

13 October 2026

Bytes Technology Group Plc
Results for the six months ended 31 August 2026

**Double-digit gross profit growth across both sectors, continued strong momentum,
upgraded guidance reiterated**

Bytes Technology Group plc (LSE: BYIT, JSE: BYI), one of the UK and Ireland's leading software, security, AI and cloud solutions specialists, today announces its financial results for the six months ended 31 August 2026 (HY27).

Financial performance

	HY FY27 (six months ended 31 August 2026)	HY FY26 (six months ended 31 August 2025)	% change year on year
Gross invoiced income (GII)¹	£1,605.2m	£1,342.0m	19.6
Revenue²	£128.3m	£108.1m	18.7
Gross profit (GP)	£97.1m	£82.4m	17.8
Operating profit	£35.3m	£33.1m	6.6
Operating profit/GP%	36.4%	40.2%	
Cash	£68.4m	£82.3m	(16.8)
Cash conversion³	45.7%	34.4%	
Cash conversion (rolling 12 months)³	108.8%	104.7%	
Earnings per share (pence)	12.76	12.03	6.1
Interim dividend per share (pence)	3.3	3.2	3.1

Financial highlights

- GII increased 19.6%, with 18.8% growth in software, services up 41.0%, and hardware up 39.7%.
- Revenue increased correspondingly by 18.7% with similar double-digit growth across all income streams.
- GP increased 17.8%, as positive impact from changes made to our sales structure took effect.
- Public sector GP up 23.1%, with GP/GII margin held at 3.5%.
- Private sector GP up 14.6%, following the refinement of the sales structure to increase customer centricity, which launched at the start of FY26, with GP/GII margin of 12.2%.
- Operating profit was 6.6% higher, after absorbing around half of the c.£4.5m of cost normalisation set out at our FY26 results, which reflects previously flagged costs, including bonuses and share-based payments, returning to more normalised levels.
- Strong balance sheet with closing cash of £68m and cash conversion of 45.7%, reflecting the normal weighting of our cash generation to H2, with £41m returned to shareholders in the half year including completion of the £25m share buyback.
- Interim ordinary dividend of 3.3p, 3.1% higher than HY26.

¹ GII is a non-International Financial Reporting Standards (IFRS) alternative performance measure that reflects gross income billed to customers adjusted for deferred and accrued revenue items. GII has a direct influence on our movements in working capital.

² Revenue is reported in accordance with IFRS 15 Revenue from Contracts with Customers. Under this standard, the Group is required to exercise judgement to determine whether the Group is acting as principal or agent in performing its contractual obligations. Revenue in respect of contracts for which the Group is determined to be acting as an agent is recognised on a

'net' basis (the GP achieved on the contract and not the gross income billed to the customer). Our key financial metrics of GII, GP, adjusted operating profit and cash conversion are unaffected by this judgement.

³ Cash conversion is a non-IFRS alternative performance measure that divides cash generated from operations less capital expenditure (together, free cash flow) by operating profit.

Operational highlights

- Private sector sales structure now embedded across our corporate, mid-market and channel segments, supporting 14.6% growth in private sector GP.
- Sector alignment completed in July 2026, with Bytes now focused on the private sector and Phoenix on the public sector, and no customer accounts changing hands as account managers moved with their customers.
- Existing customers contributed 98.2% of our GP in the period (HY26: 98.0%), at a renewal rate of 115.7% (HY26: 98%), with £1.8m of gross profit contributed by new customer wins.
- Services GII up 41.0%, with growing demand for managed services and security, supported by a 17.4% increase in our technical delivery teams headcount since this time last year.
- Average GP per employee for the half year increased by 13%, as we focused on utilising sales and technical capacity added over previous years.
- Expanding use of AI within our own business. In-house agents now supporting our consultants in scoping customer work through the launch of Seller Insights, which brings Microsoft funding and customer usage data together for every account manager, with many more agentic initiatives across the business.
- Phoenix ranked 51st in the Best Small to Medium Workplaces in Europe list, with both operations confirmed in the 'Great Place to Work – Best Workplace for Tech UK 2026' list.
- Received multiple vendor and industry awards over last 6 months across both operations, including from Broadcom, Checkpoint, Microsoft, Mimecast, Palo Alto, Rubrik, Service Now.

Post period-end

After the period end, the Group acquired CyberOne on 9 October 2026, with completion subject to clearance under the UK's National Security and Investment Act 2021 which is expected to be received by the end of October. CyberOne is an award winning managed cyber security services provider built on Microsoft technology, adding an accredited 24x7 security operations capability to the Group.

Outlook

The demand drivers in our markets are strengthening, with software spend forecast to grow ahead of IT budgets as a whole and AI, cyber security and infrastructure the areas attracting most incremental investment. We are continuing to invest in our services capability to take a larger share of that spend.

We upgraded our full year guidance on 17 September 2026, following a first half that was ahead of our expectations. The Board continues to expect GP growth for the full year in the low to mid-teens in percentage terms, with low to mid single-digit percentage growth in operating profit. This excludes any contribution from CyberOne, with the acquisition expected to complete by the end of October 2026, as we expect its post-acquisition operating profit in FY27 to be offset by amortisation costs of the intangible assets acquired, but with a positive contribution to earnings per share forecast for FY28.

Our second half will be measured against a stronger comparative, and our costs are slightly weighted towards the second half, when commission accelerators apply and the sales intakes joining in November begin to build capacity for FY28. Microsoft's next set of partner incentive changes takes effect in October. These are separate from the changes made in January 2025, which have now annualised. The revised incentives increase the rewards on growth products and enhance the incentives available on CSP, while reducing the rebates on certain legacy products, and are expected to be positive for the Group. They have been appropriately planned for and are included in our upgraded guidance.

The c.£4.5m of cost normalisation we set out at our FY26 results falls across the full year. It reflects previously flagged costs returning to normal levels, including bonuses and share-based payments, and the sales and technical capacity added against clear customer demand. Following normalisation, and as that capacity becomes fully productive, the Board expects operating profit to grow more broadly in line with GP from FY28, with operating leverage building thereafter.

Sam Mudd, Chief Executive Officer, said:

"We are very pleased the changes we made to the business last year are evident in our performance. GP grew 17.8%, with double-digit growth across both our public and private sector businesses from Microsoft and from our wider vendor portfolio, and we upgraded our expectations for the full year in September. Microsoft's next set of partner incentive changes takes effect this month. We have planned for them, they are in that guidance, and the enhanced incentives on CSP give us a real opportunity to build longer, deeper commitments with our customers.

"Over the last two years we have deliberately evolved BTG from a licensing-led reseller into a customer-centric, solutions and services-led business. Our strategy is a simple one: win more customers, grow our share of wallet with the customers we already have, and build higher-value recurring services. As AI, cyber security and cloud adoption accelerate, it is that combination of trusted advice, technical depth and managed services that allows us to take a greater share of our customers' technology spend.

"We are investing behind it. We grew our technical delivery headcount by 13.3% in the half year and, by the end of October expect to have acquired CyberOne, which will give Bytes a dedicated, accredited security operations capability for our private sector customer base, complementing Phoenix's existing capability in the public sector. Security is where our customers' budgets are increasing fastest, and we are adding further sales capacity in November to support continued growth into FY28 and beyond.

"My thanks go to our teams, who have absorbed a great deal of change over the last two years while continuing to deliver for our customers. The demand drivers in our markets are strengthening and we are investing behind them with confidence."

Analyst and investor presentation

A presentation for sell-side analysts and investors will be held today at 09:00 (BST) via a video webcast that can be accessed at:

<https://www.investormeetcompany.com/bytes-technology-group-plc-analyst-meeting/register-investor>

A recording of the webcast will be available after the event at bytesplc.com. The announcement and presentation will be available at bytesplc.com from 07:00 and 09:00 (BST), respectively.

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Forward-looking statements

This announcement includes statements that are, or may be deemed to be, 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results may, and often do, differ materially from forward-looking statements.

Any forward-looking statements in this announcement reflect the Group's view with respect to future events as at the date of this announcement. Except as required by law or by the UK Listing Rules of the Financial Conduct Authority, the Group undertakes no obligation to publicly revise any forward-looking statements in this announcement following any change in its expectations or to reflect events or circumstances after the date of this announcement.

The Group has a primary listing on the Main Market of the London Stock Exchange and a secondary listing on the Johannesburg Stock Exchange.

Chief Executive Officer's review

Our strategy and performance

Our vision is to be the most trusted technology partner in the UK and Ireland, helping organisations realise value from software, data, AI, cloud and cyber security across the full technology lifecycle. Over the last two years we have deliberately evolved BTG from a licensing-led reseller into a customer-centric, solutions and services-led business, aligning our teams around the sectors and verticals our customers operate in, investing in technical expertise, expanding our managed services and acquiring specialist capability where it accelerates us. The strategy is straightforward: win more customers, grow our share of wallet with existing customers, and build higher-value recurring services that can be sold through both Bytes and Phoenix. The first half shows that strategy working.

BTG delivered a strong first half. GII grew 19.6% and GP grew 17.8%, with double-digit GP growth in both our public and private sector businesses, while our Microsoft-related GII and GP also grew broadly in line with the Group's GII and GP as a whole. The strategic changes we made in FY26 are delivering, with trading ahead of the expectations we set at the start of the year, and as a result we upgraded our guidance for FY27 in September.

The market backdrop has remained supportive. Customers are increasing their technology budgets across the areas in which we operate, with software spend continuing to grow ahead of wider IT budgets. Cyber security remains a clear priority, reflecting the continued threat environment and increasing regulatory requirements. AI is creating new areas of investment in data, cloud and infrastructure, while demand for infrastructure more generally remains strong in parts of the market. Vendor pricing has also remained firm, with suppliers continuing to invest heavily in AI. The acquisition of CyberOne strengthens our capabilities across the cyber security lifecycle, which is strongly underpinned by AI related demand.

Customers are increasingly focused on extracting greater value from their technology investments while managing growing complexity, and this plays directly to our strengths. Through Bytes and Phoenix we have built long-standing positions as trusted technology advisers, supported by our own IP in Quantum and License Dashboard, which allows us to support customers across software, AI, data, cloud and cyber security. The changes we have made in recent years have been deliberate, giving us the specialist expertise, solutions and managed services to support customers throughout the technology lifecycle, deepen those relationships and increase our participation in their technology spend.

Operating profit increased 6.6%, with operating profit as a percentage of GP of 36.4% (HY26: 40.2%). The first half included around half of the c.£4.5m of cost normalisation for FY27 as described at our FY26 results, while we have also continued to invest in technical delivery. As these costs annualise and the additional capacity is utilised, we expect operating profit to grow more closely in line with GP from FY28. Cash generation remained strong, with cash conversion of 45.7%, reflecting the normal weighting towards H2. We returned £41.3m to shareholders in the half and closed the period with £68.4m of cash and no debt.

Customers

As a value-added reseller, our growth comes from selling more software and services to existing customers, as well as winning new customers. Our focus is on helping customers achieve a clear outcome, whether that is reducing cost, managing risk or delivering transformation. In the first half, 98.2% of our GP came from customers we traded with during the same period last year, with a further £1.8m of GP generated from new customers. Among those is Samsonite, the global travel luggage brand, where over five years we are consolidating around 300 of its sites onto a single managed network platform, with the potential to extend to around 1,000 sites globally. The changes we have made to our sales organisation, as described further below, with greater alignment of Bytes and Phoenix are intended to make us more effective in how we serve those customers.

Customer-centricity: sector alignment and common services

In July 2026 we completed the second realignment, with Bytes focused almost entirely on the private sector and Phoenix on the public sector. Bytes already generated 87% of its GP from the private sector and Phoenix 97% from the public sector, so the change affected a minority of sales relationships. It was carefully sequenced, with a small number of colleagues moving within the Group and account managers retaining their existing customer relationships, and no customer accounts changed hands.

The change gives each business a clearer sector focus and makes it easier for customers and vendors to work with us. It also removes internal competition for the same customers and allows the two businesses to collaborate

more closely. In particular, it gives us the opportunity to build common services capabilities across the Group and deploy them through both businesses.

This is paramount of our services strategy; building a capability once and selling it to both private and public sector customers, increasing the addressable market for each investment we make and reducing duplication across the Group.

Customer-centricity: private sector sales segmentation

At the start of FY26 we moved our private sector sales organisation from a generalist model to a structure aligned to customer size: enterprise, corporate, mid-market and channel. Our technology and vendor specialist teams were moved into the same segments. Customers of different sizes have different requirements. Larger organisations typically have established internal teams and need additional specialist expertise, while smaller organisations are more likely to require design, implementation and support. The new structure allows us to reflect those differences in our sales approach.

Private sector GP grew 14.6% in the first half, with growth in corporate, mid-market and channel. The new structure is now established and is improving the quality of customer engagement. Account managers are working with customers facing similar issues, while technical and vendor specialists are involved earlier in the sales process. The approach also aligns more closely with how our major vendors organise their own teams, which has supported commercial discussions and lead generation. We have also appointed a new Chief Marketing Officer at Bytes, with a focus on making our marketing activity more targeted by segment.

Our enterprise segment is progressing more gradually. These are our largest customers and relationships are still largely centred on Microsoft enterprise agreements. Our objective is to broaden those relationships into managed services, but these opportunities take longer to develop and close. This remains an important area of focus, as managed services provide a deeper and more recurring relationship with customers. Howdens is an example of what that looks like when it works. We have worked with them for more than ten years and are now their strategic cyber security partner, advising on security transformation, governance, AI security and risk management across the group.

Private sector GP/GII margin was 12.2% (HY26: 12.5%), reflecting the continued migration of customers from enterprise agreements to CSP. This changes the reported margin profile, which is why we continue to manage sales performance primarily on GP.

We will continue to refine the structure where this improves customer engagement, supported by our investment in change management and sales leadership.

Public sector

Public sector GP grew 23.1% in the first half, with our GP/GII margin stable at 3.5%. Public sector customers buy primarily through frameworks, tenders and enterprise agreements. Our approach remains to establish a position and then build profitability over the life of the contract by adding higher-margin products and services as requirements develop. We have retained the Microsoft licensing contract for the Department for Environment, Food and Rural Affairs for a further three years, covering around £167m of the department's technology spend over the term.

Phoenix continues to build expertise by vertical, which is important to public sector customers and reflected in framework evaluations. Our work with the University of Oxford, where we support more than 40 technology vendor relationships alongside commercial and procurement advice, and our wider credentials in the academic sector are examples of this approach. In healthcare, we continued to support the NHS in deploying and adopting Microsoft Copilot for around 500,000 employees, following the award of one of the largest Microsoft End Customer Investment Fund projects globally. The work includes establishing use cases, setting guard-rails, training users and supporting change, alongside the underlying licence. With Phoenix focused on the public sector, we expect to develop more opportunities of this type.

Services

Services is an increasingly strategic part of our offering. It covers the advice, design, implementation and ongoing management that customers need to get value from the technology they buy. The recurring element of this work, particularly managed services, also provides deeper and longer-term customer relationships. Vendors are increasingly directing investment towards partners that can help customers deploy and adopt their technology.

Services GII grew 41.0% in the first half and we continued to invest in the technical capacity required to support this growth, with technical delivery headcount increasing by 13.3% since February. As a result, our services GP grew by 12.0% to £9.3 million against the comparative period across both internally and externally delivered work. With the additional investment the services margin fell slightly from 24% to 19% but we expect the utilisation of the capacity we have added to generate higher returns, with security currently a strong area of customer demand. Our objective is to provide customers with a broader managed services offering covering the cloud platform, user access, endpoints and security. These capabilities can be developed across the Group and sold through both Bytes and Phoenix, improving the economics of our investment in services.

Acquisition of CyberOne

The acquisition of CyberOne after the period end, (exchange of contracts on 9 October 2026 with completion expected before the end of October), accelerates our Services strategy. CyberOne provides AI-enabled managed cyber security services built on Microsoft technology, including managed detection and response from its own accredited security operations centre. Around 90% of its income is recurring under multi-year contracts. The acquisition gives Bytes its own 24x7 security operations capability and reduces our reliance on third parties for an important part of customers' security requirements. It also provides a capability that can help customers make greater use of Microsoft security products they already own.

The initial consideration of £19.4m will be funded entirely from existing cash resources, with further performance-related payments over the following 16 months to a maximum of £18.0m. The acquisition is expected to be earnings-enhancing in the first full financial year of ownership. Our full year guidance excludes any contribution from CyberOne.

Phoenix will continue to operate its own security capability for public sector customers, where accreditation and tenancy requirements differ.

Artificial intelligence

AI is the largest change on our customers' technology agendas, and it is now a meaningful driver of growth across our core business rather than a separate activity alongside it. Adopting AI is not a single purchase and before an organisation can deploy at scale it needs its identity and access controls in order, its data governed, its security tested, and its people trained and supported through the change, each of which we sell and deliver. With Microsoft's incumbent position in workspace technology, it means many of our customers already hold much of that governance framework under their existing M365 licensing. Our role is to get customers to the point at which AI can be adopted safely, drive integration, and create real value.

Our work with the NHS is the clearest example, and we are recognised as a Microsoft Frontier Partner in this agentic era. We have continued to build our AI capability across both businesses, with dedicated practice leadership and development programmes to grow the skills our customers now expect of us, and our teams are increasingly asked to advise on governance and guard-rails as much as on the technology itself.

A second opportunity is emerging behind the first which we are well positioned to benefit from. In the past, managing software spend has meant managing licences, which are countable and broadly predictable. AI is charged by consumption, which makes cost far harder to forecast and control, and customers are already asking us how to manage it. The discipline is shifting from counting licences to managing the performance of what an organisation actually uses, and our licensing and software asset management skills and experience give us the right foundation to manage this. We expect helping customers manage the economics of AI to become an increasingly important part of the advice we give.

We also apply AI inside our own business, to improve efficiency and to make it easier for customers to deal with us. Proprietary agents built by our own teams are now fully embedded within customer projects, driving efficiencies and releasing significant time for increased focus on customer delivery without adding headcount. These sit alongside our existing technologies, and everything our agents produce is reviewed in detail by our highly skilled teams before it reaches a customer.

Vendors

Our value to vendors comes from finding opportunities for their technology to deliver business goals for customers, and then enabling implementation and driving adoption so that an outcome is achieved. Microsoft is our largest vendor relationship, accounting for around half of our GP, growing broadly in line with the first half. It remains a

key gateway to growth, engagement and trust with our customers, accounting for a significant share of their software budgets and incremental investment, particularly into cloud, cyber security, and data and AI, and it increasingly directs its own investment towards partners who can drive adoption and consumption.

Microsoft partner incentives evolve over time, just as technology and the way organisations use it evolve, and we have a long-established track record of absorbing these changes while maintaining our GP levels. The changes made on 1 January 2025, which reduced the incentives available on enterprise agreements, have now annualised and are behind us.

A further set of changes take effect from October 2026. These reduce the rebates available on certain legacy products, increase the rewards on growth products including those carrying security and AI capability, and enhance the incentives available on CSP. The CSP element is the most significant for us, because it rewards moving customers onto longer, multi-year commitments, which deepens the relationship and improves the visibility of the gross profit that comes with it. That work takes time and will not all land in a single year, but it is a positive for the Group and the direction we have been building towards.

We have prepared for this appropriately, by aligning our sales coverage and services around the products Microsoft is now rewarding, and by launching Seller Insights, which gives every account manager a prioritised view of the funding available to each customer, the evidence from that customer's own usage that they should be using it, and what makes the conversation timely. These changes are planned for and included in our upgraded FY27 guidance.

Our customers value breadth, but not at the expense of depth, and we continue to broaden our share of non-Microsoft work by deepening a focused set of relationships in the areas where customer budgets are moving fastest. In security we work with vendors including Check Point, CrowdStrike, Darktrace, Google Wiz, Mimecast, Netskope, Rubrik and Zscaler. In hybrid platforms, where customers are refreshing infrastructure alongside their cloud investment, we work with Dell, Evepure (formerly Pure Storage), HPE, Lenovo, Nutanix, and VMware by Broadcom, and we continue to grow our cloud business with AWS. Vendor awards won during this period include: AvePoint partner of the year & Technical Innovation award, Checkpoint Exposure Management Partner of the Year UK & Infinity Partner of the Year UK, Mimecast EMEA Partner of the Year – June 2026, Palo Alto Technical Partner of the Year 2026, Rubrik 2026 EMEA Partner Award & Pipeline Contributor.

People

Our hiring in the first half was measured, with headcount only increasing 2% since February to 1,353, as we concentrated on utilising the sales capacity added over the previous two years rather than adding to the cost base. That discipline is visible in our productivity, with GP per employee increasing by 13% as front-line sales headcount increased by just 4.4% year on year and sales support headcount reducing as we completed the reorganisation of our sales teams. Technical delivery headcount increased 13.3%, to support the growth in our solutions business.

Having made efficient use of existing capacity, we will add more in the second half, with sales intakes joining both businesses in November, which we expect will carry full quota by the year end. New sales intakes take time to scale and reach full productivity, so this is an investment in FY28 and beyond, and a clear signal of our confidence in the growth aspirations of the business ahead.

Our people are the lifeblood of our organisation, and the way our teams have supported customers through a period of considerable internal change has been exceptional. Phoenix was ranked 51st in the Best Small to Medium Workplaces in Europe list. We continue to invest in developing our people, including the technical and AI skills our customers increasingly expect of us. I would like to thank all our staff for their hard work, professionalism and continued commitment to the business.

Board

Gavin Rochussen joined the Board as a Non-Executive Director and Chair designate on 10 July 2026 and succeeded Patrick De Smedt as Chair on 4 September 2026. On behalf of the Board, I would like to thank Patrick for his stewardship of the Group since our listing in 2020. Tapiwa Ngara joined the Board as a Non-Executive Director on 10 July 2026. The search for a Chief Financial Officer is progressing, and Andrew Holden will transition into the Chief Operating Officer role once a successor has been appointed.

Dividend and share buyback

Our dividend policy is to distribute 40–50% of the Group's full year post-tax pre-exceptional earnings to shareholders by way of normal dividends. Accordingly, the Board has declared an interim dividend of 3.3p per share, which will be paid on 20 November 2026 to shareholders on the register at 6 November 2026. We have completed the £25m share repurchase programme announced with our FY26 results and, together with the FY26 final dividend, returned £41.3m to shareholders in the half. The acquisition of CyberOne will be funded entirely from existing cash resources, and the Group continues to operate with no debt and an undrawn revolving credit facility.

Chief Financial Officer's review

	H1 FY27	H1 FY26	Change
	£'m	£'m	%
Income statement			
Gross invoiced income (GII)	1,605.2	1,342.0	19.6
GII split by product:			
Software	1,535.3	1,292.4	18.8
Hardware	20.4	14.6	39.7
Services internal ¹	21.4	19.0	12.6
Services external ²	28.1	16.1	74.5
Adjustment to gross invoiced income for income recognised as agent	(1,476.9)	(1,234.0)	19.7
Revenue	128.3	108.1	18.7
Revenue split by product:			
Software	83.5	72.1	15.8
Hardware	20.4	14.6	39.7
Services internal ¹	21.4	19.0	12.6
Services external ²	3.0	2.4	25.0
Gross profit (GP)	97.1	82.4	17.8
GP/GII%	6.0%	6.1%	
Other income	0.2	0.4	(50.0)
Administrative expenses	(62.0)	(49.7)	24.7
Administrative expenses split:			
Employee costs	(48.2)	(39.4)	22.3
Other administrative expenses	(13.8)	(10.3)	34.0
Operating profit	35.3	33.1	6.6
Operating profit/GP%	36.4%	40.2%	
Interest income	4.9	5.6	(12.5)
Finance costs	(0.2)	(0.2)	
Profit before tax	40.0	38.6	3.6
Income tax expense	(10.1)	(9.6)	5.2
Effective tax rate	25.3%	24.9%	
Profit after tax	29.9	29.0	3.1

¹ Provision of services to customers using the Group's own internal resources.

² Provision of services to customers using third-party contractors.

Gross invoiced income

GII reflects gross income billed to our customers and has a direct influence on our movements in working capital. However, it does not capture all the IT spend we help our customers with because, in some cases, our vendor partners invoice the customer directly and pay us a fee that is a percentage of their sales value, and which we recognise within our GII, revenue and GP.

GII has increased by 19.6% year on year, to £1,605.2m (HY26: £1,342.0m), driven by strong growth in software, hardware and services. Growth came through in both the public sector (+ 20.6%) and the private sector (+ 17.3%),

with our mix remaining weighted to the public sector, which contributed 70% of total GII (HY26: 70%). Private sector GII benefited from the transition of more customers to Microsoft's CSP programme (where BTG invoices the customers) from Microsoft's EA programme (where Microsoft invoices the customers and pays BTG a fee).

Revenue

Revenue is reported in accordance with IFRS 15, with hardware and internal services reported gross (principal) and software and external services reported net (agent), which means revenue reflects changes in the mix of business but is often not a good indicator of underlying growth.

This reporting of revenue as a mix of GP and GII across the four income streams has given rise to an 18.7% increase, with growth in internal services and hardware (both reported gross) and growth in software and external services (both reported net). Given revenue is a mix of metrics, we focus on GP to provide a consistent measure of our sales and profit performance.

Gross profit

GP, our primary measure of sales performance, has grown by £14.7m, up 17.8% year on year to £97.1m (HY26: £82.4m).

Breaking this down by income stream, starting with the Group's two most strategic focus areas, software GP grew strongly by 15.8% to £83.5m, with GP/GII% largely maintained at 5.4%, while services GP grew by 12.0% to £9.3m, following continuing investment in delivery heads. We continue to be supported by Microsoft providing services funding, for both internal investments and customer engagements. Hardware GP more than doubled off a small base to reach £4.3m.

Looking across our two main customer sectors, public sector GP has grown by 23.1% and private sector GP increased by 14.6%, both returning to double-digit growth following the reductions in the Microsoft enterprise agreement incentives which affected the prior year.

The GP growth again demonstrates the Group's strategy of winning new customers and then expanding share of wallet. Our objective is to ensure we build our profitability within each contract by adding additional higher-margin products into the original agreement as the customers' requirements grow and become more advanced. This process is further enhanced by focusing on selling our wide range of solutions offerings and higher-margin security products, while maximising our vendor incentives through achievement of technical certifications. We track these customers individually to ensure that the strategy delivers value for the business, and our other stakeholders, over the duration of the contracts.

As in previous years, with higher margins available in the private sector it contributed 60% of total GP (HY26: 61%) despite our GII being weighted to the public sector. Our GP/GII margin was broadly flat at 6.0% (HY26: 6.1%). In the public sector, our margin (GP/GII) increased slightly to 3.5% (HY26: 3.4%) and in the private sector it dropped slightly to 12.2% (HY26: 12.5%), the latter in part due to switching customers from direct fee EA contracts to indirect billing CSP agreements which in absolute terms are more profitable as demonstrated by the strong GP growth.

Our long-standing relationships with our customers and high levels of repeat business were again demonstrated over this period with 98% of our GP coming from customers that we also traded with last year (HY26: 98%), at a renewal rate of 115% (HY26: 98%) – which measures the GP from existing customers in this period compared to total GP in the prior period.

Other income

Other income comprises £0.2m (HY26: £0.4m) of rental income from the offices acquired in FY25, which has halved from last year due to staff from Bytes and Group head office now fully occupying one of the two buildings, replacing the previous tenants when their rental agreements expired.

Administrative expenses

Administrative expenses includes employee costs and other administrative expenses, as set out below.

Employee costs

During the year we have seen total staff numbers rise to 1,353 on our August 2026 payroll, up by 2% from the year-end position of 1,331 on 28 February 2026.

Employee costs, included in administrative expenses, rose by 22.3% to £48.2m (HY26: £39.4m). In addition to the normal inflationary impact and a 4% increase in average staff numbers over the comparative prior period, we have also seen the staff cost normalisation previously reported in the FY26 results. This included £0.8m benefit in the prior year from capitalising developer costs which have now reverted to being expensed, the return to higher commission costs aligned to the strong GP performance and an increase in bonuses accrued which are expected to be earned for the full year.

Other administrative expenses

Other administrative expenses increased by 34.0% to £13.8m (HY26: £10.3m). The main increases comprised systems investment to improve employee and customer experience and professional fees associated to large projects, M&A, and board appointments. As part of the cost normalisation impact, we have also seen amortisation costs on the capitalised software asset increasing by £0.4m.

Operating profit

Our operating profit increased by 6.6% from £33.1m to £35.3m, with the strong performance on the GP line offset to some extent by higher employee and other administrative expenses which was expected as operating costs normalised.

Our operating efficiency ratio, which measures operating profit as a percentage of GP, is a key performance indicator in understanding the Group's operational effectiveness in running day-to-day operations. This decreased to 36.4% (HY26: 40.2%) for the reasons noted above. The costs behind that movement were set out at our FY26 results and have been incurred against clear customer demand. As they annualise, and the capacity we have added becomes fully productive, we expect operating profit to grow more broadly in line with GP from FY28.

Interest income and finance costs

The period has again seen significant interest being earned from money-market deposits, although reducing to £4.9m (HY26: £5.6m) because of lower available interest rates.

Our finance costs remain very low comprising fees associated with our revolving credit facility (RCF) and finance lease interest on our staff electric vehicle scheme. We also note that to date the Group has not drawn down any amount on the RCF.

Profit before tax

With increasing operating profit offset slightly by lower interest income our profit before tax has increased by 3.6% to £40.0m (HY26: £38.6m).

Income tax expense

Our effective tax rate was 25.3% (HY25: 24.9%) due to a small prior year charge adjustment but otherwise current year is in line with the UK statutory rate of 25.0%

Profit after tax

Profit after tax increased by 3.1% to £29.9m (HY26: £29.0m).

Earnings per share

Basic earnings per share increased 6.1% from 12.03p to 12.76p, reflecting the 3.1% increase in profit after tax divided by a lower average number of shares resulting from the two £25m share repurchase programmes during FY26 and FY27.

Balance sheet and cash flow

	31 August 2026	31 August 2025
	£'m	£'m
Balance sheet		
Property, plant and equipment	14.1	13.9
Intangible assets	45.7	45.4
Investment in associate	3.0	3.2
Other non-current assets	3.1	3.1
Non-current assets	65.9	65.6
Contract assets	13.2	12.6
Trade and other receivables	330.3	259.0
Other current assets	0.5	0.4
Cash	68.4	82.3
Current assets	412.4	354.3
Lease liabilities	1.1	1.2
Other non-current liabilities	8.5	4.5
Non-current liabilities	9.6	5.7
Trade and other payables	370.1	301.7
Contract and tax liabilities	28.0	21.8
Lease liabilities	1.0	0.8
Provisions	-	12.5
Current liabilities	399.1	336.8
Net assets	69.6	77.4
Share capital	2.3	2.4
Share premium	641.7	641.3
Share-based payment reserve	9.7	13.1
Merger reserve	(644.4)	(644.4)
Retained earnings	60.3	64.9
Total equity	69.6	77.4

Closing net assets stood at £69.6m (31 August 2025: £77.4m), including the Group's £3.0m interest (25.1%) in Cloud Bridge Technologies.

Intangible assets include £7.2m of capitalised software development costs relating to investments into in-house platforms in the previous two financial years. Following completion of those projects last year there has been no further cost capitalised and the figure is stated net of £0.4m of amortisation charged in the period.

Our debtor days at the end of the period stood at 41, and our average debtor days for the period was 39 (HY26: 38). Our closing loss allowance has remained flat at £1.3m since the February 2026 year-end (HY26: £1.3m).

The Group has paid its suppliers on schedule throughout the year, with its average creditor days remaining broadly in line with the prior year at 51 (HY26: 50) and standing at 57 at the end of the period (HY26: 52).

The consolidated cash flow is set out below:

	H1 2027	H1 2026
Cash flow	£'m	£'m
Cash generated from operations	16.8	14.7
Payments for fixed assets	(0.7)	(1.0)
Payments for intangible assets	-	(2.3)
Free cash flow	16.1	11.4
Net interest received	4.7	5.5
Taxes paid	(9.2)	(10.0)
Lease payments	(0.5)	(0.4)
Dividends paid	(16.3)	(41.0)
Issue of share capital	0.2	4.9
Purchase of share capital	(25.2)	(1.1)
Net decrease in cash	(30.2)	(30.8)
Cash at the beginning of the period	98.6	113.1
Cash at the end of the period	68.4	82.3
Operating profit	35.3	33.1
Cash conversion (against operating profit)	45.7%	34.4%
Cash conversion (rolling 12 months)	108.8%	104.7%

Cash at the end of the period was £68.4m (31 August 2025: £82.3m), which is after the payment of dividends totalling £16.3m during the period – being the final dividend for FY26 – and the share repurchase programme of £25.2m (including £0.2m of costs).

Cash flow from operations after payments for fixed and intangible assets (free cash flow) generated a positive cash flow of £16.1m (HY26: £11.4m). Consequently, the Group's cash conversion ratio for the half year was 45.7% (HY26: 34.4%). Whilst we target our long-term sustainable cash conversion at 100%, we typically achieve a lower figure in H1 given the seasonality of our cash flows, particularly around the timing of receipts and payments for our large Microsoft enterprise agreements. For reference, our rolling 12-month cash conversion measured across the full year up to the end of August has exceeded the 100% target.

If required, the Group has access to a committed RCF of £30m with HSBC. The previous facility was extended in May 2026 for a further three years, until 17 May 2029 for the same value and under the same terms with an optional one-year extension to 17 May 2030. To date, the Group has not used the facility.

Interim dividend

The Group's dividend policy is to distribute 40-50% of full year post-tax pre-exceptional earnings to shareholders. Accordingly, the Board is pleased to declare a gross interim dividend of 3.3 pence per share. The aggregate amount of the interim dividend expected to be paid out of retained earnings at 31 August 2026, but not recognised as a liability at the end of the half year, is £7.6m.

The salient dates applicable to the dividend are as follows:

Dividend announcement date	Tuesday, 13 October 2026
Currency conversion determined and announced together with the South African (SA) tax treatment on SENS by 11:00	Friday, 30 October 2026
Last day to trade cum dividend (SA register)	Monday, 2 November 2026
Commence trading ex-dividend (SA register)	Tuesday, 3 November 2026
Last day to trade cum dividend (UK register)	Wednesday, 4 November 2026

Commence trading ex-dividend (UK register)	Thursday, 5 November 2026
Record date	Friday, 6 November 2026
Payment date	Friday, 20 November 2026

Additional information required by the Johannesburg Stock Exchange:

1. The GBP:ZAR currency conversion will be determined and published on SENS on Friday, 30 October 2026.
2. A dividend withholding tax of 20% will be applicable to all shareholders on the South African register unless a shareholder qualifies for exemption not to pay such dividend withholding tax.
3. The dividend payment will be made from a foreign source (UK).
4. At Tuesday, 13 October 2026, being the declaration announcement date of the dividend, the company had a total of 230,112,513 shares in issue (with no treasury shares).
5. No transfers of shareholdings to and from South Africa will be permitted between Monday, 2 November 2026 and Friday, 6 November 2026 (both dates inclusive). No dematerialisation or rematerialisation orders will be permitted between Tuesday, 3 November 2026 and Friday, 6 November 2026 (both dates inclusive).

Managing current, new and emerging risks

We assess current, new and emerging risks as part of our ongoing risk monitoring process. While we remain vigilant, we take confidence from the resilience that our business has shown through various external crises in recent years.

In our last Annual Report, we identified 13 principal risks that could have a significant impact on our operations. This year, there were no changes to any of the risks themselves, with no additions or deletions but as in previous years we changed the status of the risk in some cases and added to it in others, noting that;

- we integrated the three emerging risks we identified in our previous reporting – Climate change, Keeping pace with social change and Impact of AI – into our existing principal risks, reflecting their increasing importance to the business.
- we added the risks from quantum computing into the existing Cyberthreats principal risk

Several of our risks were previously assessed to be “increasing” in our last Annual Report reflecting geopolitical, regulatory and business landscape changes. This year to date we have also amended “Inflation” to be an “increasing” risk reflecting CPI figures continuing to run well above the Bank of England’s 2% target and increasing pressure for interest rates to rise.

Summary of changes since ARA 2025/26

1 Economic disruption
Updated commentary.
2 Commercial models and margin pressure
Updated commentary.
3 Inflation
Changed from ‘decreasing’ to ‘increasing’. Included latest UK CPI figures.
4 Working capital
Updated commentary.
5 Vendor concentration
Updated commentary.
6 Evolving competition
Updated commentary.
7 Emerging technology
Updated commentary.
8 Cyberthreats – direct and indirect
Updated commentary - included previous emerging risk elements from Impact of AI and added risk from quantum computing.
9 Business resilience
Updated commentary - included previous emerging risk elements from climate change.
10 Attract and retain staff while keeping our culture

Updated commentary – included previous emerging risk elements from social change and Impact of AI.
11 Supply chain management
Updated commentary – included previous emerging risk elements from climate change, social change and Impact of AI.
12 Sustainability/ESG
Changed status from ‘increasing’ to ‘no change’. Moved regulatory and compliance side of risk into risk 13 Regulatory and compliance. Added previous emerging risk elements from climate change, social change and Impact of AI. Updated commentary.
13 Regulatory and compliance
Changed status from ‘increasing’ to ‘no change’. Added regulatory elements from sustainability / ESG risk. Updated commentary.

Going concern disclosure

The Group has performed a going concern assessment from 31 August 2026 for the period up to 29 February 2028. As outlined in the Chief Financial Officer's review above, trading during the year demonstrated the Group's strong performance in the period and our resilient operating model. The Group has a healthy liquidity position with £68.4m of cash and cash equivalents available at 31 August 2026. The Group also has access to a committed RCF that covers the going concern period and that remains undrawn. The directors have reviewed trading and liquidity forecasts for the Group, as well as continuing to monitor the effects of macroeconomic, geopolitical and climate-related risks on the business. The directors have also considered a number of key dependencies, which are set out in the Group's principal risks report, and include BTG's exposure to inflation pressures, credit risk, liquidity risk, currency risk and foreign exchange risk. The Group continues to model its base case, severe-but-plausible and stressed scenarios, including mitigations, consistently with those disclosed in the annual financial statements for the year ended 28 February 2026, and with the key assumptions summarised within the financial statements below. Under all scenarios assessed, the Group would remain cash positive throughout the whole of the going concern period without needing to use the RCF.

Going concern conclusion

Based on the analysis described above, the Group has sufficient liquidity headroom through the forecast period. The directors therefore have reasonable expectation that the Group has the financial resources to enable it to continue in operational existence for the period up to 29 February 2028. Accordingly, the directors conclude it to be appropriate that the interim condensed consolidated financial statements be prepared on a going concern basis.

Responsibility statement pursuant to the Financial Conduct Authority's Disclosure and Transparency Rule 4 (DTR 4)

Each director of the company confirms that (solely for the purpose of DTR 4) to the best of their knowledge that:

- The financial information in this document, prepared in accordance with the applicable UK law and applicable accounting standards, gives a true and fair view of the assets, liabilities, financial position and result of the Group taken as a whole
- The Chief Executive Officer's and Chief Financial Officer's reviews include a fair review of the development and performance of the business and the position of the Group taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board.

Sam Mudd
Chief Executive Officer

Andrew Holden
Chief Financial Officer

12 October 2026

Interim condensed consolidated statement of profit or loss
For the six months ended 31 August

		Six months ended		Year ended
		31 August	31 August	28 February
		2026	2025	2026
		Unaudited	Unaudited	Audited
	Note	£'000	£'000	£'000
Revenue	3	128,273	108,082	220,562
Cost of sales		(31,128)	(25,680)	(53,251)
Gross profit		97,145	82,402	167,311
Administrative expenses		(61,818)	(49,281)	(104,579)
Operating profit		35,327	33,121	62,732
Finance income	4	4,880	5,646	7,577
Finance costs	4	(167)	(158)	(319)
Share of loss of associate		-	-	(158)
Profit before taxation		40,040	38,609	69,832
Income tax expense	5	(10,165)	(9,578)	(18,550)
Profit after taxation		29,875	29,031	51,282
Profit for the period attributable to owners of the parent company		29,875	29,031	51,282
		Pence	Pence	Pence
Basic earnings per ordinary share	16	12.76	12.03	21.40
Diluted earnings per ordinary share	16	12.32	11.62	20.74

The consolidated statement of profit or loss has been prepared on the basis that all operations are continuing operations.

There are no items to be recognised in other comprehensive income and hence, the Group has not presented a statement of other comprehensive income.

Interim condensed consolidated statement of financial position

		As at 31 August 2026 Unaudited £'000	As at 31 August 2025 Unaudited £'000	As at 28 February 2026 Audited £'000
	Note			
Assets				
Non-current assets				
Property, plant and equipment		14,137	13,947	14,082
Right-of-use assets		1,862	1,659	1,754
Intangible assets	6	45,674	45,369	46,482
Investment in associate		3,027	3,185	3,027
Contract assets		1,175	1,438	697
Total non-current assets		65,875	65,598	66,042
Current assets				
Inventories		-	14	-
Contract assets		13,170	12,579	8,027
Trade and other receivables	7	330,304	258,993	299,887
Current tax asset		488	456	1,527
Cash and cash equivalents	8	68,443	82,300	98,646
Total current assets		412,405	354,342	408,087
Total assets		478,280	419,940	474,129
Liabilities				
Non-current liabilities				
Lease liabilities		(1,067)	(1,153)	(1,138)
Contract liabilities		(6,086)	(4,150)	(2,067)
Deferred tax liabilities		(2,477)	(382)	(2,587)
Total non-current liabilities		(9,630)	(5,685)	(5,792)
Current liabilities				
Trade and other payables	9	(370,055)	(301,729)	(359,197)
Contract liabilities		(28,022)	(21,830)	(27,178)
Lease liabilities		(980)	(773)	(842)
Provisions		-	(12,500)	-
Total current liabilities		(399,057)	(336,832)	(387,217)
Total liabilities		(408,687)	(342,517)	(393,009)
Net assets		69,593	77,423	81,120
Equity				
Share capital		2,304	2,424	2,364
Share premium		641,660	641,290	641,514
Other reserves		9,702	13,147	10,833
Merger reserve		(644,375)	(644,375)	(644,375)
Retained earnings		60,302	64,937	70,784
Total equity		69,593	77,423	81,120

Interim condensed consolidated statement of changes in equity (unaudited)

		Attributable to owners of the company					
	Note	Share capital £'000	Share premium £'000	Other reserves £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 March 2026		2,364	641,514	10,833	(644,375)	70,784	81,120
Total comprehensive income for the period		-	-	-	-	29,875	29,875
Dividends paid	13	-	-	-	-	(16,296)	(16,296)
Shares issued during the year	11	2	146	-	-	-	148
Transfer to retained earnings	15	-	-	(1,117)	-	1,117	-
Share-based payment transactions	15	-	-	(76)	-	-	(76)
Purchase and cancellation of own shares	10,11	(62)	-	62	-	(23,718)	(23,718)
Costs of share purchases	10	-	-	-	-	(178)	(178)
Liability for purchase of own shares	10	-	-	-	-	(1,282)	(1,282)
Balance at 31 August 2026		2,304	641,660	9,702	(644,375)	60,302	69,593
Balance at 1 March 2025		2,411	636,432	14,879	(644,375)	88,696	98,043
Total comprehensive income for the period		-	-	-	-	29,031	29,031
Dividends paid	13	-	-	-	-	(41,014)	(41,014)
Shares issued during the year	11	16	4,858	-	-	-	4,874
Transfer to retained earnings	15	-	-	(3,500)	-	3,500	-
Share-based payment transactions	15	-	-	1,717	-	-	1,717
Tax adjustments	5	-	-	48	-	-	48
Purchase and cancellation of own shares		(3)	-	3	-	(2,755)	(2,755)
Costs of share purchases		-	-	-	-	(21)	(21)
Liability for purchase of own shares		-	-	-	-	(12,500)	(12,500)
Balance at 31 August 2025		2,424	641,290	13,147	(644,375)	64,937	77,423
Balance at 1 March 2025		2,411	636,432	14,879	(644,375)	88,696	98,043
Total comprehensive income for the period		-	-	-	-	51,282	51,282
Dividends paid	13	-	-	-	-	(48,618)	(48,618)
Shares issued during the year		18	5,082	-	-	-	5,100
Transfer to retained earnings	15	-	-	(4,611)	-	4,611	-
Share-based payment transactions	15	-	-	751	-	-	751
Tax adjustments	5	-	-	(251)	-	-	(251)
Purchase and cancellation of own shares		(65)	-	65	-	(25,000)	(25,000)
Costs of share purchases	10	-	-	-	-	(187)	(187)
Balance at 28 February 2026		2,364	641,514	10,833	(644,375)	70,784	81,120

Interim condensed consolidated statement of cash flows

		Period ended 31 August 2026 Unaudited £'000	Period ended 31 August 2025 Unaudited £'000	Year ended 28 February 2026 Audited £'000
	Note			
Cash flows from operating activities				
Cash generated from operations	12	16,868	14,696	71,827
Interest received		4,880	5,646	7,577
Interest paid		(126)	(122)	(239)
Income taxes paid		(9,236)	(9,984)	(18,121)
Net cash inflow from operating activities		12,386	10,236	61,044
Cash flows from investing activities				
Payments for property, plant and equipment		(735)	(993)	(1,816)
Payments for intangible asset		-	(2,334)	(4,097)
Net cash outflow from investing activities		(735)	(3,327)	(5,913)
Cash flows from financing activities				
Proceeds from issue of shares		148	4,874	5,100
Purchase of own shares for cancellation	10	(25,000)	(1,148)	(25,000)
Cost incurred on purchase of own shares	10	(178)	(9)	(187)
Principal elements of lease payments		(528)	(388)	(856)
Dividends paid to shareholders	13	(16,296)	(41,014)	(48,618)
Net cash outflow from financing activities		(41,854)	(37,685)	(69,561)
Net decrease in cash and cash equivalents		(30,203)	(30,776)	(14,430)
Cash and cash equivalents at the beginning of the financial period		98,646	113,076	113,076
Cash and cash equivalents at end of period	8	68,443	82,300	98,646

1. Accounting policies

1.1 General information

The interim condensed consolidated financial statements of Bytes Technology Group plc, together with its subsidiaries ("the Group" or "the Bytes business") for the six months ended 31 August 2026 were authorised for issue in accordance with a resolution of the directors on 12 October 2026.

The Company is a public limited company, incorporated and domiciled in the UK. Its registered address is Bytes House, Randalls Way, Leatherhead, Surrey, KT22 7TW.

The Group is one of the UK's leading providers of IT software offerings and solutions, with a focus on cloud and security products. The Group enables effective and cost-efficient technology sourcing, adoption and management across software services, including in the areas of security and cloud. The Group aims to deliver the latest technology to a diverse and embedded non-consumer customer base and has a long track record of delivering strong financial performance. The Group has a primary listing on the Main Market of the London Stock Exchange (LSE) and a secondary listing on the Johannesburg Stock Exchange (JSE).

1.2 Basis of preparation

The annual consolidated financial statements of the Group will be prepared in accordance with UK-adopted International Accounting Standards.

The interim condensed consolidated financial statements for the six months ended 31 August 2026 have been prepared in accordance with UK-adopted International Accounting Standard ("IAS") 34 Interim Financial Reporting.

The interim condensed consolidated financial statements have been reviewed, but not audited, by Ernst & Young LLP and were approved by the Board of Directors on 12 October 2026. The financial information contained in this report does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 28 February 2026, which were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The annual financial statements for the year ended 28 February 2026 were approved by the Board of Directors on 12 May 2026 and have been delivered to the registrar. The auditor's report on those financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

The Group's interim condensed consolidated financial statements comprise the interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of financial position, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows and the notes thereto.

All amounts disclosed in the Group's interim condensed consolidated financial statements and notes have been rounded off to the nearest thousand, unless otherwise stated.

Going concern

The going concern of the Group is dependent on maintaining adequate levels of resources to continue to operate for the foreseeable future. The directors have considered the principal risks, which are set out above, in addition to day-to-day risks such as the Group's exposure to credit risk, liquidity risk, currency risk and foreign exchange risk.

When assessing the going concern of the Group, the directors have reviewed the year-to-date financial actuals, the cash position at 31 August 2026, and the financial forecasts for the period up to 29 February 2028, being the going concern assessment period.

The assumptions used in the financial forecasts are based on the Group's historical performance, current trading results, and management's extensive experience of the industry. Taking into consideration the Group's principal risks, the impact of the current economic conditions and geopolitical environment, and future expectations, the forecasts

have been stress-tested through a number of downside scenarios to ensure that a robust assessment of the Group's working capital and cash requirements has been performed.

Operational performance and operating model

The Group finished the period with £68.4 million of cash and profit before tax for the six months of £40.0 million, continuing in its strategic direction around growing industry demands for cloud, cybersecurity, and AI solutions, underpinned by managed services.

Resilience continues to be built into the model from the Group's wide customer base, high levels of repeat business, strong vendor relationships, and the back-to-back nature of most of its sales with demand driven by our customers navigating the complexities of agile, yet secure, IT environments.

Customers have continued to move their software products and data off-site and into the cloud, requiring the Group's advice and ongoing support around this, as well as needing flexibility and added security due to the risks of cyber-attacks. We are also seeing growing requirements for artificial intelligence (AI) functionality within IT applications and a demand for guidance and support from our customers to capitalise on this emerging technology. In line with these industry trends, we have achieved strong growth in gross profit during the current period from our wide range of service offerings.

As a result, the directors believe that the Group continues to operate in a resilient industry, which will enable it to deliver further profit growth but are also vigilant to the risks which exist in the wider economy. Over the past year we have seen continued risks arising from macroeconomic and geopolitical factors which align to those identified in our principal risks statement, such as economic disruption, inflation, and attraction and retention of staff. The Board monitors these macroeconomic and geopolitical risks on an ongoing basis. The key ones are considered further below.

Macroeconomic risks and Geopolitical risks

- Economic conditions potentially impacting on customer spending – we have seen increased spending by our customers with a significant rise in our gross invoiced income, because strong IT security controls, optimised software licensing, and our specialist support help protect our customer's businesses and improves their productivity.
- Economic conditions potentially impacting on customer payments – we have managed this well and seen our average debtor days of 38 remaining the same as the average in the previous year comparable period and slightly down on the average of 39 for the prior full year.
- Cost of sales inflation and competition potentially leading to margin pressure – our commercial model is based on passing on supplier price increases to our customers, while maximising the level of incentives we receive from vendors. We achieve this by attaining the most relevant technical accreditations which has enabled us to be competitive and at the forefront of emerging technology.
- Wage inflation potentially affecting retention of staff – we have responded to this by aligning staff salaries to market rates, and included further expected rises into the financial forecasts, but also by providing a wide range of staff benefits and a positive culture in which our staff can work and progress.

Liquidity and financing position

At 31 August 2026, the Group held instantly accessible cash and cash equivalents of £68.4 million, and the balance sheet shows net current assets of £13.3 million; these amounts are after the Group paid final dividends for the prior year totalling £16.3 million and paid £23.7 million to buy back shares as part of an overall £25 million share repurchase programme which completed just after the period end.

The Group has access to a committed RCF of £30 million with HSBC. The facility, in place since IPO in December 2020, was extended for three years, until 17 May 2029. The facility includes a non-committed £45 million accordion to increase the availability of funding should it be required for future activity. To date, the Group has not been required to use either its previous or current facilities, and we do not forecast use of the new facility over the going concern assessment period in any of our forecast scenarios.

Going concern assessment

The Group continues to forecast cashflows under a base case scenario modelled on latest projections for the current year and following year, and then two downside scenarios, severe but plausible and stressed, both of which include certain appropriate mitigations. This approach to stress testing is consistent with the disclosure on pages 149 to 151 in the annual financial statements for the year ended 28 February 2026.

In its assessment, the Board has considered the potential impact of the current economic conditions and geopolitical environment as described above. Whilst there is resilience against such pressures, if any of these factors leads to a reduction in spending by the Group's customers, there may be an adverse effect on the Group's future gross invoiced income, gross profit, operating profit, and debtor collection periods.

In the most stressed scenario, we have forecast both gross invoiced income and gross profit falling by 30% year on year, commencing in December 2026, and debtor days increasing by 10 at that same point in time. The directors consider that the level of stress-testing is appropriate to reflect the potential collective impact of all the macroeconomic and geopolitical matters described and considered above.

Under such downsides the Board have factored in the extent to which they might be partially offset by freezes in recruitment, pay rises and general costs (including a natural reduction in commissions and bonuses if gross profit falls) and with further mitigation measures including reductions in headcount (through natural attrition by not replacing leavers). These mitigations are within the control of the Group to implement quickly in response to any downward trends should they be necessary.

After the period end the Group acquired CyberOne, an award winning managed cyber security services provider with exchange of contracts on 9 October 2026 and completion subject to clearance under the UK's National Security and Investment Act 2021 which is expected to be received by the end of October. The initial purchase consideration of £19.4 million has therefore been included in the forecast cashflow in each of the above scenarios.

Under all scenarios assessed, the Group would remain cash positive throughout the whole of the going concern period. Dividends are forecast to continue to be paid in line with the Group's dividend policy to distribute 40-50% of the post-tax pre-exceptional earnings to shareholders.

Going concern conclusion

Based on the analysis described above, the Group has sufficient liquidity headroom through the forecast period. The directors therefore have reasonable expectation that the Group has the financial resources to enable it to continue in operational existence for the period up to 29 February 2028, being the going concern assessment period. Accordingly, the directors conclude it to be appropriate that the interim condensed consolidated financial statements be prepared on a going concern basis.

1.3 Critical accounting estimates and judgements

The preparation of the interim condensed consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

The accounting estimates and judgements adopted for these interim condensed consolidated financial statements are consistent with those of the previous financial year as disclosed in the Group's annual report and accounts for the year ended 28 February 2026.

1.4 New standards, interpretations and amendments adopted by the Group

There were no new standards, interpretations and amendments adopted by the Group during the period to 31 August 2026 that have a material impact on the interim condensed consolidated financial statements of the Group.

1.5 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are the same as those set out in the Group's annual consolidated financial statements for the year ended 28 February 2026.

2. Segmental information

Description of segment

The information reported to the Group's Chief Executive Officer (CEO), who is the chief operating decision maker for the purposes of resource allocation and assessment of performance, is based on the results of the Group. Activities undertaken are consistent across the business in the way that revenue is earned and expenses are incurred through the provision of software and hardware products and delivery of service solutions to a wide range of end customers or via channel partners and purchasing from the same vendors across the Group. In order to provide the most specialist and relevant solutions, customers are grouped into like for like verticals, either by sector, industry type or by size profile but this does not determine how the reporting to the CEO is produced, rather it is a means of providing customers with the best services and to maximise the growth in our gross profit. This is the common value across the Group operating under a single culture and strategy.

The Group has therefore determined that it has only one reportable segment under IFRS 8, which is that of 'IT solutions provider'. The Group's revenue, results, assets and liabilities for this one reportable segment can be determined by reference to the interim condensed consolidated statement of profit or loss and the interim condensed consolidated statement of financial position. An analysis of revenues by product lines and geographical regions, which form one reportable segment, is set out in note 3.

3. Revenue from contracts with customers

3(a) Disaggregation of revenue from contracts with customers:

The Group derives revenue from the transfer of goods and services in the following major product lines and geographical regions:

	Period ended 31 August 2026 Unaudited £'000	Period ended 31 August 2025 Unaudited £'000	Year ended 28 February 2026 Audited £'000
Revenue by product			
Software	83,488	72,101	145,208
Hardware	20,350	14,579	31,266
Services internal	21,434	19,042	39,312
Services external	3,001	2,360	4,776
Total revenue from contracts with customers	128,273	108,082	220,562

Software

The Group's software revenue comprises the sale of various types of software licences (including both cloud-based and non-cloud-based licences), subscriptions and software assurance products.

Hardware

The Group's hardware revenue comprises the sale of items such as servers, laptops and other devices.

Services internal

The Group's internal services revenue comprises the sale to customers of internally provided professional and managed services through its own internal resources.

Services external

The Group's external services revenue comprises the sale to customers of externally provided training and consulting services through third-party contractors.

	Period ended 31 August 2026 Unaudited £'000	Period ended 31 August 2025 Unaudited £'000	Year ended 28 February 2026 Audited £'000
Revenue by geographical regions			
United Kingdom	120,601	104,131	211,904
Europe	4,630	2,165	4,988
Rest of world	3,042	1,786	3,670
	128,273	108,082	220,562

	Period ended 31 August 2026 Unaudited £'000	Period ended 31 August 2025 Unaudited £'000	Year ended 28 February 2026 Audited £'000
3(b) Gross invoiced income by type			
Software	1,535,291	1,292,359	2,233,393
Hardware	20,350	14,579	31,266
Services internal	21,434	19,042	39,312
Services external	28,115	16,060	37,077
	1,605,190	1,342,040	2,341,048
Gross invoiced income	1,605,190	1,342,040	2,341,048
Adjustment to gross invoiced income for income recognised as agent	(1,476,917)	(1,233,958)	(2,120,486)
Revenue	128,273	108,082	220,562

Gross invoiced income reflects gross income billed to customers adjusted for deferred and accrued revenue items amounting to a net increase of £1.1 million (2025: £3.5 million increase; 28 February 2026: £5.9 million reduction). The Group reports gross invoiced income as an alternative financial KPI as management believes this measure allows further understanding of business performance particularly in respect of working capital and cash flow.

4. Finance income and costs

	Period ended 31 August 2026 Unaudited £'000	Period ended 31 August 2025 Unaudited £'000	Year ended 28 February 2026 Audited £'000
Bank interest received	4,880	5,646	7,577
Finance income	4,880	5,646	7,577
Interest expense on financial liabilities	(126)	(122)	(239)
Interest expense on lease liability	(41)	(36)	(80)
Finance costs	(167)	(158)	(319)

5. Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual rate used for the period to 31 August 2026 is 25.4%, compared to 24.8% for the period to 31 August 2025. The estimate is based on the timing and quantity of capital expenditure and exercises of share options in the period extrapolated for the full year and hence different rates arise between periods.

The major components of the Group's income tax expense for all periods are:

	Period ended 31 August 2026 Unaudited £'000	Period ended 31 August 2025 Unaudited £'000	Year ended 28 February 2026 Audited £'000
Current income tax charge	10,275	9,269	16,335
Deferred tax (credit)/charge	(110)	309	2,215
Total tax charge	10,165	9,578	18,550

	Period ended 31 August 2026 Unaudited £'000	Period ended 31 August 2025 Unaudited £'000	Year ended 28 February 2026 Audited £'000
Amounts recognised directly in equity			
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly credited/(charged) to equity:			
Deferred tax: share-based payments	-	(132)	(431)
Current tax: share-based payments	-	180	180
	-	48	(251)

6. Intangible assets

	Goodwill £'000	Customer relationships £'000	Brand £'000	Software £'000	Total £'000
Cost					
At 1 March 2025	37,493	8,798	3,653	3,709	53,653
Additions	-	-	-	2,334	2,334
At 31 August 2025	37,493	8,798	3,653	6,043	55,987
Additions	-	-	-	1,763	1,763
At 28 February 2026	37,493	8,798	3,653	7,806	57,750
Additions	-	-	-	-	-
At 31 August 2026	37,493	8,798	3,653	7,806	57,750
Amortisation					
At 1 March 2025	-	6,525	3,653	-	10,178
Charge for the period	-	440	-	-	440
At 31 August 2025	-	6,965	3,653	-	10,618
Charge for the period	-	440	-	210	650
At 28 February 2026	-	7,405	3,653	210	11,268
Charge for the period	-	440	-	368	808
At 31 August 2026	-	7,845	3,653	578	12,076
Net book value					
At 31 August 2025	37,493	1,833	-	6,043	45,369
At 28 February 2026	37,493	1,393	-	7,596	46,482
At 31 August 2026	37,493	953	-	7,228	45,674

7. Trade and other receivables

	As at 31 August 2026 Unaudited £'000	As at 31 August 2025 Unaudited £'000	As at 28 February 2026 Audited £'000
Financial assets			
Gross trade receivables	317,853	243,367	291,479
Less: loss allowance	(1,383)	(1,314)	(1,286)
Net trade receivables	316,470	242,053	290,193
Other receivables	9,355	13,493	6,750
	325,825	255,546	296,943
Non-financial assets			
Prepayments	4,480	3,447	2,944
	4,480	3,447	2,944
Trade and other receivables	330,305	258,993	299,887

The increase in the loss allowance since 28 February 2026 relates to an increase in the existing provision.

8. Cash and cash equivalents

	As at 31 August 2026 Unaudited £'000	As at 31 August 2025 Unaudited £'000	As at 28 February 2026 Audited £'000
Cash at bank and in hand	7,843	8,800	5,246
Short-term deposits	60,600	73,500	93,400
	68,443	82,300	98,646

9. Trade and other payables

	As at 31 August 2026 Unaudited £'000	As at 31 August 2025 Unaudited £'000	As at 28 February 2026 Audited £'000
Trade and other payables	279,131	236,561	218,542
Accrued expenses	83,404	60,855	115,290
Payroll tax and other statutory liabilities	7,521	4,313	25,365
	370,056	301,729	359,197

10. Share repurchase programme

On 12 May 2026 the Company announced a share repurchase programme under which it has entered into an agreement with its brokers, Numis Securities Limited and Peel Hunt LLP, to purchase the Company's shares for an aggregate value of up to £25.0 million. The brokers managed the purchases on a discretionary basis, purchasing shares within pre-set parameters on the open market and making their trading decisions independently of the Company. The Company has cancelled all shares purchased under the programme.

In the six months to 31 August 2026 the Company repurchased 6,157,978 shares for a total consideration of £23.7 million plus costs of £0.2 million. The purchase has been treated as a distribution through retained earnings. Of these amounts, costs of £5,200 were accrued and paid on 2 September 2026.

At the reporting date 5,907,978 of these shares had been cancelled and the remainder were cancelled on 3 September 2026.

An accrual of £1.3 million at 31 August 2026 has also been recognised through retained earnings for further purchases after the end of the reporting period up to the total aggregate value of £25.0 million. This amounted to 308,547 shares being repurchased and cancelled after the period end.

The accrual was covered by the payment of an equivalent deposit to the Company's brokers before the period end, bringing the total paid in the period in respect of the share repurchase programme to £25.0 million.

11. Share capital and share premium

In the six months to 31 August 2026 the Company issued 189,734 shares (2025: 1,636,456) as a result of employees exercising share options with a corresponding increase in share capital of £1,897 and in share premium of £0.1 million.

The Company also made a transfer from the share capital account to other reserves (capital redemption) for £61,580 in respect of the nominal value of shares cancelled under the Share Repurchase Programme up to the reporting date (see note 10).

12. Cash generated from operations

		Period ended 31 August 2026 Unaudited £'000	Period ended 31 August 2025 Unaudited £'000	Year ended 28 February 2026 Audited £'000
	Note			
Profit before taxation		40,040	38,609	69,832
Adjustments for:				
Depreciation and amortisation		1,934	1,389	3,110
Loss on disposal of property, plant and equipment		-	1	1
Non-cash employee benefits – share based payments	15	(76)	1,717	751
Finance income – net		(4,713)	(5,488)	(7,258)
Share of profit of associate		-	-	158
(Increase)/decrease in contract assets		(5,621)	(2,271)	3,022
(Increase)/decrease in trade and other receivables		(30,417)	9,461	(31,433)
Decrease in inventories		-	-	14
Increase/(decrease) in trade and other payables		10,857	(27,423)	31,665
Increase/(decrease) in contract liabilities		4,864	(1,299)	1,965
Cash generated from operations		16,868	14,696	71,827

13. Dividends

	Period ended 31 August 2026 Unaudited £'000	Period ended 31 August 2025 Unaudited £'000	Year ended 28 February 2026 Audited £'000
Declared and paid during the period			
Interim dividend	-	-	7,604
Final dividend	16,296	16,745	16,745
Special dividend	-	24,269	24,269
Total dividends attributable to ordinary shareholders	16,296	41,014	48,618

Dividends not recognised at 31 August 2026

Since the end of the half year the directors have recommended the payment of an interim dividend of 3.3 pence per fully paid ordinary share (2025: 3.2 pence). The aggregate amount of the proposed dividend expected to be paid on 21 November 2026 out of retained earnings at 31 August 2026, but not recognised as a liability at the end of the half year, is £7.6 million.

14. Related party transactions

In the ordinary course of business, the Group carries out transactions with related parties, as defined by IAS 24 'Related Party Disclosures'. Group companies made purchases from the associate of £2.6 million (2025: £3.3 million) during the six months ended 31 August 2026, with a trade payable of £0.5 million at 31 August 2026 (28 February 2026: £0.9 million).

15. Share-based payments

For the six months ended 31 August 2026, 2,082,594 share options were granted to eligible employees under the PISP, SAYE and DBP schemes (2025: 1,549,398 share options were granted). The fair value of the awards granted is recognised as an expense over the vesting period. The amount recognised in the share-based payment reserve will be reversed to retained earnings as and when the related awards vest and are exercised by employees.

	Period ended 31 August 2026 Unaudited £'000	Period ended 31 August 2025 Unaudited £'000	Year ended 28 February 2026 Audited £'000
Share-based payment employee expenses	(76)	1,717	751
	(76)	1,717	751

16. Earnings per share

The Group calculates earnings per share (EPS) on several different bases in accordance with IFRS and prevailing South Africa requirements. The Group is required to calculate headline earnings per share (HEPS) in accordance with the JSE Listing Requirements.

	Period ended 31 August 2026 Unaudited pence	Period ended 31 August 2025 Unaudited pence	Year ended 28 February 2026 Audited pence
Basic earnings per share	12.76	12.03	21.40
Diluted earnings per share	12.32	11.62	20.74
Headline earnings per share	12.76	12.03	21.40
Diluted headline earnings per share	12.32	11.62	20.74

16(a) Weighted average number of shares used as the denominator

	Period ended 31 August 2026 Unaudited Number	Period ended 31 August 2025 Unaudited Number	Year ended 28 February 2026 Audited Number
Weighted average number of ordinary shares used as the denominator in calculating both basic EPS and HEPS	234,196,191	241,410,480	239,627,247
Adjustments for calculation of both diluted EPS and diluted HEPS: – share options ⁽¹⁾	8,322,314	8,475,071	7,599,407
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating both diluted EPS and diluted HEPS	242,518,505	249,885,551	247,226,654

¹ Share options

Share options granted to employees under the Save As You Earn Scheme, Company Share Option Plan and Bytes Technology Group plc performance incentive share plan are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share on the basis that all employees are employed at the reporting date, and to the extent that they are dilutive. The options have not been included in the determination of basic earnings per share.

16(b) Headline earnings per share

The table below reconciles the profits attributable to owners of the company to headline profits attributable to owners of the company:

	Period ended 31 August 2026 Unaudited £'000	Period ended 31 August 2025 Unaudited £'000	Year ended 28 February 2026 Audited £'000
Profits attributable to owners of the company	29,875	29,031	51,282
Adjusted for:			
- Loss on disposal of property, plant and equipment	-	1	1
Headline profits attributable to owners of the company	29,875	29,032	51,283

17. Events after the reporting period

After the period end the Group acquired CyberOne, with exchange of contracts on 9 October 2026 and completion subject to clearance under the UK's National Security and Investment Act 2021, which is expected to be received by the end of October. The entity is an award winning managed cyber security services provider.

Other than this acquisition there were no events after the period that require disclosure.