Tialis Essential IT plc
(“Tialis”, the “Group” or the “Company”)

9 September 2025

Unaudited Interim Results for the six months ended 30 June 2025

Tialis Essential IT plc, the mid-market IT managed services provider, today announces its unaudited results for the six months ended 30 June 2025.

Highlights

Revenue of £8.8 million (H1 2024: £10.7 million).
Gross profit of £2.6 million (H1 2024: £3.0 million).
Adjusted EBITDA* profit of £1.0 million (H1 2024: £0.9 million).
Repayment of the bank borrowings of £0.5 million (H1 2024: £nil)
Acquisitions of investments in AI Auxesis Limited, CloudCoCo Group Plc and Digital Petcare Direct Limited

* Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, impairment charge, non-underlying items, loss on disposal of fixed assets and share-based payment

New business wins for 2025 are in line with the budget with significant contract wins due to be signed in H2 2025. We are maintaining a strong current sales pipeline of £8m annual value while continuing to grow our partner base with the addition of a large global system integrator in Q2 2025.

Post period end and as previously announced, Tialis was awarded a significant follow-on framework agreement from a long-standing and valued customer. The expanded agreement, valued at approximately £50 million, builds on the Company’s previous work with the long-standing customer and will run over 5 years. Under the new framework, Tialis will deliver Lifecycle Services, Tech Bars, End User Support and Field Engineering supporting the long-standing customer’s business. This follow-on award reflects the strength and depth of the Company’s relationship with the long-standing customer and demonstrates the high level of customer satisfaction with the delivery record of Tialis. It will further enhance the Group’s order book and revenue visibility for the next financial year.

Tialis was awarded a material new contract with one of the UK Government’s principal departments overseeing environmental policy, agriculture, and rural community development, as previously announced. We commenced delivery of this contract on 1 September 2025. The contract, with a total value of approximately £15 million, will run over 5 years and involves the delivery of Lifecycle Services, Tech Bars, End User Support and Field Engineering, supporting this large UK Government Department build the workplace of tomorrow. The award follows a competitive tender process and further strengthens the Tialis order book, increasing contracted revenue visibility for the current financial year and beyond and is expected to deliver significant additional project revenue in its lifetime. This win is consistent with the Company’s stated strategy of building long-term, high-value client relationships.

Revenues in the period were lower than the prior period, primarily due to delayed customer orders in the context of a challenging financial market environment. The Board believes these conditions are cyclical and that underlying demand for the Group’s services remains robust. The loss of two significant contracts which were both in-sourced by the end-customers earlier than originally anticipated with the channel partners has also impacted the revenues.

The Group enters the second half of 2025 with a strong pipeline and a sharpened focus on strategic growth areas. Management expects further progress in Lifecycle services, continued partner expansion, and a stronger H2 performance.

Leveraging on the continued success of the Allvotec acquisition in 2023, Tialis has been able to agree renewals and extensions of the existing contracts, increasing the deferred and contingent consideration settlement agreed with Daisy HoldCo Limited to £1.638 million. This will be paid in shares issued in Tialis Essential IT PLC, at an effective price of 70 pence per ordinary share. This increase of £582k (FY 2024: £971k) is shown as a fair value adjustment on the face of the Statement of Comprehensive Income.

Acquisitions and Investments

As announced in the final results for the year ended 31 December 2024, Tialis has undertaken or is planning to undertake several new deals to expand its activities and to deliver growth through acquisition with synergistic targets to deepen its service offerings. The opportunity has now arisen to consolidate several investments into Tialis, to accrete shareholder value today and for the future. This will create the ability to manage a pool of permanent capital and assets, leverage the cashflow from those into dividends and create further capital growth.

AI Auxesis

In April 2025, the creation of the Subsidiary, AI Auxesis Limited required an upfront investment of £250,000 that has been used to fund its first consulting project which has started generating revenue. This investment was 50% funded by the Company and the remaining 50% funded by direct contributions of £62,500 made into the Subsidiary by both Ian Smith, Executive Director of the Company, and Andy Mills, in exchange for 25% of the shares each in the Subsidiary. As non-corporate shareholders, both Ian and Andy are entitled to a 10% per shareholder uncapped profit share on any capital gain in the underlying investment in the Subsidiary (the "Profit Share"). The Company contributed £125,000 to the Subsidiary. In order to meet this contribution to the Subsidiary, the Company conducted a direct subscription in the Company's ordinary shares at 60 pence per share, being the mid-market closing price on 8 April 2025 (the "Subscription Shares"). This was then passed on to the Subsidiary. In total the Company issued 208,333 Subscription Shares for cash for a total of approximately £125,000 (the "Subscription"). The subscribers to this fundraise were Ian and Andy in equal proportion to each other at 50% each in return for their respective 25% holdings in the Subsidiary.

AI Auxesis is pleased to report a strong start to its partnership with QPC, culminating in the signing of a global partnership agreement with Genesys, a $2.1B-per-quarter, US-headquartered leader in contact centre solutions, serving over 8,000 enterprise customers since 1990.

In parallel, QPC has entered into a new strategic alliance with IPI, a specialist in Contact Centre, Cloud, and Connectivity services, further strengthening the international partner ecosystem. QPC also has further significant new-logo wins, including: A major telecommunications group in the Middle East, two international banking institutions, and one of the world's most prestigious luxury automotive manufacturers.

Commenting on QPC's momentum, Chief Revenue Officer Andy Mills stated: "Momentum continues to build rapidly. Our strategic focus on delivering the most granular level of CX data to power AI solutions continues to drive ARR, underpinned by strong enterprise pipeline growth across both global partners and direct customers. We're extremely pleased with the momentum and the calibre of customers engaging with our platform."

These developments mark a critical inflection point in AI Auxesis' commercial trajectory and underline the growing market demand for our AI-driven solutions.

Digital Petcare UK Limited

In June 2025, Tialis acquired a loan agreement from MXC Capital Guernsey Limited ("MXC") between MXC and Digital Petcare UK Limited ("Digital Petcare"). The loan has an outstanding value of £1.485m and carries an interest rate of 12%. The loan was placed into a newly created subsidiary of Tialis called Tialis Essential IT Debt Limited.

Since the acquisition of the Digital Petcare loan, Tialis has completed a debt refinancing and decided to back Susie Samuel, founder and CEO of Digital Petcare, with a conversion of debt to equity alongside further investments from shareholders and outside investors. The refinancing was structured as follows:

- £500k has been converted into a 14.14% equity holding in Digital Petcare
- £700k has been refinanced into a new loan over 24 months at the same interest rate of 12%
- £285k of the loan has been repaid

CloudCoCo Group PLC

Additionally in June 2025, Tialis also acquired MXC's outstanding equity position, of approximately 10.6%, in CloudCoCo Group PLC ("CloudCoCo"). The investment was placed into a newly created subsidiary of Tialis called Tialis Essential IT Investments Limited.

Board Changes

On 8 September 2025, Tialis welcomed Rachel Horsefield and Peter Hallett to the Board as Non-Executive Directors.

Rachel was the Chief Executive Officer of THG Beauty Limited, a global retailer and brand owner operating through two leading predominantly online consumer businesses, LookFantastic and Cult Beauty. During her ten years with THG Beauty, Rachel worked with over 800 of the world's most popular brands and has a wealth of digital and beauty experience. Prior to joining THG Rachel was with Boots where she held a number of roles within ecommerce. Rachel has advised numerous listed and private companies in board positions across the digital and retail sectors.

Peter, a qualified chartered accountant, is a highly experienced plc non-executive director and chief financial officer with multi-sector expertise including technology, FMCG manufacturing and retail in national and multi-national corporates. He is the senior independent non-executive director of Altitude Group plc, an AIM listed technology company mainly US based. Peter is the co-founder, investor and strategic consultant to Merchr Limited, a private start-up technology business providing a comprehensive end to end cloud based platform providing a total outsource solution for personalised merchandise to major global brands.

Post Balance Sheet Events

On 7 July 2025, there was a share issue of 2,631,134 shares at 64p per share which was used to fund the acquisitions on 30 June 2025.

Post the interim announcement, there will be a General Meeting held to approve the new shares to be issued to Daisy HoldCo Limited of 2,339,883 shares to settle the amounts owed as mentioned above.

Outlook

The Board remains cautious given the current macroeconomic environment but is encouraged by the Group's resilient performance to date. With a focus on maintaining financial discipline and operational efficiency, the Board expects trading for the full year to remain in line with current market expectations. The Group is well placed to navigate ongoing market uncertainties while continuing to protect shareholder value.

Ian Smith said: "I am pleased to report that, in line with our stated strategy of establishing a pool of capital, we have successfully completed our first acquisition. I am delighted to welcome our new non-executive directors who will be instrumental in supporting us on this journey. This represents an exceptional opportunity for Tialis to deliver meaningful accretion in shareholder value, both today and into the future. The ability to manage a pool of permanent capital and assets, while leveraging the cashflow generated into sustainable dividends and further capital growth, was an opportunity simply too good to miss."

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Nominated Adviser and Broker
Corporate finance: Jonny Franklin-Adams / Elysia Bough
Corporate Broking: Tim Redfern

Financial Review

Results for the six months to 30 June 2025

Revenue from continuing operations for the six months to 30 June 2025 from operations was £8.8 million (H1 2024: £10.7 million). Revenues in the period were lower than the prior period, primarily due to delayed customer orders in the context of a challenging financial market environment. The Board believes these conditions are cyclical and that underlying demand for the Group's services remains robust. The loss of two significant contracts which were both in-sourced by the end-customers earlier than originally contracted with the channel partners has also impacted the revenues.

Gross profit from continuing operations for the six months to 30 June 2025 was £2.6 million (H1 2024: £3.0 million), representing an overall improvement in gross margin to 29.2% for H1 2025 as compared to the prior period of 28.0%.

At an Adjusted EBITDA* level for continuing operations the Group generated a profit of £1.0 million (H1 2024: £0.9million). The Group has continued to rationalize overheads and improve on the cost efficiencies identified during FY2024. This has resulted in an improvement in the gross margin percentage and the Adjusted EBITDA*.

Leveraging on the continued success of the Allvotec acquisition in 2023, Tialis has been able to agree renewals and extensions of the existing contracts, increasing the deferred and contingent consideration settlement agreed with Daisy HoldCo Limited to £1.638 million. This will be paid in shares issued in Tialis Essential IT PLC, at an effective price of 70 pence per ordinary share. This increase of £582k (FY 2024: £971k) is shown as a fair value adjustment on the face of the Statement of Comprehensive Income.

Exceptional costs amounted to £0.1 million (H1 2024: £0.2 million) and related predominantly to group restructuring, predominantly redundancy costs. Going forward, Tialis expects exceptional costs to decrease.

Net financial costs were £0.2 million (H1 2024: £0.3 million), which has decreased due to the early repayment of the loan notes in H2 2024.

The loss after tax for the period was £0.9 million (H1 2024: loss of £0.9 million).

Loss per share was 3.58p (H1 2024: loss per share 3.82p).

Balance Sheet

The substantial increase in trade and other receivables was mainly attributable to the short-term loan receivable acquired on 30 June 2025. As noted above, this was refinanced in July.

The substantial increase in trade and other payables is the purchase price of £1.685m for the acquisitions made on 30 June 2025 which was settled in shares on 7 July 2025 and £1.638m for the deferred consideration owed to Daisy HoldCo Limited, which will be settled in shares in early October 2025.

Cashflow and Net Debt

The Group's cash generated from operating activities in the period was £0.3 million (H1 2024: £1.4 million. The second half is expected to be stronger, with improvements in working capital and a continued reduction in exceptionals.

The Group invested £0.02 million in fixed assets and acquire £0.1m in cash as a result of the acquisition of AI Auxesis in April 2025.

There were no new borrowings. The repayment of the bank borrowings consumed £0.5 million (H1 2024: £nil). The repayment of lease liabilities consumed £0.2 million (H1 2024: £0.1 million). There was interest paid on these borrowings of £0.2m (H1 2024: £0.04m).

There were share funds raised of £0.1m in April 2025.

The net result is that as at 30 June 2025 there are bank borrowings of £3.5 million and the cash balance was £0.5 million (H1 2024: £0.6 million). Net debt as at 30 June 2025 was £3.8 million (H1 2024: £4.4 million).

* Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, impairment charge, non-underlying items, loss on disposal of fixed assets and share-based payment

Consolidated Statement of Comprehensive Income

Continuing Operations	Note	**Unaudited Six months ended 30 June 2025 £000**	Unaudited Six months ended 30 June 2024 £000	Audited Year ended 31 December 2024 £000
Revenue	2	**8,848**	**10,740**	**20,842**
Cost of sales		**(6,260)**	(7,728)	(14,830)
Gross profit		**2,588**	**3,012**	**6,012**
Administrative expenses		**(3,287)**	(3,723)	(8,911)
Operating loss		**(699)**	**(711)**	**(2,899)**
Analysed as:				
Adjusted EBITDA*		**950**	**936**	**2,006**
Non underlying items	3	**(94)**	(155)	(688)
Depreciation		**(198)**	(176)	(388)
Amortisation and impairment		**(677)**	(1,140)	(2,280)
Loss on the disposal of fixed assets		**-**	-	-
Fair value loss on deferred consideration		**(582)**	-	(971)
Charges for share-based payments		**(98)**	(176)	(578)
Net financial costs		**(213)**	**(280)**	**(439)**
Loss before taxation		**(912)**	**(991)**	**(3,338)**
Income tax		**43**	63	144
Loss for the period from continuing operations		**(869)**	**(928)**	**(3,194)**
Profit on discontinued operations		-	-	-
Loss for the period		**(869)**	**(928)**	**(3,194)**
LOSS FOR THE PERIOD ATTRIBUTABLE TO:				
Non-controlling interest		**15**	**-**	**-**
Owners of the parent		**(884)**	**(928)**	**(3,194)**
		(869)	**(928)**	**(3,194)**
Basic and diluted loss per share – continuing operations	4			
Basic and diluted per share		**(3.58) p**	**(3.82) p**	**(13.11) p**
Basic and diluted loss per share – discontinued operations				
Basic and diluted share		**- p**	- p	**- p**
Total basic and diluted loss per share		**(3.58) p**	**(3.82) p**	**(13.11) p**

* Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, impairment charge, non-underlying items, loss on disposal of fixed assets and share-based payment

Consolidated Statement of Financial Position

	Note	**Unaudited 30 June 2025**	Unaudited 30 June 2024	Audited 31 December 2024
		£000	£000	£000
Non-current assets				
Property, plant and equipment		**551**	839	718
Intangible assets		**4,140**	5,957	4,817
Deferred tax asset		**3,531**	3,398	3,479
Investments		**200**	-	-
Trade and other receivables		**100**	100	100
		8,522	**10,294**	**9,114**
Current assets				
Trade and other receivables		**5,685**	4,357	4,317
Cash and cash equivalents		**537**	613	854
		6,222	**4,970**	**5,171**
Total assets		**14,744**	**15,264**	**14,285**
Current liabilities				
Trade and other payables		**6,068**	3,100	4,092
Contract liabilities		**387**	845	770
Borrowings	5	**337**	4,025	325
		6,792	**7,970**	**5,187**
Non-current liabilities				
Borrowings	5	**4,040**	964	4,686
Provisions		**373**	406	352
		4,413	**1,370**	**5,038**
Total liabilities		**11,205**	**9,340**	**10,225**
Net assets		**3,539**	**5,924**	**4,060**
Equity attributable to equity holders of the parent				
Share capital		**12,613**	12,611	12,611
Share premium		**53,080**	52,957	52,957
Equity reserves		**58**	58	58
Share-based payment reserves		**681**	187	583
Retained earnings		**(63,033)**	(59,889)	(62,149)
Equity attributable to equity holders of the parent		**3,399**	**5,924**	**4,060**
Non-controlling interest		**140**	-	-
Total equity		**3,539**	**5,924**	**4,060**

Consolidated Statement of Changes in Equity

	Share capital (a)	Share premium (b)	Non-controlling interest (c)	Equity Reserve (d)	Share-based payment reserve (e)	Retained earnings (f)	Total
	£000	£000	£000	£000	£000	£000	£000
At 31 December 2023 (Audited)	**12,610**	**52,865**	**-**	**58**	**11**	**(50,937)**	**14,607**
Shares issued in lieu of bonus to an employee	1	92	-	-	-	-	93
Loss for the financial period and total comprehensive income	-	-	-	-	-	(928)	(928)
Transactions with owners recorded directly in equity							
Share-based payments charge	-	-	-	-	176	-	176
At 30 June 2024 (unaudited)	**12,611**	**52,957**	**-**	**58**	**187**	**(59,889)**	**5,924**
Loss for the financial year and total comprehensive income	-	-	-	-	-	(2,254)	(2,254)
Transactions with owners recorded directly in equity							
Share based payments charge for leavers	-	-	-	-	(6)	6	-
Share-based payments charge	-	-	-	-	402	-	402
At 31 December 2024 (Audited)	**12,611**	**52,957**	**-**	**58**	**583**	**(62,149)**	**4,060**
At 1 January 2025	**12,611**	**52,957**	**-**	**58**	**583**	**(62,149)**	**4,060**
Total comprehensive income for the period							
New shares issued	2	123	-	-	-	-	125
Non-controlling interest acquired on acquisition	-	-	125	-	-	-	125
Loss for the financial year and total comprehensive income	-	-	15	-	-	(884)	(869)
Transactions with owners recorded directly in equity							
Share-based payments charge	-	-	-	-	98	-	98
At 30 June 2025 (unaudited)	**12,613**	**53,080**	**140**	**58**	**681**	**(63,033)**	**3,539**

(a) Share capital represents the nominal value of equity shares and deferred shares.
(b) Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
(c) Non-controlling interest represents retained profits and accumulated losses attributable to the non-controlling interest.
(d) The equity reserve consists of the equity component of convertible loan notes that were issued as part of the fundraising in August 2018 less the equity component of instruments converted or settled. The fair value of the equity component of convertible loan notes issued is the residual value after deduction of the fair value of the debt component of the instrument from the face value of the loan note.
(e) Share-based payments reserve represents the accumulated costs of the share options in issue.
(f) Retained earnings represents retained profits and accumulated losses attributable to owners of the parent.

Consolidated Cash Flow Statement

	Unaudited Six months ended 30 June 2025	Unaudited Six months ended 30 June 2024	Audited Year ended 31 December 2024
	£000	£000	£000
Cash flows from operating activities			
Loss from continuing operations	**(912)**	(991)	(3,338)
Loss from discontinuing operations	**-**	-	-
Total loss before tax for the period	**(912)**	**(991)**	**(3,338)**
Adjustments for:			
Depreciation of property, plant and equipment	**198**	176	388
Amortisation of intangible assets	**677**	1,140	2,280
Net financial costs	**213**	280	439
Share based payments	**98**	176	578
Decrease in trade and other receivables	**117**	663	702
(Decrease) / increase in trade and other payables and contract liabilities	**(100)**	(129)	789
Increase in provisions	**21**	106	51
Net cash flows generated from operating activities	**312**	**1,421**	**1,889**
Cash flow from investing activities			
Acquisition of subsidiary company	**125**	-	-
Acquisition of property, plant and equipment	**(19)**	(20)	(28)
Net cash used in investing activities	**106**	**(20)**	**(28)**
Cash flows from financing activities			
Interest received	**9**	13	22
Interest paid	**(204)**	(41)	(2,133)
Share funds received	**125**	-	-
Supplier finance repaid	**-**	(900)	(900)
New loan note received	-	-	300
Bank borrowings received	-	-	4,000
Repayment of bank borrowings	**(500)**	-	-
Repayment of loan notes, net of expenses	-	-	(2,257)
Repayment of lease liabilities	**(165)**	(134)	(313)
Net cash absorbed by financing activities	**(735)**	**(1,062)**	**(1,281)**
Net (decrease) / increase in cash and cash equivalents	**(317)**	**339**	**580**
Cash and cash equivalents at beginning of period	**854**	274	274
Cash and cash equivalents at end of period	**537**	**613**	**854**
Cash and cash equivalents comprise:			
Cash at bank	**537**	613	854

Notes to the half-yearly financial information

1. Basis of preparation

The condensed consolidated interim financial information for the six-month periods ended 30 June 2025 and 30 June 2024 is unaudited. This statement has not been reviewed by the Company's auditor. This condensed consolidated interim financial information was approved by the Board of Directors and authorised for issue on 9 September 2025. A copy of this half-yearly financial report is available on the Company's website at www.tialis.com.

The comparative figures for the financial year ended 31 December 2024 are extracted from but do not comprise the Group's consolidated financial statements for that year.

The Company is a public limited liability company incorporated and domiciled in Scotland. The address of its registered office is 24 Dublin Street, Edinburgh EH1 3PP. The Company is listed on the AIM market of the London Stock Exchange.

Tialis and its subsidiaries have not applied IAS 34, 'Interim Financial Reporting' as adopted by the United Kingdom, which is not mandatory for UK AIM listed companies, in the preparation of this half-yearly financial report.

This condensed consolidated interim financial information for the six-month period ended 30 June 2025 therefore does not comply with all the requirements of IAS 34, 'Interim Financial Reporting' as adopted by the United Kingdom. The consolidated interim financial information should be read in conjunction with the annual financial statements of the Company as at and for the year ended 31 December 2024, which were prepared in accordance with IFRS as adopted by the United Kingdom.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2024 were approved by the Board of Directors on 9 May 2025 and delivered to the Registrar of Companies. The report of the auditor was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Accounting policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the six months ended 30 June 2025 are in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom and are consistent with those that will be adopted in the annual statutory financial statements for the year ended 31 December 2025.

While the financial information included has been prepared in accordance with the recognition and measurement criteria of IFRS, as adopted by the United Kingdom, these financial statements do not contain sufficient information to comply with IFRSs. The accounting policies adopted in the interim financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2024.

Non-underlying items

It is the policy of the Group to identify certain costs, which are material either because of their size or nature, separately on the face of the Income Statement in order that the underlying profitability of the business can be clearly understood. These costs are identified as non-underlying items, and comprise:

a) Professional fees incurred in sourcing and completing acquisitions and disposals including legal expenses
b) Professional fees incurred in restructuring and refinancing acquisitions
c) Integration costs which are incurred by the Group when integrating one trading business into another, including rebranding of acquired businesses
d) Redundancy costs, including employment related costs of staff made redundant up to the date of their leaving as a consequence of integration
e) Property costs such as lease termination penalties and vacant property provisions and third-party advisor fee

For further details, please refer to note 3.

Going concern

The condensed consolidated interim financial information has been prepared on a going concern basis.

The Directors have produced detailed trading and cashflow forecasts. In reaching their conclusion on the going concern basis of accounting, the Directors note and rely on the improved trading performance, the positive cash generation that the business is now experiencing and the current signed order book. A reverse stress test of the model has been run to determine at what level of shortfall in revenues the Group would run out of cash. Given the committed orders already obtained and the visibility of future revenues, the directors do not consider it likely that revenues could drop to such an extent that the Group would run out of cash.

They have also considered the impact of any delayed customer payments and have developed plans to mitigate any such delays to ensure that the group can continue to settle its liabilities as they fall due and operate as a going concern. The directors therefore have an expectation that the Group and Company have adequate resources available to them to continue in operational existence for the foreseeable basis. For this reason, the Directors consider that the adoption of the going concern basis is appropriate.

2. Segment reporting

The Chief Operating Decision Maker ("CODM") has been identified as the executive directors of the Company and its subsidiaries, who review the Group's internal reporting in order to assess performance and allocate resources.

The CODM assess profit performance principally through adjusted profit measures consistent with those disclosed in these interim financial statements. The Board believes that the Group comprises of two reporting segments, being the provision of the end-to-end IT solutions, concentrating on end-user device management and on-site support solutions and an AI consulting services.

Whilst the CODM reviews the revenue streams and related gross margins of the two categories separately (IT solutions and Consulting services), the operating costs and asset base used to derive these revenue streams are the same for both categories and are presented as such in the Group's internal reporting.

	Unaudited Six months ended 30 June 2025 £000	Unaudited Six months ended 30 June 2024 £000	Audited Year ended 31 December 2024 £000
Revenue			
IT solutions	**8,804**	10,740	20,842
Consulting services	**44**	-	-
Total revenue	**8,848**	10,740	20,842
Gross Profit			
IT solutions	**2,550**	3,012	6,012
Consulting services	**38**	-	-
Total gross profit	**2,588**	3,012	6,012

3. Non-underlying costs

In accordance with the Group's policy in respect of non-underlying costs, the following charges were incurred for the period in relation to continuing operations:

	Unaudited Six months ended 30 June 2025 £000	Unaudited Six months ended 30 June 2024 £000	Audited Year ended 31 December 2024 £000
Acquisition fees in the period	**14**	101	103
Employee share option plan set-up expense	**-**	-	2
One-off legal fees	**(20)**	-	55
Loan note consultancy fees	**-**	-	79
Restructuring and reorganisation costs	**100**	54	449
	94	155	688

Restructuring and reorganisation costs in the period relate to costs incurred on the restructure of the Group, predominantly redundancy costs. The redundancy costs include employment related costs of staff made redundant because of restructuring. The legal expenses were non-recurring expenses incurred during the year.

4. Earnings per share from continuing operations

The calculation of basic and diluted loss per share is based on results from continuing operations attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year. The weighted average number of shares for the purpose of calculating the basic and diluted measures in the reporting periods is the same. This is because the outstanding options would have the effect of reducing the loss per ordinary share and therefore would be anti-dilutive under the terms of IAS 33. Basic and diluted unaudited loss per share from continuing operations are calculated as follows:

	Unaudited Six months ended 30 June 2025 £000	Unaudited Six months ended 30 June 2024 £000	Audited Year ended 31 December 2024 £000
Loss for the period after taxation	**(869)**	(928)	(3,194)
Weighted average number of shares	**24,285,800**	24,246,744	**24,303,502**
Diluted weighted average number of shares	**24,285,800**	24,246,744	**24,303,502**
Basic loss per share (pence)	**(3.58) p**	(3.82) p	**(13.11) p**
Diluted loss per share (pence)	**(3.58) p**	(3.82) p	**(13.11) p**

5. Borrowings

	Unaudited Six months ended 30 June 2025 £000	Unaudited Six months ended 30 June 2024 £000	Audited Year ended 31 December 2024 £000
Non-Current			
Lease liabilities	**187**	477	391
Bank borrowings	**3,516**	-	4,021
Loan Notes	**337**	487	314
	4,040	964	4,686

Current			
Lease liabilities	**337**	295	325
Loan Notes	**-**	3,730	-
	337	4,025	325

The carrying value is not materially different to the fair value of these liabilities.

In January 2019 the Company issued £5.3 million of secured loan notes with a six-year term and a 12% coupon which is compounded, rolled up and payable at the end of the term ("Loan Notes"). In February and March 2019, a further £4.7 million in total of secured Loan Notes were issued. The Loan Notes carry an arrangement fee of 2.5 per cent., payable at the end of the term, and an exit fee of 2.5 per cent, also payable at the end of the term. The security comprises a debenture over all the assets of the Group.

In December 2019 the Company issued an additional £1.5 million of Loan Notes (with the same terms as those issued in the first quarter of the year).

The Loan Notes are held at amortised cost using the effective interest rate method. The effective interest rate for the Loan Notes has been calculated to be 18%.

The Company issued a further loan note ("Loan Note 2025") net of expenses for proceeds of £1m on 1 December 2021. The terms of the loan were that the rate of interest is 1.5% per month if repaid by 31 January 2022, 2.5% per month if repaid by 28 February 2022 and 3% per month if repaid by 31 March 2022. If not repaid by 31 March 2022 the amount due at that date including fees (£1.1875m) is then subject to interest at 20.4% per annum compound. The maturity date is 23 December 2025. The Loan Note 2025 was included in the 2 November 2022 conversion.

On 2 November 2022 the members meeting at the Annual General Meeting, and then at the General Meeting that followed, voted to convert £25.5 million of loan notes (including fees and interest) into share capital.

The bank borrowings are a revolving credit facility with a termination date of 8 September 2027, with a weighted interest rate comprising of a margin of 3.75% per annum plus the SONIA (Sterling overnight index average) reference rate. Each member of the group is a guarantor and grants security as the lender may require.

The Group has complied with the financial covenants of its borrowing facilities during the 30 June 2025 reporting period.

6. Convertible Loan Notes

	Unaudited Six months ended 30 June 2025 £000	Unaudited Six months ended 30 June 2024 £000	Audited Year ended 31 December 2024 £000
Balance at the beginning of the period	**314**	-	-
New loan issued	-	-	300
Interest accrued	**23**	-	14
Balance at the end of the period	**337**	-	**314**

On 9 September 2024, the Company issued £0.3million of an unsecured loan note to MXC Capital Limited, which carries an interest rate of 15% and is for a term of 3 years 3 months ("CLN"). The CLN holder may convert all outstanding notes together with all accrued but unpaid interest shall into fully paid Ordinary Shares at the Conversion Price of 40p per ordinary share.

7. Related Party Transactions

Ian Smith, Executive Director at 30 June 2025, held 2.64% of the Company's issued share capital through his Self-Invested Pension Plan and in his own name. Ian Smith is also Chief Executive Officer and a substantial shareholder of MXC Capital Limited (MXC). MXC owned 75.22% of the issued share capital of the Company at 30 June 2025. Together, Ian Smith and MXC owned 77.86% of the issued share capital of the Company at 30 June 2025.

During the year, the Group and Company paid MXC Capital Markets LLP, a subsidiary of MXC, for corporate finance advice and other services amounting to £7,500 (30 June 2024: £15,000). The balance owed to MXC Capital Markets LLP as at 30 June 2025 was £nil (30 June 2024: £27,000).

The Group paid MXC Advisory Limited, a subsidiary of MXC, fees of £55,250 (30 June 2024: £110,500) in respect of the services of Ian Smith as Executive Director. The balance owed to MXC Advisory Limited as at 30 June 2025 was £nil (30 June 2024: £198,900).

The balance owed to MXC Capital (UK) Limited as at 30 June 2025 was £90,500 (30 June 2024: £nil).

The convertible loan note was issued to MXC Capital Limited and the terms are detailed in note 6.

8. Post Balance Sheet Event

Leveraging on the continued success of the Allvotec acquisition in 2023, Tialis was able to agree renewals and extensions of existing contracts, increasing the deferred consideration to an amount of £1,637,918, which shall be settled by the allotment to Daisy Holdco of 2,339,883 ordinary shares of £0.01 in the capital of Tialis, which shares shall constitute the Consideration Shares for the purposes of the APA.