1 August 2024

NCC Group plc
Unaudited results for the 12 months to 31 May 2024

Improvement in Adjusted EBITDA [1, 2] during transformation journey

NCC Group plc (LSE: NCC, "NCC Group" or "the Group"), a people-powered, tech-enabled global cyber security and software escrow business, reports its 12 months results to 31 May 2024 ("2024", "the period").

Highlights

- Adjusted EBITDA [1,2] ahead of the market's profitability expectations, as our transformation journey starts to deliver.
- Cyber Security returned to growth in H2 2024 (the 6-months ended 31 May 2024) compared to H2 2023 with an improvement in gross profit margin as a result of stronger utilisation, service mix and operational efficiencies. As expected, revenues slightly declined year-on-year (the comparison between the 12 months ending 31 May 2024 and the 12 months to 31 May 2023) on a constant currency [1] basis.
    - Technical Assurance Services declined with the recovery in demand less consistent than expected.
    - Managed Services growth continued to accelerate in H2 2024 driven by its UK performance, and now represents 26.0% of total Cyber Security revenue as compared to 2023 of 18.5%.
    - Digital Forensics and Incident Response increased year-on-year reflecting strong demand for support following Ransomware incidents.
    - Consulting and Implementation experienced low single digit decline as we enhance our proposition.
- Escode has now delivered seven consecutive quarters of year-on-year revenue growth.
- Trading for the four-month period ending 30 September 2024 to remain in line with our previous guidance.

12 months to 31 May	2024	2023	Change at actual rates	Change at constant currency [1]
Revenue (£m) [1]	**324.4**	335.1	**(3.2%)**	**(0.8%)**
Cyber Security (£m)	**258.5**	270.8	**(4.5%)**	**(2.2%)**
Escode (£m)	**65.9**	64.3	**2.5%**	**5.4%**
Gross margin (%)	**41.4%**	39.4%	**2.0% pts**	
Cyber Security (%)	**34.2%**	31.8%	**2.4% pts**	
Escode (%)	**69.8%**	71.4%	**(1.6% pts)**	
Adjusted EBITDA (£m) (restated) [1, 2]	**42.1**	39.2	**7.4%**	
Operating (loss)/profit	**(21.5)**	1.9	**-**	
Net debt excluding lease liabilities (£m) [1]	**(38.5)**	(49.6)	**22.4%**	
12-month dividend (pence)	**3.15p**	3.15p	**-**	

Footnotes:

1: Revenue at constant currency, Adjusted EBITDA and Net debt excluding lease liabilities are Alternative Performance Measures (APMs) and not IFRS measures. See unaudited appendix 1 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

2. After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items. The Group now only has one adjusted item 'Individual Significant Items'. Previous adjusted items of Amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated. For further detail, please refer to the Financial Review for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Mike Maddison, Chief Executive Officer, commented:

"As noted in June, we delivered on our expected second six-month performance and the Group also continues to trade for the four-month period to our new financial year end of 30 September 2024, in line with our previous guidance.

The Group's transformation journey is progressing well and is already delivering results; however, work continues. We have enhanced our capabilities in Cyber and diversified our routes to market, developed differentiated brands and implemented a global resourcing and scheduling model enabled by a new delivery and operating centre. We have made this strategic progress whilst successfully reducing our operating costs and improving our gross margin. In addition, we have delivered continued quarter-on-quarter growth of Escode. This could not have been achieved without the focus and resilience of our excellent management team and all our dedicated colleagues".

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Presentation of results – live webcast and conference call details:

A live webcast for investors and analysts will be held today at 09:00 GMT.

To access the live webcast, please register in advance: https://www.lsegissuerservices.com/spark/NCCGroup/events/15777d10-1bbf-4ab7-a644-80ff5cd405ef

For analysts who would like to join the Q&A session, please register in advance: https://ncc-results-august-2024.open-exchange.net/registration

The slides for this presentation can be downloaded from NCC Group's website: www.nccgoupplc.com and a recording of the presentation will be uploaded later today.

Audited results

As previously announced, the audited results for the 16 months ending 30 September 2024 will be presented on 10 December 2024, in line with the change of NCC Group's financial year end from 31 May to 30 September.

About NCC Group plc

NCC Group is a people-powered, tech-enabled global cyber security and software escrow business.

Driven by a collective purpose to create a more secure digital future, c. 2,200 colleagues across Europe, North America, and Asia Pacific harness their collective insight, intelligence, and innovation to deliver cyber resilience solutions for both public and private sector clients globally.

With decades of experience and a rich heritage, NCC Group is committed to developing sustainable solutions that continue to meet client's current and future cyber security challenges.

Cautionary note regarding forward-looking statement

This announcement includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, assumptions, uncertainties, and other factors, which may cause the actual results, performance, or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules, Disclosure and Transparency Rules and applicable law, the Group undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring on or after the date such statements are published.

Chief Executive Officer's business review

Improved Adjusted EBITDA [1,2] and our transformation journey

We have delivered Adjusted EBITDA in H2 2024 ahead of market expectations and have made good progress on our transformational journey, however work continues. The strategy and the way we measure our success has not changed as we continue to focus on our clients, our capabilities, enabling our global delivery model and simplifying the business.

I'd like to thank every NCC Group colleague and the management team for their commitment and focus during this 12-month period (the period from 1 June 2023 to 31 May 2024).

Business performance

Revenue slightly declined year-on-year at 0.8% on a constant currency basis (actual rates: -3.2%) with Cyber Security Revenue declining 2.2% on a constant currency basis (actual rates: -4.5%) and Escode growing by 5.4% on a constant currency basis (actual rates: +2.5%).

Our H2 2024 performance demonstrated good momentum, with Cyber Security revenue increasing year-on-year by 6.0% on a constant currency basis [1] (Actual rates: +4.7%) driven by our UK Managed Service performance, following a decline of 9.6% (Actual rates: -12.6%) in H1 2024 (the six months ended 30 November 2023). Managed Services growth continued to accelerate in H2 2024, increasing by 36.0% on a constant currency basis [1] (Actual rates: +34.3%). Technical Assurance Services declined year-on-year by 22.8% on a constant currency basis [1] (Actual rates: -25.1%) with the recovery in demand less consistent than expected, albeit the H2 2024's decline year-on-year was 15.0% (Actual rates: -16.0%) compared to a decline in H1 2024 year-on-year of 28.6% (Actual rates: -31.7%).

Escode revenue increased by 5.4% on a constant currency basis [1] (Actual rates: +2.5%) having now delivered seven consecutive quarters of year-on-year growth. Contract and verification revenues both grew during the period, with client retention rates remaining strong at 95% and consistent with long term trends and the number of client beneficiaries equating to 45,599 (H1 2024: 47,297).

It is pleasing to see an improvement in Cyber Security gross profit margin performance by 2.4% pts year-on-year, with an 8.9% pts improvement in H2 2024 year-on-year. In addition to a change in service mix, whereby managed services are becoming a greater proportion of overall revenue at higher margins, our utilisation has improved since the start of the period and, whilst we still have further gains to make, mainly in North America, our overall trajectory is encouraging.

Adjusted Operating profit [1] amounted to £20.0m (2023 restated [2]: £16.6m) under the new adjusted operating profit [1] measure. Based on the previous measure [2] this would equate to £31.1m (2023: £28.8m) and was ahead of expectations. Adjusted EBITDA [1] increased by 7.4% to £42.1m. We generated an operating loss of £21.5m (2023: operating profit of £1.9m) following individual significant items of £41.5m which relate to various elements of our transformation and non-cash items including an impairment of our North American Cyber Security Business due its historical performance, as the recovery in demand is less consistent than expected.

Net debt [1] (excluding lease liabilities) was better than market expectations at £38.5m, after consistent strong cash conversion [1] and disposal gross proceeds of c.€9.5m (£8.2m) from the DetACT non-core disposal as disclosed in December 2023. Our leverage (excluding IFRS 16) as at 31 May 2024 was 1.0x (2023: 1.4x) Adjusted EBITDA (excluding IFRS 16). We are also maintaining a 12-month dividend of 3.15p per ordinary share.

Market trends, threat landscape and continued regulation

Reflecting on the 12-month period, market trends previously outlined continue, with clients looking for higher levels of assurance following greater scrutiny and oversight during their procurement processes. Equally, certain clients still require volume assurance activities testing infrastructure and applications at the appropriate price points.

From a Cyber threat landscape perspective, as expected, Ransomware activity continues to increase, and there is a verifiable increase in cyber risk as a result of generative AI, with the Industrial sector remaining a prime target.

Our recent Digital Dawn report has found that governments around the world are shifting responsibility for Cyber Security away from end-users onto the providers of the technology, infrastructure and services that we all rely on. In particular, the US National Cybersecurity Strategy has given rise to the commitment now from 183 companies, including tech giants Microsoft, AWS, and Cisco, to build stronger security into their software from the start of development ('secure-by-design'). These measures range from building and managing disclosure programs for software vulnerabilities, making patches easier to install by customers, tracking intrusions by hackers, mitigating flaws across common areas in software design, reducing the use of default passwords and enabling multifactor authentication across products as standard. In the UK, the Government has announced a new Code of Practice for software vendors and an AI Cyber Security Code of Practice (in consultation) – developed in conjunction with industry experts like NCC Group, that will help to ensure secure-by-design principles are embedded in software and AI from the outset.

Looking ahead, the EU's Cyber Resilience Act (CRA) is poised for adoption. The CRA will be more ambitious than the recent UK's Product Security and Telecommunications Infrastructure (Product Security) regime (PSTI), introducing Cyber Security requirements for a substantial portion of hardware and software sold within the EU. This includes risk assessments, vulnerability handling processes and incident reporting. Countries in the EU are also implementing NIS2 Directive into national laws, which will require more critical infrastructure sectors to comply with strengthened cyber security and incident reporting requirements. In addition, the US and Australia are taking similar approaches, underscoring the international commitment to safeguarding consumers from modern cyber risks.

What is key from all these developments is that whether you are manufacturing or producing technology, including emerging technologies such as AI, or owning and operating an increasing spectrum of critical infrastructure, governments have strengthened the cyber security requirements you need to adhere to, making it crucial to review and update your security programmes to future-proof your investments.

Our clients and end-to-end capabilities
During H1 2024, we took the next steps in the evolution to be more client centric with the formal creation of a vertically integrated sales organisation in the UK and North America (for example: verticals such as TMT, public sector, financial services and insurance etc), and expanding our routes to market with alliances with Transunion and Tanium, as well as securing a global partnership with global enterprise software company Splunk. This has now led to us being awarded in Q4 2024 the '2024 Splunk Global Services Market Partner of the Year' award as well as the EMEA 2024 Regional Services Partner of the Year award for exceptional performance and commitment to the Splunk partnership.

Technical Assurance Services where we experienced a significant drop off of demand in H2 2023, is not rebounding to the levels we have historically experienced. In particular, the North America recovery in demand is less consistent than we had expected. We are constantly reviewing the way we compete in this service line.

The demand for Cyber Security services in other areas remains strong, most notably in Managed Services, and whilst competition in this specialised area is high, we have increased UK revenues which includes a significant contract with TikTok. This contract centres around the Group providing independent checks and monitoring of TikTok's European data security measures and independently assessing its data controls and protections, monitoring data flows, providing independent verification and reporting any incidents. In addition, NCC is also providing ongoing managed security services for TikTok's security gateways, performing real-time monitoring to identify and responding to anomalous activity and helping to ensure the continuous integrity of its security controls operations. This again demonstrates how the Group can provide end-to-end capabilities across the whole of the cyber lifecycle.

With the introduction of our unified cyber platform and potential inorganic growth, we continue to expect Managed Services to be an area of growth and increasing annual recurring revenues as outlined in the Capital Markets Day in June 2024.

Global delivery model
Our new Manila office continues to grow in line with expectations with c.80 colleagues operational in delivery and enabling functions as at 31 May 2024. In addition, our new scheduling system (Kantata) is now live in North America, UK and Manila with the aim to onboard Europe and APAC by the end of the calendar year. We continue to see the opportunity with global resourcing allowing us to put the right people on the right projects regardless of location. A critical success factor will be the way we continue to engage with our existing and prospective clients on proposals and pricing, and in turn maintaining and improving utilisation and gross margin. Examples of this were a Global FMCG business and UK Airline taking combined capabilities or new services around supply chain assurance.

Escode
During the period, revenue growth quarter on quarter (being successive quarterly segments of the 12-month period ended 31 May 2024) has continued, which is pleasing. As outlined at the Escode Capital Markets Event in April 2024, our Escode investment case is clear and as a leading global player in software escrow, the business is well positioned for growth. The growth levers include further valuing our customer proposition, expansion into additional verticals (for example: Critical Infrastructure) and geographies (North America and Australia), increasing awareness and education, working with regulators to influence regulation globally, and continuing to build out our product offering.

Simplifying the business
We have continued to focus also on simplification, in the way we operate and what core services we provide. This has seen us fundamentally rationalise our property estate to reflect the way the world operates in a hybrid manner, and also dispose of a non-core element of the Group.

In December 2023 we agreed a successful disposal of our standalone fraud offering DetACT in the Netherlands for total gross consideration of €9.5m (£8.2m) (inclusive of a final working capital adjustment), with completion occurring in April 2024 giving rise to a profit on disposal of £1.4m.

This disposal has been part of the overall strategy to ensure the Group focuses on core Cyber capabilities and our separate Escode re-branded business. Both of our businesses provide the benefit of portfolio effect to the overall Group performance however with clear future growth opportunities to enhance shareholder value.

Moving into the next phase of our transformation

We remain confident on the Group's outlook and for current trading for the four-month period to 30 September 2024 to be in line with our previous guidance. We are clear on what we need to do in each of our divisions and we will continue to simplify our business with profitable growth, and sustainable gross margins and align to our clients' needs, a strategy which has proven beneficial to us through the transformation plan to date.

We have declared a second interim dividend of 3.15p (2023: 3.15p) per ordinary share, unchanged from the prior 12-month period, and the Group remains confident on our medium-term financial goals.

Footnotes:
1: Revenue at constant currency, Adjusted EBITDA, Adjusted Operating profit and Net debt excluding lease liabilities are Alternative Performance Measures (APMs) and not IFRS measures. See unaudited appendix 1 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

2. After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items. The Group now only has one adjusted item 'Individual Significant Items'. Previous adjusted items of Amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated. For further detail, please refer to the Financial Review for an explanation of APMs and adjusting items, including a reconciliation to statutory information and previous measures.

Financial review

Highlights – financial framework
Reviewing our financial framework for the 12-month period to 31 May 2024 set out at the start of the period, it is encouraging to see we have delivered on all metrics. The key points to note are as follows:

- **Sustainable revenue growth**
  - ***Returning Cyber Security to growth in H2 2024*** – When comparing year-on-year, revenue has declined by 2.2% on a constant currency basis. However, H2 2024 revenue is ahead of H2 2023 on constant currency [1] by 6.0% (at actual rates 4.7%) and by 3.9% at actual rates when comparing H2 2024 to H1 2024.
  - ***Accelerating growth in our recurring Managed Services*** – H2 2024 revenue ahead of H2 2023 on constant currency [1] by 53.1% (at actual rates +51.9%) and by 42.1% at actual rates when comparing H2 2024 to H1 2024.
  - ***Maintaining momentum of quarterly growth in Escode*** – now delivered seven consecutive quarters of year-on-year growth.

- **Improved gross margin**
  - ***Improved utilisation*** – Technical Assurance Services (TAS) & Consulting and Implementation (C&I) average utilisation for all locations improved to 68% contributing to improved gross margin following low performance in H2 2023 of 58%
  - ***Globalised technical resource footprint*** – from a global delivery perspective as at 31 May 2024, the Group continues to invest in its Manila office with a team of c.80 colleagues operational.

- **Efficient cost base**
  - ***Delivering £5m efficiencies in FY24 within gross margin and overheads in Cyber Security (annualised £10m from FY25)*** – reduction in cost of sales by 6.4% (£13.0m) and administrative expenses (exc. Share based payments, Depreciation and Amortisation and ISIs) remaining flat after managing inflationary pressures.
  - ***Annualising Escode efficiencies delivered in FY23*** – our work carried out in FY23 enabled us to invest in our sales and support team to lay the foundations for further revenue growth, with the benefits beginning to come to fruition in the period.

- **Balance sheet resilience**
  - ***Strong cash conversion*** [1] – historic cash conversion consistently greater than 85% target, with 2024 amounting to 90.7%.
  - ***Reducing net debt*** [1] – net debt effectively managed to £38.5m, decrease of £11.1m.
  - ***Maintaining dividend*** – 12-month dividend maintained at 3.15p.

Overview of financial performance

The following table summarises the Group's overall performance:

	2024				2023			
	Cyber Security £m	**Escode £m**	**Central and head office £m**	**Group £m**	Cyber Security £m	Escode £m	Central and head office £m	Group £m
Revenue	**258.5**	**65.9**	**–**	**324.4**	270.8	64.3	–	335.1
Cost of sales	**(170.2)**	**(19.9)**	**–**	**(190.1)**	(184.7)	(18.4)	–	(203.1)
Gross profit	**88.3**	**46.0**	**–**	**134.3**	86.1	45.9	–	132.0
Gross margin %	***34.2%***	***69.8%***	**–**	***41.4%***	*31.8%*	*71.4%*	–	*39.4%*
Administrative expenses	**(70.4)**	**(17.5)**	**(2.7)**	**(90.6)**	(70.7)	(14.7)	(5.2)	(90.6)
Share-based payments	**(0.3)**	**(0.2)**	**(1.1)**	**(1.6)**	(1.6)	(0.1)	(0.5)	(2.2)
Adjusted EBITDA [1, 2]	**17.6**	**28.3**	**(3.8)**	**42.1**	13.8	31.1	(5.7)	39.2
Depreciation and amortisation	**(8.5)**	**(0.4)**	**(3.7)**	**(12.6)**	(8.5)	(0.6)	(3.5)	(12.6)
Amortisation of acquired intangibles	**(1.0)**	**(5.5)**	***(3.0)***	**(9.5)**	(1.2)	(5.8)	*(3.0)*	(10.0)
Adjusted Operating profit [1, 2]	**8.1**	**22.4**	***(10.5)***	**20.0**	4.1	24.7	*(12.2)*	16.6
Individually Significant Items	**(41.4)**	**(0.1)**	**–**	**(41.5)**	(12.3)	(2.4)	–	(14.7)
Operating (loss)/profit	***(33.3)***	**22.3**	**(10.5)**	**(21.5)**	*(8.2)*	22.3	(12.2)	1.9
Operating margin %	***(12.9%)***	***33.8%***	**n/a**	**(6.6%)**	*(3.0%)*	*34.7%*	n/a	0.6%
Finance costs				**(6.2)**				(6.2)
Loss before taxation				**(27.7)**				(4.3)
Taxation				**2.8**				(0.3)
Loss after taxation				**(24.9)**				(4.6)
EPS								
Basic EPS				**(8.0p)**				(1.5p)
Adjusted basic EPS [1, 2]				**3.5p**				2.8p

Footnotes:

1: Adjusted EBITDA, Adjusted Operating profit and Adjusted basic EPS are Alternative Performance Measures (APMs) and not IFRS measures. See unaudited appendix 1 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

2: After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items. The Group now only has one adjusted item 'Individual Significant Items'. Previous adjusted items of Amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated. For further detail, please refer to the Financial Review for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Revenue slightly declined year-on-year at 0.8% on a constant currency basis (Actual rates: -3.2%) with Cyber Security Revenue declining 2.2% on a constant currency basis (Actual rates: -4.5%) and Escode growing by 5.4% on a constant currency basis (Actual rates: +2.5%).

As you look at our revenue trajectory in Cyber Security, our second half performance saw Cyber Security revenue increase year-on-year by 6.0% on a constant currency basis [1] (Actual rates: +4.7%) driven by our UK Managed Service performance, following a decline of 9.6% (Actual rates: -12.6%) in H1 2024. Managed Services growth has continued to accelerate in H2 2024, increasing by 36.0% on a constant currency basis [1] (Actual rates: +34.3%). Technical Assurance Services has declined year-on-year by 22.8% on a constant currency basis [1] (Actual rates: -25.1%) with the recovery in demand less consistent than expected, albeit H2 2024 decline year-on-year was 15.0% (Actual rates: -16.0%) compared to a decline in H1 2024 year-on-year of 28.6% (Actual rates: -31.7%).

Escode revenue increased by 5.4% on a constant currency basis [1] (Actual rates: +2.5%) now delivering seven consecutive quarters of year-on-year growth. Contract and verification revenues both grew during the period.

Gross profit increased by 1.7% to £134.3m (2023: £132.0) with gross margin percentage increasing to 41.4% (2023: 39.4%. The 2.0% pts gross margin (%) increase is mainly due to improved utilisation and operational efficiencies within Cyber Security, alongside a change in the service mix whereby managed services are becoming a greater proportion of overall revenue at a higher margin. This is offset by a decline in Escode gross margin due to continued investment.

Administrative expenses remained flat at £90.6m following the management of inflationary pressures with a decrease in non-client travel and training offset by strategic investments (including investment in our Manila office) and foreign exchange.

A loss of £24.9m for the period was recognised after incurring £41.5m of Individual Significant Items (including the North America Cyber Security impairment, fundamental re-organisation costs and the profit on disposal), this gave rise to a basic and diluted EPS of (8.0p) (2023: basic and diluted (£1.5p)). Adjusted basic EPS [1] amounted to 3.5p (2023 restated [2]: 2.8p).

On 31 May 2024, our cash conversion [1] was 90.7% (2023 restated [2]: 108.7%). Net debt excluding lease liabilities [1] amount to £38.5m (2023: £49.6m). Our Balance Sheet remains strong following our refinancing in December 2022. Our facilities include a four-year £162.5m multi-currency revolving credit facility and additional £75m uncommitted accordion option.

The Board is declaring a maintained 12-month dividend of 3.15p per ordinary share (2023: 3.15p). This represents a dividend equal to that paid in the prior period as the Board is conscious of the need to invest in the strategy.

Alternative Performance Measures (APMs)

Throughout this Financial Review, certain APMs are presented. The APMs used by the Group are not defined terms under IFRS and therefore may not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, IFRS measures. This presentation is also consistent with the way that financial performance is measured by management and reported to the Board, and the basis of financial measures for senior management's compensation scheme and provides supplementary information that assists the user in understanding the financial performance, position and trends of the Group.

We believe these APMs provide readers with important additional information on our business and this information is relevant for use by investors, securities analysts and other interested parties as supplemental measures of future potential performance. However, since statutory measures can differ significantly from the APMs and may be assessed differently by the reader, we encourage you to consider these figures together with statutory reporting measures noted. Specifically, we would note that APMs may not be comparable across different companies and that certain profit related APMs may exclude recurring business transactions (e.g. acquisition related costs) that impact financial performance and cash flows.

After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items within the period. The Group now only has one adjusted item 'Individually Significant Items'. Previous adjusted items of Amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated.

The following tables reconciles how these changes have affected the historic measures of Adjusted EBITDA, Adjusted operating profit, Adjusted profit for the period, Adjusted basic EPS and cash conversion which includes Adjusted EBITDA:

Adjusted measure	**2024**	2023 (restated) [2]	Change
Adjusted EBITDA – previously (£m)	**43.7**	41.4	5.6%
Share based payments (£m)	**(1.6)**	(2.2)	(27.3%)
Adjusted EBITDA – revised (£m)	**42.1**	39.2	7.4%
Adjusted Operating profit – previously (£m)	**31.1**	28.8	8.0%
Share based payments (£m)	**(1.6)**	(2.2)	(27.3%)
Amortisation of acquired intangibles (£m)	**(9.5)**	(10.0)	(5.0%)
Adjusted Operating profit – revised (£m)	**20.0**	16.6	20.5%
Adjusted profit for the period – previously (£m)	**19.0**	18.9	0.5%
Share based payments (£m)	**(1.6)**	(2.2)	(27.3%)
Amortisation of acquired intangibles (£m)	**(9.5)**	(10.0)	(5.0%)
Tax effect of above items (£m)	**2.9**	2.1	38.1%
Adjusted profit for the period – revised (£m)	**10.8**	8.8	22.7%
Adjusted basic EPS - previously (pence)	**6.1**	6.1	-
Effect of share-based payments (pence)	**(0.5)**	(0.7)	(28.6%)
Effect amortisation of acquired intangibles (pence)	**(3.0)**	(3.3)	(9.1%)
Tax effect of above items (pence)	**0.9**	0.7	28.6%
Adjusted basic EPS – revised (pence)	**3.5**	2.8	25.0%
Cash conversion – previously (%)	**87.4%**	102.9%	(15.5% pts)
Effect of share-based payments (%)	**3.3%**	5.8%	(2.5% pts)
Cash conversion – revised (%)	**90.7%**	108.7%	(18.0% pts)

The Group now has the following APMs/non-statutory measures:

- Adjusted EBITDA (reconciled below)
- Adjusted operating profit (reconciled below)
- Adjusted basic EPS (pence) (reconciled below)
- Adjusted profit for the period (reconciled below)
- Net debt excluding lease liabilities (reconciled below)
- Net debt (reconciled below)
- Cash conversion which includes Adjusted EBITDA (reconciled below)
- Constant currency revenue (reconciled below)

Apart from the changes noted above, the above APM's are consistent with those reported for the year ended 31 May 2023.

The Group also reports certain geographic regions and service capabilities on a constant currency basis to reflect the underlying performance considering constant foreign exchange rates period on period. This involves translating comparative numbers to current period rates for comparability to enable a growth factor to be calculated. As these measures are not statutory revenue numbers, management considers these to be APMs; see unaudited appendix 1 for further details.

Adjusted EBITDA [1] and Adjusted operating profit [1]

Following the changes noted above to the number of adjusting items, the revised calculation of Adjusted EBITDA [1] is set out below:

	2024 £m	2023 (restated) [2] £m
Operating (loss)/profit	**(21.5)**	1.9
Depreciation and amortisation	**12.6**	12.6
Amortisation of acquired intangibles (Note 8)	**9.5**	10.0
Individually Significant Items (Note 4)	**41.5**	14.7
Adjusted EBITDA [1]	**42.1**	39.2
Depreciation and amortisation and amortisation charge on acquired intangibles	**(22.1)**	(22.6)
Adjusted operating profit – revised [1, 2]	**20.0**	16.6

Previously these adjusted measures would have been calculated as follows:

	2024 £m	2023 £m
Operating (loss)/profit	**(21.5)**	1.9
Depreciation and amortisation	**12.6**	12.6
Amortisation of acquired intangibles	**9.5**	10.0
Individually Significant Items (Note 4)	**41.5**	14.7
Share-based payments	**1.6**	2.2
Adjusted EBITDA - previously [1, 2]	**43.7**	41.4
Depreciation and amortisation (excluding amortisation charge on acquired intangibles)	**(12.6)**	(12.6)
Adjusted operating profit - previously [1, 2]	**31.1**	28.8

1: See above for an explanation of Alternative Performance Measures (APMs) and adjusting items. See unaudited appendix 1 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

2: After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items. The Group now only has one adjusted item 'Individual Significant Items'. Previous adjusted items of Amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated. For further detail, please refer to the Financial Review and above for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Revenue summary:

	2024 £m	2023 £m	% change at actual rates	2024 £m	Constant Currency [1] 2023 £m	% change at constant currency [1]
Cyber Security revenue	**258.5**	270.8	(4.5%)	**258.5**	*264.4*	(2.2%)
Escode	**65.9**	64.3	2.5%	**65.9**	*62.5*	5.4%
Total revenue	**324.4**	335.1	(3.2%)	**324.4**	*327.0*	(0.8%)

Divisional performance

Cyber Security

The Cyber Security division accounts for 79.7% of Group revenue (2023: 80.8%) and 65.7% of Group gross profit (2023: 65.2%).

Cyber Security revenue analysis – by originating country:

	2024 £m	2023 £m	% change at actual rates	2024 £m	Constant Currency [1] 2023 £m	% change at constant currency [1]
UK & APAC	**129.8**	118.4	9.6%	**129.8**	*117.7*	10.3%
North America	**69.0**	99.3	(30.5%)	**69.0**	*94.2*	(26.8%)
Europe	**59.7**	53.1	12.4%	**59.7**	*52.5*	13.7%
Total Cyber Security revenue	**258.5**	270.8	(4.5%)	**258.5**	*264.4*	(2.2%)

Cyber Security revenue decreased by -2.2% on a constant currency basis [1] and at -4.5% at actual rates. UK & APAC increased by +10.3% on a constant currency basis [1] (+9.6% at actual rates) driven mainly by Managed Services. North America declined by -26.8% on a constant currency basis [1] (-30.5% at actual rates) as Technical Assurance Services declined with the recovery in demand less consistent than expected, whilst Europe experienced an increase of +13.7% on a constant currency basis [1] (+12.4% at actual rates) due to an increase in Managed Services, Digital Forensics and Incident Response and other services.

From a Cyber Security revenue trajectory perspective, the following tables compare half on half (being the half year results relating to the 12 months ending 31 May 2024 and the 12 months to 31 May 2023) performance:

	H1 2024 £m	H1 2023 £m	% change at actual rates	**H1 2024 £m**	Constant Currency [1] H1 2023 £m	% change at constant currency [1]
UK & APAC	**60.8**	61.6	(1.3%)	**60.8**	*61.1*	(0.5%)
North America	**37.6**	59.2	(36.5%)	**37.6**	*55.2*	(31.9%)
Europe	**28.4**	24.2	17.4%	**28.4**	*23.9*	18.8%
Total Cyber Security revenue	**126.8**	145.0	(12.6%)	**126.8**	140.2	(9.6%)

	H2 2024 £m	H2 2023 £m	% change at actual rates	**H2 2024 £m**	Constant Currency [1] H2 2023 £m	% change at constant currency [1]
UK & APAC	**69.0**	56.8	21.5%	**69.0**	*56.6*	21.9%
North America	**31.4**	40.1	(21.7%)	**31.4**	*39.0*	(19.5%)
Europe	**31.3**	28.9	8.3%	**31.3**	*28.6*	9.4%
Total Cyber Security revenue	**131.7**	125.8	4.7%	**131.7**	*124.2*	6.0%

The following table shows the current trajectory of revenue during the 12-month period:

	H2 2024 £m	H1 2024 £m	% Change at actual rates
UK & APAC	**69.0**	60.8	13.5%
North America	**31.4**	37.6	(16.5%)
Europe	**31.3**	28.4	10.2%
Total Cyber Security revenue	**131.7**	126.8	3.9%

Following the implementation of our strategy, Cyber Security revenue is now analysed in more detail by type of service and capability, including half on half performance:

	2024 £m	2023 £m	% change at actual rates	**2024 £m**	Constant Currency [1] 2023 £m	% change at constant currency [1]
Technical Assurance Services (TAS)	**107.0**	142.9	*(25.1%)*	**107.0**	*138.6*	*(22.8%)*
Consulting and Implementation (C&I)	**42.8**	44.7	*(4.3%)*	**42.8**	*44.0*	*(2.7%)*
Managed Services (MS)	**67.3**	50.1	*34.3%*	**67.3**	*49.5*	*36.0%*
Digital Forensics and Incident Response (DFIR)	**16.4**	13.5	*21.5%*	**16.4**	*13.5*	*21.5%*
Other services	**25.0**	19.6	*27.6%*	**25.0**	*18.8*	*33.0%*
Total Cyber Security revenue	**258.5**	270.8	*(4.5%)*	**258.5**	*264.4*	*(2.2%)*

	H1 2024 £m	H1 2023 £m	% change at actual rates	H1 2024 £m	Constant Currency [1] H1 2023 £m	% change at constant currency [1]
Technical Assurance Services (TAS)	**56.6**	82.9	*(31.7%)*	**56.6**	*79.3*	*(28.6%)*
Consulting and Implementation (C&I)	**22.0**	22.4	*(1.8%)*	**22.0**	*21.8*	*0.9%*
Managed Services (MS)	**27.8**	24.1	*15.4%*	**27.8**	*23.7*	*17.3%*
Digital Forensics and Incident Response (DFIR)	**8.5**	6.4	*32.8%*	**8.5**	*6.4*	*32.8%*
Other services	**11.9**	9.2	*29.3%*	**11.9**	*9.0*	*32.2%*
Total Cyber Security revenue	**126.8**	145.0	*(12.6%)*	**126.8**	*140.2*	*(9.6%)*

	H2 2024 £m	H2 2023 £m	% change at actual rates	H2 2024 £m	Constant Currency [1] H2 2023 £m	% change at constant currency [1]
Technical Assurance Services (TAS)	**50.4**	60.0	*(16.0%)*	**50.4**	*59.3*	*(15.0%)*
Consulting and Implementation (C&I)	**20.8**	22.3	*(6.7%)*	**20.8**	*22.2*	*(6.3%)*
Managed Services (MS)	**39.5**	26.0	*51.9%*	**39.5**	*25.8*	*53.1%*
Digital Forensics and Incident Response (DFIR	**7.9**	7.1	*11.3%*	**7.9**	*7.1*	*11.3%*
Other services	**13.1**	10.4	*26.0%*	**13.1**	*9.8*	*33.7%*
Total Cyber Security revenue	**131.7**	125.8	*4.7%*	**131.7**	*124.2*	*6.0%*

	H2 2024 £m	H1 2024 £m	% change at actual rates
Technical Assurance Services (TAS)	**50.4**	56.6	*(11.0%)*
Consulting and Implementation (C&I)	**20.8**	22.0	*(5.5%)*
Managed Services (MS)	**39.5**	27.8	*42.1%*
Digital Forensics and Incident Response (DFIR)	**7.9**	8.5	*(7.1%)*
Other services	**13.1**	11.9	*10.1%*
Total Cyber Security revenue	**131.7**	126.8	*3.9%*

MS now represents 26.0% of total Cyber Security revenue as compared to 2023 of 18.5%, demonstrating the change in service mix to more annual recurring revenues. Looking at other KPIs, our TAS and C&I average utilisation from all locations improved to 68% (from 58% in H2 2023), whilst we have 132 clients with sales orders > £250k, of which 73% take multiple capabilities. The number of recurring clients over £250k amounts to 197.

Cyber Security gross profit is analysed as follows:

	2024 £m	2024 % margin	2023 £m	2023 % margin	% pts change
UK & APAC	**55.4**	***42.7%***	40.3	*34.0%*	*8.7% pts*
North America	**14.2**	***20.6%***	26.1	*26.3%*	*(5.7% pts)*
Europe	**18.7**	***31.3%***	19.7	*37.1%*	*(5.8% pts)*
Cyber Security gross profit and % margin	**88.3**	***34.2%***	86.1	*31.8%*	*2.4% pts*

Gross margins increased overall by +2.4% pts, driven by UK managed services within UK & APAC, this was offset by North America experiencing lower utilisation in Q1 2024 and a decline in Europe. In Europe, the margin decreased by 5.8% pts due to the recognition of historic one-off project cost compensation of £1.5m in H1 2023. Excluding this item, the margin would have decreased 3.0% driven by inflationary pressures.

From a Cyber Security gross margin trajectory perspective, the following tables compare half on half performance:

	H1 2024 £m	**H1 2024 % margin**	H1 2023 £m	H1 2023 % margin	% pts change
UK & APAC	**22.3**	***36.7%***	22.9	*37.2%*	*(0.5% pts)*
North America	**7.6**	***20.2%***	16.6	*28.0%*	*(7.8% pts)*
Europe	**8.1**	***28.5%***	9.7	*40.1%*	*(11.6% pts)*
Cyber Security gross profit and % margin	**38.0**	***30.0%***	49.2	*33.9%*	*(3.9% pts)*

	H2 2024 £m	**H2 2024 % margin**	H2 2023 £m	H2 2023 % margin	% pts change
UK & APAC	**33.1**	***48.0%***	17.4	*30.6%*	*17.4% pts*
North America	**6.6**	***21.0%***	9.5	*23.7%*	*(2.7% pts)*
Europe	**10.6**	***33.9%***	10.0	*34.6%*	*(0.7% pts)*
Cyber Security gross profit and % margin	**50.3**	***38.2%***	36.9	*29.3%*	*8.9% pts*

The following table shows the current trajectory of gross margin during the 12-month period:

	H2 2024 £m	**H2 2024 % margin**	H1 2024 £m	H1 2024 % margin	% pts change
UK & APAC	**33.1**	***48.0%***	22.3	*36.7%*	*11.3% pts*
North America	**6.6**	***21.0%***	7.6	*20.2%*	*0.8% pts*
Europe	**10.6**	***33.9%***	8.1	*28.5%*	*5.4% pts*
Cyber Security gross profit and % margin	**50.3**	***38.2%***	38.0	*30.0%*	*8.2% pts*

Escode

The Escode division accounts for 20.3% of Group revenues (2023: 19.2%) and 34.3% of Group gross profit (2023: 34.8%).

Escode revenue analysis – by originating country:

	2024 £m	2023 £m	% change at actual rates	**2024 £m**	Constant Currency [1] 2023 £m	% change at constant currency [1]
UK	**27.3**	25.8	*5.8%*	**27.3**	*25.7*	*6.2%*
North America	**34.4**	34.5	*(0.3%)*	**34.4**	32.8	*4.9%*
Europe	**4.2**	4.0	*5.0%*	**4.2**	*4.0*	*5.0%*
Total Escode revenue	**65.9**	64.3	*2.5%*	**65.9**	*62.5*	*5.4%*

From a Escode revenue trajectory perspective, the following tables compare half on half performance by geography:

	H1 2024 £m	H1 2023 £m	% change at actual rates	**H1 2024 £m**	Constant Currency [1] H1 2023 £m	% change at constant currency [1]
UK	**13.4**	12.3	8.9%	**13.4**	*12.3*	8.9%
North America	**16.9**	17.3	(2.3%)	**16.9**	*16.2*	4.3%
Europe	**2.1**	2.0	5.0%	**2.1**	*2.0*	5.0%
Total Escode revenue	**32.4**	31.6	2.5%	**32.4**	30.5	6.2%

	H2 2024 £m	H2 2023 £m	% change at actual rates	**H2 2024 £m**	Constant Currency [1] H2 2023 £m	% change at constant currency [1]
UK	**13.9**	13.5	3.0%	***13.9***	*13.4*	3.7%
North America	**17.5**	17.2	1.7%	**17.5**	*16.6*	5.4%
Europe	**2.1**	2.0	5.0%	**2.1**	*2.0*	5.0%
Total Escode revenue	**33.5**	32.7	2.4%	**33.5**	32.0	4.7%

	H2 2024 £m	H1 2024 £m	% change at actual rates
UK	**13.9**	13.4	3.7%
North America	**17.5**	16.9	3.6%
Europe	**2.1**	2.1	-
Total Escode revenue	**33.5**	32.4	3.4%

Escode revenues analysed by service line:

	2024 £m	2023 £m	% change at actual rates	2024 £m	Constant Currency [1] 2023 £m	% change at constant currency [1]
Escrow contracts	**43.3**	42.8	*1.2%*	**43.3**	*41.5*	*4.3%*
Verification services	**22.6**	21.5	*5.1%*	**22.6**	*21.0*	*7.6%*
Total Escode revenue	**65.9**	64.3	*2.5%*	**65.9**	*62.5*	*5.4%*

From a Escode revenue trajectory perspective, the following tables compare half on half performance by service line:

	H1 2024 £m	H1 2023 £m	% change at actual rates	H1 2024 £m	Constant Currency [1] H1 2023 £m	% change at constant currency [1]
Escrow contracts	**21.8**	21.3	*2.3%*	**21.8**	*20.5*	*6.3%*
Verification services	**10.6**	10.3	*2.9%*	**10.6**	*10.0*	*6.0%*
Total Escode revenue	**32.4**	31.6	*2.5%*	**32.4**	*30.5*	*6.2%*

	H2 2024 £m	H2 2023 £m	% change at actual rates	H2 2024 £m	Constant Currency [1] H2 2023 £m	% change at constant currency [1]
Escrow contracts	**21.5**	21.5	-	**21.5**	*21.0*	*2.4%*
Verification services	**12.0**	11.2	*7.1%*	**12.0**	*11.1*	*8.1%*
Total Escode revenue	**33.5**	32.7	*2.4%*	**33.5**	*32.1*	*4.4%*

	H2 2024 £m	H1 2024 £m	% change at actual rates
Escrow contracts	**21.5**	21.8	*(1.4%)*
Verification services	**12.0**	10.6	*13.2%*
Total Escode revenue	**33.5**	32.4	*3.4%*

Gross margin is analysed as follows:

	2024 £m	2024 % margin	2023 £m	2023 % margin	% pts change
UK	**18.6**	***68.1%***	18.2	*70.5%*	*(2.4% pts)*
North America	**24.8**	***72.1%***	25.0	*72.5%*	*(0.4% pts)*
Europe	**2.6**	***61.9%***	2.7	*67.5%*	*(5.6% pts)*
Escode gross profit and % margin	**46.0**	***69.8%***	45.9	*71.4%*	*(1.6% pts)*

Escode gross profit decreased by -1.6% pts with UK and North America decreasing by -2.4% pts and -0.4% pts respectively due to continued investment to enable Escode to achieve sustainable revenue growth.

From an Escode gross margin trajectory perspective, the following tables compare half on half performance by geography:

	H1 2024 £m	**H1 2024 % margin**	H1 2023 £m	H1 2023 % margin	% pts change
UK	**8.9**	***66.4%***	8.4	*68.3%*	*(1.9% pts)*
North America	**12.1**	***71.6%***	12.6	*72.8%*	*(1.2% pts)*
Europe	**1.4**	***66.7%***	1.3	*65.0%*	*1.7% pts*
Escode gross profit and % margin	**22.4**	***69.1%***	22.3	*70.6%*	*(1.5% pts)*

	H2 2024 £m	**H2 2024 % margin**	H2 2023 £m	H2 2023 % margin	% pts change
UK	**9.7**	***69.8%***	9.8	*72.6%*	*(2.8% pts)*
North America	**12.7**	***72.6%***	12.4	*72.1%*	*0.5% pts*
Europe	**1.2**	***57.1%***	1.4	*70.0%*	*(12.9% pts)*
Escode gross profit and % margin	**23.6**	***70.4%***	23.6	*72.2%*	*(1.8% pts)*

	H2 2024 £m	**H2 2024 % margin**	H1 2024 £m	H1 2024 % margin	% pts change
UK	**9.7**	***69.8%***	8.9	*66.4%*	*3.4% pts*
North America	**12.7**	***72.6%***	12.1	*71.6%*	*1.0% pts*
Europe	**1.2**	***57.1%***	1.4	*66.7%*	*(9.6% pts)*
Escode gross profit and % margin	**23.6**	***70.4%***	22.4	*69.1%*	*1.3% pts*

Individually Significant Items

During the period, the Group has incurred £41.5m in individually Significant Items (ISIs) (2023: £14.7m) as follows:

	2024 £m	2023 £m
North America Cyber Security goodwill impairment	**31.9**	9.8
Fundamental re-organisation costs	**10.2**	4.2
Costs associated with strategic review of Escode business	**0.1**	3.0
NCC Group A/S goodwill impairment	**-**	3.0
IPM Escode business deferred income adjustment	**-**	(0.6)
Profit on disposal	**(0.7)**	(4.7)
Total ISIs	**41.5**	14.7

Individually Significant Items incurred during the period of £41.5m are represented mainly by an impairment in Goodwill of £31.9m (2023: £9.8m) for the North America Cyber security business due to its historical performance, as the recovery in demand less consistent than expected, and £10.2m (2023: £4.2m) in relation to fundamental reorganisation costs as we continue to reshape the Group to implement the Group's strategy.

Finance costs

Finance costs for the period were £6.2m (2023: £6.2m). Finance costs include lease financing costs of £1.3m (2023: £1.1m).

Taxation

The Group's effective statutory tax rate is 10.1% (2023: (7.0)%). The change in tax rate from 2023 to 2024 is due to a number of factors including the impact of goodwill impairment, which is non-deductible. See note 4 for further details. The Group's adjusted tax rate is 21.7% (2023 restated: 15.4%). The increase in the adjusted tax rate from 2023 to 2024 is due to a combination of factors including an increase in the UK statutory tax rate, lower US R&D tax credit claims and increased tax losses not recognised as deferred tax assets.

Earnings per share (EPS)

	2024	2023 (restated) [2]
Statutory		
Basic EPS	**(8.0p)**	(1.5p)
Diluted EPS	**(8.0p)**	(1.5p)
Adjusted [1]		
Basic EPS	**3.5p**	2.8p
Diluted EPS	**3.5p**	2.8p
Weighted average number of shares (million)		
Basic	**310.9**	310.5
Diluted	**311.6**	311.2

Adjusted basic EPS [1] is reconciled as follows:

	2024 £m	2023 (restated) [2] £m
Statutory loss for the period	**(24.9)**	(4.6)
Individually Significant items (Note 4)	**41.5**	14.7
Tax effect of above items	**(5.8)**	(2.8)
Adjusted profit for the period	**10.8**	7.3

Group	2024 pence	2023 (restated) [2] pence
Adjusted earnings per ordinary share [1]		
Basic	**3.5**	2.8
Diluted	**3.5**	2.8

1: Adjusted EPS is an Alternative Performance Measures (APMs) and not IFRS measures. See unaudited appendix 1 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

2: After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items. The Group now only has one adjusted item 'Individual Significant Items'. Previous adjusted items of Amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated. For further detail, please refer to the Financial Review and appendix 1 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Reconciliation of net debt [1]

The table below summarises the Group's cash flow and net debt [1]:

	2024 £m	2023 £m
Operating cash inflow before movements in working capital	**38.9**	38.7
Movement in working capital	**(0.7)**	3.9
Cash generated from operating activities before interest and taxation	**38.2**	42.6
Interest element of lease payments	**(1.3)**	(1.1)
Finance interest paid	**(4.6)**	(4.0)
Taxation paid	**(5.0)**	(5.4)
Net cash generated from operating activities	**27.3**	32.1
Purchase of property, plant and equipment	**(5.0)**	(3.9)
Software and development expenditure	**(2.3)**	(3.4)
Acquisition of trade and assets as part of a business combination	**(1.0)**	(1.0)
Sale proceeds from business disposals	**12.0**	2.0
Equity dividends paid	**(14.5)**	(14.5)
Repayment of lease liabilities (principal amount)	**(6.9)**	(6.1)
Purchase of own shares	–	(0.5)
Proceeds from the issue of ordinary share capital	**0.3**	0.1
Net movement	**9.9**	4.8
Opening net debt (excluding lease liabilities) [1]	**(49.6)**	(52.4)
Non-cash movements (release of deferred issue costs)	**(0.4)**	(0.8)
Foreign exchange movement	**1.6**	(1.2)
Closing net debt excluding lease liabilities [1]	**(38.5)**	(49.6)
Lease liabilities	**(30.8)**	(30.0)
Closing net debt [1]	**(69.3)**	(79.6)

Net debt [1] can be reconciled as follows:

	2024 £m	2023 £m
Cash and cash equivalents	**18.0**	34.1
Bank overdraft	**(4.0)**	(1.8)
Borrowings (net of deferred issue costs)	**(52.5)**	(81.9)
Net debt excluding lease liabilities [1]	**(38.5)**	(49.6)
Lease liabilities	**(30.8)**	(30.0)
Net debt [1]	**(69.3)**	(79.6)

Reconciliation of net change in cash and cash equivalents to movement in net debt [1]

	2024 £m	2023 £m
Net decrease in cash and cash equivalents (inc. bank overdraft)	**(18.3)**	(41.5)
Change in net debt [1] resulting from cash flows (net of deferred issue costs)	**28.3**	44.8
Interest incurred on borrowings	**4.6**	4.0
Interest paid on borrowings	**(4.6)**	(4.0)
Release of deferred issue costs	**(0.4)**	(1.0)
Issue costs related to borrowings (non-cash)	**-**	1.7
Effect of foreign currency on cash flows	**-**	0.6
Foreign currency translation differences on borrowings	**1.5**	(1.8)
Change in net debt [1] during the period	**11.1**	2.8
Net debt [1] at start of period excluding lease liabilities	**(49.6)**	(52.4)
Net debt [1] at end of period excluding lease liabilities	**(38.5)**	(49.6)
Lease liabilities	**(30.8)**	(30.0)
Net debt [1] at end of period	**(69.3)**	(79.6)

1: Net debt is an Alternative Performance Measures (APMs) and not an IFRS measure. See unaudited appendix 1 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

The calculation of the cash conversion ratio [1] is set out below:

	2024 £m	2023 (restated) [2] £m	% change/ % pts
Operating cash flow before interest and taxation	**38.2**	42.6	(10.3%)
Adjusted EBITDA [1, 2]	**42.1**	39.2	7.4%
Cash conversion ratio [1, 2] (%)	**90.7%**	108.7%	(18.0% pts)

1: See Financial review for an explanation of Alternative Performance Measures (APMs) and adjusting items. See unaudited appendix 1 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

2: After reconsidering FRC best practice guidance around the disclosure of adjusting items and APM's, the Group has reduced the number of adjusted measures and items. The Group now only has one adjusted item 'Individual Significant Items'. Previous adjusted items of Amortisation of acquisition intangibles and share based payments are no longer disclosed as an adjusted item. Accordingly, comparative numbers have been restated. For further detail, please refer to the Financial Review for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Cash capital expenditure during the period was £7.3m (2023: £7.3m) which includes tangible asset expenditure of £5.0m (2023: £3.9m) and capitalised software and development costs of £2.3m (2023: £3.4m). The increase in tangible capital expenditure was due to the opening of our new Manila office.

Sale proceeds from disposals represent payment of contingent consideration in relation to the disposal of the Group's DDI business of £3.8m and full payment of £8.2m for the DetACT business disposed in April 2024. Acquisition of trade and assets as part of a business combination of £1.0m relates to the final consideration payable in relation to the Adelard acquisition.

Dividends
Total dividends of £14.5m were paid in the period (2023: £14.5m). The Board is declaring a 12-month dividend of 3.15p per ordinary share. This represents a dividend equal to that paid in the prior period and will amount to c.£10m being paid on 4 October 2024, to shareholders on the register at the close of business on 6 September 2024. The ex-dividend date will be 5 September 2024.

It is the Board's intention to propose a final dividend for the 16-month period ending 30 September 2024 of 1.50p per ordinary share in December 2024, which will require shareholder approval at the AGM in 2025. This amount is equivalent to the interim dividend previously paid albeit for the final 4-month period ending 30 September 2024.

Following the change in year end, the Group will then move to a dividend cadence of an interim dividend for the 6-month period to 31 March payable in July and a final dividend for the year to 30 September payable in February/March.

Principal risks and uncertainties
The Board held a risk workshop and reconsidered the principal risks and uncertainties published at the period ended 31 May 2024. The following risks and uncertainties have changed since the 31 May 2023 and are outlined below. These represent the risks and uncertainties that the Directors believe could have the most significant impact on the Group's business:

- **Strategy – overarching strategic risk**
    - Inability to execute the Group's strategy
    - Poor adoption of change management mechanisms
    - Over-reliance on market sector, region, product/service or client
    - Technology changes renders services obsolete / Technology disruption impacts pace of change
    - Unable to meet the service and resource needs of our clients
- **Cyber and information security**
    - Cyber attack
    - Significant business systems failure
    - Loss of client/colleague data
    - Insufficient quality, integrity and availability of management information
- **Innovation and service development**
    - Intellectual property theft or exposure
    - Ineffective service management
    - Lack of innovation
- **People**
    - Insufficient workforce resilience
    - Inability to retain/recruit colleagues to meet the resource needs of the business
- **Market and competition**
    - Failure to capture on partnership ecosystem
    - Geopolitical risk
    - Lack of market strength versus competitors
- **Brand and reputation**
    - Lack of visibility in the marketplace
    - Adverse publicity in news and social media
    - Undertaking work with disreputable clients or in sanctioned/undesirable jurisdictions
- **Quality and delivery**
    - Service delivery does not achieve established quality standards
    - Loss of internationally recognised quality and security standards
- **Legal, regulatory compliance and governance**
    - Criminal and civil corporate legal action resulting in fines and incarceration
    - Inability to identify and adopt emerging regulations in a timely manner

Directors' responsibility statement

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

• an indication of important events that have occurred during the first twelve months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining four months of the financial year; and

• material related-party transactions in the first twelve months and any material changes in the related-party transactions described in the last annual report.

The period-end report is approved and authorised on behalf of the Board on 1 August 2024 by:

Mike Maddison	**Guy Ellis**
Chief Executive Officer	Chief Financial Officer

Condensed consolidated income statement

For the period ended 31 May 2024

	Notes	12-month period ended 2024 £m	Year ended 2023 £m
Revenue	3	**324.4**	335.1
Cost of sales	3	**(190.1)**	(203.1)
Gross profit	3	**134.3**	132.0
Administrative expenses			
Individually Significant Items	4	**(41.5)**	(14.7)
Depreciation and amortisation		**(22.1)**	(22.6)
Credit (losses)/gains recognised on financial assets		**(1.2)**	1.5
Impairment of non-current assets		**-**	(1.1)
Other administrative expenses		**(91.0)**	(93.2)
Total administrative expenses		**(155.8)**	(130.1)
Operating (loss)/profit	3	**(21.5)**	1.9
Finance costs		**(6.2)**	(6.2)
Loss before taxation		**(27.7)**	(4.3)
Taxation	5	**2.8**	(0.3)
Loss for the period attributable to the owners of the Group		**(24.9)**	(4.6)

Loss per ordinary share	7		
Basic EPS		**(8.0)p**	(1.5)p
Diluted EPS		**(8.0)p**	(1.5)p

Condensed consolidated statement of comprehensive income

For the period ended 31 May 2024

	12-month period ended 2024 £m	Year ended 2023 £m
Loss for the period attributable to the owners of the Group	**(24.9)**	(4.6)
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss (net of tax)		
Foreign exchange translation differences	**(5.4)**	2.4
Total other comprehensive (loss)/income	**(5.4)**	2.4
Total comprehensive loss for the period (net of tax) attributable to the owners of the Group	**(30.3)**	(2.2)

Condensed consolidated balance sheet
For the period ended 31 May 2024

	Notes	**31 May 2024 £m**	31 May 2023 £m
Non-current assets			
Goodwill	8	**214.0**	255.8
Intangible assets	8	**96.5**	110.9
Property, plant and equipment		**12.9**	12.5
Right-of-use assets		**16.3**	18.6
Investments		**0.3**	0.3
Deferred tax asset		**8.6**	2.9
Total non-current assets		**348.6**	401.0
Current assets			
Inventories		**0.6**	0.8
Trade and other receivables		**40.3**	41.0
Contract assets		**21.0**	17.1
Contingent consideration receivable	9	**–**	3.8
Current tax receivable		**4.8**	3.6
Cash and cash equivalents		**18.0**	34.1
Total current assets		**84.7**	100.4
Total assets		**433.3**	501.4
Current liabilities			
Trade and other payables		**44.7**	44.7
Bank overdraft		**4.0**	1.8
Lease liabilities		**7.2**	6.0
Current tax payable		**3.2**	4.2
Derivative financial instruments		**0.1**	0.6
Contingent consideration payable		**–**	1.0
Provisions		**1.5**	1.2
Contract liabilities - deferred revenue		**53.0**	51.6
Total current liabilities		**113.7**	111.1
Non-current liabilities			
Borrowings		**52.5**	81.9
Lease liabilities		**23.6**	24.0
Deferred tax liabilities		**0.7**	1.4
Provisions		**1.8**	1.5
Contract liabilities - deferred revenue		**6.0**	3.3
Total non-current liabilities		**84.6**	112.1
Total liabilities		**198.3**	223.2
Net assets		**235.0**	278.2
Equity			
Share capital		**3.1**	3.1
Share premium		**224.4**	224.1
Merger reserve		**42.3**	42.3
Currency translation reserve		**32.1**	37.5
Retained earnings		**(66.9)**	(28.8)
Total equity attributable to equity holders of the parent		**235.0**	278.2

These financial statements were approved and authorised on behalf of the Board on 1 August 2024 and were signed on its behalf by:

Mike Maddison
Chief Executive Officer

Guy Ellis
Chief Financial Officer

Condensed consolidated cash flow statement

For the period ended 31 May 2024

		2024	2023
Cash flow from operating activities	**Notes**	**£m**	£m
Loss for the period		**(24.9)**	(4.6)
Adjustments for:			
Depreciation of property, plant and equipment		**3.7**	4.5
Depreciation of right of use assets		**6.3**	5.7
Share-based payments		**1.6**	2.2
Amortisation of customer contracts and relationships	8	**9.5**	10.0
Amortisation of software and development costs	8	**2.6**	2.4
Impairment of goodwill	8	**31.9**	12.8
Impairment of non-current assets	4	**4.6**	1.1
Lease financing costs		**1.3**	1.1
Other financing costs		**5.0**	5.1
Foreign exchange loss		**1.1**	0.6
Disposal of business – transaction costs		**-**	(0.1)
Individually significant items (non-cash impact)		**-**	3.5
Profit on disposal of right-of-use assets		**-**	(0.7)
Loss on disposal of fixed assets		**0.4**	-
Profit on disposal of businesses	9	**(1.4)**	(4.7)
Income tax credit		**(2.8)**	(0.2)
Cash inflow for the period before changes in working capital		**38.9**	38.7
(Increase)/decrease in trade and other receivables		**(2.1)**	15.0
(Increase)/decrease in contract assets		**(3.9)**	4.7
Decrease in inventories		**0.2**	0.1
Increase/(decrease) in trade and other payables and contract liabilities		**4.8**	(15.1)
Increase/(decrease) in provisions		**0.3**	(0.8)
Cash generated from operating activities before interest and taxation		**38.2**	42.6
Interest element of lease payments		**(1.3)**	(1.1)
Other interest paid		**(4.6)**	(4.0)
Taxation paid		**(5.0)**	(5.4)
Net cash generated from operating activities		**27.3**	32.1
Cash flows from investing activities			
Acquisition of trade and assets as part of a business combination		**(1.0)**	(1.0)
Purchase of property, plant and equipment		**(5.0)**	(3.9)
Software and development expenditure		**(2.3)**	(3.4)
Sales proceeds from business disposals	9	**12.0**	2.0
Net cash generated from/(used in) investing activities		**3.7**	(6.3)
Cash flows from financing activities			
Proceeds from the issue of ordinary share capital		**0.3**	0.1
Purchase of own shares		**-**	(0.5)
Principal element of lease payments		**(6.9)**	(6.1)
Drawdown of borrowings (net of deferred issue costs)		**34.5**	70.8
Issue costs related to borrowings		**-**	(1.5)
Repayment of borrowings		**(62.8)**	(115.6)
Equity dividends paid	6	**(14.5)**	(14.5)
Net cash used in financing activities		**(49.4)**	(67.3)
Net decrease in cash and cash equivalents (inc. bank overdraft)		**(18.3)**	(41.5)
Cash and cash equivalents (inc. bank overdraft) at beginning of period		**32.3**	73.2
Effect of foreign currency exchange rate changes		**-**	0.6
Cash and cash equivalents (inc. bank overdraft) at end of the period		**14.0**	32.3

Condensed consolidated statement of changes in equity

For the period ended 31 May 2024

	Notes	Share capital £m	Share premium £m	Merger reserve £m	Currency translation reserve £m	Retained earnings £m	Total £m
Balance at 1 June 2022		3.1	224.0	42.3	35.1	(11.3)	293.2
loss for the year		–	–	–	–	(4.6)	(4.6)
Foreign currency translation differences		–	–	–	2.4	–	2.4
Total comprehensive income/(loss) for the year		–	–	–	2.4	(4.6)	(2.2)
Transactions with owners recorded directly in equity							
Dividends to equity shareholders	6	–	–	–	–	(14.5)	(14.5)
Share-based payments		–	–	–	–	2.2	2.2
Tax on share-based payments		–	–	–	–	(0.1)	(0.1)
Purchase of own shares						(0.5)	(0.5)
Shares issued		–	0.1	–	–	–	0.1
Total contributions by and distributions to owners		–	0.1	–	–	(12.9)	(12.8)
Balance at 31 May 2023		3.1	224.1	42.3	37.5	(28.8)	278.2
Loss for the period		**-**	**-**	**-**	**-**	**(24.9)**	**(24.9)**
Foreign currency translation differences		**-**	**-**	**-**	**(5.4)**	**-**	**(5.4)**
Total comprehensive loss for the period		**-**	**-**	**-**	**(5.4)**	**(24.9)**	**(30.3)**
Transactions with owners recorded directly in equity							
Dividends to equity shareholders	6	**-**	**-**	**-**	**-**	**(14.5)**	**(14.5)**
Share-based payments		**-**	**-**	**-**	**-**	**1.6**	**1.6**
Tax on share-based payments		**-**	**-**	**-**	**-**	**(0.3)**	**(0.3)**
Shares issued		**-**	**0.3**	**-**	**-**	**-**	**0.3**
Total contributions by and distributions to owners		**-**	**0.3**	**-**	**-**	**(13.2)**	**(12.9)**
Balance at 31 May 2024		**3.1**	**224.4**	**42.3**	**32.1**	**(66.9)**	**235.0**

Notes to the unaudited condensed interim consolidated financial statements

1 Accounting policies

Basis of preparation

NCC Group plc (the Company) is a company incorporated in the UK, with its registered office at XYZ Building, 2 Hardman Boulevard, Manchester, M3 3AQ. The Group's unaudited condensed interim financial statements consolidate those of the Company and its subsidiaries (together referred to as the Group). The principal activity of the Group is the provision of independent advice and services to customers through the supply of Cyber Security and Escode services.

The Group's unaudited condensed interim consolidated financial statements for the twelve months ended 31 May 2024, have been prepared on the going concern basis in accordance with IAS 34 'Interim Financial Reporting' as adopted for use in the UK. The unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis, except for consideration payable on acquisitions that is measured at fair value. The condensed interim consolidated financial statements are presented in Pound Sterling (£m) because that is the currency of the principal economic environment in which the Group operates. The unaudited condensed interim consolidated financial statements were approved by the Directors on 1 August 2024 and were independently reviewed by the Group's auditors.

Following the change in year end from May to September 2024, the consolidated financial statements of the Group for the 16-month period ended 30 September 2024 will be prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted for use in the UK, in accordance with international accounting standards and the requirements of the Companies Act 2006.

As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority the condensed set of interim financial statements has been prepared applying the accounting policies and presentation that were applied in the Group's published consolidated financial statements for the year ended 31 May 2023, which were prepared in accordance with IFRSs as adopted for use in the UK. They do not contain all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended 31 May 2023.

The financial statements of the Group for the year ended 31 May 2023 are available from the Group's registered office, or from the website www.nccgroup.com.

The comparative figures for the financial year ended 31 May 2023 are not the Group's statutory accounts for that financial year but are derived from those accounts. Those accounts have been reported on by the Group's prior auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Contract assets

Contract assets of £21.0m (2023: £17.1m) have been re-classified from Trade and other receivables.

Climate change

The Directors have reviewed the potential impact of Climate change and the TCFD on the unaudited condensed interim financial statements. Our overall exposure to physical and transitional climate change is considered low due to the nature of the business and cyber resilience industry.

Going concern

The Directors have acknowledged guidance published in relation to going concern assessments. The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Business Review and Financial Review. The Group's financial position, cash and borrowing facilities are also described within these sections.

The Financial Statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow and covenant compliance forecasts for 12 months from the date of approval of the Financial Statements which indicate that, taking account of severe but plausible downsides on the operations of the Group and its financial resources, the Group will have sufficient funds to meet their liabilities as they fall due for that period.

The going concern period is required to cover a period of at least 12 months from the date of approval of the Financial Statements and the Directors still consider this 12-month period to be an appropriate assessment period due to the Group's financial position and trading performance and that its borrowing facilities do not expire until December 2026. The Directors have considered whether there are any significant events beyond the 12-month period which would suggest this period should be longer but have not identified any such conditions or events.

The Group is financed primarily by a £162.5m multi-currency revolving credit facility maturing in December 2026. Under these banking arrangements, the Group can also request (seeking bank approval) an additional accordion facility to increase the total size of the revolving credit facility by up to £75m. This accordion facility has not been considered in the Group's going concern assessment as it requires bank approval and is therefore uncommitted as at the date of approval of these unaudited consolidated Financial Statements.

As of 31 May 2024, net debt (excluding lease liabilities)[1] amounted to £38.5m which comprised cash of £18.0m, a bank overdraft of £4.0m, a drawn revolving credit facility of £52.5m, leaving £110.0m of undrawn facilities, excluding the uncommitted accordion facility of £75.0m. The Group's day-to-day working capital requirements are met through existing cash resources, the revolving credit facility and receipts from its continuing business activities.

The Group is required to comply with financial covenants for leverage (net debt to Adjusted EBITDA[1]) and interest cover (Adjusted EBITDA[1] to interest charge) that are tested bi-annually on 31 May and 30 November each year. As of 31 May 2024, leverage[1] amounted to 1.0x and net interest cover[1] amounted to 7.6 compared to a maximum of 3.0x and a minimum of 3.5x respectively. The terms and ratios are specifically defined in the Group's banking documents (in line with normal commercial practice) and are materially similar to amounts noted in these financial statements with the exceptions being net debt excludes IFRS 16 lease liabilities and Adjusted EBITDA[1]. The Group was in compliance with the terms of all its facilities during the period, including the financial covenants on 31 May 2024, and based on forecasts, expects to remain in compliance over the going concern period. In addition, the Group has not sought or is not planning to seek any waivers to its financial covenants noted above. The Directors have prepared severe but plausible scenarios to the base case going concern assessment, showing that the Group is able to operate within its available committed banking facilities and meet its liabilities as they fall due for that period.

Having reviewed the current trading performance, forecasts, debt servicing requirements, total facilities and risks, the Directors are confident that the Group will have sufficient funds to continue to meet their liabilities as they fall due for a period of at least 12 months from the date of approval of these condensed interim consolidated Financial Statements, which is determined as the going concern period. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the Group's condensed interim consolidated Financial Statements for the period ended 31 May 2024.

There are no post-Balance Sheet events which the Directors believe will negatively impact the going concern assessment.

Footnotes:
1: Revenue at constant currency, Adjusted EBITDA and Net debt excluding lease liabilities are Alternative Performance Measures (APMs) and not IFRS measures. See appendix 1 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Individually Significant Items

Individually Significant Items are identified as those items or projects that based on their size and nature and/or incidence are assessed to warrant separate disclosure to provide supplementary information to support the understanding of the Group's financial performance. Where a project spans reporting period(s) the total project size and nature are considered in totality. Individually Significant Items typically comprise costs/profits/losses on material acquisitions/disposals/business exits, fundamental reorganisation/restructuring programmes and other significant one-off events (including material impairments). Individually Significant Items are considered to require separate presentation in the notes to the Financial Statements in order to fairly present the financial performance of the Group. See note 4 for further information.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of condensed interim Financial Statements requires management to exercise judgement in applying the Group's accounting policies. Different judgements would have the potential to change the reported outcome of an accounting transaction or Statement of Financial Position. It also requires the use of estimates that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with changes recognised in the period in which the estimates are revised and in any future periods affected.

2.1 Critical accounting judgements

There have been no changes in critical accounting judgements since the year ended 31 May 2023.

2.2 Key sources of estimation uncertainty

Information about estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying values of assets and liabilities is addressed below.

While every effort is made to ensure that such estimates and assumptions are reasonable, by their nature they are uncertain, and as such changes in estimates and assumptions may have a material impact.

Impairment of goodwill

The Group has significant balances relating to goodwill at 31 May 2024 as a result of acquisitions of businesses in previous years. The carrying value of goodwill at 31 May 2024 is £214.0m (2023: £255.8m). Goodwill balances are tested annually for impairment. The Group allocated goodwill to cash-generating units (CGUs) which represents the lowest level of asset groupings that generate separately identifiable cash inflows that are not dependent on other CGUs.

Tests for impairment are based on the calculation of a fair value less costs to sell (FVLCTS) which has been used to establish the recoverable amount of the CGU. The FVLCTS valuation has been calculated by assessing the value of each standalone CGU calculated using an Adjusted EBITDA[1] multiple based on estimated sustainable earnings adjusted for specific items where relevant. Estimated sustainable earnings has been determined taking into account past experience and includes expectations based on a market participant view of sustainable performance of the business based on market volatility and uncertainty.

The sustainable earnings figures used in this calculation include key assumptions regarding sustainable revenues and costs for the business. If the assumptions and estimates used in this valuation prove to be incorrect, the carrying value of goodwill may be overstated.

3 Segmental information

The Group is organised into the following two (2023: two) reportable segments: Cyber Security and Escode (previously known as Software Resilience). The two reporting segments provide distinct types of service. Within each of the reporting segments the operating segments provide a homogeneous group of services. The operating segments are grouped into the reporting segments on the basis of how they are reported to the chief operating decision maker (CODM) for the purposes of IFRS 8 'Operating Segments', which is considered to be the Board of Directors of NCC Group plc.

Operating segments are aggregated into the two reportable segments based on the types and delivery methods of services they provide, common management structures, and their relatively homogeneous commercial and strategic market environments. Performance is measured based on reporting segment profit, which comprises Adjusted operating profit [1]. Finance costs and tax are not allocated to business segments and there are no intra-segment sales.

Segmental analysis 2024	Cyber Security £m	Escode £m	Central and head office £m	Group £m
Revenue	**258.5**	*65.9*	–	**324.4**
Cost of sales	**(170.2)**	**(19.9)**	–	**(190.1)**
Gross profit	**88.3**	**46.0**	–	**134.3**
Gross margin %	***34.2%***	***69.8%***	–	***41.4%***
Administrative expenses	**(70.4)**	**(17.5)**	**(2.7)**	**(90.6)**
Share-based payments	**(0.3)**	**(0.2)**	**(1.1)**	**(1.6)**
Depreciation and amortisation	**(8.5)**	**(0.4)**	**(3.7)**	**(12.6)**
Amortisation of acquired intangibles	**(1.0)**	**(5.5)**	***(3.0)***	**(9.5)**
Individually Significant Items (Note 4)	**(41.4)**	**(0.1)**	–	**(41.5)**
Operating (loss)/profit	***(33.3)***	***22.3***	**(10.5)**	**(21.5)**
Finance costs				**(6.2)**
Loss before taxation				**(27.7)**
Taxation				**2.8**
Loss for the period				**(24.9)**

Segmental analysis 2023	Cyber Security £m	Escode £m	Central and head office £m	Group £m
Revenue	270.8	64.3	–	335.1
Cost of sales	(184.7)	(18.4)	–	(203.1)
Gross profit	86.1	45.9	–	132.0
Gross margin %	31.8%	71.4%	–	39.4%
Administrative expenses	(70.7)	(14.7)	(5.2)	(90.6)
Share-based payments	(1.6)	(0.1)	(0.5)	(2.2)
Depreciation and amortisation	(8.5)	(0.6)	(3.5)	(12.6)
Amortisation of acquired intangibles	(1.2)	(5.8)	(3.0)	(10.0)
Individually Significant Items (Note 4)	(12.3)	(2.4)	--	(14.7)
Operating (loss)/profit	(8.2)	22.3	(12.2)	1.9
Finance costs				(6.2)
Loss before taxation				(4.3)
Taxation				(0.3)
Loss for the period				(4.6)

1: Adjusted EBITDA and Adjusted Operating profit are Alternative Performance Measures (APMs) and not IFRS measures. See Note 3 for an explanation of APMs and adjusting items, including a reconciliation to statutory information.

Revenue is disaggregated by primary geographical market, by category and timing of revenue recognition as follows:

Revenue by originating country	**Cyber Security £m**	**Escode £m**	**2024 Total £m**	Cyber Security £m	Escode £m	2023 Total £m
UK & APAC	**129.8**	**27.3**	**157.1**	118.4	25.8	144.2
North America	**69.0**	**34.4**	**103.4**	99.3	34.5	133.8
Europe	**59.7**	**4.2**	**63.9**	53.1	4.0	57.1
Total revenue	**258.5**	**65.9**	**324.4**	270.8	64.3	335.1

Revenue by category	**Cyber Security £m**	**Escode £m**	**2024 Total £m**	Cyber Security £m	Escode £m	2023 Total £m
Services	**254.2**	**65.9**	**320.1**	267.1	64.3	331.4
Products	**4.3**	**-**	**4.3**	3.7	–	3.7
Total revenue	**258.5**	**65.9**	**324.4**	270.8	64.3	335.1

Timing of revenue recognition	**Cyber Security £m**	**Escode £m**	**2024 Total £m**	Cyber Security £m	Escode £m	2023 Total £m
Services and products transferred over time	**241.9**	**43.3**	**285.2**	252.9	42.8	295.7
Services and products transferred at a point in time	**16.6**	**22.6**	**39.2**	17.9	21.5	39.4
Total revenue	**258.5**	**65.9**	**324.4**	270.8	64.3	335.1

Following the implementation of our strategy, Cyber Security revenue is now analysed in more detail by type of service and capability:

	2024 £m	2023 £m	% change at actual rates	**2024 £m**	Constant Currency [1] 2023 £m	% change at constant currency [1]
Technical Assurance Services (TAS)	**107.0**	142.9	*(25.1%)*	**107.0**	*138.6*	*(22.8%)*
Consulting and Implementation (C&I)	**42.8**	44.7	*(4.3%)*	**42.8**	*44.0*	*(2.7%)*
Managed Services (MS)	**67.3**	50.1	*34.3%*	**67.3**	*49.5*	*36.0%*
Digital Forensics and Incident Response (DFIR)	**16.4**	13.5	*21.5%*	**16.4**	*13.5*	*21.5%*
Other services	**25.0**	19.6	*27.6%*	**25.0**	*18.8*	*33.0%*
Total Cyber Security revenue	**258.5**	270.8	*(4.5%)*	**258.5**	*264.4*	*(2.2%)*

TAS, C&I and DFIR were formerly included within the global professional services (GPS as defined within the FY23 annual report) and global managed services (GMS as defined within the FY23 annual report) is now reported as MS. Revenue is recognised on these capabilities as follows:

- TAS, C&I and DFIR consulting revenues are recognised on an input method over time.
- MS revenues (including recurring revenue elements of DFIR) are bifurcated according to their separate performance obligations. The recognition policy is consistent with that disclosed for GMS in the FY23 annual report.

Escode revenues analysed by service line:

	2024 £m	2023 £m	% change at actual rates	**2024 £m**	Constant Currency [1] 2023 £m	% change at constant currency [1]
Escrow contracts	**43.3**	42.8	*1.2%*	**43.3**	*41.5*	*4.3%*
Verification services	**22.6**	21.5	*5.1%*	**22.6**	*21.0*	*7.6%*
Total Escode revenue	**65.9**	64.3	*2.5%*	**65.9**	*62.5*	*5.4%*

There have been no changes in the manner in which Escrow contracts or verification services are reported.

4. Individually Significant Items (ISIs)

The Group separately identifies items as Individually Significant Items (ISIs). Each of these is considered by the Directors to be sufficiently unusual in terms of nature or scale so as not to form part of the underlying performance of the business. They are therefore separately identified and excluded from adjusted results (as explained in the financial review).

	Reference	**2024 £m**	2023 £m
North America Cyber Security goodwill impairment	**a**	**31.9**	9.8
Fundamental re-organisation costs	**b**	**10.2**	4.2
Costs associated with strategic review of Escode business	**c**	**0.1**	3.0
NCC Group A/S goodwill impairment	**d**	**-**	3.0
IPM Escode business deferred income adjustment	**e**	**-**	(0.6)
Profit on disposal	**f**	**(0.7)**	(4.7)
Total ISIs		**41.5**	14.7

(a) North America Cyber Security goodwill impairment

Following the impairment review of Goodwill, a further impairment in North America Cyber Security has been recognised, amounting to £31.9m (2023: £9.8m). For further details, please see note 8.

(b) Fundamental re-organisation costs

In order to implement the Group's strategy to enhance future growth, certain strategic actions are required including reshaping the Group's global delivery and operational model. This reshaping is considered a fundamental reorganisation and restructuring programme that will span reporting periods and the total project size and nature are considered in totality. The programme commencement was accelerated following the Group experiencing specific market conditions that validated the rationale of the Group's strategy. The programme has three planned phases as follows:

• Phase 1 (March – April 2023) – initial reduction in global delivery and operational headcount; c.7% reduction of the Group's global headcount

• Phase 2 (June – September 2023) – a further reduction in global delivery, operational and corporate functions headcount prior to opening our off-shore operations and delivery centre in Manila

• Phase 3 (October 2023 – May 2025) – finalisation of the Group's operating model.

Costs of £10.2m (2023: £4.2m) and cash outflow of £10.2m (2023: £3.4m) have been incurred in relation to the implementation of this re-organisation and are made up of severance costs, associated taxes and professional fees for advisory and legal services totalling £5.6m. These re-organisation costs also include £4.6m of property impairment and associated costs, resulting from the group's reduction in global headcount which led to a drop-off in office utilisation and associated re-evaluation of the Group's global property portfolio. It is expected that costs will also be incurred for the year ended 30 September 2025 and the Group will have to exercise judgement in assessing whether the restructuring items should be classified as ISI, this will involve considering the nature of the item, cause of occurrence and scale of the impact of those items on the reported performance, resultant benefits and after considering the original reorganisation programme principles and plans.

(c) Costs associated with strategic review of the Escode business
During February 2023, the Group announced its ongoing strategic review of Escode business. During the year ended 31 May 2024, additional professional advisory fees totalling £0.1m (2023: £3.0m) have been incurred. Such costs meet the Group's policy for ISIs as they have been incurred as part of the wider re-structuring/re-organisation activities that are ongoing within the Group. The Group stopped the strategic review of the Escode business in June 2023.

(d) NCC Group A/S goodwill impairment
On 1 June 2022, the Group made the decision to re-organise its Danish business (NCC Group A/S) which had previously been a part of the EU Assurance CGU. Following that re-organisation, the cash inflows associated with the Danish business are separately identifiable and therefore the carrying value of the CGU assets were assessed separately for impairment at 31 May 2023. The charge of £nil (2023: £3.0m) represented the impairment of goodwill associated with the Danish business following completion of that review. Such costs met the Group's policy for ISIs as this is a significant one-off event.

(e) IPM Escode business deferred income adjustment
This represents an adjustment to the opening deferred income balance in respect of the IPM acquisition in June 2021. During FY24, opening deferred income balances on verification tests totalling £nil (2023: £0.6m) have been identified for which the work has not been performed and the statute of limitations has now expired. As the period of hindsight for adjusting goodwill has now expired, management has released these amounts to the income statement. Given the nature of this release which would typically have been adjusted to goodwill it is considered to meet the definition of an individually significant item and has been classified as such.

(f) Profit on disposal
On 30 April 2024, the Group disposed of its DetACT business for cash consideration of £8.2m. The profit of £1.4m (2023: £nil) is directly attributable to the disposal of the DetACT business. Please see note 9 for further details.

On 31 December 2022, the Group disposed of its DDI business for cash consideration of £5.8m. The profit of £nil (2023: £4.7m) is directly attributable to the disposal of the DDI business. Please see Note 9 for further details.

5. Taxation
Reconciliation of taxation

	2024 £m	2023 £m
Loss before taxation	**(27.7)**	(4.3)
Current tax using the UK effective corporation tax rate of 25% (2023: 20%)	**(6.9)**	(0.9)
Effects of:		
Items not deductible for tax purposes	**5.0**	2.6
Adjustment to tax charge in respect of prior periods	**-**	(1.1)
Impact of prior year US R&D tax credits	**(1.1)**	(1.4)
Impact of current year US R&D tax credits	**(0.1)**	(0.3)
Differences between overseas tax rates	**(0.6)**	1.0
Movements in temporary differences not recognised	**0.9**	0.6
Movement in tax rate	**-**	(0.2)
Total tax (credit)/expense	**(2.8)**	0.3

6. Dividends

	2024	2023
Dividends recognised in the period (£m)	**14.5**	14.5
Dividends per share proposed but not recognised in the period (pence)	**3.15p**	3.15p

Total dividends of £14.5m were paid in the period (2023: £14.5m). The Board is declaring a 12-month dividend of 3.15p per ordinary share. This represents a dividend equal to that paid in the prior period and will amount to c.£10m being paid on 4 October 2024, to shareholders on the register at the close of business on 6 September 2024. The ex-dividend date will be 5 September 2024.

It is the Board's intention to propose a final dividend for the 16-month period ending 30 September 2024 of 1.50p per ordinary share in December 2024, which will require shareholder approval at the AGM in 2025. This amount is equivalent to the interim dividend previously paid albeit for the final 4-month period ending 30 September 2024.

Following the change in year end, the Group will then move to a dividend schedule of paying an interim dividend for the 6-month period to 31 March, payable in July and a final dividend for the year to 30 September payable in February/March.

7. Loss per ordinary share

Loss per ordinary share are shown below:

	2024 £m	2023 £m
Statutory loss for the period	**(24.9)**	(4.6)

	Number of shares m	Number of shares m
Weighted average number of shares in issue	**311.6**	311.1
Less: Weighted Average Holdings by Group ESOT	**(0.7)**	(0.7)
Basic weighted average number of shares in issue	**310.9**	310.4
Dilutive effect of share options	**0.7**	0.8
Diluted weighted average shares in issue	**311.6**	311.2

For the purposes of calculating the dilutive effect of share options, the average market value is based on quoted market prices for the period during which the options are outstanding. Given the Group reported a loss for the period, the diluted EPS does not include the dilutive effect of share options.

Group	**2024 pence**	2023 pence
Loss per ordinary share		
Basic	**(8.0)**	(1.5)
Diluted	**(8.0)**	(1.5)

8. Goodwill and intangible assets

	Goodwill	Software	Development costs	Customer contracts and relationships	Intangibles sub-total	Total
	£m	£m	£m	£m	£m	£m
Cost:						
At 1 June 2022	322.1	18.7	12.9	176.8	208.4	530.5
Additions	-	2.5	0.9	-	3.4	3.4
Disposals	(1.0)	-	-	-	-	(1.0)
Effects of movements in exchange rates	3.5	-	-	2.4	2.4	5.9
At 31 May 2023	324.6	21.2	13.8	179.2	214.2	538.8
Additions	**-**	**1.0**	**1.3**	**-**	**2.3**	**2.3**
Disposals	**(5.9)**	**(0.7)**	**(3.5)**	**-**	**(4.2)**	**(10.1)**
Effects of movements in exchange rates	**(4.3)**	**(0.1)**	**(0.2)**	**(3.4)**	**(3.7)**	**(8.0)**
At 31 May 2024	**314.4**	**21.4**	**11.4**	**175.8**	**208.6**	**523.0**
Accumulated amortisation and impairment:						
At 1 June 2022	(56.0)	(12.7)	(9.8)	(67.3)	(89.8)	(145.8)
Charge for year	-	(1.2)	(1.2)	(10.0)	(12.4)	(12.4)
Impairment	(12.8)	(0.6)	-	-	(0.6)	(13.4)
Effects of movements in exchange rates	-	-	(0.1)	(0.4)	(0.5)	(0.5)
At 31 May 2023	(68.8)	(14.5)	(11.1)	(77.7)	(103.3)	(172.1)
Charge for period	**-**	**(1.5)**	**(1.1)**	**(9.5)**	**(12.1)**	**(12.1)**
Impairment	**(31.9)**	**-**	**-**	**-**	**-**	**(31.9)**
Disposals	**-**	**-**	**2.5**	**-**	**2.5**	**2.5**
Effects of movements in exchange rates	**0.3**	**0.1**	**0.1**	**0.6**	**0.8**	**1.1**
At 31 May 2024	**(100.4)**	**(15.9)**	**(9.6)**	**(86.6)**	**(112.1)**	**(212.5)**
Net book value:						
At 31 May 2023	255.8	6.7	2.7	101.5	110.9	366.7
At 31 May 2024	**214.0**	**5.5**	**1.8**	**89.2**	**96.5**	**310.5**

Cash generating units (CGUs)

Goodwill and intangible assets are allocated to CGUs in order to be assessed for potential impairment. CGUs are defined by accounting standards as the lowest level of asset groupings that generate separately identifiable cash inflows that are not dependent on other CGUs.

The CGUs and the allocation of goodwill to those CGUs are shown below:

Cash generating units	**2024 £m**	2023 £m
UK Escode	22.9	22.9
North America Escode	85.1	87.2
Europe Escode	7.2	7.4
Total Escode	**115.2**	117.5
UK and APAC Cyber Security	44.3	44.3
North America Cyber Security	-	31.6
Europe Cyber Security	54.5	62.4
Total Cyber Security	**98.8**	138.3
Total Group	**214.0**	255.8

Impairment review

Goodwill is tested for impairment annually at the level of the CGU to which it is allocated. At 31 May 2024, an assessment has been made as to whether there is any indication that a CGU may be impaired. With respect to the North America Cyber Security CGU, such an indicator has been identified and as such a full review of the carrying value of assets associated with this CGU has been performed. No other indicators of impairment have been identified.

Capitalised development and software costs are included in the CGU asset bases when performing the impairment review. Capitalised development projects and software intangible assets are also considered, on an asset-by-asset basis, for impairment where there are indicators of impairment.

The Directors have considered the impact of climate change on this review, with no material impact identified.

Fair value less costs to sell

The recoverable amount of the North America Cyber Security CGU has been determined on a fair value less costs to sell basis for the purposes of the impairment review.

The valuation under FVLCTS is expected to exceed the valuation under VIU because uncommitted restructurings and resulting operating efficiencies are not considered within in a VIU valuation in line with the requirements of IAS 36.

The FVLCTS valuation has been calculated by assessing the value of the standalone CGU calculated using an Adjusted EBITDA [1] multiple based on estimated sustainable earnings adjusted for specific items where relevant. Estimated sustainable earnings have been determined considering past experience and include expectations based on a market participant view of sustainable performance of the business based on market volatility and uncertainty at the assessment date. The sustainable earnings input is a level 3 measurement; level 3 measurements are inputs which are normally unobservable to market participants.

The Group incurs certain overhead costs in respect of support services provided centrally to the CGUs. Such support services include Finance, Human Resources, Legal, Information Technology and additional central management support in respect of stewardship and governance. In calculating sustainable earnings these overhead costs have been allocated to the CGUs based on the extent to which each CGU has benefitted from the services provided. Commonly this is driven by time spent by the relevant central department in supporting the CGU, informed by headcount or where possible specific cost allocations have been made.

The Adjusted EBITDA [1] multiple used in the calculations is based on an independent third-party assessment of the implied enterprise value of each CGU based on a population of comparable companies and precedent transactions that is risk adjusted to take into account of current technology market conditions and business performance. The estimated cost to sell was based on other recent transactions that the Group has undertaken.

Impairment

The Board has assessed the recoverable amount of the North America Cyber Security CGU based on its FVLCTS at 31 May 2024 as described above. Based on that assessment, the carrying amount of this CGU exceeded its recoverable amount and therefore an impairment loss of £31.9m has been recognised reducing the value of goodwill allocated to this CGU to £nil.

This impairment relates to our North American Cyber Security Business due its historical performance, as the recovery in demand is less consistent than expected.

This amount has been recognised as an individually significant item (see Note 4). The impairment charge recognised has resulted in a reduction in the carrying value of goodwill only.

Sensitivity analysis

The key inputs used in the FVLCTS calculation are the Adjusted EBITDA [1] used and the multiple applied to those sustainable earnings. Specifically, the key assumptions to the Adjusted EBITDA [1] are considered to be the expected revenue and gross margin percentage that have been used to calculate sustainable earnings.

The table below shows the sensitivity of headroom to reasonably possible changes in the key assumptions, after the £31.9m impairment in the North America Cyber Security CGU during the period ended 31 May 2024.

Sensitivities: implied impairment arising	
CGU	**Decrease in gross margin of 0.5 percentage points £m**
North America Cyber Security [3]	(2.9)

3 Sensitivities shown for North America Cyber Security are in addition to the £31.9m impairment recognised in the year ended 31 May 2024.

If the gross margin used in calculating sustainable earnings for North America Cyber Security [1] was increased by 0.5 percentage points, then the impairment associated with this CGU would be £29.0m rather than £31.9m. No other reasonably possible changes in key inputs including the multiple could give rise to an impairment or further material impairment of other assets in the CGU.

9. Disposals

Current year disclosures

On 30 April 2024, the Group completed the planned disposal of its DetACT business for a total cash consideration of £8.2m.

The assets and liabilities included as part of the disposal were as follows:

	2024 £m
Attributable goodwill	5.9
Intangible fixed assets	1.4
Trade and other receivables	1.5
Trade and other payables	(0.1)
Deferred income	(2.8)
Deferred tax liability	(0.3)
Net assets disposed of	5.6
Consideration	**8.2**
Transaction costs	(1.2)
Gain on disposal – recognised as an individual significant item (note 4)	**1.4**
Satisfied by:	
Cash and cash equivalents	8.2
Total consideration	**8.2**

Prior period disposal of DDI business

On 31 December 2022, the Group completed the planned disposal of its DDI business for consideration of £5.8m. Of this amount, £3.8m, was contingent on novation of certain customer contracts. This was received during FY24.

The assets and liabilities included as part of the disposal were as follows:

	2023 £m
Attributable goodwill	1.0
Trade and other receivables	1.2
Trade and other payables	(1.2)
Net assets disposed of	1.0
Consideration	**5.8**
Transaction costs	(0.1)
Gain on disposal – recognised as an individual significant item (note 4)	**4.7**
Satisfied by:	
Cash and cash equivalents	2.0
Contingent consideration	3.8
Total consideration	**5.8**

Appendix 1 – Unaudited APM's/non-statutory measures reconciliation to IFRS measures

As referenced in the financial review, the APMs used by the Group are not defined terms under IFRS and therefore may not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, IFRS measures.

We believe these APMs provide readers with important additional information on our business and this information is relevant for use by investors, securities analysts and other interested parties as supplemental measures of future potential performance. However, since statutory measures can differ significantly from the APMs and may be assessed differently by the reader, we encourage you to consider these figures together with statutory reporting measures noted. These APMs are defined below (alongside being reconciled to IFRS measures).

Income statement measures:

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition, purpose and considerations made by the Directors
Constant currency revenue growth rates	Revenue growth rates at actual rates of currency exchange	Retranslation of comparative numbers at current year exchange rates to provide constant currency	The Group reports certain geographic regions and service capabilities on a constant currency basis to reflect the underlying performance considering constant foreign exchange rates year on year. This involves retranslating comparative numbers at current year rates for comparability to enable a growth factor to be calculated.
Adjusted operating profit	Operating profit or loss	Operating profit or loss before Individually Significant Items *(Previously: Operating profit or loss before amortisation of acquired intangibles, share-based payments and Individually Significant Items)*	Represents operating profit before Individually Significant Items (the only adjusting item). This measure is to allow the user to understand the Group's underlying financial performance as measured by management. Individually Significant Items are items that are considered unusual by nature or scale and are of such significance that separate disclosure is relevant to understanding the Group's financial performance and therefore requires separate presentation in the Financial Statements in order to fairly present the financial performance of the Group.
Adjusted profit for the period	Loss for the period	Loss for the period before Individually Significant Items and associated tax effects.	Represents loss for the period before Individually Significant Items and their associated tax effect. This measure is to allow the user to calculate the Group's adjusted earnings per share.
Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA)	Operating profit or loss	Operating profit or loss, before adjusting item, depreciation and amortisation, finance costs and taxation	Represents operating profit before adjusting item, depreciation and amortisation to assist in the understanding of the Group's performance. Adjusted EBITDA is disclosed as this is a measure widely used by various stakeholders and used by the Group to measure the cash conversion ratio.

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition, purpose and considerations made by the Directors
Adjusted basic EPS	Statutory basic EPS	Statutory basic EPS before Individually Significant Items and the tax effect thereon *(Previously: before amortisation of acquired intangibles, share-based payments, Individually Significant Items and the tax effect thereon)*	Represents basic EPS before amortisation of acquired intangibles, share-based payments and Individually Significant Items. This measure is to allow the user to understand the Group's underlying financial performance as measured by management, reported to the Board and used as a financial measure in senior management's compensation schemes. See further details above in relation to amortisation of acquired intangibles and share-based payments.

Balance Sheet measures:

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition, purpose and considerations made by the Directors
Net debt excluding lease liabilities	Total borrowings (excluding lease liabilities) offset by cash and cash equivalents		Represents total borrowings (excluding lease liabilities) offset by cash and cash equivalents. It is a useful measure of the progress in generating cash, strengthening of the Group Balance Sheet position, overall net indebtedness and gearing on a like-for-like basis. Net debt, when compared to available borrowing facilities, also gives an indication of available financial resources to fund potential future business investment decisions and/or potential acquisitions.
Net debt	Total borrowings (including lease liabilities) offset by cash and cash equivalents		Represents total borrowings (including lease liabilities) offset by cash and cash equivalents. It is a useful measure of the progress in generating cash, strengthening of the Group Balance Sheet position, overall net indebtedness and gearing including lease liabilities. Net debt, when compared to available borrowing facilities, also gives an indication of available financial resources to fund potential future business investment decisions and/or potential acquisitions.

Cash flow measures:

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition, purpose and considerations made by the Directors
Cash conversion ratio	Ratio % of net cash flow from operating activities before interest and tax divided by operating profit	Ratio % of net cash flow from operating activities before interest and tax divided by Adjusted EBITDA	The cash conversion ratio is a measure of how effectively operating profit is converted into cash and effectively highlights both non-cash accounting items within operating profit and also movements in working capital. It is calculated as net cash flow from operating activities before interest and taxation (as disclosed on the face of the Cash Flow Statement) divided by adjusted EBITDA for continued and discontinued activities. The cash conversion ratio is a measure widely used by various stakeholders and hence is disclosed to show the quality of cash generation and also to allow comparison to other similar companies.

Please see Financial Review for full reconciliations.

Independent review report to NCC Group plc
Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed NCC Group plc's condensed consolidated interim financial statements (the "interim financial statements") in the Unaudited results of NCC Group plc for the 12 month period ended 31 May 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed consolidated balance sheet as at 31 May 2024;
- the Condensed consolidated income statement and Condensed consolidated statement of comprehensive income for the period then ended;
- the Condensed consolidated cash flow statement for the period then ended;
- the Condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Unaudited results of NCC Group plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Unaudited results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The Unaudited results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Unaudited results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Unaudited results, including the interim financial statements, the directors are responsible for assessing the group'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 to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Unaudited results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants

Manchester

1 August 2024