**Tialis Essential IT plc**
**("Tialis", the "Group" or the "Company")**

**25 August 2026**

**Unaudited Interim Results for the six months ended 30 June 2026**

Tialis Essential IT plc, the mid-market IT managed services provider, today announces its unaudited results for the six months ended 30 June 2026.

## Highlights

- Revenue of £7.6 million (H1 2025: £8.8 million)
- Gross profit of £2.2 million (H1 2025: £2.6 million)
- Adjusted EBITDA* profit of £0.6 million (H1 2025: £1.0 million)
- £0.65m of bank borrowings repaid during H1 2026, contributing to a reduction in finance costs
- Operating cash generation increased to £0.5m, up 76% from £0.3m in H1 2025, demonstrating the resilience and cash-generative nature of the Group's core IT managed services business
- Joint venture contribution returned to profit of £807k (50% share of EBITDA) and a positive second-half opportunity pipeline
- Strong sales pipeline maintained at approximately £8m annual contract value

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

New business wins for 2026 are in line with budget, with a number of significant contract opportunities expected to progress during H2 2026. We are maintaining a strong current sales pipeline of £8m annual value.

Revenues in the period were lower than the prior period, primarily due to delayed customer orders in the context of an uncertain economic environment. The loss of two significant contracts, both of which were insourced by the end-customers earlier than originally anticipated by the channel partners, has also impacted revenues.

The Group enters the second half of 2026 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 revenue performance. The Group will continue to maintain disciplined cost control as it executes against this opportunity.

## Capital Restructuring Progress

Alongside the continued strengthening of the Group's operational and financial performance, we have also made significant progress on the proposed capital restructuring announced earlier this year. Following shareholder approval at the 2026 AGM, the Company has commenced the court process required to cancel the share premium account and extinguish the deferred shares in issue. The Board views this as an important step in modernising the Group's balance sheet structure and creating significant distributable reserves. This enhanced flexibility will provide the Company with a broader range of strategic options for capital allocation in the future, reinforcing the Board's commitment to creating long-term shareholder value while maintaining prudent financial discipline.

## Outlook

The Board is encouraged by the visibility of the Group's second-half revenue pipeline and remains confident in the Group's expected revenue performance for the remainder of the year. The Group continues to maintain a strong focus on financial discipline and operational efficiency, while managing the general inflationary and other cost pressures affecting businesses across the wider economy. The Board believes that the Group is well placed to navigate these pressures while continuing to pursue its strategic priorities and protect shareholder value.

The Board is particularly encouraged by the performance of the Group's MXLG joint venture, which generated a positive earnings contribution during H1 and enters the second half with a strong pipeline of opportunities.

Peter Hallett, Interim Non-Executive Chairman, commented: "Whilst first half revenues were impacted by delayed customer orders and the earlier than expected insourcing of two customer contracts, the Group continued to generate positive operating cash flow and further reduced its debt position. We enter the second half of the year with a strong sales pipeline and remain confident in the Group's prospects."

**For more information, contact:**


| | |
|---|---|
| **Tialis Essential IT Plc**<br>Peter Hallett, Interim non-executive chairman | Tel: +44 (0)344 874 1000 |
| **Zeus Capital Limited**<br>Nominated Adviser and Broker<br>Dan Bate / James Edis | Tel: +44 (0)161 831 1512 |

## Financial Review

### *Results for the six months to 30 June 2026*

Revenue from continuing operations for the six months to 30 June 2026 was £7.6 million (H1 2025: £8.8 million). Revenues in the period were lower than the prior period, primarily due to delayed customer orders in the context of an uncertain economic environment. The loss of two significant contracts, both of which were insourced by the end-customers earlier than originally anticipated by the channel partners, has also impacted revenues.

Gross profit from continuing operations for the six months ended 30 June 2026 was £2.2 million (H1 2025: £2.6 million). Despite the reduction in gross profit, gross margin was maintained at 29%, in line with H1 2025.

At an Adjusted EBITDA* level, continuing operations generated a profit of £0.6 million (H1 2025: £1.0 million). The Group has continued to rationalise overheads and pursue operating efficiencies, which remain an important focus as the business manages ongoing inflationary and other cost pressures.

Exceptional costs amounted to £0.1 million (H1 2025: £0.1 million) and related predominantly to Group restructuring, including redundancy costs. Going forward, Tialis expects exceptional costs to decrease.

Net financial costs were £0.1 million (H1 2025: £0.2 million), which has decreased due to the continued repayment of the bank borrowings.

The loss after tax for the period was £0.4 million (H1 2025: loss of £0.9 million).

Loss per share was 1.01p (H1 2025: loss per share 3.58p).

### *Balance Sheet*

The increase in trade and other receivables balances from 31 December 2025 was due to the normal trading cycles and the invoicing cycles reflecting the timing of customer invoicing and collections around the period end.

The provision balance relates to a property dilapidation provision which has moved to current as the lease end date is March 2027.

### *Cash Flow and Net Debt*

Net cash generated from operating activities during the period was £0.5 million (H1 2025: £0.3 million), demonstrating the continued cash-generative nature of the Group's core IT managed services business despite a lower revenue base. Cash generation remained robust, supported by disciplined working capital management and the strength of the Group's relationships with key strategic partners.

During the period, the Group continued to invest selectively in attractive strategic opportunities while also accelerating debt repayment. In particular, £0.65 million of bank borrowings was repaid during the period (H1 2025: £0.5m), reflecting the Board's focus on balance sheet discipline and financial flexibility.

After investment in growth opportunities, modest capital expenditure and the repayment of debt and lease liabilities, the Group ended the period with bank borrowings of £2.36 million and a cash balance of £0.3 million (H1 2025: bank borrowings of £3.5 million and cash of £0.5 million). The Board believes this demonstrates the Group's continued cash generation and its focus on balancing investment with balance sheet discipline.

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

## Consolidated Statement of Comprehensive Income

| Continuing operations | Note | **Unaudited Six months ended 30 June 2026 £000** | Unaudited Six months ended 30 June 2025 £000 | Audited Year ended 31 December 2025 £000 |
|---|---|---|---|---|
| **Revenue** | 2 | **7,623** | 8,848 | 17,663 |
| Cost of sales | | **(5,393)** | (6,260) | (12,623) |
| **Gross profit** | | **2,230** | 2,588 | 5,040 |
| Administrative expenses | | **(2,615)** | (3,287) | (6,244) |
| **Operating loss** | | **(385)** | (699) | (1,204) |
| Adjusted EBITDA* | | **573** | 950 | 1,752 |
| Non underlying items | 3 | **(105)** | (94) | (429) |
| Depreciation | | **(189)** | (198) | (397) |
| Amortisation and impairment | | **(635)** | (677) | (1,262) |
| Fair value profit / (loss) on investments in financial assets | 6 | **23** | - | (86) |
| Fair value loss on deferred consideration and contingent consideration | | **-** | (582) | (582) |
| Charges for share-based payments | | **(52)** | (98) | (200) |
| Net financial costs | | **(67)** | (213) | (344) |
| Share of post-tax profits / (losses) of equity accounted joint ventures | | **58** | - | (180) |
| **Loss on ordinary activities before taxation** | | **(394)** | (912) | (1,728) |
| Income tax | | **28** | 43 | 185 |
| **Loss for the period** | | **(366)** | (869) | (1,543) |
| **Loss for the period attributable to:** | | | | |
| Non-controlling interest | | **36** | 15 | 51 |
| Owners of the parent | | **(402)** | (884) | (1,594) |
| | | **(366)** | **(869)** | **(1,543)** |
| **Basic and diluted loss per share** | 4 | | | |
| Total basic and diluted loss per share | | **(1.01) p** | (3.63) p | (5.55) p |

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

## Consolidated Statement of Financial Position

| | Note | **Unaudited 30 June 2026** | Unaudited 30 June 2025 | Audited 31 December 2025 |
|---|---|---|---|---|
| | | **£000** | £000 | £000 |
| ***Non-current assets*** | | | | |
| Property, plant and equipment | | **301** | 551 | 477 |
| Intangible assets | | **2,971** | 4,140 | 3,555 |
| Investments in equity-accounted joint ventures | 5 | **7,064** | - | 7,006 |
| Investments in financial assets | 6 | **886** | 200 | 913 |
| Deferred tax asset | | **3,751** | 3,531 | 3,698 |
| Trade and other receivables | | **100** | 100 | 800 |
| | | **15,073** | 8,522 | 16,449 |
| **Current assets** | | | | |
| Trade and other receivables | | **3,962** | 5,685 | 3,425 |
| Cash and cash equivalents | | **299** | 537 | 664 |
| | | **4,261** | 6,222 | 4,089 |
| **Total assets** | | **19,334** | 14,744 | 20,538 |
| ***Current liabilities*** | | | | |
| Trade and other payables | | **2,329** | 6,068 | 2,573 |
| Contract liabilities | | **485** | 387 | 319 |
| Borrowings | 7 | **227** | 337 | 349 |
| Provisions | | **415** | - | - |
| | | **3,456** | 6,792 | 3,241 |
| ***Non-current liabilities*** | | | | |
| Borrowings | 7 | **2,405** | 4,040 | 3,116 |
| Provisions | | **-** | 373 | 394 |
| | | **2,405** | 4,413 | 3,510 |
| **Total liabilities** | | **5,861** | 11,205 | 6,751 |
| **Net assets** | | **13,473** | 3,539 | 13,787 |
| **Equity attributable to equity holders of the parent** | | | | |
| Share capital | | **12,767** | 12,613 | 12,767 |
| Share premium | | **63,746** | 53,080 | 63,746 |
| Equity reserves | | **58** | 58 | 58 |
| Share-based payment reserves | | **832** | 681 | 780 |
| Retained earnings | | **(64,142)** | (63,033) | (63,740) |
| | | **13,261** | 3,399 | 13,611 |
| Non-controlling interest | | **212** | 140 | 176 |
| **Total equity** | | **13,473** | 3,539 | 13,787 |

## 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 2024 (Audited)** | **12,611** | **52,957** | **-** | **58** | **583** | **(62,149)** | **4,060** |
| Loss for the financial year and total comprehensive income | - | - | 15 | - | - | (884) | (869) |
| New shares issued | 2 | 123 | - | - | - | - | 125 |
| Non-controlling interest acquired on acquisition | - | - | 125 | - | - | - | 125 |
| ***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** |
| Loss for the financial year and total comprehensive income | - | - | 36 | - | - | (710) | (674) |
| New shares issued | 154 | 10,666 | - | - | - | - | 10,820 |
| ***Transactions with owners recorded directly in equity*** | | | | | | | |
| Share based payments charge for leavers | - | - | - | - | (3) | 3 | - |
| Share-based payments charge | - | - | - | - | 102 | - | 102 |
| **At 31 December 2025 (Audited)** | **12,767** | **63,746** | **176** | **58** | **780** | **(63,740)** | **13,787** |
| | | | | | | | |
| **At 1 January 2026** | **12,767** | **63,746** | **176** | **58** | **780** | **(63,740)** | **13,787** |
| Loss for the financial year and total comprehensive income | - | - | 36 | - | - | (402) | (366) |
| ***Transactions with owners recorded directly in equity*** | | | | | | | |
| Share-based payments charge | - | - | - | - | 52 | - | 52 |
| **At 30 June 2026 (unaudited)** | **12,767** | **63,746** | **212** | **58** | **832** | **(64,142)** | **13,473** |

(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.

**Consolidated Cash Flow Statement**

| | **Unaudited Six months ended 30 June 2026** | Unaudited Six months ended 30 June 2025 | Audited Year ended 31 December 2025 |
|---|---|---|---|
| | **£000** | £000 | £000 |
| **Cash flows from operating activities** | | | |
| Total loss before tax | **(394)** | (912) | (1,728) |
| *Adjustments for:* | | | |
| Depreciation of property, plant and equipment | **189** | 198 | 397 |
| Amortisation of intangible assets | **635** | 677 | 1,262 |
| Fair value profit / loss on investments in financial assets | **(23)** | - | 86 |
| Net finance expenses | **67** | 213 | 344 |
| Share based payments | **52** | 98 | 200 |
| Share of post-tax losses of equity accounted joint ventures | **(58)** | - | 180 |
| Decrease in trade and other receivables | **162** | 117 | 1,177 |
| Decrease in trade and other payables and contract liabilities | **(103)** | (100) | (365) |
| Increase in provisions | **21** | 21 | 42 |
| **Net cash flows generated from operating activities** | **548** | 312 | 1,548 |
| **Cash flow from investing activities** | | | |
| Acquisition of investments | **-** | - | (337) |
| Acquisition of subsidiary company | **-** | 125 | 125 |
| Acquisition of property, plant and equipment | **(4)** | (19) | (35) |
| **Net cash used in investing activities** | **(4)** | 106 | (247) |
| **Cash flows from financing activities** | | | |
| Interest received | **62** | 9 | 67 |
| Interest paid | **(134)** | (204) | (382) |
| New share issue | **-** | 125 | 125 |
| Bank borrowings paid | **(650)** | (500) | (1,000) |
| Repayment of lease liabilities | **(187)** | (165) | (348) |
| **Net cash absorbed by financing activities** | **(909)** | (735) | (1,538) |
| **Net decrease in cash and cash equivalents** | **(365)** | (317) | (190) |
| Cash and cash equivalents at beginning of period | **664** | 854 | 854 |
| **Cash and cash equivalents at end of period** | **299** | 537 | 664 |
| **Cash and cash equivalents comprise:** | | | |
| Cash at bank | **299** | 537 | 664 |

**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 2026 and 30 June 2025 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 24 August 2026. 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 2025 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 2026 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 2025, 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 2025 were approved by the Board of Directors on 9 May 2026 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 2026 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 2026.

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 2025.

**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 fees

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 cash flow 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 future. 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 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 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 2026 £000** | Unaudited Six months ended 30 June 2025 £000 | Audited Year ended 31 December 2025 £000 |
|---|---|---|---|
| **Revenue** | | | |
| IT solutions | **7,434** | 8,804 | 17,006 |
| Consulting services | **189** | 44 | 657 |
| **Total revenue** | **7,623** | 8,848 | 17,663 |
| | | | |
| **Gross Profit** | | | |
| IT solutions | **2,128** | 2,550 | 4,720 |
| Consulting services | **102** | 38 | 320 |
| **Total gross profit** | **2,230** | 2,588 | 5,040 |

**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 2026 £000** | Unaudited Six months ended 30 June 2025 £000 | Audited Year ended 31 December 2025 £000 |
|---|---|---|---|
| Acquisition fees in the period | **-** | 14 | 93 |
| One-off legal fees | **-** | (20) | - |
| Refinancing fees | **34** | - | - |
| Restructuring and reorganisation costs | **71** | 100 | 336 |
| | **105** | 94 | 429 |

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 refinancing fees were non-recurring expenses incurred during the year.

**4. Earnings per share**

The calculation of basic and diluted loss per share is based on results from 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 warrants, would have the effect of reducing the loss from operations per ordinary share and therefore would be anti-dilutive under the terms of IAS 33. Basic and diluted unaudited loss per share from operations are calculated as follows:

| | **Unaudited Six months ended 30 June 2026 £000** | Unaudited Six months ended 30 June 2025 £000 | Audited Year ended 31 December 2025 £000 |
|---|---|---|---|
| Loss for the period attributable to owners of the parent | **(402)** | (884) | (1,594) |
| Weighted average number of shares | **39,909,832** | 24,285,800 | **28,728,820** |
| Diluted weighted average number of shares | **39,909,832** | 24,285,800 | **28,728,820** |
| Basic loss per share (pence) | **(1.01)** p | (3.63) p | **(5.55) p** |
| Diluted loss per share (pence) | **(1.01)** p | (3.63) p | **(5.55) p** |

**5. Investments in equity-accounted joint ventures**

| | **Unaudited Six months ended 30 June 2026 £000** | Unaudited Six months ended 30 June 2025 £000 | Audited Year ended 31 December 2025 £000 |
|---|---|---|---|
| **Balance at the beginning of the period** | **7,006** | - | - |
| Additions | **-** | - | 7,186 |
| Share of post tax profits / (losses) of equity-accounted joint ventures | **58** | - | (180) |
| **Balance at the end of the period** | **7,064** | - | 7,006 |

The Group has the following investments in joint ventures:

| | **Principal activity** | **Country of Incorporation** | **Ownership 2026** | **Ownership** 2025 |
|---|---|---|---|---|
| **Held indirectly by Tialis Essential IT PLC** | | | | |
| MXLG Acquisitions Limited | Provision of IT services and solutions [1] | England[2] | **50%** | 50% |

1 Provision of IT services and solutions to customers in the SME ("Small and Medium Enterprises") sector in the United Kingdom.
2 Registered office is located at First Floor, Woolgate, 25 Basinghall Street, EC2V 5HA.

The contractual arrangement provides the group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with MXLG Acquisitions Limited. Under IFRS 11 this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method.

Summarised consolidated financial information in relation to the joint venture is presented below:

| | **Unaudited Six months ended 30 June 2026 £000** | Unaudited Six months ended 30 June 2025 £000 | Audited Year ended 31 December 2025 £000 |
|---|---|---|---|
| As at period end | | | |
| Current assets | **7,119** | - | 16,327 |
| Non-current assets | **5,440** | - | 6,678 |
| Current liabilities | **(16,050)** | - | (26,477) |
| Non-current liabilities | **(671)** | - | (806) |
| *Included in the above amounts are:* | | | |
| Cash and cash equivalents | **2,163** | - | 2,350 |
| Current financial liabilities (excluding trade payables) | **(14,750)** | - | (16,435) |
| Non-current liabilities | **(671)** | - | (806) |
| Net liabilities (100%) | **(4,162)** | - | (4,278) |
| Group share of net liabilities | **(2,081)** | - | (2,139) |
| | | | |
| For the period | | | |
| Revenues | **20,197** | - | 5,697 |
| Total comprehensive profit / (loss) (100%) | **116** | - | (360) |
| Group share of total comprehensive profit / (loss) (50%) | **58** | - | (180) |
| *Included in the above amounts are:* | | | |
| Exceptional costs | **27** | - | - |
| Depreciation and amortisation | **(1,280)** | - | (663) |
| Interest expenses | **(381)** | - | (215) |
| Income tax income | **136** | - | 179 |

**6. Investments in financial assets**

| Fair value through Profit and loss | Unaudited Six months ended 30 June 2026 £000 | Unaudited Six months ended 30 June 2025 £000 | Audited Year ended 31 December 2025 £000 |
|---|---|---|---|
| **Balance at the beginning of the period** | **113** | - | - |
| Additions | **-** | - | 199 |
| Revaluation of investments | **23** | - | (86) |
| **Balance at the end of the period** | **136** | - | 113 |
| | | | |
| **Amortised Cost** | | | |
| **Balance at the beginning of the period** | **800** | - | - |
| Additions | **-** | 200 | 800 |
| Impairment of investment | **(50)** | - | - |
| **Balance at the end of the period** | **750** | 200 | 800 |
| | | | |
| **Total** | **886** | 200 | 913 |

The Group has the following investments:

| | Classification | Country of Incorporation | Class of shares held | Ownership 2026 | Ownership 2025 |
|---|---|---|---|---|---|
| **Held indirectly by Tialis Essential IT PLC** | | | | | |
| CloudCoco Group PLC | Fair value through profit and loss | England | Ordinary | 8% | 10.6% |
| Digital PetCare UK Limited | Amortised cost | England | Ordinary | 14.14% | 14.14% |
| QPC 2020 Limited | Amortised cost | England | Ordinary | 2% | 2% |

CloudCoco Group PLC is listed on the AIM market. The share price as of 30 June 2026 was 0.18p per share (31 December 2025 0.15p per share) and the Group holds 75,066,275 shares.

The Digital PetCare UK Limited investment was acquired through the conversion of a £500,000 loan note into 738,120 ordinary voting shares of nominal value 0.01p per share. Following an assessment of the recoverability of the carrying value of its investment in Digital PetCare UK Limited, the Group recognised an impairment charge of £50,000 during the period.

QPC 2020 Limited investment consists of 45,624 ordinary voting shares of nominal value 0.01p per share and was acquired for cash consideration of £0.3 million.

**7. Borrowings**

| | **Unaudited Six months ended 30 June 2026 £000** | Unaudited Six months ended 30 June 2025 £000 | Audited Year ended 31 December 2025 £000 |
|---|---|---|---|
| **Non-Current** | | | |
| Lease liabilities | **44** | 187 | 100 |
| Bank borrowings | **2,361** | 3,516 | 3,016 |
| Loan Notes | **-** | 337 | - |
| | **2,405** | 4,040 | 3,116 |
| **Current** | | | |
| Lease liabilities | **227** | 337 | 349 |
| Loan Notes | **-** | - | - |
| | **227** | 337 | 349 |

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

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 failed to meet the adjusted leverage covenant as at 30 September 2025 and 31 December 2025. The remaining financial covenants of its borrowing facilities were all complied with during the 2025 reporting period. The group's bankers have issued reservation of rights letters with respect to the September 2025 and December 2025 breaches. The group and the bankers agreed to an amendment to the adjusted leverage covenant which took effect from the 31 March 2026 period and each relevant period thereafter. This amendment confirmed the reservation of rights has lapsed and that any breaches referred to in those letters were waived.

The Group has complied with the financial covenants of its borrowing facilities during the 30 June 2026 reporting period. The revised covenant package provides appropriate headroom against the Group's current forecasts.

## 8. Convertible Loan Notes

| | **Unaudited Six months ended 30 June 2026 £000** | Unaudited Six months ended 30 June 2025 £000 | Audited Year ended 31 December 2025 £000 |
|---|---|---|---|
| **Balance at the beginning of the period** | **-** | 314 | 314 |
| Interest accrued | **-** | 23 | 34 |
| Loan note converted to shares | **-** | - | (348) |
| **Balance at the end of the period** | **-** | 337 | - |

On 9 September 2024, the Company issued £0.3million of an unsecured loan note, 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.

On 8 October 2025 £0.3million of the unsecured loan note was converted into 870,405 Ordinary shares of 1p each, at a conversion price of 40p per share.

## 9. Related Party Transactions

On 11 March 2026, MXC Capital Limited was liquidated and all its shares held in Tialis Essential IT PLC were distributed to the shareholders of MXC Capital Limited at a rate of 0.9466426 Tialis Essential IT PLC share for every MXC Capital Limited share held at the record date. As at this date, there are no ultimate controlling parties of Tialis Essential IT PLC.

The Group and Company received £315,002 (H1 2025: £nil) from MXLG Intermediate Holdings Limited, a subsidiary of MXLG Acquisitions Limited, the joint venture investment in respect of management fees and restructuring fees.

The Group and Company received £26,840 (H1 2025: £nil) from Koris365 UK Limited, a subsidiary of MXLG Acquisitions Limited, the joint venture investment in respect of ordinary course of business trading.

The Group and Company paid £34,039 (H1 2025: £nil) to Koris365 UK Limited, a subsidiary of MXLG Acquisitions Limited, the joint venture investment in respect of ordinary course of business trading.

## 10. Post balance sheet event

The shareholders approved a special resolution at the 2026 AGM to enact a capital reduction. The capital reduction is: (i) to cancel the share premium reserve (which currently stands at approximately £63.7 million); and (ii) to cancel and extinguish the 496,702,800 deferred shares of 2.49 pence each in issue (which have no rights or economic value) and release the amounts created by such reduction of capital to distributable reserves.

The purpose of the capital reduction is to create distributable reserves within the Company. This is intended to provide the Board with greater flexibility in the future to return capital to shareholders, should circumstances permit, through mechanisms such as dividends or share buybacks, while also supporting broader capital management objectives.

The application has been submitted to the courts on 24th July 2026.