

30 January 2025

Shearwater Group PLC

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

Change of Accounting Reference Date and Grant of LTIP options

Shearwater Group plc, the cybersecurity, advisory, and managed security services group, announces a change in accounting reference date ("Year End") and the Granting of share options to staff including Jonathan Hall, CFO, in accordance with the Shearwater Group plc Long Term Incentive Plan.

Change of Accounting Reference Date

Following a Board review, it has been deemed prudent to change the Group's financial year end from 31 March to 30 June, to better align the Group's financial year with its customer procurement cycle. Currently, material contracts are frequently concluded around the March year-end, which has historically presented challenges in providing accurate and timely guidance to investors. The Board believes the revised year-end will enable greater clarity and consistency in the Group's reporting.

As a result, the current accounting period will be extended to be 15 months ending 30 June 2025 ("Extended Period") and the Group intends to publish these final results by the end of October 2025. The Group will also provide a trading update on the performance in the 15-month period to 30 June 2025, on or around the new period-end date.

As anticipated at the interim results in November, the business has delivered revenue growth and returned to profitability in H2. The Company is on track to exceed current revenue expectations and deliver adjusted EBITDA in line with market expectations, for the 12 months ending 31 March 2025.

The period from April to June is typically a quieter trading period for the business, as evidenced by the adjusted EBITDA loss of £0.4m reported for H1 of the current year. Consequently, the inclusion of these additional three months is not expected to materially impact adjusted EBITDA for the extended period.

For the 15-month accounting period ending 30 June, the Company therefore expects to report revenues in excess of £38m and adjusted EBITDA of approximately £2.0m. Looking ahead, the Board remains confident in building on these strong foundations to deliver further growth in both revenue and EBITDA in FY26.

Grant of LTIP Options

On 29 January 2025 the Board approved the granting of 1,227,000 share options in accordance with the Shearwater Group plc Long Term Incentive Plan, which represents 5.1% of outstanding share capital.

Of those options, Jonathan Hall, the newly appointed CFO, was granted 250,000.

The Options will vest in three equal tranches, on 31 October 2025, 31 October 2026 and 31 October 2027, subject to the achievement of the financial and non-financial performance conditions which are set out below.

For Executive Directors and those staff working in Shearwater Group central functions, 50% of options will vest on continued employment while the remaining 50% will vest based on Shearwater Group Adjusted EBITDA performance. Options for all other staff, comprising those working at Group companies Brookcourt, Pentest or SecurEnvoy, will vest in thirds based on Shearwater Group Adjusted EBITDA performance, respective Group Company Adjusted EBITDA performance and continued employment.

Of the options that are contingent on Shearwater Group Adjusted EBITDA performance, in FY25 full vesting would occur on delivery of £2.0m in Adjusted EBITDA for the 15 months to 30 June 2025, an improvement of approximately 130% on the 12 month period to 31 March 2024. Full vesting in FY26 would only occur on the delivery of £3.0m in Adjusted EBITDA for the 12 months to 30 June 2026. Targets for FY27 will be set by the Remuneration Committee during the FY26 financial year.

The option exercise price has been set at the average closing price in the 30 days prior to the option grant.

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	1. Jonathan Hall
2	Reason for the notification	
a)	Position/status	1. Chief Financial Officer
b)	Initial notification/Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Shearwater Group PLC
b)	LEI	213800ZRUKUYDJLKD504
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument.	Ordinary shares of 10 pence each CB00BKTSV4H24

	Identification code	GDUUDN10V7Z1	
b)	Nature of transaction	Awards made pursuant to the rules of the Shearwater Group Long Term Incentive Plan	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		Nil	1. 250,000
	Aggregated information		
	- Aggregated volume	n/a	
	- Price	35.2p	
e)	Date of the transaction	29 January 2025	
f)	Place of the transaction	Outside a trading venue	

Enquiries:

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Phil Higgins, CEO
Jonathan Hall, CFO

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About Shearwater Group plc

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

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

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

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

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