RNS Number : 0253E
itim Group PLC
13 May 2026

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itim Group plc

("itim" or "the Company" and together with its subsidiaries "the Group")

Full year results for the year ended 31 December 2025

itim Group plc, a SaaS based technology company that enables store-based retailers to optimise their businesses to improve financial performance, is pleased to announce its audited results for the year ended 31 December 2025.

Financial Highlights

- Group revenue decreased by 2% to £17.5m (FY24: £17.9m)
- Booked recurring revenue increased by 0.7% to £13.5m (FY24: £13.4m)
- Recurring revenue represented 77% of Group revenue (FY24: 75%)
- Annual recurring revenue ("ARR") increased to £14.2m (FY24: £13.0m), representing annual growth of 9%
- Group Adjusted EBITDA[1] of £1.7m (FY24: £2.5m)
- Adjusted EBITDA[1] margin of 10% (FY24: 14%)
- Loss before tax of £0.5m compared to a profit of £0.2m in FY24
- Adjusted loss per share[2] of (0.47) pence (FY24: 1.09 pence)
- Basic loss per share of (0.81) pence (FY24: 0.64 pence)
- Closing cash balances of £2.6m (FY24: £3.8m)

[1] EBITDA has been adjusted to exclude share-based payment charges, exceptional items, along with depreciation, amortisation, interest and tax from the measure of profit.
[2] The profit measure has been adjusted to exclude exceptional items and share option charges.

Ali Athar, Chief Executive, commented:

"2025 was a year of resilience, investment and strategic progress for itim despite the challenging backdrop across the retail sector. Supported by our robust recurring revenue model, the Group continued to invest in its people, technology and international expansion, while also taking decisive action to reduce the annual cost base by over £1m. Our itim-UNIFY platform continues to provide retailers with a highly differentiated omni-channel solution that helps reduce complexity, improve productivity and drive profitability. Alongside this, we accelerated our geographic diversification strategy, broadening our addressable market and reducing reliance on UK retail spending cycles.

"We are also excited by the launch of itimAIQ, our new AI platform designed specifically for retailers. We believe AI will transform the sector and itimAIQ enables retailers to harness these opportunities securely while maintaining control of their customer relationships and data. With encouraging sales opportunities, continued innovation and growing interest in AI-led solutions, we enter 2026 with renewed confidence."

Copies of the Annual Report and Accounts for FY2025 with the notice of annual general meeting have been posted to shareholders today and are available on the Company's website www.itim.com. The annual general meeting of itim Group plc will be held at the offices of the Company, 2nd Floor, Atlas House, 173 Victoria Street, London SW1E 5NA on 15th June 2026 at 11.00 a.m.

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ABOUT ITIM

itim was established in 1993 by its founder, and current Chief Executive Officer, Ali Athar. itim was initially formed as a consulting business, helping retailers effect operational improvement. From 1999 the Company began to expand into the provision of proprietary software solutions and by 2004 the Company was focused exclusively on digital technology. itim has grown both organically and through a series of acquisitions of small, legacy retail software systems and associated applications which itim has redeveloped to create a fully integrated end to end Omni-channel platform.

CHAIRMAN'S STATEMENT

Having now served as Non-Executive Chairman for over a year and a half, I am pleased to reflect on a period in which the Group has continued to make meaningful strategic progress, despite a more challenging economic backdrop, particularly within the retail sector.

The past year has seen increased pressure across the retail sector, with many retailers facing sustained cost inflation, regulatory challenges and constrained investment capacity. Against this backdrop, the Group has demonstrated resilience, supported by its strong recurring revenue model and the continued dedication of our team. The growth in annual recurring revenue during the year is a clear reflection of the strength of our proposition and the value we continue to deliver to our customers.

During the year, we have remained focused on executing our long-term strategy, with particular emphasis on innovation, operational discipline and expanding our market reach. Our Itim-UNIFY platform continues to evolve as a highly differentiated, customer-centric solution, enabling retailers to simplify operations, reduce costs and enhance overall performance in an increasingly complex trading environment.

A key highlight of the period has been our continued investment in innovation, most notably the development and launch of itimAIQ. This new AI-enabled platform represents an important extension of our capabilities and positions the Group to benefit from the growing adoption of artificial intelligence across the retail sector. Early engagement from both existing and prospective customers has been encouraging and reinforces our confidence in the long-term opportunity this presents. More details of this platform are set out in the Chief Executive's Review, below.

In response to the more challenging UK retail environment, we have also accelerated our efforts to diversify geographically. Progress has been made in expanding into new territories and strengthening our commercial capabilities, helping to broaden our opportunity set and reduce reliance on any single market. We are encouraged by the development of new business opportunities outside of the UK and expect this to build further momentum into the coming year.

The Board has taken a proactive approach to managing the cost base during the period, with actions taken in the second half of the year to reduce annualised costs by over £1 million. These measures ensure that the business remains well positioned to navigate near-term challenges while continuing to invest selectively in strategic initiatives.

The strengthening of both the Board and senior management team during the year provides additional depth and capability as we execute on our strategy. As we look ahead, we remain mindful of the ongoing economic uncertainty and the pressures facing the retail sector. However, the Group's strong foundations, combined with continued investment in technology, innovation and market expansion, give the Board confidence in its long-term prospects. We believe that 2026 will represent an important year in the continued execution of the Group's strategy and a potential inflection point for growth.

I would like to extend my sincere thanks to my fellow Board members for their continued support and guidance, to our employees for their dedication, and to our customers and shareholders for their ongoing trust in the Group.

Colin Price
Chairman
12th May 2026

CHIEF EXECUTIVE'S REVIEW

I am pleased to present our Annual Report for 2025, in which we have delivered a robust performance set against a challenging economic backdrop particularly in the retail sector. During this period, itim has invested significantly in its people and technology, diversified geographically and established a new AI product that positions the Group well for future growth.

Advancing technology is at the heart of everything that itim does. The Group's core Itim-UNIFY platform has matured into a highly differentiated, customer-centric, omni-channel retail platform designed for modern retailing. It enables retailers to:

• Reduce IT complexity and operating costs
• Improve head office productivity and reduce administrative overhead
• Drive sales growth through enhanced customer engagement
• Significantly improve overall profitability

Management believes Itim-UNIFY represents one of the most comprehensive and future-ready unified retail platforms available to mid-sized retailers today. This is substantiated by the considerable customer base of well-known UK and international retail companies that have identified the need for our products and services.

The UK retail sector experienced a highly challenging trading environment in 2025, driven by sustained cost inflation, regulatory pressures, and weak macroeconomic growth. These factors impacted retailer investment appetite and led many market participants to prioritise cost control and cash preservation overgrowth initiatives. One of the Group's retail customers Quiz Clothing entered administration in February 2026 which resulted in a write-off in the year under review. However, despite this loss the Group still managed to increase its annual recurring revenue in 2025, and the Board is confident that this shortfall in revenue will be replaced by growth within its customer base and new prospects. As a result of these pressures facing the retail industry, the Board acted in the second half of the year by reducing the annual cost base by over £1m, the effects of which will be seen in 2026.

Itim has a robust business model with annual recurring revenues of over £14m which has served to mitigate much of the financial pressure witnessed in 2025. In addition, many of the prospects in 2025 are still active and we are optimistic will engage in 2026 following the restructuring that many retailers were forced to carry out. Early indications have been promising which provides the Board with confidence and despite these headwinds, the business has demonstrated resilience and continued to invest selectively in areas aligned with long-term value creation.

In response to the UK-centric macroeconomic pressure, the Group has accelerated its geographic diversification strategy. A new Sales & Marketing Director was appointed in the period to strengthen commercial execution, sharpen go-to-market strategy, and expand international reach. As part of this initiative, the business has entered new geographic territories in which our products are ideally suited, reducing reliance on UK retail spending cycles and broadening the addressable market. This strategic shift positions the Group to benefit from recovery and growth across multiple geographies rather than being overly exposed to a single macro environment. Encouragingly, significant progress has already been made with new business opportunities developing and key initiatives being rolled out.

Innovation has always been a key focus for the Group as we continue to develop new initiatives to improve our client offering. Recognising Artificial Intelligence (AI) rapidly emerging as one of the most consequential forces shaping the future of retail, this year the Group has prioritised investment in AI capabilities. This investment has culminated in the launch of itimAIQ, a new AI platform specifically designed for retailers. A key question for the industry is whether AI represents a competitive threat to retailers or a transformational opportunity to strengthen their position. We believe the answer depends on how proactively retailers respond. In particular, the evolution toward "agentic AI", where intelligent agents autonomously perform tasks, make decisions, and optimise operations, will redefine how retail businesses are run. Over time, these agents have the potential to replace or augment many head office functions, while driving improvements in productivity, efficiency, and profitability.

However, this transformation is not without risk. The retail sector has already experienced the impact of platform dependency, most notably through the rise of Google in search and Amazon in marketplaces. These platforms have, in many cases, become critical intermediaries between retailers and their customers. A similar dynamic could emerge with Large Language Models (LLMs), which are increasingly acting as gateways to product discovery and purchasing decisions. LLMs already possess vast amounts of product data, much of it scraped from retailer websites, and there is a clear risk that they could establish a comparable level of influence or control over customer interactions.

In this context, we believe maintaining control over customer relationships and proprietary data becomes strategically critical. Retailers that rely on third-party AI platforms without appropriate safeguards risk disintermediation, loss of brand differentiation, and erosion of margin. At the same time, we consider that those that invest in their own AI capabilities stand to benefit from enhanced customer engagement, more informed decision-making, and improved operational performance.

itimAIQ addresses both the opportunity and the risk. A context management platform designed to enable retailers to build and deploy AI agents securely and efficiently. itimAIQ allows retailers to harness the power of LLMs without exposing sensitive customer or transactional data. By acting as a layer between retailers' systems and AI models, it ensures that retailers retain ownership and control and protect their most valuable data assets while still benefiting from advances in AI technology.

The platform is built using industry-standard protocols, enabling seamless integration with both LLMs and existing retail systems. Importantly, itimAIQ is not limited to the Group's itim-UNIFY platform; it can sit on top of any retailer's technology stack. This flexibility allows us to address a broader market and offer itimAIQ as a standalone solution, while also enhancing the value proposition of our existing products.

We anticipate that agentic AI will lead to the proliferation of AI agents across all areas of retail. It is our view that these agents will rely on access to high-quality data to function effectively, reinforcing the importance of a robust and secure data architecture. Through itimAIQ, retailers can develop and scale these agents quickly and cost-effectively, without the need for extensive in-house AI infrastructure.

As part of the Group's strategy, itim will develop a series of proof-point agents to demonstrate the tangible benefits of this approach. Early examples include customer service agents that enhance the capabilities of in-store staff, effectively transforming them into highly informed and responsive salespeople, as well as agents that support improved buying decisions and more sophisticated pricing strategies. Over time, we expect retailers to deploy a wide range of agents across their operations, limited only by their imagination and strategic ambition.

While management are not currently forecasting direct revenues from itimAIQ, the Directors believe the platform will play a significant role in driving future growth. It creates new opportunities to engage with both existing and prospective clients, strengthens itim's overall value proposition, and positions the Group at the forefront of a major technological shift in the retail sector. As adoption of AI accelerates, management expect demand for solutions that combine capability with control to increase substantially.

Overall, we consider that AI should not weaken retailers; rather, it will make them stronger provided they take an active role in shaping how it is implemented. With itimAIQ, the Group is enabling retailers to embrace agentic AI in a way that enhances performance, protects strategic assets, and preserves their direct relationship with customers. This positions both itim's clients and our business to benefit from the next phase of retail innovation.

Based on a robust recurring revenue model, 2025 can be summarised as a year of investment, geographic diversification and product innovation. Both the Board and senior management teams have been strengthened creating immediate tangible benefits as we continue to roll out new products. The Group has responded well to the growing demand of artificial intelligence in the retail sector with the exciting launch of itimAIQ which highlights the growth intentions of the Group.

Mindful of the ongoing challenging economic uncertainties, management believes that it has invested well this year and that 2026 represents a defining year for the execution of the Group's strategy and a potential inflection point for accelerated growth. As a result, it views the prospects of the business with renewed confidence.

Ali Athar
Chief Executive Officer
12 May 2026

CHIEF FINANCIAL OFFICER'S REVIEW

Income Statement

Overview
As outlined in the CEO's report, 2025 proved to be a challenging year for the retail sector, set against a difficult economic backdrop. This environment led to delays in project commencements, which in turn impacted the Group's revenue and profitability.

In response to the continued deferral of project start dates, management took decisive action by reducing the annualised headcount cost by £1.0m. While this measure is expected to deliver benefits in future periods, they resulted in higher costs in 2025 due to exceptional redundancy costs.

In addition, Quiz Clothing entered administration in February 2026 requiring the Group to recognise a bad debt provision in respect of outstanding balances at the 2025 year end.

The combination of delayed services revenue, exceptional redundancy costs, and the Quiz bad debt provision were the main contributing factors to the decline in profitability in 2025.

Despite these challenges in the UK market, our South American operations continued to perform strongly, with robust profitability delivered by our Portuguese business.

As a result, EBITDA decreased from a record £2.5m in 2024 to £1.7m in 2025, while profit after tax moved from £0.2m in 2024 to a loss of £0.25m in 2025.

Revenue
Our revenue streams are split between subscription revenues generated from contracts which provide long term growth, sustainability and stability to the business, and short-term services project revenues which drive profitability and cash. Revenues for the year were broadly flat at £17.5m (2024: £17.9m) with services revenues which drive short term profitability down £0.5m from the 2024 year. Our annual recurring revenue rose from £13.0m at the end of 2024 to £14.2m at the end of 2025 demonstrating that despite the degradation in profits in

the 2025 year we continued to build strength in our long-term subscription revenues and thus the stability of the business.

Recurring revenues as a percentage of total turnover remained high at 77% (2024: 75%).

Gross profit
The reduction in project-based revenues during the year, which are a key driver of short-term profitability, resulted in a decrease in gross profit margin to 37.5% (2024: 40.1%).

Cost reduction measures implemented in Q3 2025 have not materially impacted the financial year under review but are expected to benefit performance in 2026.

These cost efficiencies, together with existing surplus capacity within the Group's hosting infrastructure, are expected to support margin improvement going forward without requiring significant additional investment.

Administrative expenses
Administrative expenses increased from 26% in 2024 to 27% in 2025. The increase was due to the Quiz bad debt provision but on a like for like basis were flat.

Taxation
The Group continues to take advantage of R&D tax credits as it continues to innovate its technology offering. The current year tax credit is made of up of a net current tax credit of £0.06m (2024: £0.22m) and a deferred tax credit of £0.15m (2024: charge £0.19m).

Earnings/(Loss) per share
Basic EPS for the year was -0.81p (2024: 0.64p) and the diluted EPS was -0.81p (2024: 0.57p).

On an adjusted profit basis after adjusting for exceptional items and the share option charge the adjusted earnings basic EPS was -0.47p (2024: 1.09p) and the adjusted earnings diluted EPS was -0.47p (2024: -0.98p).

Foreign exchange rates
With 33% of Annual Recurring Revenue ("ARR") denominated in foreign currencies at the year end, movements in exchange rates have an impact on both reported ARR and revenues during the year.

At the year end, Sterling strengthened against both the Euro and the Brazilian Real, increasing the translated value of ARR denominated in those currencies, while weakening by 8% against the US dollar.

Average exchange rates over the course of the year resulted in Sterling weakening against both the Brazilian Real and the US dollar, adversely impacting reported revenues in those currencies, while strengthening against the Euro.

The table below sets out the proportion of annual contracts denominated in each foreign currency in which the Group operates, together with the associated impact.

FX Rates	**31-Dec-24**	**31-Dec-25**	**2025**	**2024 Average**	**2025 Average**	**2025**
(% of ARR at year end)	FX rate	FX rate	Variance %	FX rate	FX rate	Variance %
£GBP/Euro (ARR 10%)	1.210	1.146	-5%	1.246	1.168	-6%
£GBP/BRL (ARR 19%)	7.744	7.378	-5%	6.887	7.367	7%
£GBP/USD (ARR 4%)	1.252	1.347	8%	1.278	1.318	3%

Dividend
The Board does not propose to pay a dividend in respect of the financial year (2024: £nil).

Group Statement of Financial position
The Group had net assets of £11.5m at 31st December 2025 (2024: £11.6m) a decrease of £0.1m attributable to the total comprehensive loss for the year.

Cash flow and working capital
The Group ended the year with a cash balance of £2.6m (2024: £3.8m).

Cash generated from operating activities for the year amounted to £0.57m (2024: £4.18m). There were no further inflows from investing activities during the year (2024: £nil). Cash expended on capitalised product development was £1.61m (2024: £1.66m) payment of interest, lease liabilities and equipment amounted to £0.62m (2024: £0.64m). There was a loan drawdown of £0.5m in the year (2024: £nil). Which taken together with our opening cash balance of £3.8m gives the closing cash balance at the year-end.

Equity

Equity

During the year employees exercised 205,000 Ordinary 5p share options increasing the number of shares in issue to 31,415,607.

Ian Hayes
Chief Financial Officer
12th May 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2025

	Note	Total 2025 £'000	Total 2024 £'000
Revenue	4,5	17,507	17,908
Cost of sales		(10,941)	(10,724)
Gross profit		**6,566**	**7,184**
Administrative expenses		(4,840)	(4,716)
EBITDA		**1,726**	**2,468**
Amortisation of intangible assets	12	(1,510)	(1,400)
Depreciation	13	(59)	(62)
Depreciation of right-of-use/HP assets	19,13	(423)	(594)
(Loss)/Profit from operations		**(266)**	**412**
Exceptional		(106)	(141)
Other interest		(92)	(96)
(Loss)/Profit on ordinary activities before taxation	6	**(464)**	**175**
Taxation	10	209	25
(Loss)/Profit for the year		**(255)**	**200**
Other comprehensive income			
Exchange differences on retranslation of foreign operations		131	(113)
Total comprehensive loss for the year net of tax		**(124)**	**87**
Earnings/(Loss) per Share			
Basic	11	(0.81)p	0.64p
Diluted	11	(0.81)p	0.57p

All comprehensive income for continuing operations is shown above.

The notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2025

	Share capital £'000	Share premium £'000	Share options reserve £'000	Capital redemption reserve £'000	Foreign exchange reserve £'000	Retained profits/ (losses) £'000	Total £'000
At 1 January 2024	1,561	7,398	513	1,103	94	860	11,529
Comprehensive income for the year	-	-	-	-	-	200	200
Foreign exchange movement	-	-	-	-	(113)	-	(113)
Total comprehensive income	-	-	-	-	(113)	200	87
Share option charge	-	-	-	-	-	-	-
At 31 December 2024	**1,561**	**7,398**	**513**	**1,103**	**(19)**	**1,060**	**11,616**

December 2024	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Comprehensive loss for the year	-	-	-	-	-	(255)	(255)
Foreign exchange movement	-	-	-	-	131	-	131
Shares issued in period	10	13					23
Total comprehensive loss	10	13	-	-	131	(255)	(101)
At 31 December 2025	**1,571**	**7,411**	**513**	**1,103**	**112**	**805**	**11,515**

The notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 31 December 2025

	Note	2025 £'000	2024 £'000
Non-current assets			
Intangible assets	12	11,410	11,229
Plant and equipment	13	118	254
Right-of-use assets	19	550	770
Deferred tax	10	4	-
Total non-current assets		12,082	12,253
Current assets			
Trade and other receivables	15	4,989	3,636
Cash and cash equivalents		2,637	3,795
Total current assets		7,626	7,431
Total assets		**19,708**	**19,684**
Current liabilities			
Trade and other payables	16	(6,920)	(6,273)
Right-of-use liability	19	(283)	(284)
Total current liabilities		(7,203)	(6,557)
Non-current liabilities			
Trade and other payables due in more than one year	17	(19)	(183)
Right-of-use liability	19	(322)	(535)
Deferred tax	10	(649)	(793)
Total non-current liabilities		(990)	(1,511)
Total liabilities		**(8,193)**	**(8,068)**
Net assets		**11,515**	**11,616**
Capital and reserves			
Called up share capital	21	1,571	1,561
Share premium account	22	7,411	7,398
Share options reserve	22	513	513
Capital redemption reserve	22	1,103	1,103
Foreign exchange reserve	22	112	(19)
Retained profit	22	805	1,060
Shareholders' funds		**11,515**	**11,616**

These financial statements were approved and authorised for issue by the Board of Directors on 12th May 2026.

Signed on behalf of the Board of Directors

I D Hayes
Director

The notes form part of these financial statements.

Company Statement of Financial Position
As at 31 December 2025

	Note	2025 £'000	2024* £'000
Non-current assets			
Intangible assets	12	250	300
Plant and equipment	13	0	104
Investments	14	5,071	5,071
Deferred tax asset	10	4	0
Right-of-use assets	19	251	401

Total non-current assets		5,576	5,876
Current assets			
Trade and other receivables	15	18,099	16,155
Cash and cash equivalents		119	178
Total current assets		18,218	16,333
Total assets		**23,794**	**22,209**
Current liabilities			
Trade and other payables	16	(1,138)	(792)
Deferred tax	10	0	(17)
Right-of-use liability	19	(157)	(144)
Loans		(726)	-
Total current liabilities		(2,021)	(953)
Non-current liabilities			
Trade and other payables due in more than one year	17	0	(148)
Right-of-use liability	19	(113)	(271)
Total non-current liabilities		(113)	(419)
Total liabilities		**(2,134)**	**(1,372)**
Net assets		**21,660**	**20,837**
Capital and reserves			
Called up share capital	21,24	1,571	1,561
Share premium account	22,24	7,411	7,398
Share options reserve	22,24	513	513
Capital redemption reserve	22,24	1,103	1,103
Retained profit	22,24	11,062	10,262
Shareholders' funds		**21,660**	**20,837**

**During the current year, the Company revised the presentation of the intercompany receivables to current assets. This change relates solely to presentation and classification and has no impact on total equity, or the previously reported profit or loss for the prior period.*

These financial statements were approved and authorised for issue by the Board of Directors on 12th May 2026.

Signed on behalf of the Board of Directors

I D Hayes
Director

The notes form part of these financial statements.

Consolidated Cash Flow Statement
Year ended 31 December 2025

	Note	**2025 £'000**	**2024 £'000**
Cash flows from operating activities			
Profit/(Loss) after taxation		(255)	200
Adjustments for:			
Taxation	10	(209)	(25)
Finance costs		16	
Other interest on leases	19	76	96
Amortisation and depreciation	12,13,19	1,992	2,056
Cash flows from operations before changes in working capital		**1,620**	**2,327**
Movement in trade and other receivables	15	(1,185)	1,528
Movement in trade and other payables	16	171	(55)
Cash generated from operations		**606**	**3,800**
Corporation tax		(32)	377
Net cash flows from operating activities		**574**	**4,177**
Cash flows from investing activities			
Capital expenditure on intangible assets	12	(1,595)	(1,601)
Purchase of plant and equipment	13	(42)	(61)
Stamp duty on ROU lease renewal		23	-
Net cash flows from investing activities		**(1,614)**	**(1,662)**
Interest repayments	18	(40)	(50)
Payment of lease liabilities	19	(584)	(589)
Loan drawdown		500	0
Net cash flows from financing activities		**(124)**	**(639)**
Net movement in cash and cash equivalents		**(1,164)**	**1,876**
Cash and cash equivalents at beginning of year		3,795	1,930
Exchange (losses)/gains on cash and cash equivalents		6	(11)
Cash and cash equivalents at end of year		**2,637**	**3,795**

year	**2,637**	**3,795**

The notes form part of these financial statements.

Company Cash Flow Statement
Year ended 31 December 2025

	Notes	2025 £'000	2024 £'000
Cash flows from operating activities			
Profit after taxation		799	651
Adjustments for:			
Taxation	10	(21)	(55)
Loan interest		14	0
Amortisation and depreciation	12,13,19	304	470
Finance costs		40	58
Finance income		(39)	(49)
Cash flows from operations before changes in working capital		**1,097**	**1,075**
Movement in trade and other receivables	15	(1,906)	(615)
Movement in trade and other payables	16	650	11
Cash generated from operations		**(159)**	**471**
Net cash flows from operating activities		**(159)**	**471**
Cash flows from investing activities			
Issue share capital		23	-
Net cash flows from investing activities		**23**	**-**
Cash flows from financing activities			
Interest paid		(40)	(50)
Payment of lease liability		(383)	(383)
Loan drawdown		500	0
Net cash flows from financing activities		**77**	**(433)**
Net movement in cash and cash equivalents		**(59)**	**38**
Cash and cash equivalents at beginning of year		178	140
Cash and cash equivalents at end of year		**119**	**178**

The notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

The consolidated financial statements of ITIM Group plc and its subsidiaries (collectively, the Group) for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 12th May 2026. itim Group plc ("the Company") is a public limited company incorporated and domiciled in the UK. The nature of the operations and principal activities of the Company and its subsidiary undertakings (the "Group") are set out in the Strategic Report and the Directors' report.

2. Basis of preparation

The consolidated financial statements of the Group are prepared under IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

The Company's financial statements have been prepared under IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and as permitted by section 408 of the Companies Act 2006, no income statement is presented for the company. The Company made a profit of £799,375 for the year ended 31 December 2025 (2024: £650,823)

The financial statements are presented in GBP, which is also the company's functional currency.

Amounts are rounded to the nearest thousand, unless otherwise stated.

The financial statements have been prepared on the going concern basis.

3. Summary of significant accounting policies

Basis of consolidation

The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Subsidiaries
Subsidiaries are all entities over which the Group has the ability to exercise control and are accounted for as subsidiaries. The results of subsidiaries are included in the Group income statement from the date of acquisition until the date that such control ceases. Intercompany transactions and balances between Group companies are eliminated upon consolidation.

Revenue recognition
Revenue was recognised to the extent that it was probable that the economic benefits would flow to the Group and the revenue could be reliably measured.

Revenue represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers during the year by the group. Revenue is derived from the Group's principal activity and excludes VAT.

The Group derives revenue from two principal sources as noted below:

Recurring revenue

1. Recurring revenue consists of:
• Subscriptions - revenue from subscriptions derive from the Group's hosted software-as-a-service subscription application, which allows customers to use hosted software over the contract period without taking possession of the software. Revenue is recognised over the contract period, commencing on the date of the service go live which gives the customer the right-to-use and access the platform.
• Support and maintenance - derive from support services and software upgrades offered to customers using the Group's software products. Revenue is recognised over the contract period, commencing on the go-live date of the implementation which gives the customer the right to access support services and the right to receive upgrades.

2. One off revenue
One off revenue consists of:
• Licences - the performance obligation for the provision of licences is considered to be satisfied when the agreement is signed by the customer and they are given access to the related software intellectual property ("IP") without any requirement to provide updates. It is recognised in full at the transaction price and over the period of implementation before the go live date of the implementation.
• Services - Services revenue relate to design and implementation services for each customer. Services enhance an asset that the customer controls and the Group creates specific fit for purpose assets which cannot be used elsewhere. The transaction price is the amount determined by fixed price contracts or on a time and materials basis where the Group has a right for consideration for work performed to date. Under the terms of the contracts, the Group has a right to invoice at the achievement of various milestones in the contract.
• Services are recognised over time and management consider the time spent as a proportion of total time expected is the most appropriate basis for recognition of this revenue stream as staff time is the main input into the delivery of the service. Any differences to the revenue measured by the above method and the amounts invoiced are included in the balance sheet. Further information on the contracts assets or contract liabilities are included in note 4.

Intangible assets - Goodwill
Goodwill is not amortised but tested for impairment annually and whenever impairment indicators require. In most cases the Group identified its cash generating units as one level below that of an operating segment. Cash flows at this level are substantially independent from other cash flows and this is the lowest level at which goodwill is monitored. A goodwill impairment loss is recognised in the Statement of Comprehensive Income whenever and to the extent that the carrying amount of a cash-generating unit exceeds the unit's recoverable amount, which is the greater of value in use and fair value less cost to sell.

Negative goodwill relating to intangible fixed assets requires immediate recognition in the Statement of Comprehensive Income.

In calculating goodwill, the total consideration, both actual and deferred, is taken into account. Where the deferred consideration is contingent and dependent upon future trading performance, an estimate of the present value of the likely consideration payable is made. This contingent consideration is re-assessed annually. The difference between the present value and the total amount payable at a future date gives rise to a finance charge which is charged to the Statement of Comprehensive Income and credited to the liability over the period in which the consideration is deferred. The discount used approximates to market rates.

Intangible assets - research and development expenditure
Research expenditure is written off as incurred. Internally generated development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised and amortised over the period during which

the group is expected to benefit. This period is seven years. Provisions are made for any impairment.

Intangible assets - other
Other intangible assets recognised in these financial statements consist of Customer contracts and relationships and Intellectual Property Rights acquired on the acquisition of EDI Plus Limited along with the purchase of the intellectual property rights of software.

Amortisation is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Customer contracts and relationships - straight line over 10 years

Intellectual Property Rights - straight line over 10 years

Intellectual property rights of software - straight line over 7 years

The amortisation of intangible fixed assets is shown as a separate line in the Consolidated Statement of Comprehensive Income.

The carrying values of intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment non-current assets
For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Foreign currencies
Transactions denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the Statement of Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item.

For consolidation purposes, the assets and liabilities of overseas subsidiary undertakings are translated at the functional currency at the rate of exchange ruling at the reporting date. Profit and loss accounts of such undertakings are consolidated at the average rate of exchange during the year. Exchange differences arising are included in a separate component of equity.

Plant and equipment
Plant and equipment is carried at cost less accumulated depreciation and any recognised impairment in value. Cost comprises the aggregate amount paid to acquire asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation of plant and equipment is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Computer equipment - straight line over 3 years

Office equipment - straight line over 3 years

Fixtures and fittings - straight line over 3 years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate on an annual basis. An asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period that the asset is derecognised. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Fixed asset investments
Subsidiaries are measured at cost less impairment. Investments are reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable. Provision is made for any impairment.

Trade and other receivables
Trade and other receivables are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method if applicable, less impairment losses. Provisions against trade and other receivables are made when there is objective evidence that the Group will not be able to collect all amounts due to them in accordance with the original terms of those receivables. The amount of the write down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of cash management are included as components of cash and cash equivalents for the purposes of the cash flow statement.

Trade and other payables
Trade and other payables are recognised at original cost.

Loans and borrowings
Loans and borrowings are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the statement of comprehensive income.

Leases - as a lessee
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed lease payments. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset with similar terms, security and conditions.

Lease payments are allocated between principal and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, and any initial direct costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with low-value items and leases of a duration less than 1 year are recognised as an expense in profit or loss on a straight-line basis.

Income taxes
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the period when the liability is settled based on the tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Finance costs
Finance costs comprise interest payable on loans from directors and third parties and are recognised on an accruals basis.

Share-based payments
The group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions

Fair value is measured by use of the Black Scholes Model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Pension contributions
The company operates a defined contribution scheme for its employees. Contributions are charged to the Statement of Comprehensive Income in the year they are payable. The assets of the scheme are held separately from those of the group.

Financial instruments
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Use of assumptions and estimates
The Group makes judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision effects both current and future periods.

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Useful economic lives of intangible assets
Intangible assets are amortised over their useful lives. Useful lives are based on management's estimates, which are periodically reviewed for continued appropriateness. Changes to estimates can result in variations in the carrying values and amounts charged to the statement of comprehensive income in specific periods.

Events after the reporting period
The Group considers the occurrence of any adjusting and non-adjusting events after the reporting period. The financial statements are adjusted for events that provide evidence of conditions that existed at the end of the reporting period. The financial statements are not adjusted for events that arose after the end of the reporting period. The nature and effect of such events are disclosed. Please see note 29 for further details.

Change in accounting policies
The following new and amended standards were mandatory for the first time for the financial year beginning on 1 January 2025. The Group has assessed their impact and, where applicable, adopted the relevant changes in these financial statements for the year ended 31 December 2025.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current (effective 1 January 2024)

The amendments clarify that the classification of liabilities as current or non-current depends on the existence of a substantive right to defer settlement at the reporting date. They also provide additional guidance on the impact of loan covenants on classification.

The adoption of these amendments did not result in a material impact on the Group's financial position or disclosures.

Amendments to IAS 21 - Lack of Exchangeability (effective 1 January 2025)

Amendments to IAS 21 - Lack of Exchangeability (effective 1 January 2025)

These amendments clarify how entities assess whether a currency is exchangeable and how to estimate the spot exchange rate when exchangeability is lacking, together with related disclosure requirements.

The adoption of these amendments did not have a material impact on the Group's financial statements for the year ended 31 December 2025.

New standards, interpretations, and amendments not yet effective

The following standards and amendments have been issued but are not yet effective for the year ended 31 December 2025 and have not been early adopted by the Group:

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective 1 January 2026)

These amendments clarify the assessment of contractual cash-flow characteristics of financial assets, including instruments with contingent features (such as ESG-linked terms), non-recourse loans and contractually linked instruments. The amendments also clarify derecognition requirements for financial liabilities settled via electronic payment systems and introduce additional disclosures.

The Group is currently assessing the potential impact of these amendments on its financial instrument's classification, measurement and disclosures.

4. Segmental reporting

The chief operating decision maker ("CODM") for the purpose of IFRS 8 is the Board. Segments are determined by reference to the internal reports reviewed by the Board. The group's operations relate to the provision of technology solutions to help clients drive revenues and profit.

The Group measures the performance of its operating segments through a measure of segment profit or loss which is referred to as EBITDA. This measure is reported to the CODM for the purposes of resource allocation and assessment of performance. The measure is the same as reported in the historic financial information.

Information about geographic location by key segments

	Year ended 31 December 2025		
	UK	**Portugal**	**Total**
	£'000	**£'000**	**£'000**
Revenue	11,912	5,595	17,507
Non-current assets	9,979	2,102	12,081

	Year ended 31 December 2024		
	UK	**Portugal**	**Total**
	£'000	**£'000**	**£'000**
Revenue	13,055	4,853	17,908
Non-current assets	10,219	2,034	12,253

Information about major customers
Transactions with a single customer exceeding 10% of total revenue amounted to £4,559K in the year (2024: £6,243K) and related to 2 customers (2024: 2).

5. Revenue
The analysis of the Group's revenue by geographical destination is set out below.

	2025	**2024**
	£'000	**£'000**
United Kingdom	11,252	12,462
Europe	225	231
Rest of World	6,030	5,215
	17,507	17,908

A breakdown of revenue by the two revenue streams as detailed in accounting policies is shown below:

	2025	**2024**
	£'000	**£'000**
Recurring revenue	13,495	13,441
One off revenue	4,012	4,467
	17,507	17,908

Revenue is either recognised at a point in time or over the period of the contract in line with the accounting

Revenue is either recognised at a point in time or over the period of the contract in line with the accounting policy (note 2).

The following table provides information on contract assets and contract liabilities from contracts with customers:

	2025 £'000	2024 £'000
Contract assets	1,116	214
Contract liabilities	2,865	3,023

Contract assets ("accrued income") are recognised where there are excess of revenues earned over billings. Contracts are classified assets when only the act of invoice is pending, there is an unconditional right to receive cash and only the passage of time is required as per contractual terms.

Contract liabilities ("deferred income") are recognised when there are billings in excess of revenues. Contracts are classified as liabilities when there is an obligation to transfer goods or services to a customer for which the Group has received consideration from the customer (or the payment is due) but the transfer has not yet completed. These arise based on the billing cycle of the Group's revenues and all are expected to be reversed in under one year.

6. Profit/(Loss) on operating activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2025 £'000	2024 £'000
Exceptional Items	106	141
Deprecation of owned tangible fixed assets	59	62
Depreciation of leased assets	423	594
Amortisation of intangible assets	1,510	1,400
Auditors' remuneration (see note 7)	85	70

Exceptional items relate to costs incurred in relation to the staff restructuring and redundancies

7. Auditors' remuneration

The analysis of auditors' remuneration is as follows:

	2025 £'000	2024 £'000
Fees payable to the company's auditors for the audit of the company's annual accounts	36	36
Fees payable to the company's auditors and their associates for other services to the group		
The audit of the company's subsidiaries pursuant to legislation	39	29
Tax compliance services	10	5
Total other services	85	70

8. Employee information

Their aggregate emoluments were:

	2025 £'000	2024 £'000
Wages and salaries	8,249	8,509
Social security costs	1,297	1,223
Other pension costs	315	294
Other benefits	453	351
	10,314	10,377

The average monthly number of employees (including directors) during the year for the group was as follows:

	2025 No.	2024 No.
Selling and administration	27	28
Technical	132	138
	159	166

9. Directors' emoluments

	2025 £'000	2024 £'000
Aggregate emoluments	1,066	1,094
Pension contributions (money purchase	41	40

schemes)		
	1,107	1,134

Directors' emoluments disclosed above include the following payments to the highest director:

	2025 £'000	2024 £'000
Aggregate emoluments	399	396
Pension contributions (money purchase schemes)	17	17
	416	413

	2025 No.	2024 No.
Number of directors to whom relevant benefits are accruing under:		
Money purchase schemes	2	2

The above is equivalent to total key management personnel compensation. There were no other key management personnel other than the Directors.

Further details of Directors remuneration can be found in the remuneration report.

Share based compensation

The Group operates an equity-settled share-based compensation plan for Directors and executives. In accordance with IFRS 1, the Group has elected to implement the measurement requirements of IFRS 2 in respect of only those equity-settled share options that were granted after 7 November 2002 and that had not vested as at 1 January 2005. The fair value of the employee services received in exchange for the grant of options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted at the grant date.

At each year end date, the Group revises its estimate of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the Statement of Consolidated Income, and a corresponding adjustment to equity over the remaining vesting period. When share options are cancelled the Group accounts for the cancellation as an acceleration of vesting and therefore recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The fair value of share options has been assessed using the Black Scholes Model.

No share options were granted to Directors in the period (2024 - 250,000).

Included on the face of the Statement of Comprehensive Income, is a total charge for share based payments of £Nil (2024: £Nil) which arises wholly from transactions accounted for as equity settled share-based payments.

10. Taxation

(a) Taxation charge:

	2025 £'000	2024 £'000
Total current income tax credit charged in the income statement		
Research and development tax credit	(160)	(220)
Portugal corporate tax	98	15
Adjustment in respect of prior years	-	(11)
Total current income tax	(62)	(217)
Deferred tax expense		
Current year (credit)/charge	(147)	191
	(147)	191
Total income tax credit	**(209)**	**(25)**

(b) Taxation reconciliation:

The current income tax credit for the year is explained below:

	2025 £'000	2024 £'000
(Loss) / profit before tax	(464)	175
(Loss)/profit at the standard UK income tax rate of 19% (2024: 19%)	(88)	33
Effects of:		

Expenses not deductible for tax purposes	193	181
Capital allowances in excess of depreciation	22	46
Tax losses utilised as part of research and development tax credit	(160)	(220)
Unrelieved tax losses and other deductions arising in the year	192	(13)
B/fwd losses relieved	(219)	(213)
Adjustment in respect of earlier year	-	(11)
Difference in overseas tax rates and temporary GAAP differences	(2)	(19)
Other deferred tax timing differences	(147)	191
Total income tax credited in the income statement	**(209)**	**(25)**

(c) Deferred tax

The movements in the Group's deferred tax assets and liabilities during the year are as follows:

	Group		Company	
Deferred tax asset	**2025 £'000**	**2024 £'000**	**2025 £'000**	**2024 £'000**
Category:				
Acceleration capital allowances on PPE - UK	-	-	-	-
Accelerated capital allowances on development costs - UK	-	-		
Tax losses available for carry forward - UK	-	-	-	-
Other timing differences - UK	4	-	4	-
At 31 December	**4**	**-**	**4**	**-**

	Group		Company	
Deferred tax liability	**2025 £'000**	**2024 £'000**	**2025 £'000**	**2024 £'000**
Category:				
Acceleration capital allowances on PPE - UK	(8)	(40)	-	(20)
Acceleration capital allowances on development costs - UK	(684)	(796)	-	-
Tax losses available for carry forward - UK	551	551	-	-
Other timing differences - UK	2	6	-	3
Arising on business combinations - UK	(111)	(137)	-	-
Acceleration capital allowances on development costs - Portugal	(402)	(379)	-	-
Other timing differences - Portugal	3	2	-	-
At 31 December	**(649)**	**(793)**	**-**	**(17)**

	Group		Company	
Deferred tax movement	**2025 £'000**	**2024 £'000**	**2025 £'000**	**2024 £'000**
The movement on the deferred tax balance during the year is as follows:				
Deferred Tax Asset	4	-	4	-
Deferred Tax Liability	(649)	(793)	-	(17)
Net Deferred Tax Balance	(645)	(793)	4	(17)
(Credited) / charged to profit or loss	**(147)**	**191**	**(21)**	**(55)**

Unrecognised Deferred Tax Assets
The Group has unrecognised deferred tax assets relating to tax losses carried forward. These have not been recognised due to uncertainty regarding the timing and probability of their recovery against future taxable profits.

The deferred tax balances have been measured using the enacted tax rates in each jurisdiction UK 19% (2024: 19%), Portugal 21% (2024: 21%)

11. Earnings/(Loss) per share

Basic and diluted loss per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period. For the avoidance of doubt the deferred shares have been excluded as they have no rights to profits or capital. Additionally, the Company's ordinary shares were subject to a share consolidation where 5 ordinary shares were converted into 1 ordinary share. The comparative period weighted average number of shares has been adjusted for this to aid comparison. The Company's share options have a dilutive effect over the two-year period.

(Loss) / Profit after tax for the year	2025 £'000 (255)	2024 £'000 200
Share option charge	-	-
Exceptional items	106	141
Adjusted profit/loss after tax for the year	**(149)**	**341**
Weighted average number of shares:		
Basic - 000	31,361	31,211
Potentially dilutive share options - 000	3,478	3,657
Diluted average number of shares - 000	34,839	34,868
Profit/(Loss) per share:		
Basic - pence on continuing operations	(0.81)	0.64
Diluted - pence on continuing operations	(0.81)	0.57
Adjusted earnings/(loss) - Basic - pence on continuing operations	(0.47)	1.09
Adjusted Diluted - pence on continuing operations	(0.47)	0.98

12. Intangible assets

Group

Cost	Purchase of software £'000	Development cost £'000	Goodwill £'000	Acquired intellectual property rights £'000	Customer contracts £'000	Total £'000
At 1 January 2025	350	18,920	8,712	300	1,000	29,282
Foreign exchange differences	-	207	-	-	-	207
Additions	6	1,597	-	-	-	1,603
At 31 December 2025	**356**	**20,724**	**8,712**	**300**	**1,000**	**31,092**
Amortisation						
At 1 January 2025	50	12,659	4,759	135	450	18,053
Foreign exchange differences	-	119	-	-	-	119
Charge for the period	50	1,330	-	30	100	1,510
At 31 December 2025	**100**	**14,108**	**4,759**	**165**	**550**	**19,682**
Net book value						
At 31 December 2025	**256**	**6,616**	**3,953**	**135**	**450**	**11,410**
At 31 December 2024	**300**	**6,261**	**3,953**	**165**	**550**	**11,229**

Goodwill arising prior to 1 January 2020 relates to acquisition prior to the date of transition to IFRS of 1 January 2015 and therefore the exemption for business combinations completed before that date has been applied and the amounts not restated.

The Board consider that there is only one Cash Generating Unit. In accordance with the accounting policy, goodwill is tested annually for impairment, Management have used a fair value less cost of sales methodology supported by offers for the Group and consider that the value supports the carrying value of goodwill at each period end.

Company

Cost	Purchase of software £'000	Development costs £'000	Total £'000
At 1 January 2025	350	13	363
Additions	-	-	-
At 31 December 2025	**350**	**13**	**363**
Amortisation			
At 1 January 2025	50	13	63
Charge for the period	50	-	50
At 31 December 2025	**100**	**13**	**113**
Net book value			
At 31 December 2025	**250**	**-**	**250**
At 31 December 2024	**300**	**-**	**300**

13. Plant and equipment

Group

Cost	Fixtures and equipment £'000	Total £'000
At 1 January 2025	2,043	2,043
Foreign exchange differences	6	6
Additions	42	42
Additions - HP assets	0	0
At 31 December 2025	**2,091**	**2,091**
Depreciation		
At 1 January 2025	1,789	1,789
Foreign exchange differences	5	5
Charge for the period owned assets	59	59
Charge for the period - HP assets	120	120
At 31 December 2025	**1,973**	**1,973**
Net book value		
At 31 December 2025	**118**	**118**
At 31 December 2024	**254**	**254**

Company

Cost	Fixtures and equipment £'000	Total £'000
At 1 January 2025	837	837
Additions	-	-
At 31 December 2025	**837**	**837**
Depreciation		
At 1 January 2025	733	733
Charge for the period	104	104
At 31 December 2025	**837**	**837**
Net book value		
At 31 December 2025	**-**	**-**
At 31 December 2024	**104**	**104**

14. Investments

The principal subsidiaries of itim Group plc, all of which have been included in these consolidated financial statements, are as follows:

Company

Cost	Shares in group undertaking £'000	Other investments £'000	Total £'000
At 1 January 2025 and at 31 December 2025	8,005	46	8,051

Provision for impairment			
At 1 January 2025 and at 31 December 2025	2,934	46	2,980
Net book value			
At 31 December 2025	**5,071**	**-**	**5,071**
At 31 December 2024	**5,071**	**-**	**5,071**

The company holds more than 20% of the share capital of the following companies:

Subsidiary undertakings	Country of Incorporation	Percentage holding	Class of share	Principal activity	Profit/ (loss) £'000	Net assets/ (liabilities) £'000
ITIM Limited	England and Wales	100%	Ordinary 'A' Ordinary Deferred	Software consultancy and supply	(1,624)	(12,896)
EDI Plus Limited	England and Wales	100%	Ordinary	Data exchange services	268	1,699
Profimetrics Software Solutions S.A	Portugal	100%	Ordinary Preferred	Development and distribution of software	409	2,656

The registered address of ITIM limited and EDI Plus Limited are same as ITIM Group Plc.

EDI Plus Limited is exempt from the requirements relating to the audit of accounts under section 479A of the Companies Act 2006. EDI Plus Limited's registered number is 10199381.

The registered address of Profimetrics Software Solutions S.A. is R. Lionesa 446, Edifício C Loja L, 4465-671 Leça do Balio, Portugal.

15. Trade and other receivables

Due within one year

	Group		Company	
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**
Trade receivables	2,772	2,544	-	-
Corporation tax	437	337	-	-
Amounts owed by group undertakings due within one year	-	-	17,972	16,003
Amounts owed by group undertakings due in greater than one year	-	-	-	-
Other receivables due within one year	109	62	67	46
Other receivables due in greater than one year	-	-	-	-
Prepayments and accrued income	1,671	693	60	106
	4,989	3,636	18,099	16,155

16. Trade and other payables

	Group		Company	
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**
Trade payables	1,091	869	84	115
Amounts owed by group undertakings due within one year	-	-	740	54
Other taxation and social security	982	856	91	66
Other payables	365	251	148	199
Loans and borrowings (see note 18 below)	726	252	726	252
Accruals	891	1022	75	106
Deferred income	2,865	3,023	-	-
	6,920	6,273	1,864	792

17. Trade and other payables due in more than one year

	Group		Company	
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**

Other payables	19	183	-	148
	19	183	-	148

Net obligations under finance leases are secured by fixed charges on the assets concerned.

18. Loans and borrowings

	Group		Company	
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**
Accrued interest	226	252	226	252
	226	252	226	252

Accrued interest relates to interest due on fully repaid Director loans.

Analysis of maturity of loans and borrowings

	Group		Company	
	2025 £'000	**2024 £'000**	**2025 £'000**	**2024 £'000**
Amounts payable				
Within one year	726	252	726	252
	726	252	726	252

A loan was taken out during the year which is repayable within one year and carries an interest rate of 12%. The loan has been secured by way of a fixed and floating charge over the Company's assets

19. Leases

The Group leases five units within properties from which it operates and leases computer equipment for the hosting centre. Lease payments are fixed throughout the contract period.

Group

	Right-of-use - Property £'000	**Right-of-use - Equipment £'000**	**Total £'000**
Cost			
At 1 January 2025	1,177	203	1,380
Foreign exchange differences	14	-	14
Additions	73	-	73
Disposals	(71)	-	(71)
At 31 December 2025	**1,193**	**203**	**1,396**
Depreciation			
At 1 January 2025	424	186	610
Foreign exchange differences	4	-	4
Charge for the year	286	17	303
Depreciation on disposal	(71)		(71)
At 31 December 2025	**643**	**203**	**846**
Net book value			
At 31 December 2025	**550**	**-**	**550**
At 31 December 2024	**753**	**17**	**770**

Lease liabilities:

	2025 £'000	**2024 £'000**
At 1 January	819	1,082
Foreign exchange movement	11	(11)
Interest expense	63	83
Lease payments	(361)	(382)
Additions	73	47
At 31 December	**605**	**819**

Amounts payable are as follows:

	2025 £'000	**2024 £'000**

Due within 1 year	283	284
Due 2-5 years	223	535
Due over 5 years	99	-
Total	**605**	**819**

The Group's right of use assets consists of the Company's premises, data centres and sundry office equipment. The expiry of the leases varies between 1 and 6 years.

Company

	Right-of-use - Property £'000	Total £'000
Cost		
At 1 January 2025	551	551
Additions		
At 31 December 2025	**551**	**551**
Depreciation		
At 1 January 2025	150	150
Charge for the year	150	150
At 31 December 2025	**300**	**300**
Net book value		
At 31 December 2025	**251**	**251**
At 31 December 2024	**401**	**401**

Lease liabilities:

	2025 £'000	2024 £'000
At 1 January	415	545
Interest expense	32	46
Lease payments	(176)	(176)
Additions	-	-
At 31 December	**271**	**415**

Amounts payable are as follows:

	2025 £'000	2024 £'000
Due within 1 year	157	144
Due 2-5 years	113	271
Due over 5 years	-	-
Total	**270**	**415**

20. Financial instruments

Financial risk factors
The Group's financial assets comprise cash and cash equivalents, trade receivables and accrued income. These are all measured at amortised cost. The financial liabilities comprise loans and borrowings, trade payables and accruals, lease liabilities and deferred consideration payable for acquisitions of subsidiaries. These are measured at amortised cost.

The majority of the financial instruments arise directly from the operations with the exception of loans and borrowings and lease liabilities which have been used to finance the operations.

Fair values of financial instruments
For the following financial assets and liabilities: trade and other payables, trade and other receivables and cash at bank and in hand, the carrying amount approximates the fair value of the instrument due to the short-term nature of the instrument. The Directors consider that there is no material difference between book value and fair value for any of the financial instruments held.

Financial risk management
The Group's activities expose the Group to a number of risks including capital management risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk.

It is the Group's policy that no trading in financial instruments should be undertaken.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Finance Department through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Interest rate risk
The Group's exposure to potential interest rate risk arises from the Group's short-term external debt obligation where a new loan for £500k was drawn down in 2025. However, the loan is repayable in April 2026 and has a fixed interest rate applicable to it, which mitigates any interest rate risk.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's largest financial assets are the cash balances held in banks and it is exposed to credit risk on those balances. It is the Group's policy only to make deposits with banks with an acceptable credit rating.

The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices. An ageing analysis of trade receivables is detailed below:

2025	**Total £'000**	**Current £'000**	**30-60 days £'000**	**> 60 days £'000**
Trade and other receivables	2,772	1,396	816	560
Contract assets	1,116	1,116	-	-
	3,888	2,512	816	560

2024	**Total £'000**	**Current £'000**	**30-60 days £'000**	**> 60 days £'000**
Trade and other receivables	2,544	1,569	794	181
Contract assets	214	214	-	-
	2,758	1,783	794	181

Trade receivables are recognised initially at the transaction price. They are subsequently measured less any provision for impairment in relation to expected credit losses. At each reporting date the Group assesses the expected credit losses and changes in credit risk since initial recognition of the receivable and a provision for impairment is recognised when considered necessary. The Group considers the ageing to be reasonable and a provision for bad debts has been made in these financial statements to reflect balance owed by a customer which has gone into administration post year-end. The Board do not consider the credit risk to be significant for the financial assets currently held.

Foreign exchange risk
Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional (currency). Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

The Group's main exposure to foreign currency risk is on the trade receivables in the Portuguese subsidiary which are not held in Euros. The Directors have considered the balances at year end and based on the level of foreign currency balances and the expected timing of settlement of those amounts that the foreign exchange risk is not material.

Liquidity risk
Liquidity risk is the risk that ITIM Group may encounter difficulty in meeting its obligations associated with the financial liabilities that are settled by delivering cash or other financial assets. The Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions.

The Group would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows through effective cash management. The maturity analysis of the financial liabilities is included below:

included below:

As at 31 December 2025	Carrying amount £'000	1 year or less £'000	1<2 years £'000	2-5years £'000	5 years £'000
Trade and other payables	2,365	2,346	19	-	-
Right of use liability	605	283	223	99	-
Other loans and borrowings	726	726	-	-	-
	3,696	3,355	242	99	-

As at 31 December 2024	Carrying amount £'000	1 year or less £'000	1<2 years £'000	2-5years £'000	5 years £'000
Trade and other payables	2,325	2,142	183	-	-
Right of use liability	819	284	258	277	-
Other loans and borrowings	252	252	-	-	-
	3,396	2,678	441	277	-

Capital management risk
The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will continue to trade for the foreseeable future. The Group also aims to optimise its capital structure of debt and equity so as to minimise its cost of capital. The Group in particular reviews its levels of borrowing and the repayment dates, setting these out against forecast cash flows and reviewing the level of available funds.

21. Share capital

	2025 £'000	2024 £'000
Authorised:		
37,949,651 Ordinary shares of 5p each	1,898	1,898
	1,898	1,898

	2025 £'000	2024 £'000
Allotted, called up and fully paid:		
31,415,607 Ordinary shares of 5p each (2024: 31,210,607)	1,571	1,561
	1,571	1,561

A summary of the rights of the different classes of share is given below:

Voting
All Ordinary shares are entitled to one vote each. The holders of deferred shares are not entitled to receive notice of, to attend, to speak or to vote at any general meeting of the Company.

Dividends
The profits of the Company available for distribution shall be used to pay dividends to the holders of Ordinary Shares a dividend equivalent to such amounts as the Directors may determine and as is approved by the Ordinary Shareholders in general meeting.

22. Reserves

Share premium
This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Share options reserve
The share options reserves represent the fair value of equity-settled share options granted using the Black Scholes model.

Capital redemption reserve
This reserve arises on the purchase of the company's own shares.

Foreign exchange reserve
This reserve includes any exchange differences arising on the retranslation of foreign subsidiaries on consolidation.

Retained earnings
This balance represents the cumulative profit and loss made by the Group net of distributions to owners.

23. Share-based payments

Share options
The Company has a share option scheme for certain employees of the Group. Options are granted with a fixed exercise price. The vesting period varies from vesting immediately to vesting over 2 years from the date of grant. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Details of equity settled share options outstanding during the year are as follows:

Year ended 31 December 2025

Grant date	Outstanding at 1 January 2025	Granted	Exercised	Lapsed	Outstanding at 31 December 2025	Exercise period	Exercise price
14/04/2015	150,000	-	(110,000)	(40,000)	-	10 years	7.975p
10/04/2017	2,615,000	-	(95,000)	-	2,520,000	10 years	15.000p
31/03/2021	400,000	-	-	-	400,000	10 years	70.000p
19/04/2021	242,041	-	-	-	242,041	10 years	70.000p
09/09/2024	250,000	-	-	-	250,000	10 years	34.000p
	3,657,041	-	(205,000)	(40,000)	3,412,041		

Year ended 31 December 2024

Grant date	Outstanding at 1 January 2024	Granted	Exercised	Lapsed	Outstanding at 31 December 2024	Exercise period	Exercise price
14/04/2015	150,000	-	-	-	150,000	10 years	7.975p
10/04/2017	2,615,000	-	-	-	2,615,000	10 years	15.000p
31/03/2021	400,000	-	-	-	400,000	10 years	70.000p
19/04/2021	492,041	-	-	(250,000)	242,041	10 years	70.000p
09/09/2024	-	250,000	-	-	250,000	10 years	34.000p
	3,657,041	250,000	-	(250,000)	3,657,041		

Details of the share options and weighted average exercise price (WAEP) during the years are as follows:

	31 December 2025		31 December 2024	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	3,657,041	25.67p	3,657,041	28.13p
Share consolidation	-	-	-	-
Granted during the year	-	-	250,000	34.00p
Exercised during the year	(205,000)	(11.23)p	-	-
Lapsed during the year	(40,000)	(7.975)p	(250,000)	(70.00)p
Forfeited during the year	-	-	-	-
	3,412,041	26.74p	3,657,041	25.67p

The weighted average contractual life of share options outstanding as at 31 December 2025 was 2.5 years (31 December 2024: 3 years).

ITIM recognises equity settled share-based payment expenses based on the fair value determined by the Black Scholes model. The model is internationally recognised as being appropriate to value employee share options schemes. The inputs into any new option issues were as follows:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Share price	78p	78p
Exercise price	69p	69p
Expected volatility	25%	25%
Expected life	10 years	10 years
Risk free rate	0.5%	0.5%

Risk-free rate
The risk-free interest rate is based on the Bank of England's base rate.

Volatility
The measure of volatility is based management's estimate after considering the historical volatility of guideline companies operating within the same industry as ITIM Group, over a 10-year time period.

24. Company statement of changes in equity

	Share capital £'000	Share premium £'000	Share options reserve £'000	Capital Redemption Reserve £'000	Retained losses £'000	To £'0
At 1 January 2024	1,561	7,398	513	1,103	9,611	20,1
Total comprehensive income for the year	-	-	-	-	651	6
Share option charge	-	-	-	-	-	
At 1 January 2025	1,561	7,398	513	1,103	10,262	20,8
Total comprehensive income for the year	-	-	-	-	800	8
Shares issued	10	13	-	-		
At 31 December 2025	**1,571**	**7,411**	**513**	**1,103**	**11,062**	**21,6**

The profit for the year dealt with in the financial statements of the parent company is shown above. As permitted by section 408 of the Companies Act 2006, no separate income statement is presented in respect of the parent company.

25. Pension commitments

The group makes contributions to individual pension schemes (money purchase). The amount paid during the year was £315,278 (2024: £293,791). Outstanding contributions at the balance sheet date amounted to £36,625.63 (2024: £37,771).

26. Related party transactions
The Group has taken advantage of the exemption available under IAS 2 Related Party Disclosures not to disclose details of transactions between Group undertakings which are eliminated on consolidation.

27. Supporting statement for cash flows

Year ended 31 December 2025	**Brought forward £'000**	**Cash Flow £'000**	**Non Cash £'000**	**Carried forward £'000**
Loans and borrowings	(252)	(460)	(14)	(726)
Leases	(819)	361	(146)	(604)

Year ended 31 December 2024	**Brought forward £'000**	**Cash Flow £'000**	**Non Cash £'000**	**Carried forward £'000**
Loans and borrowings	(302)	50	-	(252)
Leases	(1082)	382	(119)	(819)

28. Controlling party

There is no single ultimate controlling party.

29. Events after the reporting period

A customer went into administration in February 2026, following which the Group has assessed it to be an adjusting event, leading to a bad debt provision of £142k for the net amount on invoices unpaid by this customer as at the reporting date.

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