



Annual Report 2025

12 Months To 31 December 2025

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Overview

Adjusted Revenue¹ £84.0M 12m to 31/12/24 £81.0m (+3.7%)	Adjusted Gross Profit⁸ £54.1M 12m to 31/12/24 £53.5m (+1.2%)	Adjusted Operating Profit⁹ £2.6M 12m to 31/12/24 £6.3m (-59%)	Adjusted EBITDA² £8.3M 12m to 31/12/24 £11.3m (-27%)
Revenue £84.0M 12m to 31/12/24 £79.5m (+5.7%)	Gross Profit £54.1M 12m to 31/12/24 £52.0m (+4.0%)	Operating Loss (£2.4M) 12m to 31/12/24 (£2.3m) (-4%)	Cash & Cash Equivalents £16.7M 12m to 31/12/24 £11.4m (+47%)
Annual Recurring Revenue (ARR)⁶ £59.2M 12m to 31/12/24 £56.6m (+4.6%)	Net Recurring Retention (NRR) Direct Customers⁷ 108% 12m to 31/12/24 113% (-5%)	Adjusted Recurring Revenue¹ £58.8M 12m to 31/12/24 £54.7m (+8%)	Churn¹⁰ 1.4% 12m to 31/12/24 0.7% (+0.7ppt)

- Adjusted Revenue and Adjusted Recurring Revenue exclude revenue reversals relating to the cyber security incident, which are expected to be fully covered by insurance.
- Adjusted EBITDA excludes exceptional income and costs in relation to acquisitions, restructuring and the cyber incident, depreciation, amortisation, share of loss of associate, loss on disposal of interest in associate, interest, tax and share based payments.
- Adjusted Profit before Tax excludes amortisation on business combinations, share based payments, share of loss of associate, loss on disposal of interest in associate and exceptional income and costs in relation to the cyber incident, acquisitions, and restructuring costs.
- Adjusted EPS and Adjusted Profit after Tax excludes amortisation on business combinations, share based payments, share of loss of associate, loss on disposal of interest in associate, exceptional income and costs in relation to the cyber incident, acquisitions, and restructuring costs and the associated tax effect of the above excluded items.
- Adjusted cash flow generated from operations adds back exceptional cash flows in relation to restructuring.
- Annual Recurring Revenue (ARR) is calculated by multiplying the December 2025 monthly recurring revenue by 12.
- Net Revenue Retention (NRR) represents the change in recurring revenue from existing customers over a 12 month period, after reflecting expansions, contractions and churn, excluding new customer wins.
- Adjusted Gross Profit excludes the impact of revenue reversals relating to the cyber security incident.
- Adjusted Operating Profit excludes amortisation on business combinations, share-based payments, and exceptional items relating to the cyber incident, acquisitions and restructuring.
- Revenue churn measures the percentage of recurring revenue lost from existing customers, calculated by subtracting lost monthly recurring revenue from the starting monthly recurring revenue, and dividing by the starting monthly recurring revenue.

Financial Highlights

During the period, the Group incurred a number of one-off, exceptional items totaling a net £1.5m. These exceptional items primarily relate to cost reduction and efficiency measures and the impacts of the prior year cyber incident. They include £2.4m of restructuring costs, £0.3m of professional services costs relating to managing the cyber incident, and £1.2m of insurance proceeds received in the year in respect of costs incurred and amounts paid out to customers.

To assist readers with understanding the underlying business performance, some of the Alternative Performance Metrics (APMs) below are adjusted for these exceptional items.

- Adjusted Revenue¹ increased 3.7% to £84.0m (FY24: £81.0m), in line with revised market expectations, driven by strong expansion across direct customers in all core geographies, offset by lower OEM volumes and the delay of a small number of direct customer contract wins into FY26.

- Adjusted EBITDA² of £8.3m (FY24: £11.3m), with margin of 9.9% (FY24: 14.0%) reflecting revenue headwinds.
- Adjusted Profit before Tax³ of £2.7m (FY24: £6.5m), partly driven by reduced operating profit and increased amortisation reflecting continued investment in technology development including rollout of the Microlise One platform.
- Adjusted EPS⁴ of 1.72p (FY24: 4.19p).
- Strong cash generation with adjusted operating cash flow⁵ of £13.3m (FY24: £10.3m), and a robust balance sheet with £16.7m of cash (FY24: £11.4m) and a £30m undrawn debt facility, consisting of a £10m committed revolving cash flow facility and a £20m accordion with HSBC.
- Dividends of £2.1m paid (FY24: £2.7m), with a proposed final dividend of 1.30p (FY24: 1.24p), in line with the Board's progressive dividend policy.

Current Trading & Outlook

- Trading in the first quarter of FY26 is in line with the Board's expectations, supported by continued expansion within existing enterprise customers including increasing adoption of our TMS module together with an expanded pipeline.
- We continue to expect FY26 revenues from OEM customers to be below FY25.
- Following the appointment of a new CTO in FY25 and review of the Company's product roadmap, the Board has decided to accelerate investment in the Group's products, infrastructure and go-to-market team to capitalise on growing demand from direct customers.
- The investment programme will include updating the architecture of our cloud platform, product investment to accelerate both the implementation of the TMS module and the Group's mid-market offering. Sales headcount will also increase to support expected growth across target customers in all core geographies.
- As a result of the above investment and a challenging market environment we expect FY26 revenues to be slightly below current market expectations and adjusted EBITDA to be at the lower end of current market expectations.

Company Highlights



417 new customers added
(FY2024: 375) across core
markets



Record order intake reflecting
strong commercial traction,
including continued momentum
in France and Australia.



Low churn of 1.4% (FY2024:
0.7%), demonstrating
customer retention



£5m annualised cost
savings from completed
restructuring programme



Expansion of Microlise
One platform, with API
integrations to vehicle
refrigeration OEMs



New CTO, strengthening
innovation roadmap through
technology and AI strategy

Strategic Report



Who We Are

Founded in 1982, Microlise is an innovative technology company dedicated to helping the transport and logistics industry operate more intelligently, safely and sustainably.

The health, safety and welfare of our employees and other stakeholders is a core business objective.

Our solutions enable businesses to connect vehicles and teams, reduce costs, improve operational efficiency and lower emissions. And with more than 2,500 customers worldwide – and a team of over 800 experts across the UK, France, Australia, New Zealand and India – we are proud to have supported the industry for more than four decades.

Each year, Microlise manages over 900,000 subscriptions and, in 2021, we proudly joined the Alternative Investment Market (AIM), earning the London Stock Exchange's Green Economy Mark; a testament to our sustainability commitment.

As a result, organisations around the world trust Microlise to deliver technologies that achieve measurable, real-world outcomes.

Supporting smarter operations and safer roads, we:



Bring connectivity to products and operations



Lower costs



Improve efficiency



Increase safety on the road



Reduce emissions

Over **916,455**
subscriptions annually

Altrincham, UK

Coventry, UK

Nottingham, UK

Marseille, France

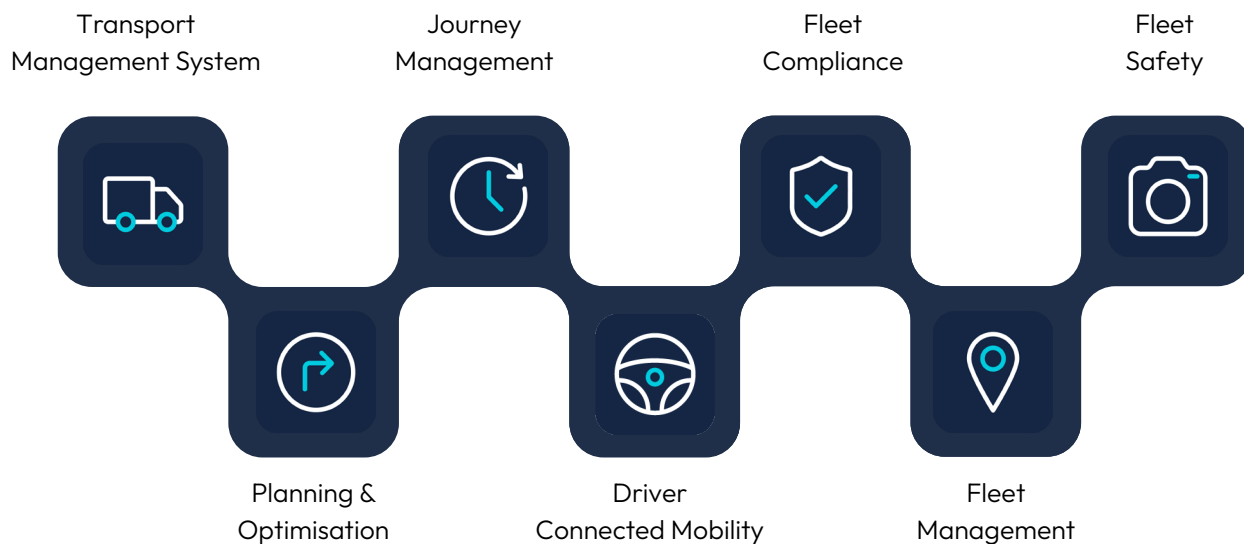
Pune India

Melbourne, Australia

The Challenges We Solve

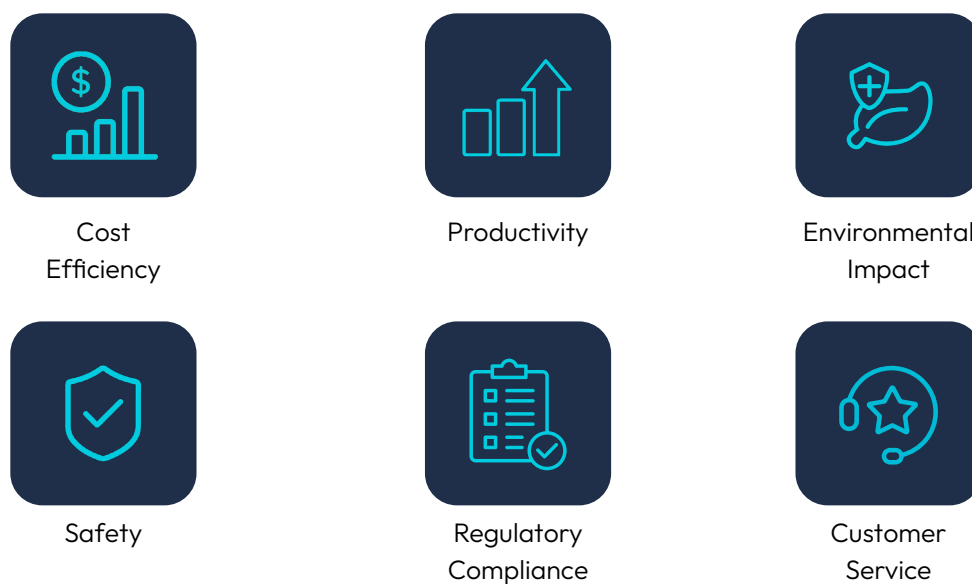
At Microlise, we help global teams simplify complex logistics operations. By acting as a central intelligence hub, our solutions seamlessly connect assets, people and processes, empower businesses to make smart decisions to maximise return on investment.

Our product suite includes:



Together, these technologies create a connected ecosystem where real-time data fuels smarter operations and better insights.

By using our solutions, businesses can improve key performance areas, including:



Having instant access to crucial data means they can stay ahead of challenges, optimise operations and keep things running smoothly.

We also support manufacturers of smart remote assets with our Industrial Internet of Things (IIoT) solutions. By connecting these assets, manufacturers can enhance customer support, introduce innovative financing models and boost productivity.

How We Generate Revenue



Software

Our software is available on a per-user or per-asset basis, with each license covering the full SaaS service, expert support and access to future upgrades, making sure our customers are always equipped with the latest innovations.



Hardware

We don't stop at software. We also provide cutting-edge hardware solutions, including GPS tracking units, telematics devices and vehicle camera systems. These seamlessly integrate with our software to give real-time visibility and total control over logistics operations.



Customer Success

What really sets us apart is our commitment to helping our customers get the most out of their investment. Our dedicated Account Managers, along with our Business Transformation team and Data Scientists, work closely with customers, offering tailored support and actionable insights to drive success.

With Microlise, businesses aren't just adopting new technology, they're gaining a trusted partner.



How We Deliver Stakeholder Value



Customers

We help customers work efficiently with our modular platform, reducing costs and addressing ESG concerns through lower fuel use, improved driver performance, fewer accidents and enhanced customer experience.

We support customers in all circumstances, helping them scale rapidly during demand surges and adapting through challenges such as lockdowns. Our Business Transformation team ensures they maximise the benefits of our solutions.



Employees

Our culture shapes how we work, connect with customers and support our people. By fostering collaboration, ownership and autonomy, we drive better outcomes and strengthen our business.

Our Learning & Development Academy – along with our apprentice and graduate programs – attract diverse talent, including disadvantaged groups. Through partnerships like Speakers for Schools, we expand our reach and commitment to lifelong learning.

With over 35 training courses, 500+ staff are trained annually and employees control their own development through both face to face and online platforms. With an average tenure of five years, we are proud to hold ISO accreditations (ISO27001, ISO9001, ISO20000) and support the Armed Forces Covenant. This will be further complemented with the delivery of additional Standards Certification in 2026 including ISO 45001 for Occupational Health and Safety Management Systems and ISO 14001 for Environmental Management Systems.



Investors

Our solutions reflect our core values: people, community and innovation.

Driving customer and investor success, we innovate to meet evolving needs and expand our market presence. By leveraging data, we deliver cutting-edge solutions in transport operations, IIoT asset lifecycle management and connected mobility.

Our team's skills and passion fuel our progress. Through learning, development and problem-solving, we create sustainable, profitable outcomes for our customers, investors and businesses.



Communities

Supporting our communities is central to our values, with investments in local groups, charities and events.

The Microlise Transport Conference, the largest of its type across Europe, gathers 1,000+ delegates to address industry challenges. Alongside it, our Driver of the Year Awards recognise top HGV drivers through telematics data and industry nominations.

Our Road to Logistics (RTL) program, launched in collaboration with the RHA, brings diverse talent into the industry, supporting individuals facing barriers to employment.

Through our Community Engagement Group, we back initiatives from corporate sponsorships – like Transaid – to local orphanages, schools, sports clubs and foodbanks across the East Midlands.

Where We Operate

- Coventry, UK
- Altrincham, UK
- Nottingham, UK
- Marseille, France
- Pune, India
- Melbourne, Australia

With **600+** employees based in the UK across three sites – the Group’s headquarters in Nottingham, and offices in Coventry and Altrincham – Microlise also has offices in France, Australia and India. Its global staff base is made up of **800+** industry professionals.



Our Products

[Software Only & Hardware Enabled]



Research & Development

At Microlise, we leverage advanced technologies including Machine Learning (ML), Edge Processing (EP) and Artificial Intelligence (AI) to improve our SaaS solutions, drive efficiency, identify risks and support data-driven decisions that meet broad industry needs.

In 2025, following the successful “Ask Mi” Microlise AI showcase at our annual Transport Conference, the teams worked closely with customers on a range of ideas in the fields of asset anomaly detection, advanced optimisation, incident hotspot identification, data quality and data insights querying with Large Language Models (LLMs).

Product Roadmap

During 2025, we rolled out a range of new and enhanced product and service value propositions, building on portfolio integrations following our acquisitions at the end of 2024. This work has helped us bring everything together more seamlessly, making it easier for customers to realise value across the Microlise ecosystem.

At the same time, we stepped up investment in our core technology platforms and data security. This ensures we stay ahead of emerging regulations, including the Radio Equipment Directive, the EU Data Act and the EU AI Act, giving customers confidence that their solutions are secure, compliant and future-ready.

MicroliseOne continues to evolve as our operating system of choice, with the rollout of MicroliseOne-ID – our new Identity and Access Management platform – alongside MicroliseOne-API. Together, these capabilities simplify and consolidate integration for customer IT teams, while laying the groundwork for the next phase of MicroliseOne-Analytics.

Looking ahead to 2026, the Microlise team is accelerating the development of new capabilities through a pipeline of new and enhanced products and services across our portfolios, all designed to deliver even greater value for our customers:



Transport Management

The process of managing the physical movement of goods through a supply chain in the most cost and environmentally conscious way possible.



Fleet Management

The process of managing a fleet of commercial vehicles and/or assets to control costs and maximise efficiency and availability.

Within these portfolios, key roadmap outcomes for 2026 include:

Next-generation Smart Gateway devices: We're introducing a new generation of Smart Gateway devices that extend our reach into new markets for advanced telematics and asset sensorisation, while also strengthening and expanding the Microlise mesh network.

Advanced video telematics with AI risk detection: We're launching enhanced video telematics solutions that use AI-driven risk detection to proactively improve driver behaviour and operator safety.

Data as a Service: Microlise captures and manages vast volumes of fleet, vehicle, driver, route and operational data across our transport and fleet portfolios. As data and analytics become more critical to business performance, this represents a powerful – and largely untapped – asset. Our Data-as-a-Service programme will unlock this value by delivering curated, governed and secure data products through flexible delivery options, enabling everyone from highly IT-sophisticated organisations to those seeking ready-made insights.

Driving Value For Our Customers



Reduced Mileage
Traveled



Improved Driver
Performance



Reduced Fuel
Use



Reduce
Emissions



Reduce Vehicle
Wear & Tear



Reduced
Accidents



Reduce Insurance
Premiums



Improve Fleet Efficiency
& Utilisation



Elimination of
Delivery Paperwork



Enhanced Customer
Experience

Our Customers

europa
worldwide group

JCB

BRIT EUROPEAN

culina GROUP

ASDA

SINCE 1886
HOVIS

TESCO

CREED
THE FOODSERVICE COMPANY

EURO
CAR PARTS

MARITIME

Carlsberg

coles

ARYZTA
Passion for good food

ALDI

BUNZL

Sainsbury's

Customer Success

Our Customer Success function has continued to mature and strengthen throughout the year, enhancing our value proposition and ensuring that every customer engagement delivers measurable, long-term strategic impact.

Over the past 12 months, the team has implemented clearly defined product-led Objectives and Key Results (OKR's) and introduced tiered Customer Success packages designed to help customers fully realise the value of their Microlise investment. With deep operational expertise across the transport and logistics sector, the team brings practical industry insight to every engagement. By leveraging shared data intelligence, they work in partnership with customers to drive tangible outcomes, including reductions in fuel consumption, mileage and emissions, improved route optimisation, strengthened regulatory compliance, and enhanced driver safety performance.

Looking ahead to 2026, we will continue expanding our Customer Success capability across new products and territories. Our key focus areas include:

1. Delivering shared OKRs and actionable data insights through Microlise One
2. Launching a Transport Management System Value Pack to accelerate time-to-value
3. Embedding tiered Customer Success packages across both new and existing customers
4. Advancing automated system health monitoring to proactively optimise platform performance

Our Customer Success team remains central to our strategy. We do not simply provide technology; we build enduring partnerships grounded in transparency, shared KPIs and a relentless focus on operational excellence. By transforming fleet data into actionable insight, we help our customers operate safer, more efficient and more sustainable fleets, ensuring they continue to move forward with confidence.

Customer Feedback



I wanted to provide some positive feedback regarding Neil Selby (Customer Success Manager) after our Quarterly Business Review (QBR). After years of working with Neil and appreciating his persistence, I believe we had our best QBR meeting to date, particularly concerning potential savings within our PVA journey. This will undoubtedly benefit the business in the long term.

WAITROSE
& PARTNERS

Neil's high level of attention to detail and dedication is truly rewarding. I now feel a renewed sense of enthusiasm as we embark on this journey to demonstrate the significant savings Microlise can achieve for the business. We also hope to explore opportunities to expand into other areas of your business in due course. We feel very lucky to have Neil supporting us; the work we are currently undertaking is set to transform the way Waitrose operates, and we are looking forward to what the future holds for our partnership.



Steven is very accommodating and no request is ever too much trouble. His enthusiasm and passion is infectious and his support has really moved Microlise on now within our contract where we are seeing some significant improvements to the business. From my perspective and I am confident I speak for all my team when I say I am very happy with Steven's performance and the job he does supporting us, keep up the good work.

GXO

A portrait of Jon Lee, a middle-aged man with grey hair and glasses, wearing a dark suit, white shirt, and orange tie. He is smiling and standing in front of a blurred background that appears to be an industrial or office setting with metal structures.

Jon Lee

Non-Executive Chairman

2025 has been a year of significant operational progress for Microlise, during which we undertook a successful restructuring that has resulted in a more efficient organisation, better positioned to deliver long-term sustainable growth in revenue and earnings.

Adjusted revenue increased by 3.7% to £84.0m (FY2024: £81.0m). Annual Recurring Revenue (ARR) grew by 4.6% to £59.2m (FY2024: £56.6m). The Adjusted Revenue was below previous expectations due to lower OEM volumes and delayed direct customer projects. Adjusted recurring revenue increased by 7.6% to £58.8m (FY2024: £54.7m), supported by 16% recurring revenue growth from direct customers.

Adjusted EBITDA was £8.3m (FY2024: £11.3m), representing a margin of 10% (FY2024: 14%), reflecting the impact of lower OEM volumes, the timing of certain customer deployments, and continued investment in the business.

The Group ended the year with cash and cash equivalents of £16.7m (FY2024: £11.4m), reflecting strong cash generation and disciplined working capital management.

Operationally, the year has been characterised by focus and decisive action. The restructuring programme implemented at the end of 2025 has delivered a leaner and more flexible organisation, with a clearer emphasis on execution and delivery. Cost savings were mostly focused on operations rather than our go to market teams, and resulted in a headcount reduction of over 100 FTEs. These actions are expected to deliver c.£5m of annualised cost savings, supporting future margin improvement.

We have also strengthened our leadership team. Dean Garvey-North joined the Group in November 2025 and, following a transition period with Duncan McCreadie, assumed full responsibility as Chief Technology Officer from 1 January 2026.

Strategically, strong progress continues across our international markets, particularly in Australia and New Zealand, where we are seeing encouraging growth in key sectors including food and chilled logistics. We are also gaining traction within smaller fleet segments, supported by our digital sales capabilities and increasingly accessible product offering.

Looking ahead, the Group's most significant opportunities remain in its direct customer business and across international markets. We are accelerating our investment in product, infrastructure and the go-to-market team to support future growth, while maintaining a disciplined approach to costs and capital allocation.

On behalf of the Board, I would like to thank our customers for their continued trust, our employees for their commitment and innovation, and our shareholders for their ongoing support.

A portrait of Nadeem Raza, Chief Executive Officer, wearing a dark suit, white shirt, and patterned tie, with glasses. He is standing in front of a modern building with a glass facade and a staircase.

Nadeem Raza

Chief Executive Officer

Microlise made solid strategic progress during the year under review, strengthening the foundations of the Group while navigating a more mixed trading environment. The restructuring actions undertaken towards the end of the year have materially improved efficiency and are expected to deliver c.£5m of annualised cost savings from 2026 onwards. As a result, the Group is now a more agile and focused organisation, well positioned to deliver higher quality, higher margin growth.

While OEM-related demand was weaker than anticipated during 2025, we are beginning to see signs of stabilisation. We remain appropriately cautious and currently still expect OEM revenues in 2026 to be lower than 2025 levels.

A number of direct customer projects were delayed during 2025 due to cyber-related incidents impacting clients. These projects are now progressing, and we expect the associated revenues to be recognised in the 2026 financial year.

Notwithstanding these project delays, our direct-to-customer business performed strongly, delivering 16% growth in recurring revenue. This growth was broad-based across all geographies and reflects continued demand for our solutions, as well as the increasing depth of our customer relationships.

Customers are also adopting a wider range of our products, supported by the continued development of the Microlise One platform. This has improved the accessibility of our solutions and driven momentum in cross-sell and upsell activity, underpinning our confidence in the Group's medium-term growth prospects.

Recent increases in fuel prices are placing additional pressure on customer cost bases. Given that our solutions typically deliver fuel savings of 4–6%, and potentially more where multiple products are deployed, we would expect sustained higher fuel costs to support increased demand for our offerings over time.

Market

Australia continues to represent a highly attractive market for Microlise. Despite a smaller population than the UK, its larger fleet size and long-distance logistics requirements provide a structurally supportive environment for our solutions. The market remains relatively underpenetrated, offering significant long-term growth potential.

We are also seeing encouraging traction among mid-tier customers and within the van segment, as we expand beyond our traditional large fleet customer base in line with our strategic priorities.

Demand from direct customers remains strong, and we are increasing investment in our go-to-market capabilities to capture this opportunity. OEM volumes have shown some improvement in the early part of 2026, although we are still expecting annual OEM revenues to be lower than 2025.

Electric vehicle adoption moderated during 2025 as customers prioritised maximising utilisation and efficiency from existing fleets, with new vehicle investment remaining predominantly diesel-led due to cost considerations. While the transition from internal combustion engine to alternative fuelled vehicles continues, it remains a long-term, capital-intensive programme representing a relatively small proportion of overall fleet volumes. Against this backdrop, customers still require consistent tools to manage increasingly complex mixed fleets, and Microlise is well positioned to support this transition, providing continuity of fleet management capabilities across both conventional and alternative fuel vehicles. We view the current pace of adoption as cyclical rather than structural.

Customers

Microlise secured 417 new customers in FY2025 (FY2024: 375), while maintaining low churn of 1.4% (FY2024: 0.7%). This reflects the critical role our solutions play within customers' operations and the strength of our customer relationships.

Adoption of multiple products continues to increase, supported by the rollout of the Microlise One platform. Our Transport Management Solutions (TMS) module is gaining strong commercial traction, particularly within the direct customer segment, further embedding our solutions within customers' operational workflows.

Our focus is now on deepening engagement with this growing direct customer base, driving further cross-sell and upsell opportunities, and enhancing our go-to-market execution. While a number of larger contract opportunities remain in the pipeline, the timing of these converting to contracted wins remains uncertain.

Product and Technology

Product innovation remains central to our strategy. We are launching enhanced camera-based Advanced Driver Assistance Systems (ADAS), incorporating increased use of AI, including driver monitoring and external safety features.

We view artificial intelligence as a natural extension of our data-led platform, enhancing the value we deliver to customers rather than operating as a standalone capability. By embedding AI across Microlise One, we will enable customers to move from insight to action, supporting more informed decision-making, improving operational efficiency and strengthening safety outcomes. Our focus is on the practical application of AI within transport operations, including predictive analytics, anomaly detection and assisted planning, with a clear pathway over time towards more automated and controlled decision-making. We believe our scale of high-quality operational data, combined with our integrated platform approach, positions Microlise strongly to capitalise on the growing role of AI within the transport and logistics sector.

In addition, we are developing AI-driven data analytics tools for both internal use and customers, with both standard and premium offerings. Our extensive dataset provides a strong competitive advantage, and we see significant long-term potential in leveraging this data to deliver enhanced operational insights and value for customers.

Strategic Focus

Our strategic priorities remain:

- **Increased investment in direct customer growth**
We are allocating capital to additional resources to our go-to-market teams to support continued expansion in our higher-quality, higher-margin direct customer business.
- **Improving margins through greater efficiency**
The restructuring actions undertaken in 2025 have created a more efficient cost base. We will continue to drive operational efficiencies to support margin expansion and scalable growth.
- **Continued development of the Microlise One platform**
We are enhancing our integrated platform, including the rollout of Microlise One Analytics, enabling customers to derive greater value from their data.
- **International expansion**
We continue to make progress across our existing international markets, with particular focus on Australia, where we see the greatest opportunity.
- **M&A**
We continue to evaluate acquisition opportunities that align with our strategic and financial objectives.
- **Technology Partnerships**
We are expanding our ecosystem through partnerships in adjacent sectors, including temperature-controlled logistics, passenger transport, and last-mile delivery.

Microlise Transport Conference

Our annual Microlise Transport Conference took place in mid-May at the Co-op Arena in Manchester. It remains one of Europe's largest events for commercial road transport, bringing together industry participants to share insights and best practice.

People and Leadership

Duncan McCreadie, our former Chief Technology Officer, retired in April 2026 after ten years of service. We thank him for his significant contribution.

Dean Garvey-North joined the Group in November 2025 and worked alongside Duncan during a transition period. Dean assumed full responsibility as Chief Technology Officer from 1 January 2026, with a strong focus on leveraging AI and maximising the value of our data assets.

ESG

We continue to strengthen our ESG credentials. Our own fleet has transitioned to hybrid vehicles, with plans to move towards EVs over time. More broadly, our solutions help customers reduce emissions, improve safety, and enhance asset utilisation.

Current Trading & Outlook

We expect continued strong growth in our direct customer business, supported by an expanded pipeline and increased go-to-market investment, although OEM-related activity continues to be expected lower than 2025 levels. The Group continues to navigate a more complex operating environment, including ongoing supply chain disruptions linked to geopolitical tensions in the Middle East and emerging cost pressures associated with shortage of electronic components, in particular memory devices.

Looking ahead, we expect to increase targeted investment in 2026 across product, infrastructure and go-to-market capability. This will include investment in cloud infrastructure, product development to accelerate implementation of the TMS module and mid-market offering, and additional sales resource to support growth across target customers and partners in core geographies.

The Board anticipates the investments will support revenue growth from 2027 and are being made from a strong capital position, with £16.7m of cash at year end and a £30m undrawn debt facility, consisting of a £10.0m committed revolving cash flow facility and a £20m accordion with HSBC.

While this investment will be managed within the Group's disciplined approach to cost control and capital allocation, it is expected to absorb part of the near term cost benefit realised from the £5m of annualised cost savings delivered through the restructuring programme in 2025. As a result of the above investment and a challenging market environment we expect FY26 revenues to be slightly below current market expectations and adjusted EBITDA to be at the lower end of current market expectations.

The Board believes this will deliver the right balance between accelerating long term organic growth, expanding scalable and higher margin recurring revenues combined with profit margin expansion through enhanced operation efficiencies and revenue mix improvement accretive to margins.

Nadeem Raza , Chief Executive Officer



Nick Wightman

Chief Financial Officer

The financial results for the twelve-month period to 31 December 2025 reflect continued revenue growth, alongside a period of investment and operational transition to support future margin improvement.

To provide a clearer view of underlying business performance, the Group has detailed the below Alternative Performance Measures (APMs) and Statutory Measures for the 12-month period to 31 December 2025:

		FY25	FY24	Change
APMs	Adjusted Revenue ⁽¹⁾	£84.0m	£81.0m	4%
	Adjusted Recurring Revenue ⁽¹⁾	£58.8m	£54.7m	8%
	Annual recurring revenue (ARR) ⁽⁶⁾	£59.2m	£56.6m	5%
	Adjusted EBITDA ⁽²⁾	£8.3m	£11.3m	(27%)
	Adjusted Profit before tax ⁽³⁾	£2.7m	£6.5m	(59%)
	Adjusted EPS (p) ⁽⁴⁾	1.72p	4.19p	(59%)
	Adjusted Cash Flow Generated from Operations ⁽⁵⁾	£13.3m	£10.3m	29%
Statutory Measures	Revenue	£84.0m	£79.5m	6%
	Recurring Revenue	£58.8m	£53.1m	11%
	Operating Loss	£(2.4)m	£(2.3)m	(4%)
	Loss before tax	£(2.5)m	£(2.3)m	(9%)
	Basic EPS (p)	(1.87)p	(1.77)p	(5%)
	Cash and cash equivalents	£16.7m	£11.4m	47%

Exceptional costs

Following the cyber security incident disclosed in FY24, the Group incurred an additional £0.3m of exceptional costs in FY25 (FY24: £0.4m) relating to the completion of remediation activities and the management of associated claims. In addition, the Group undertook targeted restructuring actions during the year, giving rise to exceptional restructuring costs of £2.4m (FY24: £Nil). As anticipated, insurance recoveries in respect of the FY24 cyber incident were received during the year, with £1.2m recognised as exceptional other income in FY25 (FY24: £Nil), the Board remain confident that the impact of the cyber incident with the exception of its insurance excess will be fully covered by its cyber insurance policy.

To assist users of the financial statements with understanding underlying business trading, the Group will present KPI's excluding exceptional items, including exceptional cyber cost revenue reversals, cyber incident insurance proceeds. All exceptional costs are disclosed separately in note 2 of the financial statements.

1. Adjusted Revenue and Adjusted Recurring Revenue exclude revenue reversals relating to the cyber security incident, which are expected to be fully covered by insurance.
2. Adjusted EBITDA excludes exceptional income and costs in relation to acquisitions, restructuring and the cyber incident, depreciation, amortisation, share of loss of associate, loss on disposal of interest in associate, interest, tax and share based payments.
3. Adjusted Profit before Tax excludes amortisation on business combinations, share based payments, share of loss of associate, loss on disposal of interest in associate and exceptional income and costs in relation to the cyber incident, acquisitions, and restructuring costs.
4. Adjusted EPS and Adjusted Profit after Tax excludes amortisation on business combinations, share based payments, share of loss of associate, loss on disposal of interest in associate, exceptional income and costs in relation to the cyber incident, acquisitions, and restructuring costs and the associated tax effect of the above excluded items.
5. Adjusted cash flow generated from operations adds back exceptional cash flows in relation to restructuring.
6. Annual Recurring Revenue (ARR) is calculated by multiplying the December 2025 monthly recurring revenue by 12.
7. Net Revenue Retention (NRR) represents the change in recurring revenue from existing customers over a 12 month period, after reflecting expansions, contractions and churn, excluding new customer wins.

Group Results Revenue

KPIs for the twelve months ended 31 December 2025	FY25	FY24	Change
Revenue	£84.0m	£79.5m	5.7%
Recurring Revenue	£58.8m	£53.1m	10.7%
Adjusted Revenue ⁽¹⁾	£84.0m	£81.0m	3.7%
Adjusted Recurring Revenue ⁽¹⁾	£58.8m	£54.7m	7.6%
Non-recurring Revenue	£25.2m	£26.3m	(4.3%)
Annual Recurring Revenue (ARR) ⁽⁶⁾	£59.2m	£56.6m	4.6%
Direct Customer ARR ⁽⁶⁾ growth	12.1%	18.3%	(6.2%)
Net Revenue Retention (NRR) ⁽⁷⁾ – Direct Customers	108%	113%	(5%)
Net Revenue Retention (NRR) ⁽⁷⁾ – Group Total	101%	109%	(8%)

Adjusted revenue ⁽¹⁾ for the 12 months ended 31 December 2025 (FY25) was £84m, an increase of 3.7% from 31 December 2024 (FY24). Adjusted recurring revenues have grown 7.6% to £58.8m (FY24: £54.7m). During the period order volumes for our global OEM ⁽⁸⁾ customers in the automotive and construction sectors have weakened, which has resulted in a reduction in both recurring and non-recurring revenue. This is predominantly due to trading disruptions caused by the impact of tariffs together with general weakness in the wider macro environment. ARR ⁽⁶⁾ relating to OEM customers reduced by 12.8% (FY24: 6.6% reduction) to £15.0m (FY24: £17.2m).

A key highlight of the year has been the continued growth of the Group's direct customer business, which delivered 16% recurring revenue growth during the year (FY24: 17%). This is despite delays with a small number of planned customer projects that we anticipate will result in revenue being recognised in FY26 as the software and hardware products are deployed.

ARR increased by 4.6% to £59.2m (FY24: £56.6m), driven primarily by expansion within the direct customer business. Growth was supported by strong momentum in Australia and France during H1, reflecting a combination of new customer wins and continued expansion across existing customer fleets as projects to deploy Microlise's products and services were rolled out. Notwithstanding the delays noted above, alongside the cessation of a low margin legacy contract, direct customer ARR remained strong in the period growing at 12.1% (FY24: 18.3%) to £44.2m (FY24: £39.4m).

In FY25, direct customer ARR growth moderated as selected customers optimised fleet sizes following customer acquisition-led expansion, and certain low-margin contracts were intentionally exited, rather than due to any deterioration in underlying customer relationships. The direct customer segment represents the most significant long-term opportunity for Microlise, providing higher quality recurring revenue streams and stronger margins over time.

Net Revenue Retention (NRR)⁽⁷⁾ for direct customers was 108% (FY24: 113%), reflecting contract deployment delays noted above and a lower level of incremental expansion from certain large customers. In the prior year, growth within these customers was partially driven by customers acquisition-led fleet expansion, where Microlise products and services were deployed across customers expanded fleets; this was subsequently followed by fleet reductions as customers consolidated operations and implemented efficiency measures. Additional impacts included managed churn. Total Group NRR was 101% (FY24: 109%), with the year-on-year reduction primarily driven by lower OEM revenues.

Non-recurring revenues decreased by 4.3% to £25.2m (FY24: £26.3m). The slowdown in both the construction and automotive industries has impacted hardware shipments to our OEM customers which has driven a decrease in hardware revenues of 5.7% to £18.3m (FY24: £19.4m). This decrease was partially offset by an increase in hardware revenues in Australia as new contracts continued to be rolled out in H1. Professional services revenues have decreased by 13.2% to £3.3m (FY24: £3.8m) whilst installation revenues increased 8.4% to £3.4m (FY24: £3.2m) reflecting the increased H1 activity in Australia.

Gross Profit

Adjusted gross profit⁽⁹⁾ for the period increased by 1.2% to £54.1m (FY24 £53.5m), with an adjusted gross margin % of 64% (FY24: 66%). Reported gross profit was £54.1m (FY24: £52.0m).

Administrative Expenses & Operating Profit

Adjusted administrative expenses⁽¹⁰⁾ before exceptional administrative charges and share based payment charges, in the Period increased 8% to £54.6m (FY24: £50.7m). Staff costs increased 6% to £38.5m (FY24: £36.2m). Average headcount in the period was 816 (FY24: 805). In November 2025, the Group announced cost saving and efficiency measures across parts of the Group that included organisational restructuring, optimisation of internal processes and several targeted cost saving programmes, mostly focused on operations rather than our go to market teams. These initiatives coupled with other ongoing initiatives have generated £5m of annualised cost savings and headcount reduction of over 100 FTEs. Part of these cost savings will be reinvested back into the Company, primarily into our go to market teams to drive new business activity.

Our margin enhancement programme continues into FY26, focusing on further cost reductions and process improvements to support profitable growth. During the year, elevated IT hardware costs and supply constraints increased the cost and extended the delivery timelines of certain infrastructure investments, resulting in the rephasing of a number of initiatives. As a result, associated benefits are now expected to be realised over

a longer period. These impacts do not alter the Group's medium term margin ambitions, although the timing of achieving this remains uncertain.

Marketing investment increased to c.£1.8m in FY25 (FY24: £1.3m) to support the Group's international growth strategy and medium-term pipeline objectives. Spend was directed towards strengthening our market presence in priority regions, enhancing campaign capability, and expanding events activity as a direct pipeline driver. The implementation of scalable marketing automation has improved targeting, lead management and performance measurement, supporting a more disciplined and data-led approach to marketing investment.

Legal, professional and IT costs increased during the period by a net £0.8m. The main driver for this increase was continued investment into Microlise's security posture where spending increased by c.£0.6m on the prior year. Depreciation and amortisation charges in the period increased 9% to £8.5m (FY24: £7.9m). Depreciation charges increased as a result of increased levels of fixed asset investment in the Group's data centres and improvements to its headquarters. Amortisation charges increased as a result of continued investment in internally developed technologies.

Capitalised development costs in FY25 were £2.7m (FY24: £2.7m), reflecting the ongoing levels of investment into the product portfolio including integration of recent acquisitions, architecture and security. Amortisation of capitalised development costs in FY25 was £2.2m (FY24: £1.7m).

Operating profit for FY25 after adjusting for exceptional items, share based payments, and amortisation charges as a result of business combinations was £2.6m (FY24: £6.3m). Reported operating loss for the period was £2.4m (FY24: £2.3m loss), the principal factors driving this are cyber related exceptional costs and increases in amortisation charges from continued investment in internally developed technologies.

Adjusted EBITDA⁽²⁾ & Profit Before Tax

To provide a clearer view of underlying business performance, Adjusted EBITDA excludes exceptional items relating to restructuring and the impact of the 2024 cyber incident, together with depreciation, amortisation, share of loss of associate, loss on disposal of interest in associate, interest, tax and share based payments. Adjusted EBITDA for the year was £8.3m (FY24: £11.3m), representing a 27% reduction year on year.

The reduction reflects a combination of temporary trading impacts and deliberate structural investments. Looking into FY26, the Group expects to increase targeted investment in product, infrastructure and go-to-market capability. This will include investment in

cloud infrastructure, product development to accelerate implementation of the TMS module and mid-market offering, and additional sales resource to support growth across target customers in core geographies. These investments are being made from a position of balance sheet strength, with £16.7m of cash at year end and no drawn debt and are intended to support revenue growth from 2027 onwards.

While this investment will be managed within the Group's disciplined approach to cost control and capital allocation, it is expected to absorb part of the benefit from the £5m of annualised cost savings delivered through the restructuring programme in Q4. The Board believes this is the right balance between near-term margin discipline and long-term growth investment, supporting the Group's objective of building a more scalable, higher-margin and recurring revenue-led business.

Adjusted profit before taxation⁽³⁾ for the period decreased 59% to £2.7m (FY24: £6.5m), reflecting the lower Adjusted EBITDA and higher depreciation and amortisation charges associated with capitalised development costs. The adjusted profit before taxation excludes exceptional costs in relation to restructuring and cyber security costs, amortisation charges of £2.7m as a result of business combinations (FY24: £2.8m), share of loss of associate and share based payments. Reported loss before taxation in the period was £2.5m (FY24: £2.3m loss).

Taxation

The tax credit in the 12 months ended 31 December 2025 was £0.4m (FY24: £0.3m credit). The effective tax rate for the year is higher than the standard rate of corporation tax and this is driven by the share of associate loss not deductible and non-deductible expenses for share based payments. Underlying deferred tax credits relate to the amortisation of intangible assets and utilisation of accelerated allowances offset by the utilisation of tax losses brought forward.

From 1 July 2020, Microlise has been classified as a large company for tax research and development purposes and benefits from the Research and Development Expenditure Credit scheme (RDEC) with any benefit being reflected as grant income within other operating income. In the period ended 31 December 2025 the pretax value of the credit was £0.1m (FY24: £0.4m).

Profit After Tax, EPS and Dividend

Adjusted profit after tax⁽⁴⁾ for the year decreased 58.9% to £2.0m (FY24: £4.9m). As a result, adjusted earnings per share⁽⁸⁾ in the period decreased 58.9% to 1.72p (FY24: 4.19p). Reported basic loss per share was 1.87p (FY24: 1.77p loss) and diluted loss per share was 1.87p (FY24: 1.77p loss). For further information on earnings per share, please refer to note 8 of the financial statements.

Reported loss after tax for the 12 months ended 31 December 2025 was £2.2m (FY24: £2.1m loss).

During the period, the Group paid a FY24 final dividend of 1.24 pence per share and a FY25 interim dividend of 0.60 pence per share. The Board is recommending the payment of a FY25 final dividend of 1.30 pence per ordinary share. Subject to shareholder approval at the Annual General Meeting to be held on 24 June 2026, the dividend will be paid on 24 July 2026 to shareholders on the register at the close of business on 3 July 2026.

Group Statement of Financial Position

The Group had net assets of £68m at 31 December 2025 (FY24: £71.9m). Total assets decreased by £1.8m to £132.9m (FY24: £134.6m). During FY25 the Group disposed of its investment in Trakm8 Holdings Plc (Trakm8), which was sold to Brilliant UK Limited via an all cash offer at 9.5 pence per share. The transaction completed in July 2025, resulting in Microlise disposing of its full equity interest in Trakm8. As part of the transaction framework, Microlise's £1.0 million convertible loan was converted into equity at 8.1 pence per share and subsequently disposed of as part of the cash offer. Trade debtors reduced by 24% to £16m (FY24: £21.1m) as a result of strong cash collection across the customer base.

Total liabilities increased by £2.1m due to an increase in lease liabilities resulting from increased data centre capacity as part of the strategy to reduce third party hosting costs, as well as an increase in vehicle leasing costs driven by the transition to hybrid vehicles for our mobile engineering teams. The Group typically invoices for software subscriptions monthly, quarterly, annually or for the life of the subscription in advance which drives a strong balance sheet with significant cash balances. Revenue is recognised in the month the service is provided with deferred income disclosed as contract liabilities in current and non current liabilities. As at the end of December 2025 total Trade and other payables was £52.9m (FY24: £52.4m). Of this balance £38.5m (FY24: £38.8m) is deferred income and relates to future contracted revenue recognition.

Adjusted Cashflow⁽⁵⁾ & Net Cash

Adjusted cash flows generated from operations⁽⁵⁾ remains healthy at £13.3m in the period (FY24: £10.3m), and this represents a cash conversion rate⁽¹¹⁾ of 142% (FY24: 91%). Reported cash flows generated from operations in the period was £11.9m (FY24: £9.7m). The Group ended the 12-month period to 31 December 2025 with cash and cash equivalents of £16.7m (FY24: £11.4m). Overall, the net cash inflow was £5.4m with the main movements being; reduction in Trade Debtors of £5.2m (FY24: £2.1m increase); net tax payments of £0.6m, (FY24: £0.9 receipt), FY24 final dividend and FY25 interim dividend totalling £2.1m (FY24: £2.7), purchases of plant, property and equipment of £2.5m (FY24: £1.4m), investment into

product and development of £2.7m (FY24: £2.7m), and payments in respect of lease liabilities £1.4m (FY24: £1.2m).

Banking Facility

In April 2024, the Group renewed its debt facility with HSBC with an agreed £10.0m committed revolving cash flow facility and a £20m accordion. The Group has not utilised any of this facility to date and therefore the Group remains comfortably within its banking covenants. The Group's cash of £16.7m (FY24: £11.4m) and the undrawn £10.0m facility gives the Group £26.7m of cash availability, which the Directors believe provides ample headroom for Microlise to deliver against its strategic goals. Given the level of headroom in the business forecasts, the Board consider it appropriate to prepare the financial statements on the going concern basis. Details of the Board's going concern assessment is provided in the basis of preparation note in the financial statements on page 105.

Additional Notes

1. Adjusted Revenue and Adjusted Recurring Revenue exclude revenue reversals relating to the cyber security incident, which are expected to be fully covered by insurance.
2. Adjusted EBITDA excludes exceptional income and costs in relation to acquisitions, restructuring and the cyber incident, depreciation, amortisation, share of loss of associate, loss on disposal of interest in associate, interest, tax and share based payments.
3. Adjusted Profit before Tax excludes amortisation on business combinations, share based payments, share of loss of associate, loss on disposal of interest in associate and exceptional income and costs in

relation to the cyber incident, acquisitions, and restructuring costs.

4. Adjusted EPS and Adjusted Profit after Tax excludes amortisation on business combinations, share based payments, share of loss of associate, loss on disposal of interest in associate, exceptional income and costs in relation to the cyber incident, acquisitions, and restructuring costs and the associated tax effect of the above excluded items.
5. Adjusted cash flow generated from operations adds back exceptional cash flows in relation to restructuring.
6. Annual Recurring Revenue (ARR) is calculated by multiplying the December 2025 monthly recurring revenue by 12.
7. Net Revenue Retention (NRR) represents the change in recurring revenue from existing customers over a 12 month period, after reflecting expansions, contractions and churn, excluding any new customer wins.
8. OEM is an abbreviation for Original Equipment Manufacturers.
9. Adjusted gross profit adds back the impact of credit notes related to the cyber incident.
10. Adjusted Administrative Expenses adds back exceptional costs related to the cyber incident, and exceptional costs in relation to acquisitions and restructuring.
11. Cash conversion is calculated by dividing adjusted cash flow generated from operations by adjusted EBITDA.

Nick Wightman, Chief Financial Officer



Market Overview

The transport and logistics sector continues to experience structural change as operators seek to improve efficiency, enhance safety and reduce environmental impact while navigating ongoing economic uncertainty and cost pressures. Technology solutions that provide data visibility, operational optimisation and compliance capabilities are increasingly viewed as mission critical across fleets of all sizes.

Fleet operators are placing greater emphasis on extracting value from existing assets, improving utilisation and controlling operating costs. As a result, demand for solutions that provide real-time operational insight, route optimisation, driver safety monitoring and compliance management continues to grow.

At the same time, increasing regulatory requirements across multiple jurisdictions are reinforcing the need for robust fleet management systems. Safety regulation, emissions reporting and driver compliance requirements are driving continued adoption of telematics, driver monitoring and transport management platforms. These structural drivers underpin long-term demand for integrated fleet technology solutions.

In parallel, the application of artificial intelligence is beginning to enhance the value derived from fleet data. AI-enabled solutions are supporting more advanced analytics, enabling operators to identify patterns, predict outcomes and make more informed operational decisions. Over time, this is expected to evolve from insight generation to more automated and assisted decision-making across areas such as route optimisation, maintenance planning and compliance management, further improving efficiency and safety outcomes.

While demand for operational technology remains strong, the market environment during 2025 has been more mixed in certain areas. Fleet expansion slowed in some regions as customers focused on improving the efficiency of existing assets rather than investing in significant vehicle replacement programmes. This dynamic contributed to lower OEM-related activity during the year, although underlying demand for software and data-driven solutions remained resilient.

Direct engagement with fleet operators continues to represent a significant growth opportunity. Customers are increasingly seeking integrated platforms capable of delivering multiple operational capabilities through a single technology environment. This trend supports the continued adoption of modular software solutions and the expansion of existing customer relationships through additional product modules.

The Group continues to see strong demand across its core markets, with particularly encouraging momentum in international regions. Australia represents an attractive long-term market given the geographic scale of the country and the large size of its commercial vehicle fleets relative to population. France also continues to present growth opportunities as fleet operators increasingly adopt integrated fleet management solutions to improve operational efficiency and compliance.

The increasing availability of operational data across fleet systems is also creating new opportunities to deliver enhanced analytics and decision-support capabilities. The application of artificial intelligence and advanced analytics to fleet data has the potential to deliver meaningful improvements in operational efficiency, safety and sustainability outcomes for transport operators.

Against this backdrop, the Group continues to focus on expanding its direct customer relationships, increasing adoption of its integrated Microlise One platform and strengthening its presence across international markets. These structural industry dynamics, combined with the increasing importance of operational data and platform integration, support the long-term growth potential for technology providers operating within the transport and logistics sector.

Principal Risks & Uncertainties

The Group faces various risks and uncertainties that have the potential to impact the Group financially, operationally, strategically and reputationally. While it is not possible to identify or anticipate every risk, the principal risks and uncertainties faced by the Group and the steps they take to mitigate these risks are outlined below. The Board has overall responsibility for risk management and internal controls, with full support from the Audit Committee.



Data & Cyber Security

Potential Impact	The Group relies on information technology systems to conduct its business and is therefore exposed to the risk of cyber-attacks. In October 2024, Microlise experienced a cyber security incident involving unauthorised activity on its network. While there was no compromise of customer data, the incident resulted in a temporary disruption of services, requiring significant remediation efforts. Cyber-attacks, whether driven by global instability, malicious intent, or human error, may involve unauthorised access, data corruption, or operational disruption. Such incidents can lead to financial loss, regulatory fines, reputational damage, and loss of investor confidence. Given the increasing sophistication of cyber threats, ensuring robust cyber resilience remains a key priority for the Group.
Mitigation	Following the October 2024 cyber incident, Microlise conducted a comprehensive review of its security infrastructure and implemented enhanced mitigation strategies. Key actions taken include: Strengthened Security Architecture: Deployment of advanced threat detection, real-time monitoring tools, and enhanced multi-factor authentication (MFA) across all systems. Incident Response Enhancements: Refinement of the Group’s cyber incident response plan, incorporating lessons learned to improve detection, containment, and recovery times. Employee Cyber Awareness Training: Increased frequency of cybersecurity training for all employees, focusing on phishing awareness, social engineering tactics, and threat response protocols. External Security Audits & Certifications: Engagement with independent cyber security specialists to conduct penetration testing and system audits, ensuring compliance with industry best practices and regulatory requirements. Business Continuity & Resilience Measures: Strengthened backup and disaster recovery protocols, including redundant data storage and rapid restoration capabilities to minimise potential future disruptions. Microlise remains committed to continuous investment in cybersecurity to safeguard its products, services data, and operations against evolving threats. By proactively strengthening its security infrastructure, enhancing risk management, and embedding a culture of cyber resilience, the Group is better positioned to mitigate future threats and protect stakeholder interests.



Platform Robustness

Potential Impact	The Group is largely dependent on its technical capabilities, and relies, to a large degree, on the efficient and uninterrupted operation of its software and data systems. Any malfunctioning of the Group’s technology and systems could result in a lack of confidence in the Group’s products and result in an adverse effect on the Group’s business and financial results. The Group has service level agreements with some of its customers in which it provides various guarantees regarding levels of service. The Group may not be able to meet these levels of service due to a variety of factors, within and outside of the Group’s control. If the Group fails to provide the levels of service required, customers may be entitled to terminate their contracts or may choose not to enter into new work orders with the Group which may damage the Group’s reputation and customer confidence and reduce its capacity to retain existing customers and attract new ones.
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Mitigation

The Group's platforms and data infrastructure provide enhanced performance reliability, security, and capability benefits. Our multiple data centre locations support resilience and continuity of service and operate according to internationally recognised data centre standards. The Group is ISO9001 and ISO27001 accredited and applies rigorous change control and software development processes to ensure that any work undertaken on its software and technology infrastructure minimises customer impact.



Dependence on Key Customers

Potential Impact

The Group's business is dependent on several key customers. If the Group's commercial relationship with these customers terminates or reduces for any reason, its financial results could be materially adversely affected.

Mitigation

Dedicated account managers provide customers with personalised support, ensuring their specific needs are understood and addressed. This proactive approach strengthens relationships, enhances solution adoption, and supports long-term satisfaction and retention. Microlise is investing in Customer Success, a business-wide customer relationship-focused philosophy to ensure customers achieve their desired outcomes by fully utilising our products and services.

The core objectives of Customer Success at Microlise are to:

- Lead our customers to success
- Improve our customer experience
- Drive increased contract value and recurring revenue by providing our customers with products and services that resolve both current and future challenges
- Create customer advocacy
- Eliminate Churn

In parallel with the above initiative, Microlise is rolling out a more streamlined customer service process, in which the tiered structure of customer service will be replaced by highly qualified operatives, who will own an issue or customer ticket from start to finish. In addition, Microlise has implemented health scores against each customer, encompassing various performance indicators such as NPS (Net Promotor Score), CSAT (Customer Satisfaction Score,) and CES (Customer Effort Score). This data will also be invaluable in helping us to identify customer improvement opportunities.



Dependence on Key Suppliers

Potential Impact

Any business dependant on key suppliers has an element of risk due to the disruption in operations they could cause. This could lead to delays in the delivery of goods or services to Microlise, which in turn impacts the company's ability to fulfil customer orders, leading to lost revenue and damage to the company's reputation. Additionally, if Microlise had limited options for sourcing key materials or services, it could lead to increased costs or reduced profitability.

Mitigation

We take several steps to mitigate the risk of being dependent on key suppliers. To reduce our reliance on a single supplier, we dual-source key materials or services from two different suppliers. This strategy helps to make us less vulnerable to supply chain disruptions. We also maintain appropriate stock levels of tangible goods or goods for resale. By keeping enough inventory on hand, we are better positioned to weather any disruptions that may occur in the supply chain. To achieve this, we work with suppliers to ensure adequate lead times for deliveries and monitor inventory levels to ensure they are sufficient to meet customer demand.

Furthermore, we have identified key suppliers and developed strong relationships with them. This involves regular communication and collaboration to ensure that both parties are aware of each other's needs and priorities. By building strong relationships with our key suppliers, we can work together to identify potential supply chain risks and develop strategies to mitigate them.

Technological Advances & Competition In A Rapidly Evolving Market

Potential Impact

The Group expects new technology to continue to emerge and develop. Although Microlise believes that significant barriers to entry exist in the markets in which the Group operates, most notably the product knowledge and expertise necessary to design an end-to-end modular and scalable solution, the risk exists that new technology may be superior to, or render obsolete or unmarketable, the products that the Group currently offers. AI technology poses a potential risk to technology companies by enabling their customers to develop technical products in-house with greater ease. As AI capabilities become more accessible and user-friendly, customers may opt to leverage these tools to undertake tasks traditionally outsourced to technology companies, such as software development or data analysis.

Mitigation

The Group continues to update its products and to invest significantly in ongoing research and development, as well as anticipating and adapting to the impact of technological change. Evidence of this is the recent acquisition of the Transportation Management System providers Vita Software and Enterprise, which brings new high value services to the product portfolio. Microlise already harnesses AI technology within existing and future products, including within its operations. The inclusion of AI within our own product roadmaps enables the leverage that customers would seek to benefit from a lower level of competence, harnessed at a much higher level of expertise which customers look to receive from a technology partner.

Growth Strategy In New Geographies

Potential Impact

The Group's growth strategy is in part predicated on acquiring new customers in new geographies, in particular mainland Europe and the Asia Pacific region. In the event that it is constrained in its ability to do this, the Group's growth could be adversely impacted.

Mitigation

The Group continues to invest into France and Australia, supporting both customers and new business wins, with the addition of sales and marketing personnel. New marketing approach is being taken to enable more bespoke support for the regions to improve lead generation, with in country resource a key part of this approach.

Recruitment & Retention Of A Skilled Workforce

Potential Impact

Continuing to attract and retain employees with the appropriate expertise and skills cannot be guaranteed and can be costly. The Group's future development and prospects depend to a significant extent on the experience, performance, and continued service of its senior management team. Effective product development and innovation, upon which the Group's success and future growth hinges, is also dependent on attracting and retaining talented technical and operational employees.

Mitigation

The Group is continuously looking to bring a competitive remuneration policy which plays an important role in attracting and retaining personnel. The Group offers UK personnel access to an electric vehicle salary sacrifice scheme, to support both the accessibility of new electric cars and the reduction of the business' carbon footprint. The Group completes market salary benchmarking analysis, to maintain strong recruitment and retention capabilities. Effective succession planning for key staff, tailored development and training programmes and competitive retention and incentive packages support our retention strategy. Evidence of the Groups success can be seen in the Great Place to Work accreditation obtained by both the India and UK operations.



Inflationary & Exchange Rate Pressures

Potential Impact

As is the case for many organisations, the Group is currently facing broad-based price inflation increases, ranging from salaries, wages, and utilities. As the Group's footprint continues to grow internationally, exchange rate fluctuations could have a material effect on the Group's profitability or the price competitiveness of its services.

Mitigation

We are realigning our talent recruitment strategies to reduce the impact of wage inflation by looking beyond 'traditional' talent pools to include freelancers, part-timers, and career restarters. The Group has actively looked to limit any costs passed on to customers, but RPI increases have been implemented to limit the impact of pressures. The Group is exposed to currency risk as a result of its operations. However, given the size of the operation and level of foreign currency transactions, the cost of managing the exposure through the use of derivative financial instruments exceeds any potential benefits, and as such, no derivative financial instruments are used to hedge any risks. The Group minimises currency risk exposure by operating foreign company bank accounts to offset foreign currency receipts and payments, and makes timely currency exchanges based on the Group's financial currency, where appropriate.



Climate Change

Potential Impact

Climate change is impacting global weather patterns such as increased levels of rain fall, flooding, heat waves and drought. Microlise recognises that this will have medium and long term impacts on businesses, infrastructure and the global population. The longer term impact is likely to include a continued focus on fossil fuel consumption and the transition to alternative fuels which will impact both customers and suppliers operating models and cost structures.

Mitigation

We're committed to ongoing initiatives aimed at reducing both our customers and our own carbon footprint. Our products and services actively support our customers in reducing their carbon footprint through efficient use and management of their assets. The impact of climate change on the various aspects of our business operations, including supply chain and component availability is reviewed on a continual basis through our risk management framework. Climate-related Financial Disclosures also enables the Group to analyse, identify and mitigate the climate related impacts of its business operations.



Macroeconomic Conditions

Potential Impact	The Board and senior leadership continue to proactively monitor external geopolitical risks such as the impact of future pandemics, and the ongoing conflict in Ukraine, Gaza and China's aggression towards Taiwan, to respond and adapt at speed.
Business Community	Microlise continues to monitor the ongoing global geopolitical events to make informed decisions on its business operations, including the upcoming elections for major global players such as the US, as well as the conflict in Gaza and growing tension with Russia. Microlise does not have any dependency on material supply from the Ukraine region. The impact on the wider economy of the conflict could impact Microlise through inflationary pressures and volatility in the foreign exchange rates. Interest rate exposure is not considered to be a material issue whilst the RCF facility is not utilised. Ongoing assessments will be undertaken prior to any draw down. With respect to foreign exchange, Microlise operates bank accounts in various currencies and utilises funds by matching non-GBP denominated payments and receipts wherever possible to mitigate transactional impacts. Our customer base will experience a significant impact from fuel price inflation and historically Microlise has always seen an increase in opportunities during these periods as our hardware and software solutions provide fleet operators with opportunities to increase efficiencies and reduce costs.



Evolving Global Compliance & Legislation

Potential Impact	As Microlise continues to expand its global footprint, the complexity and variability of compliance requirements across multiple jurisdictions presents an ongoing challenge. From data protection and environmental regulations to transport-specific legal frameworks, noncompliance could result in financial penalties, operational disruption, reputational damage, and barriers to market entry. Key areas of focus include the General Data Protection Regulation (GDPR) in the EU, which places strict obligations on data handling and user privacy. These evolving legal frameworks demand continuous vigilance.
Mitigation	Microlise adopts a proactive and structured approach to compliance, leveraging both in-house expertise and a network of external subject matter experts to monitor, interpret, and respond to regulatory developments. Our Legal, Product, and Compliance teams collaborate closely with local counsel and global advisory partners to ensure alignment with current and upcoming legal requirements. Specific actions include GDPR-focused data governance protocols, privacy-by-design product development. We conduct regular risk assessments, compliance audits, and internal training to reinforce best practices. By embedding legal and regulatory considerations early in the product development lifecycle, Microlise ensures scalable, future ready solutions that can confidently meet evolving global standards.

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision-making.

Why We Engage

Microlise’s strategy focuses on enabling a safe, efficient and sustainable connected world. As a collaborative partner to our customers, we deliver transformational solutions and value-adding actionable insights from connected assets for fleet operators and product manufacturers. As a global business, we engage with a range of key stakeholders

to ensure we understand the interests and concerns of all of our stakeholder groups. Effective engagement with stakeholders at Board level and throughout our business is crucial to fulfilling Microlise’s core purpose. We collaborate with all stakeholder groups including investors, customers and suppliers, employees and regulators, to listen and take on board feedback while remaining open to change.

Our Key Stakeholders

- Investors
- Customers & Suppliers
- Our People
- Community & Environment

Throughout this Annual Report, we provide examples of how we:



Key Decisions Taken

Two significant decisions shaped the year: the implementation of a targeted restructuring programme and the delivery of associated cost reduction initiatives. These actions resulted in a leaner and more efficient organisation, expected to generate c.£5m of annualised cost savings and strengthening the Group’s operational focus.

The programme was managed to maintain service continuity and support ongoing investment in growth areas, including go-to-market capabilities and technology. These decisions enhanced operational efficiency, supported long-term value creation for shareholders, and reflected the Board’s continued focus on balancing cost discipline with sustainable growth.

Investors

Our business model, supported by our strategy, aims to deliver sustainable long-term growth and returns to our shareholders. The Directors recognise that effective engagement with shareholders is key. In addition to engaging through the Company’s annual general meeting (AGM) and through stock exchange announcements, the Executive Directors, supported by the Company’s broker, also meet with institutional shareholders and analysts.

Focus Areas

- Focus on sustainable growth
- Prioritise growth investment

These meetings involve discussion of the Company's strategy, performance and objectives, and provide a valuable forum for investors to offer feedback. Investors and other stakeholders can also access information about the Company on our website.

Customers & Suppliers

Microlise endeavours to be open and transparent in all its dealings across our supply chain extending from employees, through to customers, sub-contractors and suppliers. We are committed to providing our customers with the highest quality products and we believe the best method of meeting this commitment is to build a strong relationship with like-minded suppliers who share our values and ethical standards and conduct their business in a similar way to ours. Our supplier relationships are based on trust and transparency. We also consider the ethical and environmental obligations of all of our activities, including sourcing from reputable and sustainable suppliers and procuring as locally as possible, wherever possible. Microlise has established supplier assessment procedures in place to seek to maintain best practice standards.

Customer Focus Areas

- Technical expertise
- Market-led approach
- Collaboration across the supply chain
- Solutions-driven culture
- Quality customer support

Supplier Focus Areas

- Security of supply
- Fast lead times
- Compliance, oversight & quality
- Reliability & flexibility

Our People

Microlise is committed to its employees, recognising that they are fundamental to its success. The company's early-stage talent programme through its Academy brings new skills to the business while also providing opportunities for growth and development for its employees. Microlise's commitment to lifelong learning and professional development is reflected in its ongoing efforts to deliver a series of courses across the entire business. The company has again been accredited as a Great Place to Work, which demonstrates its dedication to creating a positive and supportive work environment for its employees.

Focus Areas

- Innovative culture
- Highly motivated and talented employees
- High retention rate and appropriate reward
- Safety & Wellbeing
- Diversity and inclusion agenda

Microlise's focus on communication and engagement has also served it well. Through various forums, the company keeps its staff informed of key developments, business performance, and other issues that may affect both their working and personal lives. Overall, Microlise's commitment to investing in its employees, providing ongoing learning opportunities, and fostering a positive work environment is reflected in its success and its dedication to continued growth and development.

Community & Environment

We actively encourage business-wide and employee support for local communities and good causes and have established a Group-wide Community Engagement Group (CEG) to manage initiatives. Our support extends from being a proud corporate sponsor to large charitable organisations such as Transaid, to supporting local orphanages in India, providing sports kits to clubs, books and resources to primary schools, and supplying local food banks in and around Derbyshire and Nottinghamshire. Microlise created Road to Logistics,

a not-for-profit, community interest company (CIC). Road to Logistics provides a national training programme to encourage new talent into the transport and logistics industry from sections of society where individuals need help and support. The road logistics industry relies heavily on its drivers and the recent driver shortage in the UK, has been well documented. These training programmes are helping to close the gap and support diversity as they encourage women, ex-offenders, the long-term unemployed and individuals from other disadvantaged backgrounds to apply. Sound environmental practices and the impact of our operations are factors of great importance to Microlise. The Group's Environmental Policy seeks to adhere to local, state and national environmental legislation in all jurisdictions in which we operate and to promote the adoption of responsible environmental practices. We operate our facilities as efficiently as possible and have shared our current ESG objectives and outcomes on pages 38 to 66. As a business, we challenge ourselves to develop smarter ideas and to constantly improve our technology to enable our customers to meet both business and sustainability goals. We reinvest in product innovation with an annual R&D spend of £2.8 million and have won a number of prestigious awards for our products & solutions. Our technology delivered tangible results to many of the UK's largest retailers, leading hauliers and third-party logistics providers. This contributes to positive impacts on environmental performance, and improvements in air quality and urban environments while reducing consumption through intelligent planning and route optimisation. Other positive impacts include a reduction in accidents through improved driver behaviour and fewer vehicle breakdowns thanks to our vehicle health monitoring system. Cumulatively these products support reduced emissions, congestion and the negative societal impacts of both. Our products are designed and manufactured to take account of end-of-life recycling and disposal. Our businesses comply with The Waste Electrical and Electronic Equipment Regulations ("the WEEE Regulations") and work in full compliance with The Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Regulations 2004 ("the RoHS Regulations"). The environmental performance of Microlise continues to improve through our efforts to reduce energy consumption and waste and increase recycling efforts and actively working towards ISO 14001 accreditation during 2026.

Focus Areas

- Sustainability agenda
- Sustainable solutions
- Resource efficiency/maximise resources
- Social Responsibility

How We Conduct Our Business

As a business, Microlise is committed to delivering to a high standard and seeks to benchmark itself against internationally recognised standards. The business has held ISO27001, ISO9001 (quality management system) for a number of years and has more recently, and also TickITplus Foundation

Level to its accreditation portfolio. Microlise currently is working to increase the levels of accredited compliance with the inclusion of ISO 45001 demonstrating high levels of Health, Safety and Wellbeing towards its stakeholders and ISO 14001 for Environmental excellence through 2026.

Microlise expects that all of its business is conducted in compliance with high ethical standards of business practice. We apply these standards across all of our dealings with employees, customers, suppliers and other stakeholders. Our Ethics Policy has been developed to ensure that our business is conducted with adherence to the highest ethical and legal principles and sets standards of professionalism and integrity that is expected from all of our employees across all of our operations.

Focus Areas

- Adherence to international standards
- Top down culture of integrity, accountability & transparency



Our People & Operations



Our People

We believe that success isn't just about what we achieve, it's about how we get there. That's why we hold ourselves to the highest standards of integrity, accountability and social responsibility. Our Core Values are more than principles on paper; they guide our decisions, shape our culture and influence the way we support and recognise our team. These values define how we engage with our colleagues, customers, partners and the wider community.

Over the past year, and as we move into 2026, we've strengthened our commitment to fostering an even more supportive and dynamic workplace.



We are passionate
& positive



We make it
happen



We care about our
people



We value the
customer



We want to
continually improve

Recruitment & Retention

Our people are at the heart of everything we do, and we're committed to fostering a workplace where everyone feels safe, supported and empowered. We invest in professional development, equipping our team with the resources they need to thrive.

To stay ahead, we continuously assess our benefits and career growth initiatives, ensuring they remain competitive and reflect the needs of our workforce.

Our 2025 Great Place to Work recognitions include:

- Certified as a Great place to work for UK, Australia and France
- Best Large Workplaces (UK)
- Great Mid-size Workplaces (India) – ranking 42nd
- Best Workplaces for Wellbeing – ranking 84th in the large category (UK)
- Best Workplaces in Tech across the large and super large categories (UK)

Diversity & Inclusion

We are committed to building a workplace where everyone feels respected and empowered, ensuring inclusivity is part of the entire employment lifecycle.

We provide meaningful support to all employees and actively promote diverse representation through targeted programs.

Employee Engagement

Understanding and supporting our employees is a top priority, and to enhance connection in a hybrid work environment, we've revamped our internal events program, giving employees a voice and hosting events that matter to them.

Appreciate25 was launched with a branded logo at the heart of all our recognition and appreciation initiatives, bringing together all employee experience initiatives under one umbrella. The Appreciate brand marks a distinct and exciting shift in our approach to employee experience within Microlise. To launch Appreciate, we held our first Employee Appreciation Day in April 2025, celebrating our employees with an onsite lunch at our head office.

Other activities across the year included:

Other activities across the year included:

- Earth day – a focus on sustainability, with employees having the opportunity to pot their own vegetables.
- Summer Festival – the annual employee BBQ, with friends and family in attendance.
- Makers Market – transforming Head Office into a buzzing marketplace as we hosted 10 local artisans and crafts people.
- Microcommunities – the introduction of regular book club and board game socials

In total over the past year, we hosted 17 engagement initiatives in the UK, inclusive of 8 events and 4 CSR activities/initiatives, strengthening our sense of community.

Safety, Health & Wellbeing

At Microlise, safety comes first. We believe that Zero Harm is achievable and are committed to creating a working environment where every employee feels safe, supported and protected.

During 2025, we strengthened our focus by reorganising the Health, Safety, Environment and Facilities team. This strategic investment has helped embed best practice across these disciplines and build a stronger, more proactive safety culture throughout the business.

We also introduced a best-in-class Accident and Incident Reporting system, giving global teams a consistent, proactive way to identify and manage workplace hazards. This shared approach supports our goal of reducing preventable injuries and high-risk incidents.

In 2025, Microlise introduced a tailored Health Surveillance programme for all employees. This programme helps protect our people as they carry out their roles, reduces health-related risks and ensures the business maintains full compliance with occupational health requirements.

Our dedication to employee wellbeing has earned widespread recognition, securing us the 84th spot on Great Place to Work's list of large companies the 'Best Workplaces for Wellbeing.'

Additionally, we have a team of 11 Mental Health First Aiders and 30 Mental Health Champions actively fostering a supportive work environment.

In 2025, in both the UK and India we hosted five wellbeing events and seven additional initiatives, focusing on important topics including:

- Health Checks - knowing your key health numbers (glucose, BMI, blood pressure, cholesterol levels etc),
- Mental Health Awareness Week – a series of virtual and onsite coffee mornings and activities focused on 2025 MHAW theme: Community
- Steptember – a virtual walking challenge, with individual and team entries
- Women's and men's health coffee mornings, including a quizzes and resource sharing.

In addition, we ran initiatives covering neurodiversity, family wellbeing, musculoskeletal, virtual runner and financial wellbeing.

To further promote health and wellness, we also provide free health checks in both the UK and India.

Lean Initiatives

Microlise is undertaking a company-wide Lean transformation to increase organisational throughput and improve how work flows across the business. By identifying and removing constraints, reducing unnecessary work-in-progress (WIP) and sharpening focus on the activities that matter the most, we're enabling teams to deliver greater business value and higher levels of customer satisfaction.

The programme is centred on three proven operational excellence disciplines:

- Lean Thinking: Reducing waste, shortening lead times and enabling faster, more predictable delivery.
- Outcome-based Performance Measurement: Shifting from activity-based metrics to flow and value-focused measures such as lead time, throughput, WIP limits and customer value delivered.

- Theory of Constraints (TOC): Identifying the single most limiting constraint at any given time and maximising its performance to increase end-to-end flow.

Training in these methods is being delivered to all Microlise leaders to build shared capability and alignment across the business. To date, **50% of our leadership team has completed the training**, equipping them with the principles and practical tools needed to embed flow-oriented ways of working, strengthen cross-functional collaboration and drive sustainable performance improvements.

This initiative is expected to deliver:

- Reduced lead times across product development and operational processes
- Higher throughput, enabling faster delivery of value to customers
- Better collaboration across departments
- Lower operational friction, improving predictability and reliability
- A measurable uplift in customer satisfaction through improved quality and delivery performance

The Lean transformation signifies a major commitment to operational excellence and sustainable growth, establishing a firmer base for innovation, customer success and profitability.

ESG

Environmental

Environmental Sustainability is at a critical part of our mission, shaping both our products and our business practices.

By partnering with top players in the transport industry, we help streamline operations while minimising environmental impact.

In 2024, we renewed with the London Stock Exchange Green Economy Mark for generating 50% or more of our total annual revenue from products and services that contribute to the global green economy.

We empower fleet operators and manufacturers with a seamless ecosystem to monitor, manage and maintain assets efficiently, driving sustainability through enhanced operations, reduced emissions and optimised resource:



Transport Management System

Reduces idle time, optimises routes and minimises waste – lowering fuel consumption and emissions.



Planning & Optimisation

Optimised routes and better load planning decreases fuel use and fleet emissions.



Fleet Performance

Monitoring vehicle performance and proactive maintenance ensures sustainability. And real-time training encourages eco driving habits – cutting fuel use and emissions.



Journey Management

Adjusts routes dynamically, minimising fuel waste.



Fleet Safety & Compliance

Enhanced monitoring leads to fewer accidents and emissions. While digital compliance processes reduce paperwork.



Driver Connected Mobility

Real-time communication minimises idling and paperwork.



Remote Asset Monitoring

Real-time insights enhance efficiency and reduce downtime.

And the positive impact we have for our customers speaks for itself from our publicly available case studies:

8% fuel cost reduction and **15%** fewer accidents for DFS

10% better fuel efficiency and **12%** fewer accidents for Carlsberg

15% reduction in miles traveled for Travis Perkins

5% fuel saving with optimised routing for Maritime Transport

12% fewer accidents for Suttons Group

100% paperless workflow for PurePac

90% less callouts and **25%** service revenue increase for JCB

5,000 fewer fleet miles and **£2,300** fuel savings for Direct Sameday

72% reduction in idling for Europa Worldwide Group

99% on-time deliveries to large stores – and **96%** for convenience stores – for Tesco

88% reduction in un-invoiced debt for Polypipe Civils & Green Urbanisation

The Sustainability of Our Operations

At Microlise, we see ESG Management as the right and intelligent way to do business. By looking after our people, respecting the environment, delivering high quality products and services and generating profit in a responsible – and sustainable – way, our business model is built to last.

Our focus is on supporting the transition to a sustainable, low-carbon future, working closely with customers to help enable their decarbonisation strategies. While many of our near-term initiatives are still in the implementation phase, we have set a clear objective to deliver measurable results by 2026. We have also renewed our commitment to achieving Net Zero Scope 1 and Scope 2 emissions by 2030.

In 2025, we successfully implemented the following initiatives that help to reduce our carbon consumption:

- Early adaption of ESOS phase 4 initiatives within the expected specified deadlines.
- Continued to encourage the uptake of electric vehicles within our company car fleet, introducing initiatives for grey fleet users focused on reducing Scope 2 emissions and incentivising employees make more sustainable vehicle choices.
- All work vans are now hybrid vehicles, reducing emissions within the engineering team.
- Reduced the building footprint by closing the carbon-consuming leased property at our Eastwood site.

- Reduced use of paper consumption by strategic positioning of printers with access controls measuring usage by user.
- Rationalised waste streams to reduce the number of pickups from our waste management provider on a weekly basis.

These initiatives are managed by the new, cross-functional Environmental & Sustainability Green Committee, that focus on our carbon consumption.

Emission & Reduction Initiatives Including:

- Increased focus on more efficient route planning across our engineering fleet to reduce fuel use and emissions.
- Renewed emphasis on Scope 3 emissions across the value chain.
- Strengthened environmental resilience within our management systems, with a clear target to achieve ISO 14001 accreditation by Q2 2026.
- From 2026, all new fleet vehicles will be EV or hybrid vans.

Energy Reduction Initiatives Including:

- Continued exploration of opportunities to optimise our facilities footprint and make better use of building assets and space.
- Implementation of automated smart metering to enable real-time energy readings and faster identification of energy waste.
- Ongoing review of market tariffs to increase the proportion of greener energy used across our operations.

Social

In upholding our fundamental principle of 'We Care,' we ensure that every action we take positively impacts our community and stakeholders. Notably, in 2025, we upheld our Great Place to Work™ accreditations for the entire Microlise Group.

This continued recognition is significant and offers valuable insights into our workforce's perspectives, guiding our future strategies.

During the 2025 assessment conducted by Great Place to Work™ (GPTW), our UK employees rated us as follows:

94% of participants said it was a physically safe place to work.

94% of participants believe they are treated fairly regardless of their sexual orientation.

93% of participants said they were treated fairly regardless of their race.

92% of participants said they are able to take time off from work when they think it's necessary.

91% of participants said that when they are treated fairly regardless of their gender.

Governance

At Microlise, we place a high priority on good governance and are committed to upholding the highest standards of corporate governance in all areas of our operations. Our commitment to good governance is demonstrated through our adherence to the 10 principle QCA code, which provides a framework for transparent, accountable and responsible operations. Microlise's Corporate Governance Statement section can be found on pages 70 to 72.

To ensure that all our employees operate in a responsible and sustainable manner, we provide comprehensive iHasco training covering ethical decision-making, risk management and compliance with laws and regulations. This training promotes a culture of responsibility and accountability throughout our organisation.

In addition to our training programs, we have established policies and procedures to ensure good governance across all areas of our operations. We have clear lines of responsibility and accountability, robust risk management processes, and regular reporting to our Board of Directors on key governance issues. We also engage with our stakeholders to ensure that we understand their needs and concerns and that we are responsive to their feedback.

A test of our established governance processes occurred during 2024 by virtue of the cyber incident. Upon identification, the matter was elevated to the executive board within minutes and a plan to respond was produced and board approved including identifying professional advisors to support. The role of the non-executive directors was to challenge the proposed response and review communication with our stakeholders.

We have established policies and procedures to manage potential conflicts of interest, and our board regularly reviews its own composition and performance to ensure that it remains effective and independent.

At Microlise, we believe that good governance is essential for building trust and confidence among our stakeholders, and for achieving our strategic objectives over the long term. We are committed to continually improving our governance practices and processes to ensure that we operate in a responsible, sustainable, and ethical manner.

Learning & Development

Training Investment

£332,000 includes **£54K** of apprenticeship levy (2024)

£342,000 includes **£35K** of apprenticeship levy (2025)

Now in its seventh year, the Learning and Development Software Development Academy is open to employees across the Group.

Supporting software developers professional growth across all departments by offering skill-building opportunities and a dedicated early-career talent programme, this initiative combines education with hands-on experience to foster the development of our workforce.

In 2025, a total of 6 Graduates worked at Microlise across Software Engineering, Data Science and Dev Ops. There is a projected plan to promote 13 of the total number of Graduates this year as they are all on the Graduate Academy and delivering in performance and reaching the standards required.

There are currently 58 people still working at Microlise that were recruited as Graduates. 5 graduates have been promoted to Lead Engineer. Taking the Architects and Managers out of the mix 65% of employees were recruited by the graduate/apprenticeship scheme.

Year	Joined	Still with us
2021	13	10
2022	0	0
2023	8	7
2024	10	9
2025	6	6

Learning & Development Opportunities

We currently support several key roles undertaking professional qualifications. They include, ACCA, CIMA and SQE Level 2. These sponsorships have been aligned to business needs and are equally as importantly to employees who have grown and progressed throughout their Microlise career. This supports succession planning and identifying Top Talent.

We are focused on the importance of working within an environment whereby efficiency and effectiveness is one of our key areas of development across the business. To accompany this, we have currently trained 60 key roles in FLOW, TOIL, and OKRs. This has been introduced and led by the Executive Committee and is having a positive impact on measurable outcomes, including quality, quantity, time and cost.

In 2026 Quarter 1/2 Microlise will introduce and implement a Behavioural Framework which will be the foundation to standardise expectations and behaviour within Business, People and Customers. The Framework will be launched and communicated on a new Leadership Program, whereby all managers will attend and have a clear understanding on analysing their team's performance and behaviour against the Framework. The new Leadership Program will be targeted at practical Microlise objectives with the aim to be evaluated against OKRs and followed up by the Head of Learning and Development.

Learning and Development needs to be measurable and evaluated; this will be followed through by the Head of Learning and Development facilitating Action Learning Sets on making Heads and Managers more accountable on their teams and personal performance.

A Learning and Development Prospectus is currently in design and will be launched in Q2. This Prospectus has been designed to support the Behavioural Framework standards and career pathways. The Prospectus will be a blended approach to learning offering face to face training and eLearning. This will be invaluable to support our people wherever they are located. This is also a cost saving initiative as it is facilitated by Head of Learning and Development. From this, the plan will be to train and create our own Champions within the business who take responsibility for business growth and become specialists within certain areas, such as coaching and mentoring

In total, we invested £342,000 into learning and development – including £35,000 of apprenticeship levy.

SECR Report

The table below provides a summary of the Streamlined Energy & Carbon Reporting (SECR) mandatory reporting requirements for Microlise Group plc during its three most recent financial reporting periods, providing the necessary data for compliance with SECR 2025:

	Reporting Year End 31 st December 2025		Reporting Year End 31 st December 2024		Reporting Year End 31 st December 2023	
Emissions Source	UK and Offshore		UK and Offshore		UK and Offshore	
	Energy Consumption (kWh)	Carbon Emissions (tCO ₂ e)	Energy Consumption (kWh)	Carbon Emissions (tCO ₂ e)	Energy Consumption (kWh)	Carbon Emissions (tCO ₂ e)
Purchased Electricity	677,360	221.7	772,404	269.5	1,000,788	321.1
Natural Gas	161,522	29.6	133,677	24.4	89,177	16.3
Transport	1,783,493	414.0	1,703,429	401.8	1,509,544	354.5
Total	2,622,375	665.3	2,609,510	695.7	2,599,509	691.9
Average Number of Employees	816		805		715	
Intensity Ratio: tCO ₂ e/employee	0.815		0.864		0.968	
Intensity Ratio: tCO ₂ e/employee Annual % change	-5.7%		-10.7%			
Scope and Methodology	Scope: Microlise operates on the AIM which is a sub-market of the London Stock Exchange. As this is not identified as part of the Stock Exchange which requires an organisation to respond to the SECR as a Quoted Company, Microlise will be responding to the SECR regulations as an Unquoted Company under Microlise Group plc.					
	All the reported CO ₂ e emissions for unquoted companies have come from the sources identified in the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. The emissions reported are those for which Microlise are operationally responsible for.					
Energy Efficiency Action Taken	Methodology: The following methodologies have been used to calculate the above CO ₂ e emissions: - The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition) - HM Government Environmental Reporting Guidelines (2019)					
	Microlise expanded its solar PV system at the main UK site in 2024, with the full benefits of the larger array realised throughout 2025. Combined with improved utilisation of the working from home policy at the India site, these measures contributed to a significant 12.3% reduction in total electricity consumption during the reporting year. As a result of these continued energyefficiency improvements, Microlise has achieved a reduction in its carbon intensity metric for the third consecutive year, reinforcing its commitment to meeting its 2030 Net Zero ambition. Although transport related energy consumption increased by 4.7%, driven by the need to meet customer expectations and rising operational demand, associated carbon emissions rose by only 3.0%. This reduced relative impact reflects Microlise's increasing use of more energy efficient modes of transport. Looking ahead, it is anticipated that the carbon savings from continued shifts towards lower emission travel options will grow significantly in future reporting years.					

Climate-related Financial Disclosure [Regulations 2022]

The regulations requires disclosures on the following four elements within financial disclosures:

Governance – Top Management (the Board or equivalent) oversight and how management assesses climate-related risks and opportunities.

Strategy – Identified climate-related risks and opportunities, what their overall impact are and how the organisation is managing them.

Risk Management – How the organisation identifies, assesses and manages climate-related risks and how this is integrated into organisations overall risk management.

Metrics and Targets – The metrics used by the organisation to assess climate-related risks and opportunities, disclosure of Scope 1, 2 and, if appropriate, Scope 3 carbon emissions and the climate-related targets currently in place.

Governance

a. Board Oversight of climate-related risks and opportunities

Microlise has embedded climate change within its business operations starting at the highest level, its Board. The Board has oversight of climate-related risks and opportunities ensuring that the business is adapting, mitigating and “heading in the right” strategic direction to protect its customers from the economic and physical impacts of climate change. The Board comprises the Non-Executive Chairman, The Chief Executive Officer (CEO), the Chief Financial Officer (CFO), and two Non-Executive Directors. To demonstrate the Boards commitment to addressing climate change, it now includes climate change risks and opportunities in four out of the 10 annual meetings.

The CEO and CFO are the two Board members who have direct responsibility for addressing and managing Microlise’s climate change strategy. They achieve this through leading the Executive Committee (Exco) and by developing communication pathways between staff and management, making sure that climate change risks and opportunities are identified and understood at the varying levels within the business. They also gain vital climate change impact information from the monthly Integrated Management System (IMS), which is used to manage the group-wide risk register. This monthly meeting helps strengthen the understanding gained the annual scenario analysis. All pertinent climate change information obtained these monthly meetings is shared with Board during its scheduled meetings.

The cross divisional subcommittee is still operating, despite the disruptions created from the cyber-attack in late 2024. It includes the heads of the various business divisions and other pivotal roles, the committee is listed below:

- HR Director
- Product Director
- Head of Financial Reporting and Compliance
- Head of IT Operations
- Head of Supply Chain and Assurance
- Head of Global Payroll
- Head of Procurement
- Head of Revenue Operations
- New Product Introduction Engineer Technical Lead
- HSQE Advisor
- Facilities Manager
- Products Operations Manager
- HR and Engagement Specialist

This subcommittee was established to provide additional support to the Exco and Board through strengthening Microlise’s internal reach to gain relevant perspectives on how adapting and mitigating to climate change would impact the business. As such the sub-committee focuses on sustainability and environmental matters.

Recent examples of how Microlise's business strategy has been impacted by climate change include:

1. The completion of its ESOS Phase 4 energy audits well in advance of the legal compliance deadline date of 5 December 2027. The identified opportunities are currently being reviewed and will be prioritised for implementation in 2026. This will continue to help Microlise reduce its Scope 1 and 2 carbon emissions.
2. The linking of Microlise's carbon reduction targets with its Long-Term Incentive Plan (LTIPs) for the third consecutive year. This continued connection between remuneration and carbon reduction achievement ensures senior management are engaged in helping Microlise improve its Climate Change impact.

The cyber-attack in late 2024, interfered with Microlise's progress on capturing and reporting on its Scope 3 emissions. However, Microlise are happy to report that it will be completing its initial Scope 3 carbon emissions calculations in early 2026 and will include the result in future reporting.

b. Management's role in assessing and managing climate-related risks and opportunities

The Executive Committee (Exco), which is led by the CEO and CFO, is responsible for the day-to-day management of climate change: The Exco includes the following key members:

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Product Director
- Operations Director
- Chief Revenue Officer
- Chief Technology Officer
- Human Resources Director

The monthly Integrated Management System (IMS) is used as the main means to review and prioritise climate change risks and opportunities. This analysis is documented within the group-wide risk register. The Exco identifies important climate change issues through the following means:

Customers – Microlise focuses on delivering dependable services and building strong customer relationships. By actively listening to clients, the company learns how climate change affects their operations and adjusts its solutions to help reduce environmental impact. To strengthen this support, Microlise is investing in advanced driver management technologies that provide detailed insights into fleet-related emissions.

Direct Staff Engagement – Through meetings with their individual teams, the Exco gain insight and understanding into what climate change issues are affecting staff in the short, medium and long term.

Continual Professional Development – Microlise ensures that key members of its leadership stays informed on climate-related challenges and opportunities by attending industry exhibitions and events. This proactive approach helps the company anticipate potential impacts on its operations and stakeholders, including customers.

Suppliers – Microlise collaborates with suppliers to identify potential climate-related risks within its supply chain. These insights guide the development of resilience strategies, ensuring uninterrupted service delivery for customers. All findings are formally recorded in the group risk register.

National and local governmental bodies – This stakeholder provides details on relevant climate-related regulations which Microlise needs to comply with, including mandatory frameworks such as ESOS (Energy Savings Opportunity Scheme). Under ESOS, qualifying UK organisations must conduct energy audits and report findings every four years, develop an appropriate energy opportunity action plan and report progress against it annually. These requirements ensure transparency and drive energy efficiency improvements.

External specialists – Specialist advisors give Microlise access to in-depth knowledge of climate-related risks and opportunities. This expertise is vital for accurately assessing potential impacts and shaping effective mitigation plans. For example, our trusted energy consultants are helping identify strategies to cut Scope 1 and 2 emissions and identify practical ways to reduce the company’s overall climate footprint.

The Executive Committee oversees and updates the risk register, while the Board conducts quarterly reviews to confirm that mitigation actions are practical and effective. This register spans all group entities and their global operations. Details of climate-related transitional and physical risks, along with associated opportunities, are summarised in section “Strategy, c.” on page 54.

Despite delays due to the cyber-attack in 2024, Microlise’s cross divisional sub-committee continues to meet at least annually to support and enhance Microlise’s sustainability and environmental management. The outcomes from this support have been incorporated within the group-wide risk register along with the outcomes from the annual scenario analysis.

Strategy

a. Climate-related risks and opportunities in the short, medium, and long term

Microlise has updated its definition of short, medium, and long-term timescales. This change is based on its current business model, product life cycle, product development and typical length of customer contracts in 2025.

To confirm these timescales are as follows:

Time Horizon	Time (yrs)
Short-term	1 to 5 years
Medium-term	5 to 10 years
Long-term	10 years+

In 2025, Microlise undertook its third scenario analysis using the International Panel on Climate Change Assessment Report 6 (IPPC AR6). This annual evaluation provides valuable understanding of how climate change could potentially impact its various office locations throughout the globe. The outputs are incorporated within the corporate risk register. The latest outputs have also been summarised within the Strategy Section.

Climate change risks assessments are based on probability of occurrence and potential impact in the short, medium and long-term. Both probability and occurrence for each risk is rated between 1 (lowest) and 5 (highest) and multiplied together to generate the overall risk rating (25 being the highest). These are then used to quantify the potential financial impact each risk would have on Microlise’s revenue.

The following two tables provide summaries of Microlise’s relevant Transitional and Physical climate-related risks. They also indicate the anticipated financial impact.

Transitional Climate Change Risk Summary Table

Ref.	Drivers	Description	Time frame	Financial Impact
Policy & Legal				
Risk 1	Current climate change legislation	Microlise must comply with current climate-related regulations which require energy and carbon emission monitoring and disclosure. Key examples include the Streamlined Energy and Carbon Reporting (SECR) framework and the Energy Savings Opportunity Scheme (ESOS). Failure to comply will result in financial penalties and potential reputational damage.	Short	Low
Risk 2	Future climate change legislation	Future climate change regulations could significantly impact Microlise by increasing pressure to demonstrate its own sustainability credentials and compliance across operations, supply chains, and corporate reporting. These regulations may require Microlise to adopt stricter carbon accounting and align product development with emerging environmental standards. Failure to adapt could affect brand reputation and market positioning.	Medium to Long	Medium
Risk 3	Climate change taxes and levies	Rises in carbon and climate change taxes could increase Microlise's operational costs, particularly in areas such as building energy and supply chain activities e.g. data centres. These taxes may also require Microlise to enhance carbon accounting and reporting systems to maintain compliance and avoid financial penalties.	Medium	Medium
Opportunity 1	Climate reporting support	Future climate change obligations present a significant opportunity for Microlise to position its telematics solutions as essential tools for compliance and sustainability. By enabling precise emissions reporting, operational optimisation, and data-driven insights for low-carbon strategies, Microlise can strengthen its value proposition and capture growing demand from organisations seeking to meet regulatory and ESG requirements.	Short to Medium	Medium
Opportunity 2	Improved regulatory resilience	Microlise continues to develop its environmental management system ensuring that relevant environmental aspects and impacts are fully understood and managed. This system refinement improves Microlise's ability to comply with regulations as well as strengthen its business offering.	Short to Medium	Medium

Technology				
Risk 4	Acute climate change impacts	Acute climate change impacts, such as extreme weather, pose risks to Microlise's technology-dependent operations by threatening connectivity, data centre resilience, and real-time telematics reliability. These disruptions could lead to service outages, reduced customer confidence, and increased costs for system redundancies and disaster recovery measures.	Long	Low
Risk 5	Energy price increase	Rising energy prices increase operational costs for Microlise as well as its core suppliers including data centres, cloud infrastructure, and hardware manufacturing. This could potentially erode profit margins, making technology services more expensive to deliver. This could lead to higher pricing for customers and reduced competitiveness.	Medium	Low
Risk 6	Increase frequency of the development of products	The accelerating need to develop new products and features to adapt to changing environmental conditions could strain Microlise's R&D resources and technology roadmap. This pressure may lead to higher development costs, shorter product lifecycles, and potential risks around quality, interoperability, and maintaining customer satisfaction while innovating rapidly	Medium	Medium
Opportunity 3	Research, development and product enhancement	The increasing need for products that adapt to changing environmental conditions presents Microlise with a significant opportunity to meet evolving client demands. By accelerating innovation and developing solutions that enhance resilience and sustainability, Microlise can strengthen its market position, differentiate its offerings, and build deeper customer loyalty in a rapidly shifting landscape.	Short	Medium
Market				
Risk 7	Loss of revenue from decreased demand	Climate change pressures and regulatory shifts are accelerating the adoption of low-carbon transportation solutions, such as electric fleets. These technologies often come with built-in telematics and optimisation systems, which could reduce reliance on third-party platforms like Microlise's. As a result, demand for Microlise's traditional offerings may decline. However, this risk is considered low because Microlise's data acquisition platform is highly versatile, capable of capturing information from a wide range of applications and supporting multiple use cases.	Medium	Low

Op- por- tunity 4	Carbon reporting support	The growing demand for accurate carbon reporting creates a significant opportunity for Microlise to leverage its telematics and data analytics capabilities. By providing businesses with precise, real-time carbon emissions data across their fleets, Microlise can position itself as a trusted partner in sustainability compliance, helping clients meet regulatory requirements and achieve their net-zero goals.	Short	Medium
Op- por- tunity 5	Alternative business offerings	The transition to a low-carbon economy creates opportunities for Microlise to diversify its offerings beyond traditional telematics. By developing solutions that support electric vehicle (EV) fleet management, charging optimization, and carbon footprint analytics, Microlise can position itself as a leader in sustainable transport technology. Additionally, expanding into areas such as renewable energy integration for logistics hubs and predictive tools for climate-related disruptions can open new revenue streams while reinforcing Microlise's role as a strategic partner in sustainability.	Medium	Medium
Reputation				
Risk 8	Negative reputation leading to loss of revenue	As climate change drives stricter sustainability expectations, Microlise faces reputational risk if its offerings are perceived as misaligned with low-carbon goals or insufficient in supporting clients' environmental commitments. Failure to demonstrate leadership in sustainability could lead to negative stakeholder perception, reduced trust, and loss of competitive advantage in an increasingly ESG-driven market.	Long	High
Op- por- tunity 6	Improve reputation leading to increases in revenue	Growing expectations for sustainability and transparency present Microlise with an opportunity to strengthen its reputation as an industry leader. By proactively aligning its offerings with low-carbon goals and supporting clients in achieving their environmental commitments, Microlise can enhance brand trust, differentiate itself in an ESG-driven market, and attract new customers seeking innovative, climate-conscious solutions.	Medium	High
People				
Risk 9	Loss of staff	As climate change intensifies, employees may seek roles in organizations that demonstrate strong sustainability commitments, creating a risk of talent loss for Microlise if it is perceived as lagging in environmental responsibility.	Medium	Medium

Risk 10	Reduced employee catchment area	Climate change impacts, such as increased flooding, extreme weather, and infrastructure disruptions, could reduce the geographic catchment area from which Microlise can attract and retain staff. Limited accessibility and relocation pressures may lead to talent shortages, higher recruitment costs, and operational challenges in maintaining a skilled workforce. However, this risk is considered low as Microlise operates working from home policies which reduces the impacts from increased traffic disruptions.	Long	Low
Opportunity 7	Increased talent and staff retention	As sustainability becomes a priority for employees, Microlise can leverage its commitment to climate-conscious practices to attract and retain top talent. By positioning itself as a leader in low-carbon innovation and offering roles that contribute to meaningful environmental impact, Microlise can strengthen its employer brand, improve workforce engagement, and gain a competitive edge in talent acquisition.	Medium	Low

Physical Climate Change Risk Summary Table

Ref.	Drivers	Description	Time frame	Impact
Acute				
Risk 11	Supply disruption	Climate change increases the likelihood of supply chain disruptions due to extreme weather events, resource scarcity, and transportation challenges. For Microlise, this could impact the availability of critical hardware components, delay product delivery, and raise costs, ultimately affecting customer satisfaction and operational resilience.	Long	Medium
Risk 12	Supply / mitigation cost increase	Climate change increases the risk of supply chain disruptions due to extreme weather, resource scarcity, and transportation challenges, which can impact the availability of critical components for Microlise's technology solutions. These disruptions often lead to higher procurement costs, longer lead times, and increased operational expenses, potentially affecting profitability and customer delivery commitments.	Long	Low
Opportunity 8	Attract new customers	As businesses face increasing pressure to adapt to climate change, Microlise has a strong opportunity to attract new customers by offering solutions that enhance resilience and sustainability. By providing advanced telematics, carbon tracking, and optimization tools that help organizations reduce emissions and manage climate-related risks, Microlise can position itself as a strategic partner for companies seeking to future-proof their operations.	Medium	Medium
Opportunity 9	Product diversification	Climate change and the transition to low-carbon operations create a strong opportunity for Microlise to diversify its product portfolio. By expanding in areas such as electric vehicle (EV) fleet management, charging infrastructure optimization and predictive analytics for climate-related disruptions, Microlise can open new revenue streams and strengthen its position as a sustainability-focused technology leader.	Medium	Medium
Chronic				
Risk 13	Supplier disruptions	Chronic climate change issue, such as rising temperatures and resource depletion, pose medium to long-term risks to Microlise's suppliers by affecting raw material availability, production capacity, and transportation reliability. These sustained pressures could lead to higher costs and reduced supply stability ultimately impacting Microlise's ability to deliver products and maintain competitive pricing.	Medium to Long	Low
Opportunity 10	Product development and market diversification	The accelerating shift toward sustainability creates a major opportunity for Microlise to innovate and diversify its product portfolio. By developing solutions tailored to emerging needs, such as electric vehicle (EV) fleet management and real-time predictive analytics for, Microlise can strengthen its market position as a leader in low-carbon transport technology.	Medium	Medium

b. Impact of climate-related risks and opportunities on business, strategy, and financial planning

The table below summarises the impacts of identified climate-related risks and opportunities across Microlise's operations. It provides an overview of how climate change influences the company's business model, strategic priorities, and financial planning:

Business / Strategy Area	Impacts on businesses, strategy, and financial planning	Related Climate Change Impact Ref.
Products and Services	With carbon reporting becoming increasingly mandatory, Microlise's offerings position customers to meet compliance obligations while improving sustainability performance. Transport solutions, for example, provide comprehensive fuel and driver analytics, enabling organisations to set and achieve carbon reduction goals. This trend will place heightened emphasis on research and development to ensure Microlise's products remain industry-leading and competitively priced.	1. Policy and Legal 2. Technology
Supply Chain / Value Chain	Microlise recognises that climate change is a priority for key stakeholders, including customers, employees, suppliers, shareholders, and local communities. These stakeholders expect robust carbon emission management and transparent reporting. To ensure these requirements are understood and integrated into corporate strategy, Microlise has formed a cross-functional subcommittee that meets at least annually. The committee's recommendations are escalated to the Board as appropriate, reinforcing strategic alignment with stakeholder expectations.	3. Market 4. Reputation 5. People 6. Acute 7. Chronic
Adaptation and Mitigation Activities	Microlise is committed to reducing its environmental impact by addressing Scope 1 and 2 emissions from the operation of its facilities and assets. Driving efficiency across these areas is essential to meeting the company's ambitious goal of achieving carbon net zero by 2030. To strengthen its approach, Microlise took a proactive step in 2025 by undertaking its ESOS Phase 4 audits well ahead of the compliance deadline of 5 December 2027. The opportunities identified are currently under review and will be prioritised for implementation in 2026. In parallel, Microlise has continued to modernise its vehicle fleet to incorporate more energy-efficient hybrid models. This increase in hybrid vans is significantly impacting carbon emissions and reducing Microlise's climate change impact.	1. Policy and Legal 2. Technology 6. Acute 7. Chronic
Investment in Research and Development	Microlise is a technology-driven business focused on transforming organisations operations through advanced telematics, fleet management, and supply chain solutions. By combining intelligent software with integrated hardware, Microlise enables companies to operate more efficiently and sustainably. Innovation sits at the heart of this approach, with continuous investment in research and development ensuring that emerging technologies are harnessed to meet evolving customer needs. In line with its climate commitments, Microlise is accelerating a shift toward software-centric solutions that minimise the need for additional hardware. This transition not only enhances flexibility for customers but also significantly reduces emissions linked to hardware production, installation, and maintenance. By pursuing this strategy, Microlise is actively lowering its Scope 1, 2, and 3 carbon footprint while delivering smarter, more sustainable transport solutions.	1. Policy and Legal 2. Technology 3. Market

Operations	Microlise's main direct energy consumption and carbon emissions relate to its facilities and transport assets (Scope 1 and 2). Climate change considerations have influenced several operational decisions, leading to targeted initiatives that reduce environmental impact: • Facility Efficiency Improvements – ESOS Phase 4 energy audits were undertaken in 2025, well in advance of the compliance deadline of 5 December 2027. This proactive approach helps identify realistic opportunities which will continue to help Microlise reduce energy consumption and carbon emissions. • Transportation Fleet Upgrade – In 2025 Microlise continued to upgrade its fleet with more energy-efficient hybrid vehicles which deliver lower fuel consumption and emissions. Due to a cyber-attack in late 2024, Microlise's Scope 3 emissions reporting was delayed. However, in 2026 it will finalise this assessment and set appropriate carbon reduction targets.	1. Policy and Legal 5. People 6. Acute 7. Chronic
Acquisitions and Divestments	Microlise integrates climate considerations into major acquisition and divestment decision. This approach was evident in January 2024 when the company acquired Enterprise Software Systems Limited, strengthening its capabilities in order management. The acquisition expanded Microlise's offering to include advanced solutions for fleet logistics, operator and resource planning, transport costing, subcontractor coordination, and invoicing. Sustainability principles also guide Microlise's procurement strategy. Energy efficiency is a key criterion when selecting new facilities and vehicles, ensuring operational carbon emissions are minimised wherever possible.	2. Technology 3. Market 4. Reputation 5. People 6. Acute 7. Chronic
Access to Capital	Financing options to support climate-related improvements are available but can be challenging for mid-sized organisations to secure. While some banks offer green loans and preferential rates for businesses with strong ESG credentials, these products often favour larger corporations with extensive reporting capabilities. Government grants and schemes exist for energy efficiency and low-carbon transport, but competition for funding is high and eligibility criteria can be restrictive. Despite these options, access to substantial climate-linked capital remains limited for companies of Microlise's size, requiring careful planning and prioritisation of projects.	2. Technology 5. People 6. Acute 7. Chronic

As mentioned previously within the report, climate change risks are identified and assessed by the Executive Committee (Excon) who are led by the CEO and CFO in the monthly IMS meetings. They are given overall risk ratings based on probability and potential impact. These risks are then quantified to determine potential financial impact in the short-, medium- and long-term. The findings are captured and managed through the group corporate risk register.

The corporate risk register is reviewed by the Board at least four times annually, ensuring that impacts from climate change are fully understood and is integrated into the organisations business strategy.

The effectiveness of this strategy can be seen with the retention of the London Stock Exchange Green Economy Mark which demonstrates that more than 50% of Microlise's revenue is generated from products and services has been identified as contributing to the achievement of customers' environmental objectives.

c. Resilience of the strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Microlise carried out its third annual scenario analysis in 2025, continuing to use the International Panel on Climate Change Assessment Report 6 (IPCC AR6). IPCC AR6 provides detailed global socio-economic and climate summaries in the near (to 2040), medium (2041 to 2060) and long (2081 to 2100) term for the five scenarios. Of these five, Microlise used the following three as the basis of its Scenario Analysis:

SSP1: Sustainability (Taking the Green Road) – A world focused on sustainability, strong international co-operation, low population growth and technological growth focusing on reducing greenhouse gas emissions.

SSP3: Regional Rivalry (A Rocky Road) – High population growth, regional conflicts, and low technological development. As a result, there are high levels of greenhouse gas emissions and substantial climate change impacts.

SSP5: Fossil-fueled Development (Taking the Highway) – Overall rapid growth is based on fossil fuel leading to very high levels of greenhouse gas emissions.

The IPCC AR6 model provides a good overview the potential environmental and socio-economic impacts from climate change under very differing scenarios across the globe. This overview is ideal for Microlise who currently operate in the UK, Australia, New Zealand, France, and India. This ensures Microlise is aware of the potential risks and opportunities and can understand what adaption and mitigation measures would be needed.

A summary of the key findings has been presented in the following three tables:

SSP1: Sustainability [Taking the Green Road]

Term	Key Impacts	Adaptation Measures	Mitigation Measures
Near-Term (to 2040)	Supply Impact Potential disruptions increasing the cost of importing goods and services. Technology / Offering Impact Potential redesign of offering to cope with acute and chronic climate change impacts Staff Impact Potential disruption to sites operation could prevent staff from attending central locations. E.g. flooding Data Centre Impacts Increased energy costs and usage from HVAC systems to cope with more extreme seasonal temperatures. Increased Carbon Taxes Climate change related taxes, levies and price increases expected in the near-term. Expanded Carbon Footprint Microlise will likely need a full carbon footprint (Scope 1, 2 and 3) and management strategies to demonstrate its path to carbon reductions.	Supplier Sourcing Greater need to use local suppliers and create less hardware-dependent solutions. This will require investment and research. Operation Pattern Adjustment Change of staff working patterns to include hybrid working at home and the office. Microlise has implemented this already. Resource Efficiency Improvement Supplier costs may rise due to climate-related expenses. Microlise will need to boost resource efficiency or create less supplier-dependent solutions. Supplier Engagement Microlise will need to work closely with suppliers on Scope 3 emissions and strengthen carbon reduction strategies for indirect impacts.	Energy / Carbon Reduction Implement energy saving measures to reduce the amount of energy consumed at Microlise's sites. Renewable Energy Exploration of viability of renewable energy generation technologies at each Microlise site. Research and Development Increased research and development into alternative products / enhancement of existing hardware solutions.
Medium-Term (2041 to 2060)	Reputation Risk / Opportunity Strong climate strategies and carbon reductions can help Microlise win customers and grow revenue. Increased Disruption to Supply Chain Worsening climate impacts may disrupt supply chains, for example, data centres struggling to maintain server environments. Carbon Net Zero Mandatory Requirements Carbon Net Zero will likely become mandatory through regulation or market pressures.	Carbon Reporting Mandatory carbon measurement and reporting, including progress toward Net Zero, is expected for most organisations.	Increased Renewable Energy Renewable energy will become a priority, with improving efficiency and affordability. Microlise will likely need to adopt renewable technology across most sites.

Term	Key Impacts	Adaptation Measures	Mitigation Measures
Long-Term (2081 to 2100)	Stabilisation of Environmental Conditions As climate impacts stabilise, product offerings will likely follow, improving forecasting and planning. Global focus on maintaining Environmental Conditions Markets will focus on green technology to minimise emissions, creating conditions where Microlise's offerings can thrive. Cost Stabilisation Energy and supplier costs are expected to stabilise as markets adapt to collaborative, sustainable demands.	Product Expansion Future growth may see Microlise entering additional industries, providing solutions to support various equipment and transport assets.	Renewable Technology Advances in renewable energy are expected to make systems more efficient and cost-effective, driving widespread adoption across power grids, buildings, and vehicles. Microlise must plan for ongoing maintenance and timely upgrades of these installations to stay competitive.

SSP3: Regional Rivalry (A Rocky Road)

Term	Key Impacts	Adoption Measures	Mitigation Measures
Near-Term (to 2040)	Health Issues Rising emissions and pollution in the near term may harm staff and customer health. While initial impacts may be minor, they could escalate over time, leading to higher absenteeism and reduced productivity. Recruitment Disruption More severe climate-driven weather events may disrupt transport networks, limiting Microlise's local recruitment reach. Supplier Impacts Extreme climate-related weather could disrupt supply chains, with risks such as flooding threatening data centre operations. Mixed climate change related regulations Climate action is likely to be fragmented, with most efforts driven at national or regional levels. Microlise should anticipate new climate regulations in several operating markets. Price fluctuations leading to reduced demand Geopolitical tensions may trigger price volatility, creating uncertainty that could impact Microlise's revenue streams and product portfolio.	Alternative Working Patterns To safeguard employee wellbeing and improve operational flexibility, Microlise will need to consider alternative work arrangements. They have already taken initial steps by implementing remote working as part of its strategy. Supplier Sourcing Microlise is likely to rely more on local suppliers to reduce vulnerability to climate-related disruptions. This strategy, however, may lead to higher costs as supplier become limited. Increased Legal Support Differing climate change regulations in Microlise's global markets could drive up costs due to the need for expanded legal compliance support. Price Fluctuations Enhancing product R&D to address price fluctuations will enable Microlise to maintain market relevance and reduce risks to revenue Stakeholder Engagement To manage climate risks and meet diverse regional needs, Microlise should strengthen stakeholder engagement and tailor its products accordingly.	Renewable Technology Microlise may consider investing in regional renewable energy initiatives to strengthen energy security across its operational markets Energy Security Enhancements To support energy resilience, Microlise may need to implement efficiency measures in product development and operational processes across its sites.

Medium-Term (2041 to 2060)	Increase costs Worsening climate impacts will likely raise Microlise's costs, driven by local supplier sourcing and higher data centre fees due to energy price pressures. Health and illness impacts Higher pollution levels could harm stakeholder health, resulting in more staff absences and lower productivity for Microlise. Energy disruption As climate-related weather extremes intensify, energy reliability may decline in some countries. This could result in more frequent power disruptions, adversely affecting data centres and operational stability Redesign of Buildings Increasing climate risks, including fluvial and surface water flooding, will necessitate structural upgrades and retrofits to ensure the resilience of Microlise's facilities	Supplier Constraints Increasing climate-related disruptions are expected to shrink the pool of local suppliers, which will likely lead to elevated operational expenses for Microlise. Site Adaption / Relocation Increasing climate-related threats, such as fluvial and surface water flooding, may require Microlise to either relocate operations from vulnerable areas or invest in structural adaptations to safeguard existing facilities.	Renewable Technology To secure energy resilience, Microlise would need to persist with renewable generation initiatives. However, limited technological advancements may result in lower efficiency compared to the SSP1 scenario. Alternative Energy Supplies Energy security could require backup solutions, including diesel-powered onsite generators.
Long-Term (2081 to 2100)	Economic differences Differences in regional capabilities and delayed technological advancement are likely to exacerbate economic inequalities, leaving some countries less equipped to manage climate impact, posing operational risks for Microlise. Ecosystem degradation Increasing global temperatures will drive ecosystem decline, reducing critical services and creating socio-economic challenges for communities local to Microlise's sites Human health impacts Rising global temperatures and elevated carbon emissions are expected to heighten health risks through the increased spread of diseases, potentially requiring Microlise to alter its long-term operational model.	Market Restrictions As accessible markets contract, Microlise will need to evolve its business model and offerings to preserve market relevance and profitability. Local Community Investment Ecosystem decline could necessitate community-focused investments by Microlise, ensuring resilience and delivering relief measures where appropriate.	Energy Security Microlise may need to expand its support for local renewable technology projects; however, due to slow technological progress, the efficiency of these initiatives is expected to be limited. As such, Microlise may shift its focus for more fossil fuel related energy measures e.g., onsite diesel energy generation.

SSP5: Fossil-fueled Development (Taking the Highway)

Term	Key Impacts	Adaptation Measures	Mitigation Measures
Near-Term (to 2040)	Economic growth Growth in fossil fuel technologies supports Microlise's existing services, positioning the company for near-term economic gains. Disruption to transport networks / Site access An increase in fossil fuel-driven transportation is expected to intensify traffic congestion, which may hinder access to Microlise facilities and negatively impact workforce efficiency through longer travel times. Health issues An increase in fossil fuel consumption is expected to elevate pollution levels, which poses health risks to key stakeholders, including employees and customers. Fossil fuel price increase Growing demand for fossil fuels, coupled with their finite nature, is expected to drive price increases. These rising costs will impact Microlise's entire value chain.	Alternative business offerings Microlise may shift its focus toward software-only offerings, decreasing the need for hardware components and reducing supplier reliance. Alternative ways of working To mitigate the impact of rising pollution, flexible working patterns may become more necessary. Microlise has already introduced a work-from-home policy, which may need to be expanded as circumstances change.	Cost reductions rather than energy efficiency Efforts to reduce carbon emissions and energy consumption will continue, but financial savings are likely to gain greater importance in project decision-making.
Medium-Term (2041 to 2060)	Carbon reduction linked to economic reasons A reduction in production from established fossil fuel sources is anticipated over the medium term, resulting in upward pressure on prices. Increased disruption to supply routes The expansion of fossil fuel technologies will likely intensify climate-related risks. With growing traffic on transportation networks and more frequent extreme weather events, site accessibility could become challenging, posing operational risks for Microlise.	Site relocation / development Regular evaluations of Microlise's sites will be necessary to identify potential climate-related vulnerabilities. Where risks are identified, redevelopment or relocation may be required to safeguard business continuity. Operating Patterns Adjustments To adapt to changing environmental factors, Microlise may need to reassess and revise employee working arrangements. This could involve shifting standard office hours and enhancing work-from-home provisions.	Energy Security As energy security concerns grow, Microlise may need to invest in alternative energy generation solutions. Given the anticipated limitations in renewable technology development, onsite generation, such as diesel backup generator, will likely play a key role in ensuring continuity

Medium-Term (2041 to 2060)	Increased health issues Pollution levels are projected to rise significantly in the medium term due to increased fossil fuel consumption. This trend is expected to negatively affect human health, potentially leading to higher staff absenteeism. Fossil fuels technological advancement & Energy Security As progress in renewable technologies slows, fossil fuels are expected to dominate energy production. This is a finite resource and will potentially decrease in availability in the medium term. This is expected to increase energy prices and cause energy supply disruptions.	Business Adaption To address new market trends and climate-related challenges, Microlise may need to modify its product and service offerings. This adaptation will involve expanded research and development efforts to meet evolving customer needs.	
Long-Term (2081 to 2100)	Increased global temperatures Global warming trends suggest temperatures could exceed 5°C by 2100, driving an increase in extreme weather events. This scenario may result in considerable disruption to site access and core operations. Sea level rises Sea level rise will severely impact some regions, potentially disrupting Microlise's business activities in India. Ecosystem degradation Higher temperatures and pollution are projected to degrade global ecosystems, potentially causing food and resource scarcity with uneven regional consequences. Health issues Increasing pollution will adversely affect both environmental systems and public health, creating widespread implications for Microlise's operations. Travel disruptions may become more frequent as a result. Resource depletion Intensive fossil fuel usage will drive significant depletion of reserves, creating conditions for widespread fuel scarcity. This will likely disrupt global economic stability and increase cost-management challenges for businesses.	Alternative working conditions Remote working is expected to be established as an approved working arrangement, with office-based activities and business travel significantly restricted. Business offering adjustments Future market and climate considerations are expected to drive Microlise toward a predominantly software-based offering, reducing reliance on hardware. Site relocation To mitigate climate-related risks, Microlise may be required to move selected sites. This could include relocating operations in India as a result of projected sea level increases.	Energy Security With constrained fuel resources contributing to higher energy prices, energy security will become a significant concern. Microlise would need to consider deploying solutions such as onsite energy generation to ensure reliable site operations.

Risk Management

a. The processes for identifying and assessing climate-related risks

Microlise currently identifies climate change risks through the following main ways:

- An annual scenario analysis using the International Panel on Climate Change Assessment Report 6 (IPPC AR6)
- The monthly ExCo IMS meetings
- The finding from the formed cross divisional sub-committee annual meetings
- Customer, Supplier, Shareholder and external specialists engagement
- Attendance at various conferences
- Newsletters and information received from various institutions e.g. ICAEW

Identified risks are then captured and recorded within the group's corporate risk register. These are assessed against probability and potential impact over the short-, medium-, and long-term during the monthly IMS meetings. Specifically for climate change risks, the risk ratings are used to quantify the financial impact they will likely have on the organisations profit.

The identified climate change risks, their ratings and potential financial impacts are then reviewed by the Board at least four times annually. These assessments help Microlise develop appropriate adaption and mitigation measures are identified and implemented. The Exco then take responsibility for implementing these measures throughout the business.

Microlise actively monitors emerging climate-related regulations as part of its corporate risk management process. In addition to maintaining compliance with existing frameworks, the company is preparing for the UK's Sustainability Disclosure Standards (SS1 and SS2), which will introduce mandatory climate-related and sustainability reporting aligned with ISSB requirements. These standards will require enhanced governance, risk management, and disclosure processes, including scenario analysis and transition planning. Compliance readiness is regularly reviewed at quarterly board meetings to ensure appropriate resources and systems are in place. This proactive approach positions Microlise to meet future regulatory obligations and maintain transparency with stakeholders.

b. The processes for managing climate-related risks

Climate Change Issue Category	Process for managing Climate Change Risk
Policy and Legal	Microlise systematically identifies climate-related policies and legal obligations that impact the organization and its key stakeholders. Each requirement is assessed to determine applicability, compliance deadlines, and associated resource needs. This includes evaluating both internal capabilities and external support requirements—for example, ESOS compliance necessitates engagement with an accredited Lead Assessor. Following this assessment, a tailored compliance action plan is developed and integrated into the evolving Environmental Management System (EMS). The plan outlines specific tasks, responsibilities, timelines, and evidence requirements to ensure full compliance. Once the action plan is implemented, a formal review and verification process is conducted to confirm that all obligations have been met. This includes internal audits, documentation checks, and sign-off by relevant stakeholders. Any gaps identified are addressed through corrective actions, ensuring continuous improvement and alignment with regulatory and stakeholder expectations.
Technology	Technology is central to Microlise's business model, and climate change presents both risks and opportunities that could influence product performance and customer expectations. Through scenario analysis and engagement across the value chain, Microlise identifies potential impacts and integrates these insights into strategic planning. Customer feedback gathered by the Product Strategy and Customer Success teams is reviewed by the Executive Committee and, where material, added to the corporate risk register. This intelligence also informs product development, enabling enhancements and innovations that strengthen resilience and ensure Microlise's solutions remain competitive in a low-carbon economy.
Market	Microlise actively manages climate-related market risks by embedding resilience into its product strategy and customer engagement processes. As demand for low-carbon solutions grows and regulatory expectations tighten, the company anticipates shifts in customer requirements and procurement criteria that could impact market positioning. To address these risks, Microlise conducts scenario analysis and engages regularly with customers through its Product Strategy and Customer Success teams, ensuring emerging needs are identified early. Insights are reviewed by the Executive Committee and integrated into the corporate risk register, while the Product Development team uses this intelligence to adapt and innovate solutions that enhance efficiency and reduce emissions. This proactive approach enables Microlise to mitigate market risks, capture opportunities in the transition to a low-carbon economy, and maintain its competitive advantage.
Reputation	Microlise actively manages climate-related reputation risks by positioning itself as a trusted partner in resource and energy efficiency. This is achieved through continuous customer engagement to assess current performance and identify emerging needs where Microlise can provide additional support. By helping customers strengthen their environmental credentials, Microlise reinforces its own reputation as a sustainability-focused organisation. This commitment is underpinned by a robust Quality Management System aligned with ISO 9001:2015, ensuring consistent delivery of high-quality products and services and enabling efficient customer interaction. Together, these measures safeguard Microlise's reputation while driving innovation and alignment with evolving stakeholder expectations.

Acute	Microlise actively addresses acute climate-related risks through a robust business continuity framework informed by its corporate risk register. This includes detailed procedures to mitigate potential disruptions from extreme weather events such as flooding or power outages that could impact critical infrastructure, including data centres. Contingency plans ensure service continuity by enabling rapid migration to alternative data centres located in unaffected regions, minimising disruption to customers. In addition, Microlise's technology solutions help customers reduce their own exposure to acute climate impacts by optimising route planning and navigating disrupted transport networks, thereby lowering congestion, fuel consumption, and associated emissions. These measures strengthen operational resilience and support both Microlise and its customers in adapting to increasingly volatile climate conditions.
Chronic	Microlise recognises that chronic climate impacts, such as prolonged temperature extremes, pose significant operational risks over time. Rising seasonal temperatures are expected to increase strain on heating, ventilation, and air conditioning (HVAC) systems, driving higher energy consumption and accelerating equipment wear. To mitigate these risks, Microlise implements strategies to improve energy efficiency and reduce operational vulnerability. Key actions include conducting comprehensive ESOS Phase 4 energy audits in 2025, well ahead of the December 2027 compliance deadline to identify opportunities for efficiency gains and emissions reduction. These measures form part of Microlise's broader approach to managing long-term climate risks, ensuring resilience and alignment with its Net Zero objectives.

c. How processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management

Microlise identify, assess, and manage climate change related risks using the following process:

- 1. Risk Identification** - Microlise conducts annual qualitative and quantitative scenario analysis with the Executive Committee (Exco) and the cross-divisional Climate Risk Sub-Committee. This process draws on regulatory updates, customer and supplier engagement, employee feedback, and insights from external specialists and industry benchmarks. All identified risks are recorded in a dedicated Climate Risk Register, which is linked to the corporate and environmental management systems.
- 2. Initial Review and Classification** - The Exco reviews identified risks during monthly IMS meetings and assesses to determine their applicability to Microlise across its entire footprint i.e., its global locations. Following this assessment, risks are then prioritized for further assessment to determine their overall potential impact on the business.
- 3. Quantitative Assessment** - Each risk is evaluated against probability and likely impact to determine an overall risk rating. These are then assessed against current mitigation and adaption measures to determine an overall residual risk rating. Microlise then models the potential impact of these risks on revenue across short-, medium-, and long-term horizons.
- 4. Governance and Escalation** - The CEO and CFO present climate risk updates to the Board at least four times annually. These updates include emerging risks, progress against mitigation and adaptation plans, resource requirements, and strategic implications. This governance process ensures Board-level oversight of climate-related risks.
- 5. Mitigation and Adaptation Planning** - Action plans are developed with clear ownership and timelines. These measures are integrated into Microlise's Environmental Management System and into the Business Continuity Plan. Examples include energy efficiency programs, ESOS audits, data centre resilience strategies, fleet optimisation, and supplier engagement.

6. **Implementation and Monitoring** - The Exco oversees implementation and monitors progress through monthly reporting. Successes, challenges, and lessons learned are documented, and compliance milestones are tracked.
7. **Board Review and Continuous Improvement** - The Board reviews the effectiveness of mitigation and adaptation measures and approves adjustments where necessary. The Climate Risk Register and associated strategies are updated annually or in response to major events or regulatory changes. Feedback from these reviews informs future scenario analysis and planning cycles.

Metrics and Targets

a. The metrics used to assess climate-related risks and opportunities in line with strategy and the risk management process

Microlise continues to utilise intensity metrics to help monitor its climate change impact and to improve carbon management. In FY 2024, the metric was changed from Full Time Equivalent (FTE) to Average Number of Employees. This strategic reporting decision was made as Average Number of Employees was understood to be a more representative variable to compare with carbon emissions. The previous years (FY22 and FY23) metric analysis was repeated using this new variable. The following table presents the new metric findings.

Metric tonnes CO ₂ e per average employee number					
Scope	FY22 (Baseline Year)	FY23	FY24	FY25 (Reporting Year)	Reporting and Base- line Year Change (%)
Scope 1	0.36	0.38	0.41	0.42	+14.9%
Scope 2 (Location Based)	0.46	0.45	0.33	0.28	-39.4%
Scope 3 - Grey Fleet & Hire Car	0.10	0.14	0.12	0.12	+20.0%
Total	0.92	0.97	0.86	0.82	-11.3%

The intensity metric analysis demonstrates a clear reduction by 11.3% between the FY22 baseline and FY25, showing clear progress over the reporting period. This reduction was driven primarily by a significant improvement in Scope 2 (location-based) emissions, which decreased by 39.4%, reflecting the effectiveness of actions taken to reduce indirect energy-related emissions e.g. increased Solar PV electricity generation and the working-from-home policy development.

While Scope 1 emissions have increased modestly since the baseline year and Scope 3 emissions from grey fleet and hire car use rose before stabilising, these changes are primarily attributable to the expansion of the engineering and sales teams during the reporting period. In particular, the growth of the sales function has noted a need to travel further afield to support business development activities, leading to higher vehicle use and associated emissions. Despite these factors, the upward trends in Scope 1 and Scope 3 were more than offset by the substantial Scope 2 reductions. Overall, the results indicate a positive trajectory in emissions performance, with targeted interventions delivering measurable impact at a total-emissions level.

This intensity metric is also used to determine appropriate remuneration for the Executive Committee. This rewarding of carbon emission reduction strengthens effective climate change management within Microlise's overall business strategy. It is a significant contributing factor to the Scope 2 reduction achieved and is evidence of why Microlise has maintained its Green Economy Mark awarded by the London Stock Exchange for another consecutive year.

b. Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions and the related risks

Microlise continues to calculate and monitor its overall Scope 1, 2 and part of Scope 3 greenhouse gas emissions for its global operations. To confirm, no change to the methodologies utilised for carbon calculations has been made in 2025 i.e., Microlise continues to use the GHG Protocol Accounting and Reporting Standard and the HM Government Environmental Reporting Guidelines methodologies. The following table summarises the last four years of Microlise's annual carbon reporting:

GHG Emissions (tCO ₂ e)						
Scope	Sources	FY22 (Baseline Year)	FY23	FY24	FY25 (Reporting Year)	Reporting and Base- line Year Change (%)
Scope 1	Natural Gas, Company Vehicles	240.1	272.1	331.0	340.5	+41.8%
Scope 2 (Location Based)	Electricity	299.9	321.8	269.5	224.4	-25.2%
Scope 3 - Grey Fleet & Hire Car	Grey Fleet, Hire Cars	67.8	98.0	95.2	100.4	+48.2%
Total		607.8	691.9	695.7	665.3	+9.5%

Microlise is on track to expand the above analysis to include additional Scope 3 categories in 2026.

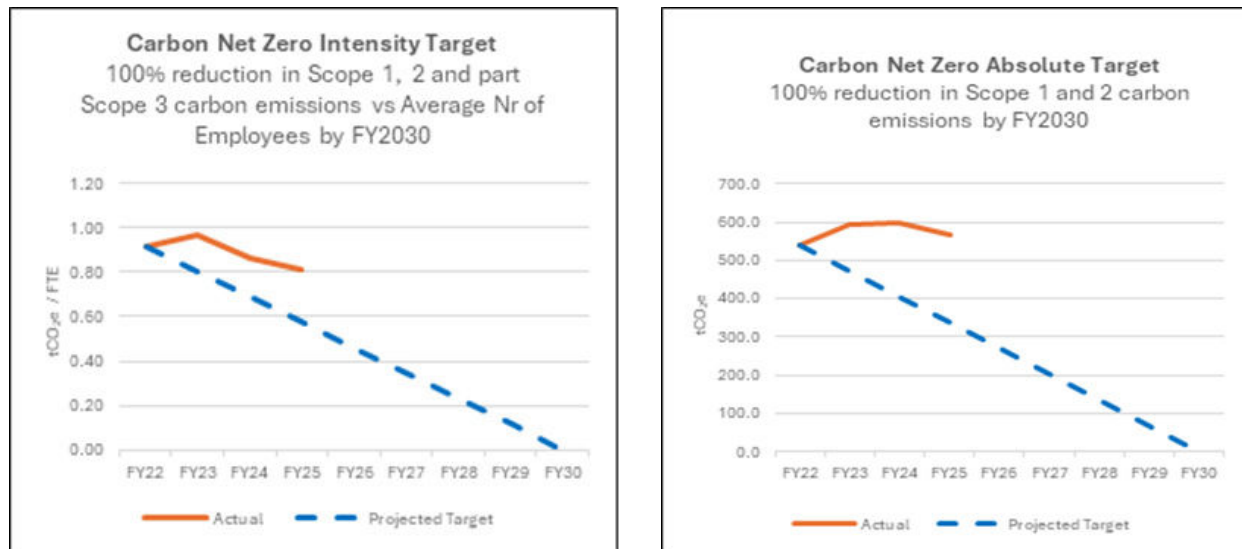
c. Targets to manage climate-related risks and opportunities, and performance against targets

Achieving Carbon Net Zero in Scope 1 and 2 carbon emissions by 2030 is still Microlise's core climate change target. It has been successful in reducing its Scope 2 carbon emissions by 25.2% in 2025 when compared to the baseline year.

To address the Scope 1 and 3 carbon emission increases, Microlise is refocusing on effective ways to address and improve its transport. Initially this will target ways to reduce and optimise existing modes of transport, then replace with more energy efficient alternatives, followed by incorporating an appropriate carbon offsetting strategy.

As mentioned previously, to demonstrate its commitment to achieving its Carbon Net Zero target, Microlise has linked it with its Long-Term Incentive Plan. Achievement of relative Scope 1, 2 and 3 (Grey Fleet and Hire Car) reductions determine a level of remuneration received by the Exco.

(Grey Fleet and Hire Car) reductions determine a level of remuneration received by the Exco.



The 2025 results from these two targets have been summarised in the following tables and line graphs:

Target Reference	Carbon Net Zero AB1.	Carbon Net Zero IT1.
Type of target	Absolute	Intensity
Target and Coverage	100% reduction of Scope 1 and 2 emissions only by 2030	100% reduction of Scope 1, 2 and part 3 (Grey Fleet & Hire Cars) compared to Average Nr of Employees by 2030
Base year (FY22) result	540.1 tCO ₂ e	0.92 tCO ₂ e / Average Nr of Employees
Reporting Year (FY25) result	Scope 1 = 340.5 tCO ₂ e Scope 2 = 224.4 tCO ₂ e Total = 564.9 tCO ₂ e	0.82 tCO ₂ e / Average Nr of Employees
Expected result in target year (FY30)	0 tCO ₂ e	0 tCO ₂ e / Average Nr of Employees
% of target achieved in FY25, relative to base year	+4.6%	-11.3%

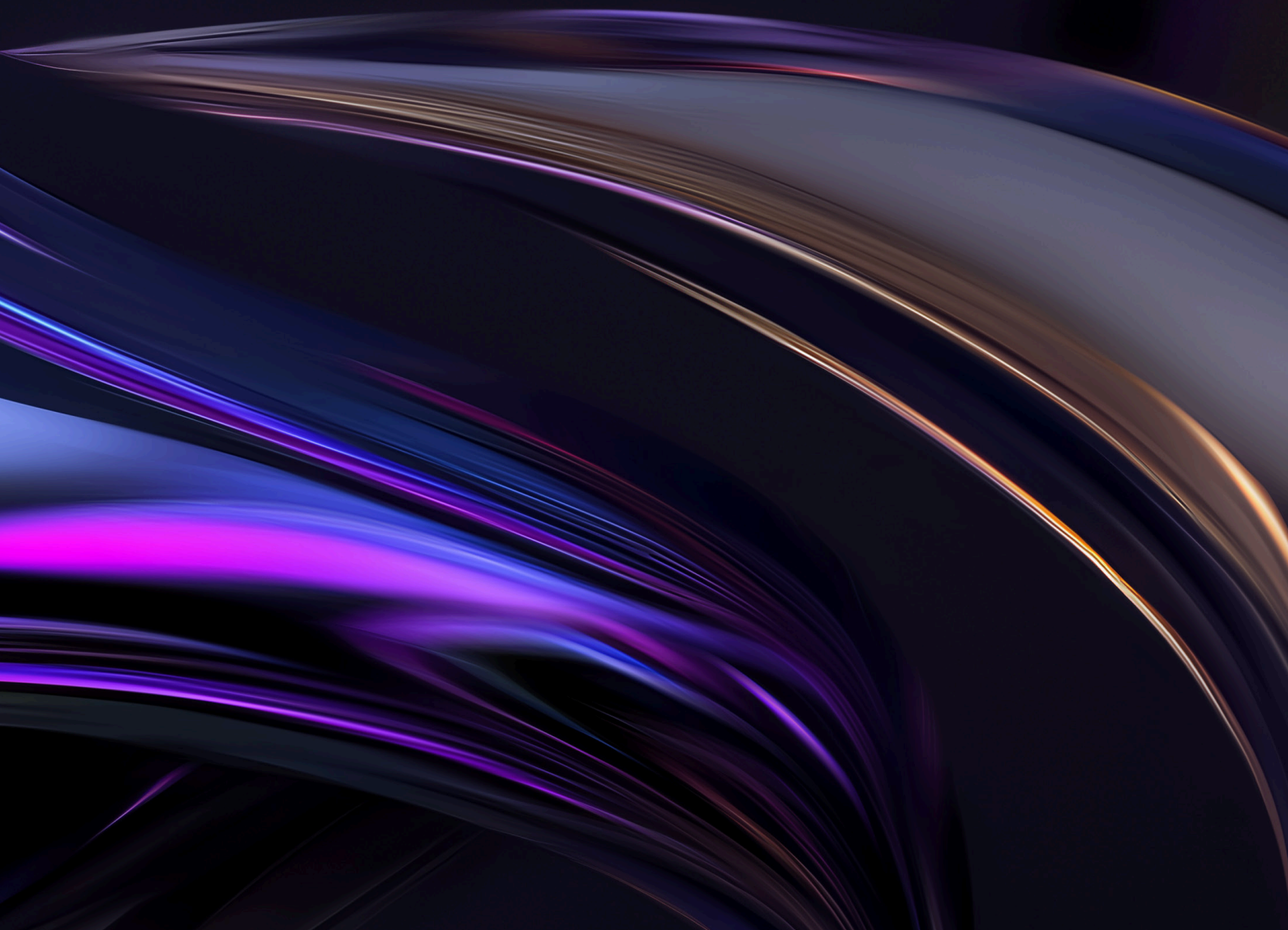
Overall carbon emissions have reduced between FY24 and FY25 showing a reduction of 4.4%. This is predominantly linked to the significant reduction in electricity (Scope 2 carbon emissions) which is a substantial accomplishment. Additionally, there was a relatively small increase in natural gas and transport (Scope 1 and 3). This demonstrates that there is good scope to reduce carbon emissions from Scope 1 and 3 sources. Microlise is reviewing and assessing its latest carbon footprint to identify and implement appropriate carbon reduction strategies. This will likely predominantly focus on transport in 2026.

APPROVAL

This Strategic Report was approved by the Board and signed on its behalf by:
Nadeem Raza, Chief Executive Officer, Microlise Group 13 May 2026

Nadeem Raza

Managing & Governing



Meet The Board



Jon Lee
Non-Executive
Chairman

Jon is currently Non-Executive Chairman of Essensys PLC & has extensive experience in running software businesses in the UK, US & Europe. He is an experienced company director, having held multiple board positions, including at London Bridge Software Holdings PLC, where he was CEO. Jon has an MBA from MIT, is a Chartered Engineer & a Chartered Management Accountant. Jon is also a founder of a venture capital fund, The Technology & Innovation Fund LP, focused on the B2B software sector. Jon joined the Board of Microlise in April 2021.



Nick Wightman
Chief Financial
Officer

Nick joined Microlise in 2012 & joined the Board of Microlise as Chief Financial Officer in April 2023. Nick played a leading role in the Group's refinancing & reorganisation in 2018, its acquisition of TruTac in 2020, the IPO in 2021, acquisitions of Vita Software, Enterprise Software Systems and K-Safe in 2023 & in establishing the Group's offices in India, France & Australia. Prior to joining Microlise, Nick held senior financial roles at Ardagh Group, Bombardier Transportation, & Airfoil Technologies. Nick is a Chartered Management Accountant and has an ACCA Diploma in International Financial Reporting.



Nadeem Raza
Chief Executive
Officer

Nadeem has complete responsibility for the operational management & control of all Microlise business activities. During his 30-year career with Microlise, Nadeem has fulfilled various roles & gained experience across all areas of the business, including sales, system integration, marketing, operations & business computing.



**Constantino (Dino)
Rocos**
Non-Executive Director

Dino is Chairman of Segura Systems and a Fellow of the Chartered Institute of Logistics & a highly experienced supply chain leader bringing with him over forty years' retail industry experience at the omni-channel retailer, John Lewis Partnership. Dino served at John Lewis Partnership for many years as a senior management board member with responsibility for the development of supply chain strategies working within the industry to develop propositions, capabilities & fulfilment solutions. Dino joined the Board of Microlise in April 2021.



**Lucy Sharman-
Munday**
Non-Executive Director

Lucy has over 16 years' experience in the technology sector; she has worked for 5one Group, Adapt Group Ltd and iSOFT PLC. She has been a Non-Executive Director and Audit Committee Chair of Fonix Mobile PLC. She currently holds the position of CFO for Eagle Eye Solutions Group PLC (since 2014). Lucy began her career at KPMG and is a member of the ICAEW. Lucy joined the Board of Microlise in February 2022.

Our Executive Committee



Dean Garvey-North
Chief Technology Officer
(appointed 1 January 2026)



Duncan McCreddie
Chief Technology Officer
(resigned 31 December 2025)



Mike Blackburn
Chief Revenue Officer



Stephen Watson
Product Director



Trevor McGahan
Operations Director



Jackie Mitchell
Human Resource Director

Corporate Governance Statement

The Directors recognise the importance of sound corporate governance and confirm that the Group is complying with the QCA Corporate Governance Code. The QCA Code hinges on 10 broad principles and a set of disclosures.

The Directors consider that the Group adheres to the principles of the QCA Code as follows:

1. Establish a strategy and business model which promote long-term value for shareholders

The Board is responsible for delivering shareholder value by developing the overall strategy and supporting the development and direction of the Group. The Board works to organise and direct the affairs of the Group in a manner most likely to promote the success of the Company for the benefit of all of its stakeholders, whilst complying with legal and regulatory frameworks.

The Group's business model is predicated on developing and maintaining strong relationships with our employees, customers, investors, and other sectoral interest groups. The Board is conscious of its responsibility towards all stakeholders and believes this is an important consideration for the long-term growth of the business.

The diverse experience and background of the Non-Executive Directors ensures that they can provide rigorous debate and constructively challenge management, both in relation to the development of strategy, and when reviewing the Group's operational and financial performance.

Responsibility for developing and implementing strategy within the Group and for the day-to-day management of the business is delegated to the Chief Executive Officer (CEO) who, as the head of the Senior Leadership team, cascades this responsibility through the Group. The CEO is empowered by the Board to handle all business activities up to a designated level of authorisation and to report to the Board for guidance, support and approval on other matters which require Board input. The members of the Executive Committee are listed on page 69.

2. Seek to understand and meet shareholder needs and expectations

The Board is accountable to its shareholders & seeks to balance these interests with those of a wider range of stakeholders. The Board has ultimate responsibility for the Group's internal control procedures & for reviewing their effectiveness to guide & direct the Group's activities to support the delivery of its strategic, financial, operational & other objectives.

Stakeholder engagement & feedback is prioritised throughout the Group. In addition to engaging through the Company's annual general meeting (AGM) & through stock exchange announcements, the Executive Directors, supported by the Company's broker, also meet with institutional shareholders & analysts during the year, particularly after the announcement of full-year & half-year results. These meetings cover topics including the Group's strategy, performance & objectives, & provide a valuable forum for investor feedback. Investors & other stakeholders can also access information about the Group on our website. The Group places considerable value on the involvement of our employees and keeps them informed on matters affecting them & on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, & through information available on the Company's website and Intranet. The Group also uses virtual & social media channels to engage with its internal & external stakeholders.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that it is responsible to shareholders and to a wider group of stakeholders, both internally (members of staff) and externally (customers, suppliers, regulators and others).

The Group acts with integrity and values its people and the communities with which it engages.

The Board has a range of processes and systems in place to ensure there is close oversight and contact with key stakeholders and takes this feedback into account when in discussions relating to the Group's strategy.

The Group's Section 172 statement can be reviewed at page 30.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board does not delegate overall responsibility for the approval of the risk management policy to either the Audit Committee or management.

Through weekly meetings at both an operational and senior leadership level, the management framework ensures that the identification and management of risks is something that is ingrained into the day-to-day running of the business.

The business maintains departmental risk registers based on a consistent 5 x 5 rating system with any high impact or highly probable risks captured on our corporate risk register, which is owned by the Executive directors and is reviewed quarterly.

There is a robust financial planning process in place that ensures all cost drivers and revenue streams are thoroughly reviewed as part of the annual budgeting setting process, which is reviewed and approved by the Board. Monthly financial results are reported with key variances against budget identified and investigated. We review our financial projections on a regular basis to ensure we will meet our financial targets.

Microlise has held the ISO9001:2015 standard for a number of years which requires us to take a risk-based approach to our quality management system. Furthermore, we hold ISO27001 standard, which requires the relevant risks to be captured in the statement of applicability. This is managed by the information security team and reviewed with the executive Board and senior management team on a quarterly basis.

5. Maintain the board as a well-functioning, balanced team led by the chair

The Board's role is to provide effective leadership of the Group and to establish and align the Group's purpose, strategy, values and culture. It is the primary decision-making body for all material matters affecting the Group, providing leadership and guidance, and setting our strategic direction.

The Board is satisfied that the size of the Board and its committees, and the balance of Executive and Non-executive members is appropriate based on their experience, skills, culture and diversity characteristics. At the date of this report the Board comprised.

Jon Lee, Nadeem Raza, Constantino (Dino) Rocos, Lucy Sharman-Munday and Nick Wightman (please see page 68 for further information).

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Group has established a Board with a balance of skills, backgrounds, experience and knowledge required to compliment the promotion of the long-term success of the Group. Individual directors have sufficient capacity to make a valuable contribution that aligns to the Group's activities.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board has extensive operational experience and many years of detailed knowledge of the transport and SaaS sectors. The Board also benefits from significant financial, transactional, risk management and public company expertise.

The Board evaluates its performance by conducting an annual 360° board assessment that assesses the objectives, strategy and remit of the Board, performance management, risk management and the experience, skills and capabilities of the Directors to manage the business.

This assessment is owned by the Chairman who will use feedback to improve reporting processes and oversight. The executive leadership team similarly conducts appraisals that are held twice yearly and are analysed and discussed at the Remuneration Committee.

8. Promote a corporate culture that is based on ethical values and behaviours

The Board is responsible for the performance and proper conduct of the business and of ensuring that a positive culture is supported.

The Group has a range of ethical and values-related policies and procedures in place including:

- Anti-corruption & bribery policy
- Anti-money laundering & counter terrorism financing.
- Anti-harassment & bullying policy
- Corporate social responsibility statement
- Equality & diversity policy
- Employee handbook
- Employee privacy statement
- Mental health policy
- Whistle blowing policy
- Modern slavery statement

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Group has an established governance framework for the Board, Committees and the Senior Leadership Team. This framework aligns to and operates within the Group's global framework of operating rules, policies and delegations of authority. In this way, team objectives, goals and targets cascade down through the business to align with Group strategy and any risks or issues that cannot be resolved at a team level, are fed back up to senior leadership or to the Board.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Communication between the Group and its shareholders is an essential element of a sound governance framework. The main day-to-day engagement with shareholders and prospective investors is carried out by the Chief Executive Officer and Chief Financial Officer. During the year, requested meetings and calls took place, primarily after our trading update, and a formal programme of meetings with analysts and institutional investors took place immediately after our results for the period ended 31 December 2024 were announced. We should reference the cyber incident comms here.

Feedback from these meetings and regular market updates prepared by the Group's broker and other advisers are presented to the Board to ensure the Directors have a good understanding of shareholders' views.

The Group has a dedicated investors section on its website (<https://www.microlise.com/investors/>) which includes a wide range of information on the Group's activities, and all regulatory announcements.

The AGM will be held at Microlise's head office at 09:00 on 24th June 2026. There will be an option to join. The notice of the AGM is available on the Group's website and sets out the business of the meeting and an explanatory note. In line with good governance, voting on all resolutions at this year's AGM will be conducted by way of a poll. Should a shareholder have a question that they would have raised at the meeting, they are able to send this by email to microlise@secnewgate.co.uk.

Answers to questions will be published on the website following the AGM.

Remuneration Report



Constantino (Dino) Rocos
Chairman of Remuneration Committee

As chair of the Remuneration Committee of the Board, I am pleased to present the Microlise Directors' Remuneration Report for the year ended 31 December 2025.

Committee Meetings & Attendance

The Remuneration Committee is currently chaired by myself and its members are Non-Executive Chairman, Jon Lee, and Non- Executive Director, Lucy Sharman-Munday.

The Committee is required by its Terms of Reference to meet as frequently as the Committee Chairman shall require and also at regular intervals to deal with routine matters, and in any event, at least twice a year in December and March.

The Remuneration Committee and associated policies were implemented shortly prior to admission to AIM with guidance from KPMG. FIT Remuneration Consultants provide ongoing support to the Remuneration Committee.

Remuneration Policy For The Year Ended 31 December 2025

The Remuneration Committee determines the Company's policy on the structure of Executive Directors' and senior management's remuneration operated by the Group. In setting the Remuneration Policy for Executive Directors,

The Remuneration Committee considers:

- The need to attract, retain and motivate high quality executive directors;
- The need for an uncomplicated link between performance and rewards;
- The need for an appropriate balance between fixed and variable remuneration and short term and long term rewards and alignment with shareholder interests; and
- Corporate governance best practice and remuneration trends.

Committee Objectives & Responsibilities

The Committee's main responsibilities can be summarised as follows:

- To determine the policy for Directors' remuneration and setting remuneration for the Executive Directors and senior management below Board level
- In line with corporate governance best practice, to design remuneration policies and practices with the objective of ensuring that Executive Directors and senior management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company without paying more than is necessary, having regard to the views of its shareholders and other stakeholders.
- In determining remuneration policy, take into account all other factors which it deems necessary including relevant legal and regulatory requirements and applicable corporate governance codes. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the company successfully.
- Review the ongoing appropriateness and relevance of the remuneration policy.
- Approve the design of, and determine targets for, any performance-related pay schemes operated by the Group and approve the total annual payments made under such schemes. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Group.
- Review the design of all share incentive plans for approval by the Board and, where required, shareholders.
- For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards for Executive Directors and senior managers, and the performance targets to be used.
- Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- Review broader workforce remuneration and related policies.
- Review, at least annually, the Group's obligations, including changes to employment and discrimination law and relevant regulations as well as the effect of any changes to tax law or rates of tax.
- Oversee any major changes in employee benefits structures throughout the Group.

Directors' Remuneration

Annual Salaries

The Remuneration Committee will review the salaries for the Executive Directors and senior management below Board level, annually in July taking into account inflation, salaries with comparative groups, personal and Company performance and economic landscape. The Board as a whole decides the remuneration of the Chairman and Non-Executive Directors, although individuals do not determine their own remuneration.

Name & Position	Annual Salary From July 2025	Annual Salary Before July 2025
Nadeem Raza CEO	£308,404	£296,543
Nick Wightman CFO	£184,400	£168,000
Jon Lee Chairman	£90,898	£87,402
Dino Rocos NED	£61,811*	£59,626*
Lucy Sharman-Munday NED	£61,811*	£59,662*

Lucy Sharman-Munday's salary includes an additional fee of £5,000 for chairing the Audit Committee. Dino Rocos' salary includes an additional fee of £5,000 for chairing the Remuneration Committee.

The increases in the year were 4% of base salary for the CEO and 4% in respect of the Chair's fee and the base fees of the Non-Executives. These were in line with rates of normal salary increases for UK employees in 2025.

The CFO's annual base salary increase in 2025 was 9.75%, being the normal UK employee level of increase at 4% plus an additional 5.75%. This increase for the CFO in 2025 reflected a progression towards what we regard as a market-level base salary for our CFO: when Nick Wightman became our CFO in April 2023 his salary was initially set at a level which was then regarded as appropriate where this was his first CFO role in a UK-listed plc, and our intention was to move Nick towards an appropriate market -level salary over time, having considered development and contribution.

Performance Bonus

The Group operates a performance bonus scheme that is based on achievement of recurring revenue targets, profitability targets and personal objectives linked to business objectives and is applicable to the Executive Directors and the Group's senior management. Business performance did not achieve the minimum targets as set out in the scheme, and as a result no payout was made for Executive Directors or senior managers for FY2025.

For FY26 the maximum performance bonus opportunity for Executive Directors is 100% of their annual salary. The performance conditions for the FY26 bonus and the related targets will be appropriately disclosed in our Directors' remuneration report for 2026, taking into account normal commercial sensitivity requirements.

Long Term Incentives

The Company operates a Performance Share Plan ("PSP"), the Non-Employee Performance Share Plan (NEPSP) and, during 2022, the Company introduced a Company Share Option Plan (CSOP).

On 19th June 2025, the Company granted 593,324 nominal cost options under the PSP to Nadeem Raza and Nick Wightman.

The vesting of 45% of these awards is based on the Company's total shareholder return ("TSR") performance over a three year performance period from 1 January 2025 relative to the TSR performance of the constituents of the FTSE AIM All Share Index over the same period ("Relative TSR Award"). One quarter of the Relative TSR Award will vest for median ranking performance, rising on a straight-line basis to three quarters vesting of the Relative TSR Award

for upper quartile ranking relative TSR performance. The final quarter of the Relative TSR Award will vest in full for highest ranking relative TSR performance, with vesting on a straight line basis between upper quartile ranking and highest ranking TSR performance. The baseline share price for the TSR performance condition for FY2025 options is 110p, being the 3 month average share price (excluding weekends) on the day immediately prior to the start of the performance period, being December 31st 2024.

The vesting of 45% of these awards is based on the Company's adjusted diluted earnings per share ("EPS") performance at the end of a three year performance period from 1 January 2025. 30% of relative EPS Award will vest when a target EPS of 10.3p is achieved. 50% of relative EPS Award will vest when a target EPS of 12.0p is achieved, with vesting on a straight-line basis between 10.3p and 12.0p. 100% of relative EPS Award will vest when a target EPS of 13.8p is achieved, with vesting on a straight-line basis between 12.0p and 13.8p.

The vesting of the remaining 10% of the award is linked to the achievement of net zero carbon emissions by 2030. The maximum 10% of the award will vest if the Company achieves a target of TC02e / FTE of 0.55 from the 2022 base line year of 1.1. 25% of the award will vest if the Company achieves a trigger point of 0.71 TC02e / FTE with the percentage of the award vesting increasing to 100 straight line between those points (0.71 – 0.55). This progress will be measured over the performance period of three years from 1 January 2025.

Vesting against the three performance conditions will be measured at the end of the performance period and a further two year holding period will apply to any shares that vest (subject to the ability of the option holders to sell sufficient shares to meet any tax arising at exercise). Further details of employee share schemes are set out in note 23 to the financial statements.

No awards have been made to members of the board under the terms of the CSOP. A number of below board level executives have been granted PSP awards.

A breakdown of all of the current outstanding Director's long term incentives awards is set out in the table below:

Name	Date of Grant	Number of options	Exercise price per share (£)	Vesting Date	Lapse Date	Performance
Nadeem Raza	22nd December 2023	13,712	£0.001	31st December 2025	22nd December 2033	Met
Nadeem Raza	11th March 2024	382,116	£0.001	31st December 2026	11th March 2034	Yes
Nadeem Raza	19th June 2025	403,044	£0.001	31st December 2027	19th June 2035	Yes
Nick Wightman	22nd December 2023	6,014	£0.001	31st December 2025	22nd December 2033	Met
Nick Wightman	11th March 2024	167,595	£0.001	31st December 2026	11th March 2034	Yes
Nick Wightman	19th June 2025	190,280	£0.001	31st December 2026	19th June 2035	Yes
Jon Lee	22nd July 2021	59,259	£0.001	22nd July 2024	22nd July 2031	No
Dino Rocos	22nd July 2021	40,741	£0.001	22nd July 2024	22nd July 2031	No
Lucy Sharman-Munday	28th July 2022	41,509	£0.001	28th July 2025	28th July 2032	No

A total of 354,717 nominal cost options granted to Nadeem Raza and Nick Wightman lapsed on 28th July 2025 due to the relevant performance conditions not being satisfied. A further 444,425 lapsed on 31st December 2025 of the 464,151 nominal cost options granted on December 21st 2023 due to the TSR performance condition not being met. 19,726 options vested, which represents 42.5% of the 10% allocated to the ESG performance condition.

A breakdown of all Director's remuneration for year ended 31 December 2025 and 31 December 2024 are set out below:

Name and Position	Salary	Bonus	Benefits ¹	Pension Contribution	Long Term Incentives ²	2025 Total
Nadeem Raza CEO	£302,473	£0	£13,355	£12,099	£8,097	£336,024
Nick Wightman CFO	£176,400	£0	£2,804	£14,393	£3,551	£197,148
Jon Lee Chairman	£89,150	£0	£0	£3,566	£0	£92,716
Dino Rocos NED	£60,718	£0	£0	£0	£0	£60,718
Lucy Sharman-Munday NED	£60,718	£0	£0	£0	£57,075	£117,793

Name and Position	Salary	Bonus	Benefits ¹	Pension Contribution	Long Term Incentives ²	2024 Total
Nadeem Raza CEO	£290,771	£134,402	£12,392	£11,467	£0	£449,032
Nick Wightman CFO	£159,000	£76,142	£2,042	£11,576	£0	£248,760
Jon Lee Chairman	£85,701	£0	£0	£3,380	£84,444	£173,525
Dino Rocos NED	£58,563	£0	£0	£0	£58,056	£116,619
Lucy Sharman-Munday NED	£58,563	£0	£0	£0	£0	£58,563

¹ This figure includes car allowance and medical insurance.

² 61,235 long term incentives vested in the period (FY24: 100,000). The value of these options is calculated by multiplying the number of options vested by the share price on the vesting date. The FY24 value has been restated for options vested in 2024 multiplying the number of options vested by the share price on the vesting date.

Remuneration Policy For Non-Executive Directors

I and the other Non-Executive Directors each receive a fee for our services as Directors, which is approved by the Board, mindful of the time commitment and responsibilities of our roles and of current market rates for comparable organisations and appointments.

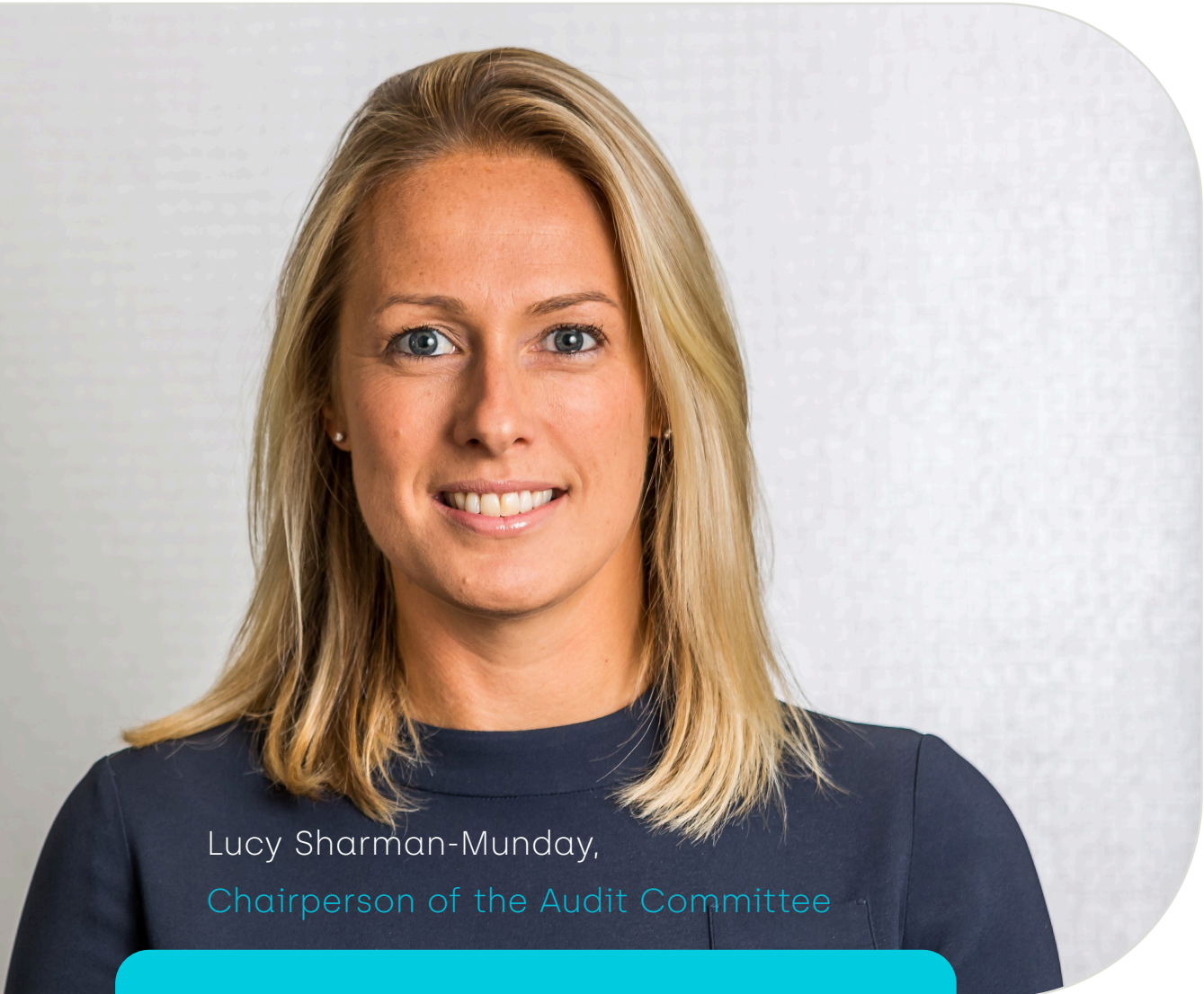
2026 AGM

At our 2026 AGM, this Directors' Remuneration Report will be subject to an advisory vote of our shareholders. We have had such a vote at our AGM each year since our admission to AIM.

During 2026, the Committee will consider developing market practice amongst AIM listed companies regarding having a separate advisory vote on the Directors' Remuneration Policy every three years.

Dino Rocos, Chair of Remuneration Committee

Audit Committee Report



Lucy Sharman-Munday,
Chairperson of the Audit Committee

As the Chair of the Audit Committee (the “Committee”), I am pleased to present the Committee’s Report for the year ended 31 December 2025, setting out how the Committee has supported the Board in overseeing financial reporting, risk management and internal control, and the effectiveness of the external audit.

Committee Meetings & Attendance

The Committee comprises three independent Non-Executive Directors: myself as Chair, Dino Rocos and Jon Lee. The Board considers that all members are independent and that I bring recent and relevant financial experience, being a chartered accountant, an experienced audit committee chair, and currently CFO of another AIM-listed company.

The Committee met twice during the year, with attendance as set out below. The Committee is satisfied that the number and timing of meetings were appropriate to discharge its responsibilities.

The CEO and CFO attend by invitation, together with the Auditors, BDO LLP.

External Audit

BDO LLP have been the Company auditor since 2021. During the year the audit service was put out tender and a thorough process was performed to select a quality advisor. BDO LLP were re-appointed based on AIM-listed experience, independence, understanding of the sector, knowledge of the business and quality of team.

During the cycle Gareth Singleton stepped down as Partner on the account due to time served and as part of the re-appointment Alan Walsh heads up the audit team at BDO. We thank Gareth for his service.

The Committee reviewed and agreed the audit plan, scope and timetable with BDO LLP and met with the auditors without management present.

Key Activities During the Year

During the year, the Committee focused on:

- The integrity of the Group's financial statements and related announcements
- Significant accounting judgements and estimates
- The effectiveness of internal controls and risk management processes
- Oversight of the external audit process, including audit scope and execution

Responsibilities & Objectives

In fulfilment of these objectives the Committee:

- Reviewed the Group's financial statements and finance-related announcements, including compliance with statutory and listing requirements. Compliance is reviewed each year with the Chief Financial Officer and enhancements are made as appropriate;
- Considered whether these statements and announcements provide a fair, balanced and understandable view of the Group's strategy and performance, and of the associated risks. Further consideration of these matters is also provided by the Board as a whole;
- Considered the appropriateness of accounting policies and significant accounting judgements and the disclosure of these in the financial statements, these included judgements in revenue recognition, capitalisation of development costs, provisions relating to the cyber incident and restructuring and the impairment reviews relating to goodwill and other intangibles assets.
- Reviewed the effectiveness of financial controls and systems. The Group does not have an internal audit function and the Committee continues to be of the view that the Group is not yet of a size and complexity to warrant the establishment of such a function. Assurance is obtained through management controls Board oversight, and external audit procedures;
- The Committee reviewed the assumptions supporting the going concern assessment and concluded it remains appropriate; and
- Oversaw the relationship with and performance of the external auditors.

Significant Financial Reporting Issues

The Committee considered the following significant issues:

Area of focus	How addressed
Management override of controls	Reviewed audit findings and assessment of related party transactions.
Revenue recognition error	Reviewed management assumptions and audit findings
Classification of exceptional items	Reviewed assumptions, disclosures and external advice
Impairment of goodwill and other intangibles	Assessed impairment triggers, key assumptions including forecasts and discount rates

Against these items, no error was reported or flagged as a control weakness.

Board & Sub Committee Meeting Attendance

	Board		Remuneration		Audit	
	Meeting (BM)		Committee (RC)		Committee (AC)	
	Possible	Attended	Possible	Attended	Possible	Attended
Lucy Sharman-Munday (AC Chair)	10	10	2	2	2	2
Jon Lee (BM Chair)	10	10	2	2	2	2
Dino Rocos (RC Chair)	10	10	2	2	2	2
Nadeem Raza*	10	10	2	2	2	2
Nick Wightman*	10	10	2	2	2	2

*Nadeem Raza and Nick Wightman attended Audit Committee and Remuneration Committee by invitation

Directors' Report

The Directors present their annual report and the audited consolidated financial statements for the 12-month period ending 31 December 2025.

Principal Activities, Business Review & Future Developments

The principal activity of the group is the provision of technological transport solutions that enable customers to reduce costs and environmental impact, while increasing safety, efficiency, and compliance.

Corporate Status

Microlise Group PLC (the 'Company') is a public limited company domiciled in the United Kingdom and was incorporated in England & Wales with company number 11553192 on 5th September 2018. The Company has its registered office at Farrington Way, Eastwood, Nottingham, NG16 3AG. The principal place of business of the Group are its offices in Nottingham.

Directors

Nadeem Raza
Nick Wightman
Jon Lee
Dino Rocos
Lucy Sharman-Munday

The Company has agreed to indemnify its Directors against third party claims which may be brought against them and has put in place a Directors' and Officers' insurance policy.

The market price of the Company's shares at the end of the financial year was £0.935 and the range of the market price during the year was between £0.920 and £1.480.

Substantial Shareholdings

At 31st December 2025, the Directors have been notified of the following beneficial interests in excess of 3% of the issued share capital of the Company (excluding those shares held in treasury).

Shareholders by Holding

			31 December 2025		
Rank	Shareholder	Shares	%IC	%FF	Cum %FF
1	Mr Nadeem Raza	58,032,442	50.05	50.05	50.05
2	BGF Investments	11,513,095	9.93	9.93	59.98
3	Liontrust Asset Mgt	11,216,305	9.67	9.67	69.65
4	Columbia Threadneedle Investments	6,675,412	5.76	5.76	75.41
5	Mr Roy Allum	4,287,751	3.70	3.70	79.11
6	Canaccord Genuity Wealth Mgt	3,325,000	2.87	2.87	81.98
7	Stonehage Fleming Family & Partners	2,655,301	2.29	2.29	84.27
8	Rowan Dartington & Co	2,646,833	2.28	2.28	86.55
9	Mr Robert Harbey	1,715,000	1.48	1.48	88.03
10	Hargreaves Lansdown	1,504,813	1.30	1.30	89.33

Research & Development

Details of the Group's policy for the recognition of expenditure on research and development are set out on page 108 respectively of the consolidated financial statements.

Risk Management Objectives & Policies

Details of the Group's financial risk management objectives and policies are set out in note 20 of the consolidated financial statements.

Related Party Transactions

Details of the Group's transactions and year end balances with related parties are set out in note 26 of the consolidated financial statements.

Dividends

An interim ordinary dividend of 0.60 pence per share was paid on 7 November 2025. The Directors recommend a final ordinary dividend of 1.30 pence per share (FY24: 1.24) payable on 24 July 2026 to shareholders on the register at close of business on 3 July 2026.

Promote A Corporate Culture Based On Open Dialogue

The Board promotes a corporate culture that is based on sound ethical principles and behaviours. The Board recognises that the tone set by its decisions regarding strategy and risk may impact the corporate culture of the Group as a whole and on the way that employees and other stakeholders behave, which in turn can impact the performance of the Company.

The Group operates in a manner that encourages an open dialogue with employees, customers and other stakeholders and the Board considers that two-way communication and sound ethical values and behaviours are crucial to the ability of the Group to achieve its corporate objectives.

The Directors believe that the Group has a transparent and communicative culture supporting comprehensive dialogue and feedback and enabling positive and constructive challenge, and suggested solutions for improvement. The Board keeps staff updated through CEO updates and through a question-and-answer facility on the intranet. The Group promotes a healthy corporate culture through use of its weekly team meetings, its staff intranet, regular business updates and employee surveys. Twice yearly CEO updates that are linked to staff social events, allow senior leadership to keep staff apprised of the key financial and strategic activity of the Group.

Strategic Report

The Company has chosen in accordance with Companies Act 2006, section 414C (11) to set out in the Company's strategic report on pages 5 - 66, information required to be contained in the Directors' Report by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7, where not already disclosed in the Directors' Report.

Statement As To Disclosure Of Information To The Auditor

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

BDO LLP was appointed for the year ended 31 December 2025 and have indicated their willingness to continue in office.

Approval

This Directors' Report was approved by the Board and signed on its behalf by:



Nick Wightman, Company Secretary
13 May 2026

Farrington Way, Eastwood, Nottingham NG16 3AG

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and have elected to prepare the Company financial statements in accordance with (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether the Group financial statements have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements;
- State whether the Company financial statements have been prepared in accordance with applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website Publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Financial Statements



Independent auditor's report to the members of Microlise Group plc

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's loss and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Microlise Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise of the following:

Group	Parent Company
Consolidated Statement of Comprehensive Income	
Consolidated Statement of Financial Position	Company Statement of Financial Position
Consolidated Statement of Changes in Equity	Company Statement of Changes in Equity
Consolidated Statement of Cash Flows	
Notes to the cash flow statements	
Material accounting policy information	
Notes 1 to 27 to the financial statements	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of how the Directors undertook the going concern assessment process to determine if we considered it to be appropriate for the circumstances by way of enquiry with the Directors in regard to who prepared the assessment and the information, and individuals consulted in the process;
- Obtaining the Directors' trading forecasts underlying the going concern assessment and challenging the Directors on the key estimates and assumptions within the forecasts around the forecast levels of revenue, gross profit and working capital cycles, through analysis and comparison of forecasts with prior year actuals;
- Performing data verification and logic checks to confirm the mathematical accuracy of the forecast model;
- Analysing post period end trading results compared to forecast and current period to evaluate the accuracy and achievability of forecasts;
- Obtaining the banking facilities and checking that the disclosures are consistent with the contracted facilities at the date of approval of the financial statements;
- Assessing the sensitivities undertaken against the level of available cash and level of banking facilities. We considered the results of stress tested sensitivities undertaken by the Directors and assessed the reasonableness of the Directors' assessment that the scenario that could result in the Group facing a cash shortfall was remote in light of the historic trading results; and
- Reviewing the disclosures in the Annual Report to ensure that they are in accordance with relevant requirements and provided meaningful and transparent information for the users of the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters		2025	2024
	Fraud or error in recognition of revenue	✓	✓
	Fraud or error arising from cyber-attack	x	✓
Fraud or error arising from cyber-attack is no longer considered to be a key audit matter because the risks associated with this matter have significantly reduced in the current year and they relate specifically to events which arose in the prior year and have not reoccurred.			

Materiality

Group financial statements as a whole

£0.8m (2024: £0.8m) based on 1% (2024: 1%) of total revenue

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

As at 31 December 2025, the Group comprises 10 (2024: 12) legal entities. As part of performing our Group audit, we have determined 8 components (legal entities) in scope (2024: 8). The group comprises of trading companies throughout the UK, EU and Asia and Oceanic geographies. Furthermore, the group also includes a software development company in India, and various dormant companies with no trade or balances within the UK and India.

In determining components, we have considered how components are organised within the Group and the commonality of the control environment, the legal and regulatory framework, and the level of aggregation associated with the individual entities. While there is relative commonality of controls across the group, differences in jurisdictional risk, and the legal and regulatory frameworks under which the entities operate, prevent the further amalgamation of components.

From the risk assessment and planning procedures, we determined which of the Group's components were likely to include risks of material misstatement relevant to the Group's financial statements. We then determined the type of procedures to be performed at these components.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures, and
- procedures on one or more classes of transactions, account balances or disclosures

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following:

Component	Component Name	Entity	Group Audit Scope
1	Parent Company	Microlise Group plc	Statutory audit and procedures on the entire financial information of the component.
2	Microlise Limited	Microlise Limited	Procedures on the entire financial information of the component.
3	Microlise Australia Pty Limited	Microlise Australia Pty Limited	Procedures on one or more classes of transactions, account balances or disclosures
4	Microlise India	Microlise Telematics PVT Limited	Procedures on one or more classes of transactions, account balances or disclosures

5	Microlise France SAS	Microlise France SAS	Risk assessment procedures
6	Microlise Holdings Limited	Microlise Holdings Limited	Risk assessment procedures
7	Microlise Midco Limited	Microlise Midco Limited	Risk assessment procedures
8	Microlise Engineering Limited	Microlise Engineering Limited	Risk assessment procedures

The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting, commonality of controls, and similarity of the group's activities and business lines in relation to Revenue, Accrued and Deferred Income, and Receivables. We therefore designed and performed procedures centrally in these areas.

The group operates a centralised IT function that supports IT processes for certain components. This IT function is subject to specified risk-focused audit procedures, predominantly the testing of the relevant IT general controls and IT application controls.

Changes from the prior year

There has been no change in group audit scope from the prior year.

How Climate change affected the scope of our audit

The Group has determined that the most significant future impact from climate change on its operations will be from the supply chain and availability of components. Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector;
- Review of the minutes of Board and Audit Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out on page 65 may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks and related commitments.

The management disclosures on page 43 to 66 form part of the "Other Information," rather than the audited financial statements. Our responsibilities in relation to the "Other Information" are described in the relevant section of this report and our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained from the audit or otherwise appear to be materially misstated.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit responded to the risk
Fraud or error in recognition of revenue (See accounting policies and note 1). The Group has multiple revenue streams as part of the provision of the services to customers. The different performance obligations are often included in single contracts with customers and need to be carefully analysed to establish the selling price for the relevant performance obligations and therefore the point of revenue recognition in accordance with the accounting policies. The complexity of the contracts for services increases the inherent risk of error in revenue recognition. The application of relevant accounting standards also impacts on the presentation of trade receivables and deferred revenue in the statement of financial position so there is a risk of error in the presentation of these balances. Due to the complexity of the contracts, the payment profile of certain customers with payment received in advance of services delivered and the volume of transactions we consider there is also an opportunity for fraudulent manipulation of reported revenue. We have identified the following areas of specific focus: a) Manipulation in timing of revenue recognition during the period by adjusting the levels of income allocated to the different performance obligations and thus reducing the level of contract liability; and b) Manipulation of the classification and presentation of revenue to increase the amount of managed service revenue (recurring) compared to non-recurring revenue streams. We have therefore determined that revenue recognition is a key audit matter.	We obtained a breakdown of the recurring revenue earned in the period. To test the accuracy of the breakdown we agreed a sample of entries to supporting contracts and payment from customers, agreeing the inputs and testing the integrity of the calculation of revenue recognised and deferred income. Our procedures included, among others: • Obtaining an understanding of the Group's revenue recognition policies and assessing their compliance with the applicable accounting standards. • Reviewing a sample of customer contracts to identify the relevant performance obligations and assessing whether the allocation of revenue to those obligations was appropriate. • Testing recurring revenue by agreeing a sample of transactions to underlying customer contracts and payment documentation and recalculating the associated revenue recognition. • Testing deferred revenue balances by reperforming management's calculations and agreeing inputs to supporting documentation. • Selecting samples of credit notes raised during and after the year end to assess whether revenue recognised prior to year end required adjustment. • Testing a sample of non-recurring revenue transactions to supporting documentation to confirm that revenue had been recognised in the appropriate period. Key observations: Based on the procedures performed, we did not identify any instances of inappropriate revenue recognition and noted that the accounting treatment applied is consistent with the Group's accounting policy and relevant accounting standards.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2025 £000's	2024 £000's	2025 £000's	2024 £000's
Materiality	840	810	490	490
Basis for determining materiality	1% of revenue		0.5% of total assets	
Rationale for the benchmark applied	We have determined revenue as the appropriate benchmark given the nature of the sector and the importance of the recurring and non-recurring revenue in assessing the performance of the business. Based on industry analysis carried out revenue is regularly used as the benchmark for assessing materiality.		Total assets were considered an appropriate benchmark as the main purpose of the Parent Company is to hold investments in subsidiaries.	
Performance materiality	630	607	368	367
Basis for determining performance materiality	75% of materiality which is considered appropriate to mitigate potential aggregation risk across the various financial statement areas. These levels have been applied in determining the testing approach and sample sizes.			
Rationale for the percentage applied for performance materiality	Rationale for the percentage applied for performance materiality In determining performance materiality, we considered that this is our fourth year as auditor and that the history of unadjusted misstatements during our period of appointment has been low. We also noted that management demonstrates a strong approach to identifying, addressing, and mitigating financial and operational risks, contributing to a robust control environment across the business. Based on these factors, we set performance materiality at 75% of overall financial statement materiality. We consider this level appropriate to provide a sound basis for determining the nature, timing, and extent of audit procedures required to obtain sufficient and appropriate audit evidence.			

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 50% and 85% (2024: 50% and 85%) of Group performance materiality dependent on a number of factors including size of component and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £362,000 to £535,000 (2024: £300,000 to £510,000).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £42,000 (2024: £32,400). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors’ report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors’ report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors’ report.
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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation and AIM Listing Rules.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, employment law and data protection regulations.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Enquiries of management whether there were any litigation and claims;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud;
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be;

- The manipulation in timing of revenue recognition during the period by adjusting levels of income allocated to the different performance obligations, ultimately reducing the level of deferred revenue and thereby increasing reported revenue and profit;
- The manipulation of the classification and presentation of revenue, to increase the amount of managed service revenue (recurring) compared to non-recurring revenue streams which may influence user assessment of the performance; and
- The override of internal controls by management resulting in inappropriate posting of journals into the financial system to manipulate reported results or conceal inappropriate activity.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- The procedures described in the recognition of revenue key audit matter, as set out above; and
- Review of revenue nominal accounts to identify unusual journal combinations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

DED94EF60D26414...

Alan Walsh (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK
13 May 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025

		2025 Underlying results	2025 Exceptional cyber and restructuring costs (note 2)	2025 Total	2024 Underlying results	2024 Exceptional cyber and restructuring costs (note 2)	2024 Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	1	84,027	-	84,027	80,995	(1,520)	79,475
Cost of sales		(29,888)	-	(29,888)	(27,474)	-	(27,474)
Gross profit		54,139	-	54,139	53,521	(1,520)	52,001
Other operating income	3	219	1,153	1,372	640	-	640
Administrative expenses		(55,251)	(2,678)	(57,929)	(52,089)	(2,860)	(54,949)
Operating (loss)/profit	3	(893)	(1,525)	(2,418)	2,072	(4,380)	(2,308)
Interest income	5	361	-	361	452	-	452
Interest expense	6	(259)	-	(259)	(250)	-	(250)
Share of loss of associate net of tax	12	-	-	-	(229)	-	(229)
Gain on conversion of loan to associates	12	181	-	181	-	-	-
Loss on disposal of interest in associate	12	(414)	-	(414)	-	-	-
(Loss)/profit before taxation		(1,024)	(1,525)	(2,549)	2,045	(4,380)	(2,335)
Taxation	7	3	381	384	(814)	1,095	281
(Loss)/profit for the year		(1,021)	(1,144)	(2,165)	1,231	(3,285)	(2,054)
Other comprehensive expense for the year							
Currency translation differences		(257)	-	(257)	(34)	-	(34)
Total comprehensive (expense)/income for the year attributable to the equity share-holders of Microlise Group plc		(1,278)	(1,144)	(2,422)	1,197	(3,285)	(2,088)
Basic earnings per share (pence)	8	(0.88)	(0.99)	(1.87)	1.06	(2.83)	(1.77)
Diluted earnings per share (pence)	8	(0.88)	(0.99)	(1.87)	1.06	(2.83)	(1.77)

Consolidated Statement of Financial Position as at 31 December 2025

		31 December 2025 £'000	31 December 2024 £'000
	Note		
Assets			
Non-current assets			
Property, plant and equipment	10	11,628	8,702
Intangible assets	11	81,673	83,914
Investments in associate	12	-	1,364
Trade and other receivables	14	2,996	3,201
Total non-current assets		96,297	97,181
Current assets			
Inventories	13	2,753	3,212
Loan to associate	12	-	1,000
Trade and other receivables	14	15,990	21,104
Corporation tax recoverable		1,100	746
Cash and cash equivalents	15	16,743	11,401
Total current assets		36,586	37,463
Total assets		132,883	134,644
Current liabilities			
Lease liabilities	16	(1,188)	(809)
Trade and other payables	17	(35,147)	(36,409)
Total current liabilities		(36,335)	(37,218)
Non-current liabilities			
Lease liabilities	16	(2,689)	(500)
Trade and other payables	17	(17,742)	(16,051)
Deferred tax	18	(5,464)	(6,114)
Provisions	19	(2,611)	(2,862)
Total non-current liabilities		(28,506)	(25,527)
Total liabilities		(64,841)	(62,745)
Net assets		68,042	71,899
Equity			
Issued share capital	22	116	116
Share premium account		17,630	17,630
Retained earnings		50,296	54,153
Total equity		68,042	71,899

The notes on pages 103 to 132 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 13 May 2026.



Nick Wightman
Group Chief Financial Officer

Consolidated Statement of Changes in Equity

	Share Capital	Share Premium Account	Retained earnings	Total Equity
	£'000	£'000	£'000	£'000
At 31 December 2023	116	17,630	57,927	75,673
Comprehensive expense for the year ended 31 December 2024				
Loss for the year	-	-	(2,054)	(2,054)
Other comprehensive expense	-	-	(34)	(34)
Total comprehensive expense for the year	-	-	(2,088)	(2,088)
Share based payment (note 23)	-	-	975	975
Dividends paid (note 9)	-	-	(2,661)	(2,661)
Total transactions with owners	-	-	(1,686)	(1,686)
At 31 December 2024	116	17,630	54,153	71,899
Comprehensive expense for the year ended 31 December 2025				
Loss for the year	-	-	(2,165)	(2,165)
Other comprehensive expense	-	-	(257)	(257)
Total comprehensive expense for the year	-	-	(2,422)	(2,422)
Share based payment (note 23)	-	-	698	698
Dividends paid (note 9)	-	-	(2,133)	(2,133)
Total transactions with owners	-	-	(1,435)	(1,435)
At 31 December 2025	116	17,630	50,296	68,042

Company Statement of Financial Position as at 31 December 2025

		31 December 2025 £'000	31 December 2024 £'000
	Note		
Assets			
Non-current assets			
Property, plant and equipment	10	4,532	4,634
Investments	12	94,020	94,094
Deferred tax	18	2	1
Total non-current assets		98,554	98,729
Current assets			
Loan to associate	12	-	1,000
Trade and other receivables	14	375	51
Corporation tax recoverable		361	-
Cash and cash equivalents	15	229	55
Total current assets		965	1,106
Total assets		99,519	99,835
Current liabilities			
Trade and other payables	17	(23,905)	(23,311)
Total current liabilities		(23,905)	(23,311)
Total liabilities		(23,905)	(23,311)
Net assets		75,614	76,524
Equity			
Issued share capital	22	116	116
Share premium account		17,630	17,630
Retained earnings		57,868	58,778
Total equity		75,614	76,524

The Company has elected to take the exemption under section 408 of the Companies Act not to present the parent Company profit and loss account. The profit for the parent Company for the year was £525,000 (2024: £4,643,000).

The notes on pages 103 to 132 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 13 May 2026



Nick Wightman
Group Chief Financial Officer
Microlise Group plc Registered number 11553192

Company Statement of Changes in Equity

	Share Capital	Share Premium Account	Retained earnings	Total Equity
	£'000	£'000	£'000	£'000
At 31 December 2023	116	17,630	55,806	73,552
Comprehensive income for the year to 31 December 2024				
Profit for the year	-	-	4,643	4,643
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	4,643	4,643
Share based payment (note 23)	-	-	990	990
Dividends paid (note 9)			(2,661)	(2,661)
Total transactions with owners	-	-	(1,671)	(1,671)
At 31 December 2024	116	17,630	58,778	76,524
Comprehensive income for the year to 31 December 2025				
Profit for the year	-	-	525	525
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	525	525
Share based payment (note 23)	-	-	698	698
Dividends paid (note 9)	-	-	(2,133)	(2,133)
Total transactions with owners	-	-	(1,435)	(1,435)
At 31 December 2025	116	17,630	57,868	75,614

Consolidated Statement of Cash Flows

for the year ended 31 December 2025

		Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
	Note		
Cash flows from operating activities			
Cash generated from operations	A	12,503	8,820
Tax received		496	1,211
Tax paid		(1,055)	(334)
Net cash generated from operating activities		11,944	9,697
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,478)	(1,421)
Proceeds from disposals of property, plant and equipment		2	1
Additions to intangible assets		(2,783)	(2,765)
Proceeds on sale of shares in associate		2,180	-
Purchase of subsidiary net of cash acquired	26	-	(7,063)
Purchase of subsidiaries deferred consideration paid		-	(200)
Interest received		312	452
Net cash used in investing activities		(2,767)	(10,996)
Cash flows from financing activities			
Interest paid		(259)	(250)
Lease liability payments		(1,411)	(1,150)
Dividends paid		(2,133)	(2,661)
Net cash used in financing activities		(3,803)	(4,061)
Net increase/(decrease) in cash and cash equivalents		5,374	(5,360)
Cash and cash equivalents at beginning of year		11,401	16,800
Foreign exchange losses		(32)	(39)
Cash and cash equivalents at end of year	B	16,743	11,401

The notes on pages 103 to 132 form part of these financial statements.

Notes to the cash flow statements

A. Cash generated from operations

The reconciliation of the loss for the year to cash generated from operations is set out below:

	Year ended 31 December 2025 £'000	Year ended 31 December 2024 £'000
Loss for the year	(2,165)	(2,054)
Adjustments for:		
Depreciation of property, plant and equipment	3,517	3,174
Amortisation of intangible assets	5,024	4,689
Loss on disposal of property, plant and equipment	-	1
Share based payments	698	975
Foreign exchange movements	(226)	4
Interest income	(361)	(452)
Interest expense	259	250
Share of loss of associate net of tax	-	229
Gain on conversion of loan to associate	(181)	-
Loss on disposal of interest in associate	414	-
Tax credit	(384)	(281)
	6,595	6,535
Decrease in inventories	459	136
Decrease/(increase) in trade and other receivables	5,221	(2,138)
Increase in trade and other payables	479	1,425
(Decrease)/increase in provisions	(251)	2,862
Cash generated from operations	12,503	8,820

B. Analysis of net funds

	At 1 January 2025 £'000	Cash flow £'000	Non-cash changes £'000	At 31 December 2025 £'000
Lease liabilities	(1,309)	1,411	(3,979)	(3,877)
Liabilities arising from financing activities	(1,309)	1,411	(3,979)	(3,877)
Cash and cash equivalents	11,401	5,374	(32)	16,743
Net funds	10,092	6,785	(4,011)	12,866

	At 1 January	Cash flow	Non-cash changes	At 31 December
	2024			2024
	£'000	£'000	£'000	£'000
Lease liabilities	(1,553)	1,284	(1,040)	(1,309)
Liabilities arising from financing activities	(1,553)	1,284	(1,040)	(1,309)
Cash and cash equivalents	16,800	(5,360)	(39)	11,401
Net funds	15,247	(4,076)	(1,079)	10,092

Major non cash items

£3,979,000 of additions to right of use assets and lease liabilities are included in non cash movements in the year ended 31 December 2025 (2024: £406,000) together with £nil of acquired lease assets and liabilities (2024: £500,000).

Summary of Material Accounting Policies

General information

Microlise Group plc is a holding and management services company. Its subsidiaries are telematics businesses providing technological transport solutions that enable customers to reduce costs and environmental impact by maximising the efficiency of their transportation. The company is a public limited company, traded on the Alternative Investment Market ("AIM") of the London Stock Exchange, and incorporated and domiciled in England. The address of the registered office is Farrington Way, Eastwood, Nottingham, NG16 3AG.

A. Basis of preparation

The consolidated financial statements have been prepared in accordance with the historical cost convention and UK adopted International Accounting Standards ('UK IFRS'). The stated accounting policies have been consistently applied to all periods presented.

The parent company financial statements have been prepared under applicable United Kingdom Accounting Standards (FRS 101). The following FRS 101 disclosure exemptions have been taken in respect of the parent company only information:

- IAS 7 Statement of cash flows;
- IFRS 7 Financial instruments disclosures; and
- IAS 24 Key management remuneration.

The financial statements including the notes are presented in thousands of pounds sterling ('£'000'), the functional and presentation currency of the Group, except where otherwise indicated.

The principal accounting policies adopted in preparation of the financial statements are set out below. The policies have been consistently applied to all periods presented, unless otherwise stated.

Judgements made by the Directors in the application of the accounting policies that have a significant effect on the historical financial information and estimates with significant risk of material adjustment in the next year are discussed in note C.

Going concern

The directors have considered working capital forecasts prepared for the period to December 2027. The Group had cash balances of £16.7m at the year end, no borrowings and a £10m undrawn working capital facility which is not forecast to be utilised. The Group also has a significant recurring income base with inflationary clauses in the main contracts.

A range of sensitivities have been run on the working capital model, and the directors consider a scenario in which the business will face liquidity issues is remote. As part of the sensitivity analysis the directors have considered the impact of a reduction in turnover from their principal customer, a reduction in sales orders from its wider customer base and the associated impact on working capital. The Directors are satisfied that the Group has sufficient resources to respond to reasonably foreseeable scenarios and conclude that a scenario that would result in the need for the Group to require additional funding to be remote.

Based on the forecasts, the Directors are satisfied that the Group can meet its day-to-day cash flow requirements and operate within the terms of its working capital banking facilities if required. Accordingly, the financial statements have been prepared on a going concern basis.

B. Accounting policies

Consolidation

The consolidated financial statements include the results of Microlise Group plc and its subsidiary undertakings. The results of the subsidiary undertakings are included from the date that effective control passed to the company. On acquisition, all the subsidiary undertakings' assets and liabilities at that date of acquisition are recorded under

purchase accounting at fair value, having regard to condition at the date of acquisition. All changes to those assets and liabilities and the resulting gains and losses that arise after the company gained control are included in the post-acquisition results. Sales, profits and balances between group companies are eliminated on consolidation.

The Group has taken advantage of the exemption not to disclose transactions between wholly owned entities in the group.

Associates

Entities in which the Group holds a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the Group financial statements, Trakm8 Holdings plc is accounted for as an associate using the equity method. The initial investment was accounted for at cost and the subsequent share of associate profits or losses reported in the Statement of Comprehensive Income and are added to or deducted from the carrying value of the investment.

Revenue recognition

Revenue comprises revenue recognised by the Group in respect of goods and services supplied during the year, based on the consideration specified in a contract, exclusive of Value Added Tax and trade discounts.

The Group enters into the sale of multi-element contracts, which combine separate performance obligations including hardware, installation, managed service contracts (software-as-a-service or SaaS), software licences, professional services (which includes bespoke software development, project management (incorporating activities including project and installation planning, managing change control and stage boundaries and project reporting), consultancy, training), and support and maintenance services relating to these products. In accordance with IFRS 15, these are considered to be distinct.

Each performance obligation is allocated a transaction price based on the stand-alone selling prices. Where stand-alone prices are not directly observable, they are based on expected cost plus margin.

Revenue is recognised depending upon the revenue stream to which it relates, as follows:

- The fair value of hardware and installation revenue is recognised at a point in time when control is transferred to the customer on despatch and/or upon installation;
- Revenue from the SaaS arrangement is recognised over a period of time, based on the term of the contract on a straight line basis. Revenue recognition over time is considered appropriate based on provisions of IFRS 15 paragraph 35 as the customer simultaneously receives and consumes the benefits provided by the Group. The contractual term for average SaaS agreements are approximately 5 years;
- Professional services typically include implementation, configuration, training and other similar services to create optimised interfaces between the Group's software and customers systems. Revenue from professional services is recognised over a period of time using the input method as professional services are being performed, as this best depicts the timing of how the value is transferred to the customer; and
- Support and maintenance turnover is deferred at the point of sale and recognised in the Statement of Comprehensive Income over a period of time of the contractual life, utilising the output method, generally on a straight line basis as the customer simultaneously receives and consumes the benefits provided by the Group.

Invoicing for all revenue streams is undertaken in accordance with the terms of the agreement with the customer. When an invoice is due for payment at the statement of financial position date but the associated performance obligations have not been fulfilled the amounts due are recognised as trade receivables and a contract liability is recognised for the sales value of the performance obligations that have not been provided. If payment is received in advance of the delivery of the associated performance obligation a contract liability is recognised. When an invoice is not due for payment at the statement of financial position date and the associated performance obligation has not been fulfilled no amounts are recognised in the financial statements.

In cases where customers pay for the goods and services over an agreed period, the fair value of the consideration is determined by discounting future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised as finance income over the payment period.

Contract costs

Under IFRS 15, the Group capitalises commission fees as costs of obtaining a contract when they are incremental and, if they are expected to be recovered, it amortises them consistently with the pattern of revenue for the related contract. If the expected amortisation period is one year or less, then the commission is expensed when incurred. Contract costs are capitalised to trade and other receivables, due within and after one year.

The Group in certain circumstances incurs costs to deliver its services and fulfil specific contracts. These costs may include process mapping and design, scoping and configuration. Contract fulfilment costs are divided into costs that deliver an asset and costs that are expensed as incurred.

Under IFRS 15, the Group capitalises these contract fulfilment costs when they directly relate to a specifically identifiable contract or anticipated contract, will enhance or generate resources used to satisfy future performance obligations and they are expected to be recovered. Where capitalised, it amortises them consistently with the pattern of revenue for the related contract.

At each reporting date, the Group determines whether or not the contract assets are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract.

Employee benefits

The Group operates a defined contribution pension scheme. Contributions are recognised in the Statement of Comprehensive Income in the year in which they become payable in accordance with the rules of the scheme.

Short term employee benefits including holiday pay are recognised as an expense in the period in which the service is rendered.

Share based payment

The Group operates an equity-settled share based compensation plan in which the Group receives services from directors and certain employees as consideration for share options. The fair value of the services is recognised as an expense over the estimated vesting period, determined by reference to the fair value of the options granted.

Taxation

The taxation expense or credit comprises current and deferred tax recognised in the profit for the financial period or in other comprehensive income or equity if it arises from amounts recognised in other comprehensive income or directly in equity. Current tax is provided at amounts expected to be paid (or recovered) in respect of the taxable profits for the period using tax rates and laws that have been enacted or substantively enacted by the reporting date. Microlise, as a large company from 1 July 2020 for tax R&D purposes, qualifies for the large company RDECs which are included as grant income within other operating income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset and where the deferred tax balances relate to the same taxation authority.

Exceptional items

Exceptional items are significant items of income or expense which, because of their size, nature and infrequency of the events giving rise to them, merit separate presentation to provide further understanding of the underlying financial performance of the Group during the period.

Government grants

Grants are accounted under the accruals model, and grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure. Government grants relate to innovation grants and large company research and development expenditure credits ('RDEC' s).

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling on the date of the transaction. Monetary assets or liabilities denominated in foreign currencies at the Statement of Financial Position date are translated at the rate ruling on that date and all translation differences are charged or credited in the Statement of Comprehensive Income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Intangible assets

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the fair value of the net assets acquired at the acquisition date. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Intangible assets acquired separately from a business are recognised at cost. Intangible assets acquired as part of an acquisition are recognised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets created within the business are not recognised, other than for qualifying development expenditure, and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated recognised and accumulated impairment. Intangible assets are amortised on a straight line basis within administrative expenses over their estimated useful lives as follows:

Asset class	Amortisation period
Brands	3 to 15 years
Customer relationships	7 to 16 years
Technology assets	5 to 13 years
Software	3 to 5 years

Intangible assets are tested for impairment when an event that might affect asset values has occurred. Any such impairment in carrying value is written off to the Statement of Comprehensive Income immediately.

Research and development expenditure

An internally generated intangible asset arising from development (or the development phase) of an internal project is recognised if, and only if, all of the following have been demonstrated:

- It is technically feasible to complete the development such that it will be available for use, sale or licence;
- There is an intention to complete the development;

- The method by which probable future economic benefits will be generated is known;
- There are adequate technical, financial and other resources required to complete the development; and
- There are reliable measures that can identify the expenditure directly attributable to the project during its development.

The amount recognised is the expenditure incurred from the date when the project first meets the recognition criteria listed above. Expenses capitalised as “Developed Technology” within intangible assets consist of employee costs incurred on development. Where the above criteria are not met, development expenditure is charged to the consolidated statement of comprehensive income in the period in which it is incurred. The expected life of internally generated intangible assets varies based on the anticipated useful life, currently ranging from five to seven years.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the estimated useful life in which the intangible asset has economic benefit and is reported within administrative expenses in the consolidated statement of comprehensive income.

Research expenditure is recognised as an expense in the period in which it is incurred.

Research and development expenditure tax credits arise in the UK. Those relevant to a large company for tax purposes are credited to other operating income as a grant.

Financial assets

Financial assets, including trade and other receivables, cash and cash equivalent balances are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method. Cash and cash equivalents comprise cash held at bank which is available on demand.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. The group measures loss allowances at an amount equal to lifetime ECL, which is estimated using past experience of the group’s historical credit losses experienced over the three year period prior to the period end. Historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the group’s customers, such as inflation rates. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost to the extent that these are material. The group has determined that there is no material impact of ECLs on the historical financial information.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence as of the reporting date will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised at the financial period end. The nature and circumstances relating to the contingent asset are disclosed.

Financial liabilities

Financial liabilities, including trade and other payables, lease liabilities and bank borrowings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Borrowings are initially stated at the fair value of the consideration received after deduction of wholly attributable issue costs. Borrowings are subsequently stated at amortised cost using the effective interest method.

Right-of-use assets and lease liabilities

Under IFRS 16, leases are recognised as right-of-use assets, presented as a separate category within property, plant and equipment included in the consolidated statement of financial position, and with a corresponding lease liability from the date at which the leased asset is available for use by the Group. This has been adopted and applied on a full retrospective basis.

Assets and liabilities arising from a lease are initially measured at the present value of the lease payments and payments to be made under the terms of the lease. Reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the incremental borrowing rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal, presented as a separate category within liabilities, and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received and any initial direct costs. Leasehold dilapidations are recognised in relation to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms.

Depreciation is charged on a straight line basis over the period of the lease and assets are subject to impairment reviews where circumstances indicate their value may not be recoverable or if they are not being utilised.

Payments associated with short-term leases of property, plant and equipment and leases of low-value assets continue to be recognised on a straight-line basis as an expense. Short-term leases are leases with a lease term of 12 months or less.

Property, plant and equipment

Property, plant and equipment assets are stated at cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all property, plant and equipment assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Asset class	Depreciation method rate
Freehold property	2% straight line
Leasehold improvements	Over the period of the lease
Equipment, fixtures and fittings	20-33% straight line basis

Investments

Investments in subsidiaries are stated at cost or at the fair value of shares issued as consideration less provision for any impairment. Investments in associates are stated at fair value through the profit and loss.

Inventories

Inventories are valued at the lower of purchase cost and net realisable value, after due regard for any slow moving items. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its net realisable value. The impairment loss is recognised immediately in the consolidated statement of comprehensive income.

Provisions

Provisions are recognised for probable liabilities of uncertain timing or amount including elements of claims for reimbursement relating to a cyber incident that impacted services to customers. The provision is measured at the best estimate of the expenditure required to settle an obligation existing at the reporting date. Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company and hence where an outflow of economic benefit is not probable are not provided for and are disclosed as contingent liabilities.

Share capital and reserves

Financial instruments issued by the company are treated as equity only to the extent that they do not meet the definition of a financial liability. The parent company's ordinary shares are classified as equity instruments.

The share premium account represents the amount by which the issue price of shares exceeds the nominal value of the shares less any share issue expenses.

The merger reserve represents the difference between the fair value of the shares issued as part of the consideration for Microlise Holdings Limited and the nominal value of the shares issued.

Retained earnings comprises opening retained earnings and total comprehensive income for the year, net of dividends paid.

New or revised accounting standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2026 and which the Group has chosen not to adopt early. These include the following standards which may be relevant to the Group:

- Amendments to IFRS 9 and IFRS 7 mandatory for periods commencing 1 January 2026 – Amendments to the Classification and Measurement of Financial Instruments made to address diversity in accounting practice by clarifying requirements in two specific areas:
 - o classification of financial assets with environmental, social and corporate governance (ESG) and similar features; and
 - o timing of derecognition of financial liabilities settled through electronic payment systems.
- IFRS 18 Presentation and Disclosure in Financial Statements mandatory for periods commencing 1 January 2027. IFRS 18 introduces three key new requirements:
 - o specified categories and defined subtotals in the statement of profit or loss;
 - o improved principles for aggregation and disaggregation of information; and
 - o disclosures about management-defined performance measures

As a result of initial review of the new standards, interpretations and amendments which are not yet effective in these financial statements, none are expected to have a material effect on the Company or Group's future financial statements. All IFRS effective at the reporting date of 31 December 2025 have been applied.

C. Critical accounting estimates and assumptions

Critical judgements in applying the accounting policies

The preparation of the financial statements under IFRS requires the use of certain critical accounting assumptions and requires management to exercise its judgement and to make estimates in the process of applying the Company's and Group's accounting policies. Management bases its estimates on historical experience and on various other assumptions that management believes to be reasonable in the circumstances. The key judgements and estimates used in the preparation of these financial statements that could result in a material change in the carrying value of assets or liabilities within the next twelve months are as follows:

Fair values and intangible assets on acquisition of a business

Fair values have been applied on the acquisition of subsidiaries which involve a degree of judgement and estimation in particular in the identification and evaluation of intangible assets. The values are derived from the business cash flow forecasts and assumptions based on experience and factors relevant to the nature of the business activity.

Useful economic lives of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation. There is no current indication that the Group's businesses will not continue to trade profitably and hence the life may differ or be longer than the estimates used to amortise intangible assets.

Capitalisation of development expenditure

Management have used their judgement in respect of the capitalisation of development costs against the criteria in the policy. The viability of the new technology and know-how is supported by the results of testing and by forecasts for the overall value and margins from future sales to support the approach taken.

Impairment of intangible assets including goodwill and investments

Investments made by the Company and intangible assets acquired in a business combination capitalised with goodwill by the Group are subject to annual impairment tests and other intangibles amortised over their estimated useful lives subject to an assessment of impairment.

Subsequent impairment tests for investments and intangible assets are based on risk adjusted future cash flows discounted using appropriate discount rates. These future cash flows are based on forecasts which include estimated factors and are inherently judgemental. Future events could cause the assumptions to change which could have an adverse effect on the future results of the Group. Further detail including sensitivities is given in note 11.

Right-of-use assets and lease liabilities

In respect of right-of-use leased assets key estimates are a combination of the incremental borrowing rate used to discount the total cash flows and the term of the leases where breaks or extensions fall within the Group's control. These are used to derive both the opening asset value and lease liability as well as the consequential depreciation and financing charges. A 1% change in the discount rate used would increase interest charges and decrease depreciation by approximately £10,000 a year with an immaterial impact on assets and liabilities.

Provisions

Provisions, by their nature, include an element of estimation of the most likely outcomes in circumstances where claims have not been able to be fully evaluated at the reporting date. Whilst they are based on review of support provided and the terms of customer agreements the final payments may vary from the claim submitted.

Share based payment

The fair values in respect of share based payments are estimated using a number of inputs to an appropriate valuation models including the probability that performance conditions may be met. Further detail of the assumptions applied is included in note 23.

Notes to the financial statements for the year ended 31 December 2025

1. Revenue and segmental analysis

Recurring revenue represents the sale of the group's full vehicle telematics solutions, support and maintenance. Non-recurring revenue represents the sale of hardware, installation, and professional services. Revenue is defined as per the accounting policies.

Revenue in respect of the setup, supply of hardware and software installation is recognised at a point in time. Professional services including project management, managed services and support services income is recognised over the period when services are provided.

	2025	2024
	£'000	£'000
By type		
Revenue recognised at a point in time	21,863	22,534
Supply of hardware and installation		
	21,863	22,534
Revenue recognised over time		
Professional services including project management	3,342	3,796
Managed service agreement income	52,917	47,818
Other support and maintenance services	5,905	5,327
	62,164	56,941
	84,027	79,475
By destination:		
UK	75,421	72,251
Rest of Europe	2,331	1,966
Rest of the World	6,275	5,258
Total revenue	84,027	79,475

Revenue in respect of one customer amounted to £21.2m representing 25% of the revenue for the year (2024: £26.1m representing 32% of the revenue).

The chief operating decision maker ("CODM") is identified as the Board. The Board as the CODM reviews the revenue streams of recurring and non-recurring revenue as part of their internal reporting.

The directors considered the Group to comprise only one fleet management services business with a focus on areas within this including geographical expansion and selling complementary services to the existing customer base.

The Group's non-current assets comprising investments, tangible and intangible fixed assets and the net assets by geographical location are:

	31 December 2025		31 December 2024	
	Non-current assets	Net assets	Non-current assets	Net assets
	£'000	£'000	£'000	£'000
United Kingdom	95,936	65,466	96,952	69,608
France	33	57	13	39
Australia	121	318	7	203
India	207	2,201	209	2,049
	96,297	68,042	97,181	71,899

2. Adjusted results and exceptional costs

In reporting financial information, the Group presents alternative performance measures (APMs), which are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide depth and understanding to the users of the financial statements to allow for further assessment of the underlying performance of the Group. The Group's primary results measure, which is considered by the directors of the Group to represent the underlying and continuing performance of the Group, is adjusted EBITDA as set out below. EBITDA is a commonly used measure in which earnings are stated before net finance income, tax, amortisation and depreciation as a proxy for cash generated from trading.

The Group qualifies for large company R&D tax reliefs with the RDEC credits included in other operating income above operating loss which 'in line with common practice' is included in the Group's calculation of EBITDA.

The measure has been adjusted by acquisition related costs, the expense of major efficiency and cost reduction measures, the material costs of managing and compensating customers for an unexpected cyber security incident in 2024 and associated insurance proceeds from claims which are considered to be non-recurring and non-trading in nature together with the share based payment charge as it represents a non cash item.

The Group was subject to a cyber attack on 31 October 2024 where the actions to mitigate and contain the attack resulted in a number of customers not receiving all the managed services they subscribe for in the following 3 week period. As a result, the Group recorded a number of exceptional costs in 2024 totaling £4,380,000 which arose as follows: £429,000 of professional and related fees in respect of managing the technical restoration of services; £1,520,000 reduction in revenue and credit note provisions recorded against trade receivables in respect of the value of invoiced services not available to customers in that period; £2,431,000 of provisions were made in respect of claims for consequential losses from the disruption to the customers' own businesses.

The Group considers that its related insurance policies largely covered these liabilities and that it is likely to be reimbursed a materially similar amount of income in due course once the insurance claims are evaluated and processed. Insurance proceeds are not considered virtually certain until point of receipt and therefore determined to be a contingent asset for the purpose of these financial statements and assets only recognised in the financial period when specific claims are accepted by insurers.

In 2025 the Group has incurred a further £270,000 of professional fees and has received £1,153,000 from the insurers in respect of fees incurred and amounts paid out to customers (which utilised accruals and provisions made in 2024) resulting in a net credit of £883,000 in the year.

In 2025 the Group has been impacted by economic factors and weaker demand and as a result has implemented major one-off cost reduction measures and restructuring of staff resources to improve margins with a total cost of £2,408,000.

In view of the highly material amounts from the cyber incident together with and the cost reduction measures, the primary income statement has been presented to show the result before as well as after these exceptional costs.

	2025	2024
	£'000	£'000
Operating loss before interest and share of associate	(2,418)	(2,308)
Exceptional costs:		
Transaction and subsequent restructuring costs	-	403
Cost and efficiency restructuring including severance payments	2,408	-
Cost of managing cyber security incident	270	429
Customer credits for services downtime from cyber incident	-	1,520
Cost of other customer claims from cyber incident	-	2,431
Cyber incident insurance proceeds received in the year	(1,153)	-
Depreciation	3,517	3,174
Amortisation of intangible assets	5,024	4,689
Share based payment	698	975
Adjusted EBITDA	8,346	11,313

3. Operating loss

The operating loss is stated after charging/(crediting):

	2025	2024
	£'000	£'000
Auditors remuneration:		
Audit of the Group and Company financial statements	240	338
Depreciation of property, plant and equipment	2,123	1,994
Depreciation of right-of-use assets	1,394	1,180
Amortisation of intangible assets	5,024	4,689
Cost of inventory sold	13,912	13,418
Research and development costs	2,816	2,205
Foreign exchange (gains)/losses	(225)	165
Acquisition evaluation costs and expenses	-	83
In other operating income:		
Other income	(148)	(194)
Research and Development Expenditure Credit	(71)	(445)
Cyber incident insurance proceeds	(1,153)	-

The Group claims RDEC credits which are treated as other operating income and reflected in the loss before tax.

4. Information regarding directors and employees

Employees

The aggregate remuneration of employees (including severance costs) comprised:

	Group		Company	
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000	£'000	£'000
Wages and salaries	40,766	36,794	734	900
Social security costs	4,451	3,591	88	109
Pensions	1,688	1,424	30	27
Share based payment	698	975	297	263
Total	47,603	42,784	1,149	1,299

Average number of employees

The average number of employees in the year was:

	Group		Company	
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2025	Year ended 31 December 2024
Sales and distribution	93	88	-	-
Operations and development	634	627	-	-
Administration	89	90	5	5
Total	816	805	5	5

Directors' remuneration

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Directors' remuneration – aggregate emoluments	706	878
Group pension contributions in respect of 4 (2024: 4) directors	30	26
Share based payment	297	363
	1,033	1,267
Remuneration of the highest paid director	316	438
Group pension contributions	12	11
Share based payment	205	239
	533	688

Full information by director is disclosed in the remuneration report on pages 73 to 77.

Key management compensation

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Short term employee benefits	2,238	2,614
Post employment benefits	96	97
Share based payment	605	747
Total key management remuneration	2,939	3,458

Key management is defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any directors (whether executive or otherwise) of the Group.

5. Interest receivable

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Interest receivable		
Bank interest receivable	268	287
Loan interest receivable	93	165
	361	452

6. Interest payable

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Interest payable		
Interest and similar charges on bank and other borrowings	79	116
Lease liability financing charges	178	134
Other interest	2	-
	259	250

7. Taxation on loss

	2025	2024
	£'000	£'000
Current taxation		
UK corporation tax charge	-	-
Foreign tax	273	281
Adjustments in respect of previous periods	-	(75)
	273	206
Deferred taxation		
Origination and reversal of timing differences	(641)	(452)
Adjustments in respect of previous periods	(16)	(35)
	(657)	(487)
Tax credit on loss	(384)	(281)

Factors affecting the tax credit for the year

The tax credit on the loss for the year differs from applying the average standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are reconciled below:

	2025	2024
	£'000	£'000
Loss before taxation	(2,549)	(2,335)
Corporation tax at standard rate	(637)	(584)
Factors affecting credit for the year:		
Disallowable expenses	205	321
Share of loss on disposal of associate/share of associate loss not deductible	58	57
Overseas tax rates	6	35
Adjustments in respect of previous periods	(16)	(110)
Tax credit on loss	(384)	(281)

8. Earnings per share

	2025	2024
Loss used in calculating EPS (£'000)	(2,165)	(2,054)
Weighted average number of shares for basic and diluted EPS ('000)	115,946	115,946
Weighted average number of shares for diluted EPS ('000)	115,946	115,946
Basic earnings per share (pence)	(1.87)	(1.77)
Diluted earnings per share (pence)	(1.87)	(1.77)

There were 4,059,193 unexercised share options in place at 31 December 2025 (2024: 4,276,815) of which 236,017 were potentially dilutive in respect of the year (2024: 239,462). They would not increase the loss per share and accordingly the basic and diluted loss per share are equal.

9. Dividends

	2025 £'000	2024 £'000
Final dividend of 1.24p per share paid in respect of FY24 (1.725p per share for FY23)	1,438	2,000
Interim dividend of 0.60p per share paid in respect of FY25 (0.57p per share for FY24)	695	661
	2,133	2,661

The directors have proposed a final dividend for FY25 of 1.30p per share to be paid on 24 July 2026.

10. Property, plant and equipment

Group	Freehold property	Right-of-use property	Leasehold building Improvements	Right-of-use equipment	Equipment, fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net book value						
At 1 January 2024	4,736	727	14	790	2,680	8,947
Cost						
At 1 January 2024	5,271	2,056	289	1,703	7,158	16,477
Additions	-	228	3	178	1,418	1,827
Acquisitions	-	410	-	108	588	1,106
Disposals	-	(844)		(320)	(216)	(1,380)
Exchange adjustments	-	-	(3)	-	(6)	(9)
At 31 December 2024	5,271	1,850	289	1,669	8,942	18,021
Depreciation						
At 1 January 2024	535	1,329	275	913	4,478	7,530
Charge for the year	102	803	-	377	1,892	3,174
Disposals	-	(844)		(320)	(214)	(1,378)
Exchange adjustments	-	-	(3)	-	(4)	(7)
At 31 December 2024	637	1,288	272	970	6,152	9,319
Net book value						
At 31 December 2024	4,634	562	17	699	2,790	8,702
Cost						
At 1 January 2025	5,271	1,850	289	1,669	8,942	18,021
Additions	-	142	-	3,837	2,478	6,457
Disposals	-	(144)	-	(1,458)	(1,036)	(2,638)
Exchange adjustments	-	-	(32)	-	(59)	(91)
At 31 December 2025	5,271	1,848	257	4,048	10,325	21,749
Depreciation						
At 1 January 2025	637	1,288	272	970	6,152	9,319
Charge for the year	102	226	1	1,168	2,020	3,517
Disposals	-	(144)	-	(1,458)	(1,034)	(2,636)
Exchange adjustments	-	-	(31)	-	(48)	(79)
At 31 December 2025	739	1,370	242	680	7,090	10,121
Net book value						
At 31 December 2025	4,532	478	15	3,368	3,235	11,628

Company	Freehold property
	£'000
Cost	
At 31 December 2024 and 2025	4,965
Accumulated depreciation	
At 31 December 2024	331
Charge for the year	102
At 31 December 2025	433
Net book value	
At 31 December 2025	4,532
At 31 December 2024	4,634

11. Intangible assets

	Goodwill	Customer relationships	Technology – business combinations	Brands	Total business combination assets	Developed technology	Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net book value								
At 1 January 2024	54,291	12,349	2,951	1,774	71,365	4,438	425	76,228
Cost								
At 1 January 2024	54,291	18,186	6,868	2,711	82,056	7,254	864	90,174
Additions	-	-	-	-	-	2,678	87	2,765
Acquisitions (note 27)	5,902	1,837	1,552	319	9,610	-	-	9,610
At 31 December 2024	60,193	20,023	8,420	3,030	91,666	9,932	951	102,549
Amortisation								
At 1 January 2024	-	5,837	3,917	937	10,691	2,816	439	13,946
Charge for the year	-	1,376	1,164	284	2,824	1,725	140	4,689
At 31 December 2024	-	7,213	5,081	1,221	13,515	4,541	579	18,635
Net book value								
At 31 December 2024	60,193	12,810	3,339	1,809	78,151	5,391	372	83,914
Cost								
At 1 January 2025	60,193	20,023	8,420	3,030	91,666	9,932	951	102,549
Additions	-	-	-	-	-	2,653	130	2,783
Exchange adjustments	-	-	-	-	-	-	(2)	(2)
At 31 December 2025	60,193	20,023	8,420	3,030	91,666	12,585	1,079	105,330
Amortisation								
At 1 January 2025	-	7,213	5,081	1,221	13,515	4,541	579	18,635
Charge for the year	-	1,380	1,000	288	2,668	2,235	121	5,024
Exchange adjustments	-	-	-	-	-	-	(2)	(2)
At 31 December 2025	-	8,593	6,081	1,509	16,183	6,776	698	23,657
Net book value								
At 31 December 2025	60,193	11,430	2,339	1,521	75,483	5,809	381	81,673

All the goodwill is now considered to relate to the Microlise cash generating unit, following integration of acquired businesses into Microlise Limited as explained in note 1 above.

The Group tests goodwill annually for impairment, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Microlise carrying value is assessed for impairment purposes by calculating the value in use using the net present value (NPV) of future cash flows discounted at a post-tax rate of 12.8% (2024: 12.7%).

The Microlise goodwill has been tested by reference to a 3 year management approved forecast with a 2% long term growth rate considered applicable to the UK market applied to the terminal period. Where general inflation assumptions have been required, these have been estimated based on externally sourced data. General inflation assumptions of 2% to 3% have been included in the forecast.

No impairment is indicated although they are sensitive to forecast increases in EBITDA. Whilst the business did not meet the FY25 forecast used in the prior year test significant cost reductions have been implemented that underpin future forecasts. The Microlise NPV including all group trade for the 2025 test exceeds carrying values by £16m (2024: £25m) with the decrease reflecting a small reduction in projected net margins. The post-tax discount rate would need to increase from 12.8% to 16.0% in order for the cash generating unit's recoverable amount to be equal to its carrying amount. The long term growth rate would need to reduce from a growth rate of 2% to a contraction rate of 2.2% in order for the cash generating unit's recoverable amount to be equal to its carrying amount.

12. Investments and loan receivables

Group	Associate £'000
At 1 January 2024	1,593
Share of loss for the year	(229)
At 31 December 2024	1,364
Conversion of convertible loan	1,230
Disposal of interest in associate	(2,594)
At 31 December 2025	-

Company	Subsidiary undertakings £'000	Associate £'000	Total £'000
At 1 January 2024	81,455	1,550	83,005
Additions	11,436	-	11,436
Additions – fair value of share options held by subsidiary company employees	728	-	728
Increase in fair value	-	(1,075)	(1,075)
At 31 December 2024	93,619	475	94,094
Additions – fair value of share options held by subsidiary company employees	401	-	401
Conversion of convertible loan	-	1,230	1,230
Disposals	-	(1,705)	(1,705)
At 31 December 2025	94,020	-	94,020

Subsidiary undertaking	Principal activity	Class of shares held	% share holding
Microlise Limited	Transport management technology solutions	Ordinary	100%
Microlise Holdings Limited	Intermediate holding company	Ordinary	100%
Microlise Engineering Limited	Non trading company	Ordinary	100%
TruTac Limited	Dormant company	Ordinary	100%
Enterprise Software Solutions Limited	Dormant company	Ordinary	100%
Microlise Pty Limited (Australia)	Transport management technology solutions	Ordinary	100%
Microlise SAS (France)	Transport management technology solutions	Ordinary	100%
Microlise Telematics Private Limited (India)	Transport management technology solutions	Ordinary	100%
Microlise India Private Ltd	Non trading company	Ordinary	100%

All the UK subsidiary companies are registered in England at the same registered office as the Company. Microlise Pty Limited is registered at Level 1, 20 Albert Street, Blackburn, Victoria, 3130 Australia, Microlise SAS at Les Hauts de la Duranne, 505 Avenue Galilee, 13290 Aix-en-Provence, France, Microlise Telematics Private Limited and Microlise India Private Limited at 4th Floor, Pride Accord, Baner Road, Pune, 411045, India.

The Group agrees to guarantee the liabilities of Microlise Engineering Limited (02211125), TruTac Limited (02521511) and Enterprise Software Systems Limited (03374336) thereby allowing them to take exemption from having an audit under section 479A of the Companies Act 2006.

Investments in associates consisted of a 20% holding in Trakm8 Holdings plc acquired on 22 December 2018 and measured in accordance with the accounting policy. The company was listed on AIM and at 31 December 2024 the market value of the shareholding was £0.475m. The shareholding was sold 9 July 2025 as part of a recommended cash acquisition of Trakm8 Holdings plc by Brilliant UK Limited at an acquisition price of 9.5 pence per share and Trakm8 Holdings plc delisted 10 July 2025. The Group received disposal proceeds of £2,180,000 and recognised a loss on disposal of £414,000.

The primary business of Trakm8 Holdings plc is the development, manufacture, distribution and sale of telematics devices, services and optimisation solutions. The principal place of business is 4 Roman Park, Roman Way, Coleshill, Birmingham, West Midlands, B46 1HG.

The Group also has an interest of £1 in a jointly controlled not for profit community investment company, Road to Logistics C.I.C. This had commenced activity funded by a government grant and incurs neither a profit nor a loss. The principal place of business is Access House, Halesfield 17, Telford, England, TF7 4PW.

Summarised financial information (material associates)

Trakm8 Holdings plc

Trakm8 Holdings plc has a year end of 31 March, and the summarised financial information disclosed was based on their published annual statements to 31 March 2024 together with unaudited interim financial statements to 30 September 2024, prepared under IFRS.

	30 September 2024
	£'000
Assets – non-current	27,260
Assets – current	7,168
Liability – non-current	(2,549)
Liability – current	(13,789)
Net assets (100%)	18,090
Group share of book net assets (20%)	3,618

The differing carrying value above reflects the equity accounting policy applied.

	Year ended 30 September 2024
	£'000
Revenues	15,863
Loss from continuing operations	(1,180)
Other comprehensive income	13
Total comprehensive expense	(1,167)

The Company also advanced £1,000,000 to Trakm8 Holdings plc in September 2022. This was a convertible loan bearing interest at 18% (2024: 18%) which was converted 9 July 2025 at a conversion rate of 8.1 pence per share as part of the cash acquisition of Trakm8 Holdings plc by Brilliant UK Limited. The Group and Company recognised a gain on conversion of £181,000.

Group and company	£'000
At 31 December 2024	1,000
Interest accrued	49
Converted in year	(1,049)
At 31 December 2025	-

13. Inventories

Group	31 December 2025	31 December 2024
	£'000	£'000
Raw materials and consumables	896	1,853
Work in progress	20	20
Finished goods and goods for resale	1,837	1,339
	2,753	3,212

An impairment loss of £122,000 in respect of inventory was recorded in the year ended 31 December 2025 (2024: £17,000).

14. Trade and other receivables

	Group		Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	£'000	£'000	£'000	£'000
Current				
Trade receivables	10,206	16,232	-	-
Provision for impairment of trade receivables	(417)	(276)	-	-
Trade receivables net	9,789	15,956	-	-
Contract cost assets	2,174	2,579	-	-
Other receivables	414	166	-	-
Prepayments	3,613	2,403	375	51
Total	15,990	21,104	375	51
Non-current				
Trade receivables	91	113	-	-
Contract cost assets	2,905	3,088	-	-
Total	2,996	3,201	-	-
Total	18,986	24,305	375	51

Analysis of expected credit losses is included in note 20.

The movements in Group contract related balances in the year are as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Contract cost assets	£'000	£'000
Opening balance	5,667	3,919
Amortised to income statement	(4,129)	(1,425)
Incurred in the year	3,541	3,173
Closing balance	5,079	5,667

15. Cash and cash equivalents

	Group		Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	16,743	11,401	229	55

16. Lease liabilities

	Group		Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	£'000	£'000	£'000	£'000
Current	1,188	809	-	-
Non-current	2,689	500	-	-
Total	3,877	1,309	-	-

Leases

The group has entered into lease contracts in respect of property in the jurisdictions from which it operates, use of data centres and vehicles which are typically for terms of 3 to 5 years. In respect of data centre contracts there are options to extend the initial period with these factored into the liabilities where the group plans to use these for a longer period. For property leases, it is customary for lease contracts to be reset periodically to market rental rates. Leases of equipment, data centre usage and vehicles comprise only fixed payments over the lease terms.

Right of use assets, additions and amortisation are included in note 10. Interest expenses relating to lease liabilities are included in note 6.

Other amounts relating to leases were as follows:

	31 December 2025	31 December 2024
	£'000	£'000
Short term lease expense	298	317
Total cash outflow for leases	1,589	1,284

The maturity of lease liabilities at 31 December 2025 were as follows:

	Property	Equipment and vehicles	Total
	£'000	£'000	£000
Within 1 year	240	948	1,188
1-2 years	122	927	1,049
2-5 years	141	1,499	1,640
Total	503	3,374	3,877

The maturity of lease liabilities at 31 December 2024 were as follows:

	Property	Equipment and vehicles	Total
	£'000	£'000	£000
Within 1 year	298	511	809
1-2 years	132	80	212
2-5 years	267	21	288
Total	697	612	1,309

17. Trade and other payables

	Group		Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	£'000	£'000	£'000	£'000
Current				
Trade payables	3,463	3,798	246	12
Taxation and social security	2,843	3,208	38	35
Amounts owed to group undertakings		-	23,255	22,166
Other payables	914	874	7	4
Accruals	7,136	5,827	359	1,094
Contract liabilities	20,791	22,702	-	-
Total	35,147	36,409	23,905	23,311
Non-current				
Contract liabilities	17,742	16,051	-	-
Total	17,742	16,051	-	-
Total	52,889	52,460	23,905	23,311

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. Contract liabilities relates principally to service income received in advance. The timing of recognition of Group contract liabilities are as follows:

	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	Total
At 31 December 2025	£'000	£'000	£'000	£'000	£'000	£'000
Contract liabilities	20,791	7,312	5,644	3,654	1,132	38,533
At 31 December 2024	£'000	£'000	£'000	£'000	£'000	£'000
Contract liabilities	22,702	7,584	4,191	3,033	1,243	38,753

The movements in Group contract related balances in the year are as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
Revenue related contract liabilities		
Opening balance	(38,753)	(34,482)
Invoiced in the year	(52,697)	(52,089)
Recognised as revenue in the year	52,917	47,818
Closing balance	(38,533)	(38,753)

18. Deferred tax assets and liabilities

Deferred tax assets/(liabilities) are as follows:

Group	Intangible assets	Accelerated capital allowances	Freehold property	Tax losses	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2024	(5,334)	(475)	(1,113)	884	416	(5,622)
On acquisition	(927)	(147)	-	-	-	(1,074)
RDEC credit carried forward	-	-	-	-	99	99
Foreign exchange movement	-	-	-	-	(4)	(4)
Credit/(charge) for the year	911	88	27	(460)	(79)	487
At 31 December 2024	(5,350)	(534)	(1,086)	424	432	(6,114)
RDEC credit carried forward	-	-	-	-	3	3
Foreign exchange movement	-	-	-	-	(10)	(10)
Credit/(charge) for the year	1,059	(146)	25	(341)	60	657
At 31 December 2025	(4,291)	(680)	(1,061)	83	485	(5,464)

Company	Other £'000
At 31 December 2024	1
Credit for the year	1
At 31 December 2025	2

Deferred tax has been recognised at a rate of 25% (2024: 25%).

19. Provisions

Group	£'000
At 31 December 2023	-
Charge for the year	2,862
At 31 December 2024	2,862
Utilised in the year	(251)
At 31 December 2025	2,611

As explained in note 2, the provisions arose as a result of a cyber-attack incident in October 2024 which impacted customer services. The amount provided for, represents an estimate based on the claims submitted by customers for consequential losses from the disruption caused during the time services were not available to them. It is expected to be settled within the next year.

The provision includes uncertainties around the amounts that certain claims will be settled at, based on the nature of the claim, the contractual arrangement and the evidence provided to support the claim. Independent legal advice has been sought to estimate the most likely outcome of the claim by applying a probability factor. A 5% increase in the probability factor applied would increase the provision recognised by £174,000.

A related contingent asset for insurance income has been disclosed in note 25. It is expected that the insurance proceeds will largely meet the liability and which is recognised as other income as claims are settled by the insurer.

20. Financial Instruments

Financial risk management

The determination of financial risk management policies and the treasury function is managed by the CFO. Policies are set to reduce risk as far as possible without unduly affecting the operating effectiveness of the Group.

The Group's activities expose it to a variety of financial risks, the most significant being credit risk, liquidity risk and interest rate risk together with a degree of foreign currency risk as discussed below.

Categories of financial instruments

The Group has the below categories of financial instruments:

	31 December 2025	31 December 2024
Recognised at amortised cost	£'000	£'000
Cash and bank balances	16,743	11,401
Trade receivables - net	9,880	16,069
Other receivables	414	1,166
Total financial assets	27,037	28,636
Trade payables	3,463	3,798
Other payables	8,050	6,701
Lease liabilities	3,877	1,309
Provisions	2,611	2,862
Total financial liabilities	18,001	14,670

There were no assets or liabilities at 31 December 2025 or 2024 that were recognised and measured at fair value in the historical financial information.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss for the Group. Financial instruments, which potentially subject the Group to concentration of credit risk, consist primarily of cash and cash equivalents and trade accounts receivable including accrued income.

The Group places its cash and cash equivalents with major financial institutions, which management assesses to be of high-credit quality in order to limit the exposure of each cash deposit to a minimal level.

Trade receivables

Trade accounts receivable are derived primarily from non-recurring hardware sales and monthly service income and generally have 30-60 day terms. With the exception of one large customer who accounts for 28% (2024: 22%) of the trade receivable invoiced balance, credit risk with respect to accounts receivable is dispersed due to the large number of customers. Collateral is not required for accounts receivable. The credit worthiness of customers with balances in

trade receivables not yet due has been assessed as high.

The aging of past due trade receivables according to their original due date is detailed below:

	31 December 2025	31 December 2024
	£'000	£'000
Past due		
0-60 days	3,006	4,295
60-120 days	353	788
121+ days	2,461	1,132
Expected credit loss provision	(417)	(276)
Total	5,403	5,939

A majority of the expected credit loss provision relates to balances that are more than 120 days overdue. The expected credit loss on balances less than 120 days is immaterial. A substantial majority of the overdue debt has been collected since the period end date with the unprovided amounts considered to be collectible.

The expected credit loss provision relates to specific customers based on credit information available at the year end.

A lifetime expected loss provision has been assessed on the remaining balance of trade receivables based on historical credit losses across the customer base and this is considered immaterial.

At each of the Statement of Financial Position dates, a portion of the trade receivables were impaired and provided for. The movement in the provision for trade receivables in each of the periods is as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	£'000	£'000
At start of year	276	457
Provision charged	225	-
Utilised	(84)	(181)
At year end	417	276

Other receivables are considered to bear similar risks to trade receivables or are owed by government bodies. Hence any expected credit loss on other financial assets is considered to be immaterial.

Liquidity risk

The Group now funds its business through equity and from cash generated from operations and also has a £10m undrawn working capital facility available. The Group monitors and manages cash to mitigate any liquidity risk it may face. The following table shows the Group's contractual maturities of financial liabilities based on undiscounted cash flows including interest charges and the earliest date on which the Group is obliged to make repayment:

	Less than one year	1-2 years	2-5 years	Total
At 31 December 2025	£'000	£'000	£'000	£'000
Trade and other payables	11,375	-	-	11,375
Lease liabilities	1,434	1,215	1,766	4,415
Total	12,809	1,215	1,766	15,790

	Less than one year	1-2 years	2-5 years	Total
At 31 December 2024	£'000	£'000	£'000	£'000
Trade and other payables	10,495	-	-	10,495
Lease liabilities	892	241	291	1,424
Total	11,387	241	291	11,919

Interest rate risk

There are no borrowings or liabilities subject to variable interest rates.

Currency risk

The Group operates predominantly in the UK with sterling being its functional currency and has a degree of exposure to foreign currency risk, with this spread across income and expenses in Euros, US dollars and Australian dollars for sales and purchasing operations together with an outflow only of Indian rupees for the costs of development and operational support activity. The impact of a 10% fluctuation in all foreign exchange rates moving in the same direction against GBP has been assessed to be an overall impact of up to £200,000 which would be mitigated by some matching of income and expenses.

The net exposure to the dollar is offset by significant purchases made in dollars. The net underlying foreign currency balances, comprising overseas assets and liabilities, cash, receivables and payables in the UK, in the Group statement of financial position by underlying currency at the period end were:

	USD £'000	Euro £'000	AUD £'000	INR £'000	Total £'000
At 31 December 2025	424	537	489	467	1,917
At 31 December 2024	189	512	84	433	1,218

Capital management

The Group's capital comprises share capital, share premium and retained earnings. The Group's objectives when maintaining capital are:

To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of shareholders equity as set out in the consolidated statement of changes in equity. The longer-term funding requirements for acquisitions were financed from cash reserves and term bank debt which was fully repaid from the equity proceeds on listing. All working capital requirements are financed from existing cash resources.

The Group sets the amount of capital it requires in proportion to risk in conjunction with the retained earnings. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

21. Pensions

Defined contributions pension scheme

The group operates a number of defined contribution pension schemes. Contributions totaling £429,000 (2024: £347,000) were included in payables and due to the defined contribution schemes at the end of the year. The total contributions are disclosed in note 4.

22. Share capital

Group and Company	At 31 December 2025 £	At 31 December 2024 £
Allotted, called up and fully paid		
115,945,956 ordinary shares of £0.001 each	115,946	115,946

All shares rank equally in respect of income and capital distributions.

23. Share based payments

Options	Weighted average exercise price	Number
At 1 January 2024	£0.38	3,701,974
Granted in the year	£0.11	1,534,959
Lapsed in the year	£0.08	(960,118)
At 31 December 2024	£0.35	4,276,815
Granted in the year	£0.00	1,452,472
Lapsed in the year	£0.12	(1,953,113)
At 31 December 2025	£0.34	3,776,174

The Company grants share options under both an executive long term incentive plan scheme, typically at an exercise price of £0.001 per option and also to employees at an exercise price equal to the market price at date of grant which has been £1.48 and £1.54 for the two tranches granted to date. 1,297,550 of the options relating to the general employee scheme were exercisable as of 31 December 2025.

The Company granted 1,430,342 options on 11 March 2024 to executive employees at an exercise price of £0.001 per share. They are exercisable from 31 December 2026 with 10% subject to carbon reduction targets and 90% subject to a Total Shareholder Return condition for the three years from 1 January 2024 of a minimum of a median growth in the share price compared to a comparator group up to highest growth in the group for 100% to be exercised. The fair value of the carbon reduction target options has been assessed at an average fair value of £1.19 per option using a Black Scholes model and the TSR options at £0.78 using a Monte Carlo model, both applying a volatility of 46%, risk free rates of 4.20% and a dividend yield of 1.51%

104,617 options were granted to employees on 16 May 2024 at an exercise price of £1.54 subject to a 3 year vesting period only. The fair value was assessed as £0.49 per option using a Black Scholes model with a volatility of 45%, risk free rates of 4.10% and a dividend yield of 1.51%.

The Company granted 1,452,472 options on 19 June 2025 to executive employees at an exercise price of £0.001 per share. They are exercisable from 31 December 2027, subject to a holding period of 2 years, with 10% subject to carbon reduction targets, 45% subject to an earnings per share target and 45% subject to a Total Shareholder Return condition for the three years from 1 January 2025 of a minimum of 8% annual growth in the share price up to an 18% return for 100% to be exercised. The fair value of the carbon reduction target options and the earnings per share condition options have been assessed at an average fair value of £0.91 per option using a Black Scholes model and the TSR options at £0.49 per option using a Monte Carlo model, applying a volatility of 44.7%, risk free rates of 3.9% and a dividend yield of 1.76%

The average vesting period for all options is estimated at 3 years and the share based payment charge was £698,000 for the year (2024: £975,000). The weighted average remaining vesting period is 1.5 years (2024: 1.0 year).

24. Capital commitments

The Group had capital commitments contracted but not provided for of £438,000 at 31 December 2025 (2024: £25,000). The company had no capital commitments (2024: £nil).

25. Contingencies

As disclosed in note 2, the Group was the target of a cyber-attack in 2024. Investigations to date have identified that some limited employee data and corporate data was impacted by the incident, but no customer systems data was compromised. Discussions with the Information Commissioner's Office (ICO) have concluded and they have closed their investigation with no penalties arising but is subject to new information coming to light and/or identification that there has been detriment to any data subjects. The potential impact on the Group of any future customer claims arising are still subject to a number of significant uncertainties and therefore, any assessment of the likely outcome or quantum cannot be made at the date of disclosure. In 2024, the Group incurred exceptional costs for professional and related fees in respect of managing the technical restoration of services and provided for customer claims. The Group considers that its related insurance policies cover these liabilities and that it is likely to be reimbursed a materially similar amount of income in due course once the insurance claims are evaluated and processed. Confirmation that the policies cover the circumstances was received during the period. Insurance proceeds are not considered virtually certain until point of receipt and therefore determined to be a contingent asset for the purpose of these financial statements and assets only recognised in the financial period when specific claims are accepted by insurers.

26. Related party transactions

The remuneration of key management personnel and directors is set out in note 4 and transactions with the former associate in note 12.

27. Business combinations

Prior year combination

On 10 January 2024, the group acquired 100% of Enterprise Software Systems Limited ('ESS'), a leading provider of transportation management system solutions. The acquisition is expected to further expand Microlise's suite of transport technology solutions. The total consideration of £11,436,000 included £850,000 of deferred consideration paid six months after the date of acquisition. The acquisition was funded from the Group's cash resources and the identifiable assets acquired included £4,373,000 of cash of which £3,500,000 was considered to be excess cash. The goodwill arising of £5,902,000 is attributable to the workforce, synergies and expected future growth in customers and earnings. The transaction has been accounted for under the purchase method of accounting. The principal adjustments are in respect of the intangible fixed assets of £3,708,000 acquired in relation to the brand, technology and customer relationships, together with the related deferred taxation liability of £927,000.

The brand acquired is valued at £319,000 on a relief from royalty method and with a deemed useful life of 3 years and technology acquired is valued at £1,552,000, valued on a cost savings method with a deemed useful life of 5 years. Customer relationships have been valued at £1,837,000 using a multi-period excess earnings method approach, with a useful life of 10 years assumed in line with the existing trends.

Synergies are expected to arise by combining the management of operations and providing a broader service offering to all Group customers with the trade and assets of ESS transferred to Microlise Limited on 31 May 2024 and as such it is not possible to separately identify the post acquisition results. Had ESS been consolidated from 1 January 2024, the additional contribution to results from 10 days trading would have been negligible.

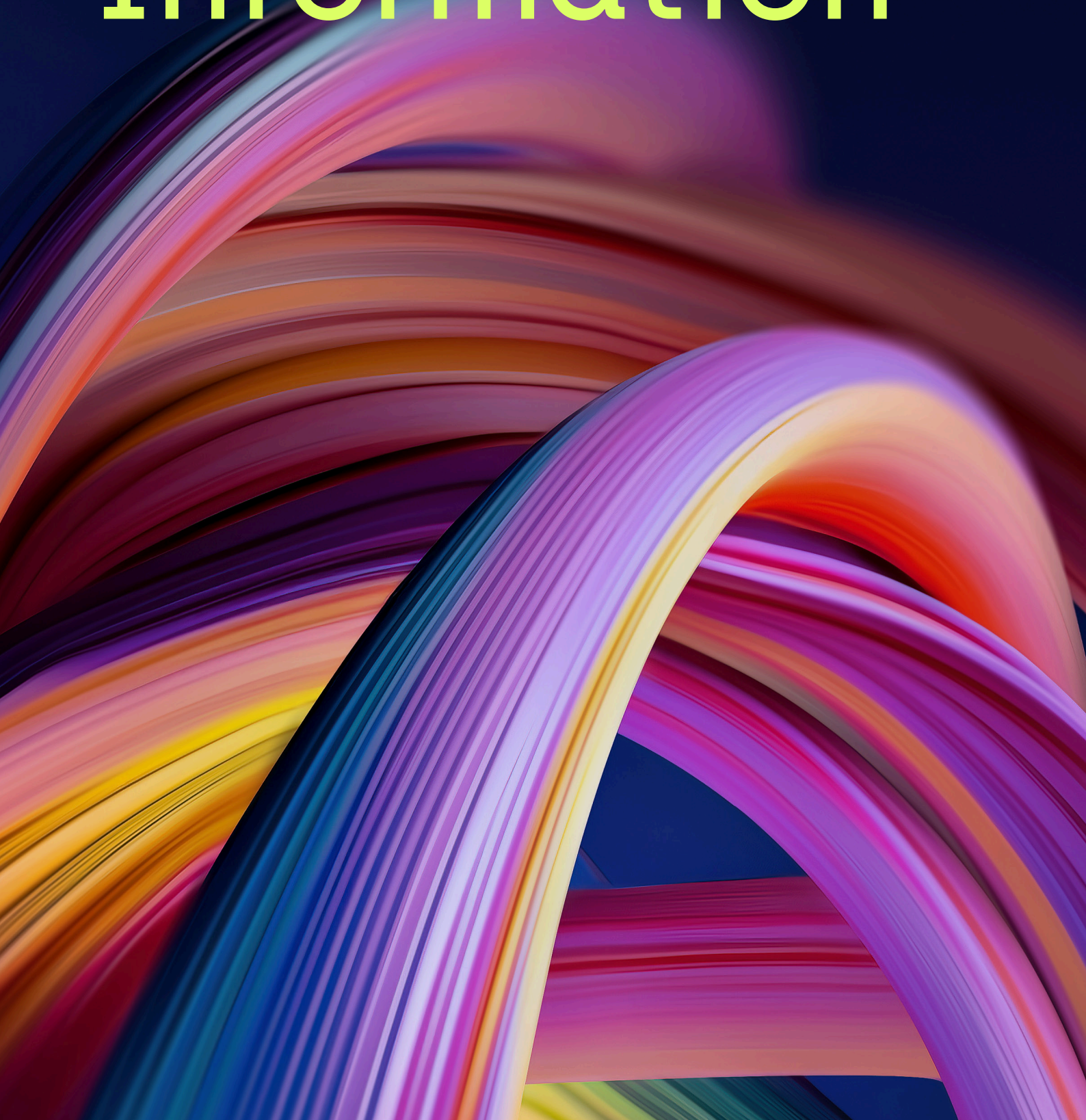
The fair value of the assets and liabilities acquired were as follows:

	Book value £'000	Fair value adjustments £'000	Fair value £'000
Intangible assets – customer, tradename, technology	-	3,708	3,708
Property, plant and equipment	1,106	-	1,106
Cash and cash equivalents	4,373	-	4,373
Receivables	1,032	-	1,032
Payables	(3,043)	-	(3,043)
Lease liabilities	(500)	-	(500)
Corporation tax	(68)	-	(68)
Deferred tax	(147)	(927)	(1,074)
			5,534
Goodwill			5,902
Cash consideration paid in the year			11,436

The cash outflow, net of cash acquired, at the date of acquisition was £6,295,000 with £850,000 of deferred consideration payable in January 2025. The deferred consideration has not been discounted on the basis of materiality.

Acquisition costs of £0.3m were incurred relating to the acquisition with £0.2m incurred and expensed in the year ended 31 December 2023 and £0.1m in the year ended 31 December 2024. Other than the acquisition costs the acquisition was not included in the reported results for the year ended 31 December 2023.

Company Information



Notice of AGM

The AGM will be held at Microlise's head office at 09:00 on 24th June 2026.

There will be an option to join. The notice of the AGM is available on the Group's website and sets out the business of the meeting and an explanatory note. In line with good governance, voting on all resolutions at this year's AGM will be conducted by way of a poll. Should a shareholder have a question that they would have raised at the meeting, they are able to send this by email to microlise@secnewgate.co.uk.

Answers to questions will be published on the website following the AGM.

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