Embargoed until 7.00 a.m. 19 November 2024

GB GROUP PLC

(“GBG”, the “Group” or the “Company”)

Half year results for the six months ended 30 September 2024

A good first half: FY25 outlook reiterated

GB Group plc, (AIM: GBG), the experts in global identity fraud and location software, today announces its unaudited results for the six months ended 30 September 2024.

Financials	**1H25**	**1H24**	**Growth %**
Revenue	**£136.9m**	£132.4m	**3.4%**
Constant currency revenue	**£136.9m**	£131.0m	**4.5%**
Gross margin	**69.6%**	69.2%	***40bps***
Adjusted operating profit[1]	**£29.0m**	£23.9m	**21.3%**
Adjusted operating margin	***21.2%***	*18.1%*	***310bps***
Operating profit / (loss)[2]	**£9.4m**	(£52.6m)	
Profit / (loss) before tax[2]	**£5.6m**	(£57.3m)	
Diluted earnings / (loss) per share	**0.6p**	(21.8)p	
Adjusted diluted earnings per share[1]	**7.3p**	5.1p	**42.4%**
Net debt[1]	**£(71.9)m**	£(104.8)m	

[1]Defined within note 21 to the results. [2]Prior year included a £54.7 million non-cash goodwill impairment charge. Growth percentages are calculated with reference to the actual unrounded figures in the primary financial statements and so might not tie directly to the rounded figures found in this release if recalculated.

Financial highlights

- Good half-year results, in line with the trading update released on 17 October 2024
- Growth of 4.5% on a constant currency basis (CCY); and 3.4% on a reported basis
  - Revenue growth acceleration driven by Identity, up 6.0% and Location, up 8.6% on a CCY basis
  - As anticipated, our smallest segment Fraud was down 9.2% on a CCY basis given timing of licence renewals
  - Net revenue retention (NRR) on a rolling 12-month basis improved to 100.2% at 30 September 2024 compared with 94.9% at 30 September 2023
  - Revenue from new wins in the last 12 months continued to be strong at 3.8%
- First half adjusted operating profit[1] grew by 21.3% to £29.0 million, representing a margin of 21.2% driven by our revenue growth and the enduring benefit of the cost initiatives executed in FY24
- Net debt decreased by £9.0 million since 31 March 2024 to £71.9 million, representing a net debt to EBITDA leverage of 1.05x (FY24: 1.27x). Cash conversion on a 12-month rolling basis was 83.7% (FY24: 90.6%)

Executing well against our four initial focus areas

- **Removing complexity:** Continued benefit from the FY24 cost and simplification initiatives, while actions to streamline our commercial processes are helping to accelerate our sales cycle
- **Being globally aligned:** We are harmonising our brands, delivering increased cross-sell through Identity Fraud and Location Go-To-Market (GTM) collaboration, and begun moving to a unified online presence for our Identity Fraud business
- **Differentiation through innovation:** Enhancing the user experience for our document and biometric capabilities, expanded international data coverage and ramping up of activity on GBG Trust and GO to drive customer value
- **Driving a performance culture:** Increased team engagement as our teams embrace a performance culture, driving progress on execution, new customer acquisition and existing customer retention

FY25 outlook reiterated

- Trading since the half year end has been in line with expectations and the Board reiterates its FY25 outlook underpinned by the strong progress achieved in the year to date
- We continue to expect mid-single-digit revenue growth on a constant currency basis for FY25, which will drive high single-digit growth in adjusted operating profit, given the operational efficiency gains achieved in FY24

Dev Dhiman, Chief Executive Officer (CEO), commented:

"I’m pleased to report on a first half where we have made positive progress against my initial focus areas; removing complexity, being globally aligned, driving a performance culture and differentiating through innovation. We are retaining customers and doing more with them, and our new customer acquisition continues to be strong. Combined with the continued benefit of our group-wide cost and simplification initiatives executed in the prior year, we have delivered a good first half outcome.

There is more to be done to drive our reacceleration in organic growth, but I am highly encouraged with our progress to date, and I thank the entire team who have responded with energy and positivity to this challenge. This performance underpins our confidence in reiterating our full year outlook and in GBG over the longer term.”

Analyst and investor presentation

Management will host a virtual presentation this morning at 0930hrs GMT for sell-side analysts and institutional investors.

To register to view the event live online, please use the following link:
https://www.investis-live.com/gb-group/66fd06fb4132f400154edff1/mqpet

This will be available on-demand via our investor website along with the materials shortly after the event.

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About GBG

GBG is the leading expert in global identity and location. In an increasingly digital world, GBG helps businesses grow by giving them intelligence to make the best decisions about their customers, when it matters most.

Every second, our global data, agile technology, and expert teams, power over 20,000 of the world's best-known organisations to reach and trust their customers.

To find out more about how we help our customers establish trust with their customers visit www.gbgplc.com and follow us on LinkedIn and X @gbgplc.

CEO review

Introduction

I am pleased to report a good set of results for GBG's first half of the financial year. I believe this reflects the progress we have made on the four areas of focus I outlined when I became GBG's CEO. This is making a difference, and our work to date has taken GBG another step forward in reaccelerating our organic growth. It is also translating into our performance today, not only in terms of the financial benefit, but in the way we interact with our customers and engage our people. I am particularly pleased that we have achieved increases in both customer satisfaction and team engagement during the last six months.

The positive operating momentum we carry into the second half underpins the Board's ongoing confidence in delivering the FY25 outlook which we have today reiterated, and I would like to thank our team for their hard work and commitment to deliver this performance. I am looking forward to our continued progress in the second half of FY25. As a team, we are aligned and motivated to compete and deliver our key initiatives that will strengthen GBG's industry position as a leader in delivering critical onboarding intelligence to our customers, when it matters most.

As a Board, we remain confident that the strategic progress being achieved, the reacceleration of our growth trajectory, sustainable profitability and strong cash generation, means that GBG will continue to be well-placed to capitalise on the significant market opportunity ahead.

Financial overview

A good first half, with revenue and adjusted operating profit in line with the trading update released on 17 October 2024. First half group revenue of £136.9 million was up 4.5% on a constant currency basis. This primarily reflects an encouraging improvement in the level of NRR within our Identity segment alongside another period of resilient performance from our Location segment, despite a subdued consumer backdrop.

Reflecting a continued focus on pricing and disciplined management of our data and cloud hosting costs, gross margin improved to 69.6% (1H24: 69.2%). Meanwhile, the continued benefit of our group-wide cost and simplification initiatives executed in the prior year contributed to adjusted operating expenses being £0.9 million or 1.4% lower than the prior year despite the effect of cost inflation. As a result, adjusted operating profit was strong, up 21.3% to £29.0 million, representing an adjusted operating profit margin of 21.2%, up 310bps.

We continue to prioritise deleveraging our balance sheet and reduced our net debt by £9.0 million to £71.9 million as of 30 September 2024, achieving a net debt to EBITDA leverage of 1.05x. This improvement in leverage was helped by a £5.0 million currency retranslation benefit but after the £10.6 million payment of the FY24 dividend.

Our segmental performance

Identity (59% of the Group's revenues) - First half revenue of £80.3 million was up 6.0% on a constant currency basis, building successfully on the momentum achieved in the Identity business during the fourth quarter of the prior year. Growth was driven by the year-on-year improvement in our EMEA and Americas regions as a result of improving levels of NRR, this has been particularly driven by cross-sell and up-sell to existing customers of capabilities such as international data and our multi-bureau solution. We have captured strong demand for our documents and biometrics capability, as we ramped up on important customer projects such as supporting a new onboarding journey for Santander's UK consumer online banking applications.

In our EMEA region, our strong GTM execution continues to build a healthy pipeline across the diverse sectors we serve, demonstrating customer confidence and competitiveness of our solutions. In retail and e-commerce, age-verification cross-sell opportunities from Location resulted in our Identity team securing some of Asia's largest online marketplaces to support their growing cross-border activity. Across the breadth of financial services, we secured new wins and expanded our relationship with the likes of Remitly and Capital.com alongside the win-back of Moneygram. Similarly, in gaming, we continue to build on the breadth and depth of our offering in this sector to support customer's safe expansion into emerging markets within LATAM such as Brazil and Peru with customers such as Rush Street Interactive and SuperBet. In Americas, our investment to build-out our account management team has helped to improve customer retention, notably we renewed our relationship with Square, and deepened our penetration within customers such as Boost Mobile and MoneyLion.

Location (29% of the Group's revenues) - Our Location segment had another good period of trading, consistent with the strong growth trajectory delivered over the last three years despite macroeconomic pressures impacting consumer volumes. While these pressures remain, Location delivered growth of 8.6% on a constant currency basis to £39.5 million in the first six months of the year. New customer acquisition of brands such as SharkNinja and Warner Music have added to the strength and depth of its existing diverse customer base, which now includes a number of South-East Asia's leading e-commerce players. We have expanded existing relationships with leading brands such as Primark and FootLocker, demonstrating strong retention across our diverse customer base, and we continue to drive increased channel activity with partners such as Smartystreets and Oracle.

Fraud (12% of the Group's revenues) - As previously anticipated, revenue for our fraud prevention, detection and investigation solutions was down by 9.2% on a constant currency basis to £17.1 million. This primarily relates to year-on-year timing differences in our customer software licence renewals across this segment's core Southeast Asia and EMEA markets. The ongoing opportunity pipeline for our fraud prevention platforms remains attractive and we expect the segment will return to growth in the second half. Over the last 6 months we signed new, or extended existing, relationships with financial services customers such as J.P.Morgan Mobility Payments, and Bank BTPN.

Update on our current areas of focus

As the leading expert in global identity fraud and location software, GBG exists within the increasingly digital economy to power our customers to reach and trust their customers. We have built strong positions within the growing markets in which we operate. We provide critical services that make a meaningful difference to the customers we support, helping them to grow safely by giving them onboarding intelligence to make the best decisions about their customers, when it matters most. Capitalising on this opportunity is our key priority, we leveraged the momentum generated in the final quarter of FY24 and continue to drive the performance improvements across our Identity business. This has built upon the acceleration in the Group's organic growth rate through the first half, alongside good execution against our initial focus areas.

Removing complexity - Focusing on simplicity and efficiency as a business is key to underpinning our long-term success. Our operating expenses reflect the benefits of the group-wide cost and simplification initiatives executed in FY24 despite ongoing inflationary pressures. Alongside this, our action to make GBG a more agile organisation is making good progress. We made significant improvements to our commercial processes; we are now enabling customers to receive single legal, data protection, billing, and service agreements. This streamlined experience through an accelerated sales cycle gives them the ability to consume all of GBG's current capabilities across all of the jurisdictions in which we operate.

Being globally aligned - Our progress in the last six months reflects an ongoing journey to harmonise our regional brands and solutions to leverage our size and scale more effectively as the market leader. This is translating into increased collaboration between our Identity and Location GTM teams, resulting in more cross-sell and up-sell activity. Having completed the acquisition of the GBG.com domain during the period, we are working on the transition to a single online GTM presence that harnesses the power of the GBG brand for our Identity Fraud business to ensure we effectively communicate the value of our onboarding intelligence propositions to customers globally.

Differentiation through innovation - We continue to explore opportunities to help our customers drive more value from the onboarding intelligence they receive from across our solutions. This includes enhancements to the performance of our documents and biometric capability as well as harnessing the expansion of our international datasets to help meet increasing demand for cross-border use cases. We have made further progress to strengthen our reputation for innovation, extending coverage of GBG Trust, our proprietary identity network across more geographies and sectors, pursuing increased customer adoption. We are also pleased more than ten customers have committed to participate in our early adopter programme for an enterprise-grade level version of GBG GO. This creates a single consumption experience accessing the breadth of our capabilities, including recent innovation such as GBG Trust, while benefiting from the improved commercial processes outlined above as we become simpler to do business with.

Driving a performance culture - Increasing team engagement during the last six months has been a key contributor to our improved first half execution. In the Americas, we have stabilised performance through a focus on leadership and culture. Our teams are embracing a performance culture, with a focus on our competitiveness and differentiation. We achieved increased momentum around new customer acquisition, which includes notable success attracting customers back to our Identity platform driven by the breadth of our offering and increased match-rate performance. Building a customer-centric experience remains a priority, our work here has focused on retention, pricing and expansion to enrich our relationships, driving a pleasing year-on-year increase in our customer NPS score from 46 to 54.

Current trading and outlook

GBG delivered a good first half performance, demonstrating an acceleration in organic growth, strong growth in adjusted operating profit and continued deleveraging of our balance sheet. The second half has begun as expected, trends that drove our first half performance continued and the Board maintains its FY25 outlook that GBG will deliver mid-single-digit revenue growth, on a constant currency basis, which will drive high single-digit growth in adjusted operating profit. As a Board, we remain confident that the strategic progress being delivered by the business will position GBG to fulfil its significant potential over the longer-term.

Dev Dhiman
Chief Executive Officer
On behalf of the Board
18 November 2024

Finance review

We are pleased with our first half financial results which demonstrate further progress in rebuilding organic growth momentum together with the lasting benefits of the cost reduction initiatives completed in the prior year.

Revenue and gross margin

Revenue increased to £136.9 million, or by 3.4%, compared to the first half period of the prior year (1H24). On a constant currency basis, revenue increased by 4.5%. More detail on revenue performance in each of our operating segments is included in the Chief Executive Officer's Review.

As expected, net revenue retention (NRR), which we report on a rolling 12-month basis, continued to improve and was 100.2% at 30 September 2024. This compares to 98.0% at 31 March 2024 and 94.9% at 30 September 2023.

The timing of revenue recognition in the Fraud segment can impact NRR, so we also report NRR excluding the Fraud segment. For the same three periods we have seen momentum improve, with NRR sequentially increasing from 94.0% to 99.0% and then 102.6% when excluding Fraud.

Growth derived from new customers won in the last 12 months continued to be strong at 3.8%, benefiting from initiatives to drive new customer acquisition and our strong GTM execution, particularly in our EMEA Identity business.

In the first half, 94.7% (1H24: 94.3%) of our revenue came from the combination of subscription and consumption revenue models which demonstrates GBG's attractive, repeatable and cash-generative business model. Of this, software subscription[1] revenue contributed £73.8 million, representing a decline of 0.8% due to the timing of renewals of Fraud licences (Identity and Location software subscription grew 2.2%). Consumption revenue added a further £55.8 million, representing growth of 10.6%. Non-repeatable revenue streams, typically services, hardware and implementation fees, amounted to £7.3 million in the period (1H24: £7.5m).

Gross margin increased to 69.6% compared to 69.2% in 1H24, reflecting continued focus on pricing and close management of our data and cloud hosting costs. Gross margin in the second half is historically higher due to the timing of higher margin licence renewals, and we would expect this trend to continue in FY25.

Operating profitability and cost management

On a reported basis, there was an operating profit of £9.4 million (1H24: loss of £52.6 million), with the improvement principally due to the goodwill impairment charge of £54.7 million recognised in the prior year.

Adjusted operating profit for the first half increased by 21.3% to £29.0 million (1H24: £23.9 million), which represents a margin of 21.2% (1H24: 18.1%). This improvement reflects the continued benefit of our group-wide cost and simplification initiatives executed in the prior year. Despite continued inflationary pressures, our adjusted operating expenses were £0.9 million or 1.4% lower than the prior year.

	1H25	1H24
Adjusted operating profit	**£29.0m**	£23.9m
Amortisation of acquired intangibles	(£17.4m)	(£20.1m)
Equity-settled share-based payments	(£2.2m)	£0.1m
Exceptional items		
Impairment of goodwill	-	(£54.7m)
Other exceptional items	-	(£1.8m)
Operating profit/(loss)	**£9.4m**	(£52.6m)
Net finance costs	(£3.8m)	(£4.7m)
Income tax (charge)/credit	(£4.1m)	£2.1m
Profit/(loss) after tax	**£1.6m**	(£55.2m)

Normalised and exceptional items

There were no exceptional items to report in the first half of the year. In the prior year, total exceptional items were £56.5 million, with the largest component being an impairment charge against goodwill. Amortisation of acquired intangibles at £17.4 million was slightly lower than the prior year due to some intangibles becoming full amortised and the impact of FX rate differences.

A share-based payment charge of £2.2 million was also recorded in the first half period. This was higher than the prior year (1H24: Credit of £0.1 million) due to the prior year being lower than expected due to some catch-up credits related to previously issued share awards that were no longer expected to vest.

Net finance costs

The net finance charge of £3.8 million was £0.9 million lower than the prior year, due mostly by lower interest on the variable rate Revolving Credit Facility. This decrease was driven by a lower average level of debt drawdown, which was a consequence of us focusing on strong cash generation and utilising this to make facility repayments. Interest rates on the facility remained quite consistent through the period, but we do expect some benefit in the second half of the year as central bank base rates in the US and UK begin to lower.

Taxation

The tax charge for the six-month period was £4.1 million (1H24: £2.1 million credit). The tax charge on adjusted earnings before tax was £6.7 million (1H24: £6.0 million), representing an effective tax rate of 26.5% (1H24: 31.2%). The main reasons for the decrease in the adjusted effective tax rate is that the prior year was higher due to a deferred tax charge in the US, which was recognised as a discrete item, following the revaluation of deferred tax assets for rate changes. Our guidance for the full year effective tax rate remains unchanged at approximately 25%. This is lower than the half-year effective tax rate as tax charges relating to prior year adjustments and the revaluation of US deferred tax assets are recognised fully as discrete items in H1.

Earnings per share

Diluted EPS improved to 0.6 pence per share (1H24: loss of 21.8 pence per share), with the increase primarily due to the non-cash impairment of goodwill charge in the prior period.

Adjusted diluted EPS of 7.3 pence per share (1H24: 5.1 pence per share) improved 42.4% year on year due to the increase in the reported adjusted operating profit as well as the reduction in the interest expense costs and effective tax rate explained above.

Group cash flow and net debt

GBG remains focused on maintaining a strong balance sheet to support sustainable growth. During the first six months of the year, the Group's operating activities before tax payments generated £24.5 million of cash and cash equivalents (1H24: £22.9 million) with rolling 12-month EBITDA to cash conversion of 83.7% at 30 September 2024 compared to 90.6% at 31 March 2024. Cash conversion in the first half of any financial year is impacted by the payment of bonuses related to the prior year and this does cause some variability. We expect cash conversion to normalise by the year end to revert closer to our expected longer-term average of 90-95%.

In the period to 30 September 2024, net repayments against the revolving credit facility were £9.1 million, resulting in outstanding balances of $111 million (31 March 2024: $129 million) and £5 million (31 March 2024: £nil).

Overall, our net debt at 30 September 2024 decreased by £9.0 million since 31 March 2024 to £71.9 million. This was despite the £10.6 million full year dividend payment, purchase of £1.6m of GBG shares for the Employee Benefit Trust, and exceptional cash costs of £0.9 million (for costs incurred in the prior year). Offsetting these costs was a positive £5.2 million translation impact from the conversion of the US denominated debt into pound sterling.

Deferred and accrued revenue

Deferred revenue decreased by 8.9% to £50.4 million since the year-end (FY24: £55.3 million). This balance principally consists of contracted licence revenues and profits that are payable up front but recognised over time as the Group's revenue recognition criteria are met. The deferred revenue balance does not represent the total contract value of any future unbilled annual or multi-year, non-cancellable agreements as the Group more typically invoices customers in annual or quarterly instalments. The deferred revenue balance at any point in time is determined by several factors, including seasonality, the compounding effects of renewals, invoice duration, invoice timing, FX rates and new business linearity within a reporting period.

Accrued revenue has remained relatively flat compared to the year end at £14.7 million (FY24: £14.4 million) and relates to several larger contracts, mostly in the Fraud and Location segments, where the revenue recognition profile is different to the invoicing profile.

Summary

GBG delivered a good first half performance with an acceleration in organic growth, a strong year-on-year increase in operating profit and a reduction in net debt. We have taken this momentum into the second half, and this underpins the Board's confidence that GBG will deliver its outlook for both revenue growth and growth in operating profit in FY25.

David Ward
Chief Financial Officer
On behalf of the Board
18 November 2024

Notes: [1]Software subscriptions can be term-based where the agreement entitles the customer to use a GBG solution for a fixed period of time (a fair use volume limit applies) or consumption-based, whereby a customer buys usage credits in advance which entitle them to use of GBG's solutions up to a fixed quantity (and within a fixed time period).

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 September 2024

	Note	**Unaudited 2024**			Unaudited 2023		
		Adjusted £000	**Normalised and exceptional items[1] £000**	**Total £000**	Adjusted £000	Normalised and exceptional items[1] £000	Total £000
Revenue	5	**136,897**	**-**	**136,897**	132,360	-	132,360
Cost of sales		**(41,562)**	**-**	**(41,562)**	(40,773)	-	(40,773)
Gross profit		**95,335**	**-**	**95,335**	91,587	-	91,587
Operating expenses		**(66,314)**	**(19,572)**	**(85,886)**	(67,254)	(76,539)	(143,793)
Increase in expected credit losses of trade receivables		**(19)**	**-**	**(19)**	(430)	-	(430)
Operating profit/(loss)	5, 6	**29,002**	**(19,572)**	**9,430**	23,903	(76,539)	(52,636)
Finance income	7	**122**	**-**	**122**	106	-	106
Finance costs	8	**(3,919)**	**-**	**(3,919)**	(4,752)	-	(4,752)
Profit/(loss) before tax		**25,205**	**(19,572)**	**5,633**	19,257	(76,539)	(57,282)
Income tax (charge)/credit	9	**(6,669)**	**2,612**	**(4,057)**	(6,003)	8,135	2,132
Profit/(loss) after tax for the period attributable to equity holders of the parent		**18,536**	**(16,960)**	**1,576**	13,254	(68,404)	(55,150)
Earnings per share	10						
- basic earnings/(loss) per share for the period		**7.3p**		**0.6p**	**5.2p**		(21.8p)
- diluted earnings/(loss) per share for the period		**7.3p**		**0.6p**	**5.1p**		(21.8p)

[1] Normalised items include: amortisation of acquired intangibles £17,400,000 (2023: £20,117,000) and share-based payment charges £2,172,000 (2023: £138,000 credit). Exceptional items total £nil (2023: £56,560,000) (see note 4).

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2024

	Unaudited 6 months to 30 September 2024 £'000	Unaudited 6 months to 30 September 2023 £'000
Profit/(loss) after tax for the period attributable to equity holders of the parent	1,576	(55,150)
Other comprehensive (expense)/ income:		
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on retranslation of foreign operations (net of tax)	(27,322)	5,465
Total items that may be reclassified to profit or loss in subsequent periods	(27,322)	5,465
Items that will not be reclassified to profit or loss in subsequent periods:		
Fair value movement on investments	-	(1,600)
Total items that will not be reclassified to profit or loss in subsequent periods	-	(1,600)
Total other comprehensive (expense)/income	(27,322)	3,865
Total comprehensive expense for the period attributable to equity holders of the parent	(25,746)	(51,285)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

				Other reserves						
	Note	**Equity share capital £'000**	**Share premium £'000**	**Merger reserve £'000**	**Capital redemption reserve £'000**	**Foreign currency translation reserve £'000**	**Treasury shares £'000**	**Total other reserves £'000**	**(Accumulated losses)/retained earnings £'000**	**Total equity £'000**
Balance at 1 April 2023		**6,311**	**567,581**	**99,999**	**3**	**36,483**	**(1,074)**	**135,411**	**(15,159)**	**694,144**
Loss for the period		-	-	-	-	-	-	-	(55,150)	**(55,150)**
Other comprehensive income/(expense)		-	-	-	-	5,465	-	5,465	(1,600)	**3,865**
Total comprehensive income/(expense) for the period		**-**	**-**	**-**	**-**	**5,465**	**-**	**5,465**	**(56,750)**	**(51,285)**
Issue of share capital		3	-	-	-	-	-	**-**	-	**3**
Cost of employee benefit trust shares issued to employees		-	-	-	-	-	458	**458**	(451)	**7**
Share-based payments		-	-	-	-	-	-	**-**	(138)	**(138)**
Tax on share options		-	-	-	-	-	-	**-**	16	**16**
Net share forfeiture refund		-	-	-	-	-	-	**-**	(36)	**(36)**
Equity dividend	11	-	-	-	-	-	-	**-**	(10,093)	**(10,093)**
Balance at 30 September 2023		**6,314**	**567,581**	**99,999**	**3**	**41,948**	**(616)**	**141,334**	**(82,611)**	**632,618**
Profit for the period		-	-	-	-	-	-	**-**	6,567	**6,567**
Other comprehensive expense		-	-	-	-	(17,771)	-	**(17,771)**	-	**(17,771)**
Total comprehensive (expense)/income for the period		**-**	**-**	**-**	**-**	**(17,771)**	**-**	**(17,771)**	**6,567**	**(11,204)**
Issue of share capital		1	-	-	-	-	-	**-**	-	**1**
Cost of employee benefit trust shares issued to employees		-	-	-	-	-	489	**489**	(488)	**1**
Share-based payments		-	-	-	-	-	-	**-**	3,626	**3,626**
Tax on share options		-	-	-	-	-	-	**-**	88	**88**
Net share forfeiture refund		-	-	-	-	-	-	**-**	(1)	**(1)**
Equity dividend		-	-	-	-	-	-	**-**	-	**-**
Balance at 1 April 2024		**6,315**	**567,581**	**99,999**	**3**	**24,177**	**(127)**	**124,052**	**(72,819)**	**625,129**
Profit for the period		-	-	-	-	-	-	-	1,576	**1,576**
Other comprehensive income		-	-	-	-	(27,322)	-	(27,322)	-	**(27,322)**
Total comprehensive (expense)/income for the period		**-**	**-**	**-**	**-**	**(27,322)**	**-**	**(27,322)**	**1,576**	**(25,746)**
Issue of share capital		**1**	**4**	**-**	**-**	**-**	**-**	**-**	**-**	**5**
Capital reduction	16	**-**	**(567,581)**	**-**	**-**	**-**	**-**	**-**	**567,581**	**-**
Investment in own shares		**-**	**-**	**-**	**-**	**-**	**(1,633)**	**(1,633)**	**-**	**(1,633)**
Cost of employee benefit trust shares issued to employees		**-**	**-**	**-**	**-**	**-**	**605**	**605**	**(596)**	**9**
Share-based payments		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,172**	**2,172**
Tax on share options		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**104**	**104**
Net share forfeiture refund		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**	**(1)**
Equity dividend	11	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(10,599)**	**(10,599)**
Balance at 30 September 2024		**6,316**	**4**	**99,999**	**3**	**(3,145)**	**(1,155)**	**95,702**	**487,418**	**589,440**

Condensed Consolidated Balance Sheet

As at 30 September 2024

	Note	Unaudited As at 30 September 2024 £'000	Audited As at 31 March 2024 £'000	Unaudited As at 30 September 2023 £'000
ASSETS				
Non-current assets				
Goodwill	12	**536,902**	561,622	577,433
Other intangible assets	12	**154,923**	181,064	206,728
Property, plant and equipment	12	**1,475**	1,650	3,405
Right-of-use assets	12	**1,536**	1,565	1,788
Investments		**1,426**	1,426	1,426
Deferred tax asset		**674**	937	699
Trade and other receivables	13	**7,168**	6,223	5,990
		704,104	754,487	797,469
Current assets				
Inventories		**1,150**	1,316	1,977
Trade and other receivables	13	**63,974**	72,841	60,698
Current tax		**967**	2,939	1,671
Cash and cash equivalents		**15,976**	21,321	19,189
		82,067	98,417	83,535
TOTAL ASSETS		**786,171**	852,904	881,004
EQUITY AND LIABILITIES				
Capital and reserves				
Equity share capital		**6,316**	6,315	6,314
Share premium	16	**4**	567,581	567,581
Other reserves		**95,702**	124,052	141,334
Retained earnings/(accumulated losses)		**487,418**	(72,819)	(82,611)
Total equity attributable to equity holders of the parent		**589,440**	625,129	632,618
Non-current liabilities				
Loans and borrowings	15	**86,972**	101,115	123,031
Lease liabilities		**775**	875	650
Provisions		**829**	741	775
Deferred revenue		**1,397**	2,337	2,088
Deferred tax liability		**21,114**	23,819	30,085
		111,087	128,887	156,629
Current liabilities				
Lease liabilities		**912**	836	1,266
Trade and other payables	14	**34,592**	43,669	35,691
Deferred revenue		**49,052**	52,961	52,976
Current tax		**1,088**	1,422	1,824
		85,644	98,888	91,757
TOTAL LIABILITIES		**196,731**	227,775	248,386
TOTAL EQUITY AND LIABILITIES		**786,171**	852,904	881,004

Condensed Consolidated Cash Flow Statement

For the six months ended 30 September 2024

	Note	**Unaudited 6 months to 30 September 2024 £'000**	Unaudited 6 months to 30 September 2023 £'000
Group profit/(loss) before tax		**5,633**	(57,282)
Adjustments to reconcile Group profit/(loss) before tax to net cash flows			
Finance income		**(122)**	(106)
Finance costs		**3,919**	4,752
Depreciation of property, plant and equipment	12	**487**	681
Depreciation of right-of-use assets	12	**513**	601
Amortisation of intangible assets	12	**17,440**	20,131
Impairment of goodwill & intangible assets	4	**-**	54,707
Loss on disposal of plant and equipment & intangible assets		**4**	-
Unrealised gain on foreign exchange		**(16)**	(292)
Share-based payments charge/(credit)		**2,172**	(138)
Decrease in inventories		**115**	631
Increase in provisions		**92**	598
Decrease in trade and other receivables		**6,322**	2,474
Decrease in trade and other payables		**(12,078)**	(3,815)
Cash generated from operations		**24,481**	22,942
Income tax paid		**(3,029)**	(3,392)
Net cash generated from operating activities		**21,452**	19,550
Cash flows (used in)/from investing activities			
Acquisition of subsidiaries, net of cash acquired		**-**	(1,200)
Purchase of plant and equipment	12	**(357)**	(227)
Purchase of software	12	**(97)**	(7)
Proceeds from disposal of plant and equipment		**-**	1
Interest received		**26**	42
Net cash flows used in investing activities		**(428)**	(1,391)
Cash flows (used in)/from financing activities			
Finance costs paid		**(4,325)**	(4,443)
Proceeds from issue of shares		**5**	3
Purchase of shares by Employee Benefit Trust		**(1,633)**	-
Proceeds/(refund) from share forfeiture		**1**	(36)
Proceeds from borrowings, net of arrangement fee	15	**10,000**	10,000
Repayment of borrowings	15	**(19,067)**	(14,960)
Repayment of lease liabilities		**(551)**	(821)
Dividends paid to equity shareholders	11	**(10,599)**	(10,093)
Net cash flows used in financing activities		**(26,169)**	(20,350)
Net decrease in cash and cash equivalents		**(5,145)**	(2,191)
Effect of exchange rates on cash and cash equivalents		**(200)**	(172)
Cash and cash equivalents at the beginning of the period		**21,321**	21,552
Cash and cash equivalents at the end of the period		**15,976**	19,189

Notes to the Condensed Consolidated Interim Financial Statements

1. CORPORATE INFORMATION

The condensed consolidated interim financial statements of GB Group plc ('the Group') for the six months ended 30 September 2024 were authorised for issue in accordance with a resolution of the directors on 18 November 2024 and are unaudited but have been reviewed by the auditor, PricewaterhouseCoopers LLP, and their report to the Company is set out at the end of these condensed consolidated interim financial statements.

GB Group plc is a public limited company incorporated in the United Kingdom whose shares are publicly traded on the Alternative Investment Market (AIM) of the London Stock Exchange.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation
These condensed consolidated interim financial statements for the six months ended 30 September 2024 have been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting'. The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards, as applied in accordance with the provisions of the Companies Act 2006.

The condensed consolidated interim financial statements are presented in pounds Sterling and all values are rounded to the nearest thousand (£'000) except when otherwise indicated.

The condensed consolidated interim financial statements do not constitute statutory financial statements as defined in section 435 of the Companies Act 2006 and therefore do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 March 2024. The financial information for the preceding year is based on the statutory financial statements for the year ended 31 March 2024. These financial statements, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies. These financial statements did not require a statement under either section 498(2) or section 498(3) of the Companies Act 2006.

Going Concern
In adopting the going concern basis for preparing these condensed consolidated interim financial statements, the directors have considered the business activities, the principal risks and uncertainties and other matters discussed in connection with the Going Concern statement included in our 31 March 2024 Annual Report.

At 30 September 2024, GBG was in a net debt position of £71.9 million (31 March 2024: £80.9 million), an improvement of £9.0 million since 31 March 2024, and note that in the first half of the year free cashflow is reduced by the payment of dividends and year-end bonuses. The Group has access to a £175 million RCF until July 2026 reducing to £140 million until July 2027 which could be drawn down for working capital purposes if required. As at 30 September 2024, the available undrawn facility was £87.1 million compared to £72.8 million at 31 March 2024.

Following consideration of performance against budget, financial forecasts and a range of downside scenarios over the period through to 31 March 2026, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial statements.

Accounting Policies
The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2024 with the exception of taxes. Consistent with previous half year reports, taxes on income in the interim period are accrued using the tax rate that would be applicable to expected total annual profits or losses.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. No newly introduced standard or amendments to standards had a material impact on the condensed consolidated interim financial statements.

Judgements and Estimates
The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Full details of significant accounting judgements, estimates and assumptions used in the application of the Group's accounting policies can be found in the Annual Report and Accounts for the year ended 31 March 2024.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied to the statutory accounts for the year ended 31 March 2024.

Significant Estimates

Impairment of Goodwill
The Group's policy is to test goodwill for impairment annually, or if events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Since the Group's annual impairment review was performed as at 31 March 2024, the Group has considered whether there have been any indicators of impairment during the 6 months to 30 September 2024, which would require an impairment review to be performed. The Group has considered indicators of impairment with regard to a number of factors, including those outlined in IAS 36 Impairment of Assets, and no indicators of impairment have been identified as at 30 September 2024.

3. RISKS AND UNCERTAINTIES

Management identifies and assesses risks to the business using an established control model. The Group has a number of exposures which can be summarised as follows: risk of a reduction in revenue from existing customers caused by external factors, information security and the threat of cyber-attacks, the threat of competition, people risks associated with the failure to attract and retain top talent, financial risks, technology risk and loss, non-compliance with legal requirements and privacy rules and regulations and the risk of unplanned interruption on critical operations. These risks and uncertainties facing our business were reported in detail in the 2024 Annual Report and Accounts and all of them are monitored closely by the Group.

For more details on the outlook for the Group and the risks and uncertainties for the next 6 months see the Chief Executive Officer's review.

4. EXCEPTIONAL ITEMS

	Unaudited 6 months to 30 September 2024 £'000	Unaudited 6 months to 30 September 2023 £'000
(a) Integration costs	-	322
(b) Costs associated with team member reorganisations	-	1,513
(c) Rationalisation of office locations	-	18
(d) Impairment of goodwill	-	54,707
	-	56,560

(a) In the period to 30 September 2024, the Group expensed £nil (2023: £322,000) relating to the integration of Acuant and Cloudcheck. Integration costs were incurred in relation to the integration of the Acuant and Cloudcheck acquisitions. This principally related to consultancy fees paid to advisors in running programmes to deliver revenue and cost synergies from the acquisitions, travel for specific integration meetings, costs relating to the alignment of global systems and business operations, the costs of additional other temporary resources required for the integration and claims associated with the pre-acquisition period.

(b) Costs associated with team member reorganisations relate to exit costs of personnel leaving the business on an involuntary basis, either as a result of integrating acquisitions or due to reorganisations within our operating divisions. Due to the nature of these costs, management deem them to be exceptional in order to better reflect our underlying performance. Exit costs outside of these circumstances are treated as an operating expense. There were no reorganisation costs considered to be exceptional during the period to 30 September 2024.

(c) During the year to 31 March 2023, a project was started to rationalise the Group's office locations. Due to the nature of these costs, management deemed them to be exceptional in order to better reflect our underlying performance. Costs continued to be incurred during the year to 31 March 2024 and in the period to 30 September 2023, the Group expensed £18,000 following the exit of a leased building. This rationalisation project was finalised at the end of FY24 and no further costs have been incurred.

(d) Due to increases in discount rates during the 6 months to 30 September 2023, it was identified that the goodwill allocated to the Identity - Americas group of CGUs was impaired and an impairment charge of £54,707,000 was recognised during this period.

5. SEGMENTAL INFORMATION
The Group's operating segments are aggregated and internally reported to the Group's Chief Executive Officer as three reportable segments: Location, Identity and Fraud on the basis that they provide similar products and services.

'Central overheads' represents group operating costs such as technology, compliance, finance, legal, people team, information security, premises, directors' remuneration and PLC costs. Central overheads are not allocated to segments because these activities are the responsibility of group central functions and therefore not considered to be a reportable segment.

The measure of performance of those segments that is reported to the Group's Chief Executive Officer is adjusted operating profit, being profits before amortisation of acquired intangibles, equity-settled share-based payments, exceptional items, net finance costs and tax, as shown below.

Information on segment assets and liabilities is not regularly provided to the Group's Chief Executive Officer and is therefore not disclosed below.

Six months ended 30 September 2024	Location £'000	Identity £'000	Fraud £'000	Unaudited Total £'000
Subscription revenues:				
Consumption-based	8,457	11,688	730	**20,875**
Term-based	26,615	12,451	13,857	**52,923**
Total subscription revenues	**35,072**	**24,139**	**14,587**	**73,798**
Consumption	3,932	50,784	1,131	**55,847**
Hardware	-	3,723	-	**3,723**
Other	460	1,659	1,410	**3,529**
Total revenue	**39,464**	**80,305**	**17,128**	**136,897**
Adjusted operating profit before central overheads	**15,176**	**22,773**	**5,404**	**43,353**
Central overheads				**(14,332)**
Expected credit losses of trade receivables				**(19)**
Adjusted operating profit				**29,002**
Amortisation of acquired intangibles				**(17,400)**
Share-based payments charge				**(2,172)**
Operating profit				**9,430**
Finance revenue				**122**
Finance costs				**(3,919)**
Profit before tax				**5,633**
Income tax charge				**(4,057)**
Profit for the period				**1,576**

Six months ended 30 September 2023	Location £'000	Identity £'000	Fraud £'000	Unaudited Total £'000
Subscription revenues:				
Consumption-based	8,081	13,582	793	**22,456**
Term-based	24,663	11,637	15,621	**51,921**
Total subscription revenues	**32,744**	**25,219**	**16,414**	**74,377**
Consumption	3,359	46,185	957	**50,501**
Hardware	-	4,239	-	**4,239**
Other	482	941	1,820	**3,243**
Total revenue	**36,585**	**76,584**	**19,191**	**132,360**
Adjusted operating profit before central overheads	**12,950**	**18,694**	**5,927**	**37,571**
Central overheads				**(13,238)**
Expected credit losses of trade receivables				**(430)**
Adjusted operating profit				**23,903**
Amortisation of acquired intangibles				**(20,117)**
Share-based payments charge				**138**
Exceptional items				**(56,560)**
Operating loss				**(52,636)**
Finance revenue				**106**
Finance costs				**(4,752)**
Loss before tax				**(57,282)**
Income tax charge				**2,132**
Loss for the period				**(55,150)**

6. OPERATING PROFIT/LOSS

This is stated after charging/(crediting):	**Unaudited 6 months to 30 September 2024 £'000**	Unaudited 6 months to 30 September 2023 £'000
Research and development costs recognised as an operating expense	**6,224**	8,291
Other technology related costs recognised as an operating expense	**16,967**	16,769
Total technology related costs recognised as an operating expense	**23,191**	25,060
Amortisation of intangible assets (note 12)	**17,440**	20,131
Depreciation of property, plant and equipment (note 12)	**487**	681
Depreciation of right-of-use assets (note 12)	**513**	601
Expense relating to short term leases	**228**	274
Expense relating to low value leases	**4**	5
Loss on disposal of plant and equipment and intangible assets	**4**	1
Foreign exchange loss/(gain)	**586**	(348)

The above expenses are recognised in the operating expenses line in the consolidated statement of profit or loss.

7. FINANCE INCOME

	Unaudited 6 months to 30 September 2024 £'000	Unaudited 6 months to 30 September 2023 £'000
Bank interest receivable	**26**	33
Interest income on non-current accrued revenue	**96**	64
Tax interest receivable	**-**	9
	122	106

8. FINANCE COSTS

	Unaudited 6 months to 30 September 2024 £'000	Unaudited 6 months to 30 September 2023 £'000
Bank interest payable	**3,703**	4,442
Amortisation of bank loan fees	**170**	170
Other interest payable	**-**	107
Lease liability interest	**46**	33
	3,919	4,752

9. TAXATION

The Group calculates the period income tax expense using a best estimate of the tax rate that would be applicable to the expected total earnings for the year ending 31 March 2025.

The table below shows the adjusted effective tax rate as well as the impact on the effective rate of tax of non-recurring tax items:

	Unaudited 6 months to 30 September 2024			Unaudited 6 months to 30 September 2023		
	Profit before Tax £'000	**Income tax charge £'000**	**Effective tax rate %**	Profit before Tax £'000	Income tax (credit)/ charge £'000	Effective tax rate %
Income statement	**5,633**	**4,057**	**72.0%**	(57,282)	(2,132)	3.7%
Amortisation of acquired intangibles	**17,400**	**2,197**	**(44.8)%**	20,117	7,775	(18.9)%
Equity-settled share-based payments	**2,172**	**415**	**(0.7)%**	(138)	(245)	0.7%
Exceptional items	**-**	**-**	**-**	56,560	605	45.7%
	25,205	**6,669**	**26.5%**	19,257	6,003	31.2%

One of the main reasons for the decrease in the adjusted effective tax rate is due to changes in the mix of the countries in which profits have arisen; the prior year period had a higher weighting of profit in Australia which has a standard tax rate of 30%, but this weighting has decreased in the current year following the decrease in Fraud revenue. Also, the prior year adjusted effective tax rate was higher due to a deferred tax charge in the US, which was recognised as a discrete item, following the revaluation of deferred tax assets.

10. EARNINGS PER ORDINARY SHARE

	Basic pence per share	**Diluted pence per share**	**Adjusted basic pence per share**	**Adjusted diluted pence per share**
Unaudited 6 months to 30 September 2024	**0.6**	**0.6**	**7.3**	**7.3**
Unaudited 6 months to 30 September 2023	(21.8)	(21.8)	5.2	5.1

Basic
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the basic weighted average number of ordinary shares in issue during the period.

Diluted
Diluted earnings per share amounts are calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Unaudited 30 September 2024 No.	Unaudited 30 September 2023 No.
Basic weighted average number of shares in issue	**252,858,907**	252,521,638
Basic weighted average number of shares held by EBT	**(306,398)**	(234,754)
Dilutive effect of share options	**2,040,403**	6,259,016
Diluted weighted average number of shares in issue	**254,592,912**	258,545,900

For the period ended 30 September 2023, potential ordinary shares are anti-dilutive, as their inclusion in the diluted loss per share calculation would reduce the loss per share, and have therefore been excluded.

Adjusted
Adjusted earnings per share is defined as adjusted operating profit less net finance costs and adjusted tax divided by the basic weighted average number of ordinary shares of the Company.

	Unaudited 6 months to 30 September 2024			Unaudited 6 months to 30 September 2023		
	£'000	**Basic pence per share**	**Diluted pence per share**	£'000	Basic pence per share	Diluted pence per share
Adjusted operating profit	**29,002**	**11.5**	**11.4**	23,903	9.5	9.2
Less net finance costs	**(3,797)**	**(1.5)**	**(1.5)**	(4,646)	(1.8)	(1.8)
Less adjusted tax	**(6,669)**	**(2.7)**	**(2.6)**	(6,003)	(2.5)	(2.3)
Adjusted earnings	**18,536**	**7.3**	**7.3**	13,254	5.2	5.1

11. DIVIDENDS PAID AND PROPOSED

	Unaudited 6 months to 30 September 2024 £'000	Audited Year to 31 March 2024 £'000	Unaudited 6 months to 30 September 2023 £'000
Declared and paid during the period			
Final dividend for 2024: 4.20p (2023: 4.00p)	**10,599**	10,093	10,093
Proposed for approval at AGM (not recognised as a liability at 31 March)			
Final dividend for 2024: 4.20p (2023: 4.00p)	**-**	10,609	-

12. NON-CURRENT ASSETS

	Goodwill £'000	**Other intangible assets £'000**	**Property, plant & equipment £'000**	**Right-of-use assets £'000**
Cost				
As at 1 April 2024	734,356	350,671	6,076	3,928
Additions	-	97	354	518
Disposals	-	(4,458)	(85)	(449)
Foreign exchange adjustment	(34,646)	(15,593)	(86)	37
At 30 September 2024	**699,710**	**330,717**	**6,259**	**4,034**
Amortisation/depreciation				
At 1 April 2024	172,734	169,607	4,426	2,363
Charge for the period	-	17,440	487	513
Disposals	-	(4,458)	(81)	(449)
Foreign exchange adjustment	(9,926)	(6,795)	(48)	71
At 30 September 2024	**162,808**	**175,794**	**4,784**	**2,498**
Net book value				
At 30 September 2024	**536,902**	**154,923**	**1,475**	**1,536**
At 31 March 2024	561,622	181,064	1,650	1,565

13. TRADE AND OTHER RECEIVABLES

	Unaudited 30 September 2024 £'000	Audited 31 March 2024 £'000	Unaudited 30 September 2023 £'000
Current			
Trade receivables	**49,121**	57,157	49,439
Allowance for unrecoverable amounts	**(1,837)**	(2,416)	(2,305)
Net trade receivables	**47,284**	54,741	47,134
Prepayments	**8,823**	9,441	7,408
Accrued income	**7,867**	8,659	6,156
	63,974	72,841	60,698
Non-current			
Prepayments	**380**	493	602
Accrued income	**6,788**	5,730	5,388
	7,168	6,223	5,990

14. TRADE AND OTHER PAYABLES

	Unaudited 30 September 2024 £'000	Audited 31 March 2024 £'000	Unaudited 30 September 2023 £'000
Trade payables	**10,947**	13,568	10,794
Other taxes and social security costs	**3,133**	4,983	3,268
Accruals	**20,512**	25,118	21,629
	34,592	43,669	35,691

15. LOANS AND BORROWINGS

Bank Loans

During the current period the Group drew down an additional £10,000,000 and made repayments of $18,000,000 (£14,067,000) and £5,000,000. The outstanding balance on the loan facility at 30 September 2024 was £87,862,000 (2023: £123,940,000) representing £5,000,000 in GBP (2023: £10,000,000) and $111,000,000 in USD (2023: $139,000,000).

The Group has access to a £175 million facility until July 2026 which reduces to £140 million until July 2027.

The debt bears an interest rate of Sterling Overnight Index Average (SONIA) for British Pound Sterling drawdowns or Secured Overnight Financing Rate (SOFR) for US Dollar drawdowns plus a margin of between 1.6% and 2.4% depending on the Group's current leverage position.

The loan is secured by a fixed and floating charge over the assets of the Group.

	Unaudited 30 September 2024 £'000	Audited 31 March 2024 £'000	Unaudited 30 September 2023 £'000
Opening bank loan	**101,115**	126,411	126,411
New borrowings	**10,000**	10,000	10,000
Agency fee paid	**-**	(56)	-
Loan fees paid for extension	**-**	(286)	-
Repayment of borrowings	**(19,067)**	(32,967)	(14,960)
Amortisation of loan fees	**170**	341	150
Foreign currency translation adjustment	**(5,246)**	(2,328)	1,430
Closing bank loan	**86,972**	101,115	123,031
Analysed as:			
Amounts falling due within 12 months	**-**	-	-
Amounts falling due after one year	**86,972**	101,115	123,031
	86,972	101,115	123,031

	Unaudited 30 September 2024 £'000	Audited 31 March 2024 £'000	Unaudited 30 September 2023 £'000
Analysed as:			
Bank loans	**87,862**	102,175	123,940
Unamortised loan fees	**(890)**	(1,060)	(909)
	86,972	101,115	123,031

16. CAPITAL REDUCTION

On 22 August 2024, the Company completed a capital reduction exercise under section 641 of the Companies Act 2006. As a result, the entire share premium balance at that date of £567,581,000 was cancelled and created an accumulated profit within the Company's profit and loss account and now constitutes a distributable reserve.

17. FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT

The objectives, policies and strategies pursued by the Group in relation to financial instruments are described within the 2024 Annual Report.

All financial assets and liabilities have a carrying value that approximates to fair value. For trade and other receivables, allowances are made within the book value for credit risk. The Group does not have any derivative financial instruments.

Financial instruments that are recognised at fair value subsequent to initial recognition are classified using a fair value hierarchy that reflects the significance of inputs used in making measurements of fair value.

The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For financial instruments that are recognised at the fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. At 30 September 2024, the Group had a non-listed equity investment which was measured at Level 3 fair value subsequent to initial recognition.

The fair value of the non-listed equity investment was £1,389,000 (30 September 2023: £1,389,000) with the fair value gain/loss of £nil (30 September 2023: loss of £1,600,000) being recognised within other comprehensive income. Fair value of non-listed equity investments is determined using the market-based approach. Factors considered include movement in exchange rates, similar share transactions and revenue performance as well as valuation multiples for similar non-listed equity investments.

18. SHARE-BASED PAYMENTS

The Group operates Executive Share Option Schemes under which Executive Directors, managers and staff of the Group are granted options over shares.

During the six months ended 30 September 2024, the following share options were granted to Executive Directors and team members.

Scheme	Date	No. of options	Exercise price	Fair value
Performance Share Plan	19 July 2024	1,585,596	2.5p	195p-326p
Restricted Share Plan	19 July 2024	782,522	2.5p	326p
SAYE (3 Year)	27 August 2024	515,357	270p-336p	107p-129p
SAYE (5 Year)	27 August 2024	184,580	270p-336p	125p-144p

The charge recognised from equity-settled share-based payments in respect of employee services received during the period was £2,172,000 (2023: £138,000 credit). The movement in the share-based payment charge is due to a change in the assumption of LTIP awards expected to vest based on the lower EPS and TSR performance in the prior year which resulted in an overall share-based payment credit.

19. RELATED PARTY TRANSACTIONS

During the period, the Group has not entered into transactions, in the ordinary course of business, with other related parties (2023: £nil).

Compensation of key management personnel (including directors)

	Unaudited 6 months to 30 September 2024 £'000	Unaudited 6 months to 30 September 2023 £'000
Short-term employee benefits	1,239	1,105
Post-employment benefits	52	-
Fair value of share options awarded	1,254	1,024
	2,545	2,129

20. POST BALANCE SHEET EVENTS

There are not considered to be any events after the balance sheet date which require disclosure under IAS 10.

21. ALTERNATIVE PERFORMANCE MEASURES

Management assess the performance of the Group using a variety of alternative performance measures. In the discussion of the Group's reported operating results, alternative performance measures are presented to provide readers with additional financial information that is regularly reviewed by management. However, this additional information presented is not uniformly defined by all companies including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, certain information presented is derived from amounts calculated in accordance with IFRS but is not itself an expressly permitted GAAP measure. Such measures are not defined under IFRS and are therefore termed 'non-GAAP' measures. These non-GAAP measures are not considered to be a substitute for or superior to IFRS measures and should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

The Group's consolidated income statement and segmental analysis separately identify trading results before certain items. The directors believe that presentation of the Group's results in this way is relevant to an understanding of the Group's financial performance, as such items are identified by virtue of their size, nature or incidence. This presentation is consistent with the way that financial performance is measured by management and reported to the Board and assists in providing a meaningful analysis of the trading results of the Group. In determining whether an event or transaction is presented separately, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence. Examples of charges or credits meeting the above definition, and which have been presented separately in the current and/or prior years include amortisation of acquired intangibles, share-based payments charges, acquisition related costs and business restructuring programmes. In the event that other items meet the criteria, which are applied consistently from year to year, they are also presented separately.

In respect of revenue performance measures, the primary measure is revenue growth at constant currency.

The following are the key non-GAAP measures used by the Group:

Constant Currency

Constant currency means that non-Pound Sterling revenue in the comparative period is translated at the same exchange rate applied to the current year non-Pound Sterling revenue. This therefore eliminates the impact of fluctuations in exchange rates on underlying performance and enables measurement of performance on a comparable year-on-year basis without the impact of foreign exchange movements.

	Unaudited 30 September 2024				Unaudited 30 September 2023				**Growth**			
	Location £'000	**Identity £'000**	**Fraud £'000**	**Total £'000**	Location £'000	Identity £'000	Fraud £'000	Total £'000	**Location %**	**Identity %**	**Fraud %**	**Total %**
Revenue	**39,464**	**80,305**	**17,128**	**136,897**	36,585	76,584	19,191	132,360	**7.9%**	**4.9%**	**(10.8)%**	**3.4%**
Constant currency adjustment	-	**-**	**-**	**-**	(232)	(832)	(318)	(1,382)	**0.7%**	**1.1%**	**1.6%**	**1.1%**
Revenue at constant currency	**39,464**	**80,305**	**17,128**	**136,897**	36,353	75,752	18,873	130,978	**8.6%**	**6.0%**	**(9.2)%**	**4.5%**

Normalised items
These are recurring items which management considers could affect the underlying results of the Group.

These include:
- amortisation of acquired intangibles; and
- share-based payment charges

Normalised items are excluded from statutory measures to determine adjusted results.

Adjusted Operating Profit
Adjusted operating profit means operating profit before exceptional items and normalised items. Adjusted results allow for the comparison of results year-on-year without the potential impact of significant one-off items or items which do not relate to the underlying performance of the Group. Adjusted operating profit is a measure of the underlying profitability of the Group.

	Unaudited 30 September 2024	Unaudited 30 September 2023
	£'000	£'000
Operating profit/(loss)	**9,430**	(52,636)
Amortisation of acquired intangibles	**17,400**	20,117
Share-based payment charge/(credit)	**2,172**	(138)
Exceptional items	**-**	56,560
Adjusted Operating Profit	**29,002**	23,903

Adjusted Operating Profit Margin
Adjusted Operating Profit as a percentage of revenue.

Adjusted Operating Expenses
Adjusted operating expenses means reported operating expenses before exceptional items and normalised items. Adjusted operating expenses allow for the comparison of results year-on-year without the potential impact of significant one-off items or items which do not relate to the underlying operating expenses of the Group. Adjusted operating expenses is a measure of the underlying operating expenses of the Group.

	Unaudited 30 September 2024	Unaudited 30 September 2023
	£'000	£'000
Reported operating expenses	**85,886**	143,793
Amortisation of acquired intangibles	**(17,400)**	(20,117)
Share-based payment (charge)/credit	**(2,172)**	138
Impairment of goodwill	**-**	(54,707)
Other exceptional items	**-**	(1,853)
Adjusted Operating Expenses	**66,314**	67,254

Adjusted EBITDA
Adjusted EBITDA means Adjusted Operating Profit before depreciation and amortisation of non-acquired intangibles. Adjusted EBITDA is a measure of the underlying cash generation and the profit measure used in our covenant compliance calculations under the RCF agreement.

	Unaudited 30 September 2024	Unaudited 30 September 2023
	£'000	£'000
Adjusted Operating Profit	**29,002**	23,903
Depreciation of property, plant and equipment	**487**	681
Depreciation of right-of-use assets	**513**	601
Amortisation of non-acquired intangibles	**40**	14
Adjusted EBITDA	**30,042**	25,199

Adjusted Tax
Adjusted Tax means income tax charge before the tax impact of amortisation of acquired intangibles, share-based payment charges and exceptional items.

Adjusted Effective Tax Rate
The Adjusted Effective Tax Rate means Adjusted Tax divided by Adjusted Earnings. This provides an indication of the ongoing tax rate across the Group. Refer to note 9 for calculation.

Adjusted Earnings Per Share ('Adjusted EPS')
Adjusted EPS represents adjusted earnings divided by a weighted average number of shares in issue and is disclosed to indicate the underlying profitability of the Group. Adjusted EPS is a measure of underlying earnings per share for the Group. Adjusted earnings represents Adjusted Operating Profit less net finance costs and income tax charges. Refer to note 10 for calculation.

Net Cash/Debt
This is calculated as cash and cash equivalent balances less outstanding external loans. Unamortised loan arrangement fees are netted against the loan balance in the financial statements but are excluded from the calculation of net cash/debt. Lease liabilities following the implementation of IFRS 16 are also excluded from the calculation of net cash/debt since they are not considered to be indicative of how the Group finances the business. This is a measure of the strength of the Group's balance sheet.

	Unaudited 30 September 2024	Audited 31 March 2024
	£'000	£'000
Cash and cash equivalents	**15,976**	21,321
Loans on balance sheet	**86,972**	101,115
Unamortised loan arrangement fees	**889**	1,060
External Loans	**87,861**	102,175
Net Debt	**(71,885)**	(80,854)

Debt Leverage
This is calculated as the ratio of net (debt)/cash to adjusted EBITDA. This demonstrates the Group's liquidity and its ability to pay off its incurred debt.

	Unaudited 30 September 2024	Audited 31 March 2024
	£'000	£'000
Net Debt	**(71,885)**	(80,854)
Rolling 12 month Adjusted EBITDA	**68,704**	63,823
Debt Leverage	**1.05**	1.27

Cash Conversion YTD %

This is calculated as cash generated from operations, adjusted to exclude cash payments in the year for exceptional items, as a percentage of Adjusted EBITDA. This measures how efficiently the Group's operating profit is converted into cash.

	Unaudited 30 September 2024 £'000	Unaudited 30 September 2023 £'000
Cash generated from operations before tax payments	**24,481**	22,942
Total exceptional items	**-**	56,560
Accrued cash exceptional items at the start of the period paid in the current period	**904**	1,251
Accrued cash exceptional items at the end of the period	**-**	(333)
Non-cash exceptional items	**-**	(54,707)
Cash generated from operations before tax payments and exceptional items paid	**25,385**	25,713
Adjusted EBITDA	**30,042**	25,199
Cash Conversion %	**84.5%**	102.0%

Rolling 12 Month Cash Conversion %

This is cash conversion on a rolling 12-month basis and measures how efficiently the Group's operating profit is converted into cash.

	Unaudited 30 September 2024 £'000	Unaudited 30 September 2023 £'000
Cash generated from operations before tax payments	**55,212**	46,174
Total exceptional items	**3,053**	182,222
Accrued cash exceptional items at the start of the period paid in the current period	**333**	411
Accrued cash exceptional items at the end of the period	**-**	(333)
Non-cash exceptional items	**(1,129)**	(177,349)
Cash generated from operations before tax payments and exceptional items paid	**57,469**	51,125
Adjusted EBITDA	**68,666**	58,637
Rolling Cash Conversion %	**83.7%**	87.2%

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

Our conclusion

We have reviewed GB Group plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half year results of GB Group plc for the 6 month period ended 30 September 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 AIM Rules for Companies.

The interim financial statements comprise:

- the Condensed Consolidated Balance Sheet as at 30 September 2024;
- the Condensed Consolidated Statement of Profit or Loss 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 Half year results of GB Group plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the AIM Rules for Companies.

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 Half year 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 Half year results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half year results in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements. In preparing the Half year 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 Half year 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 AIM Rules for Companies 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
18 November 2024