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GB GROUP PLC

(“GBG”, the “Group” or the “Company”)

Results for the year ended 31 March 2024

FY25 outlook reiterated; positive momentum continues

GB Group plc, (AIM: GBG), the experts in global identity and location software, today announces its audited results for the financial year ended 31 March 2024.

Financials	**FY24**	FY23
Revenue	**£277.3m**	£278.8m
Constant currency revenue[1]	**£277.3m**	£270.1m
Adjusted operating profit[1]	**£61.2m**	£59.8m
Adjusted operating profit excluding FX gain	**£61.4m**	£56.8m
Adjusted operating margin ex FX gain	***22.1%***	*20.4%*
Operating (loss)[2]	**(£41.4)m**	(£112.4)m
(Loss) before tax	**(£50.4)m**	(£118.8)m
Adjusted diluted earnings per share[3]	**15.1p**	16.4p
Diluted (loss) per share	**(19.2)p**	(47.5)p
Net debt[1]	**(£80.9)m**	(£105.9)m
Final dividend per share	**4.20p**	4.00p

[1]Defined within note 19 to the results. [2]Exceptional costs of £59.6m include a £54.7million non-cash goodwill impairment charge as reported at the half-year results (FY23: Exceptional costs of £127.2 million included a £122.2m non-cash goodwill impairment charge) as explained further within the financial review and note 13 to the results. [3] Defined within note 10 to the results.

Dev Dhiman, CEO, commented:

"This is my first set of results since taking the role of Chief Executive and I am pleased to report a more positive trading momentum. My first few months have focused on our teams, customers and business partners across GBG. This has reinforced my confidence in our competitive differentiation and our market opportunity. I believe we have opportunities to build on our momentum and capitalise on the strong and attractive structural growth drivers in the market.

The time I have spent with our key stakeholders has informed our focus areas around simplicity; being globally aligned; driving a performance culture and differentiation through innovation. I am looking forward to working with everyone across GBG to deliver on these priorities. In doing so, we will ensure that GBG continues to help our 20,000+ customers grow, by giving them the intelligence to make the best decisions, when it matters most.

GBG plays an important role in protecting consumers and businesses from fraud while enabling our customers to reach and build trust with their customers. And we will continue to play this critical and increasingly relevant role over the long term for the benefit of all of our stakeholders.”

Financial summary

- Final results are in line with the trading update released on 23 April 2024
- On a reported basis, revenue decreased by 0.5%. On a constant currency basis, growth was 2.7%
    - Growth accelerated to 5.0% in the final quarter of the year, driven by improved trends in Identity Americas and EMEA
- Strong focus on simplification and cost-effectiveness throughout the Group which delivered £10 million of annualised savings with a £8.8 million in-year benefit
    - Adjusted operating profit of £61.4 million, up 8.0% excluding net gains from foreign exchange
    - On a reported basis, operating loss of £41.4m, caused by the £54.7 million exceptional non-cash goodwill impairment charge that was recognised in the first half
- Strong cash conversion of 90.6% (FY23: 67.3%) led to a reduction in net debt to £80.9 million (31 March 2023: £105.9 million)
- The Board is recommending a final dividend per ordinary share of 4.20p, up 5% (FY23: 4.00p)

FY25 outlook reiterated

- The new financial year has begun in-line with our expectations, with improved momentum in Identity and Location continuing from the final quarter of FY24
- For the year as a whole, we expect mid-single-digit revenue growth on a constant currency basis, which will drive high single-digit growth in adjusted operating profit given the operational efficiency gains achieved in FY24

Clear on our focus areas

- **Simplicity:** A series of initiatives are underway to make it easier for customers and partners to engage and operate with GBG covering a brand refresh, sales and organisational structure
- **Being globally aligned:** An important area of strategic progress since January has been our drive towards greater alignment through the implementation of a global operating model
- **Driving a performance culture:** We are working towards delivering a high-performance culture where everyone is hungry to win, determined to outperform our competition, and to celebrate our success
- **Differentiation through innovation:** Continued to drive innovation that enhances our leadership in the identity fraud and location intelligence markets including solutions such as GBG Trust, while our investments in AI are delivering increased performance across our portfolio

Notable customer successes

- **Location:** Supporting e-commerce expansion for high-street brands, while capturing growing demand from our large and diverse customer and partner base including HelloFresh, Aldi, Santander and Reltio
- **Identity:** AIG, Floa, Tide and Sumup are among a diverse group of customers utilising the breadth of our solutions, while in US Gaming we have had success with ESPNBET and Bally's
- **Fraud:** Our fraud monitoring solutions were chosen by large financial institutions in Southeast Asia, and demand in Europe for our fraud investigation capabilities included UK Companies House

Results presentation

Management will host an in-person presentation this morning at 0930hrs GMT for sell-side analysts and institutional investors. If you would like to attend in person, please contact: GBG@teneo.com

To register to view the event live online, please use the following link:
https://www.investis-live.com/gb-group/663caee77e7bb30d0033f88b/tseer

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.

Chief Executive Officer's review

I wanted to use this first opportunity as CEO to update you on our performance in FY24, and then outline my thoughts on GBG today together with our focus areas as the Group evolves.

Summary

In an increasingly digital world, GBG exists to help businesses and organisations grow by giving them the intelligence to make the best decisions about their customers, when it matters most. We are consistently set apart by our global reach and our ability to serve industry-specific solutions across a range of sectors. Our combination of global data, agile technology, and expertise, powers over 20,000 organisations, including the best-known global brands. We help those organisations to reach and trust their customers across a number of the most attractive markets globally, which are underpinned by favourable structural trends – providing GBG with a long-term, sustainable runway of growth.

Reflecting on FY24, we are pleased to have successfully executed our financial plan for the year. Our strategic progress on simplification and cost-effectiveness delivered £10 million of annualised savings enabling GBG to be a more resilient and profitable business with the capacity to capitalise on our future growth opportunities. As expected, our overall growth in FY24 remained constrained by two significant headwinds to our transactional volumes; first, the subdued macroeconomic conditions impacted consumer demand, and second, changes in consumer behaviours within the internet economy.

While macroeconomic conditions remain subdued, we have seen our growth trajectory improve during the second half of FY24 resulting from a partial reacceleration in Identity as consumer behaviour normalised and I am encouraged by the operational momentum that we now carry into FY25. Net revenue retention (NRR) improved by 580 basis points to 98.1% and we were also pleased with a further improvement in revenue growth generated from new customers. Our high absolute customer retention rate and our flexible business model featuring high levels of repeatable revenue means we are well-placed as business confidence returns, both through improved top-line growth and the operating leverage arising from the cost savings we delivered.

Strong strategic progress has also been delivered this year. We launched innovative products that further enhance our leadership in the identity fraud market, such as GBG Trust and Score to optimise the onboarding journey. In Location, we scaled up the deployment of our AI-parsing and deep-learning technology to seventeen more countries to increase our industry-leading performance in emerging markets. More broadly, a greater emphasis on collaboration and global alignment is ensuring that we can appropriately leverage our scale and expertise for commercial success. This includes strengthening our Americas Identity business in go-to-market, sales enablement and product to more effectively pursue the large market opportunity, and we are pleased by the improvement seen in that business as a result of our actions to date.

In summary, we are pleased with the financial and strategic progress delivered in FY24, particularly the stronger final quarter in Identity. Our achievements demonstrate the focus, tenacity and effort of the GBG team during the year and I thank them all for their hard work and dedication to our customers. I am excited about what we will achieve together in FY25.

Financial results overview

Both revenue and adjusted operating profit are in line with the trading update released on 23 April 2024.

Group revenue of £277.3 million grew by 2.7% on a constant currency basis. This reflects improving net revenue retention (NRR) of 98.1% compared with 92.3% in FY23 and a further improvement in revenue growth generated from new customers won in the last 12 months to 4.6% (FY23: 4.5%).

Despite our high levels of absolute customer retention, revenue growth opportunities continued to be impacted by transaction volume demand linked to the two specific headwinds mentioned earlier which impacted our year-on-year comparison. However, as consumer behaviour normalised, the headwinds related to certain internet economy customers abated as we moved through the year, and it was pleasing to see growth accelerate to 5.0% in the final quarter of FY24 driven by our Americas and EMEA identity businesses.

As a result of the subdued macroeconomic environment in which to drive top-line growth, we have been particularly focused on execution to drive the Group's profitability. These initiatives to deliver increased simplicity and cost-effectiveness have balanced delivering growth in returns for shareholders and the need to invest and optimise our core solutions in a competitive market. We have made excellent progress with these initiatives, which began during FY23 and have achieved an annualised run-rate reduction in operating expenditure of £10 million. This has contributed to an adjusted operating profit growth, excluding net gains on foreign exchange, of 8.0% to £61.4 million, with our operating profit margin on that basis expanding by 170bps to 22.1%.

On a reported basis there was an operating loss of £41.4m, caused by the £54.7 million exceptional non-cash goodwill impairment charge that was recognised in the first half.

Our cash conversion normalised at 90.6% (FY23: 67.3%) which contributed to a good reduction in the Group's net debt to £80.9 million at 31 March 2024 (31 March 2023: £105.9 million) and net debt to EBITDA leverage below 1.3x as expected. While our near-term capital allocation priority is to use cash generation to reduce net debt, the Board remains committed to a disciplined approach to capital allocation that focuses on delivering long-term shareholder value. As a result of our strong cash performance and its confidence in GBG's enduring market opportunity, the Board recommends a final dividend per share of 4.20 pence (FY23: 4.00 pence per share), which represents a year-on-year increase of 5.0%.

Our segmental performance

Location (29% of the Group's revenues)

Location had another good year; revenue was up 7.3% on a constant currency basis to £81.1 million as the business continued to perform resiliently. We successfully mitigated the impact of softer transactional volumes from our e-commerce customers by driving go-to-market activity on expanding the relevant use cases into a diverse sector and geographic footprint such as financial services, utilities, telecoms and via channel partners.

Notable customer success:

- Capturing growing demand from our large and diverse customer and partner base, including HelloFresh, Aldi, Santander and Reltio
- Supporting retail customers such as New Balance, Kurt Geiger, Neiman Marcus and Marc Jacobs
- Facilitating the customer checkout journey for some of Asia's largest e-commerce marketplaces to enhance address accuracy as they experience growing cross-border demand

Identity (56% of the Group's revenues)

Revenue of £156.1 million represents a small 0.7% decline on a constant currency basis, in line with our expectations for Identity this year. A strong performance in our APAC identity business driven by financial services and partner activity in Australia was offset by tough prior-year comparatives for the first three quarters of the year in the Americas, reflecting the trends discussed earlier. As expected, year-on-year growth accelerated by mid-single-digits in the fourth quarter as a result of improving trends in both our EMEA and Americas businesses. Our absolute customer retention rate remained strong in a period when usage volumes remained subdued, and we are pursuing a more globally aligned approach to cross-sell/up-sell opportunities that leverages the competitive differentiation of our solutions to deliver improved onboarding success, identity fraud detection and customer return on investment.

Notable customer success:

- Demonstrating an increased focus on identity fraud detection, Floa chose our mobile fraud signal solution with an upsell to our fraud monitoring capabilities and, Tide selected our Multibureau and Trust solutions
- Customers leveraging our global expertise include AIG, Atlantic Lottery, Currencies Direct and SumUp who all utilised our expanded international data coverage while investment platform, Webull, chose GBG as its end-to-end onboarding partner in EMEA and APAC
- In the Americas gaming, where changes in regulation continue to create opportunity for GBG, we had success with customers such as ESPNBET and Bally's

Fraud (15% of the Group's revenues)

Revenue for our fraud prevention, detection and investigation solutions grew by 7.8% at constant currency to £40.2 million. This was underpinned by licence renewals, upgrades and new business wins with leading financial institutions in this segment's core Southeast Asia and EMEA markets, albeit sales of software licences slowed in the final quarter of FY24 after two strong years of growth. In these markets, our solutions have an established reputation and play a critical part in our customer's compliance ecosystems, helping them monitor rapidly evolving fraud threats and comply effectively with new regulatory standards.

Notable customer success:

- Agreements for our fraud monitoring solutions in Indonesia include Bank Syariah and Bank Ina Digital and in Thailand with TMBThanachart Bank and Kiatnakin Phatra Bank
- Nordic-focused Express Bank who upgraded to our fraud compliance platform
- Robust demand for our specialist fraud investigation capabilities in the UK includes emerging use cases working with one of the UK's leading transport firms to support revenue protection on its network and supporting UK Companies House with investigations related to new Economic Crime legislation

Our focus areas

GBG is a high-quality business with a proven track record of delivering profitable growth and a reputation for addressing our customers' complex identity challenges. Through our expertise and innovation, we have developed strong competitive differentiation that underpins our leadership positions across our markets.

Since becoming CEO at the end of January, my interactions with our team, our customers and partners has reinforced why I'm excited about GBG's strategic position in a growing market. That said, I recognise there is scope for performance improvement, and my overriding objective is to improve the organic growth rate for the business. This has directly informed our initial focus areas:

Simplicity: We believe our success will have its foundation in being a simple and efficient organisation and we were pleased that cost initiatives executed in FY24 delivered £10 million of annualised savings. Building on this, simplicity will support our push to be globally aligned, to develop better innovation, and to drive a performance culture. By operating simply, we will drive change to make GBG easier to work with, easier to understand, and easier to prosper within.

We have structured global teams to better focus on our priorities, and we will continue to simplify our product portfolio to optimise our investments to increase the effectiveness and innovation of our solutions. We are also streamlining commercial processes, making it easier for customers to engage with us, with a key example being a brand refresh. This is designed to enable our teams to communicate our value proposition more clearly to key stakeholders, creating a richer understanding of who we are and what we offer.

Being globally aligned: While our Location business has been run globally for some time, we are continuing to drive towards greater alignment through the implementation of a global operating model for our Identity Fraud activities. In our core regions, we are often solving similar complex challenges and there is still further opportunity to work more closely with greater consistency to become a stronger and faster organisation that stands out in all the markets we serve.

We are bringing our identity and fraud capabilities closer together, with our Chief Product Officer leading a more centralised approach to development and innovation. By exploiting our size and scale as one of the largest providers in the market, we will leverage common identity fraud platforms and capabilities to serve our customers worldwide through localised solutions. We are also benefiting from being more commercially effective by managing key suppliers and reducing duplication of investment with a build-once approach. An example is being able to offer our customers increased performance by delivering our improved international data sets, developed in our EMEA Identity business, to customers around the world.

A newly created role of Head of Market Development is focused on leading our global go-to-market strategy and sales enablement across our Identity Fraud activities working closely with our regional leaders. This approach will improve effectiveness and pace across our sales and marketing cycle. We are already seeing the benefits of this approach in our Americas Identity business.

Driving a performance culture: As we make progress towards building a simpler and more efficient organisation focused on growth, we expect to create momentum across the business that enhances the experience for our customers and builds on a culture that differentiates us. Across all areas of the Group, we will increase the emphasis on performance delivery from the significant talent within the GBG team, which has seen over 130 team members promoted this year to expanded roles. We have also implemented a high-performance development programme for key sales and product leaders globally and embedded performance initiatives that celebrate the collaborative success of the team.

GBG has always had a strong focus on team member engagement, and this will not change as we evolve. Our latest Gallup survey resulted in 90% of the team recommending GBG as a great place to work (FY23: 93%) with a total participation rate of 92%. We did expect to see a moderation in this score versus the prior year given the level of change and focus on efficiency during the last 12 months. Strong team engagement is directly correlated with satisfied customers, and we were particularly pleased to see our latest Net Promoter Score (NPS) of 50, our highest to date and a 19% increase year on year in a period when we expanded our NPS monitoring globally.

Differentiation through innovation: Meeting the evolving needs of customers will be crucial in maintaining our competitive advantage and accelerating our growth through value-added activities that increase the intelligence provided to support a customer's decision-making. Our GBG Score solution is facilitating discussions with customers to understand the confidence they can place in their current onboarding journey. This complements GBG Trust, our proprietary identity fraud network to stop fraud at the point of onboarding. Customers across sectors have contributed more than 50 million identity records into the network to help onboard consumers more quickly, differentiate their journey based on a 'trust' score and share insight on bad actors.

We have extensive experience deploying AI and machine learning. Advances in technology and our product portfolio, such as the Trust network, mean AI will continue to be a key focus. Product highlights include new computer vision and machine learning models within our document & biometric capabilities, delivering a 4.5x improvement in match rate performance as well as enhancements to our document tamper detection. We also improved our location intelligence using deep learning models and data parsing to increase match results by up to 17% in emerging markets. At the same time as we make significant progress enhancing extensive AI capabilities to augment our products, we are extending its use across our broader business operations for improved productivity to provide an exceptional end-to-end customer experience from setup to support.

Outlook and summary

GBG is a high-quality business with market-leading positions in the key sectors and geographies we operate. We have good momentum to continue our journey of building one of the largest identity and location players in the market through the evolution of our strategy to concentrate and exploit the most attractive market growth opportunities, with a relentless focus on delivering shareholder value.

Our focus on identity onboarding supports our customers in managing this critical stage of a customer lifecycle to help them grow and build long-term trusted relationships. Products such as GBG Trust reinforce our strength in this market as the digital transformations of our customers progress and the world continues to face exponential growth in the threat of fraud.

The new financial year has begun in-line with our expectations, with improved momentum in Identity and Location continuing from the final quarter of FY24. The Board is confident 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 we look further forward, the Board remains confident that GBG has the market position, technology leadership and business model to capitalise upon the significant growth opportunities ahead, delivering significant and sustainable shareholder value.

Dev Dhiman
Chief Executive Officer
On behalf of the Board
10 June 2024

Financial review

We are pleased that we were able to successfully execute our financial plan for the year. We had a strong focus on simplification and cost-effectiveness and as a result have delivered structural savings that we expect will benefit GBG into the future. Our continued focus on growth initiatives led to us achieving the acceleration in year-on-year growth in quarter four that we had expected and built into our plan. This improved revenue growth of approximately 5.0%, on a constant currency basis, was primarily driven by an acceleration in the Identity segment, as a result of improving trends in the Americas and EMEA. This gives us positive momentum going into the new financial year.

Revenue growth opportunities in FY24 continued to be impacted by the general macroeconomic conditions which has suppressed consumer demand and business confidence leading to lower transactional volumes for GBG. However, some of the more specific headwinds the Group faced in the previous year, relating to changes in consumer behaviours driving demand reductions in the internet economy and particularly fintech businesses, somewhat abated from the fourth quarter of the year.

In FY24 we delivered constant currency revenue growth of 2.7% and as a result of the sharp focus on simplification and efficiencies, we recorded our highest ever level of adjusted operating profit.

GBG's mix of commercial models and resilient customer retention continues to support strong cash generation and good forward visibility due to our high levels of repeatable revenue, with 57.5% (FY23: 56.7%) from subscriptions and 94.8% (FY23: 93.7%) of revenue coming from the combination of subscriptions and consumption.

This focus on driving simplicity and efficiency has enabled GBG to prioritise the disciplined investment required to optimise our core solutions in a competitive market, while at the same time deliver growth in returns for shareholders. These initiatives, which began during FY23, have achieved an annualised run-rate reduction in operating expenditure of £10 million and helped deliver an improved adjusted operating profit margin of 22.1%, which was ahead of the reported FY23 margin of 21.5%. This was despite inflationary pressures and the FY23 margin benefiting from an unusually large FX gain primarily from the retranslation of intercompany loans. Excluding gains and losses on foreign exchange, the FY24 adjusted operating profit margin was still 22.1%, against 20.4% in the prior year.

Our financial position and balance sheet is strong and in FY24 cash conversion returned to more normal levels at 90.6% (FY23: 67.3%). By the end of the year GBG's net debt had reduced to £80.9 million from £105.9 million at the previous year end. The net debt to EBITDA ratio reduced to 1.27 times (FY23: 1.68 times). As we enter the new financial year, we remain focused on cash generation and further repayment of debt.

Revenue and gross margin

Revenue declined on a reported basis by 0.5% but after adjusting for changes in foreign exchange rates, the constant currency revenue growth in FY24 was 2.7%. More detail on revenue performance in each of our operating segments is included in the Chief Executive Officer's Review.

We were particularly pleased with the level of revenue growth attributable to new customers won in the last 12 months which has increased to 4.6% (FY23: 4.5%) and as expected, Net Revenue Retention (NRR) of 98.1% has improved compared to the prior year (92.3%). In FY24 we have seen a reduction in the NRR associated with Fraud segment, which is more susceptible to short-term fluctuations in NRR as contracts are generally larger and revenue timing dependant on renewal dates. NRR, excluding the Fraud segment, increased from 91.1% to 99.0%.

Gross margin for the year of 70.1% was a small reduction against the prior year when the gross margin was 71.0%. This reflects the revenue mix in the year both across our segments but also between direct and partner channels, in addition to an increase in cloud hosting costs. In the second half of the year the revenue mix, along with a focus on cloud hosting optimisation, resulted in gross margin of 71.0%, compared to 69.2% in the first half.

Operating profit and cost management

On a reported basis, there was an operating loss of £41.4 million (FY23: loss of £112.4 million), principally due to the goodwill impairment charge of £54.7 million recognised at the half year (FY23: £122.2 million).

Adjusted operating profit was £61.2 million (FY23: £59.8 million), which represents a margin of 22.1% (FY23: 21.5%) and an 8% increase over FY23, excluding the £3 million foreign exchange gain in the prior year.

This improvement reflects a tight focus on cost efficiency and simplification of our business, combined with disciplined prioritisation of investment to capitalise on our long-term market opportunities.

Despite the general inflationary pressures of the markets in which we operate, our adjusted operating expenses were £8.8 million or 6.3% lower than the prior year. We managed headcount tightly and carefully considered our team member recruitment and the replacement of leavers. This, together with targeted redundancies, led to an 8% reduction in our average headcount over the course of the year.

We also completed a review of our physical office footprint reducing commitments and costs meaningfully to reflect the hybrid working environment of our teams as well the changes we have implemented over the last few years to our geographical footprint, particularly for our technology teams.

Total spend on technology decreased to £46.5 million (FY23: £54.0 million), which represents a reduction of 13.9%. We achieved this through strict prioritisation of technology projects to ensure our teams are focused on fewer projects and ones of highest opportunity for GBG as well as further resource offshoring to lower cost locations.

These cost saving initiatives underpinned our profit delivery in FY24 but have also enabled some level of re-investment into a small number of key product development activities to ensure we maintain our competitive differentiation and are positioned to achieve our short, medium and long-term goals.

Normalised and exceptional items

Amortisation of acquired intangibles

The charge for the year of £39.4 million (FY23: £42.8 million) represents the non-cash cost of amortising separately identifiable intangible assets including technology-based assets and customer relationships that were acquired through business combinations. The decreased charge in FY24 is due to the impact of some intangibles becoming fully amortised during the year, in addition to changes in exchange rates.

Share-based payments

During FY24 3.9 million (FY23: 3.3 million) new share option awards were granted to directors and team members across the Group, including through the GBG Sharesave scheme. This increase was due to the share price being comparatively lower in FY24 leading to a greater number of shares being awarded for any given value.

The charge for the year of £3.5 million (FY23: £2.3 million) has increased as FY23 included a credit due to a change in the assumption for the percentage of awards expected to vest based on EPS and TSR performance.

Impairment of goodwill

As required under IFRS, the Group conducts an annual impairment review of goodwill and intangible assets. This review compares the carrying value on the Group's balance sheet of those assets against the present value of the future cashflows they are expected to generate.

As reported in our half year results for the six months ended 30 September 2023, significant increases to central bank interest rates since 31 March 2023 resulted in the post-tax discount rate used in our assessment and applied to the US cashflows increasing from 9.2% at 31 March 2023 to 9.9%. This resulted in an exceptional non-cash goodwill impairment charge of £54.7 million. More detail can be found in note 13.

Other exceptional items

In addition to the goodwill impairment charge, other exceptional costs of £4.9 million (FY23: £5.0 million) were incurred by the Group in the year and have been detailed in note 6. Broadly, these exceptional charges arose in support of our initiatives to achieve future operational simplification and efficiency.

The most significant elements were the exit costs for a number of team members which totalled £4.0m as part of this group wide review; and £0.7m of integration costs as we finalised projects to align systems from the Acuant acquisition.

Net finance costs

The Group incurred net finance costs for the year of £9.0 million (FY23: £6.4 million). The increase is due to the annualised impact of the significant increases in the Secured Overnight Financing Rate (SOFR) interest rate during FY23 (from 0.3% to 4.8%), upon which the Group's loan facility interest rate is linked. SOFR continued to increase until July 23 and has remained around the 5.3% level throughout the rest of FY24.

Strong cash generation has enabled the Group to reduce net debt by £25.0 million and making repayments against the loan facility will continue to be a focus during FY25.

Taxation

The total tax credit of £1.8 million (FY23: £1.0 million charge) includes £8.8 million of current tax payable on the Group's taxable profits and losses in the year (FY23: £12.9 million), offset by a deferred tax credit of £10.6 million (FY23: £11.9 million).

The reported effective tax rate for the Group has moved from negative 0.8% in FY23 to 3.6% in FY24.

The adjusted effective tax rate, which excludes the impact of amortisation of acquired intangibles, share-based payments and exceptional items increased from 21.3% to 25.2%. The majority of this increase is due to UK statutory tax rate increasing from 19% to 25% from 1 April 2023.

The tax rate attributable to US State taxes has fallen and largely this is due to changes in the calculation method for some US States. GBG Americas has significant deferred tax assets that have been revalued at the lower tax rate resulting in a tax charge that is fully recognised as a discrete item in the year to 31 March 2024.

The Group expects its future adjusted effective tax rate to be approximately 25%.

Earnings per share

Basic earnings per share improved from a loss of 47.5 pence to a loss of 19.2 pence reflecting the reduction in the non-cash goodwill impairment charge.

Adjusted earnings (adjusted operating profit less net finance costs and adjusted tax) decreased to £39.0 million (FY23: £42.1 million) due to the higher net finance cost and higher adjusted tax charge. This resulted in a 7.7% decrease in adjusted diluted earnings per share from 16.4 pence to 15.1 pence.

The basic weighted average number of shares at 31 March 2024 increased minimally to 252.6 million (FY23: 252.2 million), due primarily to the full year impact of shares issued during the prior year.

Deferred and accrued revenue
Deferred revenue at the end of the year decreased by 2.1% to £55.3 million (FY23: £56.5 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 at the end of the year increased by £6.9 million to £14.5 million (FY23: £7.6 million). This increase was primarily due to timing differences with several larger contracts, mostly in the Fraud and Location segments, signed or renewed during the year where the revenue recognition profile is different to the invoicing profile.

Cash flows
Group operating activities before tax payments and exceptional items generated £57.8 million of cash (FY23: £42.5 million) representing an Adjusted EBITDA to operating cash conversion ratio of 90.6% (FY23: 67.3%). Following the specific and non-recurring factors impacting cash conversion during the prior year, the operating cash conversion has returned to a level more consistent with previous years and GBG's medium-term guidance.

During the year to 31 March 2024, net repayments against the RCF were £23.0 million, resulting in outstanding balances of $129 million (FY23: $149 million) and £nil (FY23: £7 million).

Overall, our net debt at 31 March 2024 decreased to £80.9 million. This was despite the £10.1 million full year dividend payment, £1.2 million payment of contingent consideration related to the Cloudcheck acquisition and exceptional cash costs of £5.4 million. Offsetting these costs were a positive £1.8 million retranslation impact from the conversion of the non-sterling denominated cash and debt into pound sterling and a £1.3 million receipt following the sale of an owned property during the year.

Further detailed analysis of this movement is included in the consolidated cash flow statement .

We were pleased to obtain approval for the exercise of the second of the one-year extension options on the existing revolving credit facility. Extending the length of the facility through to July 2027 provides a platform to support investment in organic growth and potential future M&A activity.

Dividend

At the AGM, the Board of Directors will propose a final ordinary dividend of 4.20 pence per share (FY23: 4.00 pence), amounting to £10.6 million (FY23: £10.1 million).

If approved, this will be paid on 2 August 2024 to ordinary shareholders whose names appear on the register of members at the close of business on 21 June 2024. The Group continues to operate a Dividend Reinvestment Plan, allowing eligible shareholders to reinvest their dividends into GBG shares.

In proposing the FY24 final dividend amounting to £10.6 million, the Directors have assessed each of the components of equity at 31 March 2024 and assessed how much of each component is considered distributable in accordance with applicable guidance. The Company has assessed that £86,739,000 of Merger Reserve recognised upon the acquisition of Acuant Intermediate Holding Corp is considered to be a realised profit, as a realised loss has been recognised on the impairment of the related asset – being the investment in GBG (US) Holdings LLC.

Therefore, the Directors consider that there are sufficient distributable reserves available at 31 March 2024 for the declaration of this dividend.

Treasury policy and financial risk

The Group's treasury operation is managed by a Treasury Committee within formally defined policies and reviewed by the Board. The Treasury Committee meets on a regular basis to review cash flow forecasts, covenant compliance, exposure to interest rate and foreign currency movements and make recommendations to the Board based on these reviews.

The Treasury Committee receives weekly cash information to monitor liquidity across the Group and ensure that significant cash outflows, such as acquisition payments, dividends and loan repayments, could be made without exposing the Group to undue risk.

The Group finances its activities principally with cash, short-term deposits and borrowings but has the ability to draw down up to £72.8 million of further funding from a committed revolving credit facility. Other financial assets and liabilities, such as trade receivables and trade payables, arise directly from the Group's operating activities. Surplus funds of the Group are used to repay the RCF, whilst ensuring that a suitable operational level of cash is retained.

The Group is exposed to a variety of financial risks including: market risk (including foreign currency risk and cash flow interest rate risk), credit risk and liquidity risk. It is not the Group's policy to engage in speculative activity or to use complex financial instruments.

Approved by the Board on 10 June 2024

David Ward
Chief Financial Officer
10 June 2024

Consolidated statement of profit or loss

Year ended 31 March 2024

	Note	2024 Before exceptional items £000	2024 Normalised and exceptional items[1] £000	2024 Total £'000	2023 Before exceptional items £000	2023 Normalised and exceptional items[1] £000	2023 Total £'000
Revenue	3, 4	**277,325**	**-**	**277,325**	278,810	-	278,810
Cost of sales		**(82,805)**	**-**	**(82,805)**	(80,994)	-	(80,994)
Gross profit		**194,520**	**-**	**194,520**	197,816	-	197,816
Operating expenses		**(132,386)**	**(102,548)**	**(234,934)**	(141,235)	(172,246)	(313,481)
Net (loss)/gain on foreign exchange		**(162)**	**-**	**(162)**	3,022	-	3,022
(Increase)/decrease in expected credit losses of trade receivables		**(775)**	**-**	**(775)**	214	-	214
Operating profit/(loss)		**61,197**	**(102,548)**	**(41,351)**	59,817	(172,246)	(112,429)
Finance income	3, 7	**262**	**-**	**262**	636	-	636
Finance costs	8	**(9,297)**	**-**	**(9,297)**	(7,037)	-	(7,037)
Profit/(loss) before tax		**52,162**	**(102,548)**	**(50,386)**	53,416	(172,246)	(118,830)
Income tax credit/(charge)	9	**(13,155)**	**14,958**	**1,803**	(11,354)	10,390	(964)
Profit/(loss) after tax for the year attributable to equity holders of the parent		**39,007**	**(87,590)**	**(48,583)**	42,062	(161,856)	(119,794)
Earnings per share	10						
- basic earnings per share for the year		**15.4p**		**(19.2p)**	16.7p		(47.5p)
- diluted earnings per share for the year		**15.1p**		**(19.2p)**	16.4p		(47.5p)

[1] Normalised items include: amortisation of acquired intangibles £39,447,000 (2023: £42,758,000) and share-based payment charges £3,488,000 (2023: £2,313,000). Exceptional items total £59,613,000 (2023: £127,175,000) (see note 6).

The accompanying notes are an integral part of this consolidated statement of profit or loss.

Consolidated statement of comprehensive income

Year ended 31 March 2024

	2024	2023
	£'000	**£'000**
Loss after tax for the period attributable to equity holders of the parent	**(48,583)**	(119,794)
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)	**(12,306)**	35,060
Total items that may be reclassified to profit or loss in subsequent periods	**(12,306)**	35,060
Items that will not be reclassified to profit or loss in subsequent periods		
Fair value movement on investments	**(1,600)**	700
Total items that may be reclassified to profit or loss in subsequent periods	**(1,600)**	700
Total other comprehensive (expense)/income	**(13,906)**	35,760
Total comprehensive expense for the period attributable to equity holders of the parent	**(62,489)**	(84,034)

The accompanying notes are an integral part of this consolidated statement of comprehensive income.

Consolidated statement of changes in equity

				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	Retained earnings/(accumulated losses) £'000	Total equity £'000
Balance at 1 April 2022		6,297	566,769	99,999	3	1,423	-	101,425	112,636	787,127
Loss for the period		-	-	-	-	-	-	-	(119,794)	(119,794)
Other comprehensive income		-	-	-	-	35,060	-	35,060	700	35,760
Total comprehensive income/(expense) for the period		-	-	-	-	35,060	-	35,060	(119,094)	(84,034)
Issue of share capital		14	812	-	-	-	-	-	-	826
Investment in own shares		-	-	-	-	-	(2,500)	(2,500)		(2,500)
Cost of employee benefit trust shares issued to employees		-	-	-	-	-	1,426	1,426	(1,417)	9
Share-based payments		-	-	-	-	-	-	-	2,313	2,313
Tax on share options		-	-	-	-	-	-	-	(143)	(143)
Net share forfeiture receipt		-	-	-	-	-	-	-	146	146
Equity dividend	11	-	-	-	-	-	-	-	(9,600)	(9,600)
Balance at 31 March 2023		6,311	567,581	99,999	3	36,483	(1,074)	135,411	(15,159)	694,144
Loss for the period		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(48,583)**	**(48,583)**
Other comprehensive income		**-**	**-**	**-**	**-**	**(12,306)**	**-**	**(12,306)**	**(1,600)**	**(13,906)**
Total comprehensive iexpense for the period		**-**	**-**	**-**	**-**	**(12,306)**	**-**	**(12,306)**	**(50,183)**	**(62,489)**
Issue of share capital		**4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4**
Investment in own shares		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cost of employee benefit trust shares issued to employees		**-**	**-**	**-**	**-**	**-**	**947**	**947**	**(939)**	**8**
Share-based payments		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,488**	**3,488**
Tax on share options		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**104**	**104**
Net share forfeiture refund		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(37)**	**(37)**
Equity dividend	11	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(10,093)**	**(10,093)**
Balance at 31 March 2024		**6,315**	**567,581**	**99,999**	**3**	**24,177**	**(127)**	**124,052**	**(72,819)**	**625,129**

The accompanying notes are an integral part of this consolidated statement of changes in equity.

Consolidated balance sheet

As at 31 March 2024

	Note	2024 £'000	2023 £'000
Assets			
Non-current assets			
Goodwill	12	**561,622**	626,394
Other intangible assets	12	**181,064**	224,834
Property, plant and equipment	12	**1,650**	3,752
Right-of-use assets	12	**1,565**	1,449
Investments		**1,426**	3,026
Deferred tax asset		**937**	793
Trade and other receivables	14	**6,223**	4,305
		754,487	864,553
Current assets			
Inventories		**1,316**	2,619
Trade and other receivables	14	**72,841**	65,313
Current tax		**2,939**	1,083
Cash and cash equivalents		**21,321**	21,552
		98,417	90,567
Total assets		**852,904**	955,120
Equity and liabilities			
Capital and reserves			
Equity share capital		**6,315**	6,311
Share premium		**567,581**	567,581
Other reserves		**124,052**	135,411
Accumulated losses		**(72,819)**	(15,159)
Total equity attributable to equity holders of the parent		**625,129**	694,144
Non-current liabilities			
Loans and borrowings	16	**101,115**	126,411
Lease liabilities		**875**	524
Provisions		**741**	792
Deferred revenue		**2,337**	1,492
Deferred tax liability		**23,819**	34,986
		128,887	164,205
Current liabilities			
Lease liabilities		**836**	1,242
Trade and other payables	15	**43,669**	37,312
Deferred revenue		**52,961**	55,015
Contingent consideration	17	**-**	1,237
Current tax		**1,422**	1,965
		98,888	96,771
Total liabilities		**227,775**	260,976
Total equity and liabilities		**852,904**	955,120

The accompanying notes are an integral part of this consolidated balance sheet.

Approved by the Board on 10 June 2024

D Dhiman – Director
D M Ward - Director

Registered in England number 2415211

Consolidated cash flow statement

Year ended 31 March 2024

	Note	**2024**	2023
		£'000	£'000
Loss before tax:		**(50,386)**	(118,830)
Adjustments to reconcile loss before tax to net cash flows			
Finance income	7	**(262)**	(636)
Finance costs	8	**9,297**	7,037
Depreciation of plant and equipment	12	**1,306**	1,771
Depreciation of right-of-use assets	12	**1,155**	1,491
Amortisation of intangible assets	12	**39,612**	42,826
Impairment of goodwill and intangible assets	12	**54,707**	125,022
Loss on disposal of plant and equipment and intangible assets		**(24)**	379
Loss on disposal of businesses		**-**	113
Fair value adjustment on contingent consideration		**-**	(1,660)
Unrealised gain on foreign exchange		**(61)**	(3,512)
Share-based payments		**3,488**	2,313
Decrease/(increase) in inventories		**1,227**	(1,448)
Decrease in provisions		**(36)**	(47)
Increase in trade and other receivables		**(11,723)**	(20)
Increase/(decrease) in trade and other payables		**5,373**	(16,229)
Cash generated from operations		**53,673**	38,570
Income tax paid		**(10,131)**	(4,263)
Net cash generated from operating activities		**43,542**	34,307
Cash flows used in investing activities			
Acquisition of subsidiaries, net of cash acquired	17	**(1,200)**	(4,991)
Purchase of plant and equipment	12	**(448)**	(968)
Purchase of software	12	**(9)**	(57)
Proceeds from disposal of plant and equipment		**1,306**	79
Net outflow from disposal of businesses		**-**	(18)
Interest received	7	**82**	569
Net cash flows used in investing activities		**(269)**	(5,386)
Cash flows used in financing activities			
Finance costs paid		**(8,147)**	(6,426)
Proceeds from issue of shares		**4**	826
Purchase of shares for Employee Benefit Trust		**-**	(2,500)
(Refund)/proceeds from share forfeiture		**(37)**	146
Proceeds from new borrowings, net of arrangement fee	16	**9,714**	12,000
Repayment of borrowings	16	**(32,967)**	(22,394)
Repayment of lease liabilities		**(1,399)**	(2,062)
Dividends paid to equity shareholders	11	**(10,093)**	(9,600)
Net cash flows used in financing activities		**(42,925)**	(30,010)
Net increase/(decrease) in cash and cash equivalents		**348**	(1,089)
Effect of exchange rates on cash and cash equivalents		**(579)**	339
Cash and cash equivalents at the beginning of the period		**21,552**	22,302
Cash and cash equivalents at the end of the period		**21,321**	21,552

The accompanying notes are an integral part of this consolidated cash flow statement.

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards, as applied in accordance with the provisions of the Companies Act 2006. Accounting policies have been applied consistently to all years presented unless otherwise stated.

The preliminary announcement covers the period from 1 April 2023 to 31 March 2024 and was approved by the Board on 10 June 2024. It is presented in Pounds Sterling (£) and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The financial information set out herein does not constitute the Company's statutory accounts for the years ended 31 March 2024 or 2023 but is derived from those accounts. The financial information has been prepared using accounting policies consistent with those set out in the annual report and accounts for the year ended 31 March 2024. Statutory accounts for 2023 have been delivered to the Registrar of Companies, and those for 2024 will be delivered in due course. The auditors have reported on those accounts; their report was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain any statements under Section 498(2) or (3) of the Companies Act 2006.

Non-GAAP Measures

The Group presents the non-GAAP performance measure 'adjusted operating profit' on the face of the consolidated statement of profit or loss. Adjusted operating profit is not defined by IFRSs and therefore may not be directly comparable with the adjusted operating profit measures of other companies.

The business is managed and measured on a day-to-day basis using adjusted results. To arrive at adjusted results, certain adjustments are made for normalised and exceptional items that are individually significant and which could, if included, distort the understanding of the performance for the year and the comparability between periods.

Normalised items

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

These items relate to:

- amortisation of acquired intangibles; and
- equity-settled share-based payments charges.

Other types of recurring items may arise; however, no others were identified in either the current or prior year. Recurring items are adjusted each year irrespective of materiality to ensure consistent treatment.

Management consider these items to not reflect the underlying performance of the Group.

Exceptional Items

The Group presents as exceptional items those significant items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance. Such items may include, but are not restricted to, significant acquisition, restructuring and integration related costs, adjustments to contingent consideration, profits or losses on disposal of businesses and significant impairment of assets. Exceptional costs are discussed further in note 6.

Redundancy costs are only classified within exceptional items if they are linked to a reorganisation of part of the business, including when as a result of a business integration.

Management consider these significant and/or non-recurring-items to be inherently not reflective of the future or underlying performance of the Group.

Going concern

The assessment of going concern relies heavily on the ability to forecast future cash flows over the going concern assessment period which covered the period through to 30 September 2025. Although GBG has a robust budgeting and forecasting process, the continued economic uncertainty caused by the macroeconomic environment means that additional sensitivities and analysis have been applied to test the going concern assumption under a range of severe but plausible downside scenarios and a reverse stress test scenario.

The Group has continued to successfully convert adjusted operating profit into cash. During the year to 31 March 2024, GBG's operating cash to Adjusted EBITDA ratio ('cash conversion') was 90.6% an increase of 23.3% on the prior year. This improvement was due to a number of specific non-recurring factors which distorted the cash conversion in the prior period, with the performance now more reflective of historic and expected future levels.

At 31 March 2024 GBG was in a net debt position of £80.9 million (FY23: £105.9 million), an improvement of £25.0 million since 31 March 2023. Cash flow was negatively impacted by continued increases in interest rates during the first half of the year (Secured Overnight Financing Rate (SOFR)) increased by over 0.5% throughout the financial year which has led to higher interest payments on the RCF facility.

The RCF facility has a maximum level of £175 million which could be drawn down for working capital purposes if required. As at 31 March 2024, the available undrawn facility was £72.8 million compared to £47.5 million at 31 March 2023.

Following bank approval in October 2023 for the exercise of the one-year extension on the facility, the Group has access to a £175 million facility until July 2026 and £140 million until July 2027.

The facility agreement has the following covenants:

- Leverage – consolidated net borrowings as a multiple of Adjusted EBITDA for the last 12 months, assessed quarterly in arrears, must not exceed 3.00:1.00
- Interest cover – Adjusted EBITDA for the past 12 months as a multiple of consolidated net finance charges, for the last 12 months, assessed quarterly in arrears, must not fall below 4.00:1.00

The Board approved budget showed continued significant headroom in the covenant compliance tests and sufficient liquidity to maintain operations. The budget model was then adjusted to reflect a severe but plausible downside scenario, including increases in costs, interest rates as well as reduced revenue growth both on an overall Group basis and specific to certain areas of the business. Under these downside scenarios, the covenant compliance and liquidity position did not result in any risk to going concern. Relative to the budget produced by management there have not been any adverse variances in the overall trading performance since the year-end.

Following consideration of the budget and a range of downside scenarios, 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 consolidated financial statements.

2. Accounting Policies

The preliminary statement has been prepared on a consistent basis with the accounting policies set out in the last published financial statements for the year ended 31 March 2023. New standards and interpretations which came into force during the year did not have a material impact on the Group's financial statements.

3. Revenue
Revenue disclosed in the consolidated statement of profit or loss is analysed as follows:

	2024 £'000	2023 £'000
Subscription revenues:		
Consumption-based	**46,440**	45,427
Term-based	**112,995**	112,034
Total subscription revenues	**159,435**	157,461
Consumption	**103,433**	103,834
Hardware	**7,825**	8,660
Other	**6,632**	8,655
Revenue	**277,325**	278,810

4. 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.

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.

Year ended 31 March 2024	**Location £'000**	**Identity £'000**	**Fraud £'000**	**Total £'000**
Subscription revenues:				
Consumption-based	17,437	26,827	2,176	**46,440**
Term-based	55,444	24,945	32,606	**112,995**
Total subscription revenues	72,881	51,772	34,782	**159,435**
Consumption	7,203	94,533	1,697	**103,433**
Hardware	-	7,825	-	**7,825**
Other	982	1,931	3,719	**6,632**
Total revenue	81,066	156,061	40,198	**277,325**
Contribution	**32,384**	**42,704**	**14,812**	**89,900**
Central overheads				**(27,766)**
Foreign exchange loss				**(162)**
Expected credit losses of trade receivables				**(775)**
Adjusted operating profit				**61,197**
Amortisation of acquired intangibles				**(39,447)**
Share-based payments charge				**(3,488)**
Exceptional items				**(59,613)**
Operating loss				**(41,351)**
Finance income				**262**
Finance costs				**(9,297)**
Income tax credit				**1,802**
Loss for the year				**(48,583)**

Year ended 31 March 2023	**Location £'000**	**Identity £'000**	**Fraud £'000**	**Total £'000**
Subscription revenues:				
Consumption-based	16,809	27,427	1,191	**45,427**
Term-based	53,522	27,586	30,926	**112,034**
Total subscription revenues	70,331	55,013	32,117	**157,461**
Consumption	5,917	96,269	1,648	**103,834**
Hardware	-	8,860	-	**8,860**
Other	642	2,587	5,426	**8,655**
Total revenue	76,890	162,729	39,191	**278,810**
Contribution	**29,897**	**47,623**	**10,259**	**87,779**
Central overheads				**(31,198)**
Foreign exchange gain/(loss)				**3,022**
Expected credit losses of trade receivables				**214**
Adjusted operating profit				**59,817**
Amortisation of acquired intangibles				**(42,758)**
Share-based payments charge				**(2,313)**
Exceptional items				**(127,175)**
Operating loss				**(112,429)**
Finance income				**636**
Finance costs				**(7,037)**
Income tax expense				**(964)**
Loss for the year				**(119,794)**

5. Operating loss

This is stated after charging:

	2024 £'000	2023 £'000
Research and development costs recognised as an operating expense	**15,683**	20,176
Other technology related costs recognised as an operating expense	**30,802**	33,817
Total Technology related costs recognised as an operating expense	**46,485**	53,993

6. Exceptional items

		2024 £'000	2023 £'000
(a)	Integration costs	**729**	686
(b)	Costs associated with team member reorganisations	**4,018**	1,813
(c)	Rationalisation of office locations	**159**	391
(d)	Impairment of goodwill (note 12 & 13)	**54,707**	122,225
(e)	Impairment of intangibles	**-**	2,797
(f)	Acquisition related costs/(income)	**-**	(1,087)
(g)	Loss on disposal of businesses	**-**	113
(h)	Write off of cloud-based software	**-**	237
Total exceptional costs		**59,613**	127,175

(a) Integration costs have been incurred in relation to the integration of the Acuant and Cloudcheck acquisitions. This principally relates 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. To 31 March 2024, the Group expensed £729,000 (2023: £686,000) relating to the integration of Acuant and Cloudcheck. Integration activities have ended during the year ended 31 March 2024. Due to the size and nature of acquisition and integration costs, management consider that they do not reflect the Group's trading performance and so are adjusted to ensure consistency between periods.

(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 as part of a Group-wide restructuring exercise. 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.

(c) During the year to 31 March 2023, a project was started to rationalise the Group's office locations. In the year to 31 March 2024, the Group expensed £159,000 (2023: £391,000) with £254,000 relating to the costs associated with exiting leased buildings and £95,000 credit relating to a gain on disposal from the sale of an owned property. Due to the nature of these costs, management deem them to be exceptional in order to better reflect our underlying performance. This rationalisation project was finalised at the end of FY24.

(d) As part of the Group's annual impairment testing in the prior year, it was identified that the goodwill allocated to the Identity - Americas group of CGUs was impaired and an impairment charge of £122,225,000 was recognised in the year to 31 March 2023. Due to increases in discount rates during the year to 31 March 2024, an additional impairment charge of £54,707,000 was recognised during the year.

(e) During the year to 31 March 2023, as part of the continued integration of Acuant and simplification of our brands in the Americas region, Acuant was rebranded as IDology. As a result, the value of the Acuant brand included within acquired intangibles was considered to be £nil and an impairment charge of £2,797,000 was recognised.

(f) Acquisition related costs of £nil (2023: £1,087,000 credit). During the year to 31 March 2023, acquisition related costs included:

- Foreign exchange movement on contingent consideration (see note 17). The contingent consideration liabilities related to IDology and Cloudcheck are based on the US Dollar and New Zealand dollar respectively. As a result, the liabilities were retranslated at the balance sheet date with a loss of £379,000 being treated as an exceptional item.
- Legal and professional advisor costs directly attributable to the acquisition of Acuant and the possible offer by GTCR to acquire GBG of £573,000.
- A fair value reassessment was made to the Cloudcheck contingent consideration liability. Based on actual performance in the period following acquisition, it was determined that the performance criteria would not be met in full and a credit of £2,753,000 was taken within exceptional items. The contingent consideration in respect of pre-acquisition tax losses within IDology Inc was also settled during the year, with an additional charge of £806,000 being recognised in exceptional items. £92,000 was also received from the IDology escrow administrator to reimburse pre-acquisition liabilities paid to the seller.

(g) During the year to 31 March 2021, the business disposed of its Marketing Services and Employ and Comply businesses which resulted in an overall profit on disposal. In the year to 31 March 2023, additional costs of £113,000 were incurred in relation to the finalisation of the disposal of these businesses.

(h) During the year to 31 March 2023, a write off of cloud-based software of £237,000 has been recognised. A final agenda decision by the IFRS Interpretations Committee clarified that configuration or customisation costs from cloud computing arrangements do not usually meet the definition of intangible assets under IAS 38 Intangible Assets' and therefore should not be capitalised. As a result, previously capitalised costs that did not satisfy the clarified recognition criteria were written off.

The total cash net outflow during the year as a result of exceptional items was £4,124,000 (2023: £3,934,000 outflow). The tax impact of the exceptional items was a tax credit of £1,158,000 (2023: tax credit of £917,000).

7. Finance income

	2024 £'000	2023 £'000
Bank interest receivable	**73**	16
Interest income on multi-year contracts	**180**	53
Tax interest receivable	**9**	567
	262	636

8. Finance costs

	2024	2023
	£'000	£'000
Bank interest payable	**8,712**	6,413
Interest on long service award	**21**	9
Amortisation of bank loan fees	**341**	326
Other interest payable	**133**	14
Unwinding of discount on contingent consideration liability	**20**	165
Lease liability interest	**70**	110
	9,297	7,037

9. Income tax (credit)/charge

a) Tax on loss

The tax (credit)/charge in the consolidated statement of profit or loss for the year is as follows:

	2024	2023
	£'000	£'000
Current income tax		
UK corporation tax on loss for the year	**4,590**	4,485
Amounts underprovided in previous years	**229**	637
Foreign tax	**3,985**	7,754
	8,804	12,876
Deferred tax		
Origination and reversal of temporary differences	**(8,054)**	(12,539)
Amounts (overprovided) in previous years	**(209)**	(225)
Impact of change in tax rates	**(2,344)**	852
	(10,607)	(11,912)
Tax (credit)/charge in the consolidated statement of profit or loss	**(1,083)**	964

b) Reconciliation of the total tax (credit)/charge

The loss before tax multiplied by the standard rate of corporation tax in the UK would result in a tax charge as explained below:

	2024	2023
	£'000	£'000
Consolidated loss before tax	**(50,586)**	(118,830)
Consolidated loss before tax multiplied by the standard rate of corporation tax in the UK of 25% (2023: 19%)	**(12,596)**	(22,578)
Effect of:		
Permanent differences	**16,886**	31,813
Non-taxable income	**(1,988)**	(809)
Rate changes	**(2,344)**	775
Recognition of previously unrecognised deferred tax assets	**(204)**	(266)
Tax provision recognised	**-**	392
Adjustments in respect of prior years	**20**	412
Research and development incentives	**(417)**	(123)
Patent Box relief	**(752)**	(509)
Share option relief	**488**	518
Effect of higher taxes on overseas earnings	**(896)**	(8,660)
Total tax (credit)/charge reported in the consolidated statement of profit or loss	**(1,803)**	964

The Group's reported effective tax rate for the year was 3.6% (2023: (0.8)%). After adjusting for the impact of amortisation of acquired intangibles, equity-settled share-based payments and exceptional items, the adjusted effective tax rate was 25.2% (2023: 21.3%). These measures are defined in the non-GAAP measures note.

10. Earnings per ordinary share from continuing operations

	Basic pence per share	Diluted pence per share	Adjusted Basic pence per share	Adjusted Diluted pence per share
2024	**(19.2)**	**(19.2)**	**15.4**	**15.1**
2023	(47.5)	(47.5)	16.7	16.4

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

Diluted
Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders from continuing operations by the weighted average number of ordinary shares outstanding during the year 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.

	2024 No.	2023 No.
Basic weighted average number of shares in issue	**252,552,462**	252,235,803
Basic weighted average number of shares held by the EBT	**(161,495)**	(269,104)
Dilutive effect of share options	**5,247,463**	5,030,313
Diluted weighted average number of shares in issue	**257,638,430**	256,997,012

For the year ended 31 March 2024 and 31 March 2023, potential ordinary shares are antidilutive, 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.

	2024 £'000	Basic 2024 pence per share	Diluted 2024 pence per share	2023 £'000	Basic 2023 pence per share	Diluted 2023 pence per share
Adjusted operating profit	**61,197**	**24.2**	**23.8**	59,817	23.7	23.3
Less net finance costs	**(9,035)**	**(3.6)**	**(3.6)**	(6,401)	(2.5)	(2.5)
Less adjusted tax	**(13,155)**	**(5.2)**	**(5.1)**	(11,354)	(4.5)	(4.4)
Adjusted earnings	**39,007**	**15.4**	**15.1**	42,062	16.7	16.4

11. Dividends paid and proposed

	2024 £'000	2023 £'000
Declared and paid during the year Final dividend for 2023 paid in July 2023: 4.00p (final dividend for 2022 paid in July 2022: 3.81p)	**10,093**	9,600
Proposed for approval at AGM (not recognised as a liability at 31 March) Final dividend for 2024: 4.20p (2023: 4.00p)	**10,609**	10,098

12. Non-current assets

	Goodwill £'000	Other intangible assets £'000	Property, plant & equipment £'000	Right-of-use assets £'000
Cost				
At 1 April 2023	748,756	357,807	11,467	7,153
Additions	-	171	613	1,322
Disposals	-	(663)	(5,728)	(4,479)
Foreign exchange adjustment	(14,400)	(6,644)	(276)	(68)
At 31 March 2024	**734,356**	**350,671**	**6,076**	**3,928**
Depreciation, impairment and amortisation				
At 1 April 2023	122,362	132,973	7,715	5,704
Charge for the period	-	39,612	1,306	1,155
Impairment (note 13)	54,707	-	-	-
Disposals	-	(663)	(4,439)	(4,462)
Foreign exchange adjustment	(4,335)	(2,315)	(156)	(34)
At 31 March 2024	**172,734**	**169,607**	**4,426**	**2,363**
Net book value				
At 31 March 2024	**561,622**	**181,064**	**1,650**	**1,565**
At 1 April 2023	626,394	224,834	3,752	1,449

13. Impairment

Summary

At 30 September 2023, GBG's half year end, it was determined that there was an indicator of potential impairment in Identity – Americas and Identity – APAC groups of CGUs. This was as a result of an increase in the applicable discount rate assumptions used in the value-in-use calculations versus the assumption used as at the previous impairment review which was conducted as at 31 March 2023.

Following the completion of this impairment review, the carrying value of the Identity – Americas group of CGUs was reduced to its recoverable amount through recognition of an impairment charge of £54,707,000 against goodwill. This charge was recognised within exceptional items in the consolidated statement of profit or loss. No impairment was identified against the Identity – APAC group of CGUs.

The annual impairment review was performed at 31 March 2024 for all groups of CGUs to which goodwill is allocated. Despite performing an impairment review for the Identity – Americas and Identity – APAC group of CGUs during the half year review as at 30 September 2023, these two groups of CGUs have been reviewed again. The results of the annual impairment review are detailed below.

With the exception of the impairment charge recognised during the period to 30 September 2023 in the half-year review, no impairment was identified in the other groups of CGUs tested at 31 March 2024. When an impairment loss has previously been recognised for goodwill, that impairment loss cannot be reversed in a subsequent period.

Impairment review

Goodwill and intangible assets acquired through business combinations is allocated to the CGUs that are expected to benefit from that business combination and has been allocated for impairment testing purposes to seven groups of CGUs as follows:

- Location CGU (represented by the Location operating segment excluding the Location - APAC Unit)
- Location – APAC CGU (part of the Location operating segment)
- Identity – EMEA CGU (part of the Identity operating segment)
- Identity – APAC CGU (part of the Identity operating segment)
- Identity – Americas CGU (part of the Identity operating segment)
- Fraud – Investigate CGU (part of the Fraud operating segment)
- Fraud – APAC CGU (part of the Fraud operating segment)

	2024			2023		
Name	**Goodwill £'000**	**Acquired Intangibles £'000**	**Total £'000**	Goodwill £'000	Acquired Intangibles £'000	Total £'000
Location Unit	**61,622**	**7,912**	**69,534**	61,775	10,634	72,409
Location – APAC Unit	**2,228**	**468**	**2,696**	2,336	614	2,950
Identity - EMEA Unit	**103,070**	**21,990**	**125,060**	104,484	26,588	131,072
Identity – APAC Unit	**73,180**	**21,631**	**94,811**	75,325	26,402	101,727
Identity – Americas Unit	**304,372**	**127,301**	**431,673**	364,662	157,251	521,913
Fraud - Investigate Unit	**3,608**	**1,661**	**5,269**	3,608	2,821	6,429
Fraud – APAC Unit	**13,542**	**33**	**13,575**	14,204	456	14,660
	561,622	**180,996**	**742,618**	626,394	224,766	851,160

Key Assumptions Used in Value in Use Calculations – Base Case

The key assumptions for value in use calculations are those regarding the forecast revenue growth, discount rates and long-term growth rates.

The Group prepares cash flow forecasts using:

- budgets and forecasts approved by the Directors covering a 5 year period;
- an appropriate extrapolation of cash flows is applied beyond this to determine a terminal value using a combination of:
  - for the Identity segment only - industry analysis of market growth rates to 2032; and
  - a long-term average growth rate applied to perpetuity for the geographic market being assessed.

Forecast revenue growth rates, margins and cash flow conversion rates were based on past experience, industry market analysis and strategic opportunities specific to the group of CGUs being assessed.

The use of a pre-perpetuity projection period of more than five years for the Identity segment is an accounting judgement. It was considered that beyond the initial period covered by budgets and forecasts, it was most appropriate to include a further period of three years of growth rates (2023: four years of growth rates) that are higher than the long-term average growth rates for that particular region. The growth rates were considered to be reliable since they were determined on the basis of multiple pieces of independent, external industry and market research covering the Identity and Identity Fraud markets which supported that, over this period, this market is expected to grow at a higher rate than the long-term growth rates of these geographic markets as a whole.

Beyond this forecast period, the long-term average growth rate is not greater than the average long-term retail growth rate in the territory where the group of CGUs is based UK – 2.0%; USA – 2.5%; Australia – 3.0% (2023: UK – 2.0%; USA – 2.4%; Australia – 3.6%).

The Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the individual CGU. Growth rates reflect long-term growth rate prospects for the economy in which the CGU operates.

	2024		2023	
Name	**Pre-tax discount rate %**	**Growth rate (in perpetuity) %**	Pre-tax discount rate %	Growth rate (in perpetuity) %
Location Unit	13.7%	2.0%	13.5%	2.0%
Location – APAC Unit	12.7%	3.0%	13.6%	3.6%
Identity - EMEA Unit*	13.4%	2.0%	13.5%	2.0%
Identity – APAC Unit*	12.6%	3.0%	13.6%	3.6%
Identity – Americas Unit*	12.2%	2.5%	12.3%	2.4%
Fraud - Investigate Unit	13.8%	2.0%	13.5%	2.0%
Fraud – APAC Unit	12.7%	3.0%	13.6%	3.6%

* For the year to 31 March 2024, the following revenue growth rates have been applied to the three year period from 1 April 2029 to 31 March 2032 for these groups of CGUs: Identity – EMEA 8.0% (2023: 10.3%), Identity – APAC 10.0% (2023: 12.5%) and Identity – Americas 14.7% (2023: 14.7%).

The headroom/(impairment) (i.e. the excess/(shortfall) of the value of discounted future cash flows over the carrying amount of the CGU) under the base case scenario was as follows:

Name	**2024 Base case[1] £'000**	2023 Base case[1] £'000
Location Unit	**246,384**	102,029
Location – APAC Unit	**15,876**	12,298
Identity - EMEA Unit	**36,439**	32,301
Identity – APAC Unit	**34,658**	2,741
Identity – Americas Unit	**4,144**	(122,208)
Fraud - Investigate Unit	**62,206**	26,628
Fraud – APAC Unit	**62,710**	49,372

[1] The excess of the recoverable amount over the carrying amount of the CGU before applying sensitivities

The above assessment is stated after the goodwill impairment recorded at 30 September 2023. The carrying value of the Identity – Americas group of CGUs was reduced to its recoverable amount through recognition of an impairment charge of £54,707,000 against goodwill during the period to 30 September 2023. Further details of the reason for this impairment are in the summary section above and in the Financial Review.

This charge is recognised within exceptional items in the consolidated statement of profit or loss. Any additional adverse movement in the key assumptions at the balance sheet date would lead to a further impairment of goodwill.

Key Assumptions Used in Value in Use Calculations – Sensitised Case

The Group has considered the impact of changes in future revenue growth and key assumptions on the base case value in use model, to create a sensitised value in use model. The table below shows the impact on the base case headroom as a result of the following changes, with all other assumptions being unchanged:

Name	**0.1% change in annual revenue growth forecast £'000**	**0.1% change in discount rate £'000**	**0.1% change in long-term growth rate £'000**
Location Unit	**(906)**	**(3,660)**	**(2,770)**
Location – APAC Unit	**(312)**	**(279)**	**(225)**
Identity - EMEA Unit	**(1,515)**	**(1,991)**	**(1,204)**
Identity – APAC Unit	**(901)**	**(2,026)**	**(1,364)**
Identity – Americas Unit[1]	**(9,437)**	**(6,616)**	**(4,333)**
Fraud - Investigate Unit	**(320)**	**(755)**	**(569)**
Fraud – APAC Unit	**(767)**	**(1,137)**	**(912)**

A sensitised model has been included below, applying the cumulative impact of:

- Increasing pre-tax discount rates by 50bps (2023: 25bps), to reflect potential increases in government bond yields and associated risk-free rates. We have increased the sensitivity of this assumption given the greater volatility observed in discount rates in the last 12 month period;
- Decreasing average annual growth forecasts o between 2025 and 2032 by 100bps (2023: average annual growth forecasts between 2029 and 2032 50bps), to reflect the potential for a worse than predicted market outlook; and
- Decreasing long term growth rates by 25bps (2023: 25bps), to reflect a worse than predicted long-term global economic outlook.

It was not deemed necessary to sensitise the operating margin of the CGU given the strategy for growth. Despite the forecast growth the unsensitised forecast cash flows do not assume any operating leverage which would increase operating profit margins. Management determined that should growth be slower than estimated then there was adequate headroom in the estimates of costs that operating margins could be preserved.

The headroom/(impairment) (i.e. the excess of the value of discounted future cash flows over the carrying amount of the CGU) under the sensitised scenario is below:

Name	**Base case headroom £'000**	**Change in headroom increasing discount rate by 50bps £'000**	**Change in headroom decreasing annual revenue growth rates during the forecast period by 100bps £'000**	**Change in headroom decreasing long term growth rates by 25bps £'000**	**2024 Sensitised[1] £'000**	2023 Sensitised[1] £'000
Location Unit	**246,384**	**(17,491)**	**(13,352)**	**(5,692)**	**209,849**	95,680
Location – APAC Unit	**15,876**	**(1,319)**	**(977)**	**(440)**	**13,140**	11,622
Identity - EMEA Unit	**36,439**	**(9,508)**	**(13,757)**	**(2,292)**	**10,882**	23,337
Identity – APAC Unit	**34,658**	**(9,560)**	**(8,209)**	**(2,589)**	**14,300**	(2,776)
Identity – Americas Unit	**4,144**	**(31,361)**	**(36,990)**	**(8,140)**	**(72,347)**	(157,506)
Fraud – Investigate Unit	**62,206**	**(3,607)**	**(2,962)**	**(1,164)**	**54,473**	25,445
Fraud – APAC Unit	**62,710**	**(5,369)**	**(3,788)**	**(1,793)**	**51,760**	46,517

[1] Headroom after adjusting future cash flows and key assumptions to create a sensitised value in use model

The sensitised scenario would lead to impairment of £72,347,000 for Identity – Americas. Therefore, a reasonably possible change in the value of the key assumptions could cause CGU carrying amount to exceed its recoverable amount.

When considering goodwill impairment, the break-even rate at which headroom within each CGU is reduced to £nil, if all other assumptions remain unchanged, has also been considered.

	2024			2023[1]		
Name	**Pre-tax discount rate**	**Decrease in base case cash flows**	**Revenue growth rate (2029 to 2032)**	Pre-tax discount rate	Decrease in base case cash flows	Revenue growth rate (2029 to 2032)
Location Unit	**56.7%**	**(78.0)%**	n/a	28.7%	(58.0)%	n/a
Location – APAC Unit	**67.7%**	**(85.0)%**	n/a	48.6%	(80.0)%	n/a
Identity - EMEA Unit	**16.5%**	**(23.0)%**	**(1.4)%**	15.8%	(20.0)%	4.5%
Identity – APAC Unit	**15.8%**	**(27.0)%**	**(4.7)%**	13.9%	(3.0)%	11.4%
Identity – Americas Unit	**12.3%**	**(1.0)%**	**14.2%**	n/a	n/a	n/a
Fraud - Investigate Unit	**248.9%**	**(92.0)%**	n/a	63.7%	(80.0)%	n/a
Fraud – APAC Unit	**53.9%**	**(82.0)%**	n/a	41.1%	(76.0)%	n/a

With the exception of the Identity – Americas groups of CGUs, the Directors do not believe that any reasonably possible changes in the value of the key assumptions noted above would cause a CGU carrying amount to exceed its recoverable amount.

14. Trade and other receivables

	2024 £'000	2023 £'000
Current		
Trade receivables	**57,157**	52,892
Allowance for unrecoverable amounts	**(2,416)**	(2,394)
Net trade receivables	**54,741**	50,498
Prepayments	**9,441**	10,818
Accrued income	**8,659**	3,997
	72,841	65,313
Non-current		
Prepayments	**493**	701
Accrued income	**5,730**	3,604
	6,223	4,305

15. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	**13,568**	11,427
Other taxes and social security costs	**4,983**	3,996
Accruals	**25,118**	21,889
	43,669	37,312

16. Loans and borrowings

Bank loans

During the year to 31 March 2024, the Group drew down an additional £10,000,000 and made repayments of $20,000,000 (£15,967,000) and £17,000,000. The outstanding balance on the loan facility at 31 March 2024 was £102,175,000 (2023: £127,470,000) representing £nil in GBP (2023: £7,000,000) and $129,000,000 in USD (2023: $149,000,000).

The facility was due to expire in July 2026 but on 27 October 2023, the Group exercised the second of the one-year extension options on the existing revolving credit facility so that the Group has access to a £175 million facility until July 2026 and £140 million until July 2027. A further arrangement fee of £286,000 was payable for this extension. Loan arrangement fees have been netted off the loan balance.

The debt bears an interest rate of Sterling Overnight Index Average (SONIA) for GBP drawdowns or Secured Overnight Financing Rate (SOFR) for USD 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.

	2024 £'000	2023 £'000
Opening bank loan	**126,411**	128,226
New borrowings	**10,000**	12,000
Agency fee paid	**(56)**	-
Loan fees paid for extension	**(286)**	(357)
Repayment of borrowings	**(32,967)**	(22,394)
Amortisation of loan fees	**341**	326
Foreign currency translation adjustment	**(2,328)**	8,610
Closing bank loan	**101,115**	126,411
Analysed as:		
Amounts falling due within 12 months	**-**	-
Amounts falling due after one year	**101,115**	126,411
	101,115	126,411
Analysed as:		
Bank loans	**102,175**	127,470
Unamortised loan fees	**(1,060)**	(1,059)
	101,115	126,411

17. Contingent consideration

	2024	2023
	£'000	£'000
At 1 April	**1,237**	7,776
Remeasurement of contingent consideration charged to profit or loss	**20**	806
Unwinding of discount	**-**	165
Release of contingent consideration	**-**	(2,753)
Foreign exchange – unrealised	**(57)**	234
Settlement of consideration	**(1,200)**	(4,991)
At 31 March	**-**	1,237
Analysed as:		
Amounts falling due within 12 months	**-**	1,237
Amounts falling due after one year	**-**	-
At 31 March	**-**	1,237

The opening balance at 1 April 2022 included £3,842,000 related to the pre-acquisition tax assets within IDology Inc. A value equivalent to the cash benefit GBG received for these assets was payable to the sellers once the cash benefit had been received by GBG. In December 2022, IDology received the cash refund which was subsequently paid to the sellers. There are no further payments due in respect of the IDology acquisition.

The remaining contingent consideration was in respect of the acquisition of Cloudcheck during the year ended 31 March 2022. In July 2023, a payment was made based on performance in the first of two earn-out periods. Based on actual performance during the year, it has been determined that the remaining performance criteria has not been met and so there are no further payments due in respect of the Cloudcheck acquisition.

19. 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 statement of profit or loss 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.

Where the current or prior year revenue has been impacted either by acquisitions/disposal or significant non-repeating revenue, alternative measures are presented to provide a more reflective method to compare performance from one period to another.

Organic revenue growth is used to remove the revenue from businesses acquired or disposed within the previous 12 months. Organic growth is defined by the Group as year-on-year continuing revenue growth, excluding acquisitions which are included only after the first anniversary following their purchase and disposed businesses.

Pro forma revenue growth is used to remove the impact of material non-repeating revenue. For example, in the year to 31 March 2023 pro forma revenue was presented to remove revenue from the US Government's stimulus programme and exceptional cryptocurrency volume that arose during the year to 31 March 2022.

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.

		2024		
	Location £'000	**Identity £'000**	**Fraud £'000**	**Total £'000**
Revenue	**81,066**	**156,061**	**40,198**	**277,325**
Constant currency adjustment	**-**	**-**	**-**	**-**
Revenue at constant currency	**81,066**	**156,061**	**40,198**	**277,325**
		2023		
	Location £'000	Identity £'000	Fraud £'000	Total £'000
Revenue	76,890	162,729	39,191	278,810
Constant currency adjustment	(1,321)	(5,547)	(1,890)	(8,758)
Revenue at constant currency	**75,569**	**157,182**	**37,301**	**270,052**
		Growth		
	Location %	Identity %	Fraud %	Total %
Revenue	5.4%	(4.1%)	2.6%	(0.5%)
Constant currency adjustment	1.9%	3.4%	5.2%	3.2%
Revenue at constant currency	**7.3%**	**(0.7%)**	**7.8%**	**2.7%**

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.

	2024 £'000	**2023 £'000**
Operating loss	**(41,351)**	(112,429)
Amortisation of acquired intangibles	**39,447**	42,758
Share-based payment charges	**3,488**	2,313
Exceptional items	**59,613**	127,175
Adjusted operating profit	**61,197**	59,817

Adjusted operating profit margin
Adjusted operating profit margin is calculated as adjusted operating profit as a percentage of revenue.

Adjusted operating expenses
Adjusted operating expenses means reported operating profit 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.

	2024 £'000	**2023 £'000**
Reported operating expenses	**234,934**	313,481
Amortisation of acquired intangibles	**(39,447)**	(42,758)
Share-based payments	**(3,488)**	(2,313)
Impairment of goodwill	**(54,707)**	(122,225)
Other exceptional items	**(4,906)**	(4,950)
Adjusted operating expenses	**132,386**	141,235

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

	2024 £'000	**2023 £'000**
Cash generated from operations before tax payments (from consolidated cash flow statement)	**53,673**	38,570
Opening unpaid exceptional items	**1,251**	1,372
Total exceptional items	**59,613**	127,175
Non-cash exceptional items	**(55,836)**	(123,362)
Closing unpaid exceptional items	**(904)**	(1,251)
Cash outflow for exceptional items	**4,124**	4,474
Cash generated from operations before tax payments and exceptional items paid	**57,797**	42,504
Adjusted EBITDA	**63,823**	63,147
Cash conversion %	**90.6%**	67.3%

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.

	2024 £'000	**2023 £'000**
Adjusted operating profit	**61,197**	59,817
Depreciation of property, plant and equipment	**1,306**	1,771
Depreciation of right-of-use assets	**1,155**	1,491
Amortisation of non-acquired intangibles	**165**	68
Adjusted EBITDA	**63,823**	63,147

Adjusted tax
Adjusted tax means income tax charge before the tax impact of amortisation of acquired intangibles, share-based payment charges and exceptional items. This provides an indication of the ongoing tax rate across the Group.

Adjusted effective tax rate
The adjusted effective tax rate means adjusted tax divided by adjusted earnings.

		2024			2023	
	Loss before tax £'000	**Income tax charge £'000**	**Effective tax rate %**	Profit before tax £'000	Income tax charge £'000	Effective tax rate %
Reported effective tax rate	**(50,386)**	**(1,803)**	**3.6%**	(118,830)	964	(0.8%)
Add back:						
Amortisation of acquired intangibles	**39,447**	**13,391**	**(109.5%)**	42,758	9,463	(12.9%)
Equity-settled share-based payments	**3,488**	**409**	**(55.1%)**	2,313	10	(0.5%)
Exceptional items	**59,613**	**1,158**	**186.2%**	127,175	917	35.5%
Adjusted effective tax rate	**52,162**	**13,155**	**25.2%**	53,416	11,354	21.3%

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 (debt)/cash
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.

	2024 £'000	**2023 £'000**
Cash and cash equivalents	**21,321**	21,552
Loans on balance sheet	**101,115**	126,411
Unamortised loan arrangement fees	**1,060**	1,059
External loans	**102,175**	127,470
Net debt	**(80,854)**	(105,918)

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.

	2024 £'000	2023 £'000
Net debt	**(80,854)**	(105,918)
Adjusted EBITDA	**63,823**	63,147
Debt leverage	**1.27**	1.68

Website
The Investors section of the Company's website, (www.gbgplc.com/investors), contains detailed information on news, press releases, key financial information, annual and interim reports, share price information, dividends and key contact details.

Our share price is also available on the London Stock Exchange website. The following information is a summary and readers are encouraged to view the website for more detailed information.

Dividend Reinvestment Plan
The Company offers a Dividend Reinvestment Plan that enables shareholders to reinvest cash dividends into additional shares in the Company. Application forms can be obtained from Equiniti.

Share scams
Shareholders should be aware that fraudsters may try and use high pressure tactics to lure investors into share scams. Information on share scams can be found on the Financial Conduct Authority's website, www.fca.org.uk/scams.

Financial calendar 2024

Annual General Meeting	23 July 2024
Dividend Ex-Div Date	20 June 2024
Dividend Record Date	21 June 2024
Dividend Payment Date	2 August 2024

Shareholder enquiries
GBG's registrar, Equiniti, can deal with any enquiries relating to your shareholding, such as a change of name or address or a replacement of a share certificate. Equiniti's Shareholder Contact Centre can be contacted on +44 (0) 371 384 2365. Lines are open from 8:30 a.m. to 5:30 p.m. (UK time), Monday to Friday, excluding public holidays in England and Wales. You can also access details of your shareholding and a range of other shareholder services by registering at www.shareview.co.uk.

Company Secretary & Registered Office Annabelle Burton GB Group plc The Foundation, Herons Way Chester Business Park Chester CH4 9GB United Kingdom Registered in England & Wales Company Number: 2415211 T: +44 (0)1244 657333 E: enquiries@gbgplc.com W: www.gbgplc.com	**Auditor** PricewaterhouseCoopers LLP 1 Hardman Square Manchester M3 3EB **Solicitors** Squire Patton Boggs (UK) LLP 1 Spinningfields 1 Hardman Square Manchester M3 3EB Ashurst LLP London Fruit & Wool Exchange 1 Duval Square London E1 6PW
Nominated Advisor and Joint Broker Numis Securities Limited 45 Gresham Street London EC2V 7BF **Joint Broker** Barclays Bank plc 1 Churchill Place, Canary Wharf, London, E14 5HP	**Registrars** Equiniti Aspect House Spencer Road Lancing West Sussex BN99 6DA