. In September, Gamma launched a new and innovative learning platform, offering over 350 live and recorded virtual learning sessions across a broad and relevant curriculum covering business essentials, leadership, mental wellness and customer excellence.

In response to engagement survey feedback, Gamma has also addressed the need to build a strong baseline of leadership and management capability via the Grow @ Gamma Leaders Programme. This two-day programme, designed for all leaders from first line to the SLT, has so far been undertaken by 115 managers in the UK, Netherlands and Spain with remaining managers across the Group lined up to attend in H1 2025. Gamma will continue to develop its existing and aspiring leaders, focusing on critical coaching and feedback skills, as a priority in 2025. This is designed to contribute to the establishment of a positive coaching and mentoring-based culture at Gamma.

In 2024 Gamma started its journey to identify strategic skills and capability needs for the business, understand our top talent, and build focused development opportunities that ensure a strong succession pipeline for the future. Gamma has amplified its focus on identifying and recognising the talent within, with 25% of open roles in 2024 being filled by existing Gamma team members. In 2025, Gamma will begin to establish a more systematic methodology for identifying and developing high potential talent from within and outside the organisation, across all levels, countries and communities.

Apprentices, scholarships and graduates

2024 has seen our apprenticeship and graduate offer go from strength to strength, underlining Gamma's continued commitment to investing in talent.

Gamma is now supporting 69 apprenticeships, including 55 in the UK, a 49% increase from 2023. Apprenticeships span critical skills areas including customer service, project management, cyber security, sustainability, IT and AI. Our apprentice cohort is constituted from a blend of new entrant apprentices and existing employees continuing their professional development through the apprenticeship model across a breadth of business units and locations.

Total amount raised through Charity Forum

£200,000

Total amount raised over the 11-year partnership for long-standing charity partners

£1m

The increase in 2024 was boosted by the successful establishment of a Project Management Skills Academy, set up to recognise the criticality of project management skills to our ongoing success. We maintain a balanced gender split for employees enrolled on apprenticeships (46% female/54% male).

Gamma's Technology graduate scheme, in its third year, now has a total of 20 graduates progressing through the programme following the recruitment of a further 14 graduates joining in 2024. The programme aims to offer graduates an experience of different critical technical areas via a series of rotations over a two-year period. Gamma guarantees graduates a permanent position at successful completion of the programme and this year, five graduates successfully exited the programme into their non-graduate roles.

2024 saw the launch of Gamma's Scholarship programme, supporting four students from underrepresented backgrounds in their undergraduate degrees. Financial support is being provided to two students studying STEM subjects at the University of Salford in Manchester and two at Glasgow Caledonian University. These universities were specifically selected to enable us to offer post-graduate career support and to improve social mobility within the regions we operate in. This is the first year we have offered these scholarships, and we anticipate offering work experience and mentoring support throughout scholars' studies. We plan to expand the programme to further students in 2025.

Gamma's progress in apprenticeship and graduate development in the UK has been recognised by a prestigious "5% Club" Silver Award. The 5% Club was set up to help members enable 5% of their workforce to be in "earn and learn positions" (including apprentices, sponsored students and graduates on formalised training schemes) within five years of joining. By the close of 2024, Gamma had over 5% of our UK workforce in an earn and learn position.

Whistleblowing

Gamma has a Whistleblowing Policy and independent reporting system available to all employees, workers and other relevant third parties. The system is available 24/7 either online or via the telephone with multi-language functionality.

Reports are sent directly from the third-party provider to Gamma's Whistleblowing Officers who are Independent Non-Executive Directors. They either delegate follow-up to a panel made up of representatives of Gamma's Executive Committee or they may choose to deal with it independently, including obtaining external advice. Gamma has trained appropriate employees to manage the investigation process.

Gamma's onboarding programme explains the whistleblowing approach to all new starters, and Gamma remains committed to providing awareness and training to existing staff.

Charitable projects

The Charity Forum is central to Gamma's fundraising efforts which support numerous worthy causes often nominated by staff. Employees can contribute one day a year to help support their chosen charity or community support project. Gamma has continued to provide matched funding across a range of charitable events that its staff has completed during 2024. Events included a 1,000-mile virtual team walk, Royal Parks Half Marathon, Manchester Half Marathon, Tough Mudder, Manchester to Blackpool bike ride, London to Brighton bike ride, Great Manchester Run and Great Scottish Run.

In 2024 we held our first Gamma Games, where Gamma's supplier community joined us for a day of fun and sporting activities at Salford University. The event was an enormous success and raised £60,000, which was split between Family Fund, Hideout and DEBRA.

60 of our Channel Partners joined our staff at The Warwickshire for our annual Golf Day and which raised £13,900 for Child Autism UK.

The Gamma Ball Rally, involving Channel Partners and the Gamma Channel Sales team, is now in its eleventh year, and raised over £80,000 for Gamma's long-standing charity partners, Action Through Enterprise and Special Effect. Since the Rally began, Gamma and its Channel Partners have raised over £880,000 for the charities, supporting children into education in Ghana, and improving the lives of people with physical disabilities in the UK by adapting technology and enabling better communication.

Giving something back is important to Gamma and its employees and, driven by the Gamma Charity Forum, the Company will continue to build on its community and charity plans to continue to support good causes and local communities.

People plans for 2025

In 2025, the key strategic focus for Gamma will be to:

- Invest in leadership and management development to ensure we can deliver on our strategy and support our people to have meaningful and fulfilling careers.
- Increase our focus on employee wellbeing and introduce new benefits to support physical, emotional and financial wellness.
- Identify and develop key talent and successors for critical roles across Gamma.
- Implement programmes to develop underrepresented talent, with a particular focus in 2025 on female employees.
- Continue integrating a Group-wide people system to improve both the employee experience and the quality of our people data and analytics.
- Support the ongoing integration of newly acquired businesses to Gamma.
- Enhance our early careers approach by increasing the number of apprenticeships.
- Consolidate and improve access to personal development and learning.

Gender pay gap

Ensuring that pay for all employees is fair and equitable, irrespective of who they are or what their background is, has been an ongoing priority for Gamma during 2024. We have introduced some new initiatives, such as job levels, diverse shortlists and employee communities, which have contributed to further positive movement in our gender pay analyses.

The gender pay gap report for the snapshot date of 5 April 2024 shows 1,352 employees within the Gamma Telecom Holdings Limited UK workforce – 927 men and 425 women.

Gender pay gap

Gender	% of workforce 2024 vs (2023)
Male	68.6 (68.4)
Female	31.4 (31.6)

Below is the data from the UK Gender Pay Gap analysis.

The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women. The mean gender pay gap is the difference between the average hourly earnings of men and women.

Pay and Bonus Gap

	Mean % 2024 vs (2023)	Median % 2024 vs (2023)
Pay Gap	15.8 (15.0)	20.1 (25.2)
Bonus Gap	47.9 (58.8)	20.1 (19.0)

Proportion of males and females receiving a bonus

Gender	% receiving a bonus 2024 vs (2023)
Male	90.8 (89.9)
Female	94.7 (91.9)

Pay quartiles

Quartile	Male % 2024 vs (2023)	Female % 2024 vs (2023)
Upper	76.6 (73.8)	23.4 (26.2)
Upper middle	73.7 (76.2)	26.3 (23.8)
Lower middle	62.1 (63.6)	37.9 (36.4)
Lower	61.8 (59.9)	38.2 (40.1)

Whilst the technology and telecommunications sectors in which Gamma operates are evolving quickly, there are known challenges in creating a diverse workforce within this area. There continues to be a shortage of technically skilled females who choose to pursue a career in the industry and, as such, male employees continue to make up much of the workforce. Because of this, we are continuing to review our approach to recruitment and talent programmes to address the challenges.

During 2024, we improved our approach to our annual salary and bonus reviews, challenging the way in which pay decisions were made across many parts of Gamma to ensure fairness across all employee groups.

We undertake equal pay (salary) audits across roles in the company where both male and female employees undertake the same work and where there is an appropriate sample. Our findings show that there is no meaningful difference in salaries. Further, during our annual salary and bonus review processes and where information is available, we undertake detailed analysis to ensure employees in differing groups are not at detriment and that managers apply a fair and consistent approach to pay decisions.

Further details regarding our 2024 gender pay gap can be found in our separate disclosure on our website.

Gamma's commitment to the environment

Gamma has always recognised the crucial role it plays in connecting people, businesses and communities, while also contributing to the broader goal of fostering a more sustainable and resilient future. In a world increasingly impacted by climate change, the integration of environmental, social, and governance ("ESG") considerations into Gamma's strategy is paramount to its long-term success and to the wellbeing of its employees, customers and stakeholders.

The Company understands the significance of evaluating environmental impact and remains committed to taking proactive measures to mitigate and, where possible, reduce its environmental impact.

Our commitment to align with global climate goals has been further enhanced by the approval of Gamma's near-term science-based emissions reduction targets. Gamma has also committed to set long-term emissions reduction targets with the Science Based Targets initiative ("SBTi") in line with reaching net-zero by 2042.

This commitment aligns with the objectives outlined in the Paris Agreement, aimed at curbing global temperature increases to within 1.5°C, as well as the UN Sustainable Development Goal 13, which emphasises climate action.

Gamma's CarbonNeutral® status is certified under the Carbon Neutral Protocol, with annual assessments by Nature Positive and Climate Impact Partners which are specialists in climate market solutions. The Company follows an operational control approach and, as of 2022, measures and offsets its Scope 1, Scope 2 and selected Scope 3 emissions.

Gamma places a strong emphasis on continually enhancing its understanding of its environmental impact as well as developing an in-depth understanding of likely climate-related impacts on its operations, data centres and office locations.

Various stakeholders, including investors, suppliers and customers, continue to express a keen interest in Gamma's environmental approach and seek detailed information regarding the Company's ongoing efforts to address environmental challenges.

The Company is aware that further European regulation, such as the Corporate Sustainability Reporting Directive ("CSRD"), is going to apply and it is taking steps to review the requirements as a non-EU parent company and on its European subsidiaries.

To this end, Gamma will review the outcomes of the European Commission "omnibus package" and assess the implications of proposed changes.

Additionally, Gamma is likely to be in scope of new ISSB sustainability disclosures in the near future. Gamma is proud to have disclosed via the Carbon Disclosure Project ("CDP") for the past four years.

Gamma remains committed to providing transparency and actively engaging with its stakeholders to ensure alignment with its environmental objectives.

Task Force on Climate-related Financial Disclosures

In June 2017, the Task Force on Climate-related Financial Disclosures ("TCFD") presented a set of recommendations aimed at helping businesses to disclose climate-related financial information in a clear, comparable and consistent way.

The TCFD structure consists of a set of core recommendations, based on the themes of governance, strategy, risk management, and metrics and targets. Supporting each of the core recommendations are a total of 11 recommended disclosures and these are further underpinned by seven fundamental principles for effective disclosure.

This report is prepared in line with the recommendations of TCFD and the framework has allowed Gamma to identify, assess and manage climate-related risks and opportunities that may impact the business, ensuring ongoing transparency and accountability to its stakeholders. Gamma operates on a continual improvement basis in understanding the financial implication of climate change on its operations, to build resilience throughout the organisation, and to contribute to the global transition to a low-carbon economy.

This is the second year that Gamma has chosen to complete TCFD voluntarily and outlines its governance structure, risk management processes and strategy in response to identified material climate-related risks and opportunities. It highlights Gamma's commitment to reducing its carbon footprint through energy efficiency, increased use of renewable energy across its UK and European estate, and the ongoing commitment to beyond value chain mitigation.

The climate-related financial disclosures that follow are compliant with the Companies Act Climate-related Financial Disclosure rules (Sections 414CA and 414CB of the Companies Act 2006). Gamma complies with all 11 requirements of HM Treasury's TCFD-aligned disclosure application guidance Listing Rule 9.8.6(8).

Table 1 – TCFD Compliance

TCFD recommendation	Compliance status	Alignment (statement confirming alignment/partial compliance)
Governance		
Board oversight: Describe the board's oversight of climate-related risks and opportunities.	Compliant	The ESG Committee is the Board-level delegation for reviewing and monitoring climate-related risks. The Audit & Risk Committee is the Board-level delegation for all risks and will review climate-related risks if deemed to be material to the business.
Management Role: Describe management's role in assessing and managing climate-related risks and opportunities.	Compliant	Gamma's Chief Executive is the executive lead for climate-related matters, supported by the ESG Steering Group comprising Executive Committee members and the Group Sustainability Team.
Strategy		
Risk/opportunity – identification: Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.	Compliant	A description of climate scenarios is provided which was used to inform the identification of risks. A list of the material risks and opportunities is included, describing the relevant timeframe (short, medium and long term) and the mitigating actions being taken.
Risk/opportunity – impact: Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Compliant	The identified impacts of climate-related risks on Gamma's operations, strategy and financial planning are included. None of the opportunities identified to date are considered financially material to the business.
Organisational resilience: Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Compliant	A description of the climate scenarios is provided, along with a description of Gamma's resilience to both physical and transition climate scenarios.
Risk Management		
Identifying/assessing risk: Describe the organisation's processes for identifying and assessing climate-related risks.	Compliant	A description of how Gamma completed a full review of climate-related risks in 2024, aligned to the organisation's risk management process.
Managing risk – process: Describe the organisation's processes for managing climate-related risks.	Compliant	A description of how climate-related risks are managed via the overall risk management process, which impact categories are considered and how financial risk is evaluated.
Managing risk – integration: Describe how processes for identifying, assessing, and managing climate risks are integrated into overall risk management.	Compliant	The identification, assessment and management of climate-related risks are integrated into Gamma's overall risk management framework and process.
Metrics and Targets		
Metrics used: Disclose the metrics used by the organisation to assess climate risks and opportunities in line with strategy and risk management process.	Compliant	Cross-industry metrics are disclosed, as well as additional information on water, waste and Key Biodiversity Areas ("KBAs").
GHG Emissions – data: Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.	Compliant	Greenhouse gas emissions information and intensity ratios aligned to the Streamlined Energy and Carbon Reporting ("SECR") requirements are included, as well as risks that have emerged in relation to Gamma's aim to achieve net-zero.
GHG Emissions – performance: Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Compliant	Gamma describes its science-based net-zero emissions targets including a near-term and long-term target. Gamma's CarbonNeutral® status and its approach to Beyond Value Chain Mitigation ("BVCM") is also included, referring to how the Company will go above and beyond achieving a net-zero carbon footprint.

Governance — Board oversight:

The Gamma Board has a coherent corporate governance framework, with clearly defined responsibilities and accountabilities designed to safeguard and enhance long-term shareholder value and provide a robust platform to realise the Company's strategy.

ESG Committee

In 2020, the Gamma Board established an ESG Committee as a Committee of the Board. The ESG Committee is responsible for, on behalf of the Board, setting Gamma's sustainable business strategy, including climate-related targets, monitoring management's performance against these, and reviewing climate-related risks and opportunities.

The ESG Committee is chaired by Non-Executive Director Shaun Gregory and comprises one other Non-Executive Director and the CEO.

The Board Chair, Chief Financial Officer, Chief People Officer and the Group Sustainability Team all normally attend the ESG Committee. The Company Secretary is secretary to the Committee and attends all meetings.

The ESG Committee meets not less than twice a year, guided by an annual agenda. Monitoring the effectiveness of management's processes for identifying, assessing and responding to climate-related risks and opportunities has been delegated to the ESG Committee. None of the risks identified to date are considered materially significant in relation to Gamma's risk scoring criteria, or to Gamma's current strategy, and have therefore not been presented to the Board.

The present minimal risk exposure of Gamma to climate change has led the Board to deprioritise climate considerations as a material factor in decisions related to budgeting, business plans, major projects, expenditures, as well as acquisitions and divestments.

The Board approves an ESG budget annually, a subset of which is dedicated to positively addressing the impact of climate change.

The ESG Committee ensures that environmental policies and suitable governance structures are established to align with Gamma's committed environmental targets. The ESG Committee reviews progress towards climate-related targets as and when metrics are updated. The ESG Committee also reviews progress on development of the Transition Plan to achieve the Company's net-zero ambition.

Gamma Board

Overall strategic direction

ESG Committee

- Board-delegated responsibility for setting Gamma's sustainability strategy, including climate-related targets and monitoring progress.
- Board-delegated responsibility for monitoring climate-related risks and opportunities.
- Monitors compliance to climate-related disclosures.
- Approves and reviews controls of environmental management policy.

Audit & Risk Committee

- Board-delegated responsibility for risk management oversight and review of all material risks including any relating to climate change.

Remuneration Committee

- Establishes and reviews the remuneration metrics for Executive Directors which includes a percentage of annual bonus based on the achievement of non-financial environmental objectives for 2024. For 2025, the Remuneration Committee has decided to remove the ESG metric from the annual bonus plan and instead allocate a weighting of 15% of the Long Term Incentive Plan ("LTIP") to a carbon reduction metric, aligning management's performance against ESG metrics which have a longer-term outlook.

Executive Committee

- Leadership team which supports the Board and is responsible for the day-to-day operations of the business.
- Management roles on the Executive Committee sit on the ESG Steering Group and attend the ESG Committee and Audit & Risk Committee.
- Informed on climate-related progress, risks and opportunities.

ESG Steering Group

- Comprises management roles, chaired by the Group Sustainability Team.
- Responsible for implementing the ESG strategy and related policies, including climate change.
- Assesses and monitors climate-related risks and opportunities and agrees associated planning, ahead of presentation to the ESG Committee.

Sustainability Team

- Comprised of the Environmental Data Manager and the ESG Programme Manager.
- Collaborates with subject matter experts across the business to identify and assess climate-related risks and opportunities, against short-, medium- and long-term time horizons and climate scenarios.
- Monitors for changes in regulation and required disclosures with respect to climate change.
- Develops the full Transition Plan with detailed activity required to achieve the 2030 near-term emissions reduction target and the 2042 net-zero target.
- Responsible for monitoring progress against key environmental targets, continual improvement of data and ongoing stakeholder engagement.

ESG and the Audit & Risk Committee
Gamma's process for assessing the materiality of climate-related risks is consistent with the overarching Gamma risk management framework. Any material risks that are identified are presented to and reviewed by the ESG Committee and the Audit & Risk Committee.

The Audit & Risk Committee is responsible for risk management oversight and reviews all material risks. Where deemed significant enough, this would include climate-related risks, both transitional and physical. Given the current approach in managing and mitigating climate-related risks, none have been considered material in impacting Gamma's overall strategy and have therefore not been raised with the Board.

More detail on Gamma's risk management process can be found on page 34 and 35.

Governance — Management Role:

Management roles
Gamma operates a tiered governance approach to climate change, ensuring that there is appropriate focus on identifying and managing climate-related risks and opportunities, and for driving progress to reduce carbon emissions, a key contributor to climate change.

The Chief Executive is responsible for Gamma's environmental policy, climate-related issues and performance against targets. In 2021, the CEO recommended Gamma's ambition to become a net-zero business across all three greenhouse gas ("GHG") emissions scopes by the end of 2042, which was subsequently approved by the ESG Committee.

The Chief Executive also has executive-level oversight for climate change impacts across the Gamma Group in the UK and Europe. This is particularly relevant when assessing the robustness of office and data centre facilities with regard to a number of indicators: changes in precipitation, wind speed, air temperature, and freshwater river discharge.

Gamma does not currently assess climate impact as part of its decision-making process when considering large capital expenditure.

The Group Sustainability Team works in collaboration with other teams in the identification and assessment of climate-related risks and opportunities, against short-, medium-, and long-term time horizons. This is supported by the Risk Team, ensuring that the process for assessing materiality is consistent with other corporate risks and reporting thereof.

Other activities undertaken by the Group Sustainability Team include monitoring for changes in regulation and required disclosures in respect of climate change, and working with key stakeholders, particularly Gamma's supply chain, to monitor their impact on the Company and to explore wider collaboration opportunities.

Relevant information on climate impact and climate-related risks and opportunities is presented by the Group Sustainability Team to the ESG Steering Group and the ESG Committee.

ESG Steering Group
Sitting below the ESG Committee is the ESG Steering Group comprising management roles that are responsible for implementing the ESG strategy and related policies, including climate change.

The Group is chaired by the Group Sustainability Team and meets every four months. Attendees include the Chief Executive Officer, Chief Product Officer, Chief People Officer, and the Company Secretary. The ESG Steering Group assesses and monitors climate-related risks and opportunities and agrees associated planning, ahead of presentation to the ESG Committee.

Opportunities management is not included as part of a wider Gamma framework and therefore climate-related opportunities are identified under the ESG Steering Group via the climate-related risks and opportunities workshop.

Remuneration and climate-related objectives
For the past two years, Gamma has linked a percentage of the annual bonus available to eligible senior managers, particularly those working directly in sustainability, to its environmental targets and emissions reduction activities.

Executive remuneration is also linked to climate-related objectives, specifically asking all Executive Committee members to demonstrate how they have factored environmental considerations into decision-making, and progress being made to proactively reduce emissions, for example through choosing greener business travel alternatives or choosing lower emissions suppliers/products.

These are incorporated into specific ESG objectives for each Executive Committee member, against which 5% of their annual bonus is measured. Progress against Executive Committee members' objectives is overseen by the Remuneration Committee (see page 105). For 2025, we have removed ESG targets from the annual bonus scheme and instead incorporated an ESG element into the LTIP, aligning management's performance against ESG metrics which have a longer-term outlook.

Environmental Management training
All UK employees are required to undertake Environmental Management training every two years and it is expected that this will be rolled out to all European subsidiaries in due course. Completion of this training across Gamma's UK businesses is currently at 70%.

Strategy — Risk/opportunity – identification:

2024 risk and opportunities workshop
In its materiality exercise, climate change was identified as highly important across all stakeholders and Gamma has worked to further refine its climate-related risks and opportunities during 2024, including assigning risks to relevant business owners who can influence and action the mitigation controls for each risk.

Gamma completed its annual review of climate-related risks and opportunities using subject-matter experts from across the organisation including procurement, facilities, network management, finance, and business continuity. The sessions were led by the Gamma Risk Team and the Group Sustainability Team and attendees reviewed a series of "what if" scenarios.

Using data provided by an external consultant, the workshop team examined climate scenarios across the Gamma Group estate. This data used different assumptions on global climate change trajectories in order to create a range of potential changes and for different time horizons for the following indicators: river discharge, wind speed and air temperature.

The time horizons considered were short-term (up to 2026), medium-term (up to 2030), and long-term (up to 2050).

Unpredictable climatic events continue to be seen across the UK and Europe and events such as these were considered when assessing Gamma's short-term risk exposure with business continuity plans being included as part of that assessment.

The short-term horizon differs slightly from the Gamma risk management framework which has a five-year outlook. The climate-related time horizon was set at three years because 2026 is the first milestone in the Gamma net-zero trajectory and informs the potential actions that might need to be taken in the lead up to 2030, when Gamma has defined significant emissions reduction targets for Scope 1 and Scope 2 GHG emissions.

Aligned to the UK Government's Nationally Determined Contribution ("NDC") committing the UK to reducing economy-wide GHG emissions by at least 68% by 2030 compared to 1990 levels, the medium-term horizon up to 2030 is also aligned to Gamma's emissions reduction targets for both Scope 1 and Scope 2 GHG emissions.

The final long-term target of 2050 is important when considering the transitional implications of climate change, as well as the longer-term planning around network investment decisions for the Company. Gamma's net-zero target date of 2042 is covered by the long-term time horizon.

Climate scenario analysis methodology
Climate scenario analysis provides useful insights about potential future outcomes and is based on the Representative Concentration Pathways ("RCPs"). Gamma chose to use information from future climate scenarios as part of its risk identification workshop, to inform the attendees of possible future climate evolution in each of the Gamma operational locations in the UK and Europe. These scenarios model potential climate impacts, relying on assumptions regarding changes in temperature, precipitation patterns and extreme weather events, all of which could influence network resilience, infrastructure durability and operational continuity.

An RCP is a GHG emissions concentration trajectory, developed by the Intergovernmental Panel for Climate Change ("IPCC") in 2014 and describes diverse futures based on a range of GHG concentration levels in the atmosphere, driven by economic activity, energy sources, population growth and other socio-economic factors. The pathways describe different climate futures, all of which are considered possible depending on the volume of GHGs emitted in the years to come.

RCPs can be represented by the levels of temperature change that result from each scenario and Gamma considered three RCP scenarios which outline a possible future.

The RCPs concentrate on temperature increases, and data provided included information on likely physical risks such as precipitation, river discharge and wind. The three RCPs selected were useful when considering the potential scope and impact of an acute and/or chronic climatic event on Gamma's offices, technology and network.

The three chosen scenarios capture a range of plausible pathways, balancing extremes and a moderate trajectory. The Company chose not to include the RCP8.5 scenario in this initial analysis which is future warming of between 3.2-5.4°C and is currently considered a doomsday scenario. Gamma considers that in the regions in which it operates (UK/Europe) there are well understood shifts towards renewable energy, improved energy efficiency, and strengthened climate policies and disclosures.

To better understand the likely impact of transition risks on the business and its strategy, Gamma also considered the Network for Greening the Financial System ("NGFS") scenarios of which there are three categories:

1. Orderly – Net Zero 2050 which is 1.6°C with smooth and immediate policy reaction.
2. Disorderly – Delayed Transition which is 1.6°C with a delayed policy reaction.
3. Hot house world – Current Policies which is 3°C+ with no additional policy reaction.

Gamma chose to consider the NGFS scenarios because they complement the RCPs, reflecting the country-level commitments to reach net-zero emissions made at COP26 in November 2021 and the transition pathways and policies set out by countries and sectors.

Net Zero 2050 is widely considered to be an ambitious scenario that limits global warming to 1.5°C through stringent and immediate governmental climate policies. The EU and UK, in which Gamma currently operates, has signed up to Net Zero 2050. This will keep the physical risks relatively low, but the transition risks could be higher.

These climate scenarios were reviewed to understand how climate change and transition to a lower-carbon world might affect key parts of the Gamma business, its network and its performance. Drivers of transition risks such as policy and legal (regulatory compliance and carbon emissions pricing), market (including government sector framework requirements), and economic variables were also discussed in order to assess impact on the Company's reputation, revenue, costs and profitability. Given that Gamma is a relatively low-impact and low-emissions company, only one of these transition risks remains material to Gamma, which is the reputational risk described below.

Risks
As per the Gamma risk management framework, risks are assessed by a combination of business impact, financial impact and likelihood. The climate-related risks listed below are deemed to potentially have a material impact to the Gamma business.

Likelihood (exposure post-mitigation)

Likelihood	Definition
D	Very likely (over 80%) to happen
C	Likely (between 50% and 80%) it will happen
B	Possible (10%-50%) it will happen
A	Unlikely (<10%) to happen

RCP	Change in temperature by 2081-2100 (compared to pre-industrial period (average between 1850-1900)	Why did Gamma choose this scenario?
RCP2.6	0.9-2.3°C	Low emissions: reflects a stringent mitigation pathway where global warming is aligned to the Paris Agreement goals. This allowed Gamma to understand potential risks under a best-case scenario with effective climate action.
RCP4.5	1.7-3.2°C	Intermediate emissions: represents a stabilisation scenario where emissions peak and subsequently decline. This helped Gamma to assess impacts under moderate mitigation efforts, offering a middle ground between ambition and inaction.
RCP6.0	2.0-3.7°C	High emissions: Slower mitigation, enabling Gamma to understand risks under limited progress, poor climate policies and less aggressive action.

Financial impact (exposure post-mitigation)

Financial impact	Definition
Severe	>£10m
Significant	£4m-£10m
Moderate	£1m-£4m
Minor	£0k-£1m

Opportunities

As a communications company, Gamma has always played a pivotal role in enabling other businesses and organisations to reduce their carbon footprints by providing advanced communication solutions that minimise the need for business travel. Its products, such as video conferencing platforms and cloud-based collaboration tools, facilitate remote work and virtual meetings, contributing to lower emissions for its customers. While Gamma recognises the climate-related opportunities inherent in its offerings, they are complementary to its core services and do not fundamentally alter its overall business strategy.

Gamma remains committed to delivering reliable and innovative communications solutions while contributing to broader sustainability efforts. As part of the 2042 carbon net-zero planning, Gamma has identified a number of opportunities associated with the transition to a low-carbon economy. None of the opportunities identified have a material financial impact on the Company, either from a cost perspective or from a strategic direction perspective. A high level list is included in the report below, indicating some of the activities that Gamma will undertake to achieve its emissions reduction commitments and these will be expanded in due course as part of its transition plan.

TCFD risk category	Time horizon	Financial impact	Likelihood	Link to principal risk
Increased stakeholder concern or negative stakeholder feedback				
ESG regulatory non-compliance	Short (< 3 yrs) Medium (2030) Long-term (2050)	Minor Minor Minor	A A A	Legal and regulatory non-compliance

Potential identified impacts

- Legislative non-compliance is likely to lead to negative stakeholder sentiment around the Company's environmental programme and commitments. Reputational damage or fines may result from a failure to adhere to existing or upcoming ESG regulations.
- Gamma believes this risk is slightly heightened in the short to medium term where additional disclosure requirements across the UK and Europe are being announced. In the longer term the Company expects disclosures to become more stable and known across the UK and Europe, thus reducing the risk impact further.

Mitigation

- Gamma undertakes proactive regulatory monitoring through horizon scanning and via a Legislation Working Group. New ESG-related disclosure requirements across the UK and Europe are tracked and analysed on an ongoing basis and presented to the ESG Committee for consideration when relevant.
- Gamma also has an integrated ESG strategy that aligns with global best practices such as CDP and TCFD. The Company focuses on material issues that are most relevant to its operations. Metrics and commitments will likely remain constant (barring any significant change leading to a re-baseline of emissions or a change to Scope 3 calculation methodology), ensuring alignment with long-term stakeholder expectations.

TCFD risk category	Time horizon	Financial impact	Likelihood	Link to principal risk
Increased stakeholder concern or negative stakeholder feedback				
Energy consumption and carbon emissions	Short (< 3 yrs) Medium (2030) Long-term (2050)	Minor Minor Moderate	A A A	Legal and regulatory non-compliance

Potential identified impacts

- Failure to achieve climate-related targets, specifically carbon emissions reduction (including Scope 3), may lead to negative investor and/or customer sentiment. Gamma believes that this risk is likely to heighten in the long term as the Company nears its near-term (2030) and long-term (2042) emissions reduction targets.
- Scope 3 emissions reduction could be impacted by the failure of suppliers to reduce their own environmental impact and/or disclose their environmental management progress. There could potentially be a lag in smaller suppliers reducing emissions post 2030, likely to become more acute in the longer term as Gamma nears its ultimate net-zero target across all three scopes in 2042.

Mitigation

- Gamma has announced its intention to embark on a carbon emissions reduction programme, with the ambition of being a carbon net-zero company by 2042.
- Gamma uses annual GHG data across all three emissions scopes to track progress towards its net-zero emissions targets.
- Gamma has approved near and long-term science-based emissions reduction targets with the SBTi.
- Recognising the impact that procured goods and services have on Scope 3 emissions, Gamma monitors 75% of its supplier base by spend to track environmental commitments and performance against emissions reduction targets, and ensures that all suppliers undergo thorough onboarding screening for environmental management.
- A Carbon Reduction Plan has been in place since 2022, with frequent reviews and updates in line with the net-zero trajectory. Crown Commercial Services is updated when a new version is released, aligned with PPN06/21.
- Resources are in place to ensure that the environmental management programme is monitored and driven forward.
- Gamma is developing a Transition Plan to support its carbon net-zero commitment in line with the Transition Plan Taskforce recommendations.

TCFD risk category	Time horizon	Financial impact	Likelihood	Link to principal risk
Increased severity of extreme weather events such as heatwaves and flooding				
Climate change scenarios – Acute	Short (< 3 yrs) Medium (2030) Long-term (2050)	Moderate Moderate Minor	B B B	Unplanned service disruption

Potential identified impacts

- Service disruption to Gamma's operations and network services which would include the primary data centre in Manchester, UK. Gamma estimates that in the event of an acute weather event, failover would deploy to one of three other points of presence. One customer-facing service would be lost for a number of days until business continuity measures were implemented.
- Extreme and prolonged heatwaves can impact the air conditioning and increase power requirements for cooling network equipment. In case of failover to an alternative diesel generated power source, greenhouse gas emissions would increase for the failover period, as would the cost of running HVAC services for that time period.
- Increased costs to insure, maintain and repair data centres and offices in the event of extreme weather events.
- Net exposure will decrease over time as actions such as virtualisation of server capacity as assets require replacement.

Mitigation

- Gamma's primary data centre in Manchester, UK, is equipped with redundant systems and backup protocols to minimise the impact of service disruptions. In the event of a data centre outage, all services bar one will failover immediately onto another point of presence on our four-site resilient network.
- Gamma has comprehensive insurance coverage for its data centres and offices. Additionally, the Company conducts regular maintenance and assessments to identify potential vulnerabilities and implement preventive measures, reducing the risk of damage and subsequent repair costs.
- HVAC monitoring is in place and is adjusted to accommodate increases in temperature. Gamma's data centre operates with a failover mechanism in case of power outages or overheating.

TCFD risk category	Time horizon	Financial impact	Likelihood	Link to principal risk
Long-term increases in temperature across the UK and Europe				
Climate change scenarios – Chronic	Short (< 3 yrs) Medium (2030) Long-term (2050)	Minor Minor Minor	A B B	Unplanned service disruption

Potential identified impacts

- Service disruption to Gamma's operations and network services which would include the primary data centre in Manchester, UK.
- Should network equipment fail during a prolonged heatwave, and in a situation where failover could not be deployed, approximately 20-25% of a subset of Gamma services (connectivity and voice services anchored to that data centre) would be lost for a number of days until business continuity measures were implemented.
- Gamma considers it more likely that extreme and prolonged heatwaves might impact the air conditioning and increase power requirements for cooling network equipment, resulting in additional energy use/costs as well as an increase in GHG emissions.
- Should failover onto alternative diesel generated power source occur, GHG emissions would increase for the failover period, as would the cost of running HVAC services for that time period.
- Increased costs to insure, maintain and repair data centres and offices in the event of extreme weather events.

Mitigation

- Gamma's primary data centre in Manchester, UK, is equipped with redundant systems and backup protocols to minimise the impact of service disruptions. Gamma has implemented comprehensive disaster recovery and business continuity plans to swiftly address and recover from any unforeseen incidents. Regular testing and maintenance of these systems are conducted to ensure their effectiveness.
- Gamma's ongoing transition to cloud technology will remove the need for physical hardware in data centres, thus reducing the impact further.
- Gamma's data centre facilities are designed with robust cooling systems, and environmental conditions are proactively monitored to manage temperature fluctuations. It is expected that longer-term increases in temperature can be better anticipated through climate scenario analysis and managed.
- In the event of extreme heatwaves, Gamma has alternative power sources, such as diesel generators, to ensure continuous operations. The Company is committed to environmental responsibility and is exploring sustainable options to mitigate greenhouse gas emissions during failover periods.
- Gamma has comprehensive insurance coverage for its data centres and offices. Additionally, the Company conducts regular maintenance and assessments to identify potential vulnerabilities and implement preventive measures, reducing the risk of damage and subsequent repair costs.
- Data centre strategy includes assessment of future hardware requirements, e.g. a transition to cloud-based technology, monitoring of kit for energy efficiency.
- Gamma leases offices, offering the Company an opportunity to seek out more climate-resilient office locations in the future.
- Remote and hybrid working is available, providing greater flexibility to employees.

Resource efficiency

Opportunity: Use of more efficient modes of transport and production and distribution processes

Potential opportunities and impacts
- Investment in energy efficient and sustainable technology will impact both Gamma's day-to-day operations, as well as its network, with office consolidation providing additional operating cost savings and reduced energy consumption.
- Consideration of cloud technology in solutions will provide the Company with an opportunity to remove network hardware and use more sustainable and resilient options. This is particularly critical to Gamma's ability to achieve its near-term and long-term targets.
- A full continued transition to renewable energy tariffs.
- The removal of gas boilers from offices to stop use of natural gas for heating.
- Cleaner energy sources will reduce energy, fuel and refrigerant gas costs as well as reducing future offset investments required to maintain carbon neutrality.
- Conversion of Company cars to an all-electric fleet will reduce fuel costs and reduce Gamma's Scope 1 carbon emissions.

Strategy — Risk/opportunity – impact:

Gamma's strategy is to be a leading provider of UCaaS services to SMEs in Europe and to be a trusted communications partner to large Enterprises. The Company's exposure to climate-related risks and opportunities is centred around Gamma's ability to develop software and communications solutions to support the strategy, through the procurement of related goods and services from suppliers, and from the ability of its employees to service those solutions and customers.

Activity undertaken by Gamma to assess and mitigate the impacts of climate-related risks and opportunities is described below.

Reputation – Increased stakeholder concern or negative stakeholder feedback

To mitigate the potential reputational risk associated with achieving its net-zero targets and responding to stakeholder concerns around the impact of climate change, Gamma has invested in resources aligned to climate-related work, including members of a Group Sustainability Team. This team is dedicated to defining and leading a programme of carbon reduction activities, assessing climate change-related risks, and seeking out opportunities across the business to influence positive change.

The ESG Committee reviews transitional risks relating to policy or regulation. Gamma assesses government regulation and reporting obligations to ensure that it will not suffer any risks to the Company's reputation through non-compliance. Gamma seeks regular assistance from third-party specialists where required.

Gamma has a Carbon Reduction Plan which describes its plans for transitioning to a low-carbon economy, outlining emissions reduction targets across the business, and a summary of both historical and planned activities that will reduce its GHG emissions.

Historical action over the past four years has concentrated on improving the Company's understanding of its environmental impact and managing that through emissions reduction initiatives and the strengthening of policies. Wherever possible, Gamma has incorporated the cost of financing these initiatives as part of business-as-usual budgets and planning.

Key commitments in place include a long-term net-zero target date of 2042, and a commitment to reduce Scope 1 and Scope 2 emissions by 90% by 2030. Gamma continues to transparently disclose via CDP each year.

Investment in energy-efficient and sustainable technology presents significant opportunities for Gamma to enhance its business operations and achieve its climate-related objectives. The adoption of advanced, energy-efficient technologies and the consolidation of office spaces will yield immediate benefits, such as lower operating costs and reduced energy consumption. Leveraging cloud technology in Gamma's solutions will enable the removal of traditional network hardware, allowing for more sustainable and resilient systems, which are critical for meeting the Company's near- and long-term environmental targets.

Transitioning entirely to renewable energy tariffs, phasing out natural gas boilers in offices, and shifting to cleaner energy sources will not only lower energy, fuel and refrigerant gas expenses but also minimise the need for future carbon offset investments. Finally, converting the company fleet to electric vehicles will significantly reduce fuel costs and Scope 1 carbon emissions, aligning with Gamma's sustainability commitments and supporting its leadership in driving towards a low-carbon future.

Future initiatives which could provide a significant contribution to Gamma's targets:

Scope 1 – Removal of gas boilers across the Group.

Scope 1 – Transition to an all-electric fleet by 2030.

Scope 2 – 100% supply of renewable energy through network at Group level.

Scope 2 – Improve energy efficiency through energy audits to identify future opportunities, particularly in the Group's network and data centres.

Scope 3 emissions account for 90%+ of Gamma's carbon footprint, with emissions from the purchased goods and services category being the single biggest source (over ten times Gamma's Scope 1 & 2 output alone). A key initiative is to continue to engage with suppliers, monitor adherence to Gamma's Ethical Procurement Policy, and track supplier progress on environmental targets through disclosures.

Gamma is working on developing a fully costed climate transition plan, aligned to the requirements of the Transition Plan Taskforce ("TPT"). The Company considers this to be the next step in its climate journey; explaining how it intends to deliver on climate commitments and prepare for net-zero along with the cost of doing so, building on its efforts over the past two years to improve environmental data and understanding of impact. The work on the climate transition plan, including the financial impact, started in mid-2024 and progress is overseen by ESG Committee.

Acute and chronic climate change
Gamma's facilities, particularly its data centres supporting the network, face both acute and chronic climate change risks. Gamma leases all but one of its offices and data centre spaces and works closely with landlords to ensure proactive environmental management of the facilities.

The Company has well-established business continuity plans for network infrastructure, with various engineering teams overseeing activities from asset acquisition to reuse/replacement and damage response.

Environmental considerations are integral to Gamma's facilities planning, evaluating new offices against a standard checklist covering energy sources, building classification rating, and proactively negotiating environmental terms in landlord contracts, such as renewable energy use and the removal of gas boilers. Gamma sees office and data centre consolidation as an opportunity to cut costs and emissions, and mitigate climate change impacts on its operations.

Detailed risk assessments of acute weather events and chronic weather pattern changes have been conducted for existing Gamma locations. This information informs business continuity planning, ensuring the network's future resilience.

The shift to renewable energy in Gamma's operations is an ongoing process, with 95% of electricity in offices and data centres being sourced from renewable energy. Collaborating closely with its energy broker, Gamma seizes opportune pricing moments to negotiate contract terms in advance when possible.

Strategy — Organisational resilience:

Scope
UK and European portfolio of offices and data centres.

The recent acquisitions of Pragma, Coolwave and Placetel will be accounted for from 2025 onwards. STARFACE, which completed in February 2025, will be accounted for from 2026 onwards.

The Gamma network Points of Presence ("PoPs") are not in scope given that they are operated and managed by third parties. Gamma works with its suppliers to ensure the resilience of its network and that a satisfactory environmental management programme is in place to address climate-related risks.

Gamma has not evaluated any of its key suppliers for climate-related risks.

Indicators
Climate scenario analysis was completed using the RCPs described in section Strategy: risk/opportunity – identification (page 57). Data used for all locations in scope:

Climate	• Change in precipitation in % • Change in wind speed in %
Mean air temperature	• Change in daily maximum air temperature in °C • Change in daily minimum air temperature in °C
Freshwater	• Change in maximum of daily river discharge in %

Time horizons considered
Short term – 2026

Medium term – 2030

Long term – 2050

Physical
Based on the locations of Gamma facilities in each country, several factors were assessed using verified datasets in order to quantify risk. Analysis of physical risk factors in different geographic areas has informed its future planning considerations across Gamma locations, particularly where the Company has network infrastructure. This information will feed into the climate transition plan, identifying key areas of investment, upgrade, or consolidation.

UK
Network – Regarding climate risk and the Gamma network, the primary concern lies in the operation of data centres. The main data centre located in Manchester, UK, is projected to be the least susceptible to daily maximum air temperature changes by 2030 and 2050 under RCP4.5. Furthermore, there is no added risk from flooding in this location within the considered time horizons.

The heatwave experienced across the UK in summer 2022 gave Gamma early insight into the likelihood of all data centres being affected, and what the impact is likely to manifest as, e.g. increase in energy cost and disruption to service through air cooling failure.

This event offered an opportunity to shape planning and considerations for data centre management moving forwards and the Company will seek to introduce further improvements into the management, resilience and efficiency of the network as part of its standard business continuity planning. Exposure to physical climate-related risks will also help shape Gamma's transition to cloud technology, removing the need for physical hardware in data centres.

People – Gamma's risk from a people perspective is limited, with few field engineers working outside. Most employees are office based and not currently subject to frequent acute weather events. Gamma offers remote/hybrid working to employees, which was stress tested during the COVID-19 pandemic. The Company recognises that for the majority of acute weather events in the UK and Europe, it would continue to operate without business disruption.

Spain and Morocco
Network – Operations are limited in Spain and Morocco, with only a small data centre operating in southern Spain. The data centre withdraws no water.

People – Gamma is cognisant of the potential impact of critical water shortages in Spain and Morocco, likely limited to Gamma's employees and their access to water for welfare purposes. Stricter water regulations and policies by the relevant government could increase Gamma's operational costs and impact the cost structure for energy use.

As a growth business, should future acquisitions be considered in the UK and/or Europe, Gamma has the data available to focus on localities to examine and assess the specific climate change risks of those locations. This is an important step in managing climate change risk in the coming decade and beyond, as Gamma anticipates temperatures to rise.

Transitional
Gamma considers that its strategy is resilient to transitional climate-related risks.

The Company's business model is based on supplying Information and Communication Technology ("ICT") products designed to enable users to reduce their dependency on business travel through remote collaboration and communication. Gamma considers it unlikely that customer demand for such products is likely to reduce in the future and it could well be a business opportunity for Gamma to demonstrate its robust ESG credentials, including environmental management, over the coming years.

The introduction of carbon taxes in the future has been considered and could affect the Company in due course, with any residual emissions subject to financial penalty. Similarly, the introduction of fines for failing to disclose environmental information in the UK and/or Europe may ramp up in the medium to long term. Gamma has resources in place monitoring the ever-changing disclosure landscape and, taking current available information about financial penalties into account, this is not currently deemed to be a material risk to Gamma.

The commitment of the Company to move to renewable energy across the Group is understood and managed through its procurement activity and support from energy brokers. Gamma has referred to the UK Government energy forecast which suggests that in the medium to long term energy prices will fall. Coupled with the likely market position of energy suppliers to move solely to renewable tariffs, Gamma believes it is well placed to transition to renewables as per its commitments and therefore this is not considered to be a material risk.

The ability of and progress made by Gamma's suppliers is key to reducing its Scope 3 emissions and should Gamma's Scope 3 emissions fail to reduce in line with its targets, it is more likely that the impact of reputational risk will increase. Through ongoing monitoring of suppliers, Gamma is sufficiently informed of progress being made in relation to its environmental management requirements. In general, the Company feels that market forces will also play a part in companies doing more over the medium and long term to reduce their Scope 1 and Scope 2 emissions, particularly when government policy is in place as it is in the UK and Europe.

Gamma's current operations are centred in the UK and Europe, with governments and policy makers broadly continuing to support businesses in their transition to a net-zero economy. Although subject to changing governmental policies, Gamma's strategy remains well placed to monitor and respond quickly to any shifts.

Outcomes

Gamma considers that its strategy remains robust in the face of climate risks across all modelled scenarios.

Currently there is no indication that the Company will need to undertake divestments or make any other significant capital allocation decisions to account for climate change.

Climate-related risks and opportunities are reviewed annually, taking changes in government policy and new scientific data into account where necessary.

The Company remains committed to developing a comprehensive climate transition plan, aligned to the recommendations of the Transition Plan Taskforce, which outlines anticipated activities and corresponding investments required to achieve carbon net-zero by 2042.

The Company acknowledges the likelihood of ongoing climate change and global warming and places emphasis on anticipating and addressing transitional impacts alongside physical risks, primarily concerning the operation of its data centre in the UK.

Risk Management — Identifying/assessing risk:

All climate-related risks are identified and assessed via the Group-wide risk management process which is detailed on page 34. The Company is confident that its robust risk management framework is well suited to identify, monitor and mitigate Group-wide climate change risks that could significantly impact its businesses and strategy in the short-, medium- and long-term.

These risk assessments encompass both physical and transition climate-related risks and are informed by climate scenarios (Strategy: a. risk/opportunity – identification on page 57).

Gamma scores all risks, including climate change, against the same criteria which consider the following topics:

- Financial (lost profit/increased cost)
- Legal
- Stakeholder consequences (including regulators, customers, investors, employees, and wider society)
- Management effort
- Disruption to operations or supply chain

The short-term time horizon for assessing climate change risks differs from the three-year time horizon in the overall risk management framework. This was decided in order to align with Gamma's net-zero trajectory and interim milestones. Gamma uses scientific data to determine the likely climate change in differing circumstances across medium- and long-term time horizons.

Risk Management — Managing risk – process:

Climate change risks are managed in line with the wider Gamma risk management framework (see page 34). Gamma's business could be impacted by climate change in diverse ways.

Although the effects might not be severe in the short term, the Company anticipates that climate-related risks will likely exert a medium- and long-term influence on its operations. Few of these risks are currently understood to be material to the business, using the Gamma risk management framework guidance.

Risk Management — Managing risk – integration:

Climate-related risks are identified using standard procedures outlined in the Gamma risk management framework (see page 35) and include the use of workshops attended by subject-matter experts from different departments across the business.

These risks are owned by the relevant business owner, but all are supported by the Sustainability Team, working in conjunction with the Gamma Risk Team. More information about how risks and opportunities were identified and evaluated in 2024 is provided on pages 57 and 58.

Gamma's most material climate-related risks have been disclosed on page 59 to 61 of this report. Gamma has also included climate change risk as one of its "emerging risks" (page 36).

Climate risks are generally managed in the business area they might affect. For example, the Business Continuity Team works to understand the potential impact and likelihood of an acute weather event at offices and data centre locations, thus ensuring that business continuity procedures are understood and practised in events such as flooding, significant precipitation etc.

Gamma concludes that climate-related risk is fully integrated into its overall risk management framework.

Metrics and Targets — Metrics used:

Cross-industry metrics

Metric category	Comment
Greenhouse Gas Emissions ("GHGs")	GHGs constitute material environmental impact sources at Gamma and within the ICT sector. Scope 1, Scope 2 and Scope 3 metrics are critical to demonstrate the Company's progress towards its stated carbon net-zero date of 2042, thus reducing the risk of sustaining reputational damage from non-compliance of disclosures, failure to move towards net-zero, and to adhere to Public Sector procurement frameworks. Intensity ratios are used by Gamma to provide a normalised measure of emissions relative to floor space and to revenue. Gamma believes that this helps to provide a clearer picture of the environmental efficiency of its operations.
Transition Risks	Gamma has not identified any climate-related metrics for transition risks. Scenario analysis, including changes to the regulatory and political landscapes, will continue to be assessed.
Physical Risks	Gamma has not identified material climate-related metrics for physical risks. Climate scenario analysis will be repeated to assess for changes and/or heightened risks at Gamma-occupied offices and data centres, including facilities of acquired businesses since the last exercise.
Climate-related Opportunities	Gamma has not identified climate-related metrics for climate-related opportunities. Where Gamma procures electricity, renewable energy is supplied to all offices and data centres. Further opportunities to mitigate physical risks, reduce carbon emissions, reduce energy consumption, and to reduce Gamma's overall impact on the environment will be assessed as part of the transition planning process.
Capital Deployment	£331,000 spend on investment to ensure business resiliency to transition risks, regulatory requirements, and to capture climate-related opportunities.
Internal Carbon Prices	An internal carbon price of £16 per metric tonne has been used to support specific business cases within Gamma, for example the proposal to consolidate three Manchester facilities into one, which completed in 2024. This is used primarily to encourage sustainable behaviours internally. Where business cases are considered that can affect emissions output, carbon pricing is applied to ensure that decision makers can consider the opportunity cost of implementing or not implementing an initiative, both financially and in terms of environmental impact. The Company expects the carbon price per tonne to rise steadily until 2050 and will adjust the price per tonne accordingly.
Remuneration	For 2024, 5% of the annual bonus was measured against ESG-specific objectives, including climate, for the Executive Directors and Executive Committee member.

Water, waste and biodiversity

Water, waste and biodiversity are not considered material by Gamma.

Gamma does not engage in water withdrawal and consumes water for welfare purposes in its facilities. Using the World Resources Institute Aqueduct Tools, Gamma monitors and observes metrics pertaining to national and in some cases regional water management and water stress. Currently Spain and Morocco are the two countries within the Group that face the most water management pressures.

As of 2024, Gamma is not a business engaged in manufacturing or distribution. We remain committed to the principles of the waste hierarchy to prevent generation of unnecessary waste and comply with regulation and best practice to ensure waste is recycled where possible in its operations.

Gamma does not operate in Key Biodiversity Areas ("KBAs"). It will continue to monitor its presence in relation to areas of special interest. At present, Gamma operates at four facilities that lie within a 1km radius of a KBA. These are all non-intrusive office facilities. KBAs will continue to be assessed, including new locations through acquisition.

Metrics and Targets — GHG emissions – data:

Gamma set an energy and carbon emissions baseline in 2021, ensuring that it could provide a basis for comparison of energy/carbon performance over time. Gamma specifies the period to which baseline data applies as one year and uses the GHG Protocol methodology for all emissions calculations. Gamma decides upon appropriate carbon conversion factors in dialogue with its external GHG assessment team. Department for Energy Security and Net Zero conversion factors are used to calculate some UK emission sources, for example natural gas, however where more granular factors are available, for example vehicle specific information, this will be preferred.

Despite growth through acquisition over the past few years, Gamma has recorded a reduction in Scope 1 & 2 emissions from the 2021 baseline, driven in part by a significant reduction in electricity consumption and emissions from Company vehicles.

The Company is committed to continually improve the quality of its data collection methods across the Group. We strive to collate as much primary data as possible, however benchmarks are applied in agreement with our external GHG assessment team when data is not available, typically for small, shared/managed office space. In 2024, Gamma assessed 75% of its supply chain by spend to understand their environmental management commitments, as well as their impact on Gamma's Scope 3 emissions calculations. Scope 3 emissions are dominant in their contribution to Gamma's total carbon footprint and the Company has observed that this is a consistent pattern amongst the ICT sector and top suppliers.

Gamma has engaged in discussions with ICT companies embarking on a similar journey in order to share knowledge and best practice. Gamma will continue to drive consistency in its disclosures through the continual improvement of data collection methodologies.

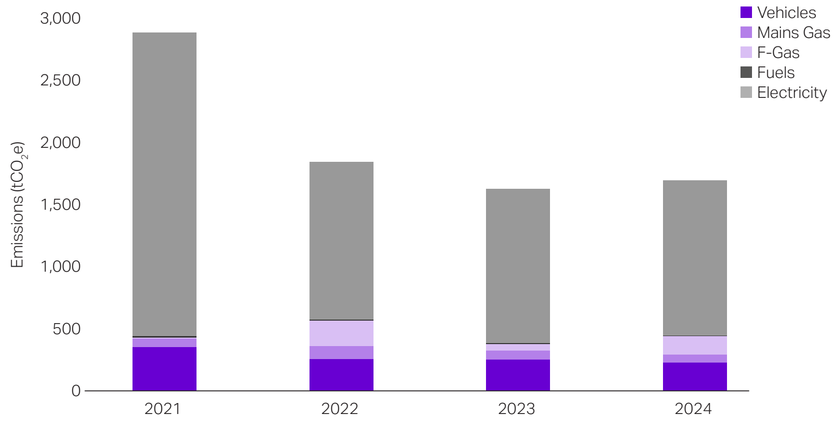
Gamma discloses its emissions inventory below. Completing an inventory to this extent has helped the Company gain a better appreciation for the environmental impacts of its various activities.

Gamma consumes a significant amount of electricity to power the dedicated datacentre which supports the network. On average the datacentre consumes 75% of group electricity per year.

Scope 2 emissions can be calculated in two ways; location and market-based methods. Electricity consumed by Gamma's datacentre is converted to emissions irrespective of the energy source using the location-based method. Using the market-based method, electricity emissions at this site are calculated at near zero because when directly procuring energy, Gamma ensures 100% renewable energy coverage.

Maintaining the datacentre and network is core to Gamma's overall strategy and therefore under the location-based method, we have limited options to reduce emissions through a reduction in consumption. However, we can reduce emission via renewable energy coverage. As a result, our carbon reduction ambitions utilise the market-based method. Whilst we continue to report location-based results for consistency and compliance purposes, we believe that the market-based method gives a better representation of actual emissions produced by the Group.

Scope 1 & 2 Emissions Results (Location-based method)
Emissions (tCO_2e)



Scope	Source	2023 UK	2023 Global*	2024 UK	2024 Global
	Natural Gas	149,781	271,946	137,409	220,153
1	Company Vehicles	335,391	1,008,110	347,664	862,024
	Diesel	24,047	0	20,842	0
2	Electricity	5,166,771	510,832	5,108,849	597,156
Total kWh		**5,675,990**	**1,790,888**	**5,614,764**	**1,679,333**

* Global excludes UK.

Scope 1 and Scope 2 emissions

Scope	Emissions source	Emissions (tCO_2e) 2021	2022	2023	2024	Description
1	Natural Gas	68.30	100.82	77.10	65.00	Consumption of heating gas for welfare requirements in offices and dedicated data centre
	Refrigerant Gas	5.40	208.10	55.00	149.00	Refrigerant gas (F-gas) losses from cooling units in offices and data centres
	Diesel	13.88	7.98	6.10	5.00	Diesel consumption for generators at dedicated data centre in UK
	Company Vehicles	352.30	256.30	251.00	226.00	Owned or controlled Company vehicles
Total Scope 1 emissions (tCO_2e)		439.88	573.20	389.20	445.00	
2	Electricity – Location	2,443.20	1,270.40	1,244.00	1,248.00	Emissions from electricity consumption based on grid averages across the Group
	Electricity – Market	993.10	143.90	98.00	186.00	Emissions from electricity consumption refined to account for contractual instruments, e.g. procurement of renewable energy
Total Scope 1 &2 (l) emissions (tCO_2e)		2,883.08	1,843.60	1,633.20	1,693.00	
Total Scope 1 & 2 (m) emissions (tCO_2e)		1,432.98	717.10	487.20	631.00	

Emissions of acquired companies are captured in the first full reporting year following the date of acquisition.
The emissions disclosed do not account for any carbon credit investments or offsets.

Scope 3 emissions

Gamma is committed to maintaining continual improvement of its Scope 3 emissions measurements in conjunction with the Group's commitment to net-zero value chain emissions by 2042.

The value chain accounts for total emissions, i.e. Scope 1, 2 & 3.

An emissions inventory has been completed for all upstream Scope 3 emissions sources. Gamma reports all relevant Scope 3 emissions under the GHG Protocol. All emissions sources have been screened, with sources that are not currently applicable indicated below.

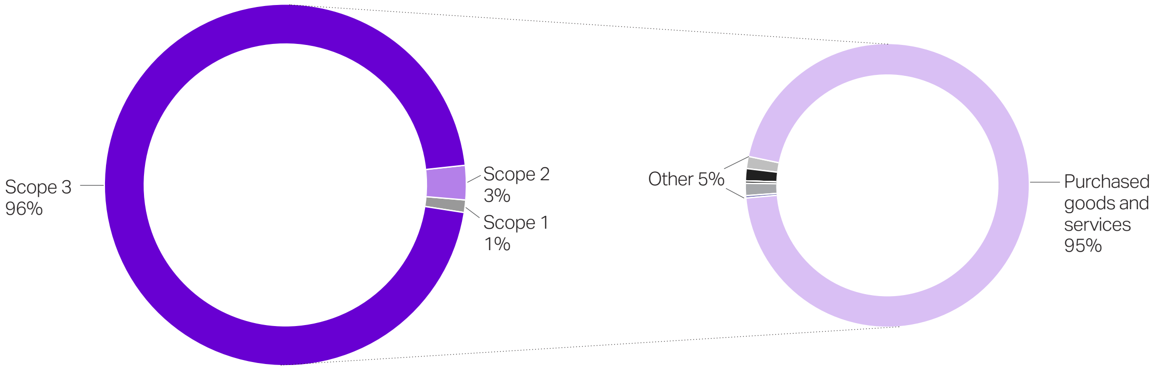
Scope	Category	Inventory/ Screened	Methodology	2024 emissions (tCO_2e)	% of total Scope 3 emissions	Description
3 (1)	Purchased goods and services	Inventory	Hybrid	34,102.39	95.33	All procurement activities including network points of presence. Emissions figure excludes upstream Scope 3 categories where emissions are calculated for the given category (e.g. Scope 3 – Category 2)
3 (2)	Capital goods	Inventory	Average product	133.00	0.37	Purchase of laptops, monitors, printers and other IT equipment in reporting year
3 (3)	Fuel and energy related activities	Inventory	Average product	485.00	1.36	Upstream emissions from purchased fuels, electricity, owned/ controlled vehicles and transmission and distribution losses ("T&D")
3 (4)	Upstream transport	Inventory	Hybrid	110.40	0.31	Courier deliveries, third-party transportation of inbound goods
3 (5)	Waste	Inventory	Average data; waste specific	30.80	0.09	General waste streams from operations
3 (6)	Business travel	Inventory	Hybrid	493.00	1.38	All transport by air, public transport (e.g. trains), rented/hire vehicles, taxis and private vehicles
3 (7)	Employee commuting	Inventory	Hybrid	415.00	1.16	Employee transport between home and normal place of work and emissions arising from homeworking
3 (8)	Upstream leased assets	Inventory	None	0.00	0.00	Not relevant – no leased assets
3 (9)	Downstream transport	Screened	None	0.00	0.00	Third-party transportation of products
3 (10)	Processing of sold products	Screened	None	0.00	0.00	Not applicable
3 (11)	Use of sold products	Screened	None	0.00	0.00	Not calculated – customers would report emissions associated with use of Gamma products in their Scope 2 inventory
3 (12)	End of life treatment of sold products	Screened	None	0.00	0.00	Not applicable
3 (13)	Downstream leased assets	Screened	None	0.00	0.00	Not applicable, no downstream leased assets
3 (14)	Franchises	Screened	None	0.00	0.00	Not applicable, no franchises
3 (15)	Investments	Screened	None	0.00	0.00	Not applicable, no investments

For Gamma, purchased goods and services remain the dominant emission source, accounting for 95% of Scope 3 emissions and 91% of value chain emissions.

At present, a major barrier to calculating downstream emissions (particularly the use of sold products) is the lack of a consistent and robust methodology throughout the sector.

The Company hopes to contribute to a sector-wide methodology in the future and will monitor any technical developments in the coming years.

Value chain emissions profile



Intensity Ratio

In reporting intensity ratio results Gamma first reports Scope 1 & 2 emissions relative to floorspace, and value chain emissions relative to Group revenue, as shown in the charts.

Due to the nature of the Group portfolio, the Scope 1 & 2 emissions intensity ratio is expressed in terms of emissions relative to floorspace, accounting for offices and controlled data centres.

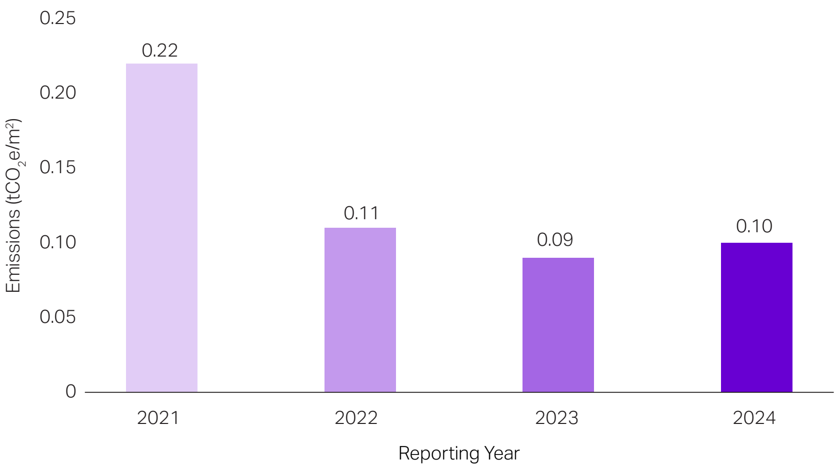
Scope 3 emissions dominate the Group's value chain emissions, driven by the scale of purchased goods and services emissions. As a result, Gamma's value chain intensity ratio is best measured by a financial metric, in this case Group revenue.

Over the past four reporting years, Gamma has demonstrated that it is possible to significantly cut Scope 1 & 2 emissions despite business growth (including M&A activity). Gamma has taken action to optimise the energy efficiency of dedicated data centres, reduce the environmental impact of Company cars and remove mains gas sources throughout the Group, all of which have contributed to a reduction in Scope 1 & 2 Intensity Ratio trajectory. The potential for lag times in decarbonising the operation of larger acquired companies in the future is also understood.

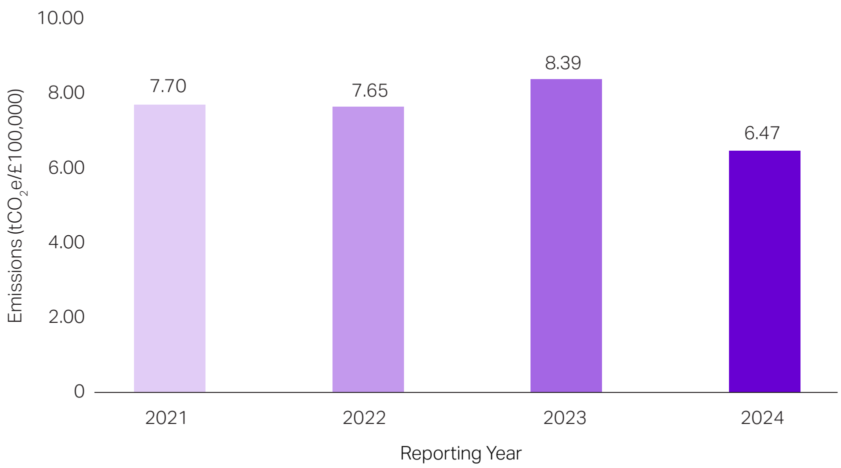
Business growth (including through M&A) persists as a risk to Gamma in achieving net-zero targets when accounting for value chain emissions, particularly that of purchased goods and services, as the Company will need to act at pace to consolidate the supply chain in a manner consistent with the environmental management expectations as detailed in the Company's Ethical Procurement Policy.

Gamma monitors the sustainable trajectory of its supply chain through a) monitoring GHG emissions, b) assessing published net-zero targets/emission reduction ambition, and c) submission to the CDP.

Intensity Ratio ("IR") – Scope 1 & 2/floorspace emissions (tCO_2e)



Intensity Ratio ("IR") – Value chain ("VC")/revenue emissions (tCO_2e)



Metrics & Targets — GHG emissions – performance:

Near and long-term emissions reduction targets

The SBTi has approved Gamma's near-term science-based emissions reduction target. Gamma has also committed to set long-term emissions reduction targets with the SBTi in line with reaching net-zero by 2042.

In taking the approach to ensure target validation, Gamma can provide assurance that the Company's carbon reduction targets are aligned to the Paris Agreement, aimed at limiting global warming to 1.5C.

In the near term, Gamma commits to reduce absolute Scope 1, 2 and 3 emissions 50% by 2030 from a 2021 base year.

A constituent part of this near-term target is to commit to reduce Scopes 1 & 2 GHG emissions 90% by 2030 from a 2021 base year.

In the long term, Gamma commits to reach net-zero GHG emissions across the value chain by 2042. This will incur at least a 90% total reduction across all GHG scopes from the 2021 base year.

As a result, the following table shows the required emissions reduction to fulfil these targets.

Since the 2021 baseline, Gamma has reduced Scope 1 & 2 emissions beyond the required trajectory of the Group's near-term net-zero target. The Company has achieved this by identifying significant emissions sources and has taken direct action to reduce environmental impact, for example, transitioning to an all-electric fleet (via PHEVs), reducing the power requirement of the dedicated data centre, removal of gas boilers and procuring renewable energy.

Conversely, Gamma has seen a lag in emissions reduction when accounting for the value chain, driven primarily by a rise in purchased goods and services emissions from 2021 to 2023.

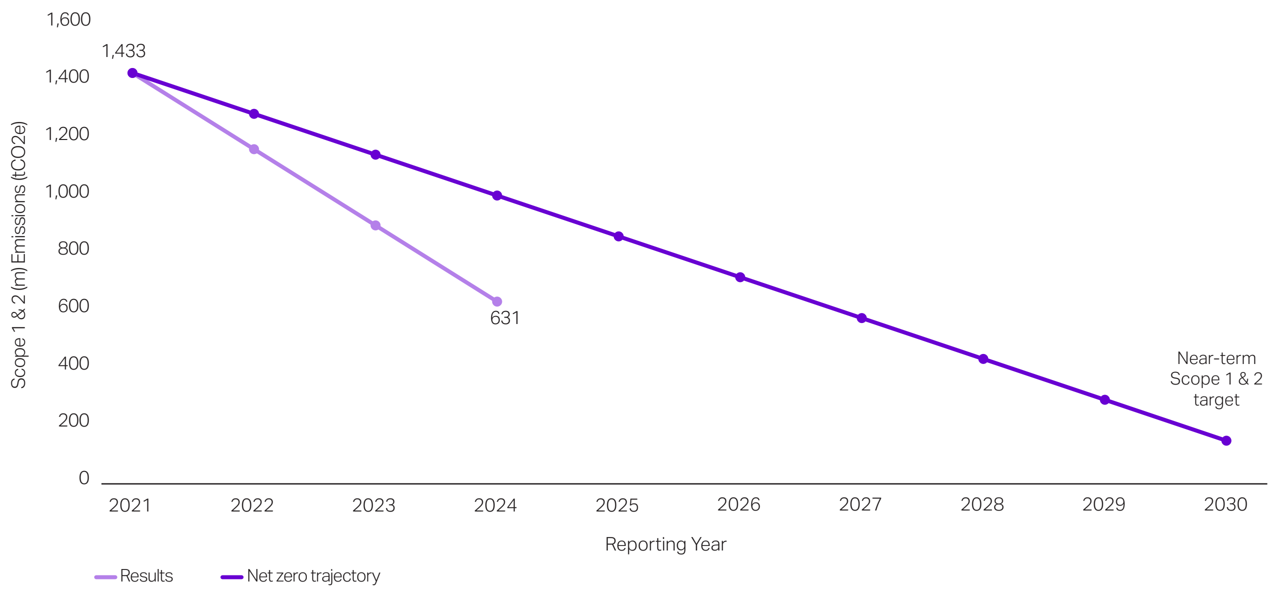
At present, Gamma is reliant on a spend-based calculation for the majority of supplier emissions. Gamma inherits emissions based on Group spend relative to supplier emissions and total revenue.

Emissions reduction targets

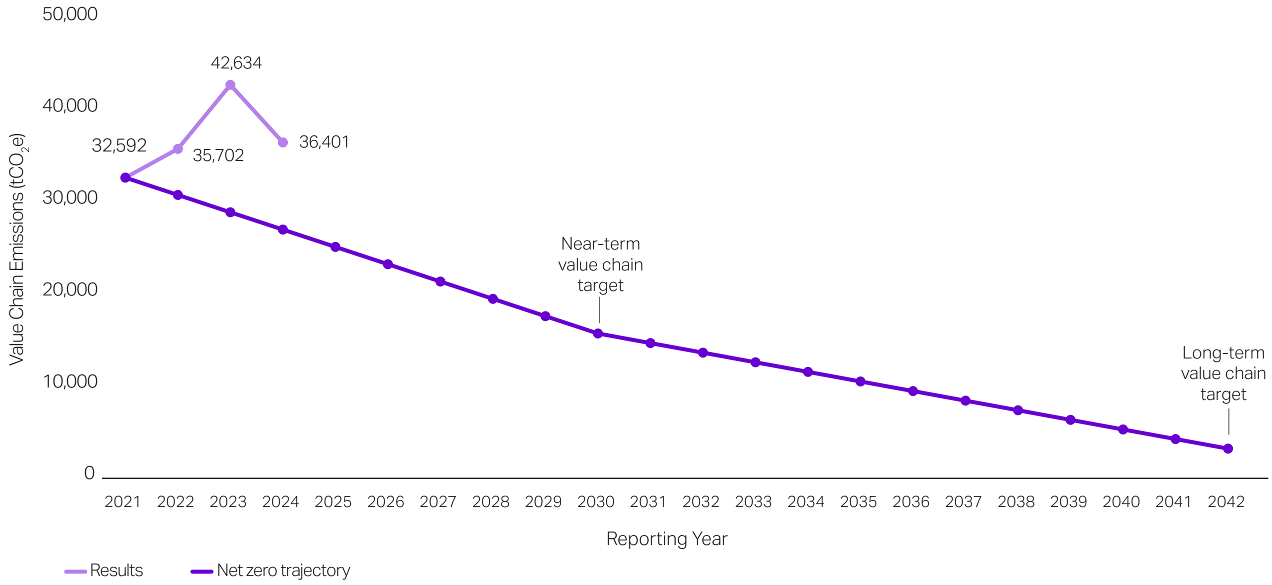
	2021 Baseline year (tCO_2e)	2030 Short-term target (tCO_2e)	2042 Long-term target (tCO_2e)
Scope 1	439.90	43.99	43.99
Scope 2	993.10	99.31	99.31
Scope 3	31,158.80	15,579.40	3,115.88
Total	**32,591.80**	**15,722.70**	**3,259.18**

Note, total reduction for 2030 exceeds 50% from baseline due to Gamma's aggressive carbon reduction target for Scope 1 & 2 emissions by the end of the decade.

Scope 1 & 2 (m) Net Zero Emissions Trajectory



Value Chain Net Zero Emissions Trajectory



From 2021-2023 emissions increased as Gamma's spend with suppliers out-paced decarbonisation efforts in the supply chain. However, as anticipated (and disclosed in previous reports), supplier emissions have fallen for the first time, year-on-year in 2024.

The Company expects this trend to continue, with supplier emissions falling further in the run-up to 2030. This is evidenced by the increase in reporting of emissions throughout the supply chain as well as an increase in net-zero commitments, for example SBTi target validation and responses to reporting frameworks such as the CDP.

Although Gamma has been certified as a CarbonNeutral® company since 2006, it is not the intention of Gamma to use carbon offset investments to realise carbon reduction. In the transition to net-zero emissions by 2042 Gamma will continue to take action to mitigate emissions beyond its operational value chain.

Gamma works with a carbon market specialist to independently validate its data and help align purchases to its selection criteria. The CarbonNeutral® certification covers Gamma's full Scope 1, Scope 2 and Scope 3 emissions in line with The Carbon Neutral Protocol.

The purchase of carbon credits is considered in line with its support for the UN SDGs. All of the carbon credits purchased and retired by Gamma are independently verified against leading voluntary standards: Gold Standard, Verified Carbon Standard ("VCS"), Climate, Community and Biodiversity ("CCB").

The Company acknowledges that carbon offsets have come under more scrutiny over the past few months. Gamma has always invested in projects that are independently verified, financially viable and sustainable, and it believes that this investment provides critical finance to accelerate the world's transition to a low-carbon future. Gamma intends to remain CarbonNeutral® whilst undertaking carbon reduction activities across the Group.

Gamma will continue in its reporting against mandatory requirements and provide evidence of its progress towards these targets. Disclosures include the Company's development of carbon reduction plans, energy reviews, SECR, as well as ongoing submission to CDP.

Gamma's approach to governance

Gamma understands the importance of having a well-established governance regime across its business and how fundamental this is to its continued success.

Gamma recognises that different governance structures are appropriate at different stages of a company's development and as a rapidly growing business it is seeking to keep the maturity of governance structures in line with the level that would be deemed appropriate for the size of the business.

The Board is responsible to the shareholders for the proper management of the Group and more on corporate governance can be found in the Governance report.

Management oversees the establishment of controls across the Company which are managed through a combination of internal frameworks and externally recognised and audited standards. These take the form of Group and local-level administrative and technical controls. Examples of which may be access to internal systems, critical processes such as commercial approval or the management of network change, and policies setting expectations upon its employees and its stakeholders. These internal controls align to and inform Gamma's corporate governance ensuring Board-level oversight.

Governance process

Gamma's risk management framework is closely coupled to its governance priorities and this connection ensures that these priorities are owned and managed at a suitable level within the Company.

Gamma continues to be subject to both internal and external audit of various controls and drives a continuous improvement ethos.

The policy framework ensures its policies are owned, defined, implemented and updated in an effective way. Specifically, this framework encourages greater consistency in policy design, clear behavioural guidelines and encourages greater use of conformance measures. All Group policies are reviewed and approved annually by the Board. All policy is governed by the internal governance team to drive consistency.

Current published Group policies include:

- Anti-Bribery and Corruption
- Data Protection
- Environmental Management
- Equality, Diversity and Inclusion
- Ethical Conduct
- Information Security
- Political Contributions
- Political Lobbying
- Risk Management
- Share Dealing
- Whistleblowing

Current UK policy includes:

- Ethical Procurement

The Company wants to ensure that it continues to empower employees to challenge boundaries whilst avoiding unnecessary risk.

External certifications

Gamma holds various certifications within its UK business and it is the intention to apply common standards to its recently acquired subsidiaries within the UK and Europe. Gamma UK is certified to:

- ISO 27001: Information Security, certified since 2012 (Gamma Benelux since 2021)
- ISO 22301: Business Continuity Management, certified since 2013
- ISO 14001: Environmental Management, certified since 2013
- ISO 9001: Quality Management, certified since 2003
- Cyber Essentials Plus, certified since 2021
- PCI-DSS certification for SmartAgent since 2020
- CREST: SOC certified for Satisnet since Jan 2025

Gamma brought its standards under a single Integrated Management System ("IMS") in 2023, which ensures greater consistency in the way in which these standards are managed across the Gamma Group.

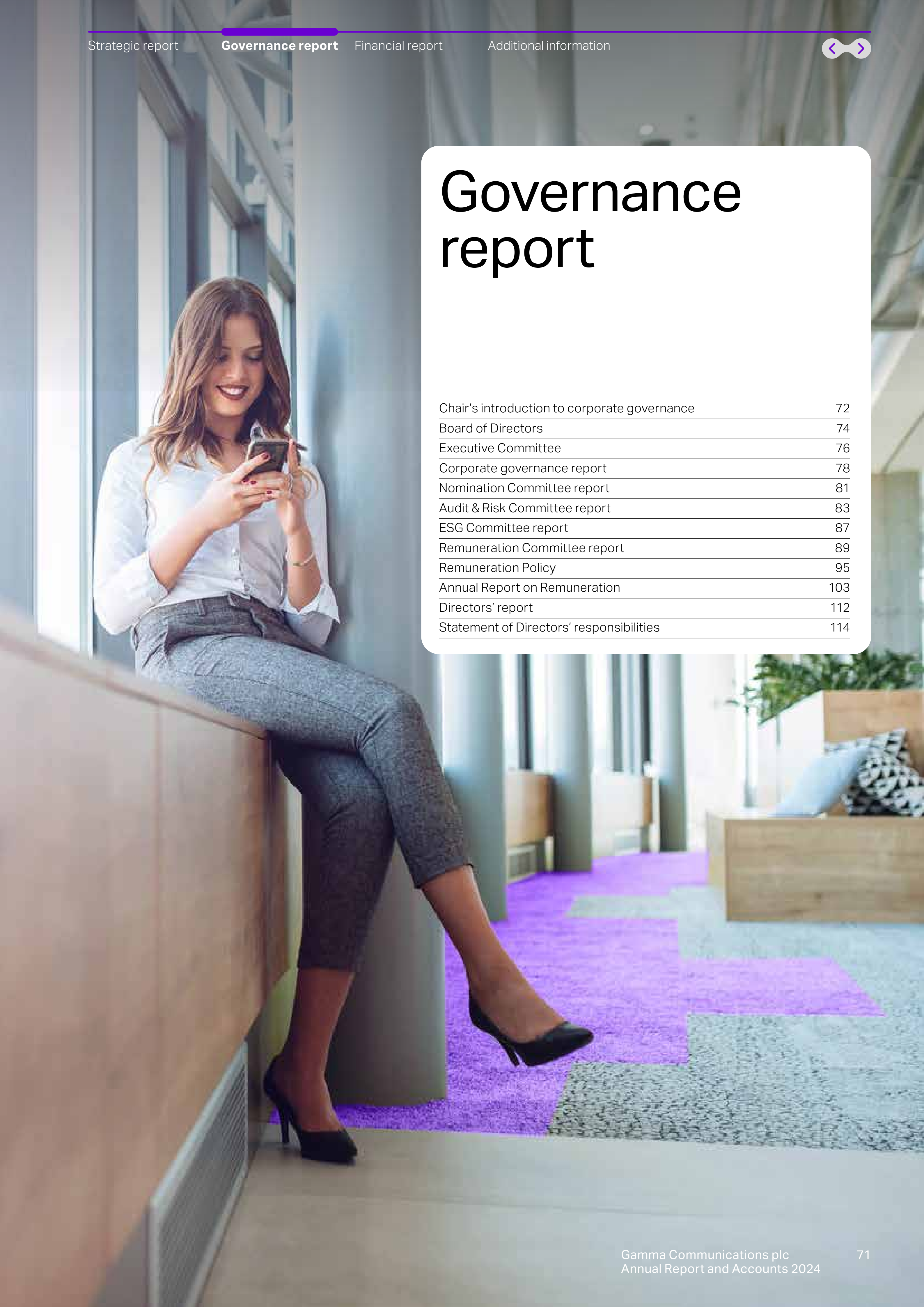
Internal audit

Gamma's internal audit structure ensures it reviews a wide range of capabilities that align to its ISO certifications and principal risks. The output of the audits is shared with the teams subject to the audit to ensure a culture of continuous improvement is maintained.

Since the introduction of ISO standards within the Company, Gamma has been conducting regular internal audits to assure ongoing compliance. In addition, Gamma's UK business is regularly and successfully audited by its larger Enterprise and Public Sector customers covering contractual requirements around items such as security, general processes and operational governance.

The Strategic report was approved by the Board of Directors on 24 March 2025 and signed on its behalf by:

Bill Castell
Chief Financial Officer



Governance report

Supporting high standards of corporate governance

Martin Hellawell
Chair

Dear shareholder,

Welcome to the Corporate governance report for the year ended 31 December 2024, which I am pleased to present on behalf of the Board. Gamma continues to uphold the highest standards for a large publicly quoted company and, as disclosed earlier in the Annual Report, the Board took the decision during the year to commence the process to move its listing from AIM to the Main Market. This decision was underpinned by an acknowledgement that we are already operating with robust governance practices in place, and have iteratively improved our reporting in recent years to be increasingly comparable to Main Market listed companies. We believe that solid corporate governance is essential, and we are committed to ensuring the integrity of both our processes and of those of the Group as a whole.

Corporate Governance Code

We continue to support high standards of corporate governance and continued to adopt the QCA Code (2018 version) during 2024. The Group's Corporate Governance Code Compliance document, approved on 6 September 2024, is available on the Company's website.

Subject to the successful move to the Main Market in mid-2025, we expect to report against the UK Corporate Governance Code as published in January 2024 in the 2025 Annual Report. We have made changes to this Annual Report to continue the journey towards full compliance with the UK Corporate Governance Code.

The Board

During the year, we have continued to keep under review the composition of the Board and its Committees to ensure that we have the right balance of skills, independence, experience and diversity, and further information is provided on the Committee changes in the Nomination Committee report. As reported last year, Henrietta Marsh retired from the Board following the 2024 AGM. There were no other changes to the Board during the year.

Remuneration

The Company's Remuneration Policy is designed to ensure that the Company can attract, retain and motivate Executives and senior management of the right quality to enable the Company to fulfil its objectives and longer-term potential. Please refer to the Directors' Remuneration report for further details around Executive pay.

Relations with shareholders

Communication with shareholders is given high priority by the Board and is undertaken through press releases, general presentations at the time of the release of the annual and interim results and face-to-face meetings. The Group issues its results promptly to individual shareholders and also publishes the same on the Company's website.

To ensure that the members of the Board develop an understanding of the views and concerns of major shareholders, there is regular dialogue with institutional shareholders, including meetings with the Executive Directors after the announcement of the Company's annual and interim results. The Board aims to use the AGM to communicate with private and institutional investors and welcomes their participation.

I initiated a programme of meeting with our major shareholders in 2024, which I have expanded on in this report. In early 2025 the Remuneration Committee, on behalf of the Board, consulted with major shareholders on changes to executive pay and the implementation of the Remuneration Policy. Further information can be found in the Remuneration report.

Looking ahead

Given the focus on the move to the Main Market in 2025, the Group's commitment to strong corporate governance and risk management will remain critical. We are already looking ahead to reporting against the UK Corporate Governance Code in next year's Annual Report.

Martin Hellawell
Chair and Independent Non-Executive Director

24 March 2025

Corporate governance framework

The Board has a clear corporate governance framework, as illustrated below, with clearly defined responsibilities and accountabilities designed to safeguard and enhance long-term shareholder value, and provide a robust platform to realise the Company's strategy.

BOARD OF DIRECTORS

The Board has adopted a document that sets out the division of responsibilities between the Chair, Chief Executive Officer and Senior Independent Director, which is available on the website.

Chair Responsible for the leadership of the Board.	Martin Hellawell	Chair and Independent Non-Executive Director
Executive Directors Responsible for running the Company's business.	Andrew Belshaw Bill Castell	Chief Executive Officer Chief Financial Officer
Non-Executive Directors Bring an independent perspective to decision-making; hold senior management to account; support and mentor the CEO and senior management.	Rachel Addison Charlotta Ginman Shaun Gregory Xavier Robert	Senior Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director

BOARD COMMITTEES

Audit & Risk Committee
The Audit & Risk Committee is responsible for ensuring the financial integrity of the Group through the regular review of financial processes, including internal controls, and performance. It confirms to the Board that all material financial reporting is fair, balanced and understandable. It is also responsible for oversight of the internal audit function and the relationship with the external auditor, monitoring its performance and reviewing the scope and terms of its appointment, engagement and removal. During 2024 we merged the Audit and Risk Committees and hence this committee now also has a duty to carry out a robust assessment of the principal risks facing the Company.

Audit & Risk Committee report
Page 83

Remuneration Committee
The Committee is primarily responsible for determining and agreeing with the Board the broad policy for the remuneration and employment terms of the Executive Directors, Chair and other senior executives.

Remuneration Committee report
Page 89

Nomination Committee
The Nomination Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any Committees of the Board. The Committee also oversees succession planning for the Executive Directors and Executive Committee members.

Nomination Committee report
Page 81

ESG Committee
The main purpose of the Committee is to represent the Board in defining the Company's strategy relating to ESG matters and in reviewing the practices and initiatives of the Company relating to those matters, ensuring they remain effective and up to date. It oversees the development of the Group's ESG strategy and makes recommendations to the Board. It also oversees the establishment of policies and codes of practice and their effective implementation.

ESG Committee report
Page 87

Our highly experienced Board

Our Board blends industry expertise with public company experience.

Key to Committees

●	Committee Chair
A&R	Audit & Risk
N	Nomination
REM	Remuneration
ESG	ESG

Martin Hellawell

Chair and Independent Non-Executive Director

Appointed to the Board: 2023

Committee membership: N
The Board Chair attends all Committee meetings as a guest.

Martin was appointed as Gamma's Chair on 1 July 2023. He joined Softcat plc in 2006 and held executive positions until 2018 as Chief Executive Officer and Managing Director, during which he led the Company through a highly successful IPO and its first two years as a PLC. He took on the role of Chair of Softcat in 2018 and stood down at the end of July 2023. Prior to Softcat, Martin spent 13 years at Computacenter plc, where he was responsible for the marketing function, ran Computacenter's French subsidiary and led acquisitions in the United Kingdom, Belgium and Germany.

Other roles:
Martin is Chair of Raspberry Pi Holding plc.

Nationality: British

Andrew Belshaw

Chief Executive Officer

Appointed to the Board: 2014

Committee membership: ESG

With a background as a Chartered Accountant, Andrew has worked in both audit and corporate finance at Deloitte LLP and Ernst & Young, specialising in providing advice to a wide range of clients in the technology sector. After leaving private practice, Andrew worked alongside the commercial director in a new business development role at Xansa plc before joining Gamma in 2007.

Andrew has a degree in Maths from St John's College, Cambridge and gained an MBA from Warwick Business School. He is a Fellow of the Institute of Chartered Accountants in England and Wales.

Andrew was promoted to CEO in 2022 having formerly been Gamma's CFO.

Other roles: None

Nationality: British

Bill Castell

Chief Financial Officer

Appointed to the Board: 2022

Committee membership:

Bill joined Gamma in 2022 from OVO Energy, where he held the role of Chief Financial Officer. Before joining OVO Energy in 2020, Bill spent three years at Virgin Media which he joined as Deputy Chief Financial Officer and later became acting Chief Financial Officer. From 2005 to 2017, Bill was at Barclays Bank where he held a number of senior finance roles including Chief Financial Officer at Barclays Corporate Bank and Chief Financial Officer of Barclaycard Europe.

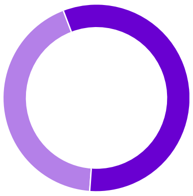
Bill started his career as an Officer in the British Army and, as a qualified accountant (FCA), has worked in the technology, media and telecom sector as an auditor at Deloitte and investment banker with Goldman Sachs.

Bill is a Fellow of the Institute of Chartered Accountants in England and Wales.

Other roles:
Bill is also a Non-Executive Director of the Financial Ombudsman Service.

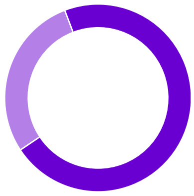
Nationality: British

Tenure since listing in 2014



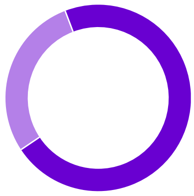
0-3 years	4
+3 years	3

Independence



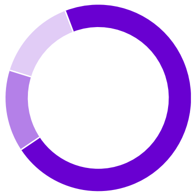
Independent Non-Executive	5
Executive	2

Board gender



Male	5
Female	2

Board nationality



British	5
Finnish/British	1
French	1

Rachel Addison

Senior Independent Non-Executive Director

Appointed to the Board: 2022

Committee membership: REM A&R

Rachel has nearly 30 years of finance and operational management experience. She has held several senior financial, operational and board level roles including at Future plc (CFO), TI Media Limited (CFO), Reach Regionals (Managing Director), Local World Limited (CFO and COO), Northcliffe Media Limited (CFO and COO) and Boots the Chemist where she was Head of Risk Management.

Rachel is a chartered accountant and is a member of the Institute of Chartered Accountants in England and Wales.

Other roles:
Rachel is currently a non-executive director of Marlowe plc, a business-critical services and software provider; Hollywood Bowl plc, a leading international leisure operator of ten-pin bowling centres; Watkin Jones plc, housing developer and manager of student and build to rent accommodation; and Wates Group, a privately-owned construction, residential development and property services business.

Nationality: British

Shaun Gregory

Independent Non-Executive Director

Appointed to the Board: 2022

Committee membership: ESG REM

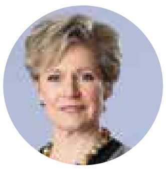
Shaun has had an extensive career across media, advertising and telecommunications spanning over 30 years. He has held senior roles across Emap PLC, Telegraph Media Group, Blyk and Telefonica. More recently, he has been the CEO of EMG Group, Exterion Media and IYUNO Media Group.

Shaun has also been a Non-Executive Director on many company boards, including WEVE, Telefonica's WAYRA, Ocean Outdoor, Bliss Media and Proxama. He has also served on a number of Trade Body Boards, including the MMA and the Advertising Association.

Shaun studied at both Ashridge and Wharton Business School.

Other roles:
Shaun is currently non-executive chair of Acclaro, a US-based translation services and localisation technologies company; an independent non-executive director of HYGH, a digital advertising business based in Germany; a board member of Childline (NSPCC); and chairs the Advisory Board for The Sheffield Children's Hospital.

Nationality: British



Charlotta Ginman

Independent Non-Executive Director

Appointed to the Board: 2020

Committee membership: A&R N

Charlotta began her career at Ernst & Young, where she qualified as a Chartered Accountant. She was then appointed to a series of senior roles in investment banking with UBS, Deutsche Bank and JP Morgan both in London and Singapore, where she gained considerable M&A transactional experience.

Charlotta has also held senior roles within Nokia Corporation, including acting as CFO of its luxury mobile phone division Vertu Corporation Limited.

Other roles:
Charlotta is a non-executive director and audit committee chair of JPMorgan Indian Investment Trust plc, a non-executive director of VinaCapital Vietnam Opportunity Fund Limited; senior independent director and audit committee chair of Boku Inc (AIM); and senior independent director of Unicorn AIM VCT PLC, a Venture Capital Trust (AIM).

Nationality: Finnish/British

Xavier Robert

Independent Non-Executive Director

Appointed to the Board: 2020

Committee membership: REM A&R N

Xavier is a senior private equity professional with more than 25 years of experience in M&A and investment deal experience across Europe and the US. He is the Chief Investment Officer of the global private equity firm Bridgepoint and sits on the Executive and Investment Committees. Previously Xavier was in charge of technology investment globally for Bridgepoint.

Other roles:
Xavier is chair of Qualitest, the largest privately owned software testing company. He is also on the boards of Kyriba, the number one software solution for corporate treasury management; MiQ, the number one programmatic advertising company; and 73Strings, a leading software solution for asset managers.

Nationality: French

Introducing our Executive Committee

We have a strong and talented leadership team which supports the Board and is responsible for day-to-day operations within the business.

Andrew Belshaw

Chief Executive Officer

Biography available on page 74.

Bill Castell

Chief Financial Officer

Biography available on page 74.

Chris Bradford

Chief People Officer

Chris joined Gamma in 2021 to lead the Company's People and Engagement strategy, having worked as a board-level HR leader, and subsequently as a consultant, on business transformation and organisation design programmes for organisations across multiple sectors and geographies such as Vodafone, Equinix, Aviva Investors, the Financial Ombudsman Service and the British Olympic Association.

She holds a first class honours degree in English from Leeds University.

Xavier Casajoana

Chief Executive Officer – Spain

Xavier joined Gamma in April 2020 following Gamma's acquisition of VozTelecom.

After more than ten years in Information Systems Management, Xavier joined Worldonline as Director of Information Systems. After it merged with Tiscali, he became Director of the Business Services Division and later held the role of General Manager for Spain. In February 2003 he co-founded VozTelecom as the CEO.

He has a degree in Computer Science from UPC and a Master in Business and Technology from the URL, as well as specialised degrees in Marketing from ESADE and Management from IESE.

Colin Lees

Chief Technology Officer

Colin joined Gamma in January 2024 from Openreach where he spent five years as Chief Technology and Information Officer. During this time, he designed and built the IT & Network platforms which underpinned the UK's largest full fibre rollout.

Prior to this Colin held a number of leadership roles at the BT Group, including CTO of the BT Group Consumer & Business divisions, driving IT transformation and launching a range of new products – including Business VOIP platforms, BT Sport and the first BT Business hub with integrated fixed and mobile services.

Colin is a graduate of Queen's University Belfast with a degree in Computer Science.

David Macfarlane

Managing Director – Gamma Enterprise

David joined Gamma in 2012 following Gamma's acquisition of his last start-up communications business, Varidion Limited, and built Gamma's direct go-to-market organisation. He is responsible for driving growth of our Enterprise and Public Sector market share across Europe as Managing Director of our Gamma Enterprise business unit.

A passionate advocate for technology disruption and an engineer by trade, David has built, owned and run multiple IT and communication service providers that have challenged and changed how organisations buy and use business technology.

Before this, David had senior IT roles in the NHS, a large city law firm and a brokerage house, and was the co-founder and CTO at Sirocom Limited and Group CTO at Azzurri Communications.

Rachael Matzopoulos

Company Secretary

Rachael was appointed as Company Secretary of Gamma in January 2023 having previously gained governance experience in a variety of large multinational listed groups, most recently at GSK plc and Videndum plc. As Company Secretary, she is responsible for advising the Board, through the Chair, on all governance matters.

She is a Fellow of the Chartered Governance Institute and has a Masters degree in Business and Management from the University of Glasgow.

John Murphy

Managing Director – Gamma Business

In June 2024, John was appointed as Managing Director – Gamma Business, having previously been appointed as COO in 2023.

John joined Gamma in 2011 bringing more than 15 years of experience delivering successful transformation programmes in financial services, utilities and telecoms sectors. After eight years as a change management consultant, he then took an operational role for Gamma in 2013 and since that time has worked in various senior roles, overseeing customer services to Channel Partners and Service Providers.

Chris Wade

Chief Marketing and Product Officer

Chris joined Gamma in December 2020 from Aptitude Software where he held the role of Chief Product Officer. Prior to this Chris held a number of leadership roles in strategy, product management and marketing in several different operating businesses within The Sage Group plc, one of the leading providers of business management solutions to SMEs globally.

Chris holds a MPhys in Physics from Jesus College, Oxford.

Gerben Wijbenga

Chief Executive Officer – Northern Europe

Gerben joined Gamma in August 2020 taking full responsibility for business activities across the Netherlands and Belgium. In 2023, he combined this activity with running our German business, becoming Gamma's CEO of Northern Europe.

Gerben started his career at KPN where he worked for ten years. After KPN, Gerben was Directeur Général at Simyo France and CEO at Ortel Mobile, an MVNO with activities in six countries. Gerben spent time at Telefonica (Deutschland) and Tele2 (the Netherlands), where he was the CEO of Blau Mobilfunk and Managing Director of the Consumer market, respectively. In his most recent role before joining Gamma, Gerben was CEO at Lebara Deutschland, a market leading MVNO based in Düsseldorf.

Corporate governance report

Operation of the Board

The Board comprises seven Directors: five Non-Executive Directors and two Executive Directors, reflecting a blend of different experience and backgrounds.

The Board regards all the Non-Executive Directors, being Martin Hellawell, Rachel Addison, Charlotta Ginman, Shaun Gregory and Xavier Robert, as Independent Non-Executive Directors within the meaning of the QCA Corporate Governance Code (2018 edition) ("QCA Code").

The Board is responsible to shareholders for the proper oversight of management of the Group. It meets regularly to review trading performance, set and monitor strategy, examine acquisition and divestment possibilities, approve major capital expenditure projects and other significant financing matters, and report to shareholders. The Board delegates authority to management for the day-to-day business under a set of delegated authorities which cover operational matters, purchasing procedures, financial authority limits, contract approval procedures and the hiring of full-time and temporary staff and consultants.

Matters for review by the Board are communicated in advance of formal meetings. All of our Directors are subject to election by shareholders at the first AGM after their appointment to the Board. Thereafter, all Directors are subject to annual re-election by shareholders at each AGM.

Time commitment

The Executive Directors are expected to devote substantially the majority of their time, attention and ability to their duties, whereas the Non-Executives have a lesser time commitment. The Non-Executive Directors are required to spend sufficient time in the business to discharge their responsibilities. Typically, this is 50 to 60 days per year for the Chair, around 30 days per year for Independent Non-Executives with Chair of Committee responsibilities, and around 25 days for Non-Executives. The Chair and Non-Executive Directors have other third-party commitments including directorships of other companies. As part of the annual Board evaluation, the time commitment of Directors' other roles is considered, and the Board remains satisfied that these associated commitments have no measurable impact on their ability to discharge their responsibilities effectively.

Full biographical details for all Directors can be found on pages 74 and 75. The Executive Directors are permitted to have third-party commitments with the permission of the Chair. The CFO has one external appointment, details of which are included on page 74. The CEO has no external commitments.

During 2024, certain Directors who were not Committee members attended meetings of various Committees by invitation and this included the Chair attending all Committee meetings. These details have not been included in the attendance table. Where a Director is unable to attend meetings of the Board or of Board Committees of which they are a member, such Director is expected to review the relevant papers for the meetings and provide their comments to the Board or the Board Committees in advance of such meetings. This occurred on the one occasion when a Director was unable to attend in 2024.

Training and development

New Directors receive an induction on their appointment to the Board which covers the activities of the Group including key market and product information, key business and financial risks, the latest financial information, and the terms of reference of

Board meeting attendance

	Board meeting (scheduled)	Audit & Risk Committee (from 21 May 2024)[1]	Remuneration Committee	Nomination Committee	Risk Committee[2]	ESG Committee
Current Directors						
Executive Directors						
Andrew Belshaw	7/7	n/a	n/a	n/a	n/a	3/3
Bill Castell	7/7	n/a	n/a	n/a	1/1	n/a
Non-Executive Directors						
Martin Hellawell[3]	7/7	n/a	n/a	3/3	n/a	1/1
Rachel Addison	7/7	4/4	6/6	n/a	1/1	n/a
Charlotta Ginman	7/7	4/4	n/a	3/3	1/1	n/a
Shaun Gregory	7/7	n/a	6/6	n/a	n/a	3/3
Xavier Robert[4]	7/7	2/2	5/6	3/3	1/1	n/a
Former Directors						
Henrietta Marsh[5]	2/2	2/2	3/3	2/2	n/a	2/2

For changes in Committee memberships please see the Committee reports.
Meeting figures above are reflective of individuals' membership of the Board/Committee.
No Board meetings were held at short notice during the year.

1 These figures state the number of Audit Committee and Audit & Risk Committee meetings held during the year.
2 The Risk Committee was merged with the Audit Committee with effect from 21 May 2024 hence only one meeting of the Risk Committee was held in 2024.
3 Martin Hellawell joined the ESG Committee on 21 May 2024 and had attended the two meetings earlier in the year as an attendee.
4 Xavier Robert was appointed to the Audit & Risk Committee on 21 May 2024. He did not attend the Remuneration Committee held on 29 April 2024 as it was called at short notice.
5 Henrietta Marsh retired from the Board on 21 May 2024.

the Board and its Committees. As part of the induction process, meetings with all Board members, Executive Committee members and external advisers are held. A detailed induction plan is drafted for incoming directors, further detail on which is set out in the Nomination Committee report.

The Board members ensure that they keep their skills up to date. They are made aware of accounting, regulatory, governance and legal changes via papers submitted to the Board, presentations and external documents circulated by the Company Secretary or external advisers. An annual review of compliance with the AIM Rules is provided at least annually, and was received on appointment of the new Nominated Adviser during the year, Peel Hunt.

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. In addition, the Company Secretary will ensure that the Directors receive appropriate training as necessary. The appointment and removal of the Company Secretary is a matter for the Board as a whole. All Directors are supplied with information in a timely manner in a form, and of a quality, appropriate to enable them to discharge their duties. The intention is for Board papers to be circulated five working days before each meeting.

Board performance

The Company has a formal process of annual performance evaluation for the Board, its Committees and individual Directors. The Board and its Committees are satisfied that they are operating effectively.

Following the internal evaluation completed at the end of 2023, a list of key takeaways and recommendations was produced and has been used to shape the Board's discussions and improve effectiveness during 2024. For example, the structure of the Board agenda was reviewed before each meeting to ensure that appropriate time was given to strategic matters; a deeper focus was given to M&A, with the creation of an M&A Committee to support the Board's review of potential acquisitions; more time was spent with the ExCo to improve understanding of technical matters; and the Nomination Committee adopted a more structured approach to ExCo succession planning.

Board activities in 2024

Strategy

- Approved the acquisitions of Coolwave Communications, BrightCloud and Placetel (and STARFACE in January 2025).
- Entered into a commitment with Cisco relating to the purchase of licences.
- Reviewed other potential acquisition targets which did not complete or were ongoing at year end.
- Approved the five-year strategic plan.
- Review the capital allocation policy and approved a share buyback programme.
- Reviewed product strategy and approved a new opportunity with a key customer.
- Reviewed external market changes via a presentation from a third-party consultant.
- Reviewed relationships with key suppliers.
- Approved a major customer contract.
- Received an update on the M&A process and appointed a standing M&A Committee.
- Approved the appointment of a new Nominated Adviser and joint corporate broker.

Operational

- Received updates on the Technology function and key projects following the appointment of the Chief Technology Officer.
- Received a presentation on customer service.
- Approved renewal of insurance policies.
- Approved a lease extension of the Manchester office at Arbeta.

Financial performance

- Monitored 2024 performance against the approved budget.
- Approved the 2023 Annual Report and Accounts and determined they were fair, balanced and understandable.
- Approved the 2024 half-year results.
- Approved the final dividend for 2023 and 2024 interim dividend.
- Approved the 2024 budget.
- Received reports from the Audit & Risk Committee concerning the overall level of financial governance of the Group.

Corporate governance

- Initiated the required workstreams to move to the ESCC listing category of the Main Market of the London Stock Exchange.
- Reviewed and approved the Notice of AGM and corporate governance disclosures.
- Considered the key provisions of the QCA Code and its application to the Company.
- Reviewed and approved the Matters Reserved for the Board, each of the Committees' Terms of Reference, and the Roles and Responsibilities of the Chair, CEO and SID.
- Chair and Non-Executive Directors met without the Executive Directors present.
- Reviewed and approved Group-level policies and the Modern Slavery Statement.
- Received regular reports from Chairs of the Committees on matters discussed.
- Reviewed output from the 2023 internal Board evaluation.
- Approved the appointment of Deloitte as the external auditor following a tender process.

Risk

- Reviewed the status of the principal risks and progress with the implementation of any mitigation plans.
- Approved the Group's risk appetite and associated statements.
- Received updates on regulatory developments.

People and culture

- Discussed talent, diversity and succession planning.
- Discussed senior management changes and the impact on operations.
- Reviewed the results of the employee surveys.
- Reviewed updates regarding health and safety within the Group.
- Met with representatives of the workforce as part of a programme of work overseen by the Workforce Engagement Director.

Shareholders

- Reviewed feedback following the virtual investor roadshows and other institutional shareholder meetings.
- Received feedback from the Chair on his individual meetings with the Company's largest shareholders.

The Board agreed that an internally facilitated performance review would again be undertaken in 2024. The process remained the same as in 2023 to ensure consistency and to allow for tracking of progress year-on-year. This comprised an online questionnaire, the scope of which included evaluation of the performance of the Board, the Board Committees, individual Directors and the Chair. The results were discussed between the Chair and each Director individually, along with collectively during a Board meeting. The Senior Independent Director also spoke with the Non-Executive Directors separately to obtain feedback on the Chair's performance. The Board continues to believe it is operating effectively, and has identified further areas for improvement in 2025, further detail on which is set out in the Nomination Committee report.

The Chair meets regularly with each Non-Executive Director, including following the board evaluation process, so that a conversation about Directors' findings can be discussed on an individual basis and feedback implemented as appropriate.

At the end of each meeting, the Directors provide immediate feedback to the Chair on how the meeting has progressed and recommended improvements for the subsequent meeting.

Committees

The Board's four appointed Committees deal with specified aspects of the Group's affairs and a description of each one can be found on page 73. All Committees operate under written terms of reference which are available on our website.

M&A Committee

The Board has established a further sub-committee to review and make initial recommendations on potential acquisitions. The Committee's appointed members are Martin Hellawell, Xavier Robert, Shaun Gregory, Andrew Belshaw and Bill Castell, and it met formally six times in 2024.

Stakeholder engagement

Relations with shareholders

Communication with shareholders is given high priority by the Board and is undertaken through press releases, general presentations at the time of the release of the annual and interim results and face-to-face meetings. The Board is supported in its communication with shareholders by its joint brokers and financial PR agency, and through its relationships with the analyst community and media. The Group issues its results promptly to shareholders and also publishes the same on the Company's website. Regulatory news in relation to the Company is published on our website.

In order to ensure that the members of the Board develop an understanding of the views and concerns of major shareholders, there is regular dialogue with institutional shareholders, including meetings after the announcement of the Company's annual and interim results. The Board aims to use the AGM to communicate with private and institutional investors and welcomes their participation. All the Non-Executive Directors and, in particular, the Chair, the Senior Independent Non-Executive Director and the Remuneration Committee Chair are available to meet with major shareholders.

In October 2024 we wrote to our top 30 shareholders along with the key proxy advisory bodies, to offer them a meeting with myself as your Chair. I met representatives from around half of those contacted, and discussed matters including strategy, governance, management and the Board, acquisitions, the move to the Main Market, capital allocation and the share buyback, and ESG. These were extremely informative meetings which allowed me to gain a deeper understanding of shareholders' views.

Relations with employees and employee engagement

The Group recognises the importance of employees to the success of the business and ensures that they are fully informed of events that directly affect them and their working conditions. Information on matters of concern to employees is given in briefings that seek to provide a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance through attendance at face-to-face meetings and employee webinars which take place regularly throughout the year. In addition, there is also a process in place which allows employees to contact the CEO anonymously if they wish to bring items to the attention of the Board. Martin Hellawell, Chair, acts as the Workforce Engagement Director, the designated Non-Executive Director responsible for engagement with the workforce.

During 2024, we organised a roundtable between Gamma's Non-Executive Directors and mid-level managers with tenures ranging from two to 17 years. These managers, overseeing various team sizes, also included employees from some of our recently acquired businesses, Satisnet and Pragma. The roundtable session was well-received, providing a valuable platform for managers to voice their opinions and engage in meaningful discussions. Gamma's strong culture is a significant asset, and managers feel supported, with employee progression from apprenticeships and entry-level roles being particularly encouraging. Overall, the feedback was very positive, emphasising key initiatives such as peer-to-peer support mechanisms and enhanced management support and guidance.

I also held a focus group with Gamma's internal You Belong community leaders to discuss the key successes and challenges our communities faced throughout 2024. Further detail on our communities can be found in the Our people section. The session elicited constructive and robust feedback on workforce engagement, business support, and strategies to advance our key aims into 2025.

Alongside these activities, I reviewed the analysis for the most recent biannual engagement survey conducted across the Gamma Group, to further deepen my understanding of employee feedback and the proposed actions to be taken by management. Detail on the survey and actions can be found in the Our people section.

Further detail on our engagement with stakeholders can be found in the Strategic report on page 42 onwards.

Signed on behalf of the Board by:

Martin Hellawell

Chair and Independent Non-Executive Director

24 March 2025

Nomination Committee report

Martin Hellawell
Nomination Committee Chair

Nomination Committee

The Committee is responsible for overseeing succession planning for the Board and senior management and assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any Board Committees.

The purpose of this report is to highlight the role that the Nomination Committee plays in monitoring the Board's balance of skills, knowledge and experience and in ensuring the Board provides the diversity of thinking and perspective required for effective leadership.

The Committee is primarily responsible for:

- Leading the process and making recommendations to the Board for the appointment of new Directors.
- Regularly reviewing the Board structure, size and composition (including skills, knowledge, independence, experience and diversity), recommending any necessary changes and considering plans for orderly succession.
- Making recommendations to the Board about suitable candidates for the roles of Senior Independent Director and Workforce Engagement Director, and for membership of the Audit & Risk, ESG and Remuneration Committees, along with its own composition, in consultation with the Chairs of the relevant Committees.
- External and internal Board and Committee evaluations.

Dear Shareholder,

On behalf of the Nomination Committee, I present our report for the year ended 31 December 2024. This report sets out the Committee's key activities in 2024 as well as the Committee's priorities for 2025.

We commenced 2024 with a programme of regular meetings to consider the Board structure, size and composition, review Committee memberships, consider Board and senior executive succession planning, review output from performance evaluations which relate to Board composition, and review people metrics. All Board members were invited to join these meetings so that we form a collective view of the Board's workings, while the formal Nomination Committee will be called upon to deal with specific matters as they arise.

Board succession planning

My primary focus as Nomination Committee Chair is to consider the Board's succession plans. I have an open and ongoing dialogue with all Board Directors to discuss their roles on the Board and their views on succession planning, both for their own roles and the Board as a whole. The output from these conversations has informed the discussions held at Committee meetings in 2024 concerning succession planning for both Non-Executive and Executive Directors.

As noted in last year's report, the Nomination Committee reviewed the Board's roles and composition of its Committees and made several changes, which took effect from the close of the 2024 AGM. Rachel Addison, who has served on the Gamma Board since October 2022, assumed the role of Senior Independent Director. Changes to Committee memberships are set out in the table.

I took on the role of Workforce Engagement Director ("WED") at the close of the 2024 AGM. I have worked with the People team on an ongoing programme of meetings with our workforce which are detailed in my Governance report. I invited the Non-Executive Directors to join some of these meetings and feedback was reported to the Board.

The Committee continues to consider the composition of the Board, taking into account the skills, experience and diversity of existing Directors and the desired experience required to support the Company's evolving strategy. The Committee recognises that there are no ethnically diverse Directors on the Board and has discussed this during the year. We continue to have a clear intention to add ethnic diversity to the Board at the earliest opportunity, and to increase our gender diversity on the Board, and are mindful of the diversity disclosures required under the UK Listing Rules.

Appointments to Board Committees and Board roles

In advance of the retirement of Henrietta Marsh as a Director on 21 May 2024, the Committee reviewed the composition of the main Board Committees taking account of the skills, experience, diversity and the time required of each of the Directors in discharging their responsibilities. The key changes are set out in the table below.

Committee	Change
Nomination	No change
Remuneration	Rachel Addison appointed as Chair
Audit & Risk	Combined committee created Charlotta Ginman appointed as Chair Xavier Robert appointed as a member Bill Castell (Executive Director) and John Murphy (ExCo member) stood down as members (Bill Castell continues to attend by invitation)
Risk Committee	Merged into combined committee with Audit
ESG	Shaun Gregory appointed as Chair
SID	Rachel Addison appointed
WED	Martin Hellawell appointed

Appointment of Non-Executive Directors

While we did not appoint any new Directors in 2024, the Committee reviewed several potential candidates. Where appropriate, the Committee would engage with external consultants to support the recruitment process, to assist in defining the role specification, compiling shortlists of candidates and supporting with the interview process, to ensure that the Board continued to comprise Directors with a range of skills and experiences. The Board did not contractually engage with an external consultant to support recruitment during the year.

Director induction and ongoing training

Upon appointment, each Director is provided with an extensive and tailored induction to the Group. Induction programmes comprise meetings with all Board members and members of the Executive Committee, with key members of management below the Executive Committee and with the Company's main external advisers. For certain Board roles, meetings with some of our largest shareholders are also arranged, to learn about their views on the Company and management. Directors are given access to all previous Board and Committee agendas, papers and minutes, along with materials from recent strategy days. As an AIM traded company, newly appointed Directors receive a presentation from our broker on the AIM rules.

Directors are encouraged to sign up to externally facilitated briefings from our main advisers to receive updates on salient topics and further training for new and existing Directors is available on request from the Company Secretary.

Time commitments

All Directors demonstrated strong time commitment to their roles on our Board and Committees during the year as demonstrated in the meeting attendance table. The Directors have also given careful consideration to their external time commitments to confirm they are able to devote an appropriate amount of time to their roles on our Board and Committees.

Board and Committee evaluation

We continued our process of holding an internally facilitated evaluation in 2024, following the internal evaluation in 2023. This was again completed through the use of an online questionnaire, using near-identical content to the prior year evaluation. It was agreed to keep the questions consistent to allow for tracking of progress year-on-year. The content included questions on Board governance and processes, Committee governance and processes, strategic issues and oversight, contributions and development, Board skills and composition, and a section for open comments. All Board members participated in the questionnaire using a numerical score, along with an opportunity to comment on each of the questions.

All questions received a good or excellent score overall; no questions received an adequate or poor rating overall. The Board and each of the Committees are considered to be operating effectively, and are being run in the best interests of all stakeholders. Contributions from all Directors were pleasing and proactive support from the Company Secretary continued.

Actions from the evaluation have been documented and will be tracked throughout 2025. The Nomination Committee will continue to focus on the composition of the Board and succession planning in 2025 to ensure the appropriate balance of skills, experience, diversity and geographic knowledge. Iterative changes to Board and Committee papers will continue and, like all Boards, we are striving to ensure that we are not swamped by the quantity of papers we need to read. Further changes will be made to the structure and content of the strategy day to ensure that the Board continues to contribute effectively to discussions.

The Board intends to engage with a third-party consultant in 2025 to facilitate an external evaluation and will report on those findings in the 2025 Annual Report.

Reappointment of Directors

The reappointment of Directors is subject to their ongoing commitment to Board activities and satisfactory performance. All Directors will stand for re-election at the AGM annually. The Committee has confirmed to the Board that the contributions made by the Directors offering themselves for re-election at the AGM continue to benefit the Board and the Company should support their re-election.

Executive Committee succession planning

The Chief People Officer continues to join Nomination Committee meetings to support on succession planning discussions. Our biannual reviews focus on the Executive Directors, members of the Executive Committee and other key employees throughout the Group who have longer-term potential to grow into Gamma's future leaders.

Diversity

Gamma is committed to creating a workplace where every person feels valued and where diverse views and ideas are embraced, whilst facilitating the delivery of our strategic goals. The Board and the Nomination Committee believe that being an inclusive employer is essential for our long-term success and we are more focused than ever on recruiting, retaining and engaging the broadest range of talent at every level of our Company.

As at 31 December 2024, the Board comprised 29% female and 71% male Directors, but does not contain any ethnically diverse Directors. The Senior Independent Director is female.

The Committee is mindful of the need for ethnic and gender diversity, and the associated targets under the Listing Rules, and in considering potential candidates would ensure that longlists and shortlists for Non-Executive Directors are suitably diverse on both fronts. The Committee will also keep under review the diversity of the Executive Committee.

Martin Hellawell

Nomination Committee Chair

24 March 2025

Audit & Risk Committee report

Charlotta Ginman
Audit & Risk Committee Chair

Composition and attendance in 2024
Following the combination of the Audit and Risk Committees, the membership now comprises Charlotta Ginman, Rachel Addison and Xavier Robert. Henrietta Marsh stepped down at the Annual General Meeting in May 2024 when she retired from the Board. Bill Castell (CFO) and John Murphy (previously COO) also stepped down as part of the combination, having previously sat on the Risk Committee.

The Audit & Risk Committee, as a whole, has competence relevant to the industry with both Charlotta Ginman and Rachel Addison having recent and relevant financial and accounting experience. Biographies of the Committee members can be found on page 74.

In addition to the Committee members, meetings are also normally attended by invitation by the CEO, the CFO, the Board Chair, the Group Financial Controller, the UK CFO, the External Audit Partner, an Internal Audit representative from PwC and the Company Secretary. In addition, members of senior management attend by invitation where relevant to specific topics including risk management, tax and treasury. The Committee usually meets four times each year.

Dear Shareholder,

As Chair of the Committee, I am pleased to present the Audit & Risk Committee report for the year ended 31 December 2024. This report details the work of the Committee, and its predecessor Committees, over the past year, fulfilling our responsibilities to provide effective governance over the Group's financial and risk activities.

AUDIT & RISK COMMITTEE ("ARC")

As described in the Nominations Committee report last year, we combined the Audit and Risk Committees following our Annual General Meeting in May 2024, with the joint Committee to be chaired by Charlotta Ginman.

The Audit & Risk Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits, controls and in its duty to carry out a robust assessment of the emerging and principal risks facing the Company. The duties and responsibilities of the Audit & Risk Committee are set out in the Committee's Terms of Reference which are available on the Group's website.

The Committee reviews reports from management to consider whether significant risks are identified, evaluated, managed and controlled, and whether any significant weaknesses are promptly remedied. The ultimate responsibility for reviewing and approving the Annual Report and Accounts and the half-yearly reports remains with the Board.

Significant matters considered by the Audit & Risk Committee during the year

Key reporting matters
During the year and as part of the year-end process, the Committee considered the following key reporting matters in relation to the Group's financial statements and disclosures, with input from both management and the external auditor:

- Revenue: During the year, the Committee received an update from management in relation to the Group's revenue recognition policies and controls relating to the accuracy of Gamma Business usage revenue, together with an understanding of the results of the work performed by the external auditor in this area. The Committee was also updated by management on the accounting impacts, including related non-standard terms, of a new material multi-year contract entered into during the period. The Committee continues to be satisfied with the reporting of revenue.
- Acquisition of Placetel: Management presented its assessment of the fair value of deemed consideration related to the acquisition of Placetel from Cisco. This was a significant area of focus since the acquisition was concurrent with entering into a multi-year $51.5m global license purchase commitment with Cisco. In considering this area of focus, the Committee reviewed and discussed the fair value assessment and associated assumptions with management, which were based on Board approved five-year plans. The Committee was satisfied with the fair value recorded and also took comfort from other indicators of the valuation including multiple analysis and estimated licence usage.
- Netherlands cash generating unit ("CGU") impairment assessment: Management presented its annual impairment assessment for each CGU. The Committee challenged the calculations used, focusing in particular on the Netherlands CGU where the level of headroom had reduced since the prior year, with the Netherlands goodwill and acquired intangible assets carried at £7.0m and £4.8m respectively at 31 December 2024. The Committee was satisfied that no impairment was required based on management's analysis, including the sensitivities performed. The Committee also reviewed the additional sensitivity disclosures included in note 14.

Furthermore, we also spent time talking about significant management estimates and critical judgements in note 2, including reviewing that disclosure, as well as other acquisitions, the wider goodwill impairment assessment and going concern, where the Committee in particular challenged to ensure that the acquisition of STARFACE and the £50m share buyback programme to be executed in H1 2025 were appropriately modelled.

Internal control framework – a continuing journey
We have continued to identify our key financial controls and map our material processes in a consistent manner. There has also been a focus to ensure that a suitable minimum level of key controls are operated for each of our acquisitions, recognising that these are often relatively small acquisitions with small finance teams. Overall, this is a large task that remains ongoing. Our intention to move to the Main Market this year means that in the future, we will fall under the UK Corporate Governance Code 2024, including Provision 29 requirement regarding internal controls which would apply to us from 1 January 2026. We have begun work in readiness for this, including expanding our internal team.

The new Group-wide HR system was successfully implemented during the year, with work on the new finance ERP system project in progress. These systems are important to further strengthen our controls environment and to improve efficiency.

During the year we have undertaken internal testing of key controls in a number of areas, in line with the internal controls plan we had established for the year. PwC, as our outsourced internal auditor, has also continued to undertake planned deep dives. We have reviewed the findings from both activities and are strengthening controls where appropriate. The feedback across all testing has helped to improve our internal control framework and is further informing our Provision 29 preparations.

Internal audit

The activities of the internal audit function (outsourced to PwC) are governed by an Internal Audit Charter that is reviewed and approved by the Committee on an annual basis. During the year, the Committee received updates on the internal audit work for the following areas:

- IT General Controls (follow up review)
- ERP system control coverage review
- Payroll and HR controls post implementation review

Given the ongoing implementation of the ERP system, the update to the Committee was focused on a programme health check. Further updates are to follow in 2025 as implementation progresses.

The work did not reveal any significant failings in financial reporting controls, but did identify improvements that could be made. These are being implemented by management to enhance the control environment. The actions are tracked by the Committee, including the responsiveness of management to findings and recommendations and the progress of closing any overdue actions.

The Committee reviewed and approved the risk-based internal audit plan for 2025, which will focus on the following key areas as well as completion of the review of the ERP system implementation:

- Product development lifecycle controls
- IT General Controls (follow up review)
- Internal controls programme health check for UK Corporate Governance Code

The PwC team is headed up by Jill Emney who replaced Per-Olof Ahlstrom in September 2024. Jill or Per-Olof attended all Audit & Risk Committee meetings. I also met separately with them on a regular basis throughout the year.

Management Fraud Risk Assessment

At the year-end Committee meeting in March 2025, management presented a "Management Fraud Risk Assessment" report. This report outlined the process followed in the risk assessment, the risk areas considered and the outcome reached. The Committee was satisfied with the report.

Annual Report and financial statements

The Board has asked the Committee to confirm that in its opinion the Annual Report as a whole can be taken as fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's financial position, performance, business model and strategy. In doing so the Committee has given consideration to:

- The way the Strategic report (including the Chair's statement and reports of the CEO and CFO) presents the Group and its business, financial and business model, and the key performance indicators and alternative performance measures used by management, along with whether the drafting of the Strategic report was aligned with the financial results.
- Whether suitable accounting policies have been adopted and have challenged the robustness of material management judgements and estimates reflected in the financial results.
- The comprehensive control framework around the production of the Annual Report, including the verification processes in place to deal with the factual content.
- The extensive levels of review that are undertaken in the production process, by both management and advisers.
- The Group's internal control environment.

As part of this, the Committee received an update from management in relation to accounting policies and practices. This included identification of critical accounting judgements and key sources of estimation uncertainty, significant accounting policies and the proposed disclosures of these in this Annual Report. Following discussions with management and the external auditor, the Committee approved the disclosures of the accounting policies set out in note 1 and the disclosures of significant management estimates and critical judgements set out in note 2 to the consolidated financial statements.

The Group also uses certain Alternative Performance Measures ("APMs") to present its results, that are also used by management in running the business. These are non-GAAP measures that are not considered to be superior to equivalent statutory IFRS measures, but are designed to provide the users of the financial statements with additional useful information on the ongoing trading performance of the business. An explanation of the APMs and a reconciliation to the nearest statutory equivalent measure is provided on pages 171 to 176.

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 31 December 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy, and it has reported on these findings to the Board.

Risk management

Details of the Group's overall risk management governance framework, processes, principal risks and mitigation strategies, can be found on pages 34 to 41 of the Strategic report.

The Group risk management and internal control framework continues to drive consistency in how risks are identified, assessed and managed, whilst also strengthening senior executive accountability for specific risk. The Committee reviews this framework and has received updates on significant risks from management, providing a deeper understanding of these risks.

The Committee, together with management, undertook a review and challenge of the areas of emerging and principal risk and associated risk appetite statements in January 2025. 2024 saw no new emerging or principal risks being identified.

In addition to the items above, the Committee conducted the following regular items of business in relation to risk management:

- Reviewing the Company principal risk register focusing on the higher-risk items and the status of associated mitigation plans.
- Reviewing any unexpected and material service incidents or other corporate risk incidents.
- Discussing any areas of emerging risk.
- Reviewing the Risk management and Our principal risks sections of the Strategic report within the Group's Annual Report.
- Providing the Board with feedback on the adequacy of the assessment of emerging and principal risks and the effectiveness of mitigation plans.

Group policies

The following Group policies were reviewed and reapproved by the Committee during the year:

- Non-audit services policy
- Employment of former auditor's policy
- Treasury policy
- Failure to prevent the facilitation of tax evasion

External audit

Audit tender process

The completion of the 2024 audit marks Deloitte LLP's tenth year as Group auditor and Mark Tolley's fifth (and final year) as audit partner. In accordance with the FRC's ethical guidelines, a process for the tender of the external audit which incorporated the minimum standards for audit committees was completed during 2024.

The Committee approved three suitable tender participants, as well as the tender process, timetable and assessment criteria. Access was provided to a data room to enable the participants to better understand the Group. This information was supplemented by meetings with senior management. Written proposals were then submitted to the Selection Panel, which was led by me, as Audit & Risk Committee Chair. Participants were then asked to make presentations and undertake Q&A with the Panel as part of the assessment. Criteria considered included strength and experience of the proposed team, understanding of the business and industry, audit approach and audit quality.

Following this process, the Board approved the reappointment of Deloitte LLP as statutory auditor for the year ended 31 December 2025, with James Brass replacing Mark Tolley for 2025. The reappointment is subject to the approval by shareholders at the Annual General Meeting on 14 May 2025.

Audit services

The scope of the current annual audit was agreed in advance with the Committee with a focus on areas of significant audit risk and the appropriate level of audit materiality. The Committee also had discussions with the auditor on fees, internal controls over Gamma Business usage revenues, accounting policies and areas of potential critical accounting estimates and judgements. The Auditor attended all Committee meetings and reported to the Committee on the results of the audit work, highlighting any issue which the audit work had discovered, or the Committee had previously identified as significant or material in the context of the financial statements.

There were no adverse matters brought to the Committee's attention in respect of the 2024 audit which were material and should be brought to shareholders' attention.

Effectiveness

The Committee monitored and evaluated the effectiveness of the Auditor and audit process under the current terms of appointment based on an assessment of the Auditor's performance, qualification, knowledge, expertise, results of regulatory reviews and deployed resources and which incorporate the minimum standards for audit committees. The Auditor's effectiveness was also considered along with other factors such as audit planning and interpretations of accounting standards and separate discussions with management (without the Auditor present) and with the Auditor (without management present). As Chair of the Committee, I also had discussions with the audit partner outside the formal meetings throughout the year.

The Committee was satisfied that the audit was effective and that Deloitte continues to demonstrate the skills and experience needed to fulfil its duties effectively.

Independence and non-audit fees

During the year, the fees paid to external auditors were:

	2024 £m	2023 £m
Audit services – Parent	0.6	0.6
Audit services – Subsidiaries	0.1	0.1
Total audit services	**0.7**	**0.7**
Audit-related services	0.1	0.1
Other non-audit services	0.1	–
Total non-audit services	**0.2**	**0.1**
Total	**0.9**	**0.8**

Any non-audit services are required to be pre-approved by the Committee. Total non-audit fees amounted to £0.2m (2023: £0.1m) consisting of £0.1m (2023: £0.1m) of audit-related services and £0.1m (2023: £nil) of other non-audit services.

Audit-related services are the review procedures over the Group's interim financial statements, which were pre-approved. Although this is a non-audit service, the objectives of the review are aligned with the audit.

Other non-audit services are for the ongoing provision of reporting accountant services in relation to the Main Market listing. Prior to the commencement of these services, the Committee considered the FRC Ethical Standards and, given Deloitte's understanding and knowledge through their role as auditor and the relevancy of this to the service, agreed it was appropriate that Deloitte be appointed, with the work led by a separate engagement team to that of the audit engagement team. As this non-audit service is in relation to the Main Market listing, it is expected to be one-off, therefore the Committee is satisfied as to the continuing independence of Deloitte. The majority of fees in relation to this non-audit service are expected to be incurred in 2025.

In order to fulfil the Committee's responsibility regarding independence of the auditor, the Committee reviewed the senior staffing of the audit, the auditor's arrangements concerning any conflicts of interest, the extent of any non-audit services as per above, the fact that no former external auditors have been employed in the business and the Auditor's independence statement. The Committee was satisfied that the auditor remains independent.

Audit & Risk Committee effectiveness

During the year, as part of the wider Board evaluation process, the Committee evaluated its own effectiveness. Meetings were considered to be effective, with a thorough review of accounting matters and a good balance between robust challenge and support from Committee members.

Charlotta Ginman, FCA
Audit & Risk Committee Chair

24 March 2025

ESG Committee report

Shaun Gregory
ESG Committee Chair

The ESG Committee is primarily responsible for:

- Overseeing the development of the Group's ESG strategy and governance structures and associated goals and policies.
- Ensuring that management establish appropriate ESG KPIs and related targets, and for overseeing their ongoing performance measurement and reporting.
- Monitoring ESG trends and related standards and legislative requirements and how those are likely to impact on the Group's strategy and financial performance.
- Making sure that the Group is transparent in its reporting of ESG matters to all its key stakeholders and that ESG awareness is promoted throughout the organisation.

In addition to the Committee members, meetings are also normally attended by the CFO, the Company Secretary, the CPO, the Group Sustainability Director, the Environmental Data Manager and the ESG Programme Manager. The Committee meets three times each year.

Dear Shareholder,

I am pleased to introduce the ESG Committee report for the year ended 31 December 2024.

Following the retirement of Henrietta Marsh as a Director at the 2024 AGM, Martin Hellawell was appointed as a member of the Committee. The structure of the Committee remains unchanged and comprises two Non-Executive Directors and the CEO.

Details of our environmental-related governance, strategy, climate-related risks and metrics and targets are presented in the Task Force on Climate-related Financial Disclosures ("TCFD") section on pages 54 to 69 of the Strategic report. Information relating to Our people can be found on pages 50 to 53.

In addition, more detailed disclosures can be found in the ESG Hub on our website, providing our stakeholder community with information on our ESG plans, initiatives and progress.

Role of the ESG Committee

The Committee, on behalf of the Board, oversees the Group's ESG strategy and governance framework, setting key objectives, policies and pertinent KPIs across ESG areas. It oversees continual monitoring, reporting and adaptation, ensuring alignment with evolving standards and legal requirements.

ESG risks and opportunities are reviewed by the Committee, alongside metrics and targets which are used to track progress. A commitment to transparent ESG reporting to stakeholders remains a priority, alongside promoting an ESG-focused culture within the organisation. In support of these aims, ESG goals were once again integrated into the senior executive bonus scheme for 2024. The Remuneration Committee has agreed to adopt ESG targets in the Long Term Incentive Plan for awards made in 2025 onwards for senior executives, further detail on which can be found in the Remuneration Committee report.

Activities of the ESG Committee in 2024

The Committee held three meetings during 2024, to review: strategy, risks and opportunities, policy, governance, key initiatives, reporting and communications developments across all areas of ESG. In addition, it received regular updates from management regarding the regulatory environment and the evolution of various ESG standards.

In 2024, the Committee has overseen ongoing progress across all three ESG pillars. The Group's ESG priorities are clearly defined, guided by the original 2021 materiality assessment and regular engagement with key stakeholders. The ESG Steering Committee, comprising members of the Executive Committee, has continued to ensure strong governance and ownership of ESG goals. Regular communications both internally and externally have further strengthened awareness and engagement across the Group. The Committee is also pleased to see an increase in ESG focus from our Enterprise customers, which the Company is well placed to support through its transparent reporting, GHG emissions summary and a dedicated ESG team. Furthermore we have published a Sustainability Report for the past two years, and our ESG Hub is accessible on our website, providing a spotlight on our ESG approach and related activity.

We are pleased to report that in 2024, Gamma's planned achievement of science-based net-zero targets by 2042 has now been verified by the Science Based Targets initiative ("SBTi"). Gamma's approach to emissions reduction is in the process of being defined and impact assessed, and the Committee is pleased that good progress has been made in identifying emissions reduction opportunities across the business. This year we welcome a reduction in Scope 3 emissions, primarily driven by the efforts of our largest suppliers in reducing their emissions. We continue to monitor progress of our key suppliers in environmental management via face-to-face meetings and forums, along with their CDP, TCFD and SBTi commitments.

There is ongoing work to understand the Company's risk exposure from climate change, including climate-scenario analysis for all Gamma offices and key facilities in the UK and Europe. We will extend the analysis to include all new acquisitions over the course of the next 12 months. We remain of the opinion that Gamma's risk is currently low. The Committee is pleased that the Group's Carbon Disclosure Project ("CDP") score has been maintained at a B rating for 2024, evidencing our continued work in this area.

Building on the launch of our Gamma Values in 2023, our values champion awards have been well received, awarding 18 winners across the Group, including our European colleagues. Numbers of nominations for the awards grew across 2024 to 350, demonstrating a staff-driven commitment to embed these values into everyday working lives. We have strengthened our focus on talent growth and acquisition this year with the recruitment of a dedicated leadership team who are looking to build on the successes of these initiatives into 2025 to further embed our culture of belonging.

Diversity data shows modest improvements with the number of female employees growing by 1% from 2023, reflecting the ongoing challenges faced by the industry. Our commitment to creating a diverse and inclusive workforce remains a priority and we aim to gain a greater understanding of root cause and address these through more centralised programmes in 2025. We continue to focus on three of the UN Sustainability Development Goals ("SDGs"), 5, 8 and 10 and our Women at Gamma community has made great progress in supporting our female workforce. Throughout the year we have hosted face-to-face networking events and virtual seminars focusing on the skills development and confidence building of women in the workforce, as well as developing its own independent mentoring scheme. Similarly, our Early Careers community has benefitted from six senior speakers around the business as well as starting up a parallel mentoring programme to support the development of new entrants into Gamma. Our other You Belong communities have remained active all year, keeping staff from different demographics connected and raising business awareness of internal and external wellbeing and cultural topics.

The ESG Committee has welcomed the launch of the Gamma Scholarship Programme, providing bursaries to four students at the University of Salford and Glasgow Caledonian University. This is a new initiative dedicated to fostering academic excellence and innovation among students pursuing degrees in Science, Technology, Engineering and Mathematics ("STEM"). These scholarships are aimed at providing comprehensive support beyond just financial aid.

The Gamma Scholarship Programme is aligned with our commitment to influencing the UN SDGs – specifically Gender Equality, Reduced Inequalities, and Decent Work and Economic Growth. By supporting students from disadvantaged backgrounds, we aim to make a direct impact within the communities we operate in, leaving a lasting legacy.

The Committee is pleased that the Gamma Charity Forum continues to grow and support our "Giving Back" initiatives through either matched funding of employee charitable activity or designing and coordinating our own charitable events. More detail on the Charity Forum's activities can be found in the Our people section of this report.

In terms of governance, the Group policy management framework which was implemented in 2022 now ensures that policies are reviewed regularly by the Committee ahead of submission to the Board for approval and publication. Where available and relevant, employee training is offered to support policies.

Engagement with stakeholders

The Committee is responsible for ensuring that the Group provides appropriate visibility of its ESG credentials to the investment community, as well as other stakeholders. We are pleased to report that during the year the Company has maintained positive ratings from the CDP (B) and Morgan Stanley Capital International ("MSCI") (AA).

Our ESG Hub remains the key location for all ESG-related information, providing our stakeholders and customers with updates on our progress. An updated Sustainability Report was published in autumn 2024, reflecting on progress made during 2023 across all ESG initiatives, as well as collating key metrics.

We continue to receive interest from employees and potential new recruits on ESG matters, for example in our plans for carbon net-zero and equality, diversity and inclusion. In a competitive recruitment market, we believe our ESG efforts are a point of potential differentiation.

Some larger customers also require detailed questionnaires to be completed covering ESG matters and the results contribute directly to their decisions on contract awards. We consider that we are currently well placed competitively but need to keep investing in this area. We have worked closely with our Public Sector customers to ensure that our Carbon Reduction Plan meets their supplier selection criteria and this has also been approved by Crown Commercial Services ("CCS").

Looking forward

Looking to the year ahead the Committee, together with management, will focus on several areas. Considering the broad ESG scene, we will continue to carefully monitor progress by the International Sustainability Standards Board ("ISSB") in achieving a harmonised set of ESG disclosure standards as well as any further developments with UK and European legislation. We are currently assessing the impact of the new EU Corporate Sustainability Reporting Directive ("CSRD") on Gamma and believe we stand in good stead to react positively to any additional disclosure requirements.

We continue to improve our emissions measurement across the Group, aiming to collate as much primary data as possible. We will remain ISO 14001 certified. We continue to voluntarily publish a TCFD report which can be found on pages 54 to 69. This will be a requirement following our move to the Main Market and we are pleased that we have published this earlier than required.

In early 2025 the ESG Committee worked with the Remuneration Committee to discuss and agree the structure of and ranges for the ESG metric that will form part of the 2025 LTIP award. Further information can be found in the Remuneration report on page 91.

We will continue to further develop our social programmes relating to our employees and the broader community, and as part of that continue to develop metrics and KPIs that will enable us to objectively and transparently report our performance. In 2025 we plan to develop a more detailed programme of work to engage and develop our workforce and strengthen our relationships with the communities in which we operate.

From a governance perspective, we will continue to review key policies and monitor how they are being implemented. We will continue to roll out appropriate training packages to support our employees with understanding the requirements of our policies.

We remain strongly committed to our ESG programmes and the overarching principles of the UN SDGs. We will continue to develop Gamma's credentials as an environmentally and socially conscious business partner with high standards of governance and will endeavour to transparently disclose our progress and performance to all our key stakeholders.

Shaun Gregory
ESG Committee Chair

24 March 2025

Remuneration Committee report

Rachel Addison
Senior Independent Non-Executive Director and Remuneration Committee Chair

Remuneration Committee
The Committee is primarily responsible for recommending to the Board the policy for the remuneration and determining the employment terms of the Executive Directors and the Chair of the Board and, in consultation with the CEO, for determining the remuneration packages of employees on the Executive Committee. The Committee is also responsible for the review of share incentive plans and performance related pay schemes and their associated targets, and for making recommendations to the Board in connection with them.

No Director or other senior executive is involved in any decisions as to their own remuneration.

The Committee's terms of reference are reviewed and approved by the Board annually and are available on our website.

Directors' Remuneration report structure and content
This report for the year ended 31 December 2024 is split into the following main areas:

* Adjusted PBT is an Alternative Performance Measure and is explained in more detail in the APM section on page 171.

Dear Shareholder,

I am pleased to introduce the Directors' Remuneration report for the year ended 31 December 2024 in my first year as Chair, having been appointed on 21 May 2024.

In this statement, the key outcomes and decisions taken in the year are reviewed, referring where appropriate to provision 41 of the UK Corporate Governance Code. As described elsewhere in this report, for many years we have formally adopted the QCA Corporate Governance Code. Nevertheless, typically we seek to meet Main Market standards with our disclosures and strive to align with the principles and provisions of the UK Corporate Governance Code ("UK Code"). In future years we will formally report against the UK Code, in line with the requirements for Main Market companies.

Performance
2024 was another year of success for Gamma. The CEO and CFO's reports (on pages 16 to 19 and 29 to 33) provide an overview of the strong financial performance and the strategic achievements of the Group during the year. The highlights include revenue growth of 11% to £579.4m and growth of 14% in Adjusted profit before tax ("PBT")* to £111.9m. We have continued to combine strong organic growth with expansion via M&A.

We have maintained our record of increasing the dividend every year since IPO in 2014. A 14% increase is recommended for 2024.

Executive Director remuneration outcomes in 2024
The Remuneration Policy, approved by shareholders at last year's AGM, operated as intended in respect of 2024.

The Executive Directors recorded another excellent year for annual bonus purposes, both achieving a bonus at a level of 92% of their maximum opportunity. In line with the Remuneration Policy, 25% of the bonus earned for both Directors is subject to deferral into shares for three years. The awards reflected full achievement of the Adjusted PBT target, strong performance against the gross profit target, achievement of most of their personal objectives and a solid performance against ESG objectives. A detailed breakdown of awards, including the performance targets set, is set out on page 103.

For 2024, we are disclosing the outcome of two LTIP awards as we continue to align our reporting with standard practice for Main Market companies. The award granted in 2021 vested in 2024. There was partial achievement of the Adjusted earnings per share ("EPS") performance condition but, unfortunately, the separate absolute Total Shareholder Return ("TSR") measure did not meet the level required for threshold vesting when tested during the year. On a blended basis, this resulted in an overall vesting level for the 2021 award of 38%.

We are also reporting the outcome of the 2022 LTIP award, given that the performance period for the Adjusted EPS element for this award ended on 31 December 2024, and the performance period for the absolute TSR element was substantially complete as at this date. Once again, there was partial achievement of the Adjusted EPS condition but, on the basis of performance up to the end of 2024, the minimum TSR target is not expected to be met. On a blended basis, the overall outcome for the 2022 award is expected to be 29%, and we are reporting on this basis. We will provide an update in next year's report based on the final outcome of the TSR performance test, as calculated later in 2025.

One point to note is that in assessing achievement against the Adjusted EPS performance targets for the 2021 and 2022 awards, the Committee agreed to adjust for the impact of the change in the UK corporation tax rate which came into effect during the performance period. This ensures consistency between the base year and the performance year in the effective tax rate used to calculate Adjusted EPS for LTIP purposes. The Committee also agreed in principle to make a number of similar adjustments for the 2023 and 2024 awards at the point at which performance is tested for these awards. No adjustments of this nature will be made for future awards, including those due to be granted in 2025.

The overall outcomes for both the 2021 and 2022 LTIP awards reflect achievement against the stretching performance targets that were used for these awards.

As discussed in last year's report, we moved from absolute to relative TSR for the LTIP award granted in 2024, with Gamma's performance to be tested against the FTSE 250 Index (excluding investment trusts). This approach was considered to be more appropriate for Gamma and also consistent with standard market practice. As further explained last year, we also set an Adjusted EPS target range which was considered more relevant for the business on a forward-looking basis than the previous range, which had been in place since the IPO in 2014. The specific targets were not disclosed in last year's report but were published to the market when the LTIP awards were granted in April 2024. They are set out in full in the Annual Report on Remuneration on page 105.

Employee remuneration

Throughout 2024, the Committee continued to have oversight of wider workforce remuneration.

During the year, we saw inflation across the countries in which Gamma operates stabilise at lower rates than we had seen in either 2022 or 2023. As such, management took the decision not to continue with initiatives that were introduced during the COVID-19 pandemic to support the cost of living challenges previously faced by certain employees.

In light of the increase to the UK National Minimum Wage and the UK Real Living Wage, we increased our minimum full-time salary from £24,380 to £25,590 per annum, meaning our most junior employees saw a salary increase of 5% in January 2025.

The Committee was pleased that the Company was able to absorb the increase to Employer's National Insurance announced in the Chancellor's 2024 Autumn Budget, meaning that the year-end salary increase budget was not impacted. Salary increase budgets for the recent salary reviews were aligned to the external market in all jurisdictions in which we operate.

We continued to see significant competition for staff, specifically in sales, DevOps and IT Security, and as shown on page 109, average pay increased by 4.6%, with staff numbers remaining unchanged. During the year, the impact of headcount increases through acquisitions was offset by strategic restructuring initiatives.

Employees in the Group generally participate in a bonus scheme that enables them to earn up to and in exceptional circumstances over 10% of basic salary based on a combination of personal and Group performance. This scheme continued in 2024 and will operate again in 2025.

Employee share schemes

In order to continue to strengthen the alignment of our employee and shareholder interests, the Group operates a Save As You Earn scheme ("SAYE") and a Share Incentive Plan ("SIP") which are open to all UK employees.

Under the SAYE scheme, employees who choose to participate are granted options at a 20% discount to the market price, then save a pre-determined sum over a period of three years. The money saved can be used by the employee to exercise their options. In 2024, 26% (2023: 29%) of all employees chose to participate, with options being granted over 186,638 (2023: 372,921) shares.

The SIP is evergreen. It allows staff to buy up to £150 of shares each month out of gross salary. The shares need to be held for five years for the employees to keep the tax benefit. We have 178 employees who are buying shares monthly through our SIP scheme and 448 in total who hold shares through the SIP Trust.

The Remuneration Committee carefully considers Executive Director remuneration in the context of wider workforce pay. We are comfortable that the current arrangements for the Directors are appropriate in the context of pay levels and structures across the Group, and are suitable when considering the roles and responsibilities of the Executive Directors and market practice at companies of a similar size to Gamma. We again disclose our CEO pay ratio, comparing the total pay of the CEO against UK employees more broadly. Full details can be found on page 109. The median pay ratio is again considered consistent with the pay, reward and progression policies for UK employees.

Review of Executive Director remuneration and shareholder consultation

During 2024, the Committee undertook a review of Executive Directors' remuneration in the context of the long-term growth of the Company, evolving market practice and the intended move to the Main Market. A key objective of this review was to ensure that we have a Remuneration Policy and structures for the Directors which reflect Gamma's size, performance and future opportunities for growth as the Company enters the next stage of its development. The Committee was assisted in the review process by Korn Ferry, who were appointed as the independent external adviser to the Committee following a tender exercise during the year.

As background, the Committee reflected on Gamma's exceptional growth and performance over the ten-year period since the IPO in 2014. Revenue has increased from £173.2m in 2014 to £579.4m in 2024. On an Adjusted EBITDA basis, we have seen growth from £23.1m in 2024 to £125.5m in 2024, which represents a compound annual growth rate of 18%. Strong organic performance has been complemented by a number of critical acquisitions, extending Gamma's range in key European geographies and services, and helping to ensure the Company is well positioned for future success. The announcement of the acquisition of STARFACE in February 2025 signals the latest such transaction, and represents a major extension of the Group's presence in Germany. Gamma has grown to be one of the largest companies on AIM and is well placed to thrive on the Main Market.

In recognition of the transformation of Gamma since 2014, the value created for shareholders and in anticipation of the move to the Main Market, we agreed to make some changes to Executive Directors' remuneration. Although we did not conclude that a fundamental revision to our pay model was required, we took the opportunity to update our approach and make some adjustments we felt were fully merited in light of the factors set out above.

In early 2025 I wrote to the top 30 shareholders (representing over 70% of the register) as well as the proxy advisory bodies setting out details of our proposed approach. In addition to written feedback, I had a number of calls with specific investors to explain the proposals in more detail and answer questions. The investor response was overwhelmingly positive, with all of those who provided a view supportive of the direction of travel. Accordingly, the Committee agreed to proceed with the changes, which are summarised below.

Basic salaries

Our overall approach to considering changes to the basic pay of the Executive Directors remains the same, in that we determine salary levels based on factors such as role, responsibilities, experience, performance, competitive pressures and the general salary increase applied to the wider workforce. During our remuneration review process this year, we paid particular attention to the salary of Andrew Belshaw, our CEO, as we indicated during our shareholder engagement on remuneration in early 2024. Andrew has been an integral member of Gamma's leadership team for many years and has been an exceptionally effective CEO since his appointment to the role in 2022, as evidenced by Gamma's outperformance of the market since this time.

The Committee concluded that Andrew's salary did not fairly reflect his performance or contribution, or what would be expected for the CEO of a company of Gamma's size and scope. Therefore, in the interests of ensuring Andrew has a market-relevant remuneration package as Gamma enters the next stage of its growth trajectory, and to mitigate the risks of pay compression issues at the senior executive tier, for 2025 we agreed to increase his basic salary from £473,800 to £575,000, a rise of 21%. In reaching this decision, the Committee reviewed benchmarking data from a selection of sector peers with a Main Market or AIM listing, and also considered broader FTSE 250 Index data from companies with a similar market capitalisation to Gamma. The new salary is aligned with the median of the sector peer group, and below median against the wider market cap group. We think this positioning is fair for the CEO of a company which will be new to the Main Market, allowing us to recognise his contribution and role without overpaying.

Looking ahead, we will continue to review Andrew's salary on an annual basis but our current expectation is that future increases will be modest and in line with average increase to the wider UK workforce.

As discussed in last year's Remuneration report, we reviewed the salary of the CFO, Bill Castell, in late 2023, and agreed an adjustment to his package for 2024, taking his base pay to £391,400. For 2025, he will receive a salary increase of 3%, in line with the increase agreed for the wider workforce.

Annual bonus scheme

For 2025, we will continue to operate the annual bonus scheme in a broadly similar way to previous years, albeit with some minor amendments as set out below.

In light of our decision to include within the 2025 LTIP award a measure linked to carbon emissions (see below), and to avoid any duplication of incentives, we have decided to remove the 5% weighting on ESG from the annual bonus scheme. This has been absorbed into the financial measures, so the split between the different elements of the scheme will be 60% profit before tax, 20% gross profit and 20% individual objectives linked to short-term strategic priorities. The specific bonus targets are currently considered commercially confidential but full disclosure of the targets and the achievements against them will be disclosed in next year's Remuneration report.

After our review of the Executive Directors' pay against the wider market, we agreed a reward offering at levels more relevant for Gamma's size. As such, for 2025 the CEO's maximum bonus will increase from 125% to 150% of basic salary, and the CFO's will rise from 100% to 125%. We have also determined that the payout level for threshold performance under the bonus scheme will be set at up to 25% of the maximum opportunity, consistent with market practice. 50% of the maximum bonus will be payable for target performance. As part of these changes, we have ensured that there is a greater level of stretch at the top end of the performance range. The majority of annual bonus payments will continue to be made in cash, with a requirement for the Directors to defer a minimum of 25% of any bonus into shares for three years.

LTIP

The overall operation of the LTIP will remain unchanged. We will grant an award of shares in 2025 which will vest after three years, subject to the achievement of performance conditions. The vested shares will then be subject to a two-year post-vesting holding period.

The performance conditions for the 2025 grant will be similar to those used in 2024. We will again measure TSR performance against the FTSE 250 Index (excluding investment trusts), with the same median to upper quartile performance range. For the Adjusted EPS element, we have agreed a target range which takes into account internal expectations of performance, external estimates and the Company's growth opportunities. Vesting will begin for achieving 4% compound annual growth in Adjusted EPS over the performance period, rising to 10% growth for full vesting. The Committee is satisfied that these targets are as least as challenging as those set in 2024, taking into account current commercial circumstances.

We have also decided to supplement the TSR and EPS measures with a new metric based on reductions in carbon emissions over the performance period, reflecting Gamma's wider commitment to responsible management of its carbon impact. This is designed to incentivise a material reduction in Scope 1 and 2 emissions (with Scope 2 calculated on a market tCO_2e basis) over the LTIP performance period, consistent with Gamma's objective of becoming net zero by 2030. Vesting will begin with 25% pay out for a 45% reduction in emissions over the performance period when compared to the base year (2024), with full vesting in the event of a reduction of 60% or more.

This new carbon measure will have a 15% weighting in the 2025 LTIP. The remaining 85% will be split equally between the relative TSR and Adjusted EPS metrics (so 42.5% each).

In terms of the size of the 2025 LTIP grant, the CEO's award will remain at 175% of basic salary. The CFO's award will increase from 150% to 175%. This increase provides for a competitive level of equity remuneration for the CFO, with value delivered in the event of Gamma's outperformance over the longer term.

Chair remuneration

In completing its annual review of the Chair's fee, the Committee sought advice from Korn Ferry, who benchmarked fees paid to chairs of similar sized companies and against a sector benchmark. A decision was taken to consolidate the Chair's cash fee with the separate expenses allowance previously paid, to align with Main Market norms, then increase the total fee by 3% in line with the median inflationary increase given to all employees for 2025. A portion of this total fee will reflect the Chair's role as the Workforce Engagement Director, to reflect the increased workload he undertook in respect of this role in 2024 and is expected to undertake going forward.

Fees paid to the Board Chair in 2025 will be £208,636 for the Chair role and an additional £8,000 for the Workforce Engagement Director role.

Going forward, the Chair is entitled to claim expenses relating to his role in line with the Company's expenses policy. The Chair does not receive any element of pay in the form of share options or other performance-related pay.

Non-Executive Director remuneration

A Committee of the Chair, the CEO and CFO reviews non-executive remuneration. During the year, the base fee along with fees to be paid for Committee Chair roles, the SID and other Board roles were reviewed in line with fees paid to non-executive directors of similar companies and against a sector benchmark. For 2025, it was agreed that the base fee would be increased to £59,247 following the consolidation of the cash fee with the expenses allowance previously paid to the Non-Executive Directors, uplifted by 3% in line with the median inflationary salary increase given to all employees. A separate increase was also agreed for the Remuneration Committee Chair role in recognition of the specific demands of this role and by reference to the market benchmarks. Full details of the fees to be paid in 2025 are set out in the table on page 111. Non-Executive Directors are entitled to claim expenses relating to their role in line with the Company's expenses policy. Non-Executive Directors do not receive any element of their pay in the form of share options or other performance-related pay.

Improving reporting to shareholders and accountability

We strive to improve our reporting to shareholders every year as we target the standards of FTSE 250 Index companies, whilst complying in full with the QCA Corporate Governance Code. We will continue to evolve our reporting over the coming year so that our next report is fully compliant with the remuneration reporting regulations as they apply to Main Market companies.

As an AIM traded company, Gamma is not legally required to provide shareholders with votes on the Directors' Remuneration report or the Directors' Remuneration Policy. However, consistent with our overall approach to corporate governance and our past practice, as well as the provisions of the QCA Corporate Governance Code, we will again ask shareholders to approve the Directors' Remuneration report by way of an advisory vote at the AGM in May. In addition, a number of the changes we are introducing for 2025, including the increases to the annual bonus opportunities, require amendments to the Directors' Remuneration Policy. We will therefore ask shareholders to approve an updated Policy at the AGM by way of an advisory vote, consistent with our approach in 2024, when we first asked shareholders to approve the Policy. We have also taken the opportunity to make a number of additional minor amendments to bring the Policy into line with standard practice for Main Market companies. A summary of the key changes to the Policy is set out on page 95, with the full Policy starting on the same page.

Following the Company's listing on the Main Market, the Company will be required to put its Remuneration Policy to shareholders at the first AGM after listing. We therefore expect that we will put the Remuneration Policy to a binding vote at the 2026 AGM.

Committee performance

The Committee's performance was assessed as part of the annual Board evaluation. I am pleased to report that, following my appointment as Chair, the Committee is regarded as continuing to operate effectively and continues to focus on relevant remuneration matters. The Committee's approach to remuneration matters has been supported by the input from Korn Ferry, who was appointed as the Company's new independent external adviser during the year.

Changes to terms of reference

Following the departure of Henrietta Marsh from the Board at the 2024 AGM, the Terms of Reference were amended such that the Committee comprises a minimum of three Independent Non-Executive Directors rather than four.

Result of 2024 AGM

The 2023 Directors' Remuneration report was approved on an advisory basis at the 2024 AGM with 99.88% of votes cast in favour. The Directors' Remuneration Policy was also put to an advisory vote at the AGM, and received 99.65% of votes cast in favour.

On behalf of the Committee, I would like to reiterate my thanks for the time and input larger shareholders and their representative bodies have given us throughout the recent consultation process and during 2024. I hope that you find this report increasingly helpful and informative and trust that we can rely on your vote in support of our approach to remuneration. We would welcome any feedback you have on this report, our Policy or how we implement the Policy, and can be contacted through the Company Secretary.

Rachel Addison

Remuneration Committee Chair

24 March 2025

Main activities during 2024

January	Consideration of likely outcomes of 2023 bonus scheme
	Determination of 2024 bonus scheme financial targets, personal objectives and ESG objectives for Executive Directors and senior executives
	Consideration of feedback from shareholder consultation
	Determination of structure of Restricted Share Awards for senior employees
	Recommended to the Board to put the Remuneration Policy to shareholders for an advisory vote at the 2024 AGM
March	Determination of 2023 bonus payments and deferral
	Recommendation of 2024 LTIP awards to the Board together with performance conditions and targets
	Recommendation of Restricted Share Awards to the Board
	Consideration of the impact of employee share schemes on dilution
April	Determination of vesting of 2021 LTIPs
September	Consideration of proposals from potential remuneration advisers to the Remuneration Committee
	Recommendation of mid-year Restricted Share Awards to the Board
November	Ratification of appointment of remuneration adviser to the Remuneration Committee
	Consideration of executive remuneration structure and policy including base salaries, annual bonus performance metrics, LTIP performance metrics and other benefits, with reference to external benchmarking and Main Market practice
	Consideration of in-flight LTIPs
	Review of LTIP rules
December	Consideration of likely outcomes of 2024 bonus scheme
	Discussion on 2025 bonus structure including financial targets
	Discussion on LTIP structure including metrics
	Determination of pay increases for members of the Executive Committee
	Review of general workforce salary and bonuses for 2025
	Determination of increases to Chair of the Board's fees and expenses
	Noted proposed changes to NED fees and expenses
	Consideration of scope of shareholder consultation

Examples of how the Committee has complied with provision 40 of the UK Corporate Governance Code in 2024

Clarity	The Committee is committed to transparency and has continued to improve remuneration disclosures as Gamma prepares for a Main Market listing. We have again decided to put the Directors' Remuneration Policy to an advisory vote at the forthcoming AGM, in recognition of the changes being made for 2025.
Simplicity	We have made minor changes to the structure of the Remuneration Policy to align the offering to Executive Directors with those for Main Market listed companies. We have simplified the annual bonus structure by removing the ESG metric and have instead incorporated an ESG element to the LTIP, aligning the longer-term nature of ESG targets with our long term incentive.
Risk	The Committee recognises that incentive plans may encourage inappropriate levels of risk-taking if not structured correctly. Care is taken to set targets for the annual bonus scheme and the LTIP which act as appropriate incentives, without driving undue risk-taking.
Predictability	A range of possible outcomes for Executive Director remuneration is set out on page 101.
Proportionality	There is a clear link between individual awards and the delivery of strategy, including through the non-financial objectives of the bonus scheme which are disclosed retrospectively in the Annual Report on Remuneration. The link between remuneration outcomes and long-term performance is primarily through the LTIP, which has stretching targets based on Adjusted EPS and relative TSR performance for awards made in 2024 onwards. These measures have been supplemented with a carbon emissions target for the 2025 award.
Alignment to culture	There continues to be an emphasis on supportive behaviour with colleagues in order to support retention and the Gamma Values continue to receive a positive reception.

Comparator group used for Executive Director benchmarking in 2024

When reviewing Executive Directors' remuneration in 2024, the Committee considered benchmark pay data at a number of other listed companies in the telecommunications and software space, as listed below. In addition, the Committee considered remuneration data at Main Market and AIM companies of a similar size (in market capitalisation terms) to Gamma.

Company
Bytes Technology Group plc
Spirent Communications plc
GB Group plc
Helios Towers plc
Kainos Group plc
NCC Group plc
Telecom Plus plc

Remuneration Policy

This part of the Directors' Remuneration report sets out Gamma's Remuneration Policy with regard to its Directors.

Purpose

The Directors' Remuneration Policy is designed to attract, retain and motivate executives of the right quality to enable the business to fulfil its strategic objectives and deliver long-term sustainable growth. The retention of key management and the alignment of management incentives with the creation of shareholder value is a key objective of this policy. In addition, the Remuneration Committee seeks to keep Executive Director remuneration consistent with the Company's culture and to take account of the effects of Executive Directors' remuneration on the workforce and other stakeholders.

Key changes to the Directors' Remuneration Policy for 2025

The table below shows the key changes we have made to the Policy for 2025. The background to these changes is set out in the Annual Statement from the Remuneration Committee Chair. In addition, certain minor changes to the wording of the Policy have been made.

Item	Change
Base salary	Remove reference to benchmarking salaries against AIM traded companies
Annual bonus	CEO: Increase potential from 125% of base salary to 150% of base salary CFO: Increase potential from 100% of base salary to 125% of base salary Clarification of payout schedule Confirmation that dividend equivalents may accrue on deferred bonus shares Confirmation on overriding Committee discretion
LTIP	CEO: No change CFO: Increase grant size from 150% of base salary to 175% of base salary Confirmation on overriding Committee discretion

Strategic rationale for Executive Directors' remuneration

The Group's strategy is set out on pages 20 and 21 and is designed to enable the business to grow both its profitability and revenues by developing new, innovative communications solutions, partnering with large technology companies, and through acquisition. This is at the forefront of Remuneration Committee considerations when making decisions on Executive Directors' remuneration. Setting base salary for Executive Directors at an appropriate level is key to attracting and retaining high-quality management to help devise and implement the strategy. Therefore, the Remuneration Committee seeks to ensure that base salaries are market competitive to those of comparable companies. The Committee Chair's statement contains detail on the increase to the CEO's base salary with effect from 1 January 2025, taking into consideration the growth of the Company, the move to the Main Market in 2025 and following consultation with major shareholders.

In addition to base salary, there are market competitive benefits and pension contributions which are at the same level as those available to eligible employees across the wider workforce. A significant proportion of total remuneration is performance-based using a structure which is common among listed companies.

This has two elements: an annual bonus scheme and an LTIP. The bonus scheme has a one-year performance period, with an element of deferral after award, and has a balanced mix of financial and non-financial targets. The Committee has chosen two financial metrics for the bonus scheme (Adjusted PBT and gross profit) to ensure incentivisation of both bottom and top-line performance. Furthermore, gross profit has been chosen rather than revenue to maintain focus on margins.

The bonus scheme also has short-term non-financial targets in the form of personal objectives. These allow the Board to set specific strategically important objectives for the Executive Directors. For 2025, we have removed ESG targets from the bonus scheme and instead incorporated an ESG element into the LTIP, aligning management's performance against ESG metrics which have a longer-term outlook.

The LTIP is designed to incentivise long-term performance and align Executive Director reward with the shareholder experience. The Committee considers that maximum LTIP earnings opportunities should be aligned to typical market levels, and these were reviewed during the year as described in more detail in the Committee Chair's statement.

For 2025, the LTIP will again be focused primarily on the financial metrics of relative TSR and Adjusted EPS. Noting market practice is not to award LTIPs solely on financial metrics, we have introduced an ESG metric for the first time this year. Further detail on the specific metrics is contained in the Committee Chair's statement.

In addition, the Company has applied a policy of using share incentives across the Group. Members of the Executive Committee (other than the Executive Directors) receive LTIP awards which include a portion of restricted shares. Other senior staff receive a grant of restricted shares. Participation in both a Save As You Earn ("SAYE") and a Share Incentive Plan ("SIP") is open to all UK employees.

We believe these policies help the Company to continue to grow profitably through the successful execution of its strategy as well as providing alignment between the interests of shareholders and all employees who can share in the Company's success.

Consideration of shareholders' views on remuneration

The Company welcomes dialogue with its shareholders over matters of remuneration. The Chair of the Remuneration Committee is available for contact with institutional investors concerning the approach to remuneration. In consideration of the proposed changes to the Remuneration Policy for 2025, the Committee Chair consulted with the Company's largest shareholders and the main proxy advisory agencies over these changes, full details of which are set out in the Committee Chair's statement on pages 89 to 92.

Consideration of pay and employment conditions elsewhere in the Group

The Committee considers the pay and conditions of employees throughout the Group when determining the remuneration arrangements for Directors although no direct comparison metrics are applied. In particular, the Committee considers the relationship between general changes to UK employees' remuneration and Executive Director reward. Whilst the Committee does not directly consult with employees as part of the process of determining executive pay, the Board does receive feedback from employee surveys that take into account remuneration in general. The Committee also receives updates from the Chief People Officer. The Board Chair is currently designated as the Workforce Engagement Director with specific responsibility to engage with the workforce on a broad range of matters.

Operation of Policy in 2025

A statement of how the Company intends to implement its Remuneration Policy in 2025 is included in the Annual Report on Remuneration.

Shareholder vote on Remuneration Policy

As an AIM traded company, Gamma is not legally required to provide shareholders with a vote on the Directors' Remuneration Policy. However, given the changes we have made for 2025, and recognising best practice as recommended in the QCA Corporate Governance Code, we have decided, again, to put the Remuneration Policy to an advisory vote at the forthcoming 2025 AGM. Following the listing on the Main Market in 2025, the Company will be subject to the remuneration regulations which apply to Official List companies. We therefore expect that we will put the Remuneration Policy to a binding vote at the 2026 AGM.

Remuneration Policy table

Purpose and link to strategy	Operation	Potential remuneration	Performance metric
Base salary			
This is the core element of pay that reflects the individual's role and position within the Group. Staying competitive in the market allows us to attract and retain high-calibre executives with the skills and experience to deliver our strategy.	Base salaries are typically reviewed annually, with any changes effective from 1 January, but exceptionally may take place at other times of the year. When determining an appropriate level of base salary, the Committee considers: • Group performance. • The role, responsibilities, experience and personal performance of the Director. • Competitive pressures. • The general salary increase for the workforce. In addition to the above, salaries are independently benchmarked from time to time against comparable roles at listed companies of a similar size and complexity. Detail of the changes made to the CEO's remuneration with effect from 1 January 2025 can be found in the Committee Chair's statement on pages 89 to 92.	The actual base salaries paid to the Executive Directors and those set for the current year are disclosed in the Annual Report on Remuneration.	Not applicable.
Benefits			
A comprehensive benefits package is offered to complement basic salary to attract and retain executives.	Reviewed from time to time to ensure that benefits when taken together with other elements of remuneration remain market competitive. Benefits for the Executive Directors currently comprise participation in the Group's life assurance, income protection and private medical schemes, which are also available to all other UK employees. In the event that an individual is requested to relocate, the Company would offer them additional support. This may cover (but is not limited to) relocation, cost of living allowance, housing, home leave, education support, tax equalisation and advice and legal fees if appropriate.	The cost of providing these benefits varies year-on-year depending on the schemes' premiums. The Remuneration Committee monitors the overall cost of the benefits package. Participation levels in employee share schemes are in accordance with HMRC limits as amended from time to time.	Not applicable.

Purpose and link to strategy	Operation	Potential remuneration	Performance metric
Pension			
Provides a competitive and appropriate pension package. To provide retirement benefits which, when taken together with other elements of the remuneration package, will enable the Group to attract and retain executives.	The Executive Directors (together with all other eligible staff) may participate in the Group's defined contribution (money purchase) pension scheme.	Employer contribution of up to 5.1% of salary per annum is paid into the scheme or by means of a cash alternative (provided there is no additional cost to the Company). This is the same level available to eligible employees across the wider workforce.	Not applicable.
Annual bonus			
To incentivise the achievement of the Group's annual financial targets, or other near-term strategic objectives.	The Executive Directors and other senior executives participate in a discretionary, annual, performance-related bonus scheme. The Remuneration Committee at its discretion may determine that a proportion of any bonus that it awards may be deferred into an allocation of shares or grant of options each with a three-year vesting period and governed by the terms of the Deferred Bonus Plan. Dividend equivalent payments may be made on deferred shares. Typically, 25% of any bonus awarded to the Executive Directors is deferred into shares. Other than to the extent deferred, bonuses are paid in cash. The bonus scheme rules include a clawback and a malus provision.	The maximum bonus (including any part of the bonus deferred into share awards) deliverable under the plan is up to 150% of annual base salary in the case of the CEO and 125% in the case of the CFO. For financial measures, 50% of the maximum bonus is payable for target performance, and up to 25% of the maximum bonus is payable for threshold performance. For non-financial measures, the precise bonus structure may differ depending on the nature of the objective and the way it is assessed.	Bonus awards are based on annual performance against stretching Company financial targets (e.g. Adjusted profit before tax and gross profit) and personal performance objectives for the individual Directors. Financial targets will always comprise a majority of the performance conditions. Targets are set by the Committee at the beginning of each year. The Committee has the discretion to vary targets and weightings from year to year. The Committee has additional overriding discretion to adjust the formulaic outcome of the bonus scheme if deemed appropriate.
Long-Term Incentive Plan ("LTIP")			
To align the interests of executives with those of shareholders; to motivate and incentivise delivering sustained business performance over the long term; to aid retention of key executive talent.	The Executive Directors and other senior executives participate in a discretionary LTIP. The plan entitles participants to an allocation of, or options over, free (or nominal value) shares after a performance period of three years (or any other period as the Committee may decide), subject to certain performance and service conditions being met. Participation is at the discretion of the Board on the recommendation of the Remuneration Committee. Awards will typically be made annually based on a multiple of annual salary. Performance conditions are set at the time of the award. The plan rules amongst other things include clawback and malus provisions and a limitation to ensure that new shares issued, when aggregated with all other employee share awards, must not exceed 10% of issued share capital over any ten-year period. LTIP awards to Executive Directors are subject to a two-year post vesting holding period. Dividend equivalents may be applied to awards up to their vesting date.	The Remuneration Committee would in normal circumstances expect to make annual LTIP awards to the Executive Directors at a value of up to 175% of base salary to the CEO and CFO, with a maximum of 200%. In the event of recruitment only, there is a limit of 400%. At threshold performance, 25% of awards subject to that performance condition vest.	The vesting of LTIP awards is conditional upon the successful achievement of performance conditions over the performance period, which are set at the time of the award. Performance conditions may be financial (including TSR) or non-financial. Each year the Committee assesses what performance conditions and associated weightings it considers appropriate in supporting the Company's strategy and longer-term objectives. Detail of the amendments made to the performance targets for awards to be made in 2025 onwards can be found in the Committee Chair's statement on page 91. The Committee has overriding discretion to adjust the formulaic outcome of the LTIP if deemed appropriate.

Purpose and link to strategy	Operation	Potential remuneration	Performance metric
All-employee share plans			
Encourages employee share ownership and therefore increases alignment with shareholders.	Executive Directors may participate in all-employee share schemes which are designed to encourage share ownership across the wider UK workforce in line with HMRC guidelines and on the same basis as other eligible UK employees. These currently include the SAYE and an evergreen SIP.	The schemes are subject to the limits set by HMRC or appropriate tax authority from time to time.	Options can vest subject to continued employment or under specific circumstances as set out in the rules. There are no performance conditions.
Shareholding guidelines			
Encourages Executive Directors to build a meaningful shareholding in Gamma to further align interests with shareholders.	Each Executive Director is expected to build up and maintain a shareholding in Gamma equivalent to 200% of base salary over a period of six years. The shareholding includes beneficially owned shares, vested LTIPs on an after-tax basis and bonuses deferred into shares on an after-tax basis. If an Executive Director does not meet the guidelines, the Remuneration Committee may delay the release of 50% of LTIPs at the end of the holding period until the requirement is met. The shareholding requirements apply for two years post cessation. Shares acquired by Executive Directors for cash rather than through deferred bonus or LTIP awards will count towards the 200% minimum shareholding requirement but are not subject to any equivalent delayed release.	Not applicable.	Not applicable.

Explanation of performance conditions

Reflecting the strategic emphasis on profitability, short-term performance is incentivised with an annual bonus scheme which is based on Company financial objectives such as Adjusted PBT and gross profit along with personal performance objectives.

Long-term performance is incentivised with an LTIP which is primarily focused on the achievement of demanding relative TSR and Adjusted EPS growth targets. For 2025, an additional carbon reduction metric has been introduced in recognition of the importance of this measure over the long term.

Targets are set to align with internal and external expectations of the Company's future performance, balancing achievability and stretch. Where possible, targets will be announced at the time awards are made and are included on page 110 in respect of the targets which will be set for the LTIP to be awarded in 2025.

The Committee retains the discretion to set different performance measures and/or to set different weightings on the performance goals from year to year for annual bonus and LTIP awards.

Differences in Remuneration Policy for employees and Executive Directors

The principles behind the Remuneration Policy for Executive Directors are cascaded down through the Group. Gamma aims to attract and retain the best staff and to focus their remuneration on the delivery of long-term sustainable growth by using a mix of salary, benefits, bonus and longer-term incentives. As a result, no element of the Executive Director Remuneration Policy is operated exclusively for Executive Directors other than the two-year post vesting holding period in the LTIP and the post-employment shareholding policy:

- The annual bonus scheme for Executive Directors is largely the same as that for the rest of the Executive Committee. In the UK, all are aligned with similar business objectives. In the European subsidiaries, there are objectives relating to the subsidiaries' financial and business performance.
- Participation in the LTIP is extended to the rest of the Executive Committee.
- Employees who are not Executive Directors may receive restricted share awards which are share awards which do not have performance conditions, are subject only to continued employment and are issued at lower multiples of salary.
- The pension scheme is operated for all permanent employees and the Executive Directors receive the same level of contribution as the majority of other employees.

The main difference between remuneration for Executive Directors and employees is that, for Executive Directors, the variable element of total remuneration is greater whilst the total remuneration opportunity is also higher to reflect the increased responsibility of the role.

Committee discretion, flexibility and judgement in operating the incentive plans

In line with market practice and the various scheme rules, the Committee retains discretion relating to operating and administering the annual bonus and the LTIP. This discretion includes, but is not limited to:

The Discretionary Annual Bonus Plan:

- The scheme participants for recommendation to the Board.
- The review of and setting of annual performance measures and targets.
- The determination and calculation of any bonus payment, including upward or downward adjustment as appropriate.
- The timing of any bonus payments.
- The determination of the proportion of any bonus award that is deferred into an award under the terms of the Deferred Bonus Plan.
- The determination of the treatment of leavers depending on the circumstances.
- The determination of bonus for new joiners during the year depending on the circumstances.
- The determination of bonus in the event of a change in control.
- Overriding Committee discretion.

The LTIP:

- The scheme participants for recommendation to the Board.
- The form and timing of the grant of an award.
- The size of awards made.
- The setting of appropriate performance measures.
- Determining the treatment of leavers depending on the circumstances.
- Withholding the release of 50% of any year's LTIP award for Executive Directors not meeting the agreed shareholding requirements.
- Discretion relating to vesting in the event of a change of control of the Company.
- Recommending that the Board substitutes a cash equivalent in place of shares.
- Making appropriate adjustments to awards required in certain circumstances, e.g. demerger, special dividend or other similar event which affects the market price of shares to a material extent.
- Determining that it would be appropriate to amend, waive or replace any performance or other condition applying to an award, provided that any amended or replaced performance or other condition shall not, in the reasonable opinion of the Committee, be materially more or less difficult to satisfy.
- Determining that the normal vesting date of an award shall be earlier than the third anniversary of its date of grant if the timing of the making of awards is delayed for regulatory reasons.
- Overriding Committee discretion to adjust formulaic outcomes.

Malus and clawback provisions

Malus provisions apply to awards granted under the LTIP which enable the Committee to determine that the awards will be cancelled or reduced before the underlying shares are delivered to the participant. Clawback provisions also apply, which enable the Committee to determine that, following the delivery of shares under an LTIP award, the participant must pay an amount to the Company up to the market value of the shares on the date that the award vested or was exercised (as applicable). The Committee may only apply the clawback provisions during the clawback period, which will be set on the date that the relevant award is granted and will usually be three years from the date that the LTIP award vests.

These malus and clawback provisions may only be applied in certain circumstances, including fraud, material wrongdoing, failure of risk management or corporate failure, material financial misstatement and failure to meet appropriate standards of fitness and propriety.

There are also malus and clawback provisions in the Discretionary Bonus Scheme. These last for up to three years from award.

Service agreements

The Executive Directors' service agreements summary is set out below. In consideration of the move to the Main Market, new service agreements will be put in place for both Executive Directors to remove references to AIM, include references relevant to a Main Market listing and consolidate terms adopted by addendum to their initial service agreements.

Key element	CEO Andrew Belshaw	CFO Bill Castell
Effective date of contract	CFO 10 October 2014 CEO 30 November 2022	1 May 2022
Notice period	12 months' notice given by either party	
Termination payments	The Company has the discretion to make a payment of basic salary in lieu of notice to terminate the employment forthwith in the event of notice being given	

The maximum notice period for Executive Directors is 12 months.

Executive service agreements are available on request from the Company Secretary.

Policy on loss of office

The following sets out the Company's policy in normal circumstances with regard to exit payments for each remuneration element for Executive Directors. The Group will pay any amounts it is required to in accordance with or in settlement of a Director's statutory employment rights and in accordance with their service contract. A Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as serious dishonesty, gross misconduct, incompetence, or wilful neglect of duty.

Basic salary: This will be paid over the contractual notice period (CEO and CFO: 12 months). However, the Company has the discretion to make a lump sum payment for termination in lieu of notice. The Committee will be mindful of mitigation and the phasing of such payments.

Benefits and pension contributions: These will normally continue to be provided over the notice period; however, the Company has the discretion to make a lump sum payment on termination equal to the value of the benefits and pension payable during the notice period.

Annual bonus: The payment of any annual bonus would be entirely at the discretion of the Remuneration Committee and if made would normally be pro-rated to the time of active service in the year that employment ceased and be subject to the original performance conditions and policy on deferral. In such circumstances the decision of the Committee would take into consideration the financial performance of the Company, the performance of the individual, and the circumstances of the termination of employment.

Long-Term Incentive Plan ("LTIP"): Awards are governed by the LTIP rules at the time of award. In the case of good leavers, the plan rules specify that, on exit, awards will normally be pro-rated for time served and vest at the normal time in accordance with the performance conditions and be subject to the holding period, other than in limited circumstances such as death. The Committee retains discretion to determine early vesting and to decide to waive time pro-rating if it feels that is appropriate in any particular circumstances. If an Executive Director ceases employment other than as a good leaver, any unvested portion of their award will lapse.

Change in control and corporate events

In the event of a change in control, for the annual bonus the Remuneration Committee will assess performance against targets, normally pro-rate amounts paid for time elapsed up to the point of change in control and settle in cash. Outstanding deferred bonus awards will vest in full.

The LTIP rules provide that awards will vest subject to the Remuneration Committee's assessment of the performance conditions and that awards will then be pro-rated for time. The holding period will not be applied. Awards may be exchanged for new awards if the acquiring company and the award holders consent. The Committee retains discretion to waive time pro-ration if it feels appropriate in any particular circumstances.

If a demerger, distribution or other transaction which would affect the current or future value of any award occurs, awards can vest on the same basis as for a change of control. Alternatively, an adjustment may be made to the number of shares if considered appropriate.

External appointments

Executive Directors may accept one external non-executive directorship with the prior agreement of the Board, provided it does not conflict with the Group's interests and the time commitment does not impact upon the Executive Director's ability to perform their primary duty. The Executive Directors may retain the fee from external directorships.

Policy on recruitment

When hiring a new Executive Director, the Committee will consider the overall remuneration package by reference to the Remuneration Policy set out in this report. Salary and annual bonus levels will be set so as to be competitive with comparable roles in companies in similar sectors, and also taking into account the experience, seniority and the scope of responsibility of the appointee coming into the role. New Executive Directors will be able to participate in the annual bonus scheme on a pro-rated basis for the portion of the financial year for which they are in post. New Executive Directors may receive benefits and pension contributions in line with the Company's existing policy. LTIP awards are made on an ongoing basis in line with our policy for Executive Directors. In the year of recruitment, a higher award may be made to the new recruit within the limits of the Remuneration Policy (maximum of 400% of salary). Such an award may be spread over the two years following recruitment.

The approach in respect of compensation for forfeited remuneration from a previous employer will be considered on a case-by-case basis taking into account all relevant factors, such as the form of compensation forfeited, performance achieved or likely to be achieved, and the proportion of the performance period remaining. If any compensation for forfeited remuneration is paid, it may be awarded outside the LTIP and may be made with non-standard performance conditions, or without performance conditions and with a shorter vesting period and without a holding period to reflect the profile of forfeited awards. Any such arrangements would be disclosed in the following year's Annual Report. This discretion reflects that available to Main Market companies under Listing Rule 9.3.R(2).

In the case of an internal appointment to an Executive Director role, any variable pay element, annual bonus or LTIP awarded in respect of a prior non-Board role would be allowed to pay out according to its terms.

Discretion to vary from policy may also be exercised in the following circumstances: (1) for a short-term/interim appointment; (2) where the Chair or a Non-Executive Director is appointed for a short period; (3) where an Executive Director is appointed mid-year, performance conditions for annual bonus and LTIP may be tailored for this or amounts transferred pro-rata by month to following year; (4) where an Executive Director is hired from a location with different benefits that the Remuneration Committee sees appropriate to buy out (but not variable remuneration which is covered above); (5) relocation expenses – one-off and/or ongoing including tax equalisation; and (6) legal and similar expenses.

Legacy arrangements

The Company will honour existing awards, incentives, benefits and contractual arrangements made to individuals prior to their promotion to the Board and/or prior to the approval and implementation of this policy. For the avoidance of doubt this includes payments in respect of any award granted under any previous Remuneration Policy. This will last until the existing incentives vest (or lapse) or the benefits or contractual arrangements no longer apply. There are no such outstanding arrangements in place for the current Executive Directors.

Illustrations of application of the Remuneration Policy

The charts below represent estimates under four performance scenarios ("Minimum", "Target", "Maximum" and "Maximum assuming a 50% share price appreciation" between award and vesting under the LTIP) of the potential remuneration outcomes for each Executive Director resulting from the application of the 2025 base salaries to awards made in accordance with the proposed policy for 2025. The majority of Executive Directors' remuneration is delivered through variable pay elements, which are conditional on the achievement of stretching targets.

The scenario charts are based on the proposed policy award levels and only serve to illustrate the proposed policy. The scenarios are based on the current CEO and CFO roles.

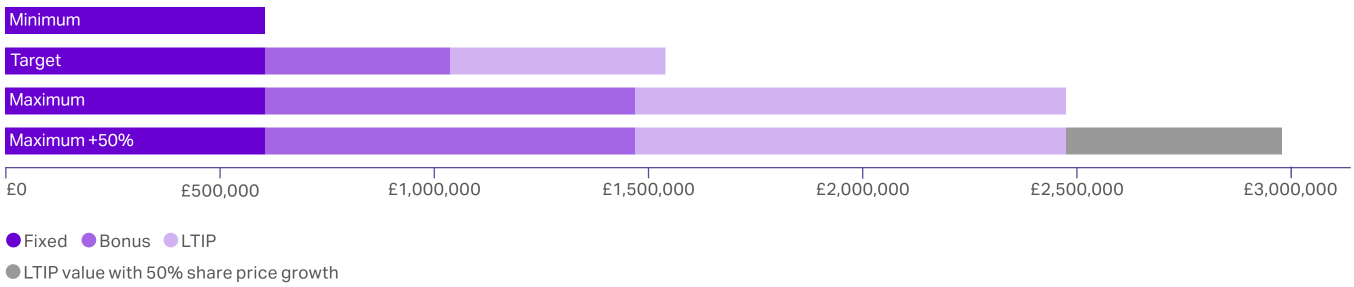
Performance scenarios

	Minimum	Target	Maximum
Base salary (2025)	✔	✔	✔
Benefits (2024 actuals)	✔	✔	✔
Pension (2025 estimate)	✔	✔	✔
Bonus	Nil	Set at 50% of maximum opportunity CEO 75% of salary CFO 62.5% of salary	CEO 150% of salary CFO 125% of salary
LTIP	Nil	Set at 50% of maximum opportunity CEO 87.5% of salary CFO 87.5% of salary	CEO 175% of salary CFO 175% of salary

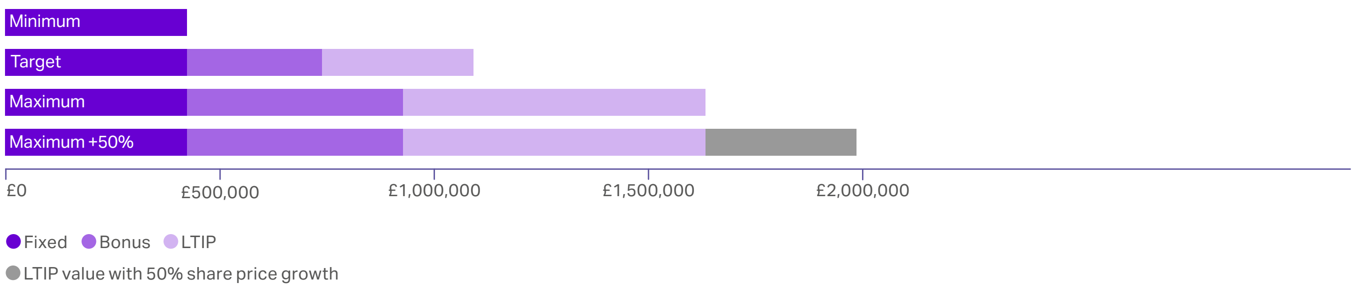
The fourth scenario "Maximum assuming 50% share price appreciation" reflects the assumptions under Maximum above and incorporating 50% share price appreciation between award and vesting under the LTIP scheme.

Charts do not take account of dividend equivalents which may be applied to LTIP awards.

Chief Executive Officer



Chief Financial Officer



Policy on Non-Executive Director remuneration

Purpose and link to strategy	Approach to setting fees	Other items
Chair and Non-Executive Directors' fees		
To enable Gamma to recruit and retain Non-Executive Directors of the highest calibre, at an appropriate cost.	Non-Executive Directors are paid a basic annual fee. Additional fees may be paid to Non-Executive Directors who Chair the Board, Chair a Committee, to the Senior Independent Director and to the Workforce Engagement Director to reflect additional responsibilities, as appropriate. The level of fees paid in 2024 and those intended to be paid in 2025 are shown in the Annual Report on Remuneration. Non-Executive Directors' fees are reviewed annually with changes effective from 1 January each year. During the year the Committee agreed to implement a fee for the role of the Workforce Engagement Director. With effect from 1 January 2025 the Non-Executive Directors no longer receive an expense allowance in addition to their base fee. The Company reimburses Non-Executive Directors in respect of expenses incurred in performing their duties, on a grossed-up basis where considered appropriate. The Chair's fee is approved by the Board on the recommendation of the Remuneration Committee (excluding the Chair). The other Non-Executives' fees are approved by the Board on the recommendation of the Chair of the Board, the CEO and the CFO. The Non-Executive Directors are not involved in any decisions about their own remuneration.	Non-Executive Directors are not entitled to receive any compensation for loss of office, other than fees for their notice period. They do not participate in the Group's bonus, LTIP, employee share plans or pension arrangements, and do not receive any employee benefits.

Non-Executive Director letters of appointment

Non-Executive Directors have letters of appointment (as opposed to service contracts) and are appointed for an initial three-year term which may be extended by mutual agreement. All Non-Executive Directors are subject to annual re-election by the shareholders. In consideration of the move to the Main Market, new letters of appointment will be put in place for all Non-Executive Directors to remove references to AIM, include references relevant to a Main Market listing and clarify the position on expenses.

The Chair and Non-Executive Directors have notice periods of three months from either party which do not apply in the case of a Director not being re-elected by shareholders or retiring from office under the Articles of Association. Other than fees for this notice period, the Chair and Non-Executive Directors are not entitled to any compensation on exit.

The current Non-Executive Directors' initial appointments commenced on the following dates:

Director	Date of first appointment
Martin Hellawell	1 July 2023
Rachel Addison	3 October 2022
Charlotta Ginman	8 September 2020
Xavier Robert	8 September 2020
Shaun Gregory	1 July 2022

Letters of appointment are available for inspection on request from the Company Secretary.

Annual Report on Remuneration

This Annual Report on Remuneration sets out information about the remuneration of the Directors of the Company for the year ended 31 December 2024. The information in this report is unaudited, unless indicated otherwise.

Single total figure of remuneration for Executive Directors (audited)

Director	Year	Salary £000s	Benefits £000s	Bonus £000s	Long-term incentive ("LTIP") £000s	Pension £000s	Total £000s	Fixed £000s	Variable £000s
Andrew Belshaw	2024	474	2	547	290	22	1,335	498	837
(CEO)	2023	460	–	549	185	22	1,216	482	734
Bill Castell	2024	391	–	362	200	19	972	410	562
(CFO)	2023	341	–	326	–	16	684	358	326

Bonuses are shown on an accrued basis and include both the cash and deferred share element. The value stated for the LTIP in 2024 for Andrew Belshaw includes two elements: (1) an amount relating to the vesting of the 2021 LTIP awards, with the value calculated using the share price on the vesting date of 29 April 2024, and (2) an amount relating to the expected vesting level of the 2022 LTIP awards, with the value calculated using the average share price over the three months ended 31 December 2024 (£16.05). For Bill Castell the value stated relates to the 2022 LTIP award only, his first LTIP award with Gamma. For both Directors a value for the 2022 awards has been included as the performance period for the Adjusted EPS element completed on 31 December 2024, and the performance period for the TSR element was substantially complete as the end of 2024. Of the LTIP value of £290,422 for Andrew Belshaw, £26,771 is attributable to share price appreciation. Of the LTIP value of £200,413 for Bill Castell, £57,814 is attributable to share price appreciation.

In 2024, Andrew Belshaw received £12,366 (2023: £12,786) in lieu of a contribution by the Company to his pension as well as company pension contributions of £10,091 (2023: £8,909), and Bill Castell received £8,674 (2023: £7,465) in lieu of a contribution by the Company to his pension as well as company pension contributions of £10,091 (2023: £8,909).

The Directors have no rights under any Company pension schemes that are designated as defined benefit schemes. In addition to the above, the Company provides life assurance and group income protection for the Executive Directors.

Annual performance bonus 2024

The maximum annual bonus award opportunity in respect of the year ended 31 December 2024 was 125% of salary for the CEO and 100% of salary for the CFO. The structure of the bonus and the objectives for the Executive Directors are set out in the table and comments below.

					Bonus opportunity payable %	
Measure	Weighting	Threshold £m	Maximum £m	Outcome £m	Andrew Belshaw	Bill Castell
Adjusted profit before tax[1]	55%	102.2	109.2	111.9	100%	100%
Gross profit[1]	20%	287.0	296.4	293.6	72%	72%
ESG objectives	5%	n/a	n/a	n/a	100%	100%
Personal objectives	20%	n/a	n/a	n/a	90%	90%
					92%	**92%**

1 The bonus targets and the assessment of performance exclude the impact of acquisitions made during the year. Targets are also assessed on a constant currency basis to ensure management is not advantaged or disadvantaged as a result of FX movements.

The personal objectives set for 2024 and main achievements were:

Andrew Belshaw:

Objective	Weighting	Achievement	Performance summary
Define 5-10 year strategy to determine the building blocks for future long-term growth	5%	5%	Performed a full strategic review, which was presented to the Board. A number of potential growth areas (including new products and markets) were considered, with ultimate focus on new solution sets and markets which can be entered in the 5-10 year time horizon.
Refine current product and market strategic plan	5%	5%	Defined the UCaaS product portfolio, to bring clarity between solutions and end users. Continued to drive Operator Connect and on a path to introduce in more territories. Brought clarity to Gamma's German solution offering through key acquisitions: Placetel (completed in 2024) and STARFACE (completed in February 2025). Prepared five-year business plan which was approved by the Board.
Finalise PSTN switch-off plan and execute	2%	1%	Introduced programmes which made switching commercially more attractive. Some challenges faced due to PSTN switch-off being delayed to 2027.
Scope new Portal/OSS/BSS with new CTO	2%	2%	New portal was scoped successfully during the year, with the first iteration to be released in 2025.
Improve IR communications materials	2%	2%	Developed new materials to help engage new investors and promote the Gamma story, including new presentation and video interview.
Continue to improve execution of M&A process and integration (joint objective with CFO)	4%	3%	Several acquisitions made during the year (Coolwave, BrightCloud, Placetel), and others considered. Demonstrably improved process given use of Gamma team and work with a wider range of external consultants to help with origination, execution and integration.
Totals	**20%**	**18%**	

Bill Castell:

Objective	Weighting	Achievement	Performance summary
Improve internal financial reporting and cost analytics	3%	2%	Improvements made to monthly Board pack, five-year strategic plan and budget analysis. Further improvement required on cost allocation reporting to implement work completed. Product churn reporting has been improved and will drive decisions on executable strategies.
Work with the Board to finalise and communicate Gamma's capital allocation policy	3%	3%	Completed successful share buyback programme along with providing clarity on capital allocation policy with FY23 results. Positive feedback received from investors.
Deliver systems and controls improvements in relation to the finance system and M&A processes	3%	3%	OneStream consolidation system launched with effect from 1 January 2025. Supported M&A Committee with clearer proposals facilitating more-informed decision-making. Standardised the acquisition due diligence process, which will continue to be refined.
Continue to improve execution of M&A process and integration (joint objective with CEO)	3%	2%	See summary provided under CEO above.
Continue to ensure that finance/ commercial teams work alongside the sales teams to manage risk	2%	2%	Improved the risk framework and reporting to the Audit & Risk Committee and Board. Hired a Group Risk and Controls Director and resource to support with the implementation of Provision 29 of the UK Corporate Governance Code.
Run a successful audit tender process	2%	2%	Supported the Audit & Risk Committee with the audit tender process, engaging a robust shortlist and concluding with the reappointment of Deloitte.
Prepare for Main Market listing having completed assessment of control environment and systems	2%	2%	Completed assessment of control environment and systems required. Announced intention to move from AIM to the Main Market and process well underway. Published Gamma's first report in compliance with TCFD in the FY23 Annual Report.
Develop finance team, with focus on long-term succession planning	2%	2%	Key new hires recruited. Potential internal and external successors identified.
Totals	**20%**	**18%**	

Executive Directors were set two ESG objectives in respect of the 2024 annual bonus plan, representing 5% of the total annual bonus available, split equally between each one. Outcome against each objective is set out below.

Objective	Weighting	Achievement	Performance summary
Maintain the proportion of new hires at ExCo, ExCo-1 and ExCo-2 levels which are from currently underrepresented groups (i.e. female and/or ethnic minority) above 40% in 2024.	2.5%	2.5%	Of 35 hires across Europe at these levels during 2024, 14 declared being part of an underrepresented group, being 40%. Within the UK, this measure was at 43%.
With reference to Stage 1 (2023-2026) of the Group's Carbon Reduction Plan, ensure that each of the key carbon reduction opportunities for Stage 1 are identified, defined, allocated an ExCo owner(s), execution plans are developed, and where possible kicked-off, and that in aggregate they can be demonstrated to be consistent with achieving a 31% reduction in carbon emissions by the end of 2026.	2.5%	2.5%	Internally collated environmental data shows that at least a 31% reduction has been met and is on track to be met by 2026 based on current plans. Following the appointment of an ESG Programme Manager, opportunities for further carbon reduction have been identified and allocated owners.
Totals	**5%**	**5%**	

Deferred bonus award

The deferred bonus award is calculated as 25% of gross bonuses earned in 2024. The number of shares over which awards will be made will be determined by the share price on the trading day prior to the date of award in March 2025. These awards will not be subject to any further performance conditions and will vest in full on the third anniversary of the vesting commencement date.

The value of each individual's award in respect of their bonus to be paid in respect of 2024 has been determined as follows:

Director	Overall bonus outcome	Bonus for 2024 £000s	Cash-settled £000s	Value of 2024 deferred bonus award £000s
Andrew Belshaw	92%	547	410	137
Bill Castell	92%	362	271	91

Details on the deferred bonus awards granted during 2024 in respect of the bonus paid in respect of 2023 are below:

Director	Type of scheme interest	Number of awards	Vesting date	Face value of award[1]	Exercise price
Andrew Belshaw	Nil-cost option	10,035	12 April 2027	£137,279	£0.0025
Bill Castell	Nil-cost option	5,955	12 April 2027	£81,464	£0.0025

1 The face value of the award has been calculated using the closing share price of £13.68 on 11 April 2024, the day before the awards were made.

Long-Term Incentive Plan ("LTIP") – Vesting of 2021 LTIP awards

Details of the LTIP awards vesting during the year are set out below. These awards were granted in April 2021.

Director	Total number of shares	Face value at grant	% Vesting	Shares vesting	Share price[1] £	LTIP value
Andrew Belshaw	23,789	£390,140	38%	8,956	13.16	£117,861

1 The long-term incentive figure for the year has been valued using the market value of the shares on the vesting date of 29 April 2024.

The 2021 LTIP was subject to a combination of performance conditions based on annual compound growth in TSR and annual compound growth in Adjusted EPS over the three-year period. Details of the performance against these conditions are shown below.

Measure	Weighting	Measurement period	Threshold performance (30% vesting)	Maximum performance (100% vesting)	Actual performance	% vesting
Annual compound growth in TSR	50%	31 March 2021 – 25 April 2024	8%	15%	(6.3)%	0%
Annual compound growth in Adjusted EPS	50%	1 January 2021 – 31 December 2023	8%	20%	15.8%	75.3%

As explained in the Annual Statement from the Remuneration Committee Chair on page 89, the Committee determined that the calculation of Adjusted EPS growth would include an adjustment for the change in UK corporation tax which came into effect during the performance period.

Long-Term Incentive Plan ("LTIP") – Vesting of 2022 LTIP awards

The LTIP awards granted in April 2022 do not vest until April 2025. However, as the Adjusted EPS performance condition is measured up to 31 December 2024, and as the performance period for the TSR element was substantially complete as at 31 December 2024, a value for these awards has been included in the single total figure table on page 103. Details of these awards are set out below.

Director	Total number of shares[1]	Face value at grant	% Vesting	Shares vesting	Share price[2] £	LTIP value
Andrew Belshaw	36,820	£487,497	29%	10,751	16.05	£172,561
Bill Castell	42,763	£487,498	29%	12,487	16.05	£200,413

1 A share price of £13.24 was used to calculate Andrew Belshaw's award and a share price of £11.40 was used to calculate Bill Castell's award.

2 The long-term incentive figure for the year has been valued using the average share price over the final three months of 2024 (£16.05).

The 2022 LTIP was subject to the same TSR and Adjusted EPS performance targets as applied to the 2021 LTIP. Details of the performance against these conditions are shown below.

Measure	Weighting	Measurement period	Threshold performance (30% vesting)	Maximum performance (100% vesting)	Actual performance	% vesting
Annual compound growth in TSR[1]	50%	1 April 2022 – 25 April 2025[1]	8%	15%	6.2%	0%
Annual compound growth in Adjusted EPS	50%	1 January 2022 – 31 December 2024	8%	20%	12.9%	59%

1 For the purpose of this report, TSR has been measured over the period from 1 April 2022 to 31 December 2024. We will provide an update in next year's report based on the final outcome of the TSR test.

Consistent with the approach taken for the 2021 LTIP award, as discussed above, the calculation of Adjusted EPS growth includes an adjustment for the change in UK corporation tax which came into effect during the performance period.

Share options awarded during the year ended 31 December 2024 under the LTIP (audited)

During the year ended 31 December 2024 the following LTIP awards were granted. The performance conditions are set out below the table.

Director	Type of scheme interest	Basis of award	Number of awards	Share price at award	Vesting date[1]	Face value of award	Exercise price
Andrew Belshaw	Nil-cost option	175% of salary	61,436	£13.50[2]	12 April 2027	£829,140	£0.0025
Bill Castell	Nil-cost option	150% of salary	43,501	£13.50[2]	12 April 2027	£587,089	£0.0025

1 The normal vesting date is three years from the date of grant, subject to the Remuneration Committee determining the extent to which any performance condition has been satisfied, and subject to malus and clawback provisions.

2 Award price calculated using the average of the mid-market prices for the five days immediately preceding the award date.

At the time of making an award the Remuneration Committee sets challenging long-term performance targets to align the interests of the Directors with shareholders and which, together with continuous employment conditions, must be satisfied before an award vests.

The 2024 LTIP awards have a performance period of three years starting 1 January 2024.

The vesting of 50% of the award (the "Relative TSR Part") is subject to the Company's TSR performance over a three-year period that commenced on 1 January 2024 relative to the TSR performance over the same period of the constituents of the FTSE 250 Index (excluding investment trusts) as at 1 January 2024. 25% of the Relative TSR Part will vest for median ranking performance, rising on a straight-line basis to full vesting of the Relative TSR Part for upper quartile ranking (or better) relative TSR performance.

The vesting of the other 50% of the award (the "EPS Part") is subject to growth in the Company's Adjusted EPS performance over a three-year period that commenced on 1 January 2024. 25% of the EPS Part will vest for compound annual growth at 4% rising on a straight-line basis to full vesting of the EPS Part for compound annual growth at 14%. As explained in the Annual Statement from the Remuneration Committee Chair, and in line with previous years' awards, an adjustment will be made when calculating Adjusted EPS to take into account the change in UK corporation tax which occurred during 2023, i.e. the base year from which performance under the 2024 LTIP awards will be measured.

Dividend equivalents will accrue on any vested awards.

Details of previous years' LTIP awards can be found in the relevant Annual Report and Accounts.

Save As You Earn ("SAYE") scheme

During the year the Executive Directors were eligible to participate in Gamma's SAYE scheme, an HM Revenue & Customs ("HMRC") approved scheme open to all staff permanently employed by a Gamma company in the UK as of the eligibility date. Options under the plan are granted at up to a 20% discount to market value. Executive Directors' participation is included in the table below:

	Options										
	Grant date	At 1 Jan 2024	Granted in 2024	Exercised in 2024	Lapsed in 2024	At 31 Dec 2024	Option price (£)	Date exercisable	Expiry date	Market price on exercise (£)	Gain on exercise (£000s)
Andrew Belshaw	6 May 2022	1,730	–	–	–	1,730	10.40	1 July 2025	31 Dec 2025	–	–
Bill Castell	9 May 2023	2,117	–	–	–	2,117	8.50	1 July 2026	31 Dec 2026	–	–

Single total figure of remuneration for Non-Executive Directors (audited)

	Directors' fees		Committee Chair/SID fees		Expense allowance		Taxable expenses		Total	
Director	2024 £000s	2023 £000s	2024 £000s	2023 £000s	2024 £000s	2023 £000s	2024 £000s	2023 £000s	2024 £000s	2023 £000s
Current Directors										
Martin Hellawell [1]	206	100	–	–	4	2	–	–	210	102
Rachel Addison[2]	55	54	15	5	2	2	–	–	72	61
Charlotta Ginman[3]	55	54	13	9	2	2	–	–	70	65
Shaun Gregory	55	54	9	5	2	2	–	–	66	61
Xavier Robert	55	54	–	–	2	2	–	–	57	56
Former Directors										
Henrietta Marsh[4]	21	54	7	18	1	2	–	–	29	74

1 Martin Hellawell was appointed as Chair and Non-Executive Director of the Board on 1 July 2023.
2 Rachel Addison became Senior Independent Director and Chair of the Remuneration Committee on 21 May 2024.
3 Charlotta Ginman become Chair of the Audit & Risk Committee on 21 May 2024.
4 Henrietta Marsh retired from the Board on 21 May 2024 hence her fee for 2024 was pro-rated.

Full details of the additional fees for chairing a committee or other roles held by Non-Executive Directors are set out in the Summary of Non-Executive Director fees for the year ended 31 December 2025 later in this report.

Loss of office payments

No loss of office payments were made during the year.

Payments to past Directors

No payments were made to former Directors during the year, other than in the normal course of the exercise of vested options.

Statement of Directors' shareholding and share interests (audited)

Directors' share interests at 31 December 2024 are set out below:

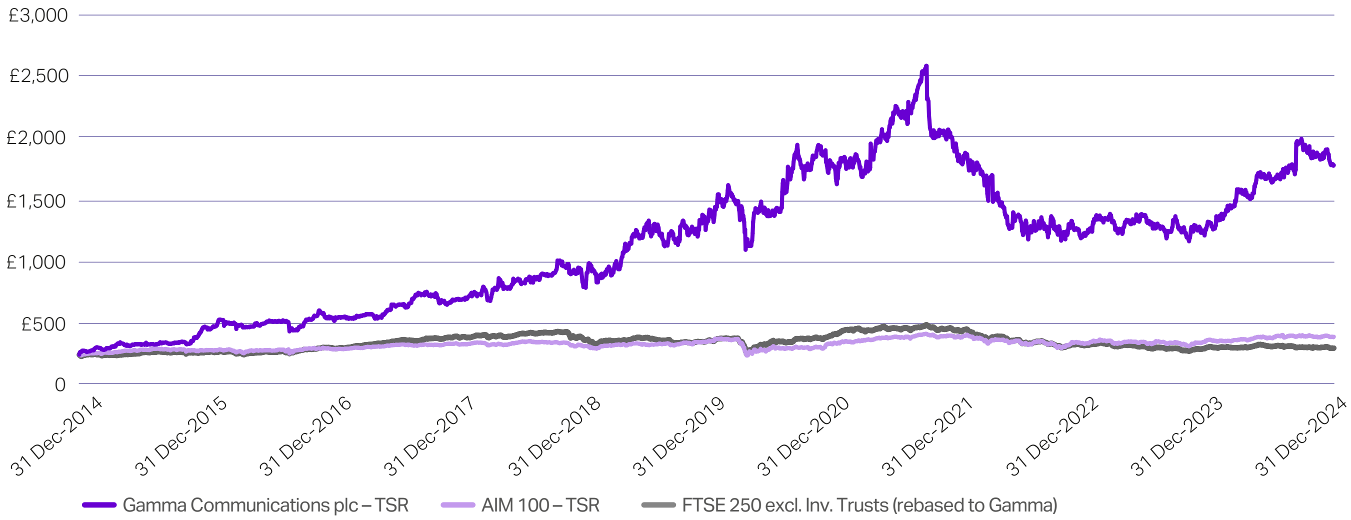
Executive Directors are required to build up and maintain a shareholding of at least 200% of base salary in Gamma Communications plc shares. Andrew Belshaw meets this requirement. Having joined in May 2022, Bill Castell is in the process of building his shareholding in Gamma. There have been no changes in the Directors' shareholdings as set out below between 31 December 2024 and the date of this report.

					Options			
2024	Shareholding as percentage of salary[1]	Shareholding requirement as percentage of salary	Shareholding requirement met	Number of beneficially owned shares	With performance measures	Without performance measures	Vested but unexercised	Exercised during the year
Executive Director								
Andrew Belshaw	424%	200%	Yes	96,678	167,965	26,219	18,995	16,015[3]
Bill Castell[2]	43%	200%	No	–	130,589	12,995	–	–
Non-Executive Director								
Martin Hellawell				6,000	–	–	–	–
Rachel Addison				–	–	–	–	–
Charlotta Ginman				1,000	–	–	–	–
Shaun Gregory				–	–	–	–	–
Xavier Robert				3,000	–	–	–	–

1 Calculated using the 31 December 2024 share price of £15.30.
2 Bill Castell joined the Company on 3 May 2022. He does not currently meet the shareholding requirements. The first of the LTIPs awarded to him are currently expected to vest in April 2025, but must be held for two years before they can be exercised.
3 Andrew exercised his 2020 LTIP option at a price of £0.0025 per share and sold shares at a market value of £13.13463 per share on the same day.

Performance graph and table

The Remuneration Committee has chosen to compare the TSR of the Company's ordinary shares against the AIM 100 Index and the FTSE 250 Index excluding Investment Trusts. We have chosen to show performance against both charts whilst the Company remains traded on AIM but will show only performance against the FTSE 250 Index excluding Investment Trusts in future, given this is the index against which LTIP awards made in 2024 onwards are being measured. The values indicated in the graph show the share price growth plus re-invested dividends from a £100 hypothetical holding of ordinary shares in Gamma Communications plc from the date of IPO.



Chief Executive's historical remuneration (audited)

The table below sets out the total remuneration of the individual undertaking the role of Chief Executive Officer over the last ten years for the period such individual was undertaking the CEO role, valued using the methodology applied to the single total figure remuneration (page 103).

	CEO	Total remuneration	Annual bonus payment level achieved (% of maximum opportunity)	LTIP vesting level achieved (% of maximum opportunity)
2024	Andrew Belshaw	£1,335,463	92%	38%[1]
				29%[1]
2023	Andrew Belshaw	£1,215,794	95.5%	50%
2022[2]	Andrew Belshaw	£488,598	97%	n/a[3]
	Andrew Taylor	£955,069	97%	73.7%
2021	Andrew Taylor	£2,882,813	95%	100%
2020	Andrew Taylor	£911,608	97%	n/a
2019	Andrew Taylor	£884,408	96%	n/a
2018[4]	Andrew Taylor	£655,990	100%	n/a
	Bob Falconer	£1,466,688	100%	92.83%[5]
2017	Bob Falconer	£2,243,428	100%	100%
2016	Bob Falconer	£599,760	100%	n/a[6]
2015	Bob Falconer	£2,320,287	100%	n/a[6]

1 The value stated for the LTIP in 2024 includes two elements: (1) an amount relating to the vesting of the 2021 LTIP awards, with the value calculated using the share price on the vesting date of 29 April 2024, and (2) an amount relating to the expected vesting level of the 2022 LTIP awards, with the value calculated using the average share price over the three months ended 31 December 2024 (£16.05). A value for the 2022 awards has been included as the performance period for the Adjusted EPS element completed on 31 December 2024, and the performance period for the TSR element was substantially complete as the end of 2024.

2 Andrew Taylor advised of his intention to retire and stepped down as CEO on 4 July 2022. He was employed by the Company until July 2023. Andrew Belshaw became Interim CEO on 4 July 2022 and was appointed CEO on 30 November 2022. The figures above show remuneration during the period of 2022 where the individual was undertaking the role of CEO. The figure for Andrew Belshaw has been amended to correctly apportion his bonus for the year.

3 LTIP excluded as it relates to the period when Andrew Belshaw was Deputy CEO rather than CEO.

4 Bob Falconer retired as CEO on 23 May 2018 and was replaced by Andrew Taylor.

5 92.827% represents the blended rate for the vesting of Bob Falconer's 2015, 2016 and 2017 LTIP schemes. These schemes achieved performance vesting percentages of 93.875%, 91.847% and 90.046% respectively.

6 Share options schemes prior to the 2015 LTIP scheme (which vested in 2017) did not have performance conditions attached to them.

Pay ratio information in relation to the total remuneration of the Director undertaking the role of CEO

The table below sets out the ratio of the total remuneration received by the Group CEO during each of the past five years to the total remuneration received in the same period by our UK employees at the median, 25th and 75th percentiles.

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2024	Option A	39.4:1	25.9:1	18.0:1
2023	Option A	37.8:1	24.7:1	16.9:1
2022	Option A	46.3:1	30.2:1	20.5:1
2021[1]	Option A	96.7:1	64.2:1	43.5:1
2020	Option A	29.4:1	20.2:1	13.4:1

1 2021 ratio is driven by the vesting of the 2018 LTIP which vested in full.

Year	Method	Group CEO	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2024	Salary	473,800	28,603	42,304	61,800
	Total pay and benefits	1,335,463	33,920	51,560	74,270
2023	Salary	460,000	26,870	39,663	59,542
	Total pay and benefits	1,215,794	32,140	49,286	72,062
2022	Salary	430,354	25,122	37,739	55,779
	Total pay and benefits	1,391,125	30,066	46,026	67,783
2021	Salary	418,239	27,591	40,148	58,365
	Total pay and benefits	2,882,813	29,798	44,869	66,303
2020	Salary	412,058	22,046	36,060	58,077
	Total pay and benefits	911,608	30,986	45,192	67,982

1 "Option A" methodology was selected on the basis that it provides the most robust and statistically accurate means of identifying the median, lower and upper quartile colleagues.
2 The Group CEO remuneration is the total single figure remuneration for the year ended 31 December 2024 contained on page 103.
3 The workforce comparison is based on actual payroll data for the period 1 January 2024 to 31 December 2024.
4 The total single figure remuneration calculated for each employee includes full-time equivalent base pay, annual bonuses paid, overtime, benefits, allowances and employer pension contributions.
5 Part-time workers have been included by calculating the full-time equivalent value of their pay and benefits.
6 Leavers and joiners have been included on a full-year equivalent basis but employees on reduced pay (due to sick pay, maternity leave, etc.) are included at the actual earnings for the year.

Percentage change in Executive and Non-Executive Director remuneration

The table below shows the percentage change in the salary/fees, benefits and bonus of Executive and Non-Executive Directors compared with the percentage change in the average of each of those components of pay for all UK employees. The Remuneration Committee selected the UK workforce as the comparator group as Gamma Communications plc, the parent company, employs our Executive Directors and has appointed the Non-Executive Directors only, and as such no meaningful comparison can be drawn based on the parent company alone. UK employees comprise the majority of the Group's employees and this employee group is considered a fair representation of the total.

				2023 to 2024			2022 to 2023			2021 to 2022			2020 to 2021		
Director	Appointed	Resigned	Note	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus
Andrew Belshaw	16/09/2014		1	3.0%	10.6%	-0.3%	21.5%	25.1%	30.6%	45.5%	43.8%	125.5%	1.5%	-1.1%	-0.6%
Bill Castell	03/05/2022		2	14.6%	17.0%	11.0%	57.5%	64.2%	-46.6%	–	–	–	–	–	–
Martin Hellawell	01/07/2023		3	106.0%	–	–	–	–	–	–	–	–	–	–	–
Rachel Addison	03/10/2022		4, 9	17.6%	–	–	5.0%	–	–	–	–	–	–	–	–
Charlotta Ginman	08/09/2020		5, 9	8.7%	–	–	5.0%	–	–	12.0%	–	–	1.5%	–	–
Shaun Gregory	01/07/2022		6, 9	8.8%	–	–	5.0%	–	–	–	–	–	–	–	–
Xavier Robert	08/09/2020		7	3.0%	–	–	5.0%	–	–	6.5%	–	–	1.5%	–	–
Henrietta Marsh	16/04/2019	21/05/2024	8	-59.9%	–	–	5.0%	–	–	5.9%	–	–	1.5%	–	–
UK employees				4.6%	6.7%	4.2%	5.4%	–	3.2%	8.5%	–	7.6%	6.3%	–	1.5%

1 Andrew Belshaw became Deputy CEO on 1 July 2022 and CEO on 30 November 2022.
2 Bill Castell was appointed a Director on 3 May 2022 hence his salary for 2022 was pro-rated compared to his salary in 2023. He received a one-off bonus of £400,000 in December 2022 as explained in previous years.
3 Martin Hellawell was appointed a Director on 1 July 2023.
4 Rachel Addison was appointed a Director on 3 October 2022.
5 Charlotta Ginman was appointed a Director on 8 September 2020 and became Audit Committee Chair on 20 May 2021.
6 Shaun Gregory was appointed a Director on 1 July 2022.
7 Xavier Robert was appointed a Director on 8 September 2020.
8 Henrietta Marsh retired from the Board on 21 May 2024.
9 The increases for 2024 were greater than those for UK employees due to changes in role during the year.

Relative importance of spend on pay (audited)

The following table shows the Group's actual spend on pay for all Group employees relative to dividends and pre-tax profit.

	2024 £m	2023 £m	Change %
Overall spend on pay, including Executive Directors	126.8	116.2	9%
Profit before tax	95.6	71.5	34%
Capital expenditure[1]	19.2	23.0	-17%
Dividends	17.3	15.2	14%
Share buyback	27.3	–	–

1 Capital expenditure has been included in the above table as it represents a key expenditure, being the Group's investment in infrastructure to drive future growth.

Implementation of Remuneration Policy in the financial year 2025

Changes to the Remuneration Policy are explained in the Committee Chair's statement on page 89 onwards and are set out in the full Remuneration Policy from page 95 onwards.

Executive Directors

The following table summarises the Executive Director remuneration packages for 2025.

Director	Salary £000s	Benefits	Pension contribution (% of salary)	Maximum annual bonus opportunity (% of salary)	LTIP (% of salary)
Andrew Belshaw	575,000	2	5.1%	150%	175%
Bill Castell	403,142	-	5.1%	125%	175%

Salary: The principal changes to the remuneration of the Executive Directors that have been implemented for 2025 are a rise of 21% for the CEO to set his pay at competitive levels as described in the Committee Chair's statement and an increase of 3% for the CFO in line with the median inflationary increase for the workforce. These were implemented with effect from 1 January 2025.

Pension and benefits: Both the CEO and CFO joined the private medical scheme during 2024. The CEO also utilised the Company's electric vehicle scheme. Pension provision remains aligned with the level available for eligible employees across the wider workforce.

Annual performance bonus: The maximum annual bonus opportunities have been increased for both the CEO and CFO for 2025, as set out in the Committee Chair's statement. For the CEO, the maximum potential has been increased from 125% to 150% of base salary. For the CFO, the maximum potential has been increased from 100% to 125%. The performance measures and weightings have been adjusted from the prior year with 60% (previously 55%) of the maximum potential bonus being based on growth in Adjusted PBT, 20% being based on gross profit (no change) and 20% based on personal objectives (no change). The ESG performance measure (previously 5%) has been removed, with an ESG target now being assessed as part of the LTIP (see below). A greater level of stretch has been built into the bonus targets to reflect the increased reward opportunity. The specific targets for the annual bonus for 2025 are not disclosed on the grounds they are commercially sensitive and will be disclosed in the 2025 Annual Report on Remuneration.

Long Term Incentive Plan ("LTIP"): It is anticipated that further performance-based LTIP awards will be made in May 2025 following the 2025 AGM. The targets for awards to be made in 2025 are as follows:

The vesting of 42.5% of the award (the "Relative TSR Part") is subject to the Company's TSR performance over a three-year period that commenced on 1 January 2025 relative to the TSR performance over the same period of the constituents of the FTSE 250 Index (excluding investment trusts) as at 1 January 2025. 25% of the Relative TSR Part will vest for median ranking performance, rising on a straight-line basis to full vesting of the Relative TSR Part for upper quartile ranking (or better) relative TSR performance.

The vesting of 42.5% of the award (the "EPS Part") is subject to growth in the Company's Adjusted EPS performance over a three-year period that commenced on 1 January 2025. 25% of the EPS Part will vest for compound annual growth at 4% rising on a straight-line basis to full vesting of the EPS Part for compound annual growth at 10%.

The vesting of the remaining 15% of the award (the "Carbon Part") is subject to reductions in the Company's Scope 1 and 2 carbon emissions (with Scope 2 calculated on a market tCO_2e basis) over a three-year period that commenced on 1 January 2025, using 2024 as the base year for measurement. 25% of the Carbon Part will vest for a reduction in emissions of 45% over the period, rising on a straight-line basis to full vesting of the Carbon Part for a reduction of 60% or more.

Dividend equivalents will accrue on any vested awards. All shares will be subject to a two-year post-vesting holding period.

Summary of Non-Executive Director fees for the year ended 31 December 2025

The table below shows the fees payable to Non-Executive Directors for each role on the Board. The Remuneration Committee reviews the Chair fee and a committee comprising the Chair, CEO and CFO reviews the Non-Executive Director fees annually. It was agreed that several changes would be made to fees from 1 January 2025 following a review against best practice for a Main Market listed company and against a sector benchmark:

- The base fee for the Board Chair and the Non-Executive Directors would increase by consolidating the expenses allowance previously paid with the cash fee, uplifted by 3% in line with the median inflationary increase given to all employees.
- In addition, the Chair receives a fee of £8,000 to reflect his current role as the Workforce Engagement Director (which would be paid in future to the Non-Executive Director undertaking this role).
- The Remuneration Committee Chair fee would be increased to £11,000 per annum.
- The SID, Audit & Risk Committee Chair and ESG Committee Chair fees would be unchanged.

Role	Annual fees from 1 January 2025	Annual fees from 1 January 2024
Board Chair	208,636	206,000
Senior Independent Director fee	9,001	9,001
Non-Executive Director basic fee	59,247	55,358
Remuneration Committee Chair fee	11,000	9,001
Audit & Risk Committee Chair fee[1]	15,000	9,001
ESG Committee Chair fee	9,001	9,001
Workforce Engagement Director fee	8,000	–
Chair expense allowance	–	4,326
Non-Executive Director expense allowance	–	2,163

1 The Audit Committee and Risk Committee were combined on 21 May 2024 and the total fee for the Chair of the combined Audit & Risk Committee was increased to £15,000 from that date

Adviser to the Remuneration Committee

To support the Committee with the next stage of development of our executive remuneration offering, we put the services of the external remuneration adviser to tender during the year. The process was led by the Remuneration Committee Chair. A brief was drafted to set out the objectives of the tender, the key skills and experiences that would be sought from the chosen adviser, the process and timing, and was sent to four advisers comprising a mix of large and boutique firms. Two shortlisted firms then presented to the Remuneration Committee, the Board Chair, CEO, CFO, Company Secretary and Reward Director, with Remuneration Committee members selecting Korn Ferry as their preferred adviser. Korn Ferry was appointed on 24 September 2024 and their representatives have attended Committee meetings since that date. Advice to the Committee has, to date, comprised of benchmarking Executive and Non-Executive Directors' remuneration, advising on potential changes to the Directors' Remuneration Policy, supporting on the shareholder consultation on changes to Executive Directors' pay and assisting on performance target setting for the annual bonus plan and LTIP. Korn Ferry has also supported with drafting the disclosures in the 2024 Annual Report to ensure they are robust and in line with regulations and shareholder expectations, especially as we look towards our move to the Main Market. Fees of £33,000 exclusive of VAT were paid to Korn Ferry for work completed in 2024. Korn Ferry is a member of the Remuneration Consultants Group and, as such, voluntarily adheres to its Code of Conduct. The Committee considers the advice that it receives from Korn Ferry to be independent. There are no other relationships between Korn Ferry and either the Company or individual Directors to be disclosed.

Statement of voting

The following table shows the results of the advisory votes on the 2023 Directors' Remuneration report and the Directors' Remuneration Policy at the AGM held on 21 May 2024.

	Votes for		Votes against			
Role	Number	Percentage	Number	Percentage	Votes cast	Votes withheld
Directors' Remuneration Policy (approval) 2024 AGM	78,164,702	99.65%	277,457	0.35%	78,442,159	224,294
2023 Directors' Remuneration report (advisory) 2024 AGM	78,350,633	99.88%	90,297	0.12%	78,440,930	225,541

This Directors' Remuneration report and the Directors' Remuneration Policy will again be put to separate advisory votes at the forthcoming 2025 AGM. This report was approved by the Board of Directors and signed on its behalf by:

Rachel Addison
Remuneration Committee Chair
24 March 2025

Directors' report

The Directors present their Annual Report together with the Group's audited financial statements for the year ended 31 December 2024.

The Corporate Governance report commencing on page 72 forms part of this report.

Details of any significant events since the reporting date are included in note 33 to the financial statements. An indication of likely future developments in the business of the Company and details of research and development activities are included in the Strategic report.

Information about the use of financial instruments by the Company and its subsidiaries is given in note 24 to the Group financial statements.

Dividends

The Directors recommend a final dividend of 13.0p per ordinary share (2023: 11.4p) to be paid on Thursday 19 June 2025 to ordinary shareholders on the register on Friday 30 May 2025 which, together with the interim dividend of 6.5p (2023: 5.7p), makes a total of 19.5p for the year (2023: 17.1p).

Capital structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in note 27.

The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. Over the period, the Company had five share incentive schemes by which Directors and employees may:

(i) be granted options under a Long Term Incentive Plan ("LTIP") to subscribe for nil-cost shares in the Company;

(ii) be granted options under the Company Share Option Plan ("CSOP");

(iii) be issued shares under a Share Incentive Plan ("SIP");

(iv) be granted options under a Save As You Earn plan ("SAYE"); and

(v) be granted options under the deferred bonus scheme.

The maximum aggregate number of shares which may be issued in respect of these schemes is limited to 10% of the issued share capital.

In the period the Company has issued equity in connection with settlement of options.

The Company executed a share buyback during the year, purchasing 1,910,596 shares for a total cost of £27.3m. As at 31 December, the Company held 1,723,650 shares in Treasury.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Matters Reserved to the Board and the Committees' terms of reference, copies of which are available on request, and the Corporate Governance report on page 72.

Under its Articles of Association, the Company has authority to issue 32,493,759 ordinary shares.

Composition of the Group

Details concerning subsidiary undertakings are given in note 31 to the Group financial statements.

Directors

The names of the Directors during the year and up to the date of signing are disclosed on pages 74 and 75.

Directors' interest in share capital

The Directors' interest in share capital is shown within the Annual Report on Remuneration on page 107.

Directors' indemnities

The Company's Articles include qualifying third-party indemnity provisions for the benefit of the Directors and former Directors of the Company and its subsidiaries, which remain in force at the date of this report.

Interests in contracts

At no time during the year did any of the Directors have a material interest in any significant contract with the Company or any of its subsidiaries.

Substantial shareholdings

As at 21 March 2025, being the latest practicable date before publication, the Company had been notified, in accordance with chapter 5 of the Disclosure Guidance and Transparency Rules, of the following voting rights as a shareholder of the Company:

Name	Number of voting rights[1]	Percentage of total voting rights[1]
Liontrust Investment Partners LLP	9,524,209[2]	9.94%
Blackrock, Inc	7,302,480[3]	7.62%
Octopus Investments Limited	5,530,653	5.59%
Allianz Global Investors GmbH	4,993,399	5.13%
Jupiter Fund Management PLC	4,809,183	4.97%
Aegon NV	3,793,507[4]	3.94%

1 As at date of notification to the Company.
2 Includes 20,796 ordinary shares held as Securities Lending.
3 Includes 444,884 ordinary shares held as Contracts for Difference.
4 Includes 8,393 ordinary shares held as Contracts for Difference.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report.
In assessing going concern, management and the Board have considered:

- The principal risks faced by the Group as set out on pages 36 to 41.
- The financial position of the Group following the €201.6m (£168.7m) acquisition of STARFACE in February 2025 and the arrangement of a £130m three-year multicurrency Revolving Credit Facility in January 2025. As at 28 February 2025 the Group had cash balances of £47.2m and borrowings of £30.0m with the remaining £100.0m of the Revolving Credit Facility undrawn providing total liquidity of £147.2m.
- Budgets, financial plans and associated future cash flows which incorporate the acquisition of STARFACE, and the share buyback programme of £50m to be executed in H1 2025 including liquidity, borrowings and covenants.
- Sensitivity analysis assessing the impact of severe but plausible scenarios on the going concern assessment period. This analysis confirmed that the existing projected cash flows and current borrowing arrangements provide the Group with significant liquidity over the going concern period.

The Directors are satisfied that the Group and Company have adequate financial resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of this report. Accordingly, the going concern basis of accounting continues to be used in the preparation of the Annual Report for the year ended 31 December 2024.

Treasury policy

The Group's treasury policy aims to manage the Group's financial risk and to minimise the adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities, on reported profitability and on the cash flows of the Group. Note 25 sets out the particular risks to which the Group is exposed, and how these are managed.

Health, safety, the environment and the community

The Group has formal Health and Safety and Environmental policies which require all operations within the Group to pursue economic development while protecting the environment. The Directors aim not to damage the environment of the areas in which the Group operates, to meet all relevant regulatory and legislative requirements and to apply responsible standards of its own where relevant laws and regulations do not exist.

It is the Group's policy to consider the health and welfare of employees by maintaining a safe place and system of work as required by legislation in each of the countries where the Group operates.

Energy and carbon emission reporting

Information on energy and carbon emission reporting can be found in the TCFD report on pages 54 to 69.

Political contributions

No political contributions were made in the year (2023: £nil).

Employee engagement

Information relating to how the Group engages with its workforce can be found in the Our people section on pages 50 to 53.
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Engagement with suppliers, customers and others

Relationships with suppliers and customers are paramount to the way that Gamma operates; the CEO, CFO and Executive Committee engage on a regular basis with major suppliers and customers and report salient matters to the Board.

Suppliers
Gamma's supplier payments policy is to always pay suppliers on or slightly before the agreed term (which will vary from contact to contract). For the year ended 31 December 2024, the average time taken to pay invoices was 31 days (2023: 29 days).

Gamma currently has a small number of suppliers who are paid via a netting agreement. The terms of these agreements are such that payment can only be processed once the netting is agreed by both sides. This can result in the days taken to pay being abnormally high on some invoices, therefore influencing Gamma's average days taken to pay suppliers.
Due to Gamma's dispute policy whereby the disputed value of an invoice is withheld from payment until resolved, this can also result in average days taken to pay being influenced.

Any disputes are raised with the supplier directly at the earliest opportunity. Any valid charges on an invoice are paid, with the disputed amounts being held back until a credit is received or the dispute has been resolved.

Customers (and customer satisfaction)
Each customer has an appointed Gamma manager to support and develop their business and is invited to one of our Gamma events which focus on their needs and our services. These events discuss the latest industry trends and opportunities for our customers to take advantage of an update on Gamma's ever-expanding UCaaS, CCaaS and Connectivity product portfolio and panel discussions exploring the future of communications and the market.

Auditors and their independence

Separate resolutions to appoint the Auditor and to agree their fees for the year to 31 December 2025 will be proposed at the AGM. The Company has a policy for approval by the Audit & Risk Committee of non-audit services by the Auditor, to preserve independence. The external Auditor, Deloitte LLP, has expressed its willingness to continue in office as Auditor.

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By order of the Board.

Bill Castell
Chief Financial Officer

24 March 2025

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the United Kingdom and Article 4 of the IAS Regulation and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors and is signed on its behalf by:

Bill Castell
Chief Financial Officer

24 March 2025

Financial statements

Independent auditor's report to the members of Gamma Communications plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Gamma Communications plc (the "Company") and its subsidiaries (the "Group") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of profit or loss;
- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of cash flows;
- the consolidated statement of changes in equity;
- the related notes to the financial statements 1 to 33;
- the company statement of financial position;
- the company statement of changes in equity; and
- the related notes to the company financial statements 1 to 12.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, and United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Revenue: Accuracy of Gamma Business usage revenues • Carrying value of goodwill: revenue growth forecast within the Netherlands CGU • Valuation of total consideration in relation to the acquisition of Placetel Within this report, key audit matters are identified as follows: (!) Newly identified (↑) Increased level of risk (↔) Similar level of risk (↓) Decreased level of risk
Materiality	The materiality that we used for the Group financial statements was £4.9m which was determined on the basis of 5% of forecast statutory profit before tax.
Scoping	We performed a substantial proportion of our audit procedures centrally in the UK, covering 11 components, where we either performed audits of entire financial information of the component or audits of one or more classes of transactions and account balances. In addition we worked with component auditors to perform audit procedures on one or more classes of transactions and account balances on Gamma Germany. Our audit procedures addressed 87% of Group revenue, 85% of the Group's profit before tax and 97% of the Group's net assets.
Significant changes in our approach	Given the judgement and complexity around the valuation of the total consideration in relation to the acquisition of Placetel, we have identified it as a new key audit matter in the year. As part of the annual impairment test, the Netherlands CGU impairment model was identified as sensitive to changes in the key assumption. We consider the revenue growth assumptions associated with the Netherlands CGU to be a new key audit matter given the sensitivity of this key assumption to the overall valuation of goodwill. An impairment of the carrying amount of capitalised development costs was identified in the prior year. In the current year, no indicators of impairment or reversal of impairment were identified therefore we concluded that the impairment of capitalised development costs was no longer a key audit matter.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- Understanding the Group's process for assessing going concern, and relevant management review controls underpinning this assessment;
- Assessing the liquidity position of the Group and evaluating cash forecasts which were prepared for at least 12 months from the approval of accounts;
- Reviewing the terms of the new revolving credit facility and assessing management's covenant compliance calculations;
- Evaluating the historical accuracy of the Group's forecasts;
- Understanding the relevant assumptions, including those in relation to the macroeconomic environment, used in the going concern models, including the Strategic Plan, and challenging them by comparison to our understanding of the business, external information and evidence gathered from other audit procedures; and
- Evaluating management's stress tests and break-even analyses, and performing our own independent analysis, in order to assess the reasonableness of the assumptions used.

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

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Revenue: Accuracy of Gamma Business usage revenues

Key audit matter description	Revenue from the Gamma Business usage customer base, which wholly relates to the UK, is calculated based on the volume of call traffic and associated call rates. We identified a key audit matter relating to the accuracy of the volume of traffic which is used to determine the value of traffic volumes, as well as the accuracy of the pricing within this revenue stream, due to the volume of transactions. Inaccuracies in call rates, whether due to fraud or error, could result in a material misstatement in revenue. In 2024, the Group's revenues were £579.4m (2023: £521.7m), of which Gamma Business usage revenues represent £75.9m (2023: £75.0m). The Group's revenue recognition principles are disclosed in note 1.
How the scope of our audit responded to the key audit matter	With the involvement of our IT specialists we tested, and placed reliance on, IT controls relevant to the accuracy of Gamma Business usage revenues, the most critical of which was the automated matching of the call rates input and call data records to calculate the billing for each transaction. We have also tested and relied upon a number of other controls relevant to Gamma Business usage revenue, specifically in relation to rate-change reviews, the revenue reconciliations performed thereon, and the analysis of monthly revenue trends. We have tested the volumes and prices involved in Gamma Business usage revenues by tracing a sample of customers with changes through to call data records and evidence of rate changes. We recalculated the revenue in relation to the calls by multiplying the appropriate rate against the call minutes. In addition we performed substantive analytical procedures of total Gamma Business usage revenues for the year based on the month-on-month trends, movements in minutes, as well as call rate fluctuations. We also traced a sample of credit notes raised post year end to supporting documentation to test for possible overstatement of revenue.
Key observations	We are satisfied that the recognition of Gamma Business usage revenues is appropriate.

5.2. Carrying value of goodwill: revenue growth forecast within the Netherlands CGU

Key audit matter description	The Group's annual goodwill impairment test involves the comparison of the carrying value of the assets of the CGU with their recoverable amount. The Group used a discounted cash flow model to estimate value in use, which requires significant estimates and assumptions. Changes in these assumptions could have a significant impact on the amount of any goodwill impairment charge and the disclosures made in the financial statements. Within the carrying amount of the Netherlands CGU is goodwill of £7.0m (2023: £7.4m) with headroom between the recoverable amount and the carrying value of the CGU of £2.5m (2023: £12.2m). Given the significant judgements made in determining the forecast revenue used in the value in use models we identified a key audit matter in respect of revenue growth forecasts in the Netherlands CGU. Further details are included within note 14 to the financial statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls in relation to the annual impairment evaluation process, in particular relevant controls that ensure the reasonableness of the Board-approved budget used in the value in use model, and the preparation and review of the impairment assessment. We evaluated management's ability to accurately forecast future revenues by comparing current year forecast of revenue growth to actual performance to assess historical accuracy of forecasting. Additionally, we obtained evidence of post year-end performance and compared this to the forecast assumptions. We have also assessed the historical growth achieved within the CGU and obtained evidence of customer contracts that support the forecast growth. We evaluated the reasonableness of the revenue growth rates assumed by management in the value in use models by comparing them to third party and industry reports. We tested the mathematical accuracy of the value in use models. We evaluated the appropriateness of the sensitivity disclosures included within the consolidated financial statements.
Key observations	We are satisfied that the carrying value of Netherlands goodwill is reasonable and that the revenue growth assumptions that support management's impairment review are within an acceptable range of values and that the disclosures are appropriate.

5.3. Valuation of the total consideration in relation to the acquisition of Placetel

Key audit matter description	On 20 September 2024, Gamma completed the acquisition of Placetel from Cisco for cash consideration, principally relating to the working capital, of £7.9m. Concurrently with this acquisition, Gamma also agreed a five year £38.8m minimum purchase licence agreement with Cisco. As the two agreements are linked, judgement was required to determine the valuation of the consideration to be allocated to Placetel. To determine this allocation, management used a discounted cash flow analysis to determine the fair value of Placetel. Management determined that of the minimum purchase agreement of £38.8m, £18.7m should be allocated (present value £16.0m) to Placetel and the remaining £20.1m to the expected future licence use. The fair value analysis included a number of assumptions including revenue growth and forecast licence usage. Management has identified this as a critical accounting judgement. Further details can be found in note 2 and note 30. Given there is judgement in the valuation technique and assumptions used within the discounted cash flow analysis, and that the allocation will reduce the amount of licence cost allocated to the profit or loss statement over the five-year period, we have therefore identified the valuation of the deferred consideration as a key audit matter.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls in relation to management's determination of the valuation approach and associated significant assumptions. With the assistance of our internal valuation specialists, we have evaluated both the appropriateness of the accounting and the application of the valuation approach used in determining the valuation of the deferred consideration. We evaluated the reasonableness of the key assumptions used within the discounted cash flow, with a focus on the revenue growth rates and licence usage assumed by management in the valuation models by comparing them to third party analyst and industry reports. We tested the mathematical accuracy of the valuation models used in determining the fair value of the deferred consideration. We have evaluated the residual value allocated to the expected future licence use to ensure consistent with the assumptions used within the forecasts. We assessed the appropriateness of the disclosures about the critical accounting judgement identified and business combinations included within the consolidated financial statements.
Key observations	We are satisfied that the valuation of the deferred consideration is reasonable and that the key assumptions that support management's valuation are within an acceptable range.

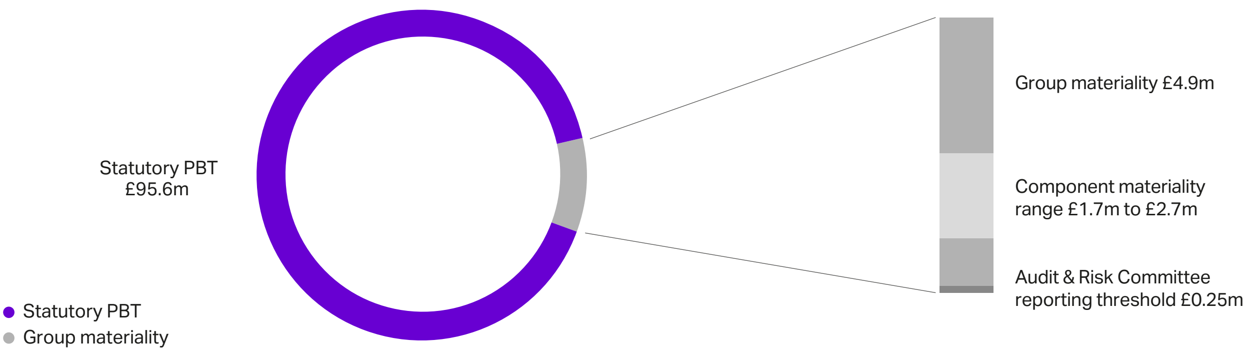
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£4.9m (2023: £4.3m)	£3.8m (2023: £2.0m)
Basis for determining materiality	5.0% of forecast statutory profit before tax, representing 5.1% of statutory profit before tax. (2023: 5.0% of profit before tax excluding exceptional items, representing 6.0% of statutory profit before tax).	2.0% of net assets (2023: 2.0% of net assets)
Rationale for the benchmark applied	We chose this measure as it is the primary measurement used by the users of the accounts and key stakeholders to measure the performance of the Group. In the current year there were no exceptional items therefore statutory PBT (2023: £16.0m) was used for materiality.	We consider net assets to be the most appropriate benchmark as the Company is a non-trading entity, whose primary function within the Group is to act as a holding company.



6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	70% (2023: 70%) of Group materiality	70% (2023: 70%) of Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • our historical knowledge of the Group's business • our risk assessment and assessment of the quality of the control environment • the nature of, and low volume and small size of, uncorrected misstatements identified in the previous audits.	

6.3. Error reporting threshold

We agreed with the Audit & Risk Committee that we would report to the Committee all audit differences in excess of £0.2m (2023: £0.2m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit & Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

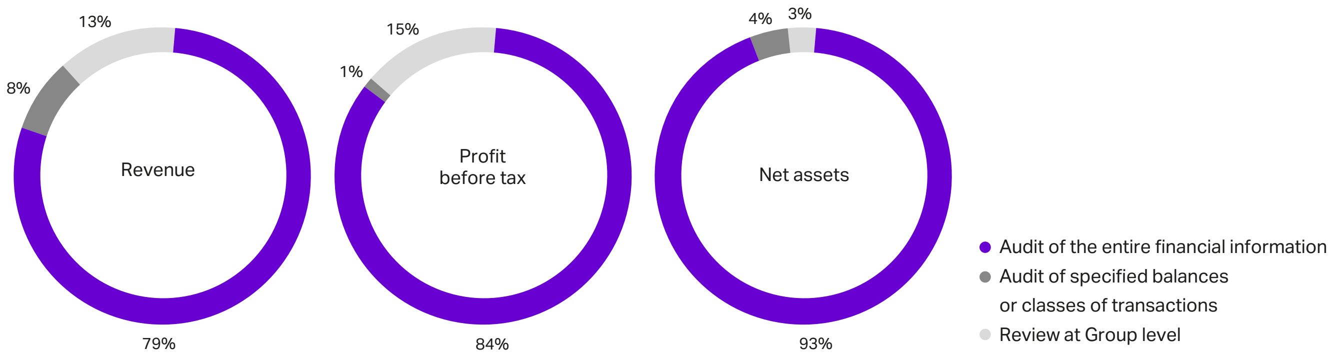
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including controls, and assessing the risks of material misstatement at the Group level.

We developed our Group audit plan by assessing the qualitative and quantitative risk characteristics of each significant classes of transactions, account balances and disclosures. We considered the relative contribution of each component to the financial statement line items to determine which components would be subject to audit procedures.

Based on that assessment, we focussed our work on 11 (2023: 7) components to perform an audit of entire financial information or one or more classes of transactions and account balances with the majority of this audit work performed by the Group engagement team. We have worked with component auditors to perform audit procedures on one or more classes of transactions and account balances on Gamma Germany.

These components represent the principal business units within the Group and account for 87% (2023: 91%) of the Group's revenue, 85% (2023: 90%) of the Group's statutory profit before tax and 97% (2023: 94%) of the Group's net assets.

We also tested the consolidation process and carried out analytical procedures to assess whether there were any significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit.



7.2. Our consideration of the control environment

In designing our audit strategy, we have considered the control environment and were able to rely on controls in relation to Gamma Business usage revenues, as discussed in section 5.1. This involved testing both manual business controls and general IT controls over certain key revenue databases. We also obtained an understanding of controls relating to the risk of management override of controls, the valuation of the deferred consideration in relation to Placetel and the carrying value of the Netherlands CGU goodwill. As discussed in the Audit & Risk Committee report on page 83, the Group is continuing to formalise its internal control framework and documentation. Accordingly, we have taken a substantive audit approach for all other areas of the audit.

7.3. Our consideration of climate-related risks

The Group has assessed whether there is a material impact on the Group's financial reporting judgements and estimates at the balance sheet date as a result of climate-related risks and has concluded that there is not.

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements. The Group has assessed the risk and opportunities relevant to climate change which has been included as an emerging risk across the Group. This risk has also been considered and embedded into the Group as explained in the Strategic report on page 36.

As part of our audit procedures we have:

- obtained an understanding of management's process in considering the impact of climate risks;
- assessing whether the risks identified by the entity are complete and consistent with our understanding of the entity; and
- evaluated the appropriateness of disclosures included in the financial statements and read climate-related disclosures included in the Strategic report to consider whether they are materially consistent with the disclosures made in financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors

The Group audit team engaged a component audit team to perform procedures on specified account balances and classes of transactions over Gamma Germany as set out in section 7.1. The Group audit team held regular communication with the component auditors in planning for, and throughout, the audit process. As part of our direction, we issued referral instructions to the component auditor. Supervision of the component auditors included Group engagement partner led planning session, attending internal status meetings, attending close meetings held with local management, reviewing relevant audit documentation, and discussing the results with both management and the component auditors.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- significant unusual and complex transactions;
- results of our enquiries of management, internal audit, the directors and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team including component audit team and relevant internal specialists, including tax, valuations, fraud, ESG and IT regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: accuracy of Gamma Business usage revenues and the valuation of the total consideration in relation to the Placetel acquisition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, AIM Listing Rules, tax legislation and pensions legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included Ofcom regulations, Health and Safety regulations, the Telecoms Act, German, Spanish and Dutch Telecoms regulations and GDPR compliance.

11.2. Audit response to risks identified

As a result of performing the above, we identified the accuracy of Gamma Business usage revenues and the valuation of the total consideration in relation to the acquisition of Placetel as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit & Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Tolley FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom

24 March 2025

Consolidated statement of profit or loss
For the year ended 31 December 2024

	Notes	**2024 £m**	2023 £m
Revenue	4	**579.4**	521.7
Cost of sales		**(279.1)**	(254.5)
Gross profit		**300.3**	267.2
Operating expenses		**(210.0)**	(200.2)
Of which exceptional items	*6*	**–**	*(16.0)*
Profit from operations		**90.3**	67.0
Finance income	8	**7.1**	5.4
Finance expense	9	**(1.8)**	(0.9)
Profit before tax	5	**95.6**	71.5
Tax expense	10	**(25.8)**	(17.8)
Profit after tax		**69.8**	53.7
Attributable to:			
Equity holders of Gamma Communications plc		**69.8**	53.6
Non-controlling interests		**–**	0.1
		69.8	53.7
Earnings per share			
Basic per ordinary share (pence)	11	**72.3**	55.2
Diluted per ordinary share (pence)	11	**72.0**	54.9

Adjusted earnings per share is shown in note 11.

All income recognised during the year was generated from continuing operations.

Consolidated statement of comprehensive income
For the year ended 31 December 2024

	2024 £m	2023 £m
Profit after tax	**69.8**	53.7
Other comprehensive income/(expense)		
Items that may be reclassified subsequently to the statement of profit or loss:		
Exchange differences on translation of foreign operations before tax	**(1.9)**	(0.9)
Tax effect of exchange differences on translation of foreign operations	**0.6**	0.3
Total comprehensive income	**68.5**	53.1
Attributable to:		
Equity holders of Gamma Communications plc	**68.5**	53.0
Non-controlling interests	**–**	0.1
	68.5	53.1

The notes on pages 127 to 165 form part of these financial statements.

Consolidated statement of financial position
As at 31 December 2024

	Notes	2024 £m	2023* £m
Assets			
Non-current assets			
Property, plant and equipment	13	**33.6**	38.4
Intangible assets	14	**189.3**	154.7
Deferred tax assets	23	**8.6**	6.5
Trade and other receivables	16	**8.7**	11.8
Contract assets	16	**6.7**	2.9
		246.9	214.3
Current assets			
Inventories	15	**10.0**	11.8
Trade and other receivables	16	**80.4**	76.1
Contract assets	16	**35.0**	32.5
Cash and cash equivalents	17	**153.7**	136.5
Current tax asset		**2.0**	3.6
		281.1	260.5
Total assets		**528.0**	474.8
Liabilities			
Non-current liabilities			
Other payables	19	**0.1**	0.1
Other financial liabilities	20	**5.9**	8.4
Provisions	21	**1.4**	1.7
Contract liabilities	22	**13.3**	12.1
Acquisition-related liabilities	24	**22.0**	8.8
Deferred tax liability	23	**17.6**	10.4
		60.3	41.5
Current liabilities			
Trade and other payables	19	**68.4**	65.5
Other financial liabilities	20	**2.0**	3.3
Provisions	21	**0.9**	3.4
Contract liabilities	22	**18.5**	14.1
Acquisition-related liabilities	24	**4.5**	2.7
Current tax liability		**0.7**	0.1
		95.0	89.1
Total liabilities		**155.3**	130.6
Net assets		**372.7**	344.2
Equity			
Share capital	27	**0.2**	0.2
Share premium reserve		**23.3**	22.9
Other reserves	28	**(18.2)**	6.9
Retained earnings		**368.3**	315.1
Equity attributable to owners of Gamma Communications plc		**373.6**	345.1
Non-controlling interests		**0.2**	0.2
Written put options over non-controlling interests		**(1.1)**	(1.1)
Total equity		**372.7**	344.2

*For re-presentation of 2023 comparatives refer to note 1, section Consolidated statement of financial position on page 127.

The financial statements on pages 123 to 126 were approved and authorised for issue by the Board of Directors on 24 March 2025 and were signed on its behalf by:

Bill Castell
Chief Financial Officer

The notes on pages 127 to 165 form part of these financial statements.

Consolidated statement of cash flows
For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Cash flows from operating activities			
Profit for the year before tax		**95.6**	71.5
Adjustments for:			
Depreciation of property, plant and equipment	13	**9.3**	9.3
Depreciation of right-of-use assets	18	**2.4**	2.3
Amortisation of intangible assets	14	**22.1**	19.7
Impairment of intangible assets		**–**	12.7
Other change in fair value of contingent consideration/put option liability	24	**(1.3)**	–
Share-based payment expense	29	**2.7**	2.7
Interest income	8	**(7.1)**	(5.4)
Finance expense	9	**1.8**	0.9
		125.5	113.7
(Increase)/decrease in trade and other receivables and contract assets		**(1.7)**	6.7
Increase in inventories		**(1.7)**	(1.0)
(Decrease)/increase in trade and other payables		**(4.8)**	2.1
Increase/(decrease) in contract liabilities		**2.0**	(1.5)
(Decrease)/increase in provisions		**(2.5)**	3.5
Cash generated by operations		**116.8**	123.5
Taxes paid		**(23.9)**	(15.3)
Net cash flows from operating activities		**92.9**	108.2
Investing activities			
Purchase of property, plant and equipment	13	**(4.9)**	(5.6)
Purchase of intangible assets	14	**(14.3)**	(17.4)
Interest received		**7.1**	4.9
Acquisition of subsidiaries net of cash acquired	30	**(15.4)**	(22.8)
Net cash used in investing activities		**(27.5)**	(40.9)
Financing activities			
Lease liability repayments	25	**(3.3)**	(2.3)
Put option liability payment	25	**–**	(1.3)
Repayment of borrowings	25	**(1.5)**	(0.5)
Repayment of borrowings acquired with acquisitions	25	**–**	(7.7)
Interest paid		**–**	(0.1)
Share issues		**1.8**	1.9
Purchase of treasury shares	28	**(27.3)**	–
Dividends	12	**(17.3)**	(15.2)
Net cash used in financing activities		**(47.6)**	(25.2)
Net increase in cash and cash equivalents		**17.8**	42.1
Cash and cash equivalents at beginning of year		**136.5**	94.6
Effects of exchange rate changes on cash and cash equivalents		**(0.6)**	(0.2)
Cash and cash equivalents at end of year		**153.7**	136.5

The notes on pages 127 to 165 form part of these financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2024

	Share capital[1] £m	Share premium reserve £m	Other Reserves[1] £m	Retained earnings £m	Total £m	Non–controlling interests £m	Written put options over non–controlling interests £m	Total equity £m
1 January 2023	**0.2**	**18.0**	**9.0**	**273.9**	**301.1**	**0.8**	**(2.2)**	**299.7**
Issue of shares	–	4.9	(4.2)	4.2	4.9	–	–	4.9
Share-based payment expense	–	–	2.7	–	2.7	–	–	2.7
Tax on share-based payment expense:								
Deferred tax	–	–	–	(0.1)	(0.1)	–	–	(0.1)
Non-controlling interests on acquisition of subsidiary	–	–	–	0.9	0.9	(0.7)	–	0.2
Equity put rights	–	–	–	(2.2)	(2.2)	–	1.1	(1.1)
Dividend paid[4]	–	–	–	(15.2)	(15.2)	–	–	(15.2)
Transactions with owners	–	4.9	(1.5)	(12.4)	(9.0)	(0.7)	1.1	(8.6)
Profit for the year	–	–	–	53.6	53.6	0.1	–	53.7
Other comprehensive (expense)	–	–	(0.6)	–	(0.6)	–	–	(0.6)
Total comprehensive (expense)/income	–	–	(0.6)	53.6	53.0	0.1	–	53.1
31 December 2023	**0.2**	**22.9**	**6.9**	**315.1**	**345.1**	**0.2**	**(1.1)**	**344.2**
1 January 2024	**0.2**	**22.9**	**6.9**	**315.1**	**345.1**	**0.2**	**(1.1)**	**344.2**
Issue or reissue of shares	–	0.4	(2.0)	2.0	0.4	–	–	0.4
Share-based payment expense	–	–	2.2	–	2.2	–	–	2.2
Tax on share-based payment expense:								
Deferred tax	–	–	–	0.9	0.9	–	–	0.9
Share buyback[2]	–	–	(27.3)	–	(27.3)	–	–	(27.3)
Treasury share allocations[3]	–	–	3.3	(2.2)	1.1	–	–	1.1
Dividend paid[4]	–	–	–	(17.3)	(17.3)	–	–	(17.3)
Transactions with owners	–	0.4	(23.8)	(16.6)	(40.0)	–	–	(40.0)
Profit for the year	–	–	–	69.8	69.8	–	–	69.8
Other comprehensive (expense)	–	–	(1.3)	–	(1.3)	–	–	(1.3)
Total comprehensive (expense)/income	**–**	**–**	**(1.3)**	**69.8**	**68.5**	**–**	**–**	**68.5**
31 December 2024	**0.2**	**23.3**	**(18.2)**	**368.3**	**373.6**	**0.2**	**(1.1)**	**372.7**

1 Refer to notes 27 and 28.
2 Represents the shares purchased under the share buyback programme which completed in September 2024.
3 Treasury share allocations relate to treasury shares which have been used to satisfy share options and other employee share plans.
4 Refer to note 12.

The notes on pages 127 to 165 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2024

1. Accounting policies

Basis of preparation

These financial statements are prepared in accordance with the Companies Act 2006 and United Kingdom ("UK") adopted international accounting standards and the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). The financial statements are prepared on a going concern basis and have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value.

The financial statements are presented in Pounds Sterling and, unless otherwise stated, have been rounded to the nearest 0.1 million (£m).

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

Going concern

The Group continues to adopt the going concern basis of accounting in preparing the financial statements. Further details can be found in the Directors' report in section Going concern on page 113.

Consolidated statement of financial position

The Group has revised the presentation of the Consolidated statement of financial position to combine line items presented separately in previous years. As previously disclosed in our unaudited results for the six months ended 30 June 2024, property, plant and equipment now comprises property, plant and equipment and right-of-use assets previously presented separately, and financial liabilities now comprises borrowings and lease liabilities previously presented separately. In addition, the Group has presented a new combined liability called acquisition-related liabilities following recent acquisitions and the similar nature of the line items. This comprises contingent consideration and put option liability, previously presented separately, and deferred consideration, previously included within trade and other payables. The revised presentations are considered to be simpler to the users of the accounts. The comparatives have been re-presented to be consistent with the revised presentation format. The revisions have no impact on the Consolidated statement of profit or loss or cash flows or total liabilities, assets or net assets.

Basis of consolidation

The Group financial statements consolidate the financial statements of Gamma Communications plc ("the Company") and the entities controlled by the Company and its subsidiaries prepared at the Consolidated statement of financial position date.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies.

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

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

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests or amounts previously recognised in other comprehensive income in relation to that subsidiary.

The consolidated financial statements consist of the results of the entities shown in note 31.

Exemption from audit

For the year ended 31 December 2024 the following UK subsidiaries will take advantage of the audit exemption under s479A of the Companies Act 2006.

Subsidiary name	Company registration number
Gamma Europe Holdco Limited	12651762
Gamma Group Holdings Limited	12648657
Gamma Telecom Holdings Limited	04287779
Gamma Telecom Limited	04340834
Gamma Business Communications Limited	02998021
Gamma Network Solutions Limited	06783485
Gamma Managed Services Limited	07136383
Techland Systems International Limited	01704819
Pragma Group Limited	11279881
Pragma Distribution Limited	08090174
Candio Limited	12627435

For the year ended 31 December 2024, Gamma Communications Europe B.V. and Gamma Communications Benelux B.V. were entitled to exemption from the preparation of consolidated financial statements under Section 408 of the Dutch Civil Code (consolidation exemption for intermediate holding companies).

1. Accounting policies continued

Dormant companies

For the year ended 31 December 2024 the following dormant UK subsidiaries will prepare and file individual accounts under s394A and s448A of the Companies Act 2006.

Subsidiary name	Company registration number
CircleLoop Limited	11056242
Gamma Communications No1 Limited	14311174
Pragma Cloud Limited	09604706

Revenue recognition

Revenue represents the fair value of the consideration received or receivable for communication services, cyber security services and equipment sales, net of discounts and sales taxes. One of the Group's German subsidiaries also has revenue from the commission earned on the sale of mobile phone contracts.

Revenue is recognised when the Group has fulfilled its performance obligations under the relevant customer contract.

The Group sells a number of products, each of which typically consists of all or some of four main types of revenue – voice and data traffic, a subscription or rental, equipment sales and installation fees. Revenue for each element of the sale of the product is recognised as described below.

Customers typically pay in advance for subscriptions and rentals, in arrears for voice and data traffic, and either upfront at the time of sale or over the term of the related service agreement for equipment sales and installation fees. Where refunds are issued to customers they are deducted from revenue. To the extent that invoices are raised in a different pattern to the revenue recognition described below, appropriate adjustments are made through contract assets, trade receivables and contract liabilities to account for revenue when the performance obligations have been met. Contract assets are recognised when the right to consideration is met in advance of billing and billing is conditional on something other than the passage of time (for example, the Group's future performance). Where billing is conditional only on the passage of time trade receivables are recognised. Contract liabilities are recognised where a customer has paid consideration prior to the transfer of the related good or service.

The Group has two types of Channel Partner. For the majority of the Channel Partners, the Group receives payment for products and services from channel partners. These Channel Partners are treated as the principal in that transaction because the Channel Partner has the primary responsibility for providing the products or services to the end user; carries the inventory risk; is free to establish its own prices either with or without bundling in other goods or services which are not supplied by the Group. The Group therefore recognises revenue based on the transactions with the Channel Partner and not the end user.

The Group also has other Channel Partners that do not meet the criteria above and hence are not recognised as the principal in the transaction. For sales relating to these Channel Partners the Group recognises revenue based on transactions with the end user and recognises commission paid to the Channel Partner as an expense.

Voice and data traffic

Revenue from traffic is recognised at the time the call is made or data is transferred.

Revenue arising from the interconnection of voice and data traffic between other telecommunications operators is recognised at the time of transit across the Group's network.

Subscriptions and rentals

Revenue from the rental of analogue and digital lines is recognised evenly over the period to which the charges relate. Subscription fees, consisting primarily of monthly charges for access to ethernet, broadband, UCaaS services, cyber security services and other internet access or voice services, are recognised as revenue as the service is provided.

A minority of sales of the Cloud PBX product are made under an "upfront" model whereby a Channel Partner buys the right to use a service for an unspecified period of time into the future. This is treated as an option to obtain future services at a discount and the revenue is spread equally over the estimated future period of usage of that service.

Equipment sales

Revenue from the sale of peripheral and other equipment is recognised when control of the asset has transferred to the buyer, normally the date the equipment is delivered and accepted by the customer.

Installation fees

Revenue from installations which cannot be separated from an ongoing service contract, i.e. installations with no standalone value to the customer, are allocated to initial equipment sale (if any) and ongoing service revenues. The latter element results in a contract liability which is released over the length of the contract.

Arrangements with multiple deliverables

Where goods and/or services are sold in a bundled transaction, the total arrangement consideration is allocated to the individual elements based on their relative fair values. This fair value is based on amounts charged on a standalone basis, or by using comparable pricing arrangements observable in the market.

Commission from mobile network operators

Our German business (Epsilon Telecommunications GmbH) receives commission from mobile network operators in relation to the activation of SIMs. It recognises the revenue in the month in which the SIM is activated by the mobile network operators. Annual commission is recognised on an accruals basis once the performance obligations can be measured reliably.

Advances made to Channel Partners

Advances are sometimes made to Channel Partners as part of an incentive deal. Where the Group can demonstrate recovery of the advances through contractual clawback provisions and past evidence of recovery, they are deferred and recognised over the period of the contract. Where this is not possible, they are charged directly to the Consolidated statement of profit or loss.

Incentive deals

Where the Group enters into incentive deals, the costs are spread over the period of the deal and the Group attributes a proportion of revenue against these costs. Where there is no revenue, the credit is shown in revenue over the period of the deal.

Contract costs

Contract costs are capitalised when they are associated with the acquisition and fulfilment of contracts with customers. To be eligible for capitalisation, costs must be directly attributable to specific contracts, relate to future activity, and generate future economic benefits. They are subsequently amortised on a straight-line basis over the period that we transfer the associated services. Typical capitalised contract costs relate to sales commissions, installation costs and software licences. Sales commissions are capitalised where they are a cost to obtaining a customer contract for which the expected customer life covers multi-year periods. Accordingly, the Group amortises within operating expenses the sales commissions paid for such new contract on a straight-line basis over the expected customer life. Installation costs and software licences are capitalised where they are a required upfront cost to support delivery of a multi-year contract and then amortised within cost of sales.

Business combinations

The acquisition method of accounting is used for the acquisition of subsidiaries. The cost of the acquisition is measured at the aggregate fair value of consideration given. Acquisition-related costs are recognised in the operating expenses within the Consolidated statement of profit or loss as incurred.

On acquisition, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair value. Certain assets and liabilities are not recognised at fair value at the acquisition date as they are accounted for using other applicable IFRSs. These include deferred tax assets/liabilities.

The interest of the non-controlling shareholders in the acquiree may initially be measured either at fair value or at the non-controlling shareholders' proportion of the net fair value of the identifiable assets acquired, liabilities and contingent liabilities assumed. The choice of measurement basis is made on an acquisition-by-acquisition basis.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period of one year from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from contingent consideration arrangements measured at fair value through profit or loss at the acquisition date and reviewed at each reporting date and any liabilities arising from deferred consideration arrangements measured at fair value through profit or loss at the acquisition date and subsequently measured at amortised cost. Subsequent changes in the fair value of contingent consideration are recognised as an operating expense in the Consolidated statement of profit or loss.

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size, nature or frequency. In setting the policy for exceptional items, judgement is required to determine what the Group defines as "exceptional". Exceptional items are allocated to the financial statement lines in the Consolidated statement of profit or loss based on the nature and function of the costs, for example restructuring costs related to employees are classified where their original employment costs are recorded. Examples of items which may be considered of an exceptional nature include significant restructuring programmes, impairment charges on goodwill and intangible assets and the profit or loss on disposal of a subsidiary.

Foreign currency

The consolidated financial statements are presented in Pounds Sterling, which is the functional currency of the Company.

Foreign currency transactions are translated into the functional currency at the prevailing rates when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the Consolidated statement of profit or loss within operating expenses.

On consolidation, the results of European operations are translated into Pounds Sterling at rates approximating those prevailing when the transactions took place. The balance sheets of European operations are translated at the prevailing rate at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of European operations at actual rate are recognised in the Consolidated statement of other comprehensive income and accumulated in the foreign exchange reserve.

1. Accounting policies continued

Financial instruments

Financial assets and financial liabilities are recognised on the Consolidated statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified as either fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification and subsequent remeasurement depends on the Group's business model for managing the financial asset and its cash flow characteristics. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

All financial assets are recognised and derecognised on a trade date basis, where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe of the market concerned.

Financial assets

Trade and other receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as financial assets measured at amortised cost. Trade receivables do not contain significant financing components and therefore are initially recognised at their transaction price, and subsequently measured at amortised cost less provision for impairment. The amount of the provision is recognised in the Consolidated statement of profit or loss within operating expenses.

Cash and cash equivalents

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

Impairment of financial assets

Except for trade receivables, impairment provisions are recognised as an expected credit loss provision under the general approach, being the expected credit loss over the next 12 months. Where there is a credit risk on a financial asset that has increased significantly, the impairment provision is measured at the lifetime expected credit loss. Impairment for trade receivables is measured under the simplified approach with an expected credit loss percentage applied to each category. All financial assets are reported net of impairment; when the Group has no reasonable expectation of recovering a financial asset and enforcement activity has ceased, the portion that is not recoverable is derecognised.

Financial liabilities

Trade and other payables

Trade payables and other financial liabilities are initially measured at fair value and subsequently measured at amortised cost.

Derivatives

Forward exchange contracts are entered into to mitigate foreign exchange risk. These contracts are derivatives and therefore measured at fair value through profit or loss.

Borrowings

Borrowings represent bank loans, initially measured at fair value net of transaction costs incurred and subsequently measured at amortised cost, using the effective interest rate method. Any difference is recognised in the Consolidated statement of profit or loss within finance costs. Borrowings are presented as part of other financial liabilities in the Comprehensive statement of financial position.

Put option arrangements

The cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities when such options may only be settled by exchange of cash.

The amount that may become payable under the option on exercise is initially recognised as financial liabilities measured at fair value through profit or loss. Subsequent remeasurement is recognised within operating expenses and the unwinding of the fair value discounting is recorded as a financing cost.

On initial recognition a corresponding charge is recognised directly to equity. The charge to equity is recognised separately as written put options over non-controlling interests, adjacent to non-controlling interests on the acquisition of subsidiaries.

Equity instruments

Equity instruments are recorded as the proceeds received, net of direct issue costs. The Group's holdings in Gamma Communications plc ordinary shares are classified as treasury shares and recorded as deductions from shareholders' equity. Treasury shares are presented within the share reserve.

Treasury shares represent shares repurchased and available for specific and limited purposes. The cost of treasury shares subsequently used to satisfy share options, sold or reissued is calculated on a weighted-average basis. Consideration, if any, received for the sale of such shares is also recognised in equity. No gain or loss is recognised in the Consolidated statement of profit or loss on the purchase, sale, reissue, or cancellation of treasury shares. Shares repurchased which are immediately cancelled are not shown as treasury shares within the share reserve but are shown as a deduction from equity within retained earnings.

Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Share-based payment expense

Equity-settled share-based payments awarded to employees are measured at the fair value of the options at the grant date based on market vesting conditions. The fair value excludes the effect of non-market-based vesting conditions. The fair value is expensed in the Consolidated statement of profit or loss in operating expenses on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest.

Each year end, the Group revises its estimate of the number of equity instruments expected to vest as a result of non-market-based vesting conditions. The impact of the revision of the estimate, if any, is recognised in the Consolidated statement of profit or loss so that, ultimately, the cumulative amount recognised reflects the latest estimates with a corresponding adjustment to the share option reserve.

The fair value of the options is measured by use of either the Black-Scholes method or the Monte Carlo method. The latter methodology is used where there are market conditions attached to the share awards.

Where the Monte Carlo method is used, non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

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

Leases

Leased right-of-use assets consist of rental property and cars where the Group has the right to control the identified asset.

A right-of-use asset and corresponding lease liability is recognised at commencement of a lease. The right-of-use asset is measured at cost, which consists of the initial measurement of the lease liability, any initial direct costs, and any dilapidation or restoration costs less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The right-of-use asset is tested for impairment if there are any indicators of impairment.

The lease liability is measured at the present value of the lease payments over the lease term, discounted at the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, amounts expected to be payable under residual value guarantees and payments arising from purchase options reasonably certain to be exercised. The lease liability is reduced for any lease incentives receivable.

Subsequently, the liability will be reduced for payments made and increased for the interest applied, and it is remeasured to reflect any reassessment or contract modifications. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or in the Consolidated statement of profit or loss if the right-of-use asset is already reduced to zero.

In the Consolidated statement of financial position right-of-use are presented as part of property, plant and equipment and lease liabilities are presented as part of other financial liabilities.

Costs related to short-term leases of 12 months or less and leases of low value are expensed to the Consolidated statement of profit or loss as incurred.

Where the Group has a contract to use part of a fibre or copper pathway and does not have substantially all of the capacity of the asset, this is not classified as a lease and payments are expensed as incurred. In some instances, a pathway may have a small incidental linkage where the Group is using substantially all of the capacity of a very minor part of the pathway. In this instance the whole contract is not treated as a lease.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current and deferred tax are recognised in the Consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax is the amount of income tax payable on the taxable profits arising in the year and prior years. Taxable profit differs from net profit as reported in the Consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years, it includes items that are tax deductible but do not affect net profit and it further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax arises from temporary differences between taxable profits and total comprehensive income. These temporary differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill.
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit.
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

1. Accounting policies continued

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the date of the Consolidated statement of financial position.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Owned property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price, any other directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Depreciation is calculated by charging equal annual instalments to the Consolidated statement of profit or loss through operating expenses at the following rates:

Category	Depreciation rate
Land and buildings	3% – 6% per annum straight line
Network assets	4% – 25% per annum straight line
Computer equipment	15% – 33% per annum straight line
Fixtures and fittings	8% – 33% per annum straight line

The charge in respect of periodic depreciation is calculated after establishing an estimate of the asset's useful life and the expected residual value at the end of its life. The useful lives of Group assets are determined by management at the time the assets are acquired and reviewed annually for appropriateness. These lives are based on historical experience with similar assets.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

Assets in the course of construction for use in the supply of communication products are carried at cost less any recognised impairment loss. Cost includes professional fees. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Intangible assets

Goodwill

Goodwill arises on business combinations and represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the acquired business at the acquisition date. Goodwill is recognised as an intangible asset.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment charges. Impairment charges on goodwill are not reversed. Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceeds the fair value of consideration paid, the excess is credited in full to the Consolidated statement of profit or loss on the acquisition date.

Brands

Brands acquired in a business combination are recognised at fair value at the acquisition date. They are assessed at the date of acquisition as to whether they have an indefinite life. The assessment includes whether the brand name will continue to trade, and the expected lifetime of the brand. When a brand is assessed as having a finite useful life it is carried at cost less accumulated amortisation with amortisation calculated using the straight-line method over the expected life of the brand.

The fair value of a brand at the date of acquisition is based on the Relief from Royalty method, which is a valuation model based on discounted cash flows. The useful lives of brands are up to seven years, corresponding to a yearly amortisation of between 16% and 33%. The useful lives are reviewed annually and amended, as required, on a prospective basis. Amortisation is charged to the Consolidated statement of profit or loss through operating expenses on a straight-line basis over the estimated useful life from the date the asset is available for use.

Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is charged to the Consolidated statement of profit or loss through operating expenses on a straight-line basis over the estimated life of the customer relationship from the date the asset is available for use.

The fair value of customer relationships at the acquisition date is based on the Multiple Excess Earnings Method ("MEEM"), which is a valuation model based on discounted cash flows. The useful lives of customer relationships are based on the churn rate of the acquired portfolio and are up to 12 years, corresponding to a yearly amortisation of between 8% and 25%. The useful lives are reviewed annually and amended, as required, on a prospective basis.

Development costs
Development costs comprise the cost of internally generated development projects which meet the capitalisation criteria described below, as well as development projects, both completed and in progress, acquired through business combinations, which are recognised at fair value at the acquisition date.

Expenditure on the research phase of an internal project is recognised as an expense in the period in which it is incurred. Internally generated development costs incurred on specific projects (whether in respect of new products or enhancement of existing products) are capitalised when all the following conditions are satisfied:

- Completion of the asset is technically feasible so that it will be available for use or sale.
- The Group intends to complete the asset and use or sell it.
- The Group has the ability to use or sell the asset and the asset will generate probable future economic benefits (over and above cost).
- There are adequate technical, financial and other resources to complete the development and to use or sell the asset.
- The expenditure attributable to the asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred. The cost of an internally generated asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These typically include employee costs incurred and third-party costs.

Judgement is applied when deciding whether the recognition requirements for development costs have been met. In addition, all internal activities related to the research and development of new projects are regularly monitored. Amortisation is charged to the Consolidated statement of profit or loss through operating expenses on a straight-line basis over the estimated useful life, which are between four to six years, from the date the asset is available for use.

Technology
Technology comprises licences purchased from third parties, which are recognised at cost, and rights over network interface identifications either purchased from third parties, which are recognised at cost, or acquired through business combinations, which are recognised at fair value at the acquisition date.

Amortisation is provided over the useful economic life assigned, which are between four to seven years. Amortisation is charged to the Consolidated statement of profit or loss through operating expenses on a straight-line basis over the useful life from the date the asset is available for use. The useful lives are reviewed annually and amended, as required, on a prospective basis.

Impairment of non-financial assets
Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Impairment is reviewed by assessing the asset's value in use when compared to its carrying value.

Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, an impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows – its CGU. Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill. Impairment charges are included in the Consolidated statement of profit or loss through operating expenses, except to the extent they reverse gains previously recognised in other comprehensive income.

Inventories
Inventories (which are all finished goods) are valued at the lower of cost and net realisable value. Cost comprises all purchase costs, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily interchangeable items.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. The amount recognised as a provision is the best estimate of the cost required to settle the obligation at the reporting date, after taking account of the risks and uncertainties surrounding the obligation.

Consideration of climate change
In preparing the consolidated financial statements, management have considered the impact of climate change, particularly in the context of the risks identified in the TCFD disclosure on pages 54 to 69. No material impact on the financial reporting judgements and estimates has been identified. Management considered the impact of climate change on the following areas:

- Assessment of impairment of goodwill, and other intangible and tangible assets
- Assessment of impairment of financial assets
- Going concern
- Impact on useful economic lives of assets
- Preparation of budgets and forecasts

Given the low value of short- to medium-term risk to these areas assessed in the TCFD report, no climate change-related impact was identified. The going concern assessment on page 113 includes an assessment of severe but plausible scenarios with the potential to impact future performance, but none of these are considered likely to give rise to a trading deterioration of the magnitude indicated by the stress testing or to threaten the viability of the business over the assessment period. Management are, however, aware of the changing nature of risks associated with climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's financial statements.

2. Critical accounting estimates and judgements

Preparation of the consolidated financial statements requires the Group to make certain estimations, assumptions and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including best estimates of future events. In the future, actual experience may differ from these estimates and assumptions. The following are considered to be the critical accounting judgements and key sources of estimation uncertainty.

Critical accounting judgements

Critical judgements, apart from those involving estimations, applied in the preparation of the consolidated financial statements are discussed below:

Revenue recognition

Revenue recognition on contracts may involve providing services over multiple years and involving a number of products. In such instances, judgement is required to identify the date of transaction of separable elements of the contract and the fair values which are assigned to each element. For more information on the Group's revenue recognition policy please see note 1, Accounting policies.

Placetel deferred consideration

In September 2024, the Group acquired Broadsoft Germany GmbH (subsequently renamed Gamma Placetel GmbH and known as "Placetel") from Cisco. Concurrently with this acquisition, the Group also agreed a five-year $51.5m (£38.8m at the acquisition date) minimum purchase agreement for Webex cloud licences with Cisco. These transactions were therefore considered linked. Judgement is required to determine what amount of the $51.5m payable to Cisco should be deemed deferred consideration and not part of the minimum purchase commitment. Detail regarding the determination of the fair value of the Placetel deferred consideration is provided in note 30, Business combinations.

Key accounting estimates

There are no key accounting estimates that could have a significant risk of causing a material adjustment within the next financial year.

3. Changes in accounting policies

New standards, amendments and interpretations applied for the first time are shown below. There were no new standards, amendments or interpretations applied for the first time that had a material impact on the consolidated financial statements. The accounting policies set out in the 2024 Annual Report and Accounts have been applied consistently to both periods presented in these consolidated financial statements:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
- Amendment to IAS 7 and IFRS 7 – Supplier Finance Arrangements
- Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS standards that have been issued but are not yet effective and, in some cases, have not yet been endorsed by the UK:

- IFRS 18 – Presentation and Disclosure in Financial Statements
- Amendments to IAS 21 – Lack of Exchangeability
- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments
- 2024 Annual improvements to IFRS

The Amendments to IAS 21 is effective 1 January 2025 and the Directors do not expect that the adoption will have a material impact on the consolidated financial statements. The Group is assessing the impact of the remaining new standards and amendments, and the Group's financial reporting will be presented in accordance with these standards from 1 January 2026 or subsequently as applicable.

4. Segment information

The Group's main operating segments are outlined below:

Gamma Business – This division sells Gamma's products to smaller businesses in the UK, typically with fewer than 250 employees. This division sells through different routes including the channel, direct, digital and other carriers who sell to smaller businesses in the UK. It contributed 64% (2023: 64%) of the Group's external revenue.

Gamma Enterprise – This division sells Gamma's products to larger businesses in the UK, typically to those with more than 250 employees. Larger organisations have more complex needs, so this division sells Gamma's and other suppliers' products to Enterprise and Public Sector customers, together with an associated managed service wrap and ordinarily sells directly. It contributed 22% (2023: 21%) of the Group's external revenue.

Europe – This division consists of sales made in Europe through Gamma's German, Spanish and Dutch businesses. It contributed 14% (2023: 15%) of the Group's external revenue.

Central Functions – This comprises the central management team and wider Group costs.

Factors that management used to identify the Group's operating segments

The Group's reportable segments are strategic business units that are aligned with customer groups, needs and preferences. They are managed separately because each business requires different marketing strategies and are reported separately to the Board and Executive Committee to use for decision-making.

Measurement of operating segment profit or loss

The accounting policies of the reportable segments are the same as those described in the summary of material accounting policies.

The Board and Executive Committee evaluate performance on the basis of Adjusted EBITDA (see APM section page 171).

Inter-segment sales are priced in line with sales to external customers, with an appropriate discount being applied to encourage use of Group resources. This policy was applied consistently throughout the current and prior year.

Revenue from external customers has been derived principally in the geographical area of the operating segment and no single customer contributes more than 10% of revenue.

2024	Gamma Business £m	Gamma Enterprise £m	Europe £m	Central Functions £m	**Total £m**
Segment revenue	394.2	127.6	84.3	–	**606.1**
Inter-segment revenue	(25.3)	(1.1)	(0.3)	–	**(26.7)**
Revenue from external customers	368.9	126.5	84.0	–	**579.4**
Timing of revenue recognition					
At a point in time	22.9	12.5	27.4	–	**62.8**
Over time (recurring)	346.0	114.0	56.6	–	**516.6**
	368.9	126.5	84.0	–	**579.4**
Total gross profit	194.7	60.2	45.4	–	**300.3**
Adjusted EBITDA	95.0	31.4	11.8	(12.7)	**125.5**
Exceptional items	–	–	–	–	**–**
Other adjusting items	(1.4)	–	–	–	**(1.4)**
EBITDA	93.6	31.4	11.8	(12.7)	**124.1**

4. Segment information continued

2023	Gamma Business £m	Gamma Enterprise £m	Europe £m	Central Functions £m	**Total £m**
Segment revenue	353.9	110.6	79.5	–	**544.0**
Inter-segment revenue	(21.7)	(0.5)	(0.1)	–	**(22.3)**
Revenue from external customers	332.2	110.1	79.4	–	**521.7**
Timing of revenue recognition					
At a point in time	19.3	9.2	30.4	–	**58.9**
Over time (recurring)	312.9	100.9	49.0	–	**462.8**
	332.2	110.1	79.4	–	**521.7**
Total gross profit	176.1	52.6	38.5	–	**267.2**
Adjusted EBITDA	85.0	29.6	10.2	(10.5)	**114.3**
Exceptional items	(14.7)	(0.2)	(1.0)	(0.1)	**(16.0)**
Other adjusting items	–	–	–	–	**–**
EBITDA	70.3	29.4	9.2	(10.6)	**98.3**

A reconciliation of Adjusted EBITDA, the Group's measure of segment profit, to the Group's profit before tax for the period is shown in the APM section.

Geographic segmentation

The UK is the Group's country of domicile and is where most revenue is generated, which is from external UK customers. The geographic analysis of revenue and non-current assets, which excludes deferred tax assets and financial instruments, is presented below.

The Group's revenue from external customers by geographical location is detailed below:

	2024 £m	2023 £m
UK	**458.9**	413.8
Europe	**114.0**	107.9
Rest of world[1]	**6.5**	–
Total	**579.4**	521.7

1 Amounts for the rest of the world were immaterial in the prior year and included in Europe.

The Group's non-current assets by geographical location are detailed below:

	2024 £m	2023 £m
UK	**141.3**	131.8
Europe	**92.8**	76.0
Total	**234.1**	207.8

Product segmentation

	2024 £m	2023 £m
Revenue recognised over time (recurring)		
Voice and data traffic	**109.2**	101.5
Subscriptions and rentals	**403.2**	357.4
Installation fees and other (over time)	**4.2**	3.9
Total recognised over time	**516.6**	462.8
Revenue recognised at a point in time		
Equipment sales	**31.1**	24.3
Commissions	**25.7**	26.3
Installation fees and other (at a point in time)	**6.0**	8.3
Total revenue recognised at a point in time	**62.8**	58.9
Total revenue	**579.4**	521.7

5. Profit on ordinary activities

Profit on ordinary activities is stated after charging/(crediting) the following amounts:

	2024 £m	2023 £m
Research and development costs[1]	19.7	17.3
Net employee costs[1] (note 7)	121.1	106.4
Depreciation of property, plant and equipment (note 13)	9.3	9.3
Depreciation of right-of-use assets (note 18)	2.4	2.3
Amortisation of intangible assets (excluding business combinations) (note 14)	8.7	9.7
Amortisation of intangible assets arising due to business combinations (note 14)	13.4	10.0
Cost of inventories recognised as an expense[2]	12.8	14.0
Research and development tax credit	(2.3)	(3.4)
Fees payable to the Group's auditors	0.9	0.8
Net release of contingent consideration (note 24)	(1.3)	–
Provision for impairment (note 16)	1.6	3.7
Acquisition-related costs	2.8	0.9
Net foreign exchange	1.7	0.1

1 Employee costs includes £17.4m (2023: £15.1m) of costs included in research costs.

2 Included in the cost of inventory recognised as an expense is a write down of £nil (2023: £0.1m).

Research and development tax credits of £2.3m (2023: £3.4m) are recorded within the decrease in trade and other payables within Cash generated by operations in the Group consolidated statement of cash flows.

Fees payable to the Group's auditor for the audit of the Company and the consolidated financial statements totalled £0.6m (2023: £0.6m). The non-audit fees consist of £0.1m (2023: £0.1m) of audit-related services in respect of the half-year review and £0.1m (2023: £nil) of other non-audit services. Other non-audit services are for the ongoing provision of reporting accountant services in relation to the proposed Main Market listing and are discussed further in the Audit & Risk Committee report. £0.1m (2023: £0.1m) was payable in respect of subsidiary statutory audits.

Acquisition-related costs related to due diligence activities on acquisitions, including those aborted, of £2.8m are included in operating expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows. These are offset by the net release of contingent consideration of £1.3m credited to operating expenses and net foreign exchange includes £0.8m of exchange losses related to deferred consideration; see note 24, Financial instruments for further details.

6. Exceptional items

	2024 £m	2023 £m
Impairment of intangible development costs	–	12.7
Restructuring costs	–	3.3
Total exceptional items	–	16.0
Tax effect of exceptional items	–	(3.9)

No exceptional costs have been recorded in the current year. In the prior year an impairment of intangible development costs totalling £12.7m was recorded related to the ceasing of ongoing development of certain collaboration software. In addition, the prior year included restructuring costs related to severance of £3.3m, following non-recurring organisational changes related to the expanded UCaaS offering and the combining of the German and Dutch senior leadership team.

The total cash cost of exceptional items in the year was £2.7m (2023: £0.2m), related to the exceptional items expensed in 2023.

7. Employee costs

	2024 £m	2023 £m
Employee costs (including Directors) comprise:		
Wages and salaries	**106.8**	94.9
Defined contribution pension cost	**7.5**	6.8
Social security contributions and similar taxes	**12.4**	11.8
	126.7	113.5
Share-based payment expense (note 29)	**2.7**	2.7
	129.4	116.2

Employee costs are shown before amounts capitalised of £8.3m (2023: £9.8m). Employee costs in 2024 include no exceptional restructuring costs (2023: £3.3m). The Group operates defined contribution pension schemes for the benefit of its employees. The assets of the scheme are administered by trustees in a fund independent from those of the Group.

Employee numbers

The average monthly number of Group employees was:

	2024 Number	2023 Number
Operational	**1,036**	1,117
Selling, administration and distribution	**823**	752
	1,859	1,869

Key management personnel compensation

Key management personnel comprise the Board and the Executive Committee (listed on pages 74 to 77).

	2024 £m	2023 £m
Salary	**4.7**	5.4
Defined contribution pension cost	**0.1**	0.1
Social security contributions and similar taxes	**0.6**	0.7
	5.4	6.2
Share-based payment expense (note 29)	**1.6**	1.8
	7.0	8.0

Remuneration in respect of the Board of Directors is summarised below:

	2024 £m	2023 £m
Salaries and fees	**2.3**	2.2
Social security contributions and similar taxes	**0.2**	0.2
	2.5	2.4
Share-based payment expense (note 29)	**0.9**	0.6
	3.4	3.0

During the year, the aggregate amount of gains made by the Executive Directors on the exercise of share options was £0.2m (2023: £nil).

The average number of employees in Gamma Communications plc during the financial year was nil (2023: four).

During the year, two Executive Directors (2023: two) participated in a private money purchase defined contribution pension scheme.

8. Finance income

	2024 £m	2023 £m
Finance income		
Interest received on bank deposits	**7.1**	5.4
Total finance income	**7.1**	5.4

9. Finance expense

	2024 £m	2023 £m
Finance expense		
Lease liability interest costs	**(0.3)**	(0.4)
Unwinding of discounting on put option liability, contingent and deferred consideration	**(1.5)**	(0.4)
Interest on borrowings	**–**	(0.1)
Total finance expense	**(1.8)**	(0.9)

10. Tax expense

	2024 £m	2023 £m
Current tax expense		
Current tax on UK profits for the year	**26.4**	18.9
Overseas current tax charge	**1.5**	1.1
Adjustment in respect of prior year	**1.0**	1.7
Total current tax	**28.9**	21.7
Deferred tax expense		
Origination and reversal of temporary differences	**(2.1)**	(2.3)
Adjustment in respect of prior years	**(1.0)**	(1.6)
Total deferred tax (note 23)	**(3.1)**	(3.9)
Total tax expense	**25.8**	17.8

The tax charge for 2024 is higher (2023: higher) than the standard rate of corporation tax in the United Kingdom of 25% (2023: 23.5%). The differences are explained below:

	2024 £m	2023 £m
Profit before tax	**95.6**	71.5
Expected tax charge based on the standard blended rate of United Kingdom corporation tax at the domestic rate of 25% (2023: 23.5%)	**23.9**	16.8
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	**2.2**	0.8
Effect of different tax rates of subsidiaries operating in other jurisdictions	**–**	(0.1)
Other tax items	**(0.3)**	0.2
Adjustment in respect of prior years	**–**	0.1
Total tax expense	**25.8**	17.8

Deferred tax is calculated based on the tax laws and rates that were enacted or substantively enacted at the balance sheet date.

Finance Act 2024 amends certain aspects of the multinational top-up tax and domestic top-up tax rules contained in Finance (No 2) Act 2023. The group will not be subject to top up taxes for 2024. The group is actively monitoring the application of the rules, considering the €750m threshold and the potential impact of future growth or M&A.

11. Earnings per share

	2024	2023
Earnings per ordinary share – basic (pence)	**72.3**	55.2
Earnings per ordinary share – diluted (pence)	**72.0**	54.9

The calculation of the basic and diluted earnings per share is based on the following data:

	2024 £m	2023 £m
Profit attributable to the ordinary equity holders of the Company	**69.8**	53.6
Shares	**No.**	No.
Weighted average number of ordinary shares for basic earnings per share	**96,573,811**	97,088,798
Effect of dilution resulting from share options	**408,717**	606,553
Diluted weighted average number of ordinary shares	**96,982,528**	97,695,351

Adjusted earnings per share (diluted) is detailed below:

	2024	2023
Adjusted earnings per ordinary share – diluted (pence)	**85.1**	75.1

A reconciliation of Adjusted profit after tax, which is used to calculate Adjusted EPS, to the Group's profit after tax for the period is shown in the APM section.

12. Dividends

The following dividends were paid by the Group to its shareholders:

	2024 £m	2023 £m
Final dividend for the year ended 31 December 2022 of 10.0p per ordinary share	**–**	9.7
Interim dividend for the year ended 31 December 2023 of 5.7p per ordinary share	**–**	5.5
Final dividend for the year ended 31 December 2023 of 11.4p per ordinary share	**11.1**	–
Interim dividend for the year ended 31 December 2024 of 6.5p per ordinary share	**6.2**	–
	17.3	15.2

A final dividend of 13.0p will be proposed at the 2025 Annual General Meeting but has not been recognised as it requires shareholder approval. The total amount of dividends proposed for the year ended 31 December 2024 is 19.5p. The payments of these dividends do not have any tax consequences for the Group.

13. Property, plant and equipment

	2024 £m	2023 £m*
Owned property, plant and equipment	**27.0**	30.5
Leased right-of-use assets (note 18)	**6.6**	7.9
	33.6	38.4

* See note 1, section Consolidated statement of financial position.

Owned property, plant and equipment is broken down as follows:

	Land and buildings £m	Network assets £m	Computer equipment £m	Fixtures and fittings £m	Total £m
Cost					
At 1 January 2024	4.6	68.4	14.4	2.9	90.3
Additions	–	2.5	1.4	1.0	4.9
Acquisition of subsidiary	–	0.1	1.0	–	1.1
Disposals	–	(0.2)	(0.2)	–	(0.4)
Exchange difference	(0.2)	(0.1)	(0.1)	–	(0.4)
At 31 December 2024	**4.4**	**70.7**	**16.5**	**3.9**	**95.5**
Depreciation					
At 1 January 2024	0.6	45.6	11.7	1.9	59.8
Charge for the year	0.2	6.9	1.8	0.4	9.3
Disposals	–	(0.2)	(0.2)	–	(0.4)
Exchange difference	–	(0.1)	(0.1)	–	(0.2)
At 31 December 2024	**0.8**	**52.2**	**13.2**	**2.3**	**68.5**
Net book value					
At 1 January 2024	4.0	22.8	2.7	1.0	30.5
At 31 December 2024	**3.6**	**18.5**	**3.3**	**1.6**	**27.0**

	Land and buildings £m	Network assets £m	Computer equipment £m	Fixtures and fittings £m	Total £m
Cost					
At 1 January 2023	4.7	67.4	13.5	2.8	88.4
Additions	–	3.9	1.6	0.1	5.6
Acquisition of subsidiary	–	–	–	0.1	0.1
Disposals	–	(3.1)	(0.8)	(0.2)	(4.1)
Exchange difference	(0.1)	0.2	0.1	0.1	0.3
At 31 December 2023	**4.6**	**68.4**	**14.4**	**2.9**	**90.3**
Depreciation					
At 1 January 2023	0.3	41.8	10.7	1.8	54.6
Charge for the year	0.2	6.9	1.8	0.4	9.3
Disposals	–	(3.1)	(0.8)	(0.2)	(4.1)
Exchange difference	0.1	–	–	(0.1)	–
At 31 December 2023	**0.6**	**45.6**	**11.7**	**1.9**	**59.8**
Net book value					
At 1 January 2023	4.4	25.6	2.8	1.0	33.8
At 31 December 2023	**4.0**	**22.8**	**2.7**	**1.0**	**30.5**

No non-current assets are pledged as security by the Group. Property, plant and equipment has been considered for impairment indicators and there was no impairment in the year.

14. Intangible assets

	Goodwill £m	Customer contracts £m	Brand £m	Development costs £m	Technology[2] £m	Total £m
Cost						
At 1 January 2024	133.2	56.7	2.2	52.3	24.4	268.8
Additions	–	–	–	12.5	1.8	14.3
Acquisition of subsidiaries	15.1	10.0	2.0	3.7	6.0	36.8
Reclassifications[1]	(11.4)	13.7	1.8	–	3.5	7.6
Disposals	–	–	–	(0.2)	–	(0.2)
Exchange difference	(1.9)	(1.8)	(0.1)	(0.5)	(0.2)	(4.5)
At 31 December 2024	**135.0**	**78.6**	**5.9**	**67.8**	**35.5**	**322.8**
Amortisation and impairment						
At 1 January 2024	20.5	37.4	1.1	33.2	21.9	114.1
Charge for the year	–	10.2	0.7	8.3	2.9	22.1
Impairment charge	–	–	–	–	–	–
Disposals	–	–	–	(0.2)	–	(0.2)
Exchange difference	(0.7)	(1.3)	–	(0.4)	(0.1)	(2.5)
At 31 December 2024	**19.8**	**46.3**	**1.8**	**40.9**	**24.7**	**133.5**
Carrying value						
At 1 January 2024	112.7	19.3	1.1	19.1	2.5	154.7
At 31 December 2024	**115.2**	**32.3**	**4.1**	**26.9**	**10.8**	**189.3**

1 In 2024 we reclassified the balances between goodwill, customer contracts and brand as a result of the finalisation of the fair value accounting for the Pragma acquisition, refer to note 30. The other reclassification amount of £3.5m in 2024 relates to technology intangible assets as they now better align with other similar transactions. In 2023, £3.5m of these assets were included within inventory. Inventory movements within the consolidated statement of cash flows related to the technology intangible assets during 2023 have not been represented as they are immaterial.

2 The acquisition of Coolwave and the reclassification noted above mean that the Group now holds non-software type technology assets. We have chosen to combine these with the previously presented category of Software intangibles in a new category called Technology, due to the similar nature of the underlying rights.

Development costs comprise the cost of internally generated development projects and development projects acquired through business combinations. Included in development costs are assets not yet in service of £4.3m (2023: £2.4m).

Amortisation charge for the year for development costs and technology includes amounts arising from business combinations of £1.1m and £1.4m respectively (2023: £0.9m and £nil).

Customer contracts includes the following material balances at 31 December 2024:

- BrightCloud: £4.7m (2023: £nil) carrying value with nine years' amortisation remaining.
- Pragma: £12.6m (2023: £nil) carrying value with eleven years' amortisation remaining.
- Satisnet: £5.1m (2023: £6.2m) carrying value with five years' amortisation remaining.

Technology includes the following material balances at 31 December 2024:

- Coolwave: £4.5m (2023: £nil) carrying value with four years' amortisation remaining.

	Goodwill £m	Customer contracts £m	Brand £m	Development costs £m	Technology[1] £m	Total £m
Cost						
At 1 January 2023	97.5	50.9	1.4	40.4	19.3	209.5
Additions	–	–	–	14.4	3.0	17.4
Acquisition of subsidiaries	36.6	6.6	0.8	–	2.1	46.1
Disposal of subsidiaries	–	–	–	–	–	–
Disposals	–	–	–	(2.4)	–	(2.4)
Exchange difference	(0.9)	(0.8)	–	(0.1)	–	(1.8)
At 31 December 2023	**133.2**	**56.7**	**2.2**	**52.3**	**24.4**	**268.8**
Amortisation and impairment						
At 1 January 2023	20.8	29.1	0.7	18.0	16.6	85.2
Charge for the year	–	8.8	0.4	5.2	5.3	19.7
Impairment charge	–	–	–	12.7	–	12.7
Disposals	–	–	–	(2.4)	–	(2.4)
Exchange difference	(0.3)	(0.5)	–	(0.3)	–	(1.1)
At 31 December 2023	**20.5**	**37.4**	**1.1**	**33.2**	**21.9**	**114.1**
Carrying value						
At 1 January 2023	76.7	21.8	0.7	22.4	2.7	124.3
At 31 December 2023	**112.7**	**19.3**	**1.1**	**19.1**	**2.5**	**154.7**

1 Previously referred to as Software.

Goodwill

The carrying amount of goodwill is allocated to the groups of CGUs as follows:

	2024 £m	2023 £m
Gamma Enterprise	**30.4**	23.5
Gamma Business	**55.3**	66.7
Netherlands	**7.0**	7.4
Spain	**6.0**	6.3
Germany	**16.5**	8.8
Total	**115.2**	112.7

Goodwill acquired through business combinations has been allocated to CGUs for the purpose of impairment testing.

The goodwill arising in the year totalled £15.1m with £8.2m related to the Placetel acquisition, £6.9m related to the BrightCloud acquisition and £nil related to the Coolwave acquisition (note 30) (2023: £36.6m related to the acquisition of Satisnet and Pragma (previously referred to as EnableX)). In addition, following the finalisation of the fair value accounting for the Pragma acquisition, Gamma Business goodwill has reduced by £11.4m with customer relationship and Brand intangibles recognised in its place.

The Placetel goodwill of £8.2m has been allocated to the Germany CGU, BrightCloud goodwill of £6.9m has been allocated to the Gamma Enterprise CGU and Coolwave goodwill of £nil has been allocated to the Gamma Business CGU. This is consistent with the segment reporting that is used in internal management reporting.

Impairment test

Goodwill is tested annually for impairment, or more frequently where there is an indication of impairment. An impairment test is a comparison of the carrying value of the assets of the CGU with their recoverable amount. Where the recoverable amount is less than the carrying value, an impairment results. The Group's annual test is performed at 30 September.

The Group performed the impairment test at 30 September 2024 incorporating its knowledge of the business into that testing and noting at that date the market capitalisation significantly exceeded the net assets of the Group, which was taken into account during the impairment test.

Based on the results of the impairment reviews, the recoverable amounts were greater than the carrying value of the net assets in each CGU (2023: the recoverable amounts were greater than the carrying value of the net assets in each CGU). In undertaking this analysis, sensitivities of these assumptions were also considered and are set out in the section Sensitivity analysis below.

The recoverable amount was determined on a value-in-use ("VIU") basis for each CGU. The VIU includes estimates about the future financial performance of each CGU. These utilise Board approved forecasts which cover a five-year period discounted to present value plus a terminal value calculation. The cash flow projections and inputs combine past performance with adjustments as appropriate where it is believed that performance and rates are not indicative of future performance and rates, including the impact of climate change.

14. Intangible assets continued

Key assumptions

The key assumptions in the VIU for Gamma Enterprise, Gamma Business, Germany, Spain and Netherlands CGUs on which the impairment tests are based is the revenue growth over the five-year period, which totals double-digits growth.

The long-term growth rates used were 2% (2023: 2%). This is based on long-term GDP growth forecasts for each country CGU. This growth rate does not exceed the relevant long-term average growth rate based on OECD long-term baseline projections No.114.

Discount rate

The discount rate applied to cash flows is based on the risk-free rate for 20-year UK Government bonds in Gamma Business and Gamma Enterprise. In Spain, Netherlands and Germany it is based on the 20-year US government bond adjusted for US to Eurozone inflation. This rate is adjusted for a risk premium to reflect the increased risk of investing in equities. This risk premium is derived by observing an equity market risk premium (that is the required return over and above a risk-free rate by an investor who is investing in the market as a whole) based on external sources and adjusting this with reference to a beta and a size and country risk premium to reflect the risk of the CGU relative to the market as a whole to provide a cost of equity. Cost of debt is based on an external corporate bond yield. Cost of equity and debt are then weighted based on market participant leverage.

The post-tax discount rates calculated were Gamma Business and Enterprise 9.5% (2023: 9.7%), Netherlands 8.9% (2023: 9.5%), Spain 10.6% (2023: 11.3%) and Germany 9.1% (2023: 9.1%). The Gamma Business and Enterprise pre-tax discount rate is 12.1% (2023: 12.3%). The rate used for Netherlands was 11.1% (2023: 11.8%), 13.1% for Spain (2023: 13.9%) and 11.8% (2023: 11.9%) for Germany. The back solve method was used to calculate the pre-tax discount rate in each year.

Discount rates changed from 2023 to 2024 primarily as a result of macro-economic conditions. Decreases in the Netherlands and Spain were predominantly due to decreases in risk-free rates and equity risk premiums at September 2024.

Sensitivity analysis

When considering the recoverable amount, the break-even point for the assumptions is calculated to understand the sensitivity of the assumptions. Given the challenging market conditions in the Netherlands, the headroom between the recoverable amount (determined based on a VIU model) and the carrying value of the Dutch business is modest at £2.5m (2023: £12.2m) at the measurement date. We expect headroom to increase in future periods noting even if challenging market conditions continue, the carrying value of the Netherlands CGU at the measurement test date included £3.4m of customer relationship assets and this will have reduced in value by £2.4m, at 31 December 2024 exchange rates, to £1.0m due to amortisation by the next test date.

We have considered reasonably possible changes in key assumptions that could cause an impairment and have identified two key assumptions relating to the cash flows in years 1 to 5. Being:

1) The Netherlands CGU VIU cash flow assumes low double-digit revenue growth over the five-year period. A decrease in the forecast revenue growth by 54% over this period, would see the headroom reduce to nil.

2) An increase in the pre-tax discount rate of 1.7% to 12.8% from 11.1% would reduce this headroom to nil.

The reduction required to the long-term growth rate to reduce the headroom to nil is not considered reasonably possible.

Intangible assets

In the prior year an impairment loss of £12.7m was recognised against the carrying amount of certain collaboration software where development was stopped following the agreements with Cisco and Ericsson-LG in 2023. This loss was included within operating expenses in the Consolidated statement of profit or loss and classified as an exceptional item and recorded solely within the Gamma Business segment.

15. Inventories

	2024 £m	2023 £m
Finished goods	**10.0**	11.8

In 2024 £3.5m of assets previously reported as inventory was reclassified to technology intangible assets as they now better align with other similar transactions. In 2023 £3.5m of these assets were included within inventory. Inventory movements within the Consolidated statement of cash flows related to the technology intangible assets during 2023 have not been represented as they are immaterial.

16. Trade and other receivables and contract assets

A. Trade and other receivables

	2024 £m	2023 £m
Trade receivables	**66.5**	61.5
Less: provision for impairment of trade receivables	**(10.8)**	(10.9)
Trade receivables – net	**55.7**	50.6
Contract costs	**17.9**	5.3
Prepayments	**11.3**	28.7
Other receivables	**4.2**	3.3
Total trade and other receivables	**89.1**	87.9
Of which:		
Due within one year	**80.4**	76.1
Due after more than one year	**8.7**	11.8

For detail on credit risk and the provision for impairment calculation, see note 25 Financial Risk Management. In 2023 fulfilment costs of £2.4m were included with prepayments. In 2024 this balance was reclassified to contract costs to better align with other similar transactions.

The ageing of these receivables is as follows:

	Current £m	Up to 3 months £m	3 to 6 months £m	6 to 12 months £m	Over 12 months £m	**Total £m**
31 December 2024						
Gross trade receivables	47.9	11.3	2.8	2.3	2.2	**66.5**
Provision for impairment	(4.8)	(2.0)	(0.7)	(1.1)	(2.2)	**(10.8)**
Net trade receivables	43.1	9.3	2.1	1.2	–	**55.7**
31 December 2023						
Gross trade receivables	47.6	8.5	1.8	1.1	2.5	**61.5**
Provision for impairment	(6.3)	(1.6)	(0.5)	(0.4)	(2.1)	**(10.9)**
Net trade receivables	**41.3**	**6.9**	**1.3**	**0.7**	**0.4**	**50.6**

Movements on the provision for impairment of trade receivables are as follows:

	2024 £m	2023 £m
At 1 January	**10.9**	7.6
Provided during the year	**1.6**	3.7
Receivable written off during the year as uncollectable	**(1.7)**	(0.4)
At 31 December	**10.8**	10.9

Contract costs

Capitalised contract costs consist of commissions which are directly associated with specific customer contracts and installation and fulfillment costs.

	Commissions £m	Installation costs £m	Fulfilment costs £m	**Total £m**
As at 1 January 2023	1.5	3.7	–	**5.2**
Additions	1.8	1.9	–	**3.7**
Amortisation	(1.2)	(2.4)	–	**(3.6)**
As at 31 December 2023	2.1	3.2	–	**5.3**
Additions	2.2	2.2	20.7	**25.1**
Reclassification	–	–	2.4	**2.4**
Amortisation	(2.0)	(2.2)	(10.7)	**(14.9)**
As at 31 December 2024	**2.3**	**3.2**	**12.4**	**17.9**

There was £nil impairment loss in relation to the contract costs (2023: £nil). In 2023 fulfilment costs of £2.4m were included with prepayments. In 2024 this balance was reclassified to contract costs to better align with other similar transactions.

16. Trade and other receivables and contract assets continued

B. Contract assets

Contract assets relate to amounts not yet billed and so not yet due from customers, and which are expected to be invoiced to customers.

	2024 £m	2023 £m
Current	**35.0**	32.5
Non-current	**6.7**	2.9
Contract assets	**41.7**	35.4

The level of new contract assets that have arisen during the year is consistent with the level of billings on pre-existing contract assets.

The Group considers the credit quality of contract assets on a customer-by-customer basis. As with trade receivables, which contract assets convert to upon invoicing, there is considered to be a low risk of default due to the high number of recurring customers. In determining the recoverability of a contract asset, the Group considers the specific circumstances of each contract asset and any change in the circumstances of the balance. In view of this management believes significant provision is not required.

There was £nil impairment loss in relation to the contract assets (2023: £nil).

17. Cash and cash equivalents

	2024 £m	2023 £m
Cash at bank	**44.6**	55.6
Short-term deposits	**109.1**	80.9
Total cash and cash equivalents	**153.7**	136.5

The Group's credit risk on cash and cash equivalents is limited as the counterparties are well established banks with generally high credit ratings. The credit quality of cash and cash equivalents is as follows:

	2024 £m	2023 £m
Moody's		
AA	**25.1**	25.8
A	**128.1**	109.8
BAA	**0.5**	0.9
Total cash and cash equivalents	**153.7**	136.5

18. Leases

The Group's leases are predominantly made up of office premises, other leases for land and buildings, and cars.

Right-of-use assets

	Land and buildings £m	Other £m	Total £m
Cost			
At 1 January 2024	14.9	1.7	16.6
Additions	2.4	0.4	2.8
Disposals	(3.5)	(0.1)	(3.6)
Exchange difference	(0.2)	(0.1)	(0.3)
At 31 December 2024	**13.6**	**1.9**	**15.5**
Depreciation			
At 1 January 2024	7.8	0.9	8.7
Charge for the year	2.0	0.4	2.4
Disposals	(2.0)	(0.1)	(2.1)
Exchange difference	(0.1)	–	(0.1)
At 31 December 2024	**7.7**	**1.2**	**8.9**
Net book value			
At 1 January 2024	7.1	0.8	7.9
At 31 December 2024	**5.9**	**0.7**	**6.6**

Disposals of right-of-use assets relate to the decision to exercise break clauses for office premises and the expiry of car leases.

One replacement lease has been committed to in the year ended 31 December 2024 (2023: one).

Right-of-use assets

	Land and buildings £m	Other £m	Total £m
Cost			
At 1 January 2023	16.0	1.2	17.2
Additions	1.8	0.5	2.3
Disposals	(2.9)	–	(2.9)
At 31 December 2023	**14.9**	**1.7**	**16.6**
Depreciation			
At 1 January 2023	7.6	0.5	8.1
Charge for the year	1.9	0.4	2.3
Disposals	(1.7)	–	(1.7)
At 31 December 2023	**7.8**	**0.9**	**8.7**
Net book value			
At 1 January 2023	8.4	0.7	9.1
At 31 December 2023	**7.1**	**0.8**	**7.9**

A reconciliation between the opening and closing balances for lease liabilities is shown in note 25 Financial Risk Management, Changes in assets and liabilities arising from financing activities section. Lease liabilities are presented as part of other financial liabilities in the Consolidated statement of financial position.

	2024 £m	2023 £m
Lease liabilities included in the Consolidated statement of financial position at 31 December		
Current	**2.0**	3.0
Non-current	**5.9**	7.0
Amounts recognised in the Consolidated statement of profit or loss		
Interest expense on lease liabilities	**0.3**	0.4

Gamma had no variable lease payments not included in the measurement of lease liabilities, no sale and leaseback transactions and no income from sub-leasing right-of-use assets in 2024 (2023: £nil).

Maturity analysis of leases representing undiscounted contractual cash flows is detailed below:

	2024 £m	2023 £m
Less than 1 year	**2.0**	2.7
Between 1 and 2 years	**1.9**	2.2
Between 2 and 5 years	**3.5**	4.5
Over 5 years	**1.1**	0.9

The amount recognised in the Consolidated statement of cash flows is £3.3m (2023: £2.3m).

19. Trade and other payables

	2024 £m	2023* £m
Current and non-current		
Trade payables	**7.1**	13.2
Other payables	**7.3**	6.1
Accruals – Cost of sales	**14.7**	11.0
Accruals – Operating expenses (excluding payroll)	**18.6**	13.6
Accruals – Payroll (excluding tax and social security)	**17.2**	12.9
Tax and social security	**3.6**	8.8
Total trade and other payables	**68.5**	65.6
Book values approximate to fair value at 31 December		
Of which:		
Due within one year	**68.4**	65.5
Due after more than one year	**0.1**	0.1

* See note 1, section Consolidated statement of financial position.

20. Other financial liabilities

	2024 £m	2023 £m*
Borrowings	**–**	1.7
Lease liabilities (note 18)	**7.9**	10.0
	7.9	11.7

* See note 1, section Consolidated statement of financial position.

Borrowings is broken down as follows:

	2024 £m	2023 £m
Secured		
Bank loans	**–**	1.5
Total secured borrowings	**–**	1.5
Unsecured		
Bank loans	**–**	0.1
Other borrowings	**–**	0.1
Total unsecured borrowings	**–**	0.2
Total borrowings	**–**	1.7
Of which:		
Current	**–**	0.3
Non-current	**–**	1.4

During the year, borrowings were fully paid off. All of these loans were held by trading subsidiaries outside of the UK and pre-date acquisition by Gamma. Of the bank loans, £nil (2023: £1.5m) are secured on the Group's land and buildings. In January 2025, subsequent to the 31 December 2024 year end, the Group agreed a three-year term with option to extend for a further 12 months, £130m multicurrency Revolving Credit Facility, see note 25 Financial Risk Management for further details.

Maturity analysis of borrowings is shown in note 24 Financial Instruments. A reconciliation between the opening and closing balances is shown in note 25 Financial Risk Management, Changes in assets and liabilities arising from financing activities section.

21. Provisions

	Leasehold dilapidation provision £m	Other provisions £m	**Total £m**
At 1 January 2024	1.8	3.3	**5.1**
Additional provision in the year	0.3	–	**0.3**
Utilisation of provision	–	(2.7)	**(2.7)**
Released	–	(0.3)	**(0.3)**
Exchange difference	–	(0.1)	**(0.1)**
At 31 December 2024	**2.1**	**0.2**	**2.3**
Of which:			
Due within one year			**0.9**
Due after more than one year			**1.4**

Leasehold dilapidations relate to the estimated cost of returning a leasehold property to a defined condition at the end of the lease in accordance with the lease terms. Dilapidation costs are accounted for within the right-of-use asset and released to the profit and loss account through depreciation. The main uncertainties relate to estimating the cost that will be incurred at the end of the lease and also whether the option to break from the lease will be exercised. Leasehold dilapidation provisions relate to property rentals and vary from less than 12 months to in excess of five years.

22. Contract liabilities

	2024 £m	2023 £m
Contract liabilities	**31.8**	26.2

Contract liabilities are deferred income arising from installations and upfront subscriptions and rentals, which are released to the statement of profit or loss over the life of the contract.

The movement on contract liabilities can be explained as below:

	2024 £m	2023 £m
At 1 January	**26.2**	17.0
Additions	**28.1**	10.5
Acquisition of subsidiaries	**3.6**	6.4
Reclassification from Trade & other payables (Deferred income)	**–**	3.7
Amortisation	**(26.1)**	(11.4)
At 31 December	**31.8**	26.2
Of which		
Due within one year	**18.5**	14.1
Due after more than one year	**13.3**	12.1

The amount of revenue recognised in 2024 for performance obligations satisfied (or partially satisfied) in previous periods is £nil (2023: £nil).

The amount of revenue recognised in 2024 that was included in the contract liabilities balance at 31 December 2023 was £14.1m (2023: £10.4m).

The Group expects to recognise the balance at 31 December 2024 in:

	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
Contract liabilities as at 31 December 2024	18.5	6.4	5.4	1.5
Contract liabilities as at 31 December 2023	14.1	5.8	4.7	1.6

23. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using the tax rate at which it is expected to unwind, being 25% (2023: 25%) for UK companies.

The movement on the deferred tax account is as shown below:

	2024 £m	2023 £m
Net liability at 1 January	**(3.9)**	(5.8)
Tax credit recognised in profit or loss	**3.1**	3.9
Tax credit/(charge) recognised directly in equity	**0.9**	(0.1)
Tax arising on acquisition	**(9.1)**	(1.9)
Net liability at 31 December	**(9.0)**	(3.9)

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. Deferred tax has been recognised where the Group is consistently profitable and so expects to have sufficient profits against which deferred tax can be utilised. In Europe, deferred tax assets totalling €1.6m have not been recognised due to uncertainty of recoverability.

The deferred tax asset/(liability) consists of the tax effect of temporary differences as follows:

2024	Asset £m	Liability £m	Net £m	Credited/ (charged) to profit or loss £m	Credited/ (charged) to equity £m
Difference in capital allowances and depreciation/ amortisation	0.2	(1.3)	(1.1)	–	–
Other temporary and deductible differences	5.8	(4.7)	1.1	(0.6)	(0.2)
Deferred tax on share options	2.6	–	2.6	0.5	0.9
Deferred tax on acquisition of subsidiaries	–	(11.6)	(11.6)	3.2	0.2
Deferred tax asset/(liability)	**8.6**	**(17.6)**	**(9.0)**	**3.1**	**0.9**

2023	Asset £m	Liability £m	Net £m	Credited/ (charged) to profit or loss £m	Credited/ (charged) to equity £m
Difference in capital allowances and depreciation/ amortisation	0.3	(1.4)	(1.1)	–	–
Other temporary and deductible differences	5.0	(3.1)	1.9	1.5	–
Deferred tax on share options	1.2	–	1.2	(0.1)	(0.1)
Deferred tax on acquisition of subsidiaries	–	(5.9)	(5.9)	2.5	0.1
Deferred tax asset/(liability)	**6.5**	**(10.4)**	**(3.9)**	**3.9**	**–**

24. Financial instruments

The tables below set out the measurement categories and carrying values of financial assets and liabilities with fair value inputs where relevant.

	Note	Measurement category	**Carrying value 2024 £m**	Fair value 2024	Fair value hierarchy 2024/2023	Carrying value 2023* £m
Financial assets						
Non-current						
Contract assets	16	Amortised cost	**6.7**	–	–	2.9
Other receivables	16	Amortised cost	**0.7**	–	–	0.6
Current						
Cash and cash equivalents	17	Amortised cost	**153.7**	–	–	136.5
Trade receivables – net	16	Amortised cost	**55.7**	–	–	50.6
Contract assets	16	Amortised cost	**35.0**	–	–	32.5
Other receivables	16	Amortised cost	**3.5**	–	–	2.7
			255.3			225.8
Financial liabilities						
Non-current						
Other payables	19	Amortised cost	**0.1**	–	–	0.1
Borrowings	20	Amortised cost	**–**	–	–	1.4
Lease liabilities	18	Amortised cost	**5.9**	–	–	7.0
Acquisition-related liabilities:						
Deferred consideration	24	Amortised cost	**13.0**	–	–	–
Contingent consideration	24	Fair value through P&L	**7.7**	Fair value weighted expected returns methodology	Level 3	7.7
Put option liability	24	Fair value through P&L	**1.3**	Fair value weighted expected returns methodology	Level 3	1.1
Current						
Trade and other payables	19	Amortised cost	**64.8**	–	–	56.7
Borrowings	20	Amortised cost	**–**	–	–	0.3
Lease liabilities	18	Amortised cost	**2.0**	–	–	3.0
Acquisition-related liabilities:						
Deferred consideration	24	Amortised cost	**4.4**	–	–	1.0
Contingent consideration	24	Fair value through P&L	**0.1**	Fair value weighted expected returns methodology	Level 3	1.7
			99.3			80.0

* See note 1, section Consolidated statement of financial position.

The carrying value of trade and other receivables, contract assets and trade and other payables is considered to be approximately equal to their fair value, due to their short-term nature.

Deferred consideration

	2024 £m	2023 £m
Current	**4.4**	1.0
Non-current	**13.0**	–
	17.4	1.0

Deferred consideration relates to fixed amounts payable with regard to acquisitions. The reconciliation of the carrying amounts is as follows:

	Coolwave £m	NeoTel £m	Satisnet £m	BrightCloud £m	Placetel[1] £m	Total £m
1 January 2024	–	0.5	0.5	–	–	1.0
Acquisition of subsidiary	0.5	–	–	0.2	16.0	16.7
Deferred consideration settled	(0.5)	(0.5)	–	–	(0.3)	(1.3)
Unwinding of discount	–	–	–	–	0.2	0.2
Foreign exchange movements	–	–	–	–	0.8	0.8
31 December 2024	**–**	**–**	**0.5**	**0.2**	**16.7**	**17.4**

1 Refer to note 30 Business combinations for further details.

24. Financial instruments continued

Maturity analysis

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities at amortised cost (excluding lease liabilities):

	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
2024	**70.0**	**4.2**	**10.2**	**–**
2023	58.0	0.1	0.7	0.7

Fair value of financial instruments

The financial instruments included on the Consolidated statement of financial position are measured at fair value or amortised cost. The measurement of this fair value can in some cases be subjective and can depend on the inputs used in the calculations. The different valuation methods are called "hierarchies" and are described below:

Level 1: Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair values measured using inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly.

Level 3: Fair values measured using inputs for the asset or liability that are not based on observable market data.

All liabilities measured at fair value are classified as Level 3 and there were no transfers to or from other hierarchies during the year. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

The fair value of Level 3 instruments is illustrated in the table below:

Financial liabilities	**2024 £m**	2023 £m
Contingent consideration	**7.8**	9.4
Put option liability	**1.3**	1.1
Total	**9.1**	10.5

As at 31 December, the potential undiscounted amount of future payments that could be required under the contingent consideration and the put option liability range from £0.1m to £18.1m and £nil to £2.9m respectively (31 December 2023: £nil to £16.5m and £nil to £2.9m).

Contingent consideration

	2024 £m	2023 £m
Current	**0.1**	1.7
Non-current	**7.7**	7.7
	7.8	9.4

The reconciliation of the carrying amounts of contingent consideration is as follows:

	Mission Labs £m	Satisnet £m	Pragma[1] £m	BrightCloud £m	Total £m
1 January 2024	1.7	4.1	3.6	–	9.4
Acquisition of subsidiary	–	–	–	0.3	0.3
Contingent consideration settled	(1.7)	–	–	–	(1.7)
Change in fair value of contingent consideration:					
Unwinding of discount	–	0.5	0.6	–	1.1
Other change in fair value	–	(1.8)	0.5	–	(1.3)
31 December 2024	**–**	**2.8**	**4.7**	**0.3**	**7.8**

1 Refers to Pragma Group ("Pragma"), previously referred to as EnableX in the 2023 Annual Report.

The final contingent consideration related to Mission Labs was paid during the period with the amount paid in line with the payable recognised at 31 December 2023.

Contingent consideration for Satisnet is based on the managed service revenues for the financial year ending 31 December 2025, and gross profit split between the periods from 1 July 2023 to 31 December 2024 and the financial year ending 31 December 2025. Consideration of up to £4.3m may be payable. The fair value of £2.8m at 31 December 2024, which takes into account the weighted probability of payout, is split between £0.1m current and £2.7m non-current and is based on a payout of £3.2m (31 December 2023: £4.8m) therefore, after the impact of the unwinding of the discount, a decrease of £1.8m was required which has been recorded within operating expenses.

Contingent consideration for Pragma is based on the EBITDA performance for the financial year ending 31 December 2026. Consideration of up to £9.8m may be payable. The fair value of £4.7m at 31 December 2024, which takes into account the weighted probability of payout, is non-current and based on a payout of £6.4m (31 December 2023: £5.8m) therefore, after the impact of the unwinding of the discount, an increase of £0.5m was required which has been recorded within operating expenses.

Contingent consideration for BrightCloud is based on the revenue performance for any consecutive twelve-calendar-month period from acquisition to 31 December 2025. Consideration of up to £4.0m may be payable. The fair value of £0.3m at 31 December 2024, which takes into account the weighted probability of payout, is non-current and based on a payout of £0.4m.

The total changes in fair value of contingent consideration of £1.3m have been credited to operating expense in 2024. In 2024, as per note 5, acquisition related costs of due diligence have totalled £2.8m, which have been debited to operating expense.

Put option liability

	2024 £m	2023 £m
Non-current	**1.3**	1.1
	1.3	1.1

As a result of the acquisition of Pragma in 2023 there is an option for the previous owners to sell or for the Group to acquire the remaining 5% of the shares in Pragma (which are held by management) in 2027 (where the consideration will be based on the results of the preceding financial year). The amount payable in cash will in aggregate be between £nil and £2.9m. The upper end of the option price will only be achieved if Pragma achieves certain EBITDA targets. The fair value of £1.3m at 31 December 2024 (2023: £1.1m) is based on a payout of £1.8m (2023: £1.7m) which takes into account the weighted probability of payout.

In the prior year the Group acquired the remaining 3.95% of the shares in Gamma Holding GmbH, formerly HFO Holding GmbH. The final consideration was €1.5m paid in cash.

A reconciliation between the opening and closing balances is shown in note 25 Financial Risk Management, Changes in assets and liabilities arising from financing activities section.

Fair value measurement

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

The valuation technique used for instruments categorised in Level 3 (contingent consideration and put option liability) was a probability weighted expected returns methodology, using a risk-adjusted discount rate appropriate to the individual characteristics of the transaction. Movements in the fair value are charged through the Consolidated statement of profit or loss within operating expenses.

The fair value of Level 3 instruments is £9.1m (contingent consideration £7.8m and put option liability £1.3m). Both types of obligations are dependent on the future financial performance of the entity. It is assumed that future profits are in line with management estimates which are derived from internal business plans together with financial due diligence performed in connection with the acquisition.

The following analysis is provided to illustrate the sensitivity of the year-end balance to a change in an individual input, within reasonable possible ranges, whilst all other variables remain constant. This is not intended to imply the likelihood of change or that possible changes in value would be restricted to this range.

Input	Year-end discounted estimate	Change in input	Change in fair value £m
Discount rate	13.8-14.3%	+1% absolute	(0.2)
		-1% absolute	0.2
Financial forecasts	Forecast revenue performance	+10%	0.2
		-10%	(2.1)
	Forecast gross profit performance	+10%	0.6
		-10%	(0.2)
	Forecast EBITDA performance	+10%	0.7
		-10%	(0.7)

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities at fair value, based on expected payout:

	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
2024	**0.1**	**3.5**	**8.2**	**–**
2023	1.7	1.1	11.2	–

25. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange risk and interest rate risk), and liquidity risk. The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's Executive Committee. The Board receives monthly reports from the Executive Committee through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or banking institution fails to meet its contractual obligations. The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 December 2024 was £255.3m (2023: £225.8m), which comprises of trade and other receivables as reported in note 24, contracts assets and cash and cash equivalents.

Trade receivables

The Group considers that the carrying value of the trade receivables gives a fair presentation of the credit quality of the assets. This is considered to be the case as there is a low risk of default due to the high number of recurring customers and credit management processes. Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated. No customer represents more than 10% of trade receivables.

It is Group policy, implemented locally, to assess the credit risk of new customers before entering into contracts. The Group's review includes external ratings where available. If there is no independent rating, risk control processes assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set by the Credit and Pricing Committee, based on internal or external ratings. The utilisation of credit limits is regularly monitored. Purchase limits are established for each customer, which represent the maximum open amount without requiring further approval from the Credit and Pricing Committee. The Credit and Pricing Committee determines concentrations of credit risk by monitoring the creditworthiness rating of existing customers and through regular reviews of the trade receivables' ageing analysis.

In determining the impairment for trade receivables, the Group applies the simplified approach based on historical cash collection data with an expected credit loss percentage applied to each category, grouped into various customer segments based on customer type. The historical loss rates are adjusted where macro-economic factors or other commercial factors are expected to have a significant impact when determining future expected credit loss rates. The Group also considers ageing of significantly overdue balances; no other credit rating grades are assessed. Due to this, management believes there is no further credit risk provision required in excess of the normal provision determined by the expected credit loss methodology applied.

When the Group has no reasonable expectation of recovering a financial asset and enforcement activity has ceased, the portion that is not recoverable is derecognised. At the reporting date the Group does not expect any losses from non-performance by the counterparties in addition to those already provided against. Details of this provision are shown in note 16.

Contract assets

The Group considers the credit quality of contract assets on a customer-by-customer basis. As with trade receivables, there is considered to be a low risk of default due to the high number of recurring customers. In determining the recoverability of a contract asset, the Group considers the specific circumstances of each contract asset and any change in the circumstances of the balance.

Cash and cash equivalents

For banks and financial institutions, only independently rated parties with a credit rating of at least medium-grade and moderate risk are accepted, unless Executive Director approval is obtained.

Market risk

Foreign exchange risk

Foreign exchange risk arises in part because the Group has operations located in Europe, which are not in the Group's functional currency. The Group's net assets arising from such European operations are exposed to currency risk resulting in gains or losses on retranslation into Pounds Sterling. However, these are of insignificant risk due to the fact that the European operations are small compared to those in the UK.

Where the Group has material future foreign currency transactions, the Group mitigates the foreign exchange risk by entering into forward exchange or other currency contracts to cover the exposure, see details below. Hedge accounting has been not applied.

	Foreign currency m	Average rate	Pounds Sterling £m
Foreign currency forward exchange contracts			
US Dollar	6.1	1.2749	4.8

Timing of cash outflows relating to foreign currency forward exchange contracts is as follows:

	1–6 months	7–12 months	13 –18 months
Foreign currency in millions			
US Dollar	4.0	–	2.1

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises from US Dollar-denominated financial instruments. The Group's material US Dollar liabilities are recognised in the Group's European business therefore the profit or loss risk is in US Dollar to Euro exchange movements. No sensitivity analysis was prepared in 2023 as the risk was immaterial.

	Impact on post-tax profit 2024 £m
US Dollar/Euro exchange rate – increase 10%[1]	1.5
US Dollar/Euro exchange rate – decrease 10%[1]	(1.8)

1 Holding all other variables constant.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the year end the Group had no borrowings (2023: £1.7m).

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. It is the Group's aim to settle balances as they become due maintaining readily accessible bank deposit accounts to ensure that the Company has sufficient funds for its operations.

The Group generates positive cash flows from operating activities and these fund short-term working capital requirements. Annually, the Board receives five-year projections. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances committed to at that time.

In January 2025, subsequent to the 31 December 2024 year end, the Group agreed a three-year £130m multicurrency Revolving Credit Facility, with option to extend for a further 12 months. £30m of this was drawn in February 2025 to enable the acquisition of STARFACE. The Revolving Credit Facility incurs interest on drawn balances at a margin between 1.5% and 2.5% above SONIA, dependent on leverage, and between 0.5% and 0.9% on undrawn balances. The following covenants, which shall be evaluated biannually alongside the published results, are related to the Revolving Credit Facility:

- Leverage, defined as total net debt to Adjusted EBITDA, not to exceed 3.0x.
- Interest cover, defined as Adjusted EBITDA to net finance charges, not to be less than 4.0x.

25. Financial risk management continued

Capital risk management

For the purpose of the Group's capital management, capital includes issued capital, ordinary shares, share premium and all other equity reserves attributable to the equity holders of the parent.

The Group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group has historically maintained very low levels of gearing and has not been exposed to externally imposed capital requirements. The Group will continue to manage the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Changes in assets and liabilities arising from financing activities

2024	Lease liabilities	Borrowings	Put option liability	**Total**
At 1 January	**10.0**	**1.7**	**1.1**	**12.8**
Cash movements:				
Repayments	(3.3)	(1.5)	–	**(4.8)**
Non-cash movements:				
Additions	2.8	–	–	**2.8**
Disposals	(1.8)	–	–	**(1.8)**
Finance expense	0.3	–	0.2	**0.5**
Exchange differences	(0.1)	(0.2)	–	**(0.3)**
At 31 December	**7.9**	**–**	**1.3**	**9.2**

2023	Lease liabilities	Borrowings	Put option liability	**Total**
At 1 January	**11.1**	**2.1**	**1.8**	**15.0**
Cash movements:				
Repayments	(2.3)	(0.5)	–	**(2.8)**
Repayments of borrowings acquired with acquisitions[1]	–	(7.7)	–	**(7.7)**
Put option liability repayment	–	–	(1.3)	**(1.3)**
Non-cash movements:				
Additions	2.3	–	1.1	**3.4**
Borrowings acquired with acquisitions[1]	–	7.7	–	**7.7**
Disposals	(1.5)	–	(0.5)	**(2.0)**
Finance expense	0.4	–	–	**0.4**
Exchange differences	–	0.1	–	**0.1**
At 31 December	**10.0**	**1.7**	**1.1**	**12.8**

1 Bank loans of £7.7m were acquired with Pragma and all were repaid at the time of acquisition.

26. Commitments

There were no material commitments for capital expenditure contracted for at the end of the year that were not recognised as a liability (2023: £nil). In the year the Group entered into a five-year $51.5m (£38.8m at the acquisition date) commitment to purchase Webex cloud licences with Cisco. Of this commitment £18.7m has been recognised as deemed consideration for the acquisition of Placetel, and is recorded in deferred consideration, with the remaining £20.1m as the minimum committed spend for Webex cloud licences, see note 30 Business combinations for further details. During 2023 the Group entered into a five-year agreement to purchase software licences with a minimum total committed spend of $22.4m. At 31 December 2024 the total outstanding committed spend under these two agreements is £54.9m of which £8.4m relates to the year ended 31 December 2025.

27. Share capital

At 31 December the total issued share capital was as follows:

	2024 Number	**2024 £m**	2023 Number	2023 £m
Authorised, allotted and fully paid				
Ordinary shares of £0.0025 each	**97,500,389**	**0.2**	97,462,226	0.2

Ordinary share movement in the year is as follows:

	Number	Notes
As at 1 January 2024	97,462,226	
January	12,370	(a)
February	19	(a)
March	3,468	(a)
April	22,306	(a)
As at 31 December 2024	**97,500,389**	

(a) Ordinary shares were issued to satisfy options which had been exercised.

In the year 1,910,596 ordinary shares of 0.25 pence each (2023: nil) were acquired by the Company and held in treasury, of which 186,946 (2023: nil) were transferred from treasury to settle exercised share options.

At 31 December 2024, 1,723,650 shares were held in treasury (2023: nil), representing 1.8% (2023: nil) of issued share capital. The shares held in treasury do not have voting rights. The number of ordinary shares with voting rights was 95,776,739 (2023: 97,462,226), therefore the total issued share capital at 31 December 2024 was 97,500,389 ordinary shares (2023: 97,462,226 ordinary shares).

28. Other reserves

A breakdown of other reserves is shown below:

	Merger reserve £m	Share option reserve £m	Foreign exchange reserve £m	Share reserve £m	Total other reserves £m
1 January 2023	**2.3**	**8.7**	**(1.3)**	**(0.7)**	**9.0**
Issue of shares	–	(4.2)	–	–	(4.2)
Share-based payment expense	–	2.7	–	–	2.7
Other comprehensive expense	–	–	(0.6)	–	(0.6)
31 December 2023	**2.3**	**7.2**	**(1.9)**	**(0.7)**	**6.9**
1 January 2024	**2.3**	**7.2**	**(1.9)**	**(0.7)**	**6.9**
Issue or reissue of shares	–	(2.0)	–	–	(2.0)
Share-based payment expense	–	2.2	–	–	2.2
Share buyback[1]	–	–	–	(27.3)	(27.3)
Treasury share allocations[2]	–	–	–	3.3	3.3
Other comprehensive expense	–	–	(1.3)	–	(1.3)
31 December 2024	**2.3**	**7.4**	**(3.2)**	**(24.7)**	**(18.2)**

1 Represents the shares purchased under the share buyback programme which completed in September 2024.

2 Treasury shares allocations are treasury shares which have been used to satisfy share options and other employee share plans.

28. Other reserves continued

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Other reserves	
Share premium reserve	Amount subscribed for share capital in excess of nominal value.
Merger reserve	Represents the share capital and share-related movements of the previous holding company Gamma Telecom Holdings Limited following the common control transaction in 2014.
Share option reserve	Represents credit to equity relating to share-based payment expense on share options.
Foreign exchange reserve	Exchange differences relating to the translation of the net assets of the Group's foreign subsidiaries from their functional currency into the parent's functional currency.
Share reserve	Purchase of treasury shares under the 2024 £27.3m share buyback and under a SIP scheme.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.
Non-controlling interest	Proportion of equity relating to subsidiaries which are not 100% owned.
Written put options over non-controlling interest	Represents debit to equity in relation to the put option liability.

29. Share-based payment expense

Share options granted

Deferred Bonus Plan

On 12 April 2024, the Board approved awards under the Deferred Bonus Plan ("DBP") for the Executive Directors. 15,990 options were granted over £0.0025 ordinary shares at an exercise price of £0.0025 per share which will vest on 31 March 2027. The awards granted will not be subject to any performance conditions and will vest in full on the third anniversary of the vesting commencement date, being 31 March 2024.

Long Term Incentive Plan

On 12 April 2024 and 18 June 2024, the Board approved awards under the Long-Term Incentive Plan ("LTIP") for the Executive Directors and the senior management team. 195,553 and 1,459 options were granted over £0.0025 ordinary shares at an exercise price of £0.0025 per share which will vest on 12 April 2027 subject to performance conditions. The awards granted will have a performance period of three years starting from the vesting commencement date of 31 December 2023 and ending on 31 December 2026.

Also on 12 April 2024 20,672 options were granted under the 2023 LTIP for a member of senior management team . These options were granted over £0.0025 ordinary shares at an exercise price of £0.0025 per share which will vest on 22 May 2026 subject to performance conditions. The awards granted have a performance period of three years starting from the vesting commencement date of 31 December 2022 and ending on 31 December 2025.

The awards issued under the LTIP will vest as follows:

2024 Awards to Executive Directors

- 12.5% of the shares if, over three years, relative Total Shareholder Return ("TSR") achieves median performance and 50% if relative TSR achieves upper quartile performance for companies in the FTSE 250 Index excluding Investment Trusts, with pro-rata straight-line vesting in between
- 12.5% of the shares if the annual compound growth of the Company's Adjusted EPS over the three years ended December 2026 is equal to 4%, and 50% of the shares if the annual compound growth of the Company's Adjusted earnings per share over the same period is equal to or in excess of 14%, with pro-rata straight-line vesting in between
- A two-year post vesting holding period will apply

2024 Awards to senior management

- 8.3% of the shares if, over three years, relative Total Shareholder Return ("TSR") achieves median performance and 33.3% if relative TSR achieves upper quartile performance for companies in the FTSE 250 Index excluding Investment Trusts, with pro-rata straight-line vesting in between
- 8.3% of the shares if the annual compound growth of the Company's Adjusted EPS over the three years ended December 2026 is equal to 4%, and 33.3% of the shares if the annual compound growth of the Company's Adjusted earnings per share over the same period is equal to or in excess of 14% with pro-rata straight-line vesting in between
- 33.4% of the shares do not have a performance condition and will vest on the third anniversary of the award date, being 12 April 2027

2023 Awards to senior management as granted in 2024

- 12.5% of the shares if annual compound Total Shareholder Return ("TSR") over the performance period equals 8%, and 50% of the shares if annual compound TSR over the performance period equals 15% or higher, with pro-rata straight-line vesting in between
- 12.5% of the shares if the annual compound growth of the Company's Adjusted EPS over the three years ended December 2026 is equal to 8%, and 50% of the shares if the annual compound growth of the Company's adjusted earnings per share over the same period is equal to or in excess of 20% with pro-rata straight-line vesting in between

Restricted Share Awards

On 12 April 2024 and 20 September 2024 the Board approved awards under the LTIP as Restricted Share Awards. 40,559 and 206 ordinary shares of £0.0025 were granted at an award price of £13.50 on each date respectively. These will vest in three tranches on the following dates an terms, and are not subject to any performance conditions other than ongoing employment:

- 30% on 12 April 2025 (rounded down to the nearest whole share)
- 30% on 12 April 2026 (rounded down to the nearest whole share)
- the remainder of the shares on 12 April 2027

On 20 September 2024, the Board approved awards under the LTIP as Restricted Share Awards. 1,649 ordinary shares of £0.0025 were granted at an award price of £16.98. These will vest in three tranches on the following dates and terms, and are not subject to any performance conditions other than ongoing employment:

- 30% on 20 September 2025 (rounded down to the nearest whole share)
- 30% on 20 September 2026 (rounded down to the nearest whole share)
- the remainder of the shares on 20 September 2027

Save As you Earn

On 8 May 2024 the Board approved an issue of options under a Save As You Earn ("SAYE") scheme which granted 186,638 options over £0.0025 ordinary shares at an exercise price of £10.80. These options will vest on 1 July 2027.

Share option movements

Movements in the number of options during the year were as follows:

The weighted average fair value of awards granted during the year was £9.22 (2023: £5.86).

The options below were exercised at a weighted average share price of £14.58 and weighted average exercise price of £7.97, and the weighted average exercise price of share options exercisable at 31 December 2024 was £12.11.

2024 Date of grant	Start of year	Granted	Forfeited/ Cancelled	Exercised	End of year	Exercise price	Scheme	Expiry date
8 May 2015[1]	8,309	–	–	(3,703)	4,606	£2.7000	CSOP	7 May 2025
15 April 2016[1]	2,294	–	–	–	2,294	£4.3575	CSOP	14 April 2026
5 April 2017[1]	17,878	–	–	(5,962)	11,916	£4.9325	CSOP	4 April 2027
23 May 2018[1]	51,452	–	(4,087)	(6,988)	40,377	£7.3400	CSOP	22 May 2028
8 May 2019[1]	652	–	–	(652)	–	£8.2800	SAYE	31 December 2022
13 May 2019[1]	104,475	–	(4,568)	(45,308)	54,599	£10.9000	CSOP	12 May 2029
28 April 2020[1]	26,661	–	(13,836)	(12,825)	–	£8.0000	SAYE	31 December 2023
7 May 2020[1]	149,729	–	(10,931)	(52,059)	86,739	£12.6500	CSOP	6 May 2030
14 September 2020[1]	19,474	–	–	(19,474)	–	£0.0025	LTIP	31 March 2024
14 September 2020[1]	6,250	–	–	–	6,250	£0.0025	DBP	14 September 2030
1 April 2021[1]	142,745	–	(89,008)	(34,154)	19,583[2]	£0.0025	LTIP	25 April 2031
1 April 2021[1]	11,405	–	–	(7,616)	3,789	£0.0025	DBP	31 March 2027
6 May 2021[1]	145,323	–	(18,164)	–	127,159	£17.9600	CSOP	6 May 2031
7 May 2021[1]	43,076	–	(11,561)	(18,170)	13,345	£14.1120	SAYE	31 December 2024
3 December 2021[1]	4,651	–	(2,900)	(1,751)	–	£0.0025	LTIP	25 April 2031
25 March 2022	238,475	–	(28,198)	(8,485)	201,792	£13.2400	CSOP	24 March 2032
31 March 2022	14,042	–	–	–	14,042	£0.0025	DBP	31 March 2028
31 March 2022	179,898	–	(18,730)	–	161,168	£0.0025	LTIP	7 years from vesting date
6 May 2022	42,763	–	–	–	42,763	£0.0025	LTIP	7 years from vesting date
6 May 2022	126,143	–	(12,290)	(3,849)	110,004	£10.4000	SAYE	31 December 2025
29 March 2023	26,856	–	–	–	26,856	£0.0025	DBP	31 March 2029
9 May 2023	352,754	–	(31,218)	(4,113)	317,423	£8.5000	SAYE	31 December 2026
22 May 2023	31,299	–	(1,939)	–	29,360	£0.0025	RSA	22 May 2031
22 May 2023	235,164	–	(27,058)	–	208,106	£0.0025	LTIP	21 May 2033
12 April 2024	–	195,553	(13,559)	–	181,994	£0.0025	LTIP	11 April 2034
12 April 2024	–	20,672	–	–	20,672	£0.0025	LTIP	21 May 2033
12 April 2024	–	40,559	(4,047)	–	36,512	£0.0025	RSA	12 April 2032
12 April 2024	–	15,990	–	–	15,990	£0.0025	DBP	31 March 2030
8 May 2024	–	186,638	(13,630)	–	173,008	£10.8000	SAYE	31 December 2027
18 Jun 2024	–	1,459	–	–	1,459	£0.0025	LTIP	11 April 2034
23 September 2024	–	1,855	–	–	1,855	£0.0025	RSA	22 September 2032

1 Exercisable at end of the period.
2 8,956 not exercisable until April 2026.

All options were granted over Ordinary Shares. There were no lapsed share options during the year (2023: none).

29. Share-based payment expense continued

Apart from the options noted as exercisable, all other options above are outstanding. The share options outstanding at 31 December 2024 represented 2% of the issued share capital as at that date (2023: 2%) and would generate additional funds of £12.9m (2023: £14.4m) if fully exercised. The weighted average remaining life of the share options was 13 months (2023: 15 months), with a weighted average remaining exercise price of £6.75 (2023: £7.29).

Movements in the number of options during the prior year were as follows:

The options below were exercised at a weighted average share price of £11.37, and weighted average exercise price of £5.49, and the weighted average exercise price of share options exercisable at 31 December 2023 was £9.50.

2023 Date of grant	Start of year	Granted	Forfeited/ Cancelled	Exercised	End of year	Exercise price	Scheme	Expiry date
8 May 2015[1]	8,309	–	–	–	8,309	£2.7000	CSOP	7 May 2025
15 April 2016[1]	2,294	–	–	–	2,294	£4.3575	CSOP	14 April 2026
5 April 2017[1]	21,419	–	–	(3,541)	17,878	£4.9325	CSOP	4 April 2027
23 May 2018[1]	58,764	–	–	(7,312)	51,452	£7.3400	CSOP	22 May 2028
8 May 2019[1]	23,221	–	(14,530)	(8,039)	652	£8.2800	SAYE	31 December 2022
13 May 2019[1]	111,582	–	(2,751)	(4,356)	104,475	£10.9000	CSOP	12 May 2029
28 April 2020[1]	251,912	–	(11,546)	(213,705)	26,661	£8.0000	SAYE	31 December 2023
7 May 2020[1]	164,744	–	(15,015)	–	149,729	£12.6500	CSOP	6 May 2030
14 September 2020[1]	234,944	–	(117,779)	(97,691)	19,474	£0.0025	LTIP	31 March 2024
14 September 2020[1]	18,310	–	–	(12,060)	6,250	£0.0025	DBP	14 September 2030
1 April 2021	152,201	–	(9,456)	–	142,475	£0.0025	LTIP	25 April 2031
1 April 2021	11,405	–	–	–	11,405	£0.0025	DBP	31 March 2027
6 May 2021	151,943	–	(6,620)	–	145,323	£17.9600	CSOP	6 May 2031
7 May 2021	72,029	–	(28,953)	–	43,076	£14.1120	SAYE	31 December 2024
3 December 2021	4,651	–	–	–	4,651	£0.0025	LTIP	25 April 2031
25 March 2022	252,566	–	(14,091)	–	238,475	£13.2400	CSOP	24 March 2032
31 March 2022	14,042	–	–	–	14,042	£0.0025	DBP	31 March 2028
31 March 2022	200,416	–	(20,518)	–	179,898	£0.0025	LTIP	7 years from vesting date
6 May 2022	42,763	–	–	–	42,763	£0.0025	LTIP	7 years from vesting date
6 May 2022	234,429	–	(106,858)	(1,428)	126,143	£10.4000	SAYE	31 December 2025
29 March 2023	–	26,856	–	–	26,856	£0.0025	DBP	31 March 2029
9 May 2023	–	372,921	(20,167)	–	352,754	£8.5000	SAYE	31 December 2026
22 May 2023	–	31,299	–	–	31,299	£0.0025	RSA	22 May 2031
22 May 2023	–	235,164	–	–	235,164	£0.0025	LTIP	31 May 2033

1 Exercisable at end of the period.

All options were granted over Ordinary Shares.

Share-based payment expense

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period. Non-market-based vesting conditions are measured using the Black-Scholes model, the expense is adjusted based on the Company's estimate of shares that will eventually vest. Market-based vesting conditions are measured using the Monte Carlo model. The expected life used in the model assumes that vesting conditions will be met and all options will be exercised at the earliest opportunity.

The information set out in the table below is used in the calculations.

	2024 £m	2023 £m
Share price at grant date (pence)	**1,348–1,396**	1,066–1,158
Exercise price (pence)	**0.25– 080**	0.25–850
Expected volatility	**24–25%**	26–27%
Risk-free rate	**4.12–4.17%**	3.47–4.06%
Expected dividend yield	**1.23–1.27%**	1.30–1.41%

The assumptions relating to volatility and the risk-free rate are calculated with reference to other comparable companies within the telecommunications sector.

Application of the fair value measurement results in a charge to operating expenses within the subsidiary company Gamma Telecom Limited. The charge for each year is as listed below:

	2024 £m	2023 £m
Share options issued to key management	**1.6**	1.8
Share options issued to other employees	**1.1**	0.9
Total share-based payment expense	**2.7**	2.7

Included within the total share-based payment expense of £2.7m (2023: £2.7m) is National Insurance of £0.5m (2023: £0.1m).

The Group did not enter into any share-based payment transactions with parties other than employees during 2024 and 2023.

30. Business combinations

Summary of acquisitions 2024

During 2024, the Group completed a total of three acquisitions, all of which are 100% owned by the Group.

Acquisition	Acquired	Principal activity
Coolwave Communications Limited ("Coolwave")	1 February 2024	Coolwave is a prominent International voice service provider. Coolwave was acquired in order to increase the Group's total addressable market for voice enablement products (including Microsoft Teams) and provide new opportunities for our Service Provider business.
BrightCloud Group Limited ("BrightCloud")	24 July 2024	BrightCloud is a leading managed service provider ("MSP") specialising in cloud-based contact centre solutions across Europe. BrightCloud is Cisco's leading European Enterprise partner for CCaaS renowned for customer experience transformation. BrightCloud was acquired to expand the Group's contact centre and customer experience expertise and drive enterprise growth across Europe.
BroadSoft Germany GmbH (known as "Placetel")	20 September 2024	Placetel is a German market leader in the Cloud PBX space, enabling German companies to buy Cisco Collaboration solutions both digitally and through local partners. Placetel was acquired to further strengthen Gamma's presence in Germany and deepen its partnership with Cisco.

The fair values of identifiable assets acquired and liabilities assumed is as follows:

	Coolwave £m	BrightCloud £m	Placetel £m	**Total £m**
Tangible fixed assets	0.1	–	1.0	**1.1**
Intangible assets – technology	6.0	–	–	**6.0**
Intangible assets – customer contracts	1.5	4.9	3.6	**10.0**
Intangible assets – brand	–	0.5	1.5	**2.0**
Intangible assets – development costs	–	0.2	3.5	**3.7**
Cash	0.7	1.3	10.5	**12.5**
Trade and other receivables	1.4	3.3	1.3	**6.0**
Trade and other payables	(1.3)	(1.5)	(2.8)	**(5.6)**
Contract liabilities	–	(3.6)	–	**(3.6)**
Deferred tax liability[1]	(0.9)	(1.4)	(2.9)	**(5.2)**
Total identifiable assets	7.5	3.7	15.7	**26.9**
Less: Non-controlling interests	–	–	–	**–**
Add: Goodwill	–	6.9	8.2	**15.1**
Net assets acquired	**7.5**	**10.6**	**23.9**	**42.0**

1 Deferred tax liability arising on customer contract and brand intangible assets.

30. Business combinations continued

The fair values of identifiable assets acquired and liabilities assumed are final for Coolwave and BrightCloud. The fair values of identifiable assets acquired and liabilities assumed are provisional for Placetel pending finalisation of current tax liabilities. The exercise to finalise these balances is ongoing and will be completed by 30 June 2025.

The value of the goodwill represents the prospective future economic benefits that are expected to accrue from enhancing the portfolio of products available to the Group's existing customers and access to new customers.

	Coolwave £m	BrightCloud £m	Placetel £m	**Total £m**
Satisfied by:				
Cash paid	7.0	10.0	7.9	**24.9**
Deferred consideration[1]	0.5	0.3	16.0	**16.8**
Contingent consideration[2]	–	0.3	–	**0.3**
Total	**7.5**	**10.6**	**23.9**	**42.0**

1 Deferred consideration relates to fixed amounts payable with regard to acquisitions.

2 Contingent consideration is payable dependent on future performance of the businesses acquired. Refer to note 24 for further details.

Placetel consideration

The Group acquired Placetel from Cisco in September 2024 for cash consideration of £7.9m, gross of £10.5m of cash acquired, equivalent to a net cash receipt of £2.6m. Concurrently with this acquisition, the Group also agreed a five-year $51.5m (£38.8m at the acquisition date) minimum purchase agreement for Webex cloud licences with Cisco. The Group determined that the minimum purchase commitment comprised two elements: 1) deferred consideration for the acquisition of Placetel of £18.7m, which was recognised at a present value of £16.0m; and 2) expected future cloud licence purchases in the normal course of business of £20.1m. As such, the total consideration for Placetel was determined to be £23.9m.

Deferred consideration of £18.7m has been determined using a fair value methodology. This incorporated a discounted cash flow analysis of the Placetel business, which was based on the Board approved five-year forecast, which was extended to reflect the continued strong growth otherwise expected at the end of the five-year period, before a terminal value is applied.

The deferred consideration is payable monthly over five years and was recognised at a present value of £16.0m at acquisition. At 31 December 2024 the deferred consideration is carried at £16.7m following the payment of £0.3m (recorded within investing activities), unwinding of discounting of £0.2m (recognised within finance expense) and a movement in foreign currency rates of £0.8m (recognised within operating expenses).

The key assumptions included in the fair value assessment are the revenue growth rates, long-term growth rates applied in perpetuity and the discount rate. The short-term revenue growth rate assumes a mid single-figure CAGR. The long-term growth rate used is 2% consistent with the VIU calculation used in the annual goodwill impairment test and does not exceed the German long-term average growth rate based on OECD long-term baseline projections No.114. A risk-adjusted discount rate appropriate to the individual characteristics of the transaction of 12.6% is based on a Euro, 10-year government bond. This rate is adjusted for a risk premium to reflect the increased risk of investing in equities. This risk premium is derived by observing an equity market risk premium (that is the required return over and above a risk-free rate by an investor who is investing in the market as a whole) based on external sources and adjusting this with reference to a beta and a size risk premium to reflect the risk of Placetel relative to the market as a whole to provide a cost of equity. Cost of debt is based on an external corporate bond yield. Cost of equity and debt are then weighted based on market participant leverage.

Net cash outflow on acquisitions:

	Coolwave £m	BrightCloud £m	Placetel £m	Other £m	**Total £m**
Cash consideration	7.0	10.0	7.9	–	**24.9**
Less: cash acquired	(0.7)	(1.3)	(10.5)	–	**(12.5)**
	6.3	**8.7**	**(2.6)**	**–**	**12.4**
Contingent consideration payments during the year[1]	–	–	–	1.7	**1.7**
Deferred consideration payments during the period[2]	0.5	–	0.3	0.5	**1.3**
Net outflow of cash – investing activities	**6.8**	**8.7**	**(2.3)**	**2.2**	**15.4**

1 See note 24 Contingent consideration.

2 Deferred consideration relates to fixed amounts payable with regard to acquisitions. Other relates to the final NeoTel acquisition payment.

Valuations of intangible assets

Customer contracts were valued under the Income Method and the brand and technology under the Relief from Royalty methodology.

Goodwill

The goodwill is attributable to the acquired entity. The goodwill is not deductible for tax purposes.

Revenue and profit contribution

From the date of acquisition, the acquired businesses have contributed £14.8m of revenue and £0.8m of profit after taxation attributable to the equity holders of Gamma Communications plc:

	Revenue £m	Profit before tax £m	Profit after tax £m
Coolwave	4.1	0.6	0.4
BrightCloud	3.3	0.3	0.2
Placetel	7.4	0.3	0.2
Total	**14.8**	**1.2**	**0.8**

If these acquisitions had occurred on 1 January 2024, the acquired businesses would have contributed estimated revenue and profit after taxation attributable to the equity holders of Gamma Communications plc as outlined in the table below. The amounts below are unaudited.

	Revenue £m	Profit before tax £m	Profit after tax £m
Coolwave	4.6	0.6	0.5
BrightCloud	7.5	0.5	0.4
Placetel	25.8	0.9	0.6
Total	**37.9**	**2.0**	**1.5**

Summary of acquisitions 2023

During 2023 the Group acquired Satisnet Limited ("Satisnet") and the Pragma Group ("Pragma"), previously referred to as EnableX in the 2023 Annual Report. The fair value accounting for Satisnet was completed and disclosed in 2023.

The fair value accounting for Pragma was provisional at 31 December 2023. During 2024 the fair value accounting of the identified assets and liabilities assumed was completed. As a result Goodwill has reduced by £11.4m and other intangible assets has increased by £15.5m (customer contacts £13.7m and brand £1.8m), with a £3.9m deferred tax liability recognised relating to these intangible balances and a £0.2m current tax liability.

The fair value of the identifiable assets and liabilities assumed is as follows:

Pragma	£m
Tangible fixed assets	0.2
Intangible assets – technology	2.1
Intangible assets – customer contracts	13.7
Intangible assets – brand	1.8
Cash	0.6
Inventories	0.6
Trade and other receivables	5.1
Trade and other payables	(5.0)
Bank loans[1]	(7.7)
Contract liabilities	(4.5)
Deferred tax liability[2]	(3.9)
Total identifiable assets	3.0
Less: Non-controlling interests	(0.2)
Add: Goodwill	12.6
Net assets acquired	**15.4**

1 Bank loans of £7.7m were repaid at the time of acquisition.

2 Deferred tax liability arising on customer contract and brand intangible assets.

31. Subsidiaries

The Company's subsidiaries at 31 December 2024 are detailed below.

Name	Registered address	Country	Beneficial Ownership %	Class
Bright Cloud Group Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%	Ordinary shares
Bright Cloud Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%	Ordinary shares
Candio Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	95%	Ordinary shares
CircleLoop Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%	Ordinary shares
Coolwave Communications Limited	6th floor, 2 Grand Canal Square, Dublin 2, Dublin	Ireland	100%	Ordinary shares
EnableX Group Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	95%	Ordinary shares
Epsilon Telecommunications GmbH	Ziegeleistraße 2, 95145, Oberkotzau	Germany	100%	Ordinary shares
Gamma Business Communications Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%	Ordinary shares
Gamma Business Services BV	Evert van de Beekstraat 1-63, 1118CL Schiphol	Netherlands	100%	Ordinary shares
Gamma Communications Benelux BV	Krijgsman 12-14 1186DM Amstelveen	Netherlands	100%	Ordinary shares
Gamma Communications Europe BV	Krijgsman 12-14 1186DM Amstelveen	Netherlands	100%	Ordinary shares
Gamma Communications Germany GmbH	Ziegeleistraße 2, 95145, Oberkotzau	Germany	100%	Ordinary shares
Gamma Communications GmbH	Ziegeleistraße 2, 95145, Oberkotzau	Germany	100%	Ordinary shares
Gamma Communications Ireland Limited	6th Floor, 2 Grand Canal Square, Dublin 2, Dublin	Ireland	100%	Ordinary shares
Gamma Communications Nederland BV	Krijgsman 12-14 1186DM Amstelveen	Netherlands	100%	Ordinary shares
Gamma Communications No1 Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%	Ordinary shares
Gamma Development KfT	Széchenyi rakpart 8, 1054, Budapest	Hungary	100%	Ordinary shares
Gamma Development Poland Sp. Zoo.	ul. Abrahama 1A, 80-307 Gdańsk	Poland	100%	Ordinary shares
Gamma Europe Holdco Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%	Ordinary shares
Gamma Group Holdings Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%[1]	Ordinary shares
Gamma Holding GmbH	Ziegeleistraße 2, 95145, Oberkotzau	Germany	100%	Ordinary shares
Gamma Managed Services Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%	Ordinary shares
Gamma Network Solutions Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%	Ordinary shares
Gamma Operadora de Comunicaciones SAU	Av. Universitat Autònoma 3, Pl. 1a, 08290 Cerdanyola del Vallès, Barcelona	Spain	100%	Ordinary shares
Gamma Placetel GmbH	Lothringer Straße 56, Cologne 50677	Germany	100%	Ordinary shares
Gamma Telecom Holdings Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%	Ordinary and B1 shares
Gamma Telecom Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%	Ordinary shares
Gamma UCaaS Comercializadora SLU	Calle Isaac Newton 3, Edificio Bluenet PCT Cartuja, 41092 Seville	Spain	100%	Ordinary shares
Gamma UCaaS Operaciones SLU	Av. Universitat Autònoma 3, Pl. 1a, 08290 Cerdanyola del Vallès, Barcelona	Spain	100%	Ordinary shares
Mission Labs Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%	A Ordinary shares
NeoTel 2000 S.L.U.	Calle Fiscal Luís Portero Garcia, 3, 7º,Oficina 1-1ª, 29010 Malaga	Spain	100%	Ordinary shares
Pragma Cloud Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	95%	Ordinary shares
Pragma Distribution Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	95%	Ordinary shares
Pragma Group Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	95%	Ordinary shares
Satisnet Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	100%	Ordinary shares
Techland Systems International Limited	The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF	United Kingdom	95%	Ordinary shares
Telsis GmbH	Robert-Bosch-Straße 7, 64293 Darmstadt	Germany	100%	Ordinary shares
VozTelecom Maroc, SARL AU	Park Tetouanshore, route de Cabo Negro Shore 3 Local 004, Comune de Martil – Tétouan, CP 93150	Morocco	100%	Ordinary shares

1 Directly held by the Company.

Gamma Telecom Limited is also a member of NP4UK Limited which is a dormant company (limited by guarantee) incorporated in the United Kingdom.

The Group also consolidates the Gamma Communications plc SIP Trust.

Through the acquisition of the Voz Telecom Group, the Group acquired a 43.86% stake in VozTelecom Latinoamericana SA de CV, registered in Mexico. The investment value is £nil. The Group holds no interests in unconsolidated structured entities.

32. Related party transactions

Details of key management's remuneration are given in note 7.

There were no other transactions with related parties outside of the wholly owned Group during the year.

During the prior year £1.3m was paid to a member of key management personnel who held a non-controlling interest in Gamma Holding GmbH (formerly HFO Holding GmbH). The Group acquired the non-controlling interest in Gamma Holding GmbH in 2023.

33. Subsequent events

Acquisition of STARFACE

On 19 February 2025, the Group completed the acquisition of 100% of the equity of SF Technologies Holdings GmbH ("STARFACE"). The cash outlay for the acquisition (excluding transaction costs) was €201.6m (£168.7m). After taking account of net cash and working capital, this equates to €196m (£164m) on a cash-free, debt-free basis. £30m has been funded through the new Revolving Credit Facility, see below, and the remainder covered by Gamma's existing cash resources.

Germany holds strategic importance for Gamma, as it represents the largest, and growing, cloud PBX market in Europe, with significantly lower cloud penetration in a larger SME market than the UK. The acquisition of STARFACE delivers on our strategy to establish a new anchor in the European business, alongside our well-established UK business. STARFACE is a market leader in the provision of proprietary business communication and collaboration software solutions, tailored to fit the needs of the German market. The company predominantly serves SME businesses in Germany, as well as enterprises and the public sector via its nationwide Channel Partner network, which also covers Austria and Switzerland. The acquisition positions Gamma as a leader in the German SME cloud communications market when combined with our acquisition of Placetel. It will provide an additional c.210,000 Cloud PBX seats which increases Gamma's number of Cloud Seats sold in Germany to over 500,000.

Given the timing of the closure of the transaction, the Group expects to disclose the provisional accounting for the acquisition in the 2025 interim results.

Share buyback

In March 2025, the Group will appoint Peel Hunt LLP to manage a share buyback programme to purchase ordinary shares of 0.25p each in Gamma Communications plc for an aggregate purchase price of up to £50m within certain pre-set parameters (the "Programme"). The Company has authorised the Programme to continue whilst it retains the authority from shareholders to repurchase such ordinary shares until the earlier of: (i) the maximum aggregate consideration payable by the Company has been reached or (ii) Monday 30 June 2025, subject to reapproval of the relevant share purchase authorities at the forthcoming AGM. The Programme will be conducted by the Company in accordance with and under the terms of the general authority granted to the Board by the Company's shareholders. The purpose of the Buyback Programme is to reduce the Company's share capital (any Shares repurchased for this purpose will be cancelled) and to enable the Company to meet obligations arising from share option programmes (any Shares repurchased for this purpose will be held in treasury).

Revolving Credit Facility

In January 2025 the Group agreed a new three-year £130m multicurrency Revolving Credit Facility, which has an option to extend for an additional 12 months. £30m was drawn down in February 2025 to fund the acquisition of STARFACE. The Revolving Credit Facility incurs interest on drawn balances at between 1.5% and 2.5% above SONIA, and between 0.5% and 0.9% on undrawn balances. Further details can be found in note 25 financial risk management.

Allnet

In February 2025, the Group acquired Allnet Solutions Limited for £1.6m (on a debt-free cash-free basis) and a cash payment or receipt subject to finalisation of the acquired closing balance sheet and working capital adjustments.

Company statement of financial position
As at 31 December 2024

	Notes	2024 £m	2023 £m
Assets			
Non-current assets			
Investments	3	**31.2**	51.8
Other receivables	4	**23.1**	
Deferred tax asset	4	**0.1**	–
		54.4	51.8
Current assets			
Other receivables	4	**76.0**	2.9
Cash and cash equivalents		**62.8**	72.7
		138.8	75.6
Total assets		**193.2**	127.4
Liabilities			
Non-current liabilities			
Contingent consideration	5	**2.7**	4.1
		2.7	4.1
Current liabilities			
Contingent consideration	5	**0.1**	–
Other payables	6	**2.5**	2.2
		2.6	2.2
Total liabilities		**5.3**	6.3
Net assets		**187.9**	121.1
Capital and reserves			
Called up share capital	7	**0.2**	0.2
Share premium account		**23.3**	22.9
Share option reserve		**31.2**	27.7
Share reserve		**(24.7)**	–
Profit and loss account		**157.9**	70.3
Shareholders' funds		**187.9**	121.1

The profit in respect of the Company for the year was £107.1m (2023: £52.3m).

The financial statements of Gamma Communications plc (registered number 08943488) on pages 166 to 167 were approved and authorised for issue by the Board of Directors on 24 March 2025 and were signed on its behalf by:

Bill Castell
Chief Financial Officer

The notes on pages 168 to 170 form part of these financial statements.

Company statement of changes in equity
For the year ended 31 December 2024

	Notes	Share capital £m	Share premium reserve[1] £m	Share option reserve[1] £m	Share reserve £m	Profit and loss account £m	Total equity £m
1 January 2023		**0.2**	**18.0**	**24.5**	–	**33.2**	**75.9**
Dividends paid	8	–	–	–	–	(15.2)	(15.2)
Share-based payments		–	–	3.2	–	–	3.2
Issue of shares		–	4.9	–	–	–	4.9
Transaction with owners		–	4.9	3.2	–	(15.2)	(7.1)
Profit for the year		–	–	–	–	52.3	52.3
Total comprehensive income		**–**	**–**	**–**	–	**52.3**	**52.3**
31 December 2023		**0.2**	**22.9**	**27.7**	–	**70.3**	**121.1**
1 January 2024		**0.2**	**22.9**	**27.7**	–	**70.3**	**121.1**
Dividends paid	8	–	–	–	–	(17.3)	(17.3)
Share-based payments	3	–	–	3.5	–	–	3.5
Issue or reissue of shares		–	0.4	–	–	–	0.4
Share buyback[2]		–	–	–	(27.3)	–	(27.3)
Treasury share allocations[3]		–	–	–	2.6	(2.2)	0.4
Transaction with owners		–	0.4	3.5	(24.7)	(19.5)	(40.3)
Profit for the year		–	–	–	–	107.1	107.1
Total comprehensive income		–	–	–	–	**107.1**	**107.1**
31 December 2024		**0.2**	**23.3**	**31.2**	**(24.7)**	**157.9**	**187.9**

1 These reserves are not distributable.
2 Represents the shares purchased under share buyback programme which completed in September 2024.
3 Treasury share allocations relates to treasury shares which have been used to satisfy share options and other employee share plans.

The notes on pages 168 to 170 form part of these financial statements.

Notes to the Company financial statements
For the year ended 31 December 2024

1. Accounting policies

General information
Gamma Communications plc ("the Company") is a public company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF. The principal activity of the Company is to act as a holding company for Group subsidiaries and includes the day-to-day running costs of the plc.

Basis of preparation
The Company financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS101").

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been applied consistently to all the years presented, unless otherwise stated. The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Pounds Sterling and, unless otherwise stated, have been rounded to the nearest 0.1 million (£m).

The financial statements are prepared on the going concern basis as set out in note 1 of the consolidated financial statements of the Group and under the historical cost convention and in accordance with the Companies Act 2006.

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and not presented a separate income statement or a statement of comprehensive income for the Company. The profit in respect of the Company for the year was £107.1m (2023: £52.3m).

Disclosure exemptions adopted
In preparing these financial statements the Company has taken advantage of disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

(a) certain disclosures regarding the Company's capital;

(b) a statement of cash flows;

(c) the effect of future accounting standards not yet adopted;

(d) the disclosure of the remuneration of key management personnel;

(e) disclosure of related party transactions with other wholly owned members of the Group headed by Gamma Communications plc;

(f) disclosures in respect of financial instruments; and

(g) disclosures in respect of IFRS 2 Share-Based Payment.

Where required equivalent disclosures are given in the consolidated financial statements of the Group.

A summary of the Company's significant accounting policies is set out below.

Investments
Investments in subsidiaries are held at cost less any accumulated impairment losses. At the end of each reporting year, investments in subsidiaries are assessed for indicators of impairment. If an impairment indicator is identified an impairment test is performed. An impairment loss resulting from this impairment test is recognised in profit or loss.

Financial assets
The Company does not have any financial assets which it would classify at fair value through profit or loss, available for sale or held to maturity. All financial assets are measured at amortised cost.

Other receivables
These include amounts due from Group undertakings which are initially recognised at transaction price and subsequently carried at amortised cost.

Taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Current tax is the amount of income tax receivable on the taxable losses arising in the year and prior years. Deferred tax is recognised to take account of temporary differences between the treatment of transactions for financial reporting purposes and their treatment for tax purposes.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the date of the statement of financial position.

Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the Company intends to settle its current tax assets and liabilities on a net basis.

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

1. Accounting policies continued

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Contingent consideration arising on acquisition is measured at fair value at the acquisition date and classified as fair value through profit or loss.

Amounts due to Group undertakings are initially recognised at transaction price and subsequently carried at amortised cost.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The Company's holdings in its own ordinary shares are classified as treasury shares and recorded as deductions from shareholders' equity. Treasury shares are presented within the share reserve.

Treasury shares represent shares repurchased and available for specific and limited purposes. The cost of treasury shares subsequently used to satisfy share options, sold or reissued is calculated on a weighted-average basis. Consideration, if any, received for the sale of such shares is also recognised in equity. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, reissue, or cancellation of treasury shares. Shares repurchased which are immediately cancelled are not shown as treasury shares within the share reserve but are shown as a deduction from equity within retained earnings.

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

The grant by the Company of share-based payment awards over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the Company financial statements.

2. Critical accounting judgements and estimates

Gamma Communications plc is a non-complex entity primarily holding intercompany debtors and creditors. There are no critical judgements or accounting estimates that represent a risk of material misstatement over the next 12 months, with the exception of contingent consideration £2.8m (2023: £4.1m). This is based on estimates of the future financial performance of the acquired entity. The maximum amount that could be paid is £4.3m due by the end of 2025, dependent upon financial performance. Further details on these estimates and sensitivity of the fair value of contingent consideration is provided within note 5, Contingent consideration.

3. Investments

	2024 £m	2023 £m
At 1 January	**51.8**	24.5
Additions	**–**	24.1
Disposals	**(24.1)**	–
Capital contributions arising from share-based payments	**3.5**	3.2
At 31 December	**31.2**	51.8

The disposal in the year relates to the transfer of Satisnet Ltd to Gamma Telecom Holdings Limited, this transaction had no impact on the consolidated financial statements.

The Directors believe that the carrying value of investments is supported by their expected future cash generation.

Details of the subsidiaries held directly or indirectly by Gamma Communications plc are given in note 31 to the consolidated financial statements.

4. Other receivables

	2024 £m	2023 £m
Amounts due from Group undertakings	**98.1**	0.8
Prepayments	**0.3**	0.2
Current tax asset	**0.5**	1.5
Deferred tax asset	**0.1**	0.1
Other debtors	**0.2**	0.3
	99.2	2.9

Amounts due from Group undertakings are interest-free and repayable on demand. The expected credit loss on amounts due from Group undertakings is £nil (2023: £nil). £23.1m of the amounts due from Group undertakings and the deferred tax asset of £0.1m are non-current, the remaining balances are all current.

5. Contingent consideration

	2024 £m	2023 £m
Current	**0.1**	–
Non-current	**2.7**	4.1
31 December 2023	**2.8**	4.1

The reconciliation of the carrying amounts of contingent consideration is as follows:

	Total £m
1 January 2024	4.1
Unwinding of discount	0.5
Other change in fair value	(1.8)
31 December 2024	**2.8**

Contingent consideration for Satisnet is based on managed service revenues for the financial year ending 31 December 2025, and gross profit split between the periods from 1 July 2023 to 31 December 2024 and the financial year ending 31 December 2025. Consideration of up to £4.3m may be payable. The fair value of £2.8m at 31 December 2024 is based on a payout of £3.2m (31 December 2023: £4.8m) therefore, after the impact of the unwinding of the discount, a decrease of £1.8m was required which has been recorded within operating expenses.

6. Other payables

	2024 £m	2023 £m
Accruals	**2.0**	1.7
Deferred consideration	**0.5**	0.5
	2.5	2.2
Of which:		
Due within one year	**2.5**	2.2
	2.5	2.2

Deferred consideration relates to fixed amounts payable with regard to the Satisnet acquisition (2023: £0.5m). This is expected to be paid within 12 months.

7. Called up share capital

Details of the share capital and movement during the year are given in note 27 to the consolidated financial statements.

8. Dividends paid

Details of the dividends paid during the year are given in note 12 to the consolidated financial statements.

9. Contingent liabilities

The Company had no contingent liabilities at 31 December 2024 or 31 December 2023.

10. Capital commitments

The Company had no capital commitments at 31 December 2024 or 31 December 2023.

11. Related party transactions

The Company has taken advantage of the exemption available within FRS 101 Reduced Disclosure Framework not to disclose transactions with other members of the Group headed by the Company. See note 32 to the consolidated financial statements for details of the disclosed related party transactions.

12. Subsequent events

Share buyback

In March 2025, the Group will appoint Peel Hunt LLP to manage a share buyback programme to purchase ordinary shares of 0.25p each in Gamma Communications plc for an aggregate purchase price of up to £50m within certain pre-set parameters (the "Programme"). The Company has authorised the Programme to continue whilst it retains the authority from shareholders to repurchase such ordinary shares until the earlier of: (i) the maximum aggregate consideration payable by the Company has been reached or (ii) Monday 30 June 2025, subject to reapproval of the relevant share purchase authorities at the forthcoming AGM. The Programme will be conducted by the Company in accordance with and under the terms of the general authority granted to the Board by the Company's shareholders. The purpose of the Buyback Programme is to reduce the Company's share capital (any Shares repurchased for this purpose will be cancelled) and to enable the Company to meet obligations arising from share option programmes (any Shares repurchased for this purpose will be held in treasury).

Alternative Performance Measures

The Group uses certain measures to assess the financial performance of its business. These measures are called Alternative Performance Measures ("APMs") because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS.

These APMs are used to measure operating performance and liquidity in presentations to the Board and as a basis for strategic planning and forecasting. The Group believes that APMs provide additional useful information for users of the financial statements to assess the Group's performance, including the Group's core operational performance. These and similar measures are used widely by certain investors, analysts and other interested parties as supplemental measures of performance and liquidity.

The APMs may not be comparable to similarly named measures used by other companies and have limitations as analytical tools. They should not be considered in isolation or as a substitute for analysis of the Group's results reported under IFRS.

An explanation of the relevance of each of the APMs, a reconciliation of the APM to the most directly comparable measure calculated and presented in accordance with IFRS, and a discussion of the limitations are set out below. The Group does not consider these APMs to be a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS.

As noted in the Financial guidance in the full-year results on 25 March 2024, the Group has amended the definition of Adjusted EBITDA and Adjusted earnings per share (fully diluted) to exclude other adjusting items which in the period comprise the incremental costs related to the implementation of new cloud-based Finance and HR systems, in order to show the Group's core performance. We have adjusted for these as the anticipated total cost of the implementation to the end of 2025 is considered significant. This change also impacts the calculation of Adjusted profit before tax and Adjusted cash conversion. This amendment has no impact on the APMs previously reported in 2023 under the definition at that time as these other adjusting items then totalled £nil.

The Group has updated the definition of "Changes in fair value of contingent consideration and put option liability" with regards Adjusted profit before tax and Adjusted earnings per share (fully diluted), to clarify that it should be more specifically, "Unwinding of discounting on put option liability, contingent and deferred consideration". This update in definition has no impact on the APMs previously reported in 2023 under the definition at that time.

The Group has also included Organic growth, as defined below, as a new APM in the current year. This has been included as a result of an increased number of acquisitions during 2023 and 2024 and the increased contribution of the European business to the Group. Whilst organic growth is not intended to be a substitute for reported growth, nor is it superior to reported growth, it facilitates additional comparability of the current year's performance to that of prior years by excluding the effect of factors which were not present in both periods.

EBITDA and Adjusted EBITDA

EBITDA is presented because it is widely used by securities analysts, investors and our peer group internationally to evaluate the profitability of companies. EBITDA is defined as profit before tax excluding finance expense, finance income, depreciation of property, plant and equipment, right-of-use asset depreciation and amortisation of intangible assets. EBITDA eliminates potential differences in core financial performance that can be caused by variations in capital structures (affecting net finance costs), tax positions (such as the availability of brought forward losses against which taxable profits can be relieved), the cost and age of property, plant and equipment and right-of-use assets (affecting relative depreciation expense), and the extent to which intangible assets are identifiable (affecting relative amortisation expense).

Adjusted EBITDA is a primary profit measure used internally by the Board to assess financial performance of the Group and its segments. It is defined as EBITDA (as defined above) adding back exceptional items and other adjusting items (which comprise the incremental costs related to the implementation of new cloud-based Finance and HR systems). It excludes exceptional items (by virtue of their size, nature or incidence) and other adjusting items (which comprise the incremental costs of implementing the new cloud-based Finance and HR systems as the anticipated total cost of the implementation to the end of 2025 is considered significant), in order to show the Group's core performance.

The following table is a reconciliation from statutory profit before tax for the year to EBITDA and Adjusted EBITDA:

	2024 £m	2023 £m
Profit before tax	**95.6**	71.5
Finance income	**(7.1)**	(5.4)
Finance expense	**1.8**	0.9
Profit from operations	**90.3**	67.0
Depreciation from property, plant and equipment and right-of-use assets	**11.7**	11.6
Amortisation from intangible assets excluding business combinations	**8.7**	9.7
Amortisation from intangible assets arising due to business combinations	**13.4**	10.0
EBITDA	**124.1**	98.3
Exceptional items	**–**	16.0
Other adjusting items	**1.4**	–
Adjusted EBITDA	**125.5**	114.3

In the year, the cash cost of exceptional and other adjusting items was £3.6m (2023: £0.2m).

Adjusted profit before tax

Adjusted profit before tax is defined as profit before tax excluding the effects of exceptional items, other adjusting items (which comprise the incremental costs related to the implementation of new cloud-based Finance and HR systems), amortisation arising from business combinations and unwinding of discounting on put option liability, contingent and deferred consideration. These items are individually material items and/or are not considered to be representative of the trading performance of the Group:

Exceptional items are excluded by virtue of their size, nature or incidence in order to show the core performance of the Group.

Other adjusting items (which comprise the incremental costs related to the implementation of new cloud-based Finance and HR systems) are excluded as the anticipated total cost of the implementation to the end of 2025 is considered significant.

Amortisation of intangibles arising due to business combinations is excluded because this charge is a non-cash accounting item based on judgements about the assets' value and economic life. Its exclusion is consistent with industry peers and how certain external stakeholders monitor the performance of the business.

Unwinding of discounting on put option liability, contingent and deferred consideration are excluded because the amounts are non-cash accounting items and bear no relation to the Group's trading performance in the period. This adjustment improves comparability between acquired and organically grown operations.

Adjusted profit before tax is the primary profit measure used internally to reward employees.

The following table is a reconciliation from statutory profit before tax for the year to Adjusted profit before tax:

	2024 £m	2023 £m
Profit before tax	**95.6**	71.5
Exceptional items	**–**	16.0
Other adjusting items	**1.4**	–
Amortisation of intangibles arising from business combinations	**13.4**	10.0
Unwinding of discounting on put option liability, contingent and deferred consideration	**1.5**	0.4
Adjusting items	**16.3**	26.4
Adjusted profit before tax	**111.9**	97.9

In the year, the cash cost of exceptional and other adjusting items was £3.6m (2023: £0.2m).

Organic growth

Organic growth is presented as management believe it is important to understand performance on a comparable basis. Organic growth is defined as total reported growth excluding the contribution of acquisitions for the first 12 months of ownership ("Inorganic growth"), and excludes the contribution of disposals for the last 12 months of ownership ("disposals"), and the impact of foreign exchange movements on the consolidation of our international operations (calculated by taking the current year local currency results translated into Pounds Sterling at the preceding year's foreign exchange rate (1.183:1 Euros to Pound Sterling) and defined as "constant currency"). Organic growth is used for internal performance analysis because it allows for comparisons of the current year to that of prior years without the effect of factors which were not present in both periods. Organic growth is calculated at a business unit and Group level for revenue and gross profit. It is also calculated for Adjusted EBITDA at a Group level.

Current year

		Components of growth				
Revenue	Year ended 31 December 2023 £m	Organic growth £m	Inorganic growth £m	Constant currency £m	**Total reported growth £m**	**Year ended 31 December 2024 £m**
Gamma Business	332.2	17.6	19.1	–	**36.7**	**368.9**
Gamma Enterprise	110.1	6.7	9.7	–	**16.4**	**126.5**
Europe	79.4	(0.7)	7.6	(2.3)	**4.6**	**84.0**
Group Revenue	**521.7**	**23.6**	**36.4**	**(2.3)**	**57.7**	**579.4**
Gamma Business %		*5%*	*6%*	–	*11%*	
Gamma Enterprise %		*6%*	*9%*	–	*15%*	
Europe %		*(1%)*	*10%*	*(3%)*	*6%*	
Group Revenue %		***5%***	***7%***	***0%***	***11%***	

Prior year

		Components of growth					
Revenue	Year ended 31 December 2022 £m	Disposals £m	Organic growth £m	Inorganic growth £m	Constant currency £m	**Total reported growth £m**	**Year ended 31 December 2023 £m**
Gamma Business	309.4	–	22.8	–	–	**22.8**	**332.2**
Gamma Enterprise	102.0	–	3.5	4.6	–	**8.1**	**110.1**
Europe	73.2	(1.4)	4.3	1.7	1.6	**6.2**	**79.4**
Group Revenue	**484.6**	**(1.4)**	**30.6**	**6.3**	**1.6**	**37.1**	**521.7**
Gamma Business %		–	*7%*	–	–	*7%*	
Gamma Enterprise %		–	*3%*	*5%*	–	*8%*	
Europe %		*(2%)*	*6%*	*2%*	*2%*	*8%*	
Group Revenue %		***0%***	***6%***	***1%***	***0%***	***8%***	

Gamma disposed of ComyMedia in 2022 therefore the revenue included in the year ended 2022 for ComyMedia is shown as disposals.

Group revenue growth in constant currency was 5% (2023: 6%) on an organic basis and 7% (2023: 1%) on an inorganic basis. European revenue growth in constant currency was (1%) (2023: 6%).

Current year

Gross profit	Year ended 31 December 2023 £m	Components of growth: Organic growth £m	Inorganic growth £m	Constant currency £m	**Total reported growth £m**	**Year ended 31 December 2024 £m**
Gamma Business	176.1	10.7	7.9	–	**18.6**	**194.7**
Gamma Enterprise	52.6	3.2	4.4	–	**7.6**	**60.2**
Europe	38.5	2.0	6.1	(1.2)	**6.9**	**45.4**
Group gross profit	**267.2**	**15.9**	**18.4**	**(1.2)**	**33.1**	**300.3**
Gamma Business %		*6%*	*4%*	–	*11%*	
Gamma Enterprise %		*6%*	*8%*	–	*14%*	
Europe %		*5%*	*16%*	*(3%)*	*18%*	
Group gross profit %		***6%***	***7%***	***0%***	***12%***	

Prior year

Gross profit	Year ended 31 December 2022 £m	Disposals £m	Components of growth: Organic growth £m	Inorganic growth £m	Constant currency £m	**Total reported growth £m**	**Year ended 31 December 2023 £m**
Gamma Business	163.7	–	12.4	–	–	**12.4**	**176.1**
Gamma Enterprise	49.3	–	1.8	1.5	–	**3.3**	**52.6**
Europe	34.7	(0.6)	2.3	1.3	0.8	**3.8**	**38.5**
Group gross profit	**247.7**	**(0.6)**	**16.5**	**2.8**	**0.8**	**19.5**	**267.2**
Gamma Business %		–	*8%*	–	–	*8%*	
Gamma Enterprise %		–	*4%*	*3%*	–	*7%*	
Europe %		*(2%)*	*7%*	*4%*	*2%*	*11%*	
Group gross profit %		***0%***	***7%***	***1%***	***0%***	***8%***	

Gamma disposed of ComyMedia in 2022 therefore the gross profit included in the year ended 2022 for ComyMedia is shown as disposals.

Group gross profit growth in constant currency was 6% (2023: 6%) on an organic basis and 7% (2023: 1%) on an inorganic basis. European gross profit growth in constant currency was 5% (2023: 7%).

Current year

	Year ended 31 December 2023 £m	Components of growth: Organic growth £m	Inorganic growth £m	Constant currency £m	**Total reported growth £m**	**Year ended 31 December 2024 £m**
Group Adjusted EBITDA	**114.3**	**7.3**	**4.3**	**(0.4)**	**11.2**	**125.5**
Group Adjusted EBITDA %		***6%***	***4%***	***0%***	***10%***	

Prior year

	Year ended 31 December 2022 £m	Components of growth: Organic growth £m	Inorganic growth £m	Constant currency £m	**Total reported growth £m**	**Year ended 31 December 2023 £m**
Group Adjusted EBITDA	**105.1**	**8.2**	**1.0**	**–**	**9.2**	**114.3**
Group Adjusted EBITDA %		***8%***	***1%***	***0%***	***9%***	

ComyMedia contributed no Adjusted EBITDA in 2022 therefore no disposal is shown.

Adjusted earnings per share (fully diluted)

Adjusted earnings per share ("EPS") fully diluted is presented as management believes it is important for understanding the changes in the Group's fully diluted EPS, including improving comparability between acquired and organically grown operations. Adjusted EPS fully diluted is defined as Diluted EPS where the earnings attributable to ordinary shareholders are adjusted by excluding the effects of exceptional items, other adjusting items (which comprise the incremental costs related to the implementation of new cloud-based Finance and HR systems), amortisation arising due to business combinations and unwinding of discounting on put option liability, contingent and deferred consideration (for the same reasons outlined previously in relation to Adjusted profit before tax), as well as the tax on these items, because they are individually or collectively material items that are not considered to be representative of the trading performance of the Group. To exclude the tax impact of these items would give an incomplete picture.

	2024	2023
Earnings per ordinary share – diluted (pence)	**72.0**	54.9
Adjusted earnings per ordinary share – fully diluted (pence)	**85.1**	75.1

	2024 £m	2023 £m
Profit after tax attributable to the ordinary equity holders of the Company	**69.8**	53.6
Adjusting items:		
Exceptional items	**–**	16.0
Other adjusting items	**1.4**	–
Amortisation of intangibles arising from business combinations	**13.4**	10.0
Unwinding of discounting on put option liability, contingent and deferred consideration	**1.5**	0.4
	16.3	26.4
Tax relating to adjusting items	**(3.6)**	(6.6)
Adjusted profit after tax attributable to the ordinary equity holders of the Company	**82.5**	73.4

Shares:	2024 No:	2023 No:
Diluted weighted average number of ordinary shares	**96,982,528**	97,695,351

Net cash

Net cash is presented as it is an important liquidity measure used by management and the Board. Net cash is defined as cash and cash equivalents less borrowings. IFRS 16 lease liabilities and contingent consideration are not considered as debt for the purpose of quoting Net cash.

	2024 £m	2023 £m
Cash and cash equivalents	**153.7**	136.5
Borrowings	**–**	(1.7)
Net cash	**153.7**	134.8

The following table is a reconciliation of the movements in Net cash from previously reported periods:

	Cash and cash equivalents £m	Borrowings £m	Net cash £m
At 1 January 2023	94.6	(2.1)	92.5
Repayments	–	0.5	0.5
Borrowings acquired with acquisitions	–	(7.7)	(7.7)
Repayment of borrowings acquired with acquisitions	–	7.7	7.7
Net increase in cash and cash equivalents	42.1	–	42.1
Effects of foreign exchange rate changes	(0.2)	(0.1)	(0.3)
At 31 December 2023	**136.5**	**(1.7)**	**134.8**
Repayments	–	1.5	1.5
Net increase in cash and cash equivalents	17.8	–	17.8
Effects of foreign exchange rate changes	(0.6)	0.2	(0.4)
At 31 December 2024	**153.7**	**–**	**153.7**

Adjusted cash conversion

Adjusted cash conversion is presented as management believe it is important to understand the Group's conversion of Adjusted EBITDA (as defined previously) to cash. The Group's Adjusted cash conversion is defined as Cash generated by operations excluding the cash impact of exceptional items and other adjusting items (which comprise the incremental costs related to the implementation of new cloud-based Finance and HR systems), divided by Adjusted EBITDA, so as to exclude the impact of significant or one-off transactions outside the normal course of trading. Adjusted cash conversion is used to track and measure timing differences between profitability and cash generation through working capital management, including seasonality or one-offs.

	2024 £m	2023 £m
Cash generated by operations	**116.8**	123.5
Cash impact of exceptional items (2023: restructuring)	**2.7**	0.2
Cash impact of other adjusting items (2024: system implementation)	**0.9**	–
Adjusted cash generated by operations	**120.4**	123.7
Adjusted EBITDA	**125.5**	114.3
Adjusted cash conversion	**96%**	108%

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Glossary

Amazon Web Services (AWS)
A cloud computing platform offering a wide range of on-demand services.

Carbon net-zero
Proactively reducing environmental impact by seeking opportunities to reduce carbon emissions, resulting in no net increase in atmospheric carbon dioxide levels.

Carbon neutral
Balancing of carbon emissions with an equivalent amount of carbon removal or offsetting activities.

CircleLoop
A cloud-based telephony product which is fully serviced through web, desktop and mobile applications and aimed at the micro-business market.

Cloud PBX
A virtual PBX system rooted on the internet, which automatically answers all calls and routes them to the right department or user extension.

CloudUCX™
CloudUCX™ is a collection of leading cloud solutions delivered as a service and designed to enhance the standard Microsoft Teams offering.

Communications Platform as a Service (CPaaS)
A cloud-based platform that provides businesses with programmable interfaces for integrating real-time communication features like SMS, voice calls, video chat, and more, into their own applications.

Contact Centre as a Service (CCaaS)
Software platform that allows contact centres to operate over the internet. Increasingly these are moving beyond telephone calls to allowing conversations to occur and be actively managed through multiple media (email, social media, etc.).

Customer Experience (CX)
Products that allow businesses to manage and optimise customer interactions to enhance satisfaction and loyalty across all touchpoints, including contact centres.

Horizon
Gamma's complete business phone system – a hosted communications service that provides businesses with extensive fixed and mobile telephony capabilities.

Horizon Contact
Horizon Contact is a cloud-based contact centre solution that is designed specifically to work in conjunction with Horizon.

Integrated Services Digital Network (ISDN)
Technology that transmits voice, data, and video over digital lines, providing faster and more reliable connections than analogue systems.

Interactive Voice Response (IVR)
An automated telephony system that allows users to interact with a computer through voice or keypad inputs to access information or services.

Internet of Things (IoT)
A network of physical devices, appliances, and other physical objects that are embedded with sensors, software and network connectivity, allowing them to collect and share data over the internet or other communications networks.

Internet Service Provider (ISP)
A company that offers access to the internet and related services, such as email and web hosting.

IP Telephony
Technologies, products and services that use the internet protocol's packet-switched connections to support voice calling, voicemail, video calling, video conferencing, faxing and instant messaging.

Managed Security Services Provider (MSSP)
A company that offers outsourced monitoring and management of security systems to protect organisations from cyber threats.

Microsoft Teams – Direct Routing
Direct Routing is one method of providing access to the PSTN (Public Switched Telephone Network) to Microsoft Teams. It allows Teams users to make and receive external telephone calls, and enables a company to use its own telephony infrastructure alongside Teams.

Microsoft Teams – Operator Connect (OC)
Operator Connect is one method of providing access to the PSTN (Public Switched Telephone Network) to Microsoft Teams. It allows Teams users to make and receive external telephone phone calls to any telephone number on any Teams device.

Mobile Virtual Network Aggregator (MVNA)
A provider of network access and services from many MVNOs, by aggregating and managing network resources.

Mobile Virtual Network Operator (MVNO)
A company that provides mobile services without owning its own wireless infrastructure, by leasing network access from a major carrier.

Multiprotocol Label Switching (MPLS)
MPLS is a networking technique that improves speed and efficiency.

PhoneLine+
Simple phone line replacement service using VoIP technology to deliver voice calls over the broadband network.

Private Branch Exchange (PBX)
A private telephone network used within a company that connects calls between internal users, and allows them to share and utilise external phone lines. Traditionally a PBX would be hardware based and connected to the wider telephony network through a SIP trunk. Increasingly they are provided in the cloud..

Public Switched Telephone Network (PSTN)
The global network of interconnected voice-orientated public telephone infrastructure, using physical telephone exchanges and lines to transmit calls.

Session Initiation Protocol (SIP trunking)
SIP is a signalling protocol, widely used for voice and video calls over the internet. One SIP trunk allows for one channel of voice. This can be an alternative to ISDN or analogue channels.

Single Order Generic Ethernet Access (SoGEA)
A standalone broadband line, without any associated voice service.

SIP Trunk Call Manager
A centralised inbound call management service to manage voice and video calls using SIP trunks.

Small and medium-sized enterprises (SMEs)
Businesses with less than 250 employees.

Software as a Service (SaaS)
Software which is delivered through the internet and consumed on a subscription basis.

Software-defined wide area network (SD-WAN)
Enhanced connectivity between an organisation's locations which uses improved software to control, route and distribute traffic across the network and improve the overall experience more effectively.

Subscriber Identity/Identification Module (SIM)
The physical card used in mobile devices to store user information, such as phone number and network authentication data, enabling connection to a mobile network. An eSIM (embedded SIM) is a digital SIM embedded directly into a device, allowing for remote activation and management without the need for a physical card.

Unified Communications as a Service (UCaaS)
Software platform that allows communication using multiple different media that runs over the internet.

Voice over Internet Protocol (VoIP)
A technology that enables voice communication over the internet, allowing phone calls to be made using data instead of traditional phone lines.

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