

RNS Number : 8555W
Shearwater Group PLC
17 March 2026

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This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 (as amended), which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018. Upon publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Shearwater Group plc
("Shearwater", or the "Group")

Interim Results

Strong revenue growth and confidence in H2 delivery

Shearwater Group plc, the cybersecurity, advisory and managed security services group, announces its unaudited interim results for the six months ended 31 December 2025.

Financial Highlights

- Revenue of £14.0m, an increase of 31% on the equivalent period in the prior year (Jul to Dec FY25 (restated): £10.7m) and an increase of 24% on the reported FY25 interim result (Apr to Sep FY25: £11.3m), reflecting organic growth and ongoing revenue from FY25 contract wins
- Adjusted EBITDA profit of £0.0m (Jul to Dec FY25 (restated): £0.1m profit) and reported loss for FY25 H1 of £0.4m
- Adjusted administrative expenses of £2.9m, down 6% on equivalent period in prior year (Jul to Dec FY25: £3.0m) reflecting successful cost reduction initiatives and restructuring implemented in FY25
- Cash and cash equivalents of £2.2m, negatively impacted by short term timing of project cash flow, with one material contract outflow unwound on 20 January 2026. Adjusting for this, the balance would have been £3.7m (31 Dec 2024: £3.6m).

Operational Highlights

- Strong Services momentum, underpinned by continued demand from blue-chip customers across Telecommunications, Financial Services and Government
- Material Services contract wins and expansions, including a £7.3m extension with a leading mobile network operator, expansion with a Central Government department
- Return to profitability in the Pentest business, following restructuring actions in FY25
- Continued demand for on-premise software solutions, particularly from customers in highly regulated sectors
- Positive start to H2, with £9m renewal and extension with a global financial organisation delivered shortly following period end.

Board Update

- Robin Southwell appointed as Chair, effective from 1 February 2026.

Outlook

- Strong pipeline supported by continued Services momentum, with H2 contract wins already secured and which align to the peak of the sales cycle
- Margin improvement expected in H2 as new solutions are delivered
- Board remains confident of delivery of full-year performance in line with market expectations.

¹ Adjusted EBITDA is defined as profit before tax, before one off exceptional items, share based payment charges, finance charges, impairment of intangible assets, depreciation and amortisation.

² Adjusted Loss Before Tax defined as net profit before tax, exceptional items, share based payments and amortisation of acquired intangible assets.

Phil Higgins, Group CEO commented: *"The first half of FY26 represents a period of continued progress for the Group, with good revenue growth and improving operational performance. We continue to see robust demand from customers operating in high threat environments, particularly across Telecommunications, Financial Services and Government, where cyber security remains a critical strategic priority.*

"Our Services business delivered strong momentum during the period, supported by material multi-year contract wins and a return to profitability in the Pentest business following the actions taken in FY25. At the same time, we have continued to invest in our software portfolio, with notable customer expansions, reinforcing our confidence in its medium-term potential.

"Against a favourable and growing cyber security market backdrop, we enter the second half with a strong pipeline of opportunities. With recent contract wins and margin improvement expected as new solutions are delivered, we remain confident in our ability to deliver improved performance in H2 and to meet our FY26 market expectations."

Investor Presentation

Shearwater Group's CEO, Phil Higgins and CFO, Jonathan Hall, will host an investor presentation via the Investor Meet Company platform at 12pm today (Tuesday, 17 March 2026).

Investors can sign up to Investor Meet Company for free and add to meet Shearwater Group via: <https://www.investormeetcompany.com/shearwater-group-plc/register-investor>

A video interview with Phil Higgins, CEO, and Jonathan Hall, CFO, is available to view here: <http://www.voxmarkets.com/articles/interview-with-shearwater-group-c2e6219>

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About Shearwater Group plc

Shearwater Group plc is an award-winning group providing cyber security, managed security and professional advisory solutions to create a safer online environment for organisations and their end users.

The Group's differentiated full service offering spans identity and access management and data security, cybersecurity solutions and managed security services, and security governance, risk and compliance. Its growth strategy is focused on building a scalable group that caters to the entire spectrum of cyber security and managed security needs, through a focused buy and build approach.

The Group is headquartered in the UK, serving customers globally across a broad spectrum of industries.

Shearwater shares are listed on the London Stock Exchange's AIM under the ticker "SWG". For more information, please visit www.shearwatergroup.com.

Chief Executive's Review

Overview

We are pleased to report a positive start to the year. Results for the first half of FY26 are in line with expectations and we are on track to deliver full-year performance in line with market guidance, which would represent a second consecutive year of strong growth in both revenue and underlying profitability.

Revenue for the period increased by 31% compared to the equivalent period in the prior year (restated in line with our revised revenue recognition policy). This growth was underpinned by a 37% uplift in revenue from our Services business, which accounted for 92% of total revenue in the period.

Our continued selection by many of the UK's most high-profile organisations, most notably in the Telecommunications and Financial Services sectors, and across multiple branches of HM Government, again underscores the value placed on our expertise, track record, and proprietary technologies in an increasingly complex threat environment.

Revenue growth in the period reflected not only organic growth but the impact of changes to our accounting policies announced in 2025 and also business mix, as outlined in greater detail in the Chief Financial Officer's report. Accordingly, reported profitability at the EBITDA level remained similar to the equivalent period (as restated) in 2025.

As we look ahead to the second half of the year, typically our strongest, we have a rich pipeline of opportunities. Since the start of H2, I have been pleased to be able to announce:

- A £9m contract renewal and expansion, with a major global financial organisation for the provision of Advanced Email Gateway and Insider Threat Management arrangements
- A £1.3m contract with a major UK telco to supply and install an advanced network monitoring solution

We also continue to work on a number of further material opportunities across both divisions. As a result, we expect both Revenue and EBITDA to improve materially in H2, delivering full-year performance in line with market expectations.

Market Opportunity

Cybersecurity remains a critical strategic imperative for organisations across all sectors, fuelled by a persistent escalation in the volume, complexity, and impact of cyber threats. This sustained demand is driving significant and continued growth in the global cybersecurity market. Industry forecasts predict a Compound Annual Growth Rate (CAGR) of approximately 14% over the next decade, projecting a total market value exceeding \$500 billion in the medium term^[1]. The UK market is similarly robust, forecast to grow at a rate of 10-12%^[2].

Shearwater Group, with its portfolio of established and highly-regarded brands, offers a differentiated, full-service cybersecurity solution. We are well-positioned to capitalise on this substantial market opportunity, leveraging our team's deep expertise, proven delivery record, and strong relationships with a blue-chip customer base. We anticipate benefiting directly from the continued expansion of both the global and UK cybersecurity landscapes.

Services

| | H1 FY26 (unaudited) | H1 FY25 ^[3] (unaudited) | YOY | 15 months to 30 June 2025 |
|------------------------|------------------------|---------------------------------------|-------------|------------------------------|
| | £m | £m | % | £m |
| Revenue | 12.9 | 9.4 | +37% | 37.0 |
| Gross profit | 2.2 | 2.3 | -4% | 8.0 |
| Gross profit margin % | 17% | 24% | | 22% |
| Overheads | (1.8) | (1.8) | | (4.7) |
| Adjusted EBITDA | 0.4 | 0.5 | | 3.3 |
| Adjusted EBITDA % | 3% | 5% | | 9% |

Revenue in the Services segment of the business grew 37% on the equivalent period in the prior year. This was in a large part, driven by the impact of ongoing revenues relating to the provision of cloud-hosted software solutions and oversight of third-party support from contracts delivered in FY25. In part, this reflects the Groups revised revenue recognition policy announced last year regarding cloud-hosted software and third-party support contracts. This change in accounting policy diluted the gross margin during the period to 17%, resulting gross profit of £2.2m down slightly on the equivalent period in the prior year (FY25 H1 restated: £2.3m).

Overheads of £1.8m in the period remain broadly in line with the prior year (FY25 H1 restated: £1.8m), with operational efficiencies delivered through FY25 and the investment in technology including our own proprietary AI solution offsetting the impact of a £0.2m investment in further sales capability, which we expect to benefit the Group in H2 and beyond.

Key contract wins within our Solutions business in the period included:

- A £7.3m contract extension and expansion with a leading mobile network operator for the provision of data security licenses over 3 years, with £3.5m of revenue from this contract expected to impact FY26 results
- A contract extension and expansion with a central Government department, consolidating threat intelligence services for smaller government organisations, with a total contract value of approximately £1m over 3 years.

Our Pentest business delivered premium penetration testing services to more than 60 clients in the period, including globally recognised brands in the technology, financial services and retail sectors, along with a number of public sector bodies. Combined with restructuring activities undertaken during H2 FY25, this returned the Pentest business to operating profitability. During H1 FY26, we won a framework contract with another Government department to deliver specialised web application and infrastructure testing services in support of a significant transformation of its digital infrastructure. This is expected to contribute £0.3m over the next 3 years.

We have benefited during the period from the opportunities created from being part of the G-Cloud 14 portal. During H1 we completed the application process for the G-Cloud 15 portal, which will come into effect in FY27, expanding the number of Shearwater products available to public sector organisations from 32 to 55. This will further increase the potential opportunity from an expected increase in Government investment in cybersecurity over the coming years.

Across all the brands within the Services segment of our business, we continue to be selected by some of the world's leading brands, as a result of the quality of our people, our technology and our proven track record of delivering for our clients.

We enjoy strong relationships with providers of cutting-edge solutions, selecting only the best products to bring to our clients. Our success in doing this is evidenced by the frequency with which these solutions are renewed, often on an expanded basis. With the rate of change in technology and hence the nature of cyber threats, we also constantly monitor the market for new products to deal with the next wave of threats. As a result, we were delighted during the period to add Anzen, a post-quantum-safe data-protection system that anonymises, shards, and securely distributes sensitive data to our portfolio of products.

As we move into the traditionally stronger period of the year in H2, we have a strong pipeline of opportunities. Since the start of the period, I am pleased that we have already been able to announce two further major contract wins.

Our success in winning these contracts, together with the groundwork laid during H1 and an ongoing strong pipeline of opportunities mean that we remain confident in delivering a second year of strong growth in both revenue and EBITDA within our Services business.

Software

| | H1 FY26 (unaudited) | H1 FY25 ¹ (unaudited) | YOY | 15 months to 30 June 2025 |
|------------------------|------------------------|-------------------------------------|-------------|------------------------------|
| | £m | £m | % | £m |
| Revenue | 1.1 | 1.3 | -12% | 2.6 |
| Gross profit | 0.7 | 0.9 | -24% | 1.6 |
| Gross profit margin % | 62% | 72% | | 62% |
| Overheads | -0.3 | -0.4 | | -1.0 |
| Adjusted EBITDA | 0.4 | 0.5 | | 0.6 |
| Adjusted EBITDA % | 36% | 40% | | 23% |

Revenue in H1 FY26 was £1.1m, down 12% from the equivalent period in the prior year (FY25 H1: £1.3m), but 9% up on the pro-rated total for the full year FY25. Cost of sales remained constant period on period at £0.4m. As a result, gross profit for the period was £0.7m (FY25 H1: £0.9m).

Overheads reduced slightly from £0.4m to £0.3m, resulting in an adjusted EBITDA profit for the period of £0.4m (FY25 H1: £0.5m).

We have seen continued interest in product from clients wanting a flexible, on-premise solution, particularly including clients in highly regulated sectors:

- Financial services:
 - o Global international bank committed to extension and expanded user base to 70,000 staff
 - o Major building society onboarded driven by increasing MFA compliance regulations in sector
- Defence:

- o Renewals and contract expansions delivered for suppliers to UK Naval Defence sector and a European supplier to UK defence sector.

Due to the data sovereignty rules, high data security and a related preference for on-premise solutions, directors also see Middle East and West Asia as key areas of opportunity. During H1 a new distributor, AdvanzaTech was secured covering this region.

Board update

On 31 January 2026, after more than a decade with the Company, David Williams stepped down as Chair. He was replaced by existing Non-executive Director Robin Southwell OBE. Robin holds over forty years' experience in the aerospace and defence industry. His roles have included Chief Executive Officer of Airbus UK and Airtanker Ltd, as well as senior positions at BAE Systems. Robin was a DTI Business Ambassador for the UK Government and received his OBE in 1997. Together with the rest of the Board, I am delighted that he has agreed to take on the role of Chair and would like to thank David for everything he has done for the Group.

Current Trading and Outlook

We enter the second half of the year with an increasing level of confidence. Momentum in the Services business remains strong, with new deals progressing through the pipeline across Telecommunications, Financial Services, Government and other regulated sectors.

Margin improvement is expected in H2 as higher-value solutions are delivered and the benefit of recent contract wins feeds through. While revenue visibility in the Software division is lower, post-period end wins in Services mean we have more than £13m of contracted business since the start of H2, which support the delivery of FY26 expectations.

The favourable market dynamics underpin encouraging levels of demand and customer engagement. We are seeing increasing levels of technology and cyber-related investment from customers who are responding both to intensifying regulatory requirements and to several years of under-investment that now need to be addressed, coupled with the accelerated integration of AI across our end markets that increasingly fuels the need for secure systems.

Combined with a strong pipeline, a highly respected portfolio of brands and a robust financial position to facilitate growth, the Board is confident in delivering improved profitability in H2 and achieving full-year expectations.

Philip Higgins
CEO

17 March 2026

Chief Financial Officer's Review

Overview

The six months to 31 December 2025 represent a positive start to FY26, with revenue increasing by 31% to £14.0m compared to the equivalent period last year ^[4]. This growth was primarily driven by a 37% increase in revenue from our Services segment, largely reflecting ongoing revenue from cloud-hosted software and third-party servicing contracts secured in FY25. This component of revenue has a lower margin profile than up-front revenue recognised on the delivery of new solutions. As a result, there was a slight decrease in gross profit to £2.9m (FY25 H1: £3.2m). Further detail on revenue and gross profit performance is provided below.

We delivered a reduction in Adjusted Administrative expenses of £0.2m to £2.9m, achieved through the restructuring activities undertaken in the second half of FY25, and despite a planned £0.2m investment in expanding our Services sales capacity, which is expected to deliver benefits in the second half of FY26 and beyond. This resulted in a small Adjusted EBITDA profit for the period of £0.0m, broadly in line with that in the equivalent period of the prior year (FY25 H1: £0.1m).

The Group has a strong pipeline and we are pleased to have already announced two major contract wins since the period end, underpinning the Board's confidence in achieving our full year expectations, which would represent a second consecutive year of strong revenue and EBITDA growth.

Revenue and Gross Profit

Revenue for the six months to 31 December 2025 totalled £14.0m, representing year-on-year growth of 31%. This was driven by a 37% increase in revenue from our Services business to £12.9m, partially offset by a 12% decline in Software revenue to £1.1m.

As previously disclosed, the Group revised its revenue recognition policy in FY25 to better align with IFRS 16, specifically regarding cloud-hosted software and third-party support contracts. This policy spreads the cost of sales over the contract lifetime and recognises a margin consistent with a standard reseller over the same period. The majority of profit from such contracts, however, continues to be recognised at the point of solution delivery - reflecting the value clients derive from design, procurement, and deployment of a solution. This approach can result in a higher initial margin upon deployment of these solutions, followed by a period of lower-margin recurring revenue.

The FY25 H1 gross margin, restated to reflect the new policy, benefited from the delivery of two significant multi-year cloud-hosted contracts. This, combined with a smaller carry-forward of lower-margin revenue from prior periods following reduced sales in FY23 and FY24, resulted in a Services gross margin of 23.8% for the half year - higher than the full-year FY25 margin of 21.6%.

By contrast, FY26 H1 revenues were primarily comprised of new on-premise solutions in the period, on which revenues and cost of sales are all recognised on delivery, together with revenues brought forward into the period from solutions deployed through FY25.

In total in FY26 H1, the services business delivered £10.0m of new solutions in the period at a gross margin of 21.5%. By contrast in the comparative period £12.0m of new contracts were delivered at an average gross margin of 19.2%.

Revenue in our Software business to £1.1m, representing a 12% decrease on the same period in the prior year, however, representing a 9% increase from pro-rated total across FY25 as a whole. The resulting £0.2m reduction in revenue, resulted in a £0.2m reduction in gross profit also.

Adjusted EBITDA

Adjusted EBITDA profit for the period was £0.0m (£9k) representing a £0.1m reduction on the equivalent period in the prior year (as restated), but a £0.4m improvement on the reported interims for FY25. This result was the net impact of the slight reduction in gross profit outlined above, coupled with a £0.2m reduction in underlying Administrative Expenses, reflecting the impact of cost reduction activities delivered during FY25.

| | H1 FY26 (unaudited) £m | H1 FY25 ¹ (unaudited) £m | YOY % | 15 months to 30 June 2025 £m |
|--|------------------------------|---|-------------|--|
| Revenue | 14.0 | 10.7 | +24% | 39.5 |
| Gross profit | 2.9 | 3.2 | -10% | 9.6 |
| <i>Gross margin (%)</i> | 20% | 30% | | 24% |
| Overheads | (2.9) | (3.1) | -6% | (7.3) |
| Adjusted EBITDA | 0.0 | 0.1 | | 2.2 |
| <i>Adjusted EBITDA margin %</i> | 0% | 1% | | 6% |
| Finance income (net) | 0.1 | 0.0 | | 0.1 |
| Depreciation | (0.1) | (0.1) | | (0.2) |
| Amortisation of intangible assets - computer software | (0.6) | (0.6) | | (1.5) |
| Adjusted loss before tax | (0.6) | (0.5) | | 0.6 |
| Amortisation of acquired intangible assets | (0.7) | (1.1) | | (2.6) |
| Exceptional items & Share-based payments | (0.0) | 0.0 | | (11.4) |
| Loss before tax | (1.3) | (1.6) | | (13.4) |
| Taxation credit | 0.3 | 0.4 | | 1.4 |
| Loss after tax | (1.0) | (1.2) | | (12.0) |

Finance income (net)

Finance income of £0.1m (FY25 H1: £0.0m) reflects interest earned on bank deposits, which more than offset interest charged on capitalised leases. The Group continues to have no long-term debt.

Amortisation and Depreciation

Amortisation and Depreciation in the period consisted of:

- £0.1m of depreciation on tangible fixed assets;
- £0.6m of amortisation of capitalised product development expenditure relating to the Group's proprietary software products; and
- £0.7m of amortisation on acquired intangibles relating to the acquisition of the Group's subsidiary businesses.

The amortisation of acquired intangibles shows a reduction on the comparative period, following an exceptional impairment charge applied in the FY25 full year results.

Loss before tax

The loss before tax of £1.3m (FY25 H1: £1.6m) reflected the £0.1m reduction year-on-year reduction in Adjusted EBITDA, net of the impact of depreciation, amortisation and net finance income.

Taxation

The taxation credit for the period has been calculated at the prevailing rate of 25%. It shows a slight reduction year on year, reflecting a reduction in the deferred tax credit, following the impairment of intangible assets in FY25.

Statement of Cash Flow

The second-half weighted trading performance of the Group typically results in a cash outflow in H1, followed by net receipts in H2. FY26 H1 was no exception, however, in this year the impact was exacerbated by one contract which required payment to the software vendor to be made in December 2025, with the receipt of £1.5m from the customer only arriving on 20 January 2026, shortly following the period end.

This resulted in period-end cash of £2.2m (FY25 H1: £3.6m).

| | 6 months to 30 September | | 12 months to 31 March 2024 |
|--|--------------------------|------------------------|----------------------------------|
| | H1 FY25 (unaudited) | H1 FY24 (unaudited) | |
| | £m | £m | |
| Adjusted EBITDA | 0.0 | 0.1 | 2.2 |
| Movements in working capital and exceptional items | (2.4) | (1.8) | (1.0) |
| Cash used / generated from operations | (2.4) | (1.7) | 1.2 |
| Capital expenditure (net of disposal proceeds) | (0.5) | (0.5) | (1.4) |
| Tax received / (paid) | 0.0 | 0.0 | 0.3 |
| Net finance costs received/ (paid) | 0.1 | 0.1 | 0.1 |
| Payments of lease liabilities | (0.1) | (0.1) | (0.2) |
| Movement in cash | (2.9) | (2.2) | 0.1 |
| Opening cash and cash equivalents | 5.1 | 5.8 | 5.0 |
| Closing cash and cash equivalents | 2.2 | 3.6 | 5.1 |

Alternative performance measures

This review includes alternative performance measures ('APMs') alongside the standard IFRS measures. The Directors believe that alternative measures provide additional relevant information regarding the adjusted performance of the business. APMs are used to enhance the comparability of information between reporting periods by adjusting for one off exceptional and other items that affect the IFRS measure. Consequently, the Directors and management use APM's in addition to IFRS measures to assess the adjusted performance of the business.

Alternative performance measures used include:

§ Adjusted EBITDA

§ Adjusted loss before tax
§ Adjusted loss after tax
§ Adjusted earnings/loss per share

Adjusting items include:

Exceptional items which are one off by their nature such as acquisition costs or re-organisation costs and do not form part of the underlying operational cost of the business.

Share based payment charges awarded from long-term remuneration incentives to certain staff. Despite the plans not having a cash cost to the business, a share-based payment charge is taken to the statement of comprehensive income which the directors believe does not form part of the underlying operating cost of the business.

Amortisation of identified intangible assets acquired as part of an acquisition is charged to the statement of comprehensive income but does not form part of the underlying operating cost of the business.

Principal risks and uncertainties

The Group works to minimise its exposure to operational, financial and other risks, however in pursuit of achieving its growth strategy there will always be an element of risk that needs to be considered. The Group's principal risks and uncertainties, as detailed in the financial statements for the 15-month period ended 30 June 2025, are all still considered to be valid.

Statement of Directors' responsibilities

We confirm that to the best of our knowledge that:

- The condensed interim set of financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the United Kingdom;
- The interim report includes a fair review of information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- The interim report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties transactions and any change therein).

Jonathan Hall

Chief Financial Officer

17 March 2026

Unaudited condensed consolidated statement of comprehensive income

for the 6 months to 31 December 2025

| | | H1 FY 26 | H1 FY25 |
|--|------|--------------|--------------|
| | Note | £m | £m |
| Revenue | 3 | 14.0 | 10.7 |
| Cost of sales | | (11.1) | (7.5) |
| Gross profit | | 2.9 | 3.2 |
| Administrative expenses | | (2.9) | (3.1) |
| Depreciation and amortisation | | (1.4) | (1.7) |
| Total operating costs | | (4.3) | (4.8) |
| Operating loss | | (1.4) | (1.6) |
| Adjusted EBITDA | 3 | 0.0 | 0.1 |
| Depreciation and amortisation | | (1.4) | (1.7) |
| Share-based payments | | - | - |
| Operating loss | | (1.4) | (1.6) |
| Finance income/ (cost) (net) | 4 | 0.1 | 0.1 |
| Loss before taxation | | (1.3) | (1.6) |
| Income tax credit | 5 | 0.3 | 0.4 |
| Loss for the period and attributable to equity holders of the Company | | (1.0) | (1.2) |
| Other comprehensive loss | | | |
| Items that may be classified to profit and loss: | | | |
| Exchange differences on translation of foreign operations | | - | - |
| Total comprehensive loss for the period | | (1.0) | (1.2) |
| (Loss) per ordinary share attributable to the owners of the parent | | £ | £ |
| Basic and diluted (£ per share) | 6 | (0.04) | (0.05) |
| Adjusted basic and diluted (£ per share) | 6 | (0.01) | (0.01) |

Unaudited condensed consolidated statement of financial position

as at 31 December 2025

| | | H1 FY26 | H1 FY25 |
|-------------------------------|------|---------|---------|
| | Note | £m | £m |
| Assets | | | |
| Non-current assets | | | |
| Intangible assets | | 28.1 | 41.0 |
| Property, plant and equipment | | 0.1 | 0.1 |
| Right of use assets | | 0.2 | 0.3 |
| Deferred tax | | 1.3 | 1.3 |

| | | | |
|---|----|---------------|---------------|
| Trade and other receivables | 7 | 5.2 | 2.4 |
| Total non-current assets | | 34.9 | 45.1 |
| Current assets | | | |
| Trade and other receivables | 8 | 15.7 | 17.1 |
| Cash and cash equivalents | | 2.2 | 3.6 |
| Total current assets | | 17.9 | 20.7 |
| Total assets | | 52.8 | 65.8 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 9 | (16.6) | (17.0) |
| Total current liabilities | | (16.6) | (17.0) |
| Non-current liabilities | | | |
| Creditors: amounts falling due after more than one year | 10 | (3.5) | (4.5) |
| Total non-current liabilities | | (3.5) | (4.5) |
| Total liabilities | | (20.1) | (21.5) |
| Net assets | | 32.7 | 44.3 |
| Capital and reserves | | | |
| Share capital | 11 | 22.3 | 22.3 |
| Share premium | | 34.6 | 34.6 |
| Other reserves | | 23.1 | 23.1 |
| Translation reserve | | 0 | 0 |
| Accumulated losses | | (47.3) | (35.7) |
| Total equity | | 32.7 | 44.3 |

Unaudited condensed consolidated statement of changes in equity

as at 31 December 2025

| | Share capital £000 | Share premium £000 | Other reserves £000 | Translation reserve £000 | Accumulated losses £000 | Total Equity £000 |
|---|--------------------------|--------------------------|---------------------------|--------------------------------|-------------------------------|-------------------------|
| At 30 June 2024 (unaudited) | 22.3 | 34.6 | 23.1 | - | (34.5) | 45.5 |
| Loss for the period | - | - | - | - | (1.2) | (1.2) |
| Other comprehensive profit for the period | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | - | (1.2) | (1.2) |
| Contributions by and distributions to owners | | | | | | |
| Share-based payments | - | - | - | - | - | - |
| At 31 Dec 2024 (unaudited) | 22.3 | 34.6 | 23.1 | - | (35.7) | 44.3 |
| Loss for the period | - | - | - | - | (10.6) | (10.6) |
| Other comprehensive loss for the period | - | - | - | - | - | - |
| Expiry of share options | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | - | (10.6) | (10.6) |
| Contributions by and distributions to owners | | | | | | |

| | | | | | | |
|---|-------------|-------------|-------------|---|---------------|--------------|
| Share-based payments | - | - | - | - | - | - |
| At 30 June 2025 (audited) | 22.3 | 34.6 | 23.1 | - | (46.3) | 33.7 |
| Loss for the period | - | - | - | - | (1.0) | (1.0) |
| Other comprehensive profit/loss for the period | - | - | - | - | - | - |
| Total comprehensive profit/loss for the period | - | - | - | - | (1.0) | (1.0) |
| Contributions by and distributions to owners | | | | | | |
| Share-based payments | - | - | - | - | - | - |
| At 31 Dec 2025 (unaudited) | 22.3 | 34.6 | 23.1 | - | (47.3) | 32.7 |

Unaudited condensed consolidated cash flow statement
for the 6 months to 31 December 2025

| | H1 FY26 £m | H1 FY25 £m |
|--|---------------|---------------|
| Cash flows from operating activities | | |
| Loss for the period | (1.0) | (1.2) |
| Adjustments for: | | |
| Amortisation of intangible assets | 1.3 | 1.7 |
| Depreciation of right of use assets | 0.1 | 0.1 |
| Depreciation of property, plant and equipment | - | - |
| Share-based payment charge | - | - |
| Exceptional items | - | - |
| Finance costs | - | - |
| Finance income | (0.1) | (0.1) |
| Income tax | (0.3) | (0.3) |
| Cash flows (used in)/ from operating activities before changes in working capital | 0.0 | 0.1 |
| Decrease/(increase) in trade and other receivables | (5.4) | (8.7) |
| (Decrease)/increase in trade and other payables | 3.0 | 6.9 |
| Cash used in operations | (2.4) | (1.7) |
| Net foreign exchange movements | - | - |
| Finance costs paid | 0.1 | 0.1 |
| Tax received | - | - |
| Net cash used in operating activities before exceptional items | (2.3) | (1.6) |
| Net cash flows on exceptional items | - | - |
| Net cash used in operating activities | (2.3) | (1.6) |
| Investing activities | | |
| Purchase of property, plant and machinery | - | - |
| Purchase of intangibles | (0.5) | (0.5) |
| Net cash used in investing activities | (0.5) | (0.5) |
| Financing activities | | |
| Repayment of lease liabilities | (0.1) | (0.1) |
| Net cash used in financing activities | (0.1) | (0.1) |

| | | |
|---|--------------|--------------|
| Net decrease in cash and cash equivalents | (2.9) | (2.2) |
| Foreign exchange movements on cash and cash equivalents | - | |
| Cash and cash equivalents at the beginning of the period | 5.1 | 5.8 |
| Cash and cash equivalents at the end of the period | 2.2 | 3.6 |

Notes

1. General information

The unaudited interim condensed consolidated financial information was authorised by the board of directors for issue on 25 November 2024. The information for the six-month period ended 30 September 2024 has not been audited and does not constitute statutory accounts as defined in section 434 of the Companies Act 2006, and should therefore be read in conjunction with the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2023, which have been prepared in accordance with UK Adopted International Accounting Standards (IFRS) and filed with the Registrar of Companies. The Independent Auditor's Report on that Annual Report and Financial Statements for 2023 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

a) Basis of preparation

These unaudited interim condensed consolidated financial statements have been prepared on the historical cost accounting basis, in accordance with UK adopted International Accounting Standards ('IFRS') and with those parts of the Companies Act 2006 applicable to companies reported under IFRS and are consistent with those that are expected to be adopted in the annual statutory financial statements for the year ended 31 March 2025.

The interim consolidated financial information does not comply with IAS 34 Interim Financial Reporting, as permissible under the rules of AIM.

b) Going concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of publication of these interim financial statements. Accordingly, they continue to adopt the going concern basis in preparing these consolidated financial statements.

The Directors have reviewed the Group's going concern position taking into account its current business activities, performance to date against budgeted targets and the factors likely to affect its future development which include the Group's strategy, principal risks and uncertainties and its exposure to credit and liquidity risks.

The Directors have reviewed a detailed reforecast of trading which includes a cash flow forecast for a period which covers a period of trading to June 2027 and have challenged the assumptions used to create these forecasts. This forecast demonstrates that the Group is able to pay its debts as they fall due during this period.

The Directors have reviewed a highly sensitised stress test which has factored in what the Directors believe would be an extreme scenario which incorporates a significant reduction in new business revenues across both segments of the Group, a reduction of renewal rates in our software division and a scaling back of revenues within our Services division. Overall, the sensitised cash flow forecast demonstrates that the Group will be able to pay its debts as they fall due for the period to at least 30 June 2027.

c) Critical accounting judgements estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for income and expenses during the year and that affect the amounts reported for assets and liabilities at the reporting date.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Revenue recognition

Management make judgements, estimates and assumptions in determining the revenue recognition of material contracts sold by the Group's Services division. The Group work with large enterprise clients, providing services and solutions to support the clients' needs. In many cases a third-party's products or services will be provided as part of a solution. Management will consider the implications around timing of recognition, with factors such as determining the point control passes to the client and the subsequent fulfilment of the Group's performance obligations. In addition to this management will consider if it is acting as agent or principal.

Impairment of goodwill, intangible assets and investment in subsidiaries

Management make judgements, estimates and assumptions in supporting the fair value of goodwill, intangible assets and investments in subsidiaries. The Group carry out annual impairment reviews to support the fair value of these assets. In doing so management will estimate future growth rates, weighted average cost of capital and terminal values.

Leases

Management make judgements, estimates and assumptions regarding the life of leases. Management continue to review all existing leases, which all relate to office space, and will look to reduce the number of offices across the Group if they are not sufficiently utilised. For this reason management have assumed that the life of leases does not extend past the current contracted expiry date. A judgement has been taken with regard to the incremental borrowing rate based upon the rate at which the Group can borrow money.

3. Segmental information

In accordance with IFRS 8, the Group's operating segments are based on the operating results reviewed by the Board, which represents the chief operating decision maker. The Group reports its results in two segments as this accurately reflects the way the Group is managed.

The Group is organised into two reportable segments based on the types of products and services from which each segment derives its revenue - software and services.

Segment information for the 6 months ended 30 September 2024 is presented below and excludes intersegment revenue, as it is not material, and assets as the Directors do not review assets and liabilities on a segmental basis.

| | Six-month period ended 31 December | | | |
|-----------------------------|---|--------------------|--------------------|--------------------|
| | 2025 | 2025 | 2024 | 2024 |
| | Revenue | Profit | Revenue | Profit |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | £m | £m | £m | £m |
| Services | 12.9 | 2.2 | 9.4 | 2.3 |
| Software | 1.1 | 0.7 | 1.3 | 0.9 |
| Group total | 14.0 | 2.9 | 10.7 | 3.2 |
| Group costs | | (2.9) | | (3.1) |
| Adjusted EBITDA | | (0.0) | | 0.1 |
| Amortisation of intangibles | | (1.3) | | (1.6) |
| Depreciation | | (0.1) | | (0.1) |
| Share-based payments | | - | | - |
| Exceptional items | | - | | - |
| Finance costs (net) | | 0.1 | | 0.1 |
| Loss before tax | | (1.3) | | (1.6) |

The Group is domiciled in the United Kingdom and currently the majority of its revenues come from external customers that are transacted in the United Kingdom. A number of transactions which are transacted from the United Kingdom represent global framework agreements, meaning our services, whilst transacted in the United Kingdom, are delivered globally. The geographical analysis of revenue detailed below is on the basis of country of origin in which the master agreement is held with the customer (where the sale is transacted).

| | Six-month period ended 31 December | |
|-------------------|---|--------------------|
| | 2025 | 2024 |
| | (unaudited) | (unaudited) |
| | £m | £m |
| United Kingdom | 10.9 | 9.4 |
| Rest of Europe | 1.5 | 0.6 |
| North America | 1.5 | 0.6 |
| Rest of the world | 0.1 | 0.1 |
| | 14.0 | 10.7 |

4. Finance costs and income

| | Six-month period ended 31 December | |
|---------------------------------------|---|--------------------|
| | 2025 | 2024 |
| | (unaudited) | (unaudited) |
| | £m | £m |
| Finance costs | | |
| Revolving Credit Facility charges | - | - |
| Interest payable on lease liabilities | - | - |
| | - | - |

Finance income in the period was £79k (H1 FY24: 53k)

5. Income Tax

The tax credit recognised reflects management estimates of the tax for the period and has been calculated using the estimated average tax rate of UK corporation tax for the financial period of 25% (FY24: 25%)

6. (Loss) per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. For diluted loss per share, the weighted average number of shares in issue is adjusted to assume conversion of all the potential dilutive ordinary shares. The potential dilutive shares were anti-dilutive for the six months ended 30 September 2024 and six months ended 30 September 2023 as the Group was loss making.

Adjusted earnings per share has been calculated using adjusted earnings calculated as profit after taxation but before amortisation of acquired intangibles after tax, share based payments, impairment of intangible assets and exceptional items after tax. The potential dilutive shares were anti-dilutive for the six months ended 30 September 2023 as the Group was loss making.

The calculation of the basic and diluted earnings per share from total operations attributable to shareholders is based on the following data:

| | Six-month period ended 31 December | |
|---|---|--------------------|
| | 2025 | 2024 |
| | (unaudited) | (unaudited) |
| | £000 | £000 |
| Net loss from total operations | | |
| Loss for the purposes of basic and diluted loss per share being net loss attributable to shareholders: | (1.0) | (1.2) |
| <i>Add/(remove)</i> | | |
| Amortisation of acquired intangibles (net of tax) | 0.7 | 1.1 |
| Share based payments | - | - |
| Exceptional items (net of tax) | - | - |
| Adjusted earnings for the purpose of adjusted earnings per share | (0.3) | (0.1) |
| Number of shares | No | No |
| Weighted average number of ordinary shares for the purpose of basic and adjusted earnings per share | 23,826,379 | 23,826,379 |
| Weighted average number of ordinary shares for the purpose of basic and adjusted diluted earnings per share | 23,826,379 | 23,826,379 |
| (Loss) per share | £ | £ |
| Basic loss per share | (0.04) | (0.05) |
| Diluted loss per share | (0.04) | (0.05) |
| Adjusted Basic and diluted (loss) per share | (0.01) | (0.01) |

7. Non-current assets: Trade and other receivables

Period ended 31 December
2025 **2024**

| | (unaudited) | (unaudited) |
|-----------------------------|-------------|-------------|
| | £m | £m |
| Trade and other receivables | 3.0 | 0.6 |
| Accrued income | 2.2 | 1.7 |
| Deferred tax asset | 1.3 | 1.3 |
| | 6.5 | 3.6 |

8. Current assets: Trade and other receivables

| | Period ended 31 December 2025 | |
|-----------------------------------|----------------------------------|---------------------|
| | (unaudited) | 2024 (unaudited) |
| | £m | £m |
| Trade receivables | 4.4 | 11.6 |
| Accrued income | 5.9 | 1.7 |
| Prepayments and other receivables | 5.4 | 3.8 |
| | 15.7 | 17.1 |

9. Trade and other payables

| | Period ended 31 December 2025 | |
|------------------------------------|----------------------------------|-------------|
| | (unaudited) | (unaudited) |
| | £m | £m |
| Trade payables | 2.9 | 9.6 |
| Accruals and other payables | 4.2 | 2.3 |
| Other taxation and social security | 0.3 | 1.1 |
| Deferred income | 9.1 | 4.0 |
| Corporation tax | - | (0.1) |
| Lease liabilities | 0.1 | 0.1 |
| | 16.6 | 17.0 |

10. Creditors: amounts falling due after more than one year

| | Period ended 31 December 2025 | |
|-----------------------------|----------------------------------|---------------------|
| | (unaudited) | 2024 (unaudited) |
| | £m | £m |
| Deferred tax | 1.6 | 3.2 |
| Accruals and other payables | 1.9 | 1.2 |
| Lease liabilities | - | 0.1 |
| | 3.5 | 4.5 |

11. Share capital

The table below details movements in share capital during the year:

| | Six-month period ended 31 | |
|---|----------------------------------|---------------|
| | December | |
| | 2025 | 2024 |
| | 000 | 000 |
| In thousands of shares | | |
| In issue at 31 March | 23,826 | 23,826 |
| In issue at 30 September | 23,826 | 23,826 |
| Allotted, called up and fully paid | | |
| | £m | £m |
| Ordinary shares of £0.10 each | 2.4 | 2.4 |
| Deferred shares of £0.90 each | 19.9 | 19.9 |
| | 22.3 | 22.3 |

The Company did not issue any shares in the six-month period ended 31 December 2025.

12. Related party transactions

The Directors of the Group and their immediate relatives have an interest of 19% (H1 FY25: 19%) of the voting shares of the Group.

13. Events after the reporting date

There are no material events after the reporting period to report.

14. Cautionary statement

This Interim Report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for these strategies to succeed. The Interim Report should not be relied on by any other party or for any purpose. The Interim Report contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of the Company. These statements are made in good faith based on the information available to them up to the time of their approval of this report. However, such statements should be treated with caution as they involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The continuing uncertainty in global economic outlook inevitably increases the economic and business risks to which the Company is exposed. Nothing in this announcement should be construed as a profit forecast.

^[1] Fortune Business Insights - Cybersecurity Market Industry Report - January 2026

^[2] IMARC Group - UK Cybersecurity Market Report

^[3] H1 FY25 results reflect the equivalent 6-month period in the prior year (i.e. from July to December 2024, with results restated to reflect the revised revenue recognition policy applied in preparation of the full year FY25 Annual Report and Accounts.

^[4] Comparative period data for FY25 reflects the 6-month period from 1 July 2024 to 31 December 2024, restated in line with the revised revenue recognition policy applied in the FY25 Annual Report. This will not

correspond to FY25 H1 published interims which relate to the period from 1 April 2024 to 30 September 2024, prepared using the previous revenue recognition policy.

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