Public

Final Results

For the year ended 31 March 2025

redcentric

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New Management Team

Michelle Senecal de Fonseca, CEO

Appointed May 2025 after serving as NED for 1 year

30+ years strategic and operational experience in the telecommunications and technology sectors including data centre, infrastructure, SaaS, mobility and semiconductor services

Formerly Global VP for Strategic Alliances and European VP for Sales & Services - Citrix Systems and Global MD for Cloud and Hosting at Vodafone

Former TMT banker with MBA

Tony Ratcliffe, CFO

25 years technology experience including software, biotech & healthcare services

Strong strategic, operational and transactional experience, transformational change and growth, both private and public markets (e.g. SourceBio and Brady on AIM)

Focus on building shareholder value leading to a number of successful exits

Chartered accountant KPMG with MBA

Executive Summary

- Redcentric is a well established national player in the UK Managed Services Provider ("MSP") and Data Centre ("DC") markets
- Following the successful integration of multiple acquisitions, two distinct businesses, at scale, have emerged, which operate in different markets, requiring different operating models and investment profiles
- Decision made to separate the businesses and seek strategic partner for DC business to further accelerate expansion of the business
- Received strong interest from potential acquirers; discussions are at an advanced stage regarding potential sale
- Strategic priority going forward is the Group's MSP business - a solid performing business with a long-term loyal customer base producing high levels of recurring revenue, circa 90%
- FY25 was a strong financial year driven by power savings, infrastructure decommissioning and increased VMware licensing sales

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THE WHITE COMPANY LONDON

FY25 Corporate Highlights

1. **PLC transitioned to new management**
   - CEO and CFO appointed in H1 of FY26

2. **Strengthened Board composition**
   - Richard McGuire - Non-Executive Chairman
   - John Radziwill, ND Capital Investments - NED

3. **Successful legal formation of separate DC and MSP business units**
   - Post the transfer of employees into new units, the development of at arms-length, service agreements, customer contract novations, infrastructure separation, and lease assignments commenced in H1 FY26 and expected to be completed as part of the disposal

4. **Strategic decision to sell DC business unit, in favour of refocusing on the on-going MSP operations**
   - DC business requires different investment profile to maximise current market trends
   - Lazard appointed as advisors, transaction with preferred buyer is well progressed. Shareholders will be kept updated

FY25 Operational Highlights

Revenue

- FY25 MSP sales growth was largely driven by increased VMware licensing sales as a result of being appointed 1 of 7 UK Broadcom / VMware Pinnacle Partners
  - While such VMware licensing sales have lower margins, this expanded RCN's customer base for potential upsell opportunities
  - Recently selected as 1 of only 8 partners of any kind in the UK, from whom VMware services can be contracted through, positions Redcentric to move to higher margin platform provider of choice
- Marketing Director (H2 FY25) and Chief Revenue Officer (H1 FY26) hired to increase commercial focus and drive new routes to market

Services

- Continued progress on the rationalisation and decommissioning of duplicative infrastructure obtained through prior years acquisitions resulting in efficiencies and cost savings
- Consolidation of Cloud platforms completed (56 down to 21) resulting in better scaled, multi-tenant platforms with increased capabilities and improved dedicated customer platforms

FY25 Financial Highlights

MSP go-forward business

- Revenue increased 8.3% to £135.1m from £124.8m
- Recurring revenue increased to 89.3% from 88.7%
- Gross profit increased to £83.3m (61.6%) from £78.2m (62.7%)
- Adjusted EBITDA* increased to £18.8m (13.9%) from £17.4m (13.9%)

DC *(shown as discontinued operations under IFRS5)*

- DC revenue modestly decreased but adjusted EBITDA increased to £16.6m from £11.0m
- 8 data centres, national 100Gb MPLS network, current 41.3MW electrical feed build capacity, ~450 customers with 4000+ racks

Combined

- Cash generated from operating activities increased 30% to £29.8m from £23.0m
- Total net debt (i.e. ex IFRS16 leases) reduced to £41.9m from £42.0m
- Expect reduced capex and reduced debt post DC sale

* Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation (EBITDA), adjusted for exceptional items and share based payments including associated NI

MSP Business Unit: Overview

- Delivers managed services based on 3 core towers: Cloud & Cyber Security, Connectivity and Communications
- Serves c1,500 customers nationally balanced across mid-market commercial and public sector
- Value Drivers of the business:
  - Ownership of national infrastructure: proprietary private-circuit infrastructure and hosting capabilities deliver unified, enterprise grade propositions at scale
  - Holistic Service Stack – End-to-end control of connectivity, hosting and SOC operation with unified SLAs and single-vendor accountability
  - Depth of Compliance Expertise
    - ISO certifications, UK Sovereignty, regulated industries and sector specific frameworks requirements are embedded in service designs
    - More than a third of personnel RCN's personnel maintain security clearances
    - RCN's AIM listing provides public company transparency

MSP Business Unit: Summary Financials

	FY25 In £'m	FY24 In £'m	Increase %
Revenue			
Recurring	**120.7** ***(89.3% of total)***	110.7 *(88.7% of total)*	+9.0
Product	**4.9**	5.5	-11.2
Services	**9.5**	8.6	+12.2
Total Revenue	**135.1**	**124.8**	**+8.3**
Gross Profit	**83.3** ***(GM of 61.6%)***	78.2 *(GM of 62.7%)*	+6.5
Adjusted EBITDA*	**18.8** ***(13.9%)***	**17.4** ***(13.9%)***	**+8.1**

* Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation (EBITDA), adjusted for exceptional items and share based payments including associated NI

DC Business Unit: Summary Financials & Transaction Status

	FY25 In £'m	FY24 In £'m	Increase %
Total Revenue	**44.6**	**47.4**	**-6.0**
Gross Profit	**26.2** ***(GM of 58.7%)***	19.6 *(GM of 41.4%)*	+33.4
Adjusted EBITDA*	**16.6** ***(37.3%)***	**11.0** ***(23.1%)***	**+51.8**

- Increase in margin largely due to reduced power costs negotiated
- Carve-out work, new DC legal entity, Feb 25
- Advisors appointed to explore a possible sale of the business - meaningful interest obtained and discussions are at an advanced stage
- If sale completes, anticipate proceeds will be used to:
  - reduce the Group's debt;
  - invest in the MSP business; and
  - return capital to shareholders.

redcentric DATA CENTRES

* Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation (EBITDA), adjusted for exceptional items and share based payments including associated NI

Income Statement Summary (MSP)

	FY25, in £'m	FY24, in £'m
Revenue	**135.1**	124.7
Gross margin	**83.3**	78.2
Adjusted EBITDA*	**18.8**	**17.4**
Depreciation & amortisation	**(8.3)**	(10.1)
Exceptionals, net	**(0.9)**	(0.5)
Share based payments	**(1.2)**	(1.1)
Operating profit	**8.4**	**5.7**
Finance costs	**(4.0)**	(3.9)
Pre-tax profit	**4.4**	**1.8**
Tax	**(1.7)**	(0.1)
Discontinued operations, DC	0.8	(5.1)
Profit after tax	**3.5**	**(3.4)**

* Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation (EBITDA), adjusted for exceptional items and share based payments including associated NI

Balance Sheet Summary

	FY25 In £'m	FY24 In £'m
Non-current assets	**56.9**	143.6
DC assets for resale	**41.8**	-
Other current assets	**34.3**	40.9
Current liabilities	**(33.7)**	(53.1)
Non-current liabilities	**(45.9)**	(76.9)
Total net assets	**53.4**	**54.5**

Inventory	**2.5**	4.2
Receivables	**28.8**	33.6
Cash	**3.0**	3.1
Other current assets, as above	**34.3**	40.9

- Significant distortion in comparison as DC assets and liabilities pulled out, and shown for resale
- Material reduction in ROI assets and lease liabilities re DC premises

- Focus on working capital management
- Receivables £28.8m (30 DSO) v £33.6m (36 DSO)

Net Debt

	FY25 In £'m	FY24 In £'m
Revolving Credit Facility	**(38.9)**	(39.9)
Lease liabilities	**(24.6)**	(32.0)
Asset Financing Facility	**(4.9)**	(3.6)
Borrowings	**(68.5)**	**(75.5)**
Cash	**3.0**	3.1
Reported net debt	**(65.5)**	**(72.4)**
Leases that would have been operating leases under IAS17	**23.6**	30.3
Adjusted net debt	**(41.9)**	**(42.0)**
Allocated to continuing activities, MSP	**(38.8)**	
Allocated to discontinued activities, DC	**(3.1)**	

- £20.0m of lease liabilities held within discontinued operations, DC business
- Expectation to repay material amount of debt should a DC sale complete

Summary and Outlook

FY25 was a successful financial year despite management turnover

FY26 plan focuses on the core capabilities of the Company: MSP

- Significant change in splitting the Group into two business units, DC and MSP
- Management is undertaking a market review of current capabilities and its future requirements to achieve greater growth potential and cost efficiencies, which will be presented at the H1 results

FY26 has been dominated by requirements coming from the DC business carve out and sale process:

- In the event of a DC sale, we expect to return a significant amount of capital to shareholders and materially reduce debt levels
- Retain sufficient capital to implement new MSP strategic growth initiatives

Overall MSP market landscape for the year ahead is challenging

- Targeting FY26 revenues broadly in line with FY25, managing cost base, solid results in the year-to-date
- Confident of medium to long-term MSP outlook