

science group

28 July 2025

SCIENCE GROUP PLC

('Science Group', the 'Group' or the 'Company')

INTERIM RESULTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

Summary

- Profit before Tax of £32.2m (H1 2024: £7.6m)
- Pre-tax gain of £24.0m on investment in Ricardo plc with Rol of 74%
- Statutory basic EPS of 55.3 pence (H1 2024: 12.9 pence)
- Revenue of £57.2m (H1 2024: £53.7m)
- Adjusted* Operating Profit of £11.3m (H1 2024: £11.0m)
- Adjusted* basic EPS of 19.3 pence (H1 2024: 18.1 pence)
- Group cash of £82.0m and net funds of £70.3m (H1 2024: £38.8m and £26.4m)

Science Group plc

Martyn Ratcliffe, Chairman
Jon Brett, Group Finance Director

Tel: +44 (0) 1223 875 200
www.sciencegroup.com

Panmure Liberum (Nominated Adviser and Broker)

Nicholas How, Max Jones, John More

Tel: +44 (0) 20 3100 2000

* Alternative performance measures are provided in order to enhance the shareholders' ability to evaluate and analyse the underlying financial performance of the Group. Refer to Note 1 for detail and explanation of the measures used.

Interim Results 2025

Science Group plc is an international Professional Services and Systems organisation delivering innovation through the application of science, technology and engineering. The capital generated from the operating cash flow is invested in corporate opportunities where the resources and capabilities of the Group could be deployed to produce attractive returns for shareholders.

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in the first half of the year, Science Group reported another record Adjusted Operating Profit despite the volatile political/economic environment, benefitting from the resilience of the Group's operating model. In parallel, consistent with the corporate strategy, the Group made an investment in Ricardo plc ("Ricardo") which produced an exceptional profit and cash inflow.

For the six months ended 30 June 2025, Profit before Tax was £32.2 million (H1 2024: £7.6 million) including the Ricardo investment gain of £24.0 million. Statutory basic earnings per share was 55.3 pence (H1 2024: 12.9 pence).

Excluding the investment activity, a strong performance in the Systems businesses offset the weaker market conditions within Professional Services. As a result, Group Adjusted Operating Profit increased to £11.3 million (H1 2024: £11.0 million) on revenue of £57.2 million (H1 2024: £53.7 million). Adjusted basic earnings per share increased to 19.3 pence (H1 2024: 18.1 pence). Cash generated from operations in the period was very strong at £22.7 million (H1 2024: £10.7 million), benefitting from the normalisation of a high receivables balance at the end of 2024.

As a result of the strong operating cash flow and the investment gain, Group cash at 30 June 2025 was £82.0 million (30 June 2024: £38.8 million) with net funds of £70.3 million (30 June 2024: £26.4 million), prior to the recent shareholder dividend payment (£3.6 million) and the tax payable (£5.1 million) on the investment. The Group's recently renewed and extended revolving credit facility of £30.0 million remains undrawn.

(Alternative performance measures provide clarity on the Group's underlying trading performance. Refer to Note 1 for detail and explanation of the measures used.)

Professional Services Division

The Group's Professional Services Division provides product development, regulatory and advisory services to an international client base across Consumer, Defence & Aerospace, Industrial and Medical sectors. The Division is differentiated through technical, scientific and engineering expertise combined with specialist industry knowledge. The unification of the Professional Services businesses under the Sagentia brand is now operationally complete, with active collaboration across practices/sectors and increased efficiency in support functions.

Market conditions in the first half of 2025 were impacted by the international political/economic volatility causing customers to defer, descope or cancel projects. While the Consumer and Industrial sectors were more affected by the uncertainty, some Medical product development contracts were also delayed. In parallel, the services sector of the UK Defence & Aerospace market experienced a hiatus as the political agenda evolved, affirming Science Group's repositioning to focus on higher value-add services and to reduce exposure to low margin activities.

In aggregate, while the Divisional multi-sector strategy mitigated the external factors, revenue was constrained at £33.2 million (H1 2024: £36.5 million). Nevertheless, through disciplined cost management and the actions taken to improve profitability in Defence & Aerospace, the Division maintained strong margins of 23.9% (H1 24: 24.4%) and reported an Adjusted Operating Profit of £7.9 million (H1 2024: £8.8 million), a respectable performance in a period of exceptional volatility. More recently customers appear to be adapting to the political/economic environment and the Professional Services Division is anticipating a stronger performance in the second half of the year.

Systems Businesses

The Group has two Systems businesses, both of which have leading positions in their specialist markets. In the first half of 2025, both businesses performed well, reporting growth in revenue and profitability.

Critical Maritime Systems & Support ("CMS2") is based in Portsmouth, Hampshire, and designs, manufactures and supports submarine atmosphere management systems for the Defence sector, where the business has a leading position outside the USA. The geopolitical events in recent years have reinforced the strategic imperative of submarines, as noted in the recent UK Strategic Defence Review.

CMS2 revenue increased to £16.6 million for the six months ended 30 June 2025 (H1 2024: £10.9 million), enhanced by a significant amount of low-margin consumables in the period. As a result, the business reported Adjusted Operating Profit of £3.6 million (H1 2024: £3.2 million), continuing the successful turnaround since the TP Group acquisition in January 2023.

CMS2 has good forward visibility for the remainder of the year. In addition, the majority of customers have now signed support contracts which CMS2 introduced last year, delivering operational and financial benefits alongside improved in-service support for these critical systems.

Frontier is a leading developer and supplier of radio and audio semiconductors and modules, with a significant share of its core market. The dedicated product development team is based in Cambridge with the sales, support and operations functions in UK and China. With minimal synergies to Science Group's other businesses, the long-term strategy for Frontier remains under review.

Frontier has performed ahead of expectations in the first half of 2025 with revenue increasing by 20% to £7.1 million for the six months ended 30 June 2025 (H1 2024: £5.9 million). The operational simplification in 2024 has translated into an Adjusted Operating Profit of £0.9 million (H1 2024: £0.1 million) and, since all R&D costs are expensed with no capitalisation, there is a high correlation between Adjusted Operating Profit and cash conversion. The outlook for the second half of 2025 is anticipated to be broadly in line with the first 6 months, with the new Avio product offering

the second half of 2025 is anticipated to be broadly in line with the first 6 months, with the new Auna product offering incremental growth in 2026 and beyond.

Corporate

The first half of 2025 was a period of significant corporate activity for Science Group with the completion of new long-term financing arrangements being an enabling factor in the Board's decision to deploy capital in the investment in Ricardo.

Ricardo Investment

Ricardo plc is a science and engineering company with a brand heritage extending over 100 years. Science Group had tracked Ricardo for several years but commenced an intensive analysis following the Ricardo results released in September 2024. This analysis concluded that the market consensus forecasts for Ricardo were optimistic and therefore Science Group anticipated the profit warning issued by Ricardo in late January 2025. With a strong balance sheet and significant cash resources, reinforced by the bank refinancing which was being undertaken in parallel, the Science Group Board determined that the Ricardo opportunity satisfied the Group's investment criteria.

Between February and May 2025, Science Group acquired 13.5 million shares in Ricardo, equivalent to approximately 21.8% of the voting rights, at an average price of 239 pence per share (including brokerage fees), a total investment of £32.4 million funded entirely from the Group's existing cash resources. As Science Group's shareholding increased, active engagement with the Ricardo Board was initiated.

On 11 June 2025, a third party made an offer for Ricardo at a price per share of 430 pence, a premium in excess of 100% to the share price in early February prior to Science Group's share purchases. Accordingly, Science Group supported the offer and agreed to sell 12.4 million Ricardo shares, equivalent to 19.99% of the issued share capital, at the offer price. Science Group subsequently sold the remainder of its Ricardo shareholding on the open market and the aggregate cash proceeds of the sales, totalling approximately £58.0 million, were received in June 2025.

The Science Group pre-tax return (after fees and costs) on the investment was £24.0 million, equivalent to an RoI of 74.2%. The tax liability is anticipated to be around £5.1 million, a reduction on the standard UK corporation tax rate due to the availability of legacy tax losses in the Group.

Bank Finance Facilities

The Science Group Term Loan ("2016-Loan") and Revolving Credit Facility ("2021-RCF") were scheduled to expire in September 2026 and December 2026 respectively. In order to support the Group's strategy, the Board initiated an early renewal of these facilities in 2024, a process which completed in March 2025.

Science Group now has two Term Loans, each for 10 years expiring in March 2035, with an aggregate value of £12.0 million. Each loan is secured solely and individually against the Group's freehold properties: one loan to the property in Harston, near Cambridge, and a second, independent loan to the property in Epsom, Surrey. No other security is provided by the Group operating businesses and there are no operating covenants on these loans. The interest margin of 2.6% is the same as the 2016-Loan. Interest rate swaps will fully hedge the two loans resulting in a 10-year fixed effective interest rate of approximately 7.3%, comprising the SONIA lending margin plus the swap rate. In connection with repaying the 2016-Loan early, the Group realised a one-off benefit associated with the interest rate hedging on that loan.

In addition, the Group negotiated an increased Revolving Credit Facility ("RCF") of £30.0 million with a £10.0 million accordion, for a period of 5 years expiring in March 2030. If drawn, the RCF has two operating covenants: (1) Net Leverage which should not exceed 3.0x EBITDA; and (2) Interest Cover which should not be less than 4.0x EBITDA, with certain adjustments permitted to both covenants. The margin on the RCF has been significantly reduced to 1.95%, compared with 3.3% on the 2021-RCF. The RCF is currently undrawn.

Share Buy-Back

The Group has continued with its share buy-back programme through the broker delegated authority. During the period 310,110 shares were purchased for treasury at an average price of 460 pence per share, a run-rate below the Board's objective. Excluding treasury shares, at 30 June 2025 the Company had 44.4 million shares in issue (30 June 2024: 45.7 million) and held 1.7 million shares in treasury (30 June 2024: 0.5 million). Total voting rights at 30 June 2025 were 44.4 million. Following the realisation of the Ricardo investment, the Board has further increased the capital allocation to the buy-back programme.

The Board recognises that the Group's cash resources exceed the Group's operating requirements, particularly for a business that is highly cash generative. Furthermore, with a limited UK-centred population of potential acquisitions and/or investments, there may or may not be suitable opportunities to deploy the capital in accordance with the Board's investment criteria. Accordingly, and taking into account the buy-back programme constraints, the Board shall keep under review the possibility of a return of capital to shareholders via a tender offer.

Summary and Outlook

The first half of 2025 continued the Group's operating track record, delivering another robust performance with strong cash conversion. The Science Group model, combining Professional Services and Systems businesses, once again demonstrated its resilience in a period of volatility. As a result, Science Group is well positioned for the full year.

The Profit before Tax and cash inflow were significantly enhanced by the Ricardo investment gain, an initiative taken after an intensive period of analysis which delivered a substantial return for shareholders. As a result, the Group's already strong balance sheet was materially augmented. With the exceptionally strong financial position of Science Group, the Board will continue to evaluate corporate opportunities should the potential risk-adjusted returns justify the capital deployment.

Consolidated Income Statement For the period ended 30 June 2025

		Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
	Note			
Revenue	5	57,165	53,686	110,669
Direct operating expenses		(34,642)	(31,254)	(65,491)
Sales and marketing expenses		(3,813)	(4,514)	(8,918)
Administrative expenses		(10,680)	(10,264)	(21,379)
Gain on financial investment disposal		24,038	-	-
Adjusted operating profit		11,286	10,989	21,541
Acquisition integration costs		-	(22)	-
Amortisation of acquisition related intangible assets		(2,059)	(2,270)	(4,388)
Gain on financial investment disposal		24,038	-	-
Share-based payment charge		(1,197)	(1,043)	(2,272)
Operating profit		32,068	7,654	14,881
Finance income		926	339	828
Finance costs		(793)	(435)	(970)
Profit before income tax		32,201	7,558	14,739
Income tax charge (including R&D tax credit of £299,000 (H1 2024: £335,000))	6	(7,535)	(1,660)	(2,719)
Profit for the period		24,666	5,898	12,020
Earnings per share				
Earnings per share (basic)	7	55.3p	12.9p	26.5p
Earnings per share (diluted)	7	54.1p	12.8p	26.0p

Consolidated Statement of Comprehensive Income For the period ended 30 June 2025

		Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
Profit for the period attributable to:				
Equity holders of the parent		24,666	5,898	12,020
Profit for the period		24,666	5,898	12,020
Other comprehensive income/(expense) items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations		(798)	1	10
Fair value loss on derivative financial instruments		(400)	(232)	(416)

Deferred tax credit on derivative financial instruments	106	58	104
Other comprehensive expense for the period	(1,092)	(173)	(302)
Total comprehensive income for the period attributable to:			
Equity holders of the parent	23,574	5,725	11,718
Total comprehensive income for the period	23,574	5,725	11,718

Consolidated Statement of Changes in Shareholders' Equity (unaudited)

Group	Share capital	Share premium	Treasury shares	Merger reserve	Translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 January 2024	462	26,834	(2,930)	10,343	766	865	42,026	78,366
Purchase of own shares	-	-	(310)	-	-	-	-	(310)
Issue of shares out of treasury stock	-	-	1,354	-	-	-	(1,351)	3
Dividends paid	-	-	-	-	-	-	-	-
Share-based payment charge	-	-	-	-	-	-	1,043	1,043
Deferred tax credit on share-based payment transactions	-	-	-	-	-	-	71	71
Transactions with owners	-	-	1,044	-	-	-	(237)	807
Profit for the period	-	-	-	-	-	-	5,898	5,898
Other comprehensive income/(expense) items that may be reclassified to profit or loss:								
Exchange differences on translating foreign operations	-	-	-	-	1	-	-	1
Fair value loss on derivative financial instruments	-	-	-	-	-	(232)	-	(232)
Deferred tax credit on derivative financial instruments	-	-	-	-	-	58	-	58
Total comprehensive income/(expense) for the period	-	-	-	-	1	(174)	5,898	5,725
Balance at 30 June 2024	462	26,834	(1,886)	10,343	767	691	47,687	84,898

Group	Share capital	Share premium	Treasury shares	Merger reserve	Translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 July 2024	462	26,834	(1,886)	10,343	767	691	47,687	84,898
Purchase of own shares	-	-	(4,649)	-	-	-	-	(4,649)
Issue of shares out of treasury stock	-	-	111	-	-	-	(111)	-
Dividends paid	-	-	-	-	-	-	(3,657)	(3,657)
Share-based payment charge	-	-	-	-	-	-	1,229	1,229
Deferred tax credit on share-based payment transactions	-	-	-	-	-	-	191	191
Transactions with owners	-	-	(4,538)	-	-	-	(2,348)	(6,886)
Profit for the period	-	-	-	-	-	-	6,122	6,122
Other comprehensive income/(expense) items that may be reclassified to profit or loss:								
Exchange differences on translating foreign operations	-	-	-	-	9	-	-	9
Fair value loss on derivative financial instruments	-	-	-	-	-	(184)	-	(184)
Deferred tax credit on derivative financial instruments	-	-	-	-	-	46	-	46
Total comprehensive income/(expense) for the period	-	-	-	-	9	(138)	6,122	5,993
Balance at 31 December 2024	462	26,834	(6,424)	10,343	776	553	51,461	84,005

Group	Share capital	Share premium	Treasury shares	Merger reserve	Translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 January 2025	462	26,834	(6,424)	10,343	776	553	51,461	84,005

Balance at 1 January 2025	702	26,834	(1,437)	10,343	110	333	51,701	87,980
Purchase of own shares	-	-	(1,437)	-	-	-	-	(1,437)
Issue of shares out of treasury stock	-	-	81	-	-	-	(80)	1
Share-based payment charge	-	-	-	-	-	-	1,197	1,197
Deferred tax credit on share-based payment transactions	-	-	-	-	-	-	495	495
Transactions with owners	-	-	(1,356)	-	-	-	1,612	256
Profit for the period	-	-	-	-	-	-	24,666	24,666
Other comprehensive income/(expense) items that may be reclassified to profit or loss:								
Exchange differences on translating foreign operations	-	-	-	-	(798)	-	-	(798)
Fair value loss on derivative financial instruments	-	-	-	-	-	(400)	-	(400)
Deferred tax credit on derivative financial instruments	-	-	-	-	-	106	-	106
Total comprehensive (expense)/income for the period	-	-	-	-	(798)	(294)	24,666	23,574
Cash flow hedge reserve balance recycled to profit or loss in respect of discontinued derivative financial instruments	-	-	-	-	-	(470)	-	(470)
Balance at 30 June 2025	462	26,834	(7,780)	10,343	(22)	(211)	77,739	107,365

Consolidated Balance Sheet
At 30 June 2025

	Note	At 30 June 2025 (Unaudited) £000	At 30 June 2024 (Unaudited) £000	At 31 December 2024 (Audited) £000
Assets				
Non-current assets				
Acquisition related intangible assets		19,106	23,590	21,496
Goodwill		18,471	18,884	18,942
Property, plant and equipment		24,273	25,625	25,002
Derivative financial instruments		-	861	627
Deferred tax assets		1,897	2,430	2,051
		63,747	71,390	68,118
Current assets				
Inventories		863	1,247	1,167
Trade and other receivables		19,471	21,134	27,786
Current tax assets		1,495	1,605	2,428
Derivative financial instruments		337	94	144
Cash and cash equivalents - Group cash	8	82,041	38,751	38,556
Cash and cash equivalents - Client funds	8	2,382	2,213	2,895
		106,589	65,044	72,976
Total assets		170,336	136,434	141,094
Liabilities				
Current liabilities				
Trade and other payables		35,189	29,420	35,530
Current tax liabilities		5,333	340	599
Provisions	9	2,581	742	1,049
Borrowings	10	600	1,200	1,200
Lease liabilities	11	689	678	809
		44,392	32,380	39,187
Non-current liabilities				
Provisions	9	1,344	1,166	1,211
Borrowings	10	11,124	11,164	10,572
Lease liabilities	11	2,484	3,320	2,914
Non-current derivative financial instruments		616	-	-
Deferred tax liabilities		3,011	3,506	3,205
		18,579	19,156	17,902
Total liabilities		62,971	51,536	57,089
Net assets		107,365	84,898	84,005
Shareholders' equity				
Share capital		462	462	462
Share premium		26,834	26,834	26,834
Treasury shares		(7,780)	(1,886)	(6,424)
Merger reserve		10,343	10,343	10,343
Translation reserve		(22)	767	776
Cash flow hedge reserve		(211)	691	553

Retained earnings	77,739	47,687	51,461
Total equity	107,365	84,898	84,005

Consolidated Statement of Cash Flows
For the period ended 30 June 2025

	Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
Profit before income tax	32,201	7,558	14,739
Adjustments for:			
Gain on financial investment disposal	(24,038)	-	-
Amortisation of acquisition related intangible assets	2,059	2,270	4,388
Depreciation of property, plant and equipment	276	275	528
Depreciation of right-of-use assets	426	421	865
Bank charges on derivative financial instruments	-	-	211
Net interest (income)/charge	(133)	96	142
Share-based payment charge	1,197	1,043	2,272
Decrease in inventories	225	94	165
Decrease/(increase) in receivables	8,443	2,140	(4,552)
(Decrease)/increase in payables representing client funds	(268)	332	1,014
Increase/(decrease) in payables excluding balances representing client funds	589	(3,041)	2,247
Change in provisions	1,684	(462)	(183)
Cash generated from operations	22,661	10,726	21,836
Interest paid	(660)	(387)	(870)
UK corporation tax paid	(896)	(1,039)	(1,930)
Foreign corporation tax paid	(327)	(230)	(560)
Cash flows from operating activities	20,778	9,070	18,476
Interest received	314	341	723
Purchase of property, plant and equipment	(33)	-	-
Gain on financial investment disposal	24,038	-	-
Cash flow used in investing activities	24,319	341	723
Issue of shares out of treasury	-	3	3
Purchase of own shares	(1,437)	(310)	(4,959)
Dividends paid	-	-	(3,657)
Purchase of derivative financial instruments	-	-	(211)
Payment of bank loan arrangement fees	(415)	-	-
Net proceeds from/(repayment of) bank loans	50	(600)	(1,200)
Proceeds from interest rate swaps	612	-	-
Payment of lease liabilities	(487)	(399)	(693)
Cash flows used in financing activities	(1,677)	(1,306)	(10,717)
Increase in cash and cash equivalents in the period	43,420	8,105	8,482
Cash and cash equivalents at the beginning of the period	41,451	32,830	32,830
Exchange (loss)/gain on cash	(448)	29	139
Cash and cash equivalents at the end of the period	84,423	40,964	41,451

Cash and cash equivalents is analysed as follows:

	Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
Cash and cash equivalents - Group cash	82,041	38,751	38,556
Cash and cash equivalents - Client funds	2,382	2,213	2,895
	84,423	40,964	41,451

Extracts from notes to the financial statements

1. General information

The financial information for the six months ended 30 June 2025 set out in this interim report is unaudited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information included for the year ended 31 December 2024 has been extracted from the 2024 Financial Statements of Science

interim financial statements for the year ended 31 December 2024 have been extracted from the 2024 Financial Statements of Science Group plc. The Group's statutory financial statements for the year ended 31 December 2024 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

These unaudited interim results have been approved for issue by the Board of Directors on 25 July 2025.

The Group and Company financial statements of Science Group plc for the year ended 31 December 2024 were prepared under the International Financial Reporting Standards ('IFRS') as adopted by the UK in conformity with the requirements of the Companies Act 2006 and have been audited by Grant Thornton UK LLP. Copies of the Financial Statements are available from the Company's registered office: Harston Mill, Royston Road, Harston, Cambridge, CB22 7GG and can be found on the Company's website at www.sciencegroup.com.

Science Group plc (the 'Company') and its subsidiaries (together 'Science Group' or 'Group') is an international professional services and systems organisation delivering innovation through the application of science, technology and engineering.

The Company is the ultimate parent company in which results of all the Science Group companies are consolidated.

The Company is incorporated in England and Wales under the Companies Act 2006 and is listed on the Alternative Investment Market of the London Stock Exchange (SAG).

Alternative performance measures

The Group uses alternative non-Generally Accepted Accounting Principles performance measures of 'adjusted operating profit', 'adjusted earnings per share' and 'net funds' which are not defined within IFRS. These are explained in the 2024 Financial Statements and the calculations are as follows:

(a) Adjusted operating profit

The calculation of this measure is shown on the Consolidated Income Statement.

(b) Adjusted earnings per share

The calculation of this measure is disclosed in Note 7.

(c) Net funds

This measure is calculated as follows:

	At 30 June 2025 £000	At 30 June 2024 £000	At 31 December 2024 £000
Cash and cash equivalents - Group cash	82,041	38,751	38,556
Borrowings	(11,724)	(12,364)	(11,772)
Net funds	70,317	26,387	26,784

2. Accounting policies

The principal accounting policies applied in the preparation of these interim financial statements are unchanged from those set out in the financial statements for the year ended 31 December 2024. These policies have been consistently applied to all the periods presented.

2.1 Basis of preparation

These interim consolidated financial statements are for the six months ended 30 June 2025. They have been prepared based on the measurement and recognition principles of IFRS as adopted by the UK in conformity with the requirements of the Companies Act 2006 and effective at the time of preparing these statements. The financial statements have been prepared on the historical cost basis except for certain financial instruments and share-based payments which are measured at fair value.

Going concern

The Directors have considered the current cash balance of £82.0 million (excluding client registration funds) and assessed forecast future cash flows for the next 12 months. There are no events or conditions which cast significant doubt on the ability of the Group to continue as a going concern. On 19 March 2025, the Group agreed new banking facilities with Lloyds Bank plc. This included two new Term Loans for a combined value of £12.0 million, each for 10 years expiring in March 2035. A new increased Revolving Credit Facility ('RCF') was also agreed for £30.0 million until March 2030 (which remains undrawn to date). The Directors are satisfied that the Group has adequate cash and financial resources to continue in operational existence for the foreseeable future, being a period of at least a year following the release of these unaudited interim results and therefore continue to adopt the going concern basis of accounting in preparing the interim financial statements.

3. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall financial risk management

programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Science Group uses derivative financial instruments to hedge certain risk exposures.

4. Segmental information

The Professional Services Segment (formerly named Consultancy Services) comprises the Research & Development, Regulatory & Compliance, and Defence & Aerospace Practices. The Systems - Submarine Atmosphere Management Segment comprises the Critical Maritime Systems & Support ('CMS2') Business, which designs, develops and manufactures submarine atmosphere systems for the defence sector. The Systems - Audio Chips and Modules Segment comprises the Frontier Business, which is a provider of DAB/DAB+ radio semi-conductors/modules.

The Group's segmental reporting shows the performance of the operating businesses separately from the value generated by the Group's significant freehold property assets and the corporate costs. The Professional Services Segment consists of three Practices: (i) Research & Development, (ii) Regulatory & Compliance and (iii) Defence & Aerospace. Financial information is provided to the Chief Operating Decision Makers ('CODMs') in line with this structure: the Professional Services Segment; the two Systems Businesses (Submarine Atmosphere Management and Audio Chips and Modules); the Freehold Properties and Corporate costs.

The Professional Services Practices are aggregated into one Professional Services Segment because the Practices provide similar consultancy services and share economic characteristics, including the timing of revenue recognition, the nature of performance obligations, and the nature of costs incurred in the provision of said performance obligations. The CODMs review this Segment as a whole. This aggregation does not impact the user's ability to understand the entity's performance, its prospects for future cash flows or the user's decisions about the entity as a whole as it is a fair representation of the performance of each service line.

Professional Services revenue includes all fees and other revenue includes recharged materials and expenses relating directly to Professional Services activities. Systems - Submarine Atmosphere Management revenue includes the development, manufacture and support of specialist systems for submarine atmosphere management, used in the UK and international naval defence markets. Systems - Audio Chips and Modules revenue includes sales of chips and modules which are incorporated into digital radios. The Freehold Properties Segment includes the results for the two freehold properties owned by the Group. Income is derived from third party tenants from the Harston Mill site and from internal businesses which have been charged fees at an arm's length market rental rate for their utilised property space and associated costs. Corporate costs include PLC/Group costs.

The segmental analysis is reviewed to operating profit. Other resources are shared across the Group.

Professional Services	Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
Professional Services revenue	32,710	36,041	70,978
Other	487	494	1,231
Revenue	33,197	36,535	72,209
Adjusted operating profit	7,926	8,840	17,947
Amortisation of acquisition related intangible assets	(615)	(808)	(1,487)
Share-based payment charge	(804)	(751)	(1,570)
Operating profit	6,507	7,281	14,890

Systems - Submarine Atmosphere Management	Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
Systems revenue - Submarine Atmosphere Management	16,590	10,922	25,857
Revenue	16,590	10,922	25,857
Adjusted operating profit	3,636	3,170	5,737
Amortisation of acquisition related intangible assets	(410)	(410)	(820)
Share-based payment charge	(145)	(63)	(233)
Operating profit	3,081	2,697	4,684

Systems - Audio chips and Modules	Six months ended 30 June 2025 " " "	Six months ended 30 June 2024 " " "	Year ended 31 December 2024 " " "
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	(Unaudited) £000	(Unaudited) £000	(Audited) £000
Systems revenue - Audio Chips and Modules	7,088	5,889	11,970
Revenue	7,088	5,889	11,970
Adjusted operating profit	892	60	85
Amortisation of acquisition related intangible assets	(1,034)	(1,052)	(2,081)
Share-based payment charge	(100)	(145)	(241)
Operating loss	(242)	(1,137)	(2,237)

Freehold Properties	Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
Intercompany property income	1,655	1,659	3,313
Third party property income	290	340	633
Revenue	1,945	1,999	3,946
Adjusted operating profit	458	392	713
Share-based payment charge	(38)	(18)	(63)
Operating profit	420	374	650

Corporate	Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
Adjusted operating loss	(1,626)	(1,473)	(2,941)
Acquisition integration costs	-	(22)	-
Gain on financial investment disposal	24,038	-	-
Share-based payment charge	(110)	(66)	(165)
Operating profit/(loss)	22,302	(1,561)	(3,106)

Group	Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
Professional Services revenue	32,710	36,041	70,978
Systems revenue - Submarine Atmosphere Management	16,590	10,922	25,857
Systems revenue - Audio Chips and Modules	7,088	5,889	11,970
Third party property income	290	340	633
Other	487	494	1,231
Revenue	57,165	53,686	110,669
Adjusted operating profit	11,286	10,989	21,541
Acquisition integration costs	-	(22)	-
Amortisation of acquisition related intangible assets	(2,059)	(2,270)	(4,388)
Gain on financial investment disposal	24,038	-	-
Share-based payment charge	(1,197)	(1,043)	(2,272)
Operating profit	32,068	7,654	14,881
Net finance income/(charges)	133	(96)	(142)
Profit before income tax	32,201	7,558	14,739
Income tax charge	(7,535)	(1,660)	(2,719)
Profit for the period	24,666	5,898	12,020

In the Freehold Properties Segment, income includes £1.7 million (H1 2024: £1.7 million) generated from inter-segment recharges. The corresponding costs are included within the operating Segments and are eliminated on consolidation.

5. Revenue

In the following tables, revenue is disaggregated by geographical market and by the currency in which the contract is denominated

For the period ended 30 June (Unaudited)

Geographical market	North America £000	Europe (excl. UK) £000	UK £000	Asia £000	Other £000	Total £000
2025	9,053	5,091	29,484	12,791	746	57,165
2024	13,120	8,190	22,774	9,200	402	53,686

Currency	USD £000	EUR £000	GBP £000	Total £000
2025	14,526	1,079	41,560	57,165
2024	16,619	866	36,201	53,686

6. Income tax

The income tax charge for the period ended 30 June 2025 is charged at the effective tax rate calculated for the period using reasonable estimates and incorporating both current and deferred taxation:

	Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
Profit before tax	32,201	7,558	14,739
Current taxation	(7,068)	(1,396)	(3,435)
Current taxation - adjustment in respect of prior years	(61)	(63)	854
Deferred taxation	(705)	(536)	(72)
Deferred taxation - adjustment in respect of prior years	-	-	(772)
R&D tax credit	299	335	706
Tax charge	(7,535)	(1,660)	(2,719)
Effective tax rate	23.4%	22.0%	18.4%

The Group claims Research and Development tax credits under the Research and Development ('R&D') Expenditure Credit scheme.

7. Earnings per share

The calculation of earnings per share is based on the following results and number of shares:

	Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
Profit for the financial period	24,666	5,898	12,020

Weighted average number of shares:

For basic earnings per share	44,625,973	45,569,518	45,377,531
For diluted earnings per share	45,633,222	46,104,474	46,292,937

Earnings per share:

	Pence	Pence	Pence
Basic earnings per share	55.3	12.9	26.5
Diluted earnings per share	54.1	12.8	26.0

The calculation of adjusted earnings per share is as follows:

	Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
Adjusted* profit after tax for the period	8,593	8,260	16,413

Weighted average number of shares:

For basic earnings per share	44,625,973	45,569,518	45,377,531
For diluted earnings per share	45,633,222	46,104,474	46,292,937

Adjusted earnings per share:

	Pence	Pence	Pence
Basic earnings per share	19.3	18.1	36.2
Diluted earnings per share	18.8	17.9	35.5

*Calculation of adjusted profit after tax:

	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2024 (Unaudited)	Year ended 31 December 2024 (Audited)
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	(Unaudited) £000	(Unaudited) £000	(Audited) £000
Adjusted operating profit	11,286	10,989	21,541
Finance income	926	339	828
Finance costs	(793)	(435)	(970)
Adjusted profit before tax	11,419	10,893	21,399
Tax charge at the blended corporation tax rate of 24.7% (H1 2024: 24.2%)	(2,826)	(2,633)	(4,986)
Adjusted profit after tax	8,593	8,260	16,413

8. Cash and cash equivalents

	Six months ended 30 June 2025 (Unaudited) £000	Six months ended 30 June 2024 (Unaudited) £000	Year ended 31 December 2024 (Audited) £000
Cash and cash equivalents - Group cash	82,041	38,751	38,556
Cash and cash equivalents - Client funds	2,382	2,213	2,895
	84,423	40,964	41,451

The Group receives cash from clients, primarily in North America, which are pass-through funds solely for the purpose of payment of registration fees to regulatory bodies. This cash is separately identified for reporting purposes and is unrestricted.

9. Provisions

(Unaudited)	Dilapidations £000	Legal £000	NIC on share options £000	Other £000	Total £000
At 1 January 2024	779	570	768	253	2,370
(Decrease)/increase in provision	(17)	-	87	-	70
Utilisation of provision	(55)	(57)	-	-	(112)
Provision reversed during the period	(106)	(314)	-	-	(420)
Movement due to foreign exchange	(1)	1	-	-	-
At 30 June 2024	600	200	855	253	1,908
Increase in provision	81	24	333	35	473
Utilisation of provision	-	(14)	-	-	(14)
Provision reversed during the period	(1)	(38)	(70)	-	(109)
Movement due to foreign exchange	2	-	-	-	2
At 31 December 2024	682	172	1,118	288	2,260
Increase in provision	-	-	457	1,278	1,735
Utilisation of provision	-	(2)	-	-	(2)
Provision reversed during the period	-	(50)	-	-	(50)
Movement due to foreign exchange	(8)	(6)	(4)	-	(18)
At 30 June 2025	674	114	1,571	1,566	3,925

	At 30 June 2025 (Unaudited) £000	At 30 June 2024 (Unaudited) £000	At 31 December 2024 (Audited) £000
Current liabilities	2,581	742	1,049
Non-current liabilities	1,344	1,166	1,211
	3,925	1,908	2,260

Legal provisions represent the best estimate of the future cost of responding to US subpoenas relating to litigation and investigations directed at third parties.

The NIC on share options provision is for the employer's NIC liability on share options (or proportion of options) that have vested. As employees are contractually responsible for the employer's NIC on any share options exercised and are required to remit this sum to the Company prior to the share options being exercised, a corresponding asset is recognised in current assets.

Other provision includes an amount held for settlement of a legacy contractual agreement (in the Systems - Submarine Atmosphere Management Business), as well as amounts for such items as restructuring and warranty provision.

10. Borrowings

	At 30 June 2025 (Unaudited) £000	At 30 June 2024 (Unaudited) £000	At 31 December 2024 (Audited) £000
Current bank borrowings	600	1,200	1,200
Non-current bank borrowings	11,124	11,164	10,572
	11,724	12,364	11,772

On 19 March 2025 the Group announced it had agreed new bank borrowing facilities with Lloyds Bank plc. The existing 2016-Loan and 2021-RCF were scheduled to expire in September 2026 and December 2026 respectively. There are now two new Term Loans for a combined value of £12.0 million, each for 10 years expiring in March 2035. Each loan is secured solely and individually against the Group's freehold properties: one loan to the property in Harston, near Cambridge, and a second, independent loan to the property in Epsom, Surrey. The new, increased RCF is for £30.0 million, for a period of 5 years expiring in March 2030, an increase of £5.0 million over the 2021-RCF. The RCF also has a £10.0 million accordion, a further increase of £5.0 million over the 2021-RCF. The RCF remains undrawn to date.

11. Lease liabilities

	At 30 June 2025 (Unaudited) £000	At 30 June 2024 (Unaudited) £000	At 31 December 2024 (Audited) £000
Current lease liabilities	689	678	809
Non-current lease liabilities	2,484	3,320	2,914
	3,173	3,998	3,723

Lease liabilities arise on properties leased by the Group. The leases have remaining periods of between 1 and 8 years from the balance sheet date.

12. Related party transactions

The Group provides support and services to its subsidiaries. Any intra Group lending, via loan or trading balance, is eliminated on consolidation, and therefore not disclosed.

13. Critical accounting estimates and judgements

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

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

14. Subsequent events

There are no post balance sheet events to disclose.

Disclaimer Statement

This announcement contains forward-looking statements. These have been made by the Board in good faith based on the information available to them and it is believed that the expectations reflected in these statements are reasonable. However, due to the inherent uncertainties, including both economic and other risk factors underlying such forward-looking information, the Directors can give no assurance that these expectations will prove to be correct. Actual results may differ materially from those expressed or implied, and investors should not place undue reliance on any such forward-looking statements. Nothing in this announcement should be construed as a profit forecast, or a guide as to the performance, financial or otherwise of the Company whether in the current or any future financial year.

No representation or warranty is made as to the achievement or reasonableness of, and no reliance should be placed on such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement. The Company undertakes no obligation to update or revise any information contained in this announcement, except as may be required by applicable law or regulation.

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