**9 September 2025**

**Gamma Communications plc**
**Unaudited results for the six months ended 30 June 2025**

**Double digit growth driven by strong German performance. Full year Adj. EBITDA in line with market expectations and Adj. EPS slightly ahead.**

Gamma Communications plc ("Gamma" or "the Group"), a leading provider of technology-based communication services across Europe, is pleased to announce its unaudited results for the six months ended 30 June 2025.

| | Six months ended 30 June | | |
|---|---|---|---|
| | **2025** | **2024** | **Change (%)** |
| Revenue | **£316.6m** | £282.5m | 12% |
| Gross Profit | **£172.0m** | £145.8m | 18% |
| *Gross Margin* | ***54%*** | *52%* | |
| Adjusted EBITDA[1] | **£70.9m** | £62.2m | 14% |
| Profit before tax ("PBT") | **£43.5m** | £48.5m | (10%) |
| Adjusted PBT[1] | **£61.0m** | £56.0m | 9% |
| Earnings Per Share (EPS) (fully diluted) | **34.1p** | 36.7p | (7%) |
| Adjusted EPS (fully diluted) [1] | **47.9p** | 42.5p | 13% |
| Interim dividend per share | **7.4p** | 6.5p | 14% |
| Adjusted cash generated by operations[1] | **£63.7m** | £62.2m | 2% |
| *Adjusted cash conversion*[1] | ***90%*** | *100%* | |
| Net (debt)/cash[1] | **(£21.6m)** | £142.9m | (115%) |

**Key highlights**

- Strong growth across key financial performance metrics following the successful strategic, and immediately accretive, German acquisitions of Starface and Placetel, and low single digit UK revenue growth largely due to the macro-economic environment. Recurring revenue remains high at 90%. Adjusted EBITDA increased by 14%, flowing through to Adjusted EPS which increased by 13%.
- Share buyback of £45.1m completed in the period, following the £27.3m buyback in 2024.
- Continuing healthy adjusted cash conversion of 90% has resulted in a net debt position of £21.6m, demonstrating the Group's capacity to deleverage quickly following the Starface acquisition and alongside the buybacks.
- Significant increase in total Cloud seats of 587k to 1.8m (up 50%) since June 2024. The full Cisco Collaboration suite is also now available to order across Germany, the UK and Spain, with 28k users at the end of June (up 75% in the half).
- Substantial progress in developing our new portal architecture in the UK and Europe. UK Channel Partners can now order Horizon, PhoneLine+, the Cisco Collaboration Suite and iPECS through a single portal and we have launched our first pan-European offering "Operator Connect International".
- Impressive German performance led by the acquisitions of Starface and Placetel, supplemented by solid organic growth. These acquisitions delivered double digit proforma revenue growth against the same period last year[2] and drove reported Group gross margin improvement to 54%, up two percentage points. Our enlarged German business is now of significant scale, representing c.20% of Group gross profit and 565k cloud seats.
- Move to the ESCC listing category of the Main Market of the London Stock Exchange completed successfully on 2 May, with subsequent inclusion in the FTSE 250 index in June.

**Business unit performance:**

- Gamma Business, our SME business unit, has increased gross profit to £97.4m (H1 2024: £97.1m) underpinned by continuing volume growth. It has been well placed to offer lower priced solutions, such as our internally developed PhoneLine+ product, to those customers feeling the impact of the difficult macro-economic environment.

- Gamma Enterprise grew gross profit to £30.9m (H1 2024: £28.9m) led by the BrightCloud acquisition in July 2024, with some headwinds from competitive pricing pressures and customer delays in committing spend.
- Germany[3] has increased gross profit to £34.4m (H1 2024: £9.8m) led by our acquisitions of Starface, completed in February 2025, and Placetel, which have performed strongly and delivered double digit proforma revenue growth[2].

**Outlook**

For the year ending 31 December 2025, the Board expects Adjusted EBITDA to be in line with current market expectations[4], with Adjusted EPS slightly ahead.

Looking further forward, we expect continued strong growth in Germany, and in the UK we are implementing a combination of growth initiatives and cost reductions to offset some near-term challenges to gross profit growth and underpin our continued Adjusted EBITDA performance.

**Andrew Belshaw, Chief Executive Officer, commented:**

*"Gamma has achieved another strong set of results. Our German business, bolstered by our recent acquisitions (Starface and Placetel) has performed particularly strongly, while the performance in the UK has been resilient in spite of a continuing challenging macro-economic backdrop for SMEs.*

*We continue to view M&A as a key tool to complement our organic growth. Our robust business model is underpinned by a high recurring revenue base from solutions that are critical to the businesses that use them, strong cash generation and available liquidity. This leaves us well placed to maximise the M&A opportunity even in challenging macro-economic times. Our highly cash generative approach will allow us to continue to return cash to shareholders."*

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[1] See section Alternative Performance Measures
[2] On a proforma unaudited historical GAAP basis
[3] Germany is now reported as a separate business unit within Gamma Europe
[4] Company compiled range is based on known sell side analyst estimates. The current consensus range for full year 2025 Adjusted EBITDA £139.4m - £143.1m and Adjusted EPS (fully diluted) 89.9p – 93.9p, as at 8 September 2025.

**Enquiries:**


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Gamma Communications plc is a leading provider of technology-based communication solutions across Europe. With over 2,200 employees and listed on the Main Market of the London Stock Exchange, Gamma helps organisations connect and collaborate through solutions including Unified Communications, voice enablement, connectivity, mobile and security.

Gamma's vision is a better-connected world – working smarter for the benefit of businesses, people and the planet. Selling exclusively to businesses and public sector organisations, Gamma's core markets are the UK and Germany, with additional presence in Spain and the Benelux region.

In the UK, Gamma serves SMEs through an extensive network of over 1,500 channel partners (Gamma Business). For larger businesses and public sector organisations, Gamma Enterprise engages directly to design, deliver, and support complex, integrated communications solutions.

In Europe, Gamma has its largest presence in Germany, where it operates through a combination of a strong partner network and a self-service digital platform and is now one of the country's leading cloud communications providers, following strategic acquisitions.

For more information about Gamma and its comprehensive range of products and services, please visit gammagroup.co

**Chief Executive Review**

I am pleased to report that we remain firmly on track to meet expectations for our financial performance in FY25.

Our newly expanded German business has performed well in the first half of FY25 with both our acquisitions (Starface and Placetel) delivering strong results and each achieved double digit proforma revenue growth against the same period last year. Our strategy to build a scale business in a market which is underpenetrated for Cloud Communications Solutions is progressing well and will support growth for many years to come. Our aim remains to build a German business of comparable scale to the UK and we have made meaningful progress towards this goal.

In the UK we have improved our Contact Centre offerings with AI, and will shortly offer a wide choice of fibre providers for broadband and ethernet. We are seeing sales of the Cisco communications suite increasing (and this is before our full market launch in October). We have also re-energised the Channel with "Edge" our market leading Channel Proposition which helps our Partners to win new business in the Cloud Communications market.

We highlighted previously that the first half of FY24 was one of our best trading periods – we added more Cloud seats in H1 2024 than we had done for a long time. However, since the UK budget in November 2024 and the resultant negative impact on small business confidence, net additions for Cloud Communications Solutions have slowed. We added 23,000 seats in the first half of FY25, versus 48,000 seats in H1 2024. While businesses are investing in cloud communications, some are currently buying the cheaper product options available. The investments we have made to broaden our portfolio allows us to react to these cyclical pressures. For example our PhoneLine+ product, which we launched in 2021, has benefitted from this trend to spend less and so we have continued to win business from those customers who, in light of the current macro-economic environment, prefer a lower cost solution with fewer features. We have also introduced new variants of PhoneLine+ which will allow customers to upgrade to add additional features or services, as business confidence improves.

As well as cyclical pressures, we have seen some one-off headwinds such as legacy broadband customers moving to fibre due to the PSTN switch off and price pressure in Ethernet. We have responded by being more efficient through reviewing our cost base, and are reducing costs whilst protecting the investments required to fully benefit from the positive trends in our market.

Looking further ahead, we are excited about the significant medium-term opportunities for growth in both the UK and Germany. This is underpinned by the strength of our market position in the UK and our ongoing investment in Germany.

I would like to thank our staff for their continued hard work through the first half of the year, which has come amidst challenging trading conditions in our core markets and alongside the integration of our largest acquisition to date.

**Our markets and performance**

In previous reports I have identified a number of market trends which I believe will drive our growth for the medium-term and I want to revisit these themes. We are confident that the current conditions are cyclical and that we can continue to grow in our key markets - both in terms of units to be sold and the achievable average revenue per user ("ARPU").

*Customers are requiring more complex communications solutions*

We had previously noted that 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. Over the last few years we have been able to increase our ARPU by upselling more to existing customers.

As noted above, in light of the current trading environment notably in the UK SME sector, we are seeing a trend of customers opting to invest in lower cost cloud communication systems. Similarly, upselling in the current business climate is difficult as customers navigate increasing cost pressures across their businesses. However, we are confident that when the economy improves and business confidence within SMEs increases, the trend will revert to what we have seen previously and customers will spend more on their communications, because ultimately this will make their operations more efficient. In anticipation of this, we continue to launch new solutions to market. A good example is the AI receptionist tool which we will launch in the fourth quarter – for many of our customers it will save them time and reduce their costs. Our mission continues to be to sell the value of what we do to our end users.

We have also launched improved variants of our PhoneLine+ product including eSIM, enhanced telephony features for business (e.g. integrated voice response) and WhatsApp integration. Customers can upgrade at a time of their choosing to take advantage of these and other new features.

*German Cloud market is still under-penetrated*

We have consistently set out the case for there being an exciting market opportunity for Cloud Communications in Germany. It is the largest business communications market in Europe and the proportion of sales of communications solutions which are based in the cloud is one of the lowest in Europe.

Over the last twelve months we have made significant investments into Germany through the acquisitions of Starface and Placetel. Since first entering the market in 2020, we have tracked these businesses and we were convinced they were the right acquisitions for Gamma. I am pleased we have been able to close both deals and that, despite the distraction of the integration process, both businesses have continued to grow strongly.

In the first half of 2025, we added 29,000 seats in Germany (on a pro-forma basis) and at the end of the first half, Gamma had 565,000 Cloud Seats in Germany (compared to 1,063,000 in the UK). This is a strong performance in a market which is still in the early stages of adoption (and against a weak economic backdrop).

As well as the organic growth potential, we continue to seek additional acquisitions to improve our scale and market position in Germany. We see an opportunity to expand our connectivity offering (broadband and ethernet) as well as an opportunity to build businesses serving each of Enterprise and Service Provider customers.

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.

*Hardware PBX to cloud migrations*

In the UK, hardware users have been migrating to the Cloud for nearly fifteen years. The trend continues with c40% of the UK market still to move. Customers who have been using Gamma SIP will move to other Gamma solutions such as Cloud Communications or voice enablement of Microsoft Teams. While there is always risk in a migration that customers may find alternative providers, the migration is positive for Gamma as we increase the unit gross profit we make from each user on a migration to a Gamma Cloud Communications solution.

We continue to observe the trend of customers migrating from SIP to a Cloud Communications system. Due to the lower levels of economic activity in FY25, the rate of conversion in our SIP base has slowed in the first half to 30,000 compared to 36,000 in the second half of FY24.

We did see a small number of our SIP customers rationalising their service to save costs but the effect of this is not material, reducing monthly gross profit by only £56,000.

More positively, we have made good progress in winning business from customers moving from SIP to a solution which involved voice enabling Microsoft Teams. I am pleased that in the first half of FY25 we added 56,000 users in the UK compared to 28,000 users in the same period in FY24 – a significant increase. While there are some larger customer wins within this figure we are pleased with this improved conversion. We continue to work on making the order journey as easy as possible for customers who wish to move from Gamma SIP to one of our other solutions, including but not limited to the voice enablement of Microsoft Teams.

The market for Cloud Communications in the UK continues to grow but as it matures and compliance with regulation becomes more onerous we see some of our competitors considering an exit from the market. This provides us with opportunities to add large bases into the Gamma estate. An example of this is the deal we have recently done with O2 Daisy – one of our largest and longest standing partners. O2 Daisy recently acquired another UK Partner which had its own Cloud Communications platform. Running a communications platform is increasingly complex and O2 Daisy has partnered with Gamma to manage the users on that platform. Due to the nature of the transaction the ARPU which Gamma makes on these users is significantly lower than normal but transactions of this nature enable us to grow our base. The additional benefit of this transaction is that we can now work with a trusted partner to sell Cloud Communications solutions to customers of Virgin Media – O2 (following the merger of Daisy with that business).

*PSTN switch off in the UK*

The final growth driver we had identified is the PSTN switch off in the UK. The “old” copper based network is currently due to be turned off in early 2027. This was a delay from the original date and therefore it has not driven growth in sales of Cloud Communications Solutions as much as we would have hoped throughout FY24 and FY25. 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 45,000 seats (an increase of 32% in the half year).

We have also previously highlighted the negative aspect of the PSTN switch off. A number of our end users are still taking copper based broadband solutions. These will no longer be available following the switch off and users will have to replace them with fibre-based products. Gamma makes a lower gross profit per unit when customers switch from copper-based solutions to fibre-based ones. This headwind has reduced gross profit in Gamma Business by £1.5m in the first half of FY25 compared to FY24. We estimate that gross profit will be further reduced by a similar amount each half year until the end of FY26, with a smaller impact into 2027 depending on the speed of migration. We seek to offset this loss in gross profit by increasing our market share in the fibre market and, with this aim, we are launching a “comparison site” where our Channel Partners can compare the offerings from various fibre providers to pick the best one (in terms of price and features) for their end customers. The first wave of providers includes BT and PXC, and more will follow.

The final opportunity afforded by the PSTN switch off is to replace single lines into “non-voice” applications (for example lifts and burglar alarms). On 1 July we launched our Fusion IoT service to the UK Channel.

This now gives our partners a solution which can be used to replace these single lines using mobile data services. We have had success selling this solution to Channel Partners in Germany and into our Enterprise customers (such as the AA and Centrica) and it is now available to our UK Channel Partners. An eSIM variant of Fusion IoT will be launched in the UK and Germany before the end of the year.

**Strategic update**

*Develop a common pan-European solution set.*

During the first half of the year, we continued to invest in our pan-European product set.

A significant development has been to launch our “Single Sign On” for our “new” portal architecture in UK and Europe. This both enables us to launch new solutions more quickly than we have been able to in the past and to launch common solutions across Europe. Our first pan-European solution launch has been “Operator Connect International” which is a single solution for all of our European businesses – using one portal, customers can now provision Operator Connect (which voice enables Microsoft Teams) in 14 European countries.

In the UK we have rationalised our portals and brought the iPECS suite of solutions into the main portal. All of our partners can now order Horizon, PhoneLine+, the Cisco Collaboration Suite and iPECS through the same, common portal.

In addition, our improvements to the portal mean we can now add new devices (such as phone handsets) within hours rather than months. This is very important as we see a growth opportunity for adding entire customer bases into Gamma. When customers migrate, they will have existing handsets which they would rather not swap out and therefore the ability to add new handsets into the portal quickly is important.

We continue to work with Cisco to launch an “out of the box” collaboration solution into the SME market around Europe. This involves a combination of Cisco software operating seamlessly with Gamma’s network capabilities. By August 2025, our run rate of additions of the Cisco solution had increased to over 2,000 per month and was rising. In Spain the launch of the Cisco Collaboration Suite has attracted a new large Channel Partner who has already added the Cisco Collaboration Suite for Gamma to their portfolio, aiming to replace legacy self-managed Cloud PBX systems. This partner has committed to deploy 40,000 seats over the next five years.

In addition, we have launched voice enablement for Cisco products and we hope to enable solutions of more providers in due course; this is in addition to voice enablement for Microsoft Teams. We continue to be an important partner for the global hyperscalers as they continue to build cutting-edge products for the market.

In Germany, we have already started to rationalise our product set as we focus on Starface and the Cisco Collaboration Suite. We will shortly have a version release of Starface which will provide AI features to customers.

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

We now have four routes to market –

- We sell digitally direct to end users over the web in the UK (via CircleLoop) and in Germany (via Placetel). Our digital business in Germany is growing strongly and we plan to extend it into adjacent geographic markets throughout FY26.
- We have our well established Channel business selling through partners to SMEs in UK, Spain, Netherlands and Germany.

- We have a business unit selling directly to Enterprise customers – primarily in the UK but we see expansion into Europe as a significant growth opportunity.
- Finally, our Service Provider business provides carrier services to other communications platform providers who do not have an in-country network. We serve many of the service providers in the Gartner Magic Quadrant. This is also primarily focused on the UK but with significant opportunity for international expansion in Europe and beyond.

In our UK Channel business, we have signed a landmark deal with Clear Business to provide a fully managed service for connectivity and voice to their end users on an outsourced basis. The Gamma support team will use its expertise to provide Clear Business' customers with the highest level of service. This allows the Clear Business team to focus on their sales efforts resulting in growth to both Gamma and Clear Business. We see an opportunity to offer this service to a number of our Channel Partners (and discussions are already underway with some). The service will increase customer profitability.

*Become a trusted partner to Enterprises across Europe, transforming their communications estates.*

While we have had a number of exciting new logo wins in the half, we are facing a short-term headwind driven by the strong competition in ethernet pricing from the number of alternative networks now providing fibre. There is a "price war" ongoing as alternative network providers try to fill their networks to recoup their investment. The effect of this on Gamma's Enterprise business is that when we have contracts for renewal we are having to discount fibre pricing significantly. This results in the retention of business but with a price reduction on the network elements of our offering. This headwind has reduced gross profit by £1.0m in the first half of FY25 compared to FY24 continuing in H2. We estimate that gross profit will be further reduced by £3.0m in FY26. We believe that after this, pricing will stabilise as the market reaches its natural nadir.

Despite this challenge, we delivered strong new business performance with significant contract wins across multiple sectors. Specsavers adopted our Cisco Collaboration solution for UCaaS and CX, which we were able to win as a result of skills acquired in the BrightCloud acquisition. Sureserve Group contracted for our SmartAgent service. In the Public Sector, we sold Microsoft UC solutions to Barnsley Council, Westminster City Council, East & West Cheshire Borough Councils, and the London Borough of Tower Hamlets, along with a mobile service for the City of Wolverhampton. We are pleased that we continue to win business, however we are seeing some delayed decision making in the current economic climate.

As a managed service provider, delivering new services to existing customers is key and demonstrates our deepening customer relationships. To that end, Zigup plc (a Secure SD-WAN customer) adopted Microsoft Teams Phone, while The AA (a Fusion IoT customer) deployed our SD-WAN, and Morrisons and The Scott Group embraced our Managed Cyber services, a capability delivered by our Satisnet acquisition.

Despite the current economic conditions and the fibre market in general, we remain confident in the growth prospects of our Enterprise business both in the UK and also across Europe.

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

We have continued to drive greater diversity across our workforce, aiming to increase representation of women in areas such as technology, sales, and leadership roles (managers, heads of function, and directors). We ran targeted focus groups with women in these roles, surfacing clear, recurring themes that will inform future initiatives. We also laid the groundwork to better identify, assess, and support high-potential women at senior levels.

Our latest external apprentice recruitment campaign also successfully reached underrepresented groups. Nearly half of all offers went to high-potential women who are at an early stage in their careers, in critical skills areas including engineering, design, analysis and customer support.

**Outlook**

For the year ending 31 December 2025, the Board expects Adjusted EBITDA to be in line with current market expectations, with Adjusted EPS slightly ahead.

This will be underpinned by the success of our expanded German business, which we expect to continue to grow well.

We are implementing growth initiatives in the UK, such as strengthening our solution set and measures to deepen our relationship with the Channel. One-off headwinds exist in the UK related to the PSTN switch off and ethernet price competition. We estimate a resulting reduction in gross profit of approximately £6m in FY26 compared to FY25. We are reviewing the efficiency of our operations and have commenced a UK restructuring in the second half affecting up to 5% of our Group staff which is projected to save £6-8m of UK annual operating costs (across both Gamma Business and Enterprise) from FY26. Given the one-off nature of this activity, the associated restructuring cost of approximately £3m will be treated as an exceptional item in 2025. We expect these growth initiatives, combined with the cost reductions, to offset these near-term challenges to gross profit growth and underpin our continued Adjusted EBITDA performance.

Gamma has a robust business model, based on a high recurring revenue base from solutions that are critical to the businesses that use them. The track record of cash generation and profitability ensures that we are well placed to maximise the opportunities ahead – ensuring we continue to deliver sustainable value for all stakeholders. The Board is positive about the outlook for Gamma.

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**

**Supplementary information on product volumes**

The following reporting of data is under review as we consider how to simplify reporting going forward.

The table below shows the number of Cloud PBX seats in UK and Europe:

| **Cloud PBX seats – UK & Europe (000's)** | **June 2025** | December 2024 | H1 25 change (%) | June 2024 | H1 24 change (%) |
|---|---|---|---|---|---|
| **UK – Total*** | **1,063** | 1,040 | **2%** | 1,002 | 5% |
| Europe | **687** | 434 | **58%** | 161 | 0% |
| *-- Of which is Germany+* | ***565*** | *311* | ***82%*** | *38* | *12%* |
| *-- Of which is Other Europe* | ***122*** | *123* | ***(1%)*** | *123* | *(3%)* |

**UK Cloud PBX seats excludes seats resulting from the migration of the O2 Daisy base and are at a lower margin.*

*+On a proforma basis, including Starface seats at 31 December 2024, Cloud PBX seats in Germany were 536,000 and therefore H1 growth was 5%.*

The table below shows the change in the number of SIP Trunks which provide voice enablement to various hardware PBXs and voice applications:

| **Voice Enablement – UK & Europe (000's)** | **June 2025** | December 2024 | H1 25 change (%) | June 2024 | H1 24 change (%) |
|---|---|---|---|---|---|
| SIP Trunks enabling traditional hardware PBX | | | | | |
| - UK | **902** | 932 | **(3%)** | 968 | (5%) |
| - Europe | **201** | 206 | **(2%)** | 204 | 3% |
| -- *Of which is Germany* | ***194*** | *199* | ***(3%)*** | *197* | *3%* |
| -- *Of which is Other Europe* | ***7*** | *7* | ***0%*** | *7* | *0%* |
| SIP Trunks enabling a non-Gamma Cloud PBX | | | | | |
| - UK | **498** | 481 | **4%** | 451 | 13% |
| - Europe | **-** | - | **-** | - | - |
| Voice enabled MS Teams users (either Operator Connect or MS Teams Direct Routing) | | | | | |
| - UK | **523** | 467 | **12%** | 457 | 7% |
| - Europe | **17** | 14 | **21%** | 12 | 33% |

The table below shows the number of CCaaS seats:

| **CCaaS seats – UK & Europe (000's)** | **June 2025** | December 2024 | H1 25 change (%) | June 2024 | H1 24 change (%) |
|---|---|---|---|---|---|
| **UK – Total*** | **48** | 45 | **7%** | 40 | 33% |
| Europe | **5** | 5 | **0%** | 4 | 0% |

**CCaaS seats for Horizon Contact users also take a "Base Horizon" seat (therefore 31,000 seats are separately disclosed within Cloud PBX seats).*

## Financial Review

### Overview

During the six months ended 30 June 2025, Gamma has increased overall revenue by 12% to £316.6m (H1 2024: £282.5m) and gross profit by 18% to £172.0m (H1 2024: £145.8m). Group Adjusted EBITDA increased by 14% to £70.9m (H1 2024: £62.2m), profit before tax decreased by 10% to £43.5m (H1 2024: £48.5m) primarily due to the one-off impact of exceptional costs in the period which when excluded mean that Adjusted profit before tax increased by 9% to £61.0m (H1 2024: £56.0m). EPS (fully diluted) decreased to 34.1p (H1 2024: 36.7p) whilst Adjusted EPS (fully diluted) increased by 13% (H1 2024: 13%) to 47.9p (H1 2024: 42.5p). Acquisitions have significantly contributed to this performance. Excluding acquisitions, revenue increased by 1%, gross profit remained in line with the prior year and Adjusted EBITDA increased by 3% on an organic constant currency basis. We now report our enlarged German business ("Germany") as a separate business unit following our recent acquisitions of Starface and Placetel, as it represents 79% of Europe and 20% of the Group based on H1 2025 gross profit.

We assess the performance of the group using a variety of alternative performance measures ("APMs"). Reconciliations from the most directly comparable IFRS measures are in the APM section.

### Revenue and gross profit

#### Gamma Business

| | **Six months ended 30 June 2025 £m** | Six months ended 30 June 2024 £m | Increase |
|---|---|---|---|
| Revenue | **186.0** | 184.1 | +1% |
| *-- Of which Service Provider* | ***43.5*** | *43.3* | *0%* |
| Gross Profit | **97.4** | 97.1 | 0% |
| *-- Of which Service Provider* | ***21.3*** | *20.9* | *+2%* |
| Gross Margin | **52.4%** | 52.7% | |

Gamma Business has increased gross profit, underpinned by continuing volume growth in our UCaaS portfolio, particularly in SIP Cloud solutions, and there were higher net additions on our internally developed PhoneLine+ product, which are both at lower ARPU. In addition the continued migration of Connectivity products from higher-margin copper to lower-margin fibre solutions (which has reduced gross profit by £1.5m in H1 2025 compared to H1 2024), has been offset by the impact of our annual inflationary price rises. Service Provider, which is reported within Gamma Business, contributed 23% of revenue and 22% of gross profit in Gamma Business. The Service Provider business provides carrier services such as hosting telephone numbers and connecting calls. 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. This was offset by a fall in voice traffic.

**Gamma Enterprise**

| | **Six months ended 30 June 2025 £m** | Six months ended 30 June 2024 £m | Increase |
|---|---|---|---|
| Revenue | **66.5** | 61.0 | +9% |
| Gross Profit | **30.9** | 28.9 | +7% |
| Gross Margin | **46.5%** | 47.4% | |

Overall growth in Gamma Enterprise has been positive, with the acquisition of BrightCloud, completed in July 2024, contributing £3.6m (2024: £nil) of inorganic revenue and £2.0m (2024: £nil) of inorganic gross profit. On an organic basis, revenue growth was 3% and flat for gross profit as we experienced some headwinds when renewing customers due to fibre and network price pressures. This has reduced gross profit by £1.0m in the period. We have also experienced some customer delays in committing spend, impacting both existing and new orders. Nonetheless we have won new contracts across our target markets with notable wins for SD-WAN with Utilita, Microsoft Teams with Barnsley Council and Westminster City Council, and cyber services for Morrisons.

**Germany**

| | **Six months ended 30 June 2025 £m** | Six months ended 30 June 2024 £m | Increase |
|---|---|---|---|
| Revenue | **49.1** | 21.8 | +125% |
| Gross Profit | **34.4** | 9.8 | +251% |
| Gross Margin | **70.1%** | 45.0% | |

Overall growth in Germany has been strong, led by the acquisitions of Starface and Placetel, acquired in February 2025 and September 2024 respectively. Both have performed strongly, in particular increasing UCaaS seats. Starface and Placetel each achieved double digit proforma revenue growth* against the same period last year, when they were under prior ownership. The German organic gross profit growth was 4% on a constant currency basis, which is a solid performance given our focus has been on the Starface and Cisco Collaboration Suite products as we have started to rationalise our product sets in Germany. Organic UCaaS seats have also increased, partly offset by declines in some legacy products (Epsilon and Broadband). Gross margin has increased significantly as Starface and Placetel have generated meaningfully higher gross margins than our existing business as neither incurred significant licensing cost for their products and currently do not sell mobile through their channels.

* on a proforma unaudited historical GAAP basis

**Operating expenses**

Operating expenses increased from £100.1m in H1 2024 to £127.6m. We break these down as follows:

| | **Six months ended 30 June 2025 £m** | Six months ended 30 June 2024 £m | (Decrease)/ Increase |
|---|---|---|---|
| Operating expenses excluding research and development costs, depreciation, amortisation and exceptional items | **92.9** | 73.5 | +26% |
| Research and development costs | **7.6** | 10.7 | (29%) |
| Depreciation & amortisation (excluding business combinations) | **10.2** | 9.6 | +6% |
| Amortisation of intangibles arising due to business combinations | **9.6** | 6.3 | +52% |
| Exceptional items | **7.3** | - | - |
| **Total operating expenses** | **127.6** | 100.1 | +27% |

Operating expenses excluding research and development costs, depreciation, amortisation and exceptional items increased by £19.4m (26%) comprising the following:

- German costs increased by £17.1m to £24.1m (H1 2024: £7.0m) following the acquisitions of Starface and Placetel. On an organic constant currency basis, operating expenses increased by £0.4m (6% compared to gross profit growth of 4%).
- The UK businesses' costs increased by £5.5m to £59.6m (H1 2024: £54.1m), including the impact of the acquisition of BrightCloud. On an organic basis, operating expenses increased by £3.5m (6% compared to flat organic gross profit growth). This was primarily due to inflation, the increase in employer's NI and a small increase in headcount.
- Central costs (excluding the exceptional items discussed below) reduced by £2.3m to £2.5m (H1 2024: £4.8m). This reduction included a net contingent consideration release of £1.5m (H1 2024: £nil) related to the Satisnet and Pragma acquisitions. Central costs also benefited from a net gain of £1.4m on mark to market movements on USD forward exchange contracts and the foreign exchange movement on Placetel deferred consideration. However, we have excluded this net £1.4m gain when determining Adjusted EBITDA and Adjusted EPS, treating it as another adjusting item, as it reflects external market factors and not the Group's trading performance.

Research and development costs decreased £3.1m (29%) to £7.6m (H1 2024: £10.7m). As reported previously, we ceased developing some of our own collaboration software at the end of 2023 and redeployed resources onto new development projects late in H1 2024, including our new Channel Partner Portal and enhancing our voice applications, which are still ongoing. This temporarily elevated costs expensed in H1 2024, with a corresponding decrease in capitalisation at the time. The amount expensed versus capitalised in H1 2025 is in line with historical levels.

Depreciation and amortisation on tangible and intangible assets (excluding business combinations) increased to £10.2m (H1 2024: £9.6m) reflecting an increased level of leased right-of-use assets from Starface and Placetel.

Amortisation of intangible assets arising due to business combinations increased to £9.6m (H1 2024: £6.3m). This reflects an increased level of intangible assets following the BrightCloud, Placetel and Starface acquisitions, all of which have completed since H1 2024.

**Exceptional Items**

As noted in the Full Year results presentation on 25 March 2025, certain material one-off costs were anticipated to be adjusted for in 2025. These totaled £7.3m (H1 2024: £nil) and include costs associated with the acquisition of Starface (£5.1m) and one-off costs associated with the Group's move to the Main Market of the London Stock Exchange (£2.2m). These have been classified as exceptional given their size and nature. The cash cost of these exceptional items in the period was £6.5m (H1 2024: £2.2m), with the remainder payable in H2 2025.

*Starface acquisition costs*

The acquisition of Starface was of significant scale and so the Group incurred material one-off costs. These principally related to adviser fees, including deal contingent success fees, and costs incurred to cap the amount of GBP potentially payable given the acquisition consideration was EURO denominated.

*Costs associated with move to the Main Market of the London Stock Exchange*

The Group's move of its listing from the AIM to the Main Market of the London Stock Exchange resulted in significant one-off costs, comprising adviser and admission fees.

**Adjusted EBITDA**

Adjusted EBITDA grew from £62.2m to £70.9m (14%), primarily driven by the gross profit growth from acquisitions across the Group. It grew at a lower rate than gross profit, as whilst the businesses acquired since June 2024 have higher gross profit margins than the existing Group, they have relatively higher operating expenses. Adjusted EBITDA also benefited from a net contingent consideration release of £1.5m (H1 2024: £nil) related to the Satisnet and Pragma acquisitions, following an assessment of current trading compared to earn out related thresholds and the expected timing of such payments.

There was also a net gain of £1.4m on mark to market movements on USD forward exchange contracts and the foreign exchange movement on Placetel deferred consideration. We have excluded this net gain from Adjusted EBITDA, treating it as an other adjusting item, as it reflects external market factors and not the Group's trading performance.

We continue to exclude the costs of the ongoing implementation of the new Finance ERP system from Adjusted EBITDA. These incremental costs were £0.8m (H1 2024: £0.6m) and are recorded as other adjusting items as the anticipated total cost of c.£3m for the implementation across 2024 and 2025 is considered significant. The implementation is expected to complete in the UK around the end of this year. We are considering how we extend this implementation as we continue the integration of our enlarged German business.

**Profit before tax and Adjusted PBT**

Profit before tax decreased from £48.5m to £43.5m (-10%) whilst Adjusted PBT grew from £56.0m to £61.0m (9%).

Adjusted PBT was similarly impacted by the items which impacted Adjusted EBITDA above. It grew less than Adjusted EBITDA as net finance costs increased to a net expense of £0.9m (H1 2024: net income of £2.8m). This followed the use of a significant portion of our cash holdings and drawdown on the Revolving Credit Facility ("RCF") to fund the acquisition of Starface, which led to a corresponding reduction in interest income and increase in interest expense. Interest on borrowings resulting from the RCF was £1.1m (H1 2024: £Nil).

Profit before tax was also impacted by the one-off impact of £7.3m of exceptional costs incurred in the period and an increase in amortisation of intangibles arising due to business combinations of £3.3m, as previously described.

**Taxation**

The effective tax rate was 26% (H1 2024: 26%) based on applying the expected full year effective rate.

The benefit in 2025 from the recognition of a successful £1.9m historical multi-year patent box claim has been largely offset by the impact of costs incurred on the Starface acquisition and the move to the Main Market which are disallowable for tax. The remaining benefit has been offset by increased profits generated in Germany which are taxed at a higher rate.

**Net debt, financing and cash flows**

The Group had Net debt of £21.6m (H1 2024: Net cash £142.9m). Net debt comprises borrowings of £46.8m (H1 2024: £nil) less cash and cash equivalents of £25.2m (H1 2024: £142.9m).

In January 2025 the Group agreed a three-year £130m multicurrency Revolving Credit Facility. £47m, net of repayments, was drawn down during the period, of which £30m was initially drawn down in February 2025 to part fund the Starface acquisition.

Cash generated by operations was £53.1m (H1 2024: £59.6m). The reduction was primarily due to the cash impact of the exceptional and other adjusting items previously described, totalling £10.6m. When these items are excluded, as per the definition, Adjusted cash generated by operations increased to £63.7m (H1 2024: £62.2m). Adjusted cash conversion remained strong at 90% (H1 2024: 100%), which compares to 96% for the year ended 31 December 2024.

The impact of working capital has been a period-on-period relative outflow totalling £6.8m. This is primarily from a relative outflow of £7.6m on trade and other receivables and contract assets. This was due to increased prepayments, customer incentives and contract assets some of which are the result of our cloud platform support agreement with O2 Daisy.

Tax paid increased to £13.7m (H1 2024: £13.2m). This includes a £1.9m partial payment of the tax liabilities acquired with Starface and £0.8m related to Starface's 2025 post acquisition trading.

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

- £157.4m was the total payment for acquisitions net of cash acquired (H1 2024: £9.0m). This comprises £152.2m for the acquisition of Starface (net of cash acquired of £14.8m and including the repayment of borrowings acquired of £14.6m presented within financing activities in the cashflow), £1.5m for the acquisition of Allnet (net of cash acquired) and £1.5m for the acquisition of Desatel. This also includes £2.2m of deferred consideration paid for Placetel and BrightCloud.
- £47m of the RCF was drawn down net of repayments (H1 2024: £1.5m repayment of German borrowings) to part the fund the acquisition of Starface and the share buyback.
- £45.1m of own shares were repurchased, with £34.9m paid in cash in the period as part of the share buyback programme announced in March 2025 (H1 2024: £12.6m). This is discussed further below
- £12.1m was paid as dividends (H1 2024: £11.1m).
- Capital spend was £9.6m, which is an increase from £7.8m in H1 2024. This is discussed below.
- £1.8m of interest income on cash and cash equivalents partly offset by £1.5m of interest paid on borrowings (H1 2024: £3.6m interest income only). This reflects the move from a net cash to net debt position following the acquisition of Starface in February.

**Capital spend**

Capital spend in H1 2025 was £9.6m (H1 2024: £7.8m), broken down as follows:

- £8.5m on the capitalisation of development costs incurred during the period (H1 2024: £4.7m). This increase in capitalisation was primarily the result of continued development of our new Channel Partner Portal and enhanced voice applications, which commenced late in H1 2024. Capitalisation rates remain similar to H2 2024.
- £1.1m on the core network, including increasing capacity as well as computer equipment (H1 2024: £1.4m).

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

Adjusted EPS (fully diluted) increased from 42.5p to 47.9p (13%) which compares to a 13% increase in H1 2024. The growth was primarily driven by Adjusted PBT growth of 9% as previously described, supplemented by a 3% benefit from the share buybacks in 2025 and 2024. As explained in the later APM section, we have amended Adjusted EPS (fully diluted) to exclude the benefit of a successful historical multi-year patent box claim of £1.9m recognised in the period, given its multi-year nature which does not reflect current period trading performance. EPS (fully diluted) decreased from 36.7p to 34.1p (7% decrease) primarily reflecting the fall in profit before tax of 10%.

**Acquisitions**

The acquisition of Starface in February 2025 was the main driver of a £204.8m increase in intangible assets from £189.3m to £394.1m. This included acquisition related intangible asset additions of £197.5m comprising customer contract intangibles of £87.7m, development cost intangibles of £14.9m, brand intangibles of £6.6m and goodwill of £88.3m. The small acquisitions of Desatel and Allnet contributed a further £4.3m of intangible assets. In addition, £34.0m of deferred tax liability was recognised on acquired Starface intangible assets.

The acquisition of Starface also increased Group contract liabilities, leased right-of-use assets, lease liabilities (included within financial liabilities), trade and other receivables and cash and cash equivalents as at 30 June 2025.

**Share buyback**

At 30 June 2025, the announced end date of the 2025 buyback, a total of 3,736,038 Ordinary Shares had been purchased at a value of £45.1m, out of the announced programme of up to £50m. £10.2m remained payable in July and is included in other payables at 30 June 2025. The shares purchased in the period were cancelled resulting in a £45.1m reduction in retained earnings.

**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 selective acquisitions, and to reward shareholders through growth in earnings alongside our progressive dividend policy whilst retaining a robust capital base.

The Board will continue to keep its capital allocation policy and potential further distributions to shareholders under review, including potential further share buybacks having now undertaken £72.4m of buybacks in total in 2024 and 2025. It will continue to maintain sufficient liquidity to balance this with opportunities for investment in organic and inorganic growth.

**Principal risks and uncertainties**

The principal risks faced by the Group continue to include the risks set out in the Annual Report for the year ended 31 December 2024. These are that product development becomes misaligned with market needs, unplanned service disruption, data loss and cyber-attacks, over-reliance on key suppliers, inability to attract and retain top talent, failure to adapt and develop new routes to market, uncertain competitive landscape causes loss of market share, unsuccessful M&A activities and legal and regulatory non-compliance. Further details can be found in the Annual Report for the year ended 31 December 2024.

**Dividends**

The Board has declared an interim dividend of 7.4p (2024: 6.5p). This is an increase of 14% and is in line with our progressive dividend policy. The interim dividend is payable on Thursday 16 October 2025 to shareholders on the Register as at Friday 19 September 2025.

**Going Concern**

The Group's business activities, together with the factors likely to affect its future development, performance and position, are consistent with those set out in the Annual Report for the year ended 31 December 2024. In assessing going concern management and the Board have considered:

- The principal risks faced by the Group as set out above. These are consistent with those found in the Annual Report for the year ended 31 December 2024.
- The financial position of the Group.
- The strong liquidity position – at 30 June 2025 the Group had cash and cash equivalents of £25.2m and £83m of the revolving credit facility undrawn providing total liquidity of £108.2m (31 December 2024: £153.7m). The Group has drawn £47.0m of the RCF at 30 June 2025 repayable in January 2028.
- Budgets, financial plans, associated future cash flows and sensitivity analysis, which incorporate completed acquisitions up to the date of this interim statement and the completed share buyback programme, including liquidity, borrowings and covenants.

The Directors are satisfied that the Group has adequate financial resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of this report. Accordingly, the going concern basis of accounting continues to be used in the preparation of these condensed consolidated financial statements.

**Bill Castell**
**Chief Financial Officer**

**Management Statement**

This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

The IMR contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. Because these statements involve risks and uncertainties, including both economic and business risk factors, actual results may differ materially from those expressed or implied by these forward-looking statements. The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

**Responsibility Statement**

We confirm that to the best of our knowledge:

- the condensed set of interim financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting";
- the Interim Management Report includes a fair review of the information required by DTR 4.27R (indication of important events and their impact on the financial statements during the first six months of the year and description of principal risks and uncertainties for the remaining six months of the year); and
- the Interim Management Report includes a fair review of the information required by DTR 4.28R (disclosure of related party transactions and any material changes therein during the first six months of the year).

By order of the Board
8 September 2025

**Independent Review Report to Gamma Communications plc**

**Conclusion**

We have been engaged by Gamma Communications plc ("the Company") and its subsidiaries (together "the Group") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 which comprises the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and related notes 1 to 13.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

**Basis for Conclusion**

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

**Conclusion Relating to Going Concern**

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

**Responsibilities of the directors**

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group'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 Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the review of the financial information**

In reviewing the half-yearly financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

**Use of our report**

This report is made solely to the Company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
Reading, United Kingdom
8 September 2025

**Condensed consolidated statement of profit or loss**
For the six months ended 30 June 2025

| | Note | **30 June 2025 £m Unaudited** | 30 June 2024 £m Unaudited |
|---|---|---|---|
| **Revenue** | 3 | **316.6** | 282.5 |
| Cost of sales | | **(144.6)** | (136.7) |
| **Gross Profit** | | **172.0** | 145.8 |
| Operating Expenses | | **(127.6)** | (100.1) |
| *Of which exceptional items* | 4 | ***(7.3)*** | - |
| **Profit from operations** | | **44.4** | 45.7 |
| Finance income | | **2.0** | 3.6 |
| Finance expense | | **(2.9)** | (0.8) |
| **Profit before tax** | | **43.5** | 48.5 |
| Tax | 5 | **(11.1)** | (12.7) |
| **Profit after tax** | | **32.4** | 35.8 |
| | | | |
| **Profit attributable to:** | | | |
| Equity holders of Gamma Communications plc | | **32.4** | 35.8 |
| Non-controlling interest | | **-** | - |
| | | **32.4** | 35.8 |
| | | | |
| **Earnings per share attributable to the ordinary equity holders of the Company:** | | | |
| Basic per Ordinary Share (pence) | 6 | **34.2p** | 36.8p |
| Diluted per Ordinary Share (pence) | 6 | **34.1p** | 36.7p |

Adjusted earnings per share is shown in note 6.

All income recognised during the period was generated from continuing operations.

**Condensed consolidated statement of comprehensive income**

For the six months ended 30 June 2025

| | **30 June 2025 £m Unaudited** | 30 June 2024 £m Unaudited |
|---|---|---|
| **Profit after tax for the period** | **32.4** | 35.8 |
| | | |
| **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 | **6.7** | (0.9) |
| Tax effect of exchange differences on translation of foreign | **(0.6)** | 0.3 |
| **Total comprehensive income** | **38.5** | 35.2 |
| | | |
| **Total comprehensive income for the period attributable to:** | | |
| Equity holders of Gamma Communications plc | **38.5** | 35.2 |
| Non-controlling interest | **-** | - |
| | **38.5** | 35.2 |

**Condensed consolidated statement of financial position**
As at 30 June 2025

| | Note | **30 June 2025 £m Unaudited** | 30 June 2024* £m Unaudited | 31 December 2024 £m Audited |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 8 | **40.8** | 33.6 | 33.6 |
| Intangible assets | 9 | **394.1** | 164.7 | 189.3 |
| Deferred tax asset | | **7.9** | 5.7 | 8.6 |
| Trade and other receivables | | **10.6** | 11.1 | 8.7 |
| Contract assets | | **12.6** | 3.6 | 6.7 |
| | | **466.0** | 218.7 | 246.9 |
| **Current assets** | | | | |
| Inventories | | **8.4** | 12.2 | 10.0 |
| Trade and other receivables | | **86.6** | 83.9 | 80.4 |
| Contract assets | | **40.0** | 33.8 | 35.0 |
| Cash and cash equivalents | | **25.2** | 142.9 | 153.7 |
| Current tax asset | | **2.0** | 5.0 | 2.0 |
| | | **162.2** | 277.8 | 281.1 |
| **Total assets** | | **628.2** | 496.5 | 528.0 |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Other payables | | **0.1** | 0.1 | 0.1 |
| Other financial liabilities | 10 | **60.6** | 5.4 | 5.9 |
| Provisions | | **1.4** | 1.4 | 1.4 |
| Contract liabilities | | **13.7** | 13.0 | 13.3 |
| Acquisition-related liabilities | 10 | **13.0** | 8.4 | 22.0 |
| Deferred tax liability | | **50.3** | 13.2 | 17.6 |
| | | **139.1** | 41.5 | 60.3 |
| **Current liabilities** | | | | |
| Trade and other payables | | **90.7** | 78.0 | 68.4 |
| Other financial liabilities | 10 | **3.1** | 2.0 | 2.0 |
| Provisions | | **0.8** | 1.6 | 0.9 |
| Contract liabilities | | **24.5** | 16.4 | 18.5 |
| Acquisition-related liabilities | 10 | **10.3** | 1.5 | 4.5 |
| Current tax liability | | **3.9** | 0.6 | 0.7 |
| | | **133.3** | 100.1 | 95.0 |
| **Total liabilities** | | **272.4** | 141.6 | 155.3 |
| **Net assets** | | **355.8** | 354.9 | 372.7 |
| **Equity** | | | | |
| Share capital | 11 | **0.2** | 0.2 | 0.2 |
| Share premium reserve | | **23.3** | 23.3 | 23.3 |
| Other reserves | 12 | **(10.4)** | (7.2) | (18.2) |
| Retained earnings | | **343.6** | 339.5 | 368.3 |
| **Equity attributable to owners of Gamma Communications plc** | | **356.7** | 355.8 | 373.6 |
| Non-controlling interest | | **0.2** | 0.2 | 0.2 |
| Written put options over non-controlling interest | | **(1.1)** | (1.1) | (1.1) |
| **Total equity** | | **355.8** | 354.9 | 372.7 |

* For re-presentation of comparatives refer to note 1, section Consolidated statement of financial position.

## Condensed consolidated statement of cash flows

For the six months ended 30 June 2025

| | Note | **30 June 2025** | 30 June 2024 |
|---|---|---|---|
| | | **£m** | £m |
| | | **Unaudited** | Unaudited |
| **Cash flows from operating activities** | | | |
| Profit for the period before tax | | **43.5** | 48.5 |
| *Adjustments for:* | | | |
| Depreciation of property, plant and equipment | | **4.2** | 4.4 |
| Depreciation of right-of-use assets | | **1.4** | 1.2 |
| Amortisation of intangible assets | 9 | **14.2** | 10.3 |
| Change in fair value of contingent consideration/put option liability | | **(1.5)** | - |
| Share-based payment expense | | **1.6** | 1.1 |
| Interest income | | **(2.0)** | (3.6) |
| Finance expense | | **2.9** | 0.8 |
| Other non-cash movements* | | **(1.3)** | - |
| | | **63.0** | 62.7 |
| (Increase) in trade and other receivables and contract assets | | **(15.5)** | (7.9) |
| Decrease/(increase) in inventories | | **2.6** | (3.9) |
| Increase in trade and other payables | | **6.4** | 7.2 |
| (Decrease)/increase in contract liabilities | | **(3.0)** | 3.2 |
| (Decrease) in provisions | | **(0.4)** | (1.7) |
| **Cash generated by operations** | | **53.1** | 59.6 |
| Taxes paid | | **(13.7)** | (13.2) |
| **Net cash flows from operating activities** | | **39.4** | 46.4 |
| **Investing activities** | | | |
| Purchase of property, plant and equipment | | **(1.1)** | (1.4) |
| Purchase of intangible assets | 9 | **(8.5)** | (6.4) |
| Interest received | | **1.8** | 3.6 |
| Acquisition of subsidiaries net of cash acquired | 13 | **(142.8)** | (9.0) |
| **Net cash used in investing activities** | | **(150.6)** | (13.2) |
| **Financing activities** | | | |
| Lease liability repayments | | **(2.1)** | (2.0) |
| Proceeds from borrowings | | **89.0** | - |
| Repayment of borrowings | | **(42.0)** | (1.5) |
| Repayment of borrowings acquired with acquisitions | | **(14.6)** | - |
| Interest paid | | **(1.5)** | - |
| Share issues | | **0.2** | 0.6 |
| Dividends | | **(12.1)** | (11.1) |
| Repurchase of own shares | | **(34.9)** | (12.6) |
| **Net cash used in financing activities** | | **(18.0)** | (26.6) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(129.2)** | 6.6 |
| Cash and cash equivalents at beginning of year | | **153.7** | 136.5 |
| Effects of exchange rate changes on cash and cash equivalents | | **0.7** | (0.2) |
| **Cash and cash equivalents at end of period** | | **25.2** | 142.9 |

*Primarily relating to deferred consideration included in financing activities

**Condensed consolidated statement of changes in equity**
For the six months ended 30 June 2025

| | Share capital | Share premium reserve | Other reserves | Retained earnings | **Total** | Non-controlling interest | Written put options over non-controlling interest | **Total equity** |
|---|---|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | **£m** | £m | £m | **£m** |
| 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 | (1.6) | 1.6 | 0.4 | - | - | 0.4 |
| Share-based payment expense | - | - | 1.1 | - | 1.1 | - | - | 1.1 |
| Share buyback[1] | - | - | (14.9) | - | (14.9) | - | - | (14.9) |
| Treasury share allocations[2] | - | - | 1.9 | (1.9) | - | - | - | - |
| Dividends paid | - | - | - | (11.1) | (11.1) | - | - | (11.1) |
| **Transactions with owners** | - | 0.4 | (13.5) | (11.4) | (24.5) | - | - | (24.5) |
| Profit for the period | - | - | - | 35.8 | 35.8 | - | - | 35.8 |
| Other comprehensive expense | - | - | (0.6) | - | (0.6) | - | - | (0.6) |
| **Total comprehensive income/(expense)** | **-** | **-** | **(0.6)** | **35.8** | **35.2** | **-** | **-** | **35.2** |
| **30 June 2024** | **0.2** | **23.3** | **(7.2)** | **339.5** | **355.8** | **0.2** | **(1.1)** | **354.9** |
| 1 January 2025 | **0.2** | **23.3** | **(18.2)** | **368.3** | **373.6** | **0.2** | **(1.1)** | **372.7** |
| Issue or reissue of shares | - | - | (0.7) | 0.7 | **-** | - | - | **-** |
| Share-based payment expense | - | - | 1.6 | - | 1.6 | - | - | 1.6 |
| Share buyback[1] | - | - | - | (45.1) | (45.1) | - | - | (45.1) |
| Allocation to Treasury Shares | - | - | 0.8 | (0.6) | 0.2 | - | - | 0.2 |
| Dividends paid | - | - | - | (12.1) | (12.1) | - | - | (12.1) |
| **Transactions with owners** | - | - | 1.7 | (57.1) | (55.4) | - | - | (55.4) |
| Profit after tax | - | - | - | 32.4 | 32.4 | - | - | 32.4 |
| Foreign exchange | - | - | 6.1 | - | 6.1 | - | - | 6.1 |
| **Total comprehensive income** | **-** | **-** | **6.1** | **32.4** | **38.5** | **-** | **-** | **38.5** |
| **30 June 2025** | **0.2** | **23.3** | **(10.4)** | **343.6** | **356.7** | **0.2** | **(1.1)** | **355.8** |

[1] Represents shares purchased under the 2024 buyback programme. Share purchased under the 2025 buyback programme were immediately cancelled rather than held in Treasury.

[2] Treasury share allocations relates to treasury shares which have been used to satisfy share options and other employee share plans.

**Notes to the interim financial information**
For the six months ended 30 June 2025

## 1. Basis of preparation

The condensed consolidated interim financial information (interim financial information) included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the United Kingdom. The interim financial statements do not constitute statutory accounts within the meaning of the Companies Act 2006 and should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 December 2024, which was prepared in accordance with IFRS as adopted by the United Kingdom.

One new amendment, Amendment to IAS 21 Lack of exchangeability, was applied for the first time in the period. The amendment had no material impact on the condensed consolidated financial statements.

*Condensed consolidated statement of financial position*

As disclosed in our audited results for the year ended 31 December 2024, the Group revised the presentation of the consolidated statement of financial position to combine line items presented separately in previous periods. The Group presented a new combined liability called acquisition-related liabilities following recent acquisitions and the similar nature of the line items. This comprised contingent consideration and put option liability, previously presented separately, and deferred consideration, previously included within trade and other payables. The revised presentation was considered to be simpler to the user of the accounts. The 30 June 2024 comparative has been re-presented to be consistent with the revised presentation format. The revision has no impact on the Condensed consolidated statement of profit or loss or cash flows or total liabilities, assets or net assets.

## 2. Accounting policies, judgements and estimates

### Accounting policies

The accounting policies adopted are consistent with those followed in the preparation of the audited statutory financial statements for the year ended 31 December 2024 other than for the new amendment applied for the first time as outlined in note 1 and which did not have a material impact on the condensed consolidated financial statements.

### Critical accounting estimated and judgements

Preparation of the condensed consolidated interim financial information 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. Consistent with the financial statements for the year ended 31 December 2024, revenue recognition remains a critical accounting judgement. However, Placetel deferred consideration is no longer considered a critical accounting judgement as it was specific to the prior year. There continue to be no key accounting estimates, consistent with the year ended 31 December 2024. No new items have been identified in the six months ended 30 June 2025.

## 3. Segment information

The Group’s operating segments are outlined below:

- Gamma Business – This segment sells Gamma’s products to smaller businesses in the UK, typically with fewer than 250 employees. This segment sells through different routes, including the channel, direct, digital and other carriers who sell to smaller businesses in the UK. It contributed 59% (H1 2024: 65%) of the Group’s external revenue.
- Gamma Enterprise – This segment 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 business unit 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 21% (H1 2024: 22%) of the Group’s external revenue.
- Germany – This segment consists of sales made through Gamma’s German businesses. It contributed 16% (H1 2024: 8%) of the Group’s external revenue.
- Other Europe – This segment consists of sales made in the remainder of Europe through Gamma’s Spanish and Dutch businesses. It contributed 4% (H1 2024: 5%) of the Group’s external revenue.
- Central functions – This segment comprises the central management team and wider Group costs.

*Change in segmental reporting*

Over the last year the Group has expanded its presence in Germany following the acquisitions of Starface and Placetel. As a result, and to align with internal management reporting, we have split our European segment into two segments: Gamma Germany and Other Europe. This change in reporting structure has taken effect for reporting in 2025 with prior year comparatives also given.

*Measurement of operating segment profit or loss, assets and liabilities*

The accounting policies of the reporting segments are the same as those described in the summary of significant accounting policies. The Board and Executive Committee evaluate performance on the basis of earnings before interest, tax, depreciation, amortisation, exceptional items and other adjusting items (“Adjusted EBITDA”). Inter-segment sales are priced in line with sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior period.

External customer revenue has been derived principally in the geographical area of the operating segment and no single customer contributes more than 10% of revenue.

| **Period to 30 June 2025** | Gamma Business £m | Gamma Enterprise £m | Gamma Germany £m | Other Europe £m | Central functions £m | Total £m |
|---|---|---|---|---|---|---|
| Segment revenue | 195.3 | 67.1 | 49.1 | 15.2 | - | 326.7 |
| *Inter-segment revenue* | *(9.3)* | *(0.6)* | *-* | *(0.2)* | *-* | *(10.1)* |
| **Revenue from external customers** | **186.0** | **66.5** | **49.1** | **15.0** | **-** | **316.6** |
| *Timing of revenue recognition* | | | | | | |
| At a point in time | 8.6 | 7.0 | 15.0 | 0.7 | - | 31.3 |
| Over time | 177.4 | 59.5 | 34.1 | 14.3 | - | 285.3 |
| | **186.0** | **66.5** | **49.1** | **15.0** | **-** | **316.6** |
| **Gross profit** | **97.4** | **30.9** | **34.4** | **9.3** | **-** | **172.0** |
| **Adjusted EBITDA** | **47.2** | **15.8** | **9.4** | **2.4** | **(3.9)** | **70.9** |
| Exceptional items | **-** | **-** | **-** | **-** | **(7.3)** | **(7.3)** |
| Other adjusting items | **(0.8)** | **-** | **-** | **-** | **1.4** | **0.6** |
| **EBITDA** | **46.4** | **15.8** | **9.4** | **2.4** | **(9.8)** | **64.2** |

| **Period to 30 June 2024** | Gamma Business £m | Gamma Enterprise £m | Gamma Germany £m | Other Europe £m | Central functions £m | Total £m |
|---|---|---|---|---|---|---|
| Segment revenue | 196.2 | 62.8 | 21.8 | 15.8 | - | 296.6 |
| *Inter-segment revenue* | *(12.1)* | *(1.8)* | *-* | *(0.2)* | *-* | *(14.1)* |
| **Revenue from external customers** | **184.1** | **61.0** | **21.8** | **15.6** | **-** | **282.5** |
| *Timing of revenue recognition* | | | | | | |
| At a point in time | 10.7 | 5.6 | 12.0 | 1.5 | - | 29.8 |
| Over time | 173.4 | 55.4 | 9.7 | 14.2 | - | 252.7 |
| | **184.1** | **61.0** | **21.7** | **15.7** | **-** | **282.5** |
| **Gross profit** | **97.1** | **28.9** | **9.8** | **10.0** | **-** | **145.8** |
| **Adjusted EBITDA** | **46.1** | **15.8** | **2.8** | **2.3** | **(4.8)** | **62.2** |
| Exceptional items | **-** | **-** | **-** | **-** | **-** | **-** |
| Other adjusting items | **(0.6)** | **-** | **-** | **-** | **-** | **(0.6)** |
| **EBITDA** | **45.5** | **15.8** | **2.8** | **2.3** | **(4.8)** | **61.6** |

A reconciliation of Adjusted EBITDA, the Group's measure of segment profit, to the Group's profit before tax for the period is included below:

| | **Six months ended 30 June 2025 £m** | Six months ended 30 June 2024 £m |
|---|---|---|
| **Profit before tax** | **43.5** | 48.5 |
| Finance income | **(2.0)** | (3.6) |
| Finance expense | **2.9** | 0.8 |
| **Profit from operations** | **44.4** | 45.7 |
| Depreciation of property, plant and equipment and right-of-use assets | **5.6** | 5.6 |
| Amortisation from intangible assets | **14.2** | 10.3 |
| **EBITDA** | **64.2** | 61.6 |
| Exceptional items | **7.3** | - |
| Other adjusting items: | **(0.6)** | 0.6 |
| **Adjusted EBITDA** | **70.9** | 62.2 |

Further details on the definition and calculation of Adjusted EBITDA are included in the APM section.

*Geographic segmentation*

The UK is the Group and Company's country of domicile and is where most revenue is generated, which is from external UK customers. The geographic analysis of revenue presented below is based on the country in which the customer is invoiced. The geographic analysis of non-current assets, which excludes deferred tax assets and financial instruments, is based on the location of the assets.

The Group's revenue from external customers by geographical location is detailed below:

| | **Six months ended 30 June 2025 £m** | Six months ended 30 June 2024 £m |
|---|---|---|
| UK | **235.1** | 227.8 |
| Germany | **53.6** | 28.5 |
| Rest of Europe | **24.5** | 23.1 |
| Rest of World | **3.4** | 3.1 |
| Total | **316.6** | 282.5 |

The Group's non-current assets, which excludes deferred tax assets and financial instruments, by geographical location are detailed below:

| | **30 June 2025 £m** | 31 December 2024 £m |
|---|---|---|
| UK | **197.6** | 141.3 |
| Germany | **200.0** | 56.6 |
| Rest of Europe | **47.4** | 36.2 |
| Total | **445.0** | 234.1 |

*Product segmentation*

| | **Six months ended 30 June 2025 £m** | Six months ended 30 June 2024 £m |
|---|---|---|
| **Revenue recognised over time (recurring)** | | |
| Voice and data traffic | **53.8** | 52.8 |
| Subscriptions and rentals | **219.8** | 194.0 |
| Installation fees and other (over time) | **11.7** | 5.9 |
| **Total revenue recognised over time (recurring)** | **285.3** | 252.7 |
| **Revenue recognised at a point in time** | | |
| Equipment sales | **15.5** | 15.0 |
| Commissions | **11.0** | 11.8 |
| Installation fees and other (at a point in time) | **4.8** | 3.0 |
| **Total revenue recognised at a point in time** | **31.3** | 29.8 |
| **Total revenue** | **316.6** | 282.5 |

## 4. Exceptional items

| | **Six months ended 30 June 2025 £m** | Six months ended 30 June 2024 £m |
|---|---|---|
| Acquisition costs | **5.1** | - |
| Listing costs | **2.2** | - |
| **Total exceptional items** | **7.3** | - |

The acquisition of Starface, see note 13, was of significant scale and so the Group incurred material one-off costs. These principally related to adviser fees, including deal contingent success fees, and costs incurred to cap the amount of GBP potentially payable given the acquisition consideration was EURO denominated. This is considered exceptional by virtue of the size of the acquisition and the level of costs incurred.

The Group's move of its listing from the AIM to the Main Market of the London Stock Exchange resulted in significant one-off costs, comprising adviser and admission fees. This is considered exceptional due to the one-off nature of the transaction.

The total cash cost of these exceptional items in the period was £6.5m (2024: £2.2m). The tax effect of exceptional items was £nil (2024: £nil).

## 5. Taxation on profit on ordinary activities

Tax expense is recognised based on management's best estimate of the weighted average effective annual tax rate expected for the full financial year. The estimated average annual tax rate used for the period to 30 June 2025 is 26% (30 June 2024: 26%).

## 6. Earnings per share

| | **Six months ended 30 June 2025** | Six months ended 30 June 2024 |
|---|---|---|
| **Earnings per Ordinary Share – basic (pence)** | **34.2** | 36.8 |
| **Earnings per Ordinary Share – diluted (pence)** | **34.1** | 36.7 |

The calculation of the basic and diluted earnings per share is based on the following data:

| | **Six months ended 30 June 2025 £m** | Six months ended 30 June 2024 £m |
|---|---|---|
| Profit after tax attributable to equity holders of the Company | **32.4** | 35.8 |
| **Shares** | **No.** | No. |
| Basic weighted average number of Ordinary Shares | **94,600,378** | 97,259,972 |
| Effect of dilution resulting from share options | **325,139** | 163,474 |
| **Diluted weighted average number of Ordinary Shares** | **94,925,517** | 97,423,446 |

Adjusted earnings per share is detailed below:

| | **Six months ended 30 June 2025** | Six months ended 30 June 2024 |
|---|---|---|
| Adjusted earnings per Ordinary Share – basic (pence) | **48.0** | 42.6 |
| Adjusted earnings per Ordinary Share – diluted (pence) | **47.9** | 42.5 |

## 7. Dividends

A final dividend of 13.0p was paid on 19 June 2025 (2024: 11.4p). The Board has declared an interim dividend of 7.4p per share payable on 16 October 2025 to shareholders on the Register as at 19 September 2025. In the prior year an interim dividend of 6.5p was paid.

## 8. Property, plant and equipment

| | **30 June 2025 £m** | 30 June 2024 £m | 31 December 2024 £m |
|---|---|---|---|
| Owned property, plant and equipment | **25.1** | 27.4 | 27.0 |
| Leased right-of-use assets | **15.7** | 6.2 | 6.6 |
| **Total Property, plant and equipment** | **40.8** | 33.6 | 33.6 |

## 9. Intangible assets

| | Goodwill | Customer contracts | Brand | Development costs | Technology | Total |
|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m |
| **2025** | | | | | | |
| **Cost** | | | | | | |
| At 1 January 2025 | 135.0 | 78.6 | 5.9 | 67.8 | 35.5 | 322.8 |
| Additions | - | - | - | 8.5 | - | 8.5 |
| Acquisition of subsidiaries | 91.8 | 88.3 | 6.8 | 14.9 | - | 201.8 |
| Foreign exchange | 4.8 | 4.5 | 0.3 | 0.8 | 0.2 | 10.6 |
| **At 30 June 2025** | **231.6** | **171.4** | **13.0** | **92.0** | **35.7** | **543.7** |
| | | | | | | |
| **Amortisation** | | | | | | |
| At 1 January 2025 | 19.8 | 46.3 | 1.8 | 40.9 | 24.7 | 133.5 |
| Charge for the period | - | 6.6 | 0.8 | 5.3 | 1.5 | 14.2 |
| Foreign exchange | 0.5 | 1.3 | - | 0.1 | - | 1.9 |
| **At 30 June 2025** | **20.3** | **54.2** | **2.6** | **46.3** | **26.2** | **149.6** |
| | | | | | | |
| **Net book value** | | | | | | |
| At 1 January 2025 | 115.2 | 32.3 | 4.1 | 26.9 | 10.8 | 189.3 |
| **At 30 June 2025** | **211.3** | **117.2** | **10.4** | **45.7** | **9.5** | **394.1** |

| | Goodwill | Customer contracts | Brand | Development costs | Technology | Total |
|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m |
| **2024** | | | | | | |
| **Cost** | | | | | | |
| At 1 January 2024 | 133.2 | 56.7 | 2.2 | 52.3 | 24.4 | 268.8 |
| Additions | - | - | - | 4.7 | 1.7 | 6.4 |
| Acquisition of subsidiaries | - | 1.5 | - | - | 6.0 | 7.5 |
| Reclassifications[1] | (11.4) | 13.7 | 1.8 | - | 3.5 | 7.6 |
| Disposals | - | - | - | (0.1) | - | (0.1) |
| Foreign exchange | (1.0) | (0.9) | (0.1) | (0.1) | (0.1) | (2.2) |
| **At 30 June 2024** | **120.8** | **71.0** | **3.9** | **56.8** | **35.5** | **288.0** |
| | | | | | | |
| **Amortisation** | | | | | | |
| At 1 January 2024 | 20.5 | 37.4 | 1.1 | 33.2 | 21.9 | 114.1 |
| Charge for the period | - | 5.1 | 0.3 | 3.8 | 1.1 | 10.3 |
| Disposals | - | - | - | (0.1) | - | (0.1) |
| Foreign exchange | (0.4) | (0.6) | - | - | - | (1.0) |
| **At 30 June 2024** | **20.1** | **41.9** | **1.4** | **36.9** | **23.0** | **123.3** |
| | | | | | | |
| **Net book value** | | | | | | |
| At 1 January 2024 | 112.7 | 19.3 | 1.1 | 19.1 | 2.5 | 154.7 |
| **At 30 June 2024** | **100.7** | **29.1** | **2.5** | **19.9** | **12.5** | **164.7** |

[1] In the prior period we reclassified the balances between goodwill, customer contracts and brand, with corresponding adjustment to deferred tax, as a result of the finalisation of the fair value accounting for the Pragma acquisition. The other reclassification amount of £3.5m in 2024 related to technology intangible assets to better align with other similar transactions. These assets were previously included within inventory.

Amortisation of intangible assets is charged to the consolidated statement of profit or loss and included in operating expenses.

Development costs comprise the cost of internally generated development projects and development projects acquired through business combinations. Amortisation charge for the period for development costs and technology includes amounts arising from business combinations of £1.5m and £0.7m respectively (H1 2024: £0.4m and £0.5m).

## 10. Financial Instruments

The tables below set out the measurement categories and carrying values of financial assets and liabilities with fair value inputs where relevant.

| | Measurement category | Carrying value 30 June 2025 £m | Fair value basis of measurement | Fair value hierarchy | Carrying value 31 December 2024 £m |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| **Non-current** | | | | | |
| Contract assets | Amortised Cost | **12.6** | | | 6.7 |
| Other receivables | Amortised Cost | **0.5** | | | 0.7 |
| **Current** | | | | | |
| Cash and cash equivalents | Amortised Cost | **25.2** | | | 153.7 |
| Net trade receivables | Amortised Cost | **58.2** | | | 55.7 |
| Contract assets | Amortised Cost | **40.0** | | | 35.0 |
| Other receivables | Amortised Cost | **2.8** | | | 3.5 |
| | | **139.3** | | | 255.3 |
| **Financial Liabilities** | | | | | |
| **Non-current** | | | | | |
| Other payables | Amortised cost | **0.1** | | | 0.1 |
| Other financial liabilities: | | | | | |
| Borrowings | Amortised cost | **46.5** | | | - |
| Lease liabilities | Amortised cost | **13.9** | | | 5.9 |
| Derivative liabilities | Fair value through P&L | **0.2** | Fair Value based on market inputs | Level 2 | - |
| Acquisition related liabilities: | | | | | |
| Deferred Consideration | Amortised cost | **10.9** | | | 13.0 |
| Contingent consideration | Fair value through P&L | **0.7** | Fair value weighted expected returns methodology | Level 3 | 7.7 |
| Put option liability | Fair value through P&L | **1.4** | Fair value weighted expected returns methodology | Level 3 | 1.3 |
| **Current** | | | | | |
| Trade and other payables[1] | | **81.4** | | | 64.8 |
| Other financial liabilities: | | | | | |
| Borrowings | Amortised cost | **0.3** | | | - |
| Lease liabilities | Amortised cost | **2.5** | | | 2.0 |
| Derivative liabilities | Fair value through P&L | **0.3** | Fair Value based on market inputs | Level 2 | - |
| Acquisition related liabilities: | | | | | |
| Deferred Consideration | Amortised cost | **3.6** | | | 4.4 |
| Contingent consideration | Fair value through P&L | **6.7** | Fair value weighted expected returns methodology | Level 3 | 0.1 |
| | | **168.5** | | | 99.3 |

[1] Included within other payables is a £10.2m (2024: £Nil) payable for the shares acquired in the last week of June under the share buyback, payable in July.

For trade and other receivables, contract assets, cash and cash equivalents, provisions, and trade and other payables fair values approximate to book values due to the short maturity periods of these financial instruments. The fair value of borrowings is not materially different from its carrying amount, due to the floating interest rate, linked to SONIA, aligning it with the current market level.

Derivative liabilities relate to foreign currency forwards, with a nominal value of $19.9m (£14.5m), measured at fair value which are classed as level 2 in the fair value measurement hierarchy as they have been determined using significant inputs based on observable market data. The fair values are derived from forward exchange rates at the reporting date.

**Deferred consideration**

| | **30 June 2025** | 31 December 2024 |
|---|---|---|
| | **£m** | £m |
| Current | **3.6** | 4.4 |
| Non-current | **10.9** | 13.0 |
| | **14.5** | 17.4 |

Deferred consideration relates to fixed amounts payable with regard to acquisitions. The reconciliation of the carrying amounts is as follows:

| | Satisnet | BrightCloud | Placetel | Total |
|---|---|---|---|---|
| | £m | £m | £m | £m |
| At 1 January 2025 | 0.5 | 0.2 | 16.7 | 17.4 |
| Deferred consideration settled | - | (0.2) | (2.0) | (2.2) |
| Unwinding of discount | - | - | 0.6 | 0.6 |
| Foreign exchange movements | - | - | (1.3) | (1.3) |
| **At 30 June 2025** | **0.5** | **-** | **14.0** | **14.5** |

**Borrowings**

| | **30 June 2025** | 31 December 2024 |
|---|---|---|
| | **£m** | £m |
| **Unsecured** | | |
| Revolving Credit Facility | **46.8** | - |
| **Total Borrowings** | **46.8** | - |
| Of which: | | |
| Current | **0.3** | - |
| Non-current | **46.5** | - |

In January 2025, the Group agreed a three-year £130m multicurrency Revolving Credit Facility ("RCF"), with option to extend for a further 12 months. £30m of this was drawn in February 2025 to enable the acquisition of Starface. £47.0m was drawn as at 30 June 2025.

The total transaction costs incurred on signing the RCF were £0.7m. The RCF is stated net of unamortised transactions costs of £0.5m (2024: £nil) and interest payable of £0.3m. These deferred financing fees have been capitalised and are being amortised over the expected life of the facility.

The current portion relates to interest, which is payable within 3 months. The RCF incurs interest on drawn balances at a margin between 1.5% and 2.25% above SONIA, dependant on leverage, and between 0.5% and 0.8% on undrawn balances.

*Loan covenants*

The following covenants relate to the RCF, and are tested on a 12-month rolling basis:

- Leverage, defined as total net debt to EBITDA, not to exceed 3.0x; and
- Interest cover, defined as EBITDA to net finance charges, not to be less than 4.0x.

The Group has significant headroom against both of these covenants throughout the period.

*Interest rate risk*

The Group finances its operations through a mixture of retained profits, cash and the RCF. The Group's RCF, and deposits are at floating rates. No interest rate derivative contracts have been entered into during the period.

*Currency risk*

The Group operates primarily in the United Kingdom, Germany, The Netherlands and Spain with smaller operations in Ireland. In both our UK and European operations, the level of receipts and payments which are not denominated in the local currency of the country are small. The exception to this is the Group's exposure, in both the UK and Europe, to the US Dollar resulting from software and cloud purchase commitments. The Group manages the exposure for a foreseeable period on these future cash flows through foreign currency forward contracts. Foreign exchange movements are recognised in operating expenses except where they relate to financing. Foreign exchange movement on financing, including intercompany borrowings, are recognised as part of net finance expense/ income.

*Liquidity risk*

The Group's policy is to ensure that it has sufficient funding and undrawn facilities to meet any foreseeable cash requirements. The Group actively monitors the level of cash balances and drawn RCF seeking to appropriately balance the two. Current and forecast covenant headroom are actively monitored.

**Financial instruments measured at fair value**

Liabilities measured at fair value are remeasured at each reporting date and their value are illustrated in the table below:

| | **30 June 2025** | 31 December 2024 |
|---|---|---|
| **Financial liabilities** | **£m** | £m |
| Level 2 | | |
| Forward exchange contracts (nominal value $19.9m) | **0.5** | - |
| Level 3 | | |
| Contingent consideration | **7.4** | 7.8 |
| Put option liability | **1.4** | 1.3 |
| | **9.3** | 9.1 |

During the period the Group held mark to market forward exchange contracts with a nominal value of $19.9m (£14.5m), to limit potential foreign exchange exposure that could arise on certain of the Group's USD commitments including the next two year's Placetel deferred consideration payments which are denominated in USD.

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.

Both the contingent consideration and put option liability were valued using 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 and loss. The key input used in the valuations are the financial forecasts of the acquired entity, where the most important assumption is the future revenue forecast, and the discount rate.

**Contingent consideration**

| | **30 June 2025** | 31 December 2024 |
|---|---|---|
| | **£m** | £m |
| Current | **6.7** | 0.1 |
| Non-current | **0.7** | 7.7 |
| | **7.4** | 7.8 |

Contingent consideration relates to future anticipated payments to vendors which are dependent on the future financial performance of acquired entities. At 30 June 2025, the fair value of contingent consideration liabilities amounted to £7.4m (31 December 2024: £7.8m). The potential undiscounted amount of future payments that could be required under the contingent consideration range from £0.1m to £18.7m (31 December 2024: £0.1 to £18.1m).

The reconciliation of the carrying amounts of contingent consideration is as follows:

| | Satisnet | Pragma | BrightCloud | Allnet | Total |
|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m |
| At 1 January 2025 | 2.8 | 4.7 | 0.3 | - | 7.8 |
| Acquisition of subsidiaries | - | - | - | 0.6 | 0.6 |
| *Change in fair value of contingent consideration:* | | | | | |
| Unwinding of discount | 0.1 | 0.4 | - | - | 0.5 |
| Other change in fair value | (2.4) | 0.9 | - | - | (1.5) |
| **At 30 June 2025** | **0.5** | **6.0** | **0.3** | **0.6** | **7.4** |

Contingent consideration for Allnet is based on future operating expenses targets for the financial years ending 31 December 2025 and 31 December 2026. Consideration of up to £0.6m may be payable. The fair value of £0.6m at 30 June 2025, is split between £0.3m current and £0.3m non-current and is based on a payout of £0.6m.

The fair value of contingent consideration for Satisnet is £0.5m at 30 June 2025, which takes into account the weighted probability of payout, is split between £0.1m current and £0.4m non-current and based on a payout of £0.5m (31 December 2024: £3.2m). After the impact of the unwinding of the discount, a decrease of £2.4m was required which has been recorded within operating expenses, representing an unrealised gain.

The fair value of contingent consideration for Pragma is £6.0m at 30 June 2025, which takes into account the weighted probability of payout, is current and based on a payout of £6.4m (31 December 2024: £6.4m). After the impact of the unwinding of the discount, an increase of £0.9m was required following a change in the expected payment date which has been recorded within operating expenses, representing an unrealised loss.

The changes in fair value of contingent consideration have resulted in a £1.5m credit to operating expenses in H125. In H125 acquisition related professional adviser costs not deemed as exceptional total £0.3m (H1 2024: £0.6m) and have been debited to operating expenses.

**Put option liability**

| | **30 June 2025** | 31 December 2024 |
|---|---|---|
| | **£m** | £m |
| Non-current | **1.4** | 1.3 |
| | **1.4** | 1.3 |

The put option liability is an option for the previous owners to sell or for the Group to acquire the remaining 5% of the shares in Pragma. At 30 June 2025, the fair value of put option liabilities amounted to £1.4m (31 December 2024: £1.3m) with the £0.1m movement arising from the unwinding of the discount. The fair value of £1.4m at 30 June 2025 is based on a payout of £1.8m (31 December 2024: £1.8m) which takes into account the weighted probability of payout. The potential undiscounted amount of future payments that could be required under the put option liability range from £nil to £2.9m respectively (31 December 2024: £nil to £2.9m).

## 11. Share capital

| | Number | £m |
|---|---|---|
| 1 January 2025 | | |
| Ordinary Shares of £0.0025 each | **97,500,389** | **0.2** |
| **Movement** | | |
| March* | **(925,000)** | |
| April* | **(1,579,000)** | |
| May* | **(125,000)** | |
| June* | **(1,107,038)** | |
| **30 June 2025** | | |
| Ordinary Shares of £0.0025 each | **93,764,351** | **0.2** |

* Ordinary shares purchased and cancelled under the share buyback programme.

In the period ended 30 June 2025, 3,736,038 Ordinary Shares of 0.25 pence each were acquired by the Company and cancelled (30 June 2024: 1,003,372 Ordinary Shares of 0.25 pence each were acquired by the Company and held in Treasury). 57,527 (30 June 2024: 83,460) were transferred from Treasury to settle exercised share options.

At 30 June 2025, 1,666,123 shares were held in treasury (30 June 2024: 919,912), representing 1.8% (30 June 2024: 0.9%) of issued share capital. The shares held in treasury do not have voting rights. The number of Ordinary Shares with voting rights was 92,098,228 (30 June 2024: 96,580,477), therefore the total issued share capital at 30 June 2025 was 93,764,351 Ordinary Shares (30 June 2024: 97,500,389 Ordinary Shares).

## 12. Other reserves

| | Merger reserve £m | Share option reserve £m | Foreign exchange reserve £m | Share reserve £m | Total other reserves £m |
|---|---|---|---|---|---|
| 1 January 2024 | 2.3 | 7.2 | (1.9) | (0.7) | 6.9 |
| Issue of shares | - | (1.6) | - | - | (1.6) |
| Share-based payments | - | 1.1 | - | - | 1.1 |
| Share buyback[1] | - | - | - | (14.9) | (14.9) |
| Treasury share allocations[2] | - | - | - | 1.9 | 1.9 |
| Other comprehensive income | - | - | (0.6) | - | (0.6) |
| **30 June 2024** | 2.3 | 6.7 | (2.5) | (13.7) | (7.2) |
| | | | | | |
| 1 January 2025 | 2.3 | 7.4 | (3.2) | (24.7) | (18.2) |
| Issue of shares | **-** | **(0.7)** | **-** | **-** | **(0.7)** |
| Share-based payments | **-** | **1.6** | **-** | **-** | **1.6** |
| Treasury share allocations[2] | **-** | **-** | **-** | **0.8** | **0.8** |
| Other comprehensive income | **-** | **-** | **6.1** | **-** | **6.1** |
| **30 June 2025** | **2.3** | **8.3** | **2.9** | **(23.9)** | **(10.4)** |

[1] Represents shares purchased under the 2024 buyback programme which were held in Treasury. Shares purchased under the 2025 buyback programme were immediately cancelled.

[2] Treasury shares allocations are treasury shares which have been used to satisfy share options and other employee share plans.

## 13. Business combinations

### Summary of acquisitions 2025

On 19 February 2025 the Group completed the acquisition of 100% of SF Technologies Holdings GmbH ("Starface"). 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 fair value of identifiable assets acquired and liabilities assumed, which are provisional subject to potential revision if further information becomes available, is as follows:

| | £m |
|---|---|
| Tangible fixed assets | 7.3 |
| Intangible assets – customer contracts | 87.7 |
| Intangible assets – development costs | 14.9 |
| Intangible assets – brand | 6.6 |
| Cash and cash equivalents | 14.8 |
| Inventories | 0.9 |
| Trade and other receivables | 3.8 |
| Trade and other payables | (3.2) |
| Lease liabilities | (6.5) |
| Current tax liability | (4.5) |
| Bank loans[1] | (14.6) |
| Contract liabilities | (9.1) |
| Deferred tax liability[2] | (34.0) |
| **Total identifiable assets** | **64.1** |
| Add: Goodwill | 88.3 |
| **Net assets acquired** | 152.4 |

[1] Bank loans of £14.6m were repaid at the time of acquisition.
[2] Deferred tax liability arising on customer contracts, development costs and brand intangible assets.

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. The goodwill is not deductible for tax purposes. The useful economic lives applied to the Starface intangible assets are: customer contracts 20 years, development costs 7 years and brand 7 years.

| | £m |
|---|---|
| Satisfied by: | |
| Cash paid | 152.4 |
| **Total** | **152.4** |

£167.0m was the total payment for the acquisition of Starface, gross of £14.8m of cash acquired and including £14.6m to repay, at the time of acquisition, all Starface bank loans. The acquisition consideration reported in the condensed consolidated statement of cash flows is £137.6m being the £152.4m cash payment of the equity less the £14.8m cash acquired.

Acquisition related costs of £5.1m were recognised as an expense within operating expenses in the Consolidated statement of profit or loss. Given their non-recurring nature and materiality, these costs have been classified as exceptional, see note 4. To fund the acquisition of Starface the Group agreed a new multicurrency Revolving Credit Facility, for details on issue costs refer to note 10 Financial Instruments.

Starface contributed £14.0m of revenue and £2.5m to the Group's profit after tax for the period between the acquisition date and 30 June 2025. If Starface had been acquired on 1 January 2025 the contribution to the Group's revenue for the period would have been £18.6m and the contribution to the Group's profit after tax would have been £3.2m.

During the period the Group also acquired 100% of the share capital of Allnet Solutions Limited (known as "Allnet") for total consideration of £2.9m (gross of £1.4m of cash acquired) and the trade and assets of Desatel B.V. (known as "Desatel") for total consideration of £1.5m. Fair value accounting for these acquisitions is completed and customer relationship intangibles assets of nil and £0.6m, brand of nil and £0.2m and goodwill of £2.4m and £1.1m respectively have been recognised.

**Net cash outflow on acquisitions:**

| | Starface £m | Desatel £m | Allnet £m | Other £m | Total £m |
|---|---|---|---|---|---|
| Cash consideration | 152.4 | 1.5 | 2.9 | - | 156.8 |
| Less: cash acquired | (14.8) | - | (1.4) | - | (16.2) |
| | **137.6** | **1.5** | **1.5** | **-** | **140.6** |
| Deferred consideration payments during the period[1] | - | - | - | 2.2 | 2.2 |
| **Net outflow of cash – investing activities (Acquisition of subsidiaries net of cash acquired)** | **137.6** | **1.5** | **1.5** | **2.2** | **142.8** |
| Repayment of bank loans[2] | 14.6 | - | - | - | 14.6 |
| **Net outflow of cash – financing activities (Repayment of borrowings acquired with acquisitions)** | **14.6** | **-** | **-** | **-** | **14.6** |
| **Net cash outflow relating to acquisitions in the year** | **152.2** | **1.5** | **1.5** | **2.2** | **157.4** |

[1] Deferred consideration relates to fixed amounts payable with regard to acquisitions. Other relates to £2.0m Placetel and £0.2m Bright Cloud.
[2] Banks loans of £14.6m were repaid at the time of acquisition.

**Summary of acquisitions 2024**

During 2024 the Group acquired Coolwave Communications Limited ("Coolwave"), BrightCloud Group Limited ("BrightCloud") and BroadSoft Germany GmbH (known as "Placetel"). The fair value accounting for Coolwave and BrightCloud was completed and disclosed in 2024. The fair value accounting for Placetel was provisionally disclosed in 2024. This has now been completed and no changes in the reported fair values have been made.

**Alternative Performance Measures**

The Group uses certain non-GAAP measures, called APMs, to assess the financial performance of its business as outlined below. These are used by management for internal performance analyses. The presentation of these APMs facilitates comparability with other companies, although the Group's measures may not be calculated in the same way as similarly titled measures reported by other companies. These measures are also useful in connection with discussions with the investment community. 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 and a reconciliation of the APM to the most directly comparable measure calculated and presented in accordance with IFRS are set out below.

Certain APMs including Adjusted EBITDA, Adjusted profit before tax ("Adjusted PBT"), Adjusted EPS and Adjusted cash conversion, are all adjusted for exceptional items (by virtue of their size, nature or incidence) and other adjusting items to show the Group's core performance. Certain APMs are adjusted for specific other items which are described in the relevant APM definition below. Other adjusting items total (£0.6m) (H1 2024: £0.6m) and comprise i) consistent with the prior period, the incremental costs related to the implementation of new cloud-based Finance and HR systems of £0.8m (H1 2024: £0.6m) and ii) new in the period, the mark to market movement on USD forward exchange contracts and the foreign exchange movement on the Placetel deferred consideration totalling (£1.4m) (H1 2024: £nil). These are adjusted as i) the total incremental cost over the implementation period is considered significant and ii) the mark to market movements of the forward exchange contracts and foreign exchange movements on the deferred consideration are driven by macro-economic factors and are not linked to the Group's trading performance. The adjustment for foreign exchange movements is limited to the Placetel deferred consideration as the deferred considerations payments are, in part, fixed by the forward exchange contracts and therefore the two transactions are considered linked.

**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 (as described above).

| | **Six months ended 30 June 2025 £m** | Six months ended 30 June 2024 £m |
|---|---|---|
| **Profit before tax** | **43.5** | 48.5 |
| Finance income | **(2.0)** | (3.6) |
| Finance expense | **2.9** | 0.8 |
| **Profit from operations** | **44.4** | 45.7 |
| Depreciation of property, plant and equipment and right-of-use assets | **5.6** | 5.6 |
| Amortisation from intangible assets | **14.2** | 10.3 |
| **EBITDA** | **64.2** | 61.6 |
| Exceptional items | **7.3** | - |
| Other adjusting items: | **(0.6)** | 0.6 |
| **Adjusted EBITDA** | **70.9** | 62.2 |

**Adjusted profit before tax**

Adjusted PBT is defined as profit before tax excluding exceptional items and other adjusting items (described above), the amortisation arising from business combinations and the unwinding of discounting on acquisition related liabilities. These items are individually material items and/or are not considered to be representative of the trading performance of the Group. 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 acquisition related liabilities is 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 PBT is the primary profit measure used internally to reward employees.

| | **Six months ended 30 June 2025 £m** | Six months ended 30 June 2024 £m |
|---|---|---|
| **Profit before tax** | **43.5** | 48.5 |
| Exceptional items | **7.3** | - |
| Other adjusting items: | **(0.6)** | 0.6 |
| Amortisation of intangibles arising due to business combinations | **9.6** | 6.3 |
| Unwinding of discounting on acquisition related liabilities | **1.2** | 0.6 |
| **Adjusting items** | **17.5** | 7.5 |
| **Adjusted profit before tax** | **61.0** | 56.0 |

**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 exceptional items, other adjusting items, amortisation arising due to business combinations and unwinding of discounting on acquisition related liabilities (for the same reasons outlined previously in relation to Adjusted PBT) and the tax on all of 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 not exclude the tax impact of these items would give an incomplete picture. In addition, Adjusted EPS has also been amended to remove the benefit of a historical patent box claim in the period given its multi-year nature which does not reflect current period trading performance.

| | **Six months ended 30 June 2025** | Six months ended 30 June 2024 |
|---|---|---|
| **Earnings per Ordinary Share – diluted (pence)** | **34.1** | 36.7 |
| **Adjusted earnings per Ordinary Share – diluted (pence)** | **47.9** | 42.5 |

| | Six months ended 30 June 2025 | Six months ended 30 June 2024 |
|---|---|---|
| | **£m** | £m |
| **Profit after tax** | **32.4** | 35.8 |
| Exceptional items | **7.3** | - |
| Other adjusting items | **(0.6)** | 0.6 |
| Amortisation of intangibles arising due to business combinations | **9.6** | 6.3 |
| Unwinding of discounting on acquisition related liabilities | **1.2** | 0.6 |
| Patent box | **(1.9)** | - |
| **Adjusting items** | **15.6** | 7.5 |
| Tax relating to adjusting items | **(2.5)** | (1.9) |
| **Adjusted profit after tax attributable to the ordinary equity holders of the Company** | **45.5** | 41.4 |

| | 2025 | 2024 |
|---|---|---|
| | **No:** | No: |
| **Diluted weighted average number of Ordinary Shares** | **94,925,517** | 97,423,446 |

**Net (debt)/ cash**

Net (debt)/ cash is presented as it is an important liquidity measure used by management and the Board. Net (debt)/ cash is defined as borrowings less cash and cash equivalents. IFRS 16 lease liabilities and contingent consideration are not considered as debt for the purpose of quoting Net (debt)/ cash.

| | 30 June 2025 | 31 December 2024 |
|---|---|---|
| | **£m** | £m |
| Cash and cash equivalents | **25.2** | 153.7 |
| Borrowings | **(46.8)** | - |
| **Net (debt)/ cash** | **(21.6)** | 153.7 |

The following table reconciles movements in Net (debt)/ cash from the previous period:

| | Cash and cash equivalents | Borrowings | Net (debt)/ cash |
|---|---|---|---|
| | £m | £m | £m |
| At 1 January 2024 | 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** |
| Drawdown of borrowings | - | (89.0) | (89.0) |
| Repayment of borrowings | - | 42.0 | 42.0 |
| Borrowings acquired with acquisitions | - | (14.6) | (14.6) |
| Repayment of borrowings acquired with acquisitions | - | 14.6 | 14.6 |
| Deferred financing fees | - | 0.7 | 0.7 |
| Interest Payments on Borrowings | - | 0.8 | 0.8 |
| Finance expense | - | (1.3) | (1.3) |
| Net decrease in cash and cash equivalents | (129.2) | - | (129.2) |
| Effects of foreign exchange rate changes | 0.7 | - | 0.7 |
| **At 30 June 2025** | **25.2** | **(46.8)** | **(21.6)** |

**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 totalled £7.3m in the period (H1 2024: £2.6m)), divided by Adjusted EBITDA, so as to exclude the impact of significant or one-off transactions outside the normal course of trading.

In the period we have also adjusted for the cashflow impact of timing differences between the income statement and cash flow recognition for certain acquisitions related transactions. These are i) to exclude the one-off payment in 2025 of a £1.7m non-trading related Placetel liability where no expense was recognised as this was accrued in the opening balance sheet and ii) to adjust operating cash inflow by £1.6m as a proxy for cash on Starface maintenance revenue where such cash was received by Starface pre acquisition but revenue was recorded post-acquisition.

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.

| | **Six months ended 30 June 2025 £m** | Six months ended 30 June 2024 £m |
|---|---|---|
| Cash generated by operations | **53.1** | 59.6 |
| Cash impact of exceptional items | **6.5** | 2.2 |
| Cash impact of other adjusting items | **0.8** | 0.4 |
| Acquisition related timing difference | **3.3** | - |
| **Adjusted Cash generated by operations** | **63.7** | 62.2 |
| Adjusted EBITDA | **70.9** | 62.2 |
| **Adjusted cash conversion** | **90%** | 100% |

**Organic growth**

Organic growth is presented as management believe it is important to understand performance on a comparable basis. It is defined as total reported growth excluding the contribution of material acquisitions for the first 12 months of ownership ("Inorganic growth") and excludes the contribution of material 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 (1.196:1 Euros to Pound Sterling) and defined as "constant currency"). It is used for internal performance analysis as it aids comparison of the current year to prior years without being affected by factors which were not present in both periods. It is calculated at an operating segment level and Group level for revenue and gross profit. It is also calculated for Adjusted EBITDA at a Group level.

**Current year**

| | Six months ended 30 June 2024 | Components of growth | | | | | | **Total reported growth** | | **Six months ended 30 June 2025** |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Organic growth | | Inorganic growth | | Constant currency | | | | |
| **Revenue** | £m | £m | % | £m | % | £m | **%** | **£m** | **%** | **£m** |
| Gamma Business | 184.1 | 1.5 | 1% | 0.4 | *0%* | - | - | **1.9** | ***1%*** | **186.0** |
| Gamma Enterprise | 61.0 | 1.9 | 3% | 3.6 | *6%* | - | - | **5.5** | ***9%*** | **66.5** |
| Germany | 21.8 | - | - | 28.4 | *130%* | (1.1) | *(5%)* | **27.3** | ***125%*** | **49.1** |
| Other Europe | 15.6 | (0.3) | (2%) | - | - | (0.3) | *(2%)* | **(0.6)** | ***(4%)*** | **15.0** |
| **Group Revenue** | **282.5** | **3.1** | ***1%*** | **32.4** | ***11%*** | **(1.4)** | ***0%*** | **34.1** | ***12%*** | **316.6** |

**Prior year**

| Revenue | Six months ended 30 June 2023 £m | Components of growth: Organic growth £m | % | Inorganic growth £m | % | Constant currency £m | % | **Total reported growth £m** | **%** | **Six months ended 30 June 2024 £m** |
|---|---|---|---|---|---|---|---|---|---|---|
| Gamma Business | 164.8 | 9.6 | *6%* | 9.7 | *6%* | - | - | **19.3** | ***12%*** | **184.1** |
| Gamma Enterprise | 53.0 | 2.6 | *5%* | 5.4 | *10%* | - | - | **8.0** | ***15%*** | **61.0** |
| Germany | 22.3 | - | - | - | - | (0.5) | *(2%)* | **(0.5)** | ***(2%)*** | **21.8** |
| Other Europe | 16.1 | - | - | - | - | (0.5) | *(3%)* | **(0.5)** | ***(3%)*** | **15.6** |
| **Group Revenue** | **256.2** | **12.2** | ***5%*** | **15.1** | ***6%*** | **(1.0)** | ***0%*** | **26.3** | ***10%*** | **282.5** |

**Current year**

| Gross profit | Six months ended 30 June 2024 £m | Components of growth: Organic growth £m | % | Inorganic growth £m | % | Constant currency £m | % | **Total reported growth £m** | **%** | **Six months ended 30 June 2025 £m** |
|---|---|---|---|---|---|---|---|---|---|---|
| Gamma Business | 97.1 | 0.1 | *0%* | 0.2 | *0%* | - | - | **0.3** | ***0%*** | **97.4** |
| Gamma Enterprise | 28.9 | - | - | 2.0 | *7%* | - | - | **2.0** | ***7%*** | **30.9** |
| Germany | 9.8 | 0.4 | *4%* | 24.9 | *254%* | (0.7) | *(7%)* | **24.6** | ***251%*** | **34.4** |
| Other Europe | 10.0 | (0.5) | *(5%)* | - | - | (0.2) | *(2%)* | **(0.7)** | ***(7%)*** | **9.3** |
| **Group Gross Profit** | 145.8 | **-** | **-** | **27.1** | ***19%*** | **(0.9)** | ***(1%)*** | **26.2** | ***18%*** | **172.0** |

**Prior year**

| Gross profit | Six months ended 30 June 2023 £m | Components of growth: Organic growth £m | % | Inorganic growth £m | % | Constant currency £m | % | **Total reported growth £m** | **%** | **Six months ended 30 June 2024 £m** |
|---|---|---|---|---|---|---|---|---|---|---|
| Gamma Business | 86.8 | 6.6 | *8%* | 3.7 | *4%* | - | - | **10.3** | ***12%*** | **97.1** |
| Gamma Enterprise | 25.4 | 1.4 | *6%* | 2.1 | *8%* | - | - | **3.5** | ***14%*** | **28.9** |
| Germany | 9.5 | 0.5 | *5%* | - | - | (0.2) | *(2%)* | **0.3** | ***3%*** | **9.8** |
| Other Europe | 9.5 | 0.8 | *8%* | - | - | (0.3) | *(3%)* | **0.5** | ***5%*** | **10.0** |
| **Group Gross Profit** | 131.2 | **9.3** | ***7%*** | **5.8** | ***4%*** | **(0.5)** | ***0%*** | **14.6** | ***11%*** | **145.8** |

**Current year**

| | Six months ended 30 June 2024 £m | Components of growth: Organic growth £m | % | Inorganic growth £m | % | Constant currency £m | % | **Total reported growth £m** | **%** | **Six months ended 30 June 2025 £m** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Group Adjusted EBITDA** | **62.2** | **2.0** | ***3%*** | **6.9** | ***11%*** | **(0.2)** | ***(0%)*** | **8.7** | ***14%*** | **70.9** |

**Prior year**

| | Six months ended 30 June 2023 | Components of growth | | | | | | **Total reported growth** | | **Six months ended 30 June 2024** |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Organic growth | | Inorganic growth | | Constant currency | | | | |
| | £m | £m | % | £m | % | £m | **%** | **£m** | **%** | **£m** |
| **Group Adjusted EBITDA** | **56.5** | **4.3** | ***8%*** | **1.6** | ***3%*** | **(0.2)** | ***(0%)*** | **5.7** | ***10%*** | **62.2** |