

FDM Group (Holdings) plc

Interim Results

FDM Group (Holdings) plc ("the Company") and its subsidiaries (together "the Group" or "FDM"), today announces its results for the six months ended 30 June 2025.

Highlights

| | 30 June 2025 | 30 June 2024 | % change |
|--|---------------|--------------|----------|
| Revenue | £97.3m | £140.2m | -31% |
| Adjusted operating profit ¹ | £9.1m | £17.4m | -48% |
| Profit before tax | £8.0m | £15.5m | -48% |
| Adjusted profit before tax ¹ | £9.0m | £17.7m | -49% |
| Basic earnings per share | 5.7p | 10.3p | -45% |
| Adjusted basic earnings per share ¹ | 6.3p | 11.7p | -46% |
| Cash flows generated from operations | £12.6m | £15.9m | -21% |
| Cash position at period end | £34.6m | £36.9m | -6% |
| Cash conversion ² | 155% | 104% | +50% |
| Adjusted cash conversion ² | 155% | 103% | +50% |
| Share-based payment expenses | £0.0m | £0.1m | n/a |
| Exceptional administrative expenses | £1.0m | £2.1m | -52% |
| Effective income tax rate | 22.0% | 27.5% | -20% |
| Interim dividend per share | 6.0p | 10.0p | -40% |

- After an initial improvement during the first quarter, escalating trade tensions and newly-heightened macroeconomic and geopolitical uncertainties from early April, as highlighted in the Annual General Meeting statement in May 2025, saw the Group's activity levels revert to the lower rates seen in the second half of 2024.
- Revenue decreased by 31% to £97.3 million (2024: £140.2 million) and profit before tax decreased by 48% to £8.0 million (2024: £15.5 million).
- Consultants assigned to clients at week 26³ were 37% lower than the corresponding period at 2,173 (week 26 2024: 3,469) and 16% lower than at the end of 2024 (week 52 2024: 2,578). The split by region was: UK 1,013 (week 26 2024: 1,284); North America 447 (week 26 2024: 1,162); EMEA 225 (week 26 2024: 326); and APAC 488 (week 26 2024: 697).
- Consultant utilisation rate⁴ for the six months to 30 June 2025 was broadly unchanged from the prior period at 91.6% (2024: 91.5%). We continued the programme initiated during 2024 to align available resource with market demand. Consultant recruitment and the number of Consultants in our Skills Lab reduced and coaching completions in the period were 424 (2024: 466).
- We incurred exceptional costs of £1.0 million (2024: £2.1 million) as we continued to align our internal staff and available resource to market demand.
- We maintain a robust balance sheet, with £34.6 million cash at 30 June 2025 (2024: £36.9 million) and no debt.
- Cash conversion increased to 155% during the first six months of 2025 (2024: 104%) bolstered by strong cash collection. Adjusted cash conversion² was 155% (2024: 103%).
- On 29 July 2025, the Board declared an interim dividend of 6.0 pence per ordinary share (2024: 10.0 pence), which will be payable on 14 November 2025 to shareholders on the register on 24 October 2025.

¹ The adjusted operating profit and adjusted profit before tax are calculated before: i) Share Plan expenses of £nil million (2024: £0.1 million); and ii) exceptional costs of £1.0 million (2024: £2.1 million) as we continued to align our internal staff and available resource with market demand. The adjusted basic earnings per share is calculated before the impact, net of tax, of: i) Share Plan expenses (including associated deferred tax); and ii) exceptional costs of £1.0 million (2024: £2.1 million).

² Cash conversion is calculated by dividing cash flows generated from operations by operating profit. The adjusted cash conversion is calculated by dividing cash flows generated from operations by operating profit adjusted for Share Plan expenses of £nil million as this is a non-cash item (2024: £0.1 million).

³ Week 26 in 2025 commenced on 30 June 2025 (2024: week 26 commenced on 24 June 2024; week 52 commenced on 30 December 2024).

⁴ The business uses the metric 'Consultant utilisation' to monitor all deployed Consultants. Utilisation rate is calculated as the ratio of the cost of

The business uses the metric 'Consultant utilisation' to monitor our deployed Consultants. Utilisation rate is calculated as the ratio of the cost of deployed Consultants to the total Consultant payroll cost.

Rod Flavell, Chief Executive Officer, commented:

"The six-month period to 30 June 2025 saw the Group's activity levels fluctuate, improving through the earlier months as global economic and geopolitical uncertainty reduced, but then from early April reverting to levels seen in the second half of 2024, as uncertainty returned.

Our engagement with our clients remains positive and there are many ongoing conversations regarding future deployments and projects. However, the inherent lack of certainty and confidence in many of our end markets is resulting in much-lengthened timelines, with client procurement processes elongated and commercial decisions frequently delayed or deferred. Consequently, the Board anticipates that the outcome for the year as a whole will be significantly lower than its previous expectations.

The Group is making good progress in equipping its Consultants with the appropriate skills and knowledge in the various AI tools, methodologies and advancements, and we believe that the opportunities presented in this space will grow over time.

The Board retains its prudent stance on fixed costs, Consultant recruitment and discretionary spend. However, we need to remain sufficiently agile to meet client demand in the present and the future as conditions improve. Consequently, we have adjusted our capacity and fixed cost base appropriately, to align with current market conditions while retaining sufficient ability to respond to any signs of end market improvement.

Across our geographies and sectors there remain some brighter spots, with our Australian operations performing well, our UK Public Sector business maintaining its resilience and our growing presence in the retail and insurance sectors showing promise. Elsewhere, across banking and finance, while there is reason for limited optimism, it seems likely that we will not know the direction of travel of client intent until later in the second half of the year.

The Group has a robust balance sheet, no debt and an experienced Board and management team. While current market uncertainties make the immediate outlook very difficult to predict, we remain optimistic about FDM's opportunities for growth over the longer term."

Enquiries

For further information:

| | | |
|---|--------------------|---------------|
| FDM | Rod Flavell - CEO | 0203 056 8240 |
| | Mike McLaren - CFO | 0203 056 8240 |
| Nick Oborne (financial public relations) | | 07850 127526 |

Forward-looking statements

This Interim Report contains statements which constitute "forward-looking statements". Although the Group believes that the expectations reflected in these forward-looking statements are reasonable at the time they are made, it can give no assurance that these expectations will prove to be correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. Subject to any requirement under the Disclosure Guidance and Transparency Rules or other applicable legislation, regulation or rules, the Group does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Neither shareholders nor prospective shareholders should place undue reliance on forward-looking statements, which speak only as of the date of this Interim Report.

Inside information

This Interim Report contains inside information for the purposes of Article 7 of the UK Market Abuse Regulation.

We are FDM

FDM is a global business and technology consultancy powering the people behind tech and innovation.

For over 30 years we have helped our clients navigate the latest trends in technology and operations while maintaining and supporting their current and legacy systems.

Our business model is focused on coaching and deploying committed, energetic and self-motivated Consultants equipped with skills across five Practices:

- Software Engineering;
- Change & Transformation;
- Data & Analytics;
- IT Operations; and
- Risk, Regulation & Compliance ("RRC").

Within these five core areas of specialism Consultants experience multiple interconnected sprints within our Skills Labs, building a versatile and adaptable Consultant workforce.

Our purpose

We aim to deliver client-led, sustainable, profitable growth on a consistent basis, through our well-established Consultant model:

- **Identify talented individuals** - through our programmes: Graduates, Ex-Forces, Returners and Apprentices.
- **Develop individuals through our Skills Labs** - where our Consultants access expertise, up-skilling and re-skilling as part of their continual learning and career development.
- **Grow our client presence profitably** - we look to create new opportunities to deploy our Consultants amongst our developing client base and into other markets and territories.
- **Identify and fill our clients' skills gaps** - we focus on understanding and anticipating our clients' requirements and market trends, to ensure that we can add value in the areas where our clients need it most, provide opportunities to our Consultants, and deliver sustainable profitable growth for our shareholders.
- **Create a long-term sustainable global business** - we aim to have a beneficial impact on the communities in which we operate. We are aware of our responsibility towards our clients, our suppliers, and all of our other stakeholders, while working to minimise our impact on the environment.
- **Engage, retain, recognise and energise internal employees** - to support, enhance and grow the business to deliver our Consultant model.

Interim Management Review

Overview

After signs of an initial improvement during the first quarter, escalating trade tensions and newly-heightened macroeconomic and geopolitical uncertainties from early April, as highlighted in the Annual General Meeting statement in May 2025, saw the Group's activity levels revert to the lower rates seen in the second half of 2024. Revenue for the six-month period ending 30 June 2025 was 31% lower (29% lower on a constant currency basis) at £97.3 million (2024: £140.2 million) and we delivered adjusted profit before tax for the first half of £9.0 million, down 49% on the equivalent period in 2024 of £17.7 million.

The number of Consultants placed with clients at week 26 was 2,173, 37% lower than week 26 2024 and 16% lower than week 52 2024. To ensure our available resource remains sufficiently aligned to client demand, our levels of experienced Consultant resource and Consultant recruitment remained closely managed during the first half, resulting in reductions in recruitment and coaching completions in comparison with the period to 30 June 2024 and an increase in the proportion of experienced Consultants remaining with FDM beyond two years.

We maintain our prudent stance on managing the Group's cost base. During the first half, the Group incurred exceptional costs of £1.0 million (2024: £2.1 million), as a result of the Group taking measures to align the number of undeployed Consultants and internal staff with current market demand.

The Group is making good progress in equipping its Consultants with the appropriate skills and knowledge in the various AI tools, methodologies and advancements, and we believe that the opportunities presented in this space will grow over time.

The Group's balance sheet remains robust with cash balances at 30 June 2025 of £34.6 million (30 June 2024: £36.9 million). The Group has no debt.

Strategy

FDM's strategy remains to deliver customer-led, sustainable, profitable growth on a consistent basis through our established and proven business model. For over 30 years we have helped our clients navigate the latest trends in technology and operations while maintaining and supporting their current and legacy systems. Our business model has been developed to support the effective delivery of our strategy. The agility of FDM's business model means we can respond promptly and appropriately to changing market conditions.

(i) Attract and develop talented Consultants

With challenging market conditions continuing, our levels of Consultant recruitment remain under close review to ensure that our available resource aligns, as far as practicable, with client demand across our operating locations. A key strength of our business model is that it allows us to flex recruitment and coaching and react quickly to changing

Key strength of our business model is that it allows us to recruit quickly and react quickly to changing levels of client demand, while at the same time continuing to manage our workforce so that we are well positioned to capitalise on opportunities when conditions improve. We delivered a reduced 424 coaching completions in the first half of the year (2024: 466).

The strength of our University Partner relationships and our Ex-Forces and Returners Programmes will enable us to increase recruitment and training when market conditions and client demand improve. We continued to generate high numbers of applications across all our operating locations with applicants seeking the benefits of FDM's market-leading, flexible coaching. We have an excellent pipeline of assessed candidates, looking to join our Skills Labs as and when we see an uptick in market demand.

(ii) Invest in state-of-the-art Skills Labs to provide expert training

The FDM Practices methodology, introduced in 2024, enhances our ability to respond to clients' needs as they look for more specific, detailed and nuanced skillsets within each job role. We continue to use a dynamic, skills-based, experiential model. Consultants are subject to continuous assessment as they complete core and specialised sprints (designed with the knowledge of client requirements) which are led by our highly-skilled coaches within our Pods, utilising industry leading third party assessment and AI tools.

The FDM Practices methodology enables our Consultants to develop into experienced professionals with skills across multiple capabilities, delivering maximum value to our clients as they seek to stay ahead of the latest tech trends.

The FDM Practices comprise five areas of specialism, as follows:

| Software Engineering | Change & Transformation | Data & Analytics | IT Operations | Risk, Regulation & Compliance |
|---|--|---|--|---|
| Our Software Engineers are skilled in using the latest technology and methods to create, test and maintain software that is strong, scalable, and tailored to clients' needs. | Our Change and Transformation specialists learn to guide organisations through periods of significant change, mastering project management, problem-solving and agile methods to ensure success. | Our Data and Analytics specialists excel at finding valuable insights in data, using advanced tools such as business intelligence and machine learning, helping clients to make smart decisions and stay competitive. | Our IT Operations specialists are focused on keeping complex IT systems running smoothly and securely, mastering tasks such as system administration, network management, and cybersecurity. | Our RRC specialists develop skills in managing risk and ensuring compliance with rules and standards, protecting organisations' reputation and trust with stakeholders. |

(iii) Grow and diversify our client base

We continue to deliver the highest level of service to our clients and work closely with them to meet their requirements. Client diversification remains a key part of our strategy and we secured 21 new clients in the period (2024: 29), of which 15 were in the UK, 1 in North America, 5 in APAC and none in EMEA. Of these new clients, 14 were secured from outside the financial services sector (2024: 18 outside the financial services sector).

(iv) Expand our geographic presence through sustainable and efficient means

The expansion of our geographic presence remains a key customer-led driver for the Group. While the predominantly remote delivery of our Skills Lab coaching allows us to reduce the size and cost of our physical footprint worldwide, we retain a strong management and sales presence across all our main operating regions, as we focus on delivering sustainable growth across the Group as and when market conditions improve.

Our Markets

UK

Revenue for the six-month period to 30 June 2025 decreased by 14% to £46.2 million (2024: £54.0 million). Consultants deployed at week 26 were 1,013, a decrease of 21% from 1,284 at week 26 2024 (week 52 2024: 1,056). Adjusted operating profit decreased to £7.1 million (2024: £7.8 million).

Challenging market conditions persisted into the first half of 2025 and the mix of our Consultant population continues to be elevated towards more experienced resource as clients manage reduced budgets restricting them from both taking on new Consultants and internalising our Consultants as permanent hires.

We incurred £0.8 million of exceptional costs as we aligned better the number of benched Consultants and internal staff with demand.

During the period there were 130 coaching completions, a similar number to 2024 (129). New client activity was good, and we gained 15 new clients (2024: 14).

North America

Revenue for the six-month period to 30 June 2025 decreased by 50% to £26.8 million (2024: £53.9 million). Consultants deployed at week 26 were 447, a decrease of 62% from 1,162 at week 26 2024 (week 52 2024: 742). Adjusted operating profit decreased to £1.1 million (2024: £8.7 million).

As in the UK and other regions, challenging markets continued into 2025. Additionally, our largest client in the region, after

incurring a significant fine resulting from internal regulatory compliance failures unrelated to FDM Group's services, restructured its operations. These changes resulted in the client internalising or returning, over the last twelve months, the majority of the FDM Consultants who had been deployed with them. This was the primary factor in the reduction in our North American headcount and revenue.

During the period we incurred £0.2 million of exceptional costs associated with the measures taken to align better the number of benched Consultants and internal staff with current market demand.

In the first half of 2025, there were 114 coaching completions compared with 133 in 2024. We gained one new client during the period (2024: 5).

EMEA (Europe, Middle East and Africa, excluding UK)

Revenue for the six-month period to 30 June 2025 decreased by 13% to £9.6 million (2024: £11.0 million). Consultants deployed at week 26 were 225, a decrease of 31% from 326 at week 26 2024 (week 52 2024: 256). Adjusted operating profit increased to £0.5 million (2024: £0.2 million).

Similar to other regions, EMEA experienced challenging market conditions in 2025. In the six months, we coached 82 Consultants (2024: 57).

APAC (Asia Pacific)

Revenue for the six-month period to 30 June 2025 decreased by 31% to £14.7 million (2024: £21.3 million). Consultants deployed at week 26 were 488, a decrease of 30% from 697 at week 26 2024 (week 52 2024: 524). Adjusted operating profit was £0.4 million (2024: £0.7 million).

APAC experienced similar market challenges to those experienced by other regions across the Group, with Singapore heavily impacted. We managed our training schedules to align with demand and during the period we coached 98 Consultants (2024: 147). We opened 5 new clients in the period (2024: 6).

Financial Review

Summary income statement

| | Six months to 30 June 2025 | Six months to 30 June 2024 | % change |
|---|---------------------------------------|---------------------------------------|-----------------|
| Revenue | £97.3m | £140.2m | -31% |
| Exceptional administrative expenses | £1.0m | £2.1m | -52% |
| Adjusted operating profit ¹ | £9.1m | £17.4m | -48% |
| Operating profit | £8.1m | £15.3m | -47% |
| Adjusted profit before tax ¹ | £9.0m | £17.7m | -49% |
| Profit before tax | £8.0m | £15.5m | -48% |
| Adjusted basic EPS ¹ | 6.3p | 11.7p | -46% |
| Basic EPS | 5.7p | 10.3p | -45% |

Overview

Revenue was 31% lower at £97.3 million (2024: £140.2 million) (29% lower on a constant currency basis²), while adjusted operating profit¹ decreased by 48% to £9.1 million (2024: £17.4 million). The adjusted operating profit¹ has benefitted by the timing of a significant recurring cash inflow in the first half of 2025, which in 2024 was received in the second half of the year.

Consultants assigned to clients at week 26 2025 totalled 2,173, a decrease of 37% from 3,469 at week 26 2024 and a decrease of 16% from 2,578 at week 52 2024. Our Returners Programme had 135 deployed at week 26 2025 (week 26 2024: 204; week 52 2024: 164) and our Ex-Forces Programme accounted for 95 Consultants deployed worldwide (week 26 2024: 146; week 52 2024: 164).

The Consultant utilisation rate was broadly unchanged at 91.6% (2024: 91.5%) as we maintained our focus on aligning available resource to market demand.

An analysis of revenue and Consultant headcount by region is set out in the table below:

| | Six months to 30 June 2025 | Six months to 30 June 2024 | Year to 31 December 2024 | 2025 Consultants assigned to clients at week 26³ | 2024 Consultants assigned to clients at week 26³ | 2024 Consultants assigned to clients at week 52³ |
|---------------|---|---|---|--|--|--|
| UK | 46.2 | 54.0 | 104.0 | 1,013 | 1,284 | 1,056 |
| North America | 26.8 | 53.9 | 92.2 | 447 | 1,162 | 742 |

| | | | | | | |
|------|-------------|-------|-------|--------------|-------|-------|
| EMEA | 9.6 | 11.0 | 21.9 | 225 | 326 | 256 |
| APAC | 14.7 | 21.3 | 39.6 | 488 | 697 | 524 |
| | 97.3 | 140.2 | 257.7 | 2,173 | 3,469 | 2,578 |

Administrative expenses decreased to £36.3 million (2024: £46.8 million). Included within administrative expenses are £1.0 million of exceptional costs (2024: £2.1 million), as we continued the programme initiated during 2024 to align available resource with reduced market demand. Adjusted Group operating margin¹ decreased to 9.4% (2024: 12.4%) mainly as a result of the impact of fixed costs being a higher proportion of revenue compared to the prior period.

¹ The adjusted operating profit and adjusted profit before tax are calculated before: i) Share Plan expenses of £nil (2024: £0.1 million); and ii) exceptional costs of £1.0 million (2024: £2.1 million) as we continued to align our internal staff and available resource with market demand. The adjusted basic earnings per share is calculated before the impact, net of tax, of: i) Share Plan expenses (including associated deferred tax); and ii) exceptional costs of £1.0 million (2024: £2.1 million).

² The constant-currency basis is calculated by translating current period and prior period reported amounts into comparable amounts using the 2025 average exchange rate for each currency. The presentation of the constant-currency basis provides a better understanding of the Group's trading performance by removing the impact on revenue of movements in foreign exchange.

³ Week 26 in 2025 commenced on 30 June 2025 (2024: week 26 commenced on 24 June 2024 and week 52 commenced on 30 December 2024).

Adjusting items

The Group presents adjusted results, in addition to the statutory results, as the Directors consider that they provide a useful indication of underlying trading performance and cash generation. The adjusted results are stated before: i) share-based payment expenses including associated taxes and social security costs; and ii) exceptional administrative expenses relating to terminating the employment of internal staff and undeployed Consultants.

Share-based payment

The share-based payment charge is based on estimates relating to a vesting which may occur up to three years after the date of grant and the assumptions underpinning those estimates can change from year to year. No expense was recognised in the six months to 30 June 2025 relating to the share-based payment plans (2024: expense of £0.1 million), as a result of a change in the adjusted earnings per share performance vesting assumptions with the outstanding awards anticipated to vest at a lower quantum, netting against other minor adjustments. Details of the share-based payments are set out in note 14 to the Condensed Consolidated Interim Financial Statements.

Exceptional administrative expenses

During the first half, the Group incurred exceptional administrative expenses of £1.0 million (2024: £2.1 million), as a result of the Group continuing its programme initiated in 2024 to align the number of undeployed Consultants and internal staff with reduced market demand.

Net finance income/ (expense)

Interest on cash balances of £0.6 million (2024: £0.8 million) was recognised as finance income in the period. Finance expense includes lease liability interest of £0.7 million (2024: £0.6 million). The Group continues to have no debt.

Taxation

The Group's total tax charge for the half year was £1.8 million, equivalent to an effective tax rate of 22.0%, on profit before tax of £8.0 million (2024: effective rate of 27.5% based on a tax charge of £4.3 million and a profit before tax of £15.5 million). The effective rate is lower than the underlying UK tax rate of 25% primarily due to the impact of adjustments relating to prior tax periods.

Earnings per share

Basic earnings per share decreased in the period to 5.7 pence (2024: 10.3 pence), while adjusted basic earnings per share was 6.3 pence (2024: 11.7 pence). Diluted earnings per share was 5.7 pence (2024: 10.3 pence).

Dividend

On 29 July 2025, the Directors declared an interim dividend of 6.0 pence per ordinary share (2024: 10.0 pence) which will be payable on 14 November 2025 to shareholders on the register on 24 October 2025.

The Group continues to operate its dividend policy, to retain sufficient capital to fund ongoing operating requirements, while maintaining an appropriate level of dividend cover and sufficient funds to invest in the Group's longer-term growth.

Cash flow and Statement of Financial Position

The Group's cash balance was £34.6 million as at 30 June 2025 (2024: £36.9 million).

Dividends paid in the half year totalled £13.7 million (2024: £20.7 million). Net capital expenditure was £0.1 million (2024: £0.1 million) and tax paid was £2.5 million (2024: £3.8 million).

The Group delivered a robust working capital performance. Cash conversion for the period was 155% (2024: 104%) and adjusted cash conversion was 155% (2024: 103%).

Debtor days at the period end were in line with Group targets, as they were in the prior period.

Related party transactions

Details of related party transactions are included in note 16 of the Condensed Interim Financial Statements.

Principal risks facing the business

The Group faces a number of risks and uncertainties which could have a material impact upon its performance. The principal risks and uncertainties faced by the Group are set out in the Annual Report and Accounts for the year ended 31 December 2024 on pages 29 to 37. Although we have not changed the rating of any of our principal risks following our latest review, further explanation of the current status of the Group's two highest-rated risks is set out below.

Economic uncertainty

After initial signs in early 2025 that the global economy was becoming more stable, the second quarter saw global growth forecasts change once again. National governments moved quickly to update their economic policies against a background of tariffs threatened at levels unseen in decades, escalating trade tensions, and increasing economic uncertainties. These factors, combined with ongoing war in Ukraine and new geopolitical uncertainties in the Middle East have led commentators to downgrade both short- and longer-term growth forecasts and to predict that progress towards a more stable global economy is likely to be hindered if co-operation between countries becomes more difficult. These uncertainties, and the dampening of business confidence which they produce, remain the Group's principal risk.

Uncertain conditions affect the spending decisions of clients, causing them to delay the commencement of projects. This reduces overall demand for FDM's Consultants. Elongated procurement processes impact the rate at which the Group's Consultants are onboarded, making it more challenging for FDM to balance the supply and demand of resource (which is one of the Group's other principal risks).

While certain scenarios are outside the Group's control, we believe that FDM's business model is flexible (particularly in comparison with our competitors). Our experience from previous economic downturns has been that the agile resource represented by our Consultants can be attractive to clients during times of economic, political and social uncertainty. The Board will continue to review the measures which it has in place to identify and react to changes in macroeconomic conditions, and take appropriate measures to adjust recruitment and coaching to ensure alignment of supply with the demand for Consultants. We continue to adjust the size of our back-office operations commensurately with our Consultant headcount.

We continue to monitor technological trends (including the development of AI tools) to enable us to adjust our service offerings, equipping our Consultants with the skills and experience which are most in demand in the market and remaining at the cutting edge of developments in technology.

These mitigations, together with FDM's strong cash and financial position, give the Board confidence that FDM can continue to respond appropriately to ameliorate the effect of any adverse economic conditions which may arise.

Cybersecurity

Recent high-profile cyberattacks in the UK and elsewhere demonstrate that the cybersecurity threat to the UK's infrastructure and UK companies remains heightened. This risk remains an area of high focus for the Board, and we continue to enhance our cybersecurity and information safeguarding capabilities to optimise our chances of preventing attacks, and of responding effectively.

The Board

In line with the Board's plans announced in our Annual Report for the year ended 31 December 2024, Michelle Senecal de Fonseca (Non-Executive Director) retired from the Board with effect from 19 March 2025, having served more than nine years since her appointment. On the same date, Bruce Lee was appointed as an independent Non-Executive Director.

In addition, as already announced on 25 June 2025, Alan Kinnear will be appointed as Non-Executive Chair of the Board with effect from 30 July 2025. Alan will succeed David Lister in that role, who will retire from the Board on the same date, having served more than nine years since his appointment to the Board in March 2016.

Alan Kinnear joined the Board of FDM Group in January 2020 as an independent Non-Executive Director, becoming Chair of the Audit Committee in April 2020. He has been appointed as Chair of the Board following a thorough selection process led by the Nomination Committee which involved consideration of internal and external candidates. Alan is independent on appointment.

In line with our announcement on 25 June 2025, with effect from 30 July 2025:

- Alan Kinnear will join and also chair the Nomination Committee. He will step down from the Audit Committee (of which he is currently Chair) and the Remuneration Committee;
- Rowena Murray, who joined the Board as a Non-Executive Director in August 2023, will replace Alan Kinnear as Chair of the Audit Committee, and will also continue in the role of Chair of the Remuneration Committee;
- Jaqueline de Rojas, Senior Independent Director, will become a member of the Audit Committee and the Remuneration Committee.

After the changes outlined above, the composition of the Board and its committees will be as follows:

| Board of Directors | Audit Committee | Remuneration Committee | Nomination Committee |
|--|---------------------------------|---------------------------------|--------------------------------|
| Alan Kinnear (Non-Executive Chair) | Rowena Murray (Committee Chair) | Rowena Murray (Committee Chair) | Alan Kinnear (Committee Chair) |
| Rod Flavell (CEO) | Jacqueline de Rojas | Jacqueline de Rojas | Jacqueline de Rojas |
| Sheila Flavell (COO) | Bruce Lee | Bruce Lee | Rowena Murray |
| Andy Brown (CCO) | | | Bruce Lee |
| Mike McLaren (CFO) | | | |
| Jacqueline de Rojas (Senior Independent Director) | | | |
| Rowena Murray (Independent Non-Executive Director) | | | |
| Bruce Lee (Independent Non-Executive Director) | | | |

A search for an additional Non-Executive Director will be undertaken and a further announcement will be made when appropriate.

Summary and outlook

The six-month period to 30 June 2025 saw the Group's activity levels fluctuate, improving through the earlier months as global economic and geopolitical uncertainty reduced, but then from early April reverting to levels seen in the second half of 2024, as uncertainty returned.

Our engagement with our clients remains positive and there are many ongoing conversations regarding future deployments and projects. However, the inherent lack of certainty and confidence in many of our end markets is resulting in much-lengthened timelines, with client procurement processes elongated and commercial decisions frequently delayed or deferred. Consequently, the Board anticipates that the outcome for the year as a whole will be significantly lower than its previous expectations.

The Group is making good progress in equipping its Consultants with the appropriate skills and knowledge in the various AI tools, methodologies and advancements, and we believe that the opportunities presented in this space will grow over time.

The Board retains its prudent stance on fixed costs, Consultant recruitment and discretionary spend. However, we need to remain sufficiently agile to meet client demand in the present and the future as conditions improve. Consequently, we have adjusted our capacity and fixed cost base appropriately, to align with current market conditions while retaining sufficient ability to respond to any signs of end market improvement.

Across our geographies and sectors there remain some brighter spots, with our Australian operations performing well, our UK Public Sector business maintaining its resilience and our growing presence in the retail and insurance sectors showing promise. Elsewhere, across banking and finance, while there is reason for limited optimism, it seems likely that we will not know the direction of travel of client intent until later in the second half of the year.

The Group has a robust balance sheet, no debt and an experienced Board and management team. While current market uncertainties make the immediate outlook very difficult to predict, we remain optimistic about FDM's opportunities for growth over the longer term.

By order of the Board

Rod Flavell

Chief Executive Officer

Mike McLaren

Chief Financial Officer

29 July 2025

Condensed Consolidated Income Statement

for the six months ended 30 June 2025

| | Note | Six months to 30 June 2025 (Unaudited) £000 | Six months to 30 June 2024 (Unaudited) £000 | Year ended 31 December 2024 (Audited) £000 |
|--------------------------------------|----------|---|---|--|
| Revenue | <u>6</u> | 97,279 | 140,187 | 257,704 |
| Cost of sales | | (52,938) | (78,138) | (142,754) |
| | | | | |
| Gross profit | | 44,341 | 62,049 | 114,950 |
| Administrative expenses | | (36,252) | (46,759) | (87,511) |
| which includes: | | | | |
| Exceptional items | <u>7</u> | (1,003) | (2,064) | (4,894) |
| | | | | |
| Operating profit | | 8,089 | 15,290 | 27,439 |
| | | | | |
| Finance income | | 631 | 847 | 1,927 |
| Finance expense | | (729) | (626) | (1,304) |
| | | | | |
| Net finance (expense)/ income | | (98) | 221 | 623 |
| | | | | |
| Profit before income tax | | 7,991 | 15,511 | 28,062 |
| Taxation | <u>8</u> | (1,758) | (4,266) | (7,555) |
| | | | | |
| Profit for the period | | 6,233 | 11,245 | 20,507 |
| | | | | |
| Earnings per ordinary share | | pence | pence | pence |
| Basic | 10 | 5.7 | 10.3 | 18.8 |
| | | | | |
| Diluted | 10 | 5.7 | 10.3 | 18.7 |
| | | | | |

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2025

| | Six months to 30 June 2025 (Unaudited) £000 | Six months to 30 June 2024 (Unaudited) £000 | Year ended 31 December 2024 (Audited) £000 |
|------------------------------|---|---|--|
| Profit for the period | 6,233 | 11,245 | 20,507 |

| | | | |
|--|--------------|-------------|------------|
| Other comprehensive expense | | | |
| Items that may be subsequently reclassified to profit or loss | | | |
| Exchange differences on retranslation of foreign operations (net of tax) | (973) | (60) | 494 |
| Total other comprehensive (expense)/ income | (973) | (60) | 494 |
| Total comprehensive income for the period | 5,260 | 11,185 | 21,001 |

Condensed Consolidated Statement of Financial Position

as at 30 June 2025

| | | 30 June 2025 (Unaudited) £000 | 30 June 2024 (Unaudited) £000 | 31 December 2024 (Audited) £000 |
|--|----|-------------------------------------|-------------------------------------|--|
| Note | | | | |
| Non-current assets | | | | |
| Right-of-use assets | | 18,657 | 17,337 | 19,614 |
| Property, plant and equipment | | 1,619 | 2,191 | 1,974 |
| Intangible assets | | 19,406 | 19,512 | 19,464 |
| Deferred income tax assets | | 208 | 366 | 481 |
| | | 39,890 | 39,406 | 41,533 |
| Current assets | | | | |
| Trade and other receivables | 11 | 27,272 | 36,434 | 28,532 |
| Income tax receivable | | 1,098 | 3,190 | 797 |
| Cash and cash equivalents | 12 | 34,617 | 36,942 | 40,588 |
| | | 62,987 | 76,566 | 69,917 |
| Total assets | | 102,877 | 115,972 | 111,450 |
| Current liabilities | | | | |
| Trade and other payables | 13 | 21,710 | 27,344 | 20,734 |
| Lease liabilities | | 4,985 | 4,257 | 4,586 |
| Current income tax liabilities | | 265 | 1,572 | 1,010 |
| | | 26,960 | 33,173 | 26,330 |
| Non-current liabilities | | | | |
| Lease liabilities | | 16,226 | 15,097 | 17,122 |
| Provisions | | 672 | 381 | 658 |
| | | 16,898 | 15,478 | 17,780 |
| Total liabilities | | 43,858 | 48,651 | 44,110 |
| Net assets | | 59,019 | 67,321 | 67,340 |
| Equity attributable to owners of the parent | | | | |
| Share capital | | 1,097 | 1,096 | 1,097 |
| Capital reserves | | 0.705 | 0.705 | 0.705 |

| | | | |
|----------------------------|---------------|---------------|---------------|
| Share premium | 9,105 | 9,105 | 9,105 |
| Capital redemption reserve | 52 | 52 | 52 |
| Own shares reserve | (1,865) | (2,605) | (2,400) |
| Translation reserve | 583 | 1,002 | 1,556 |
| Other reserves | 1,884 | 3,023 | 3,317 |
| Retained earnings | 47,563 | 55,048 | 54,013 |
| Total equity | 59,019 | 67,321 | 67,340 |

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2025

| | Note | Six months to 30 June 2025 (Unaudited) £'000 | Six months to 30 June 2024 (Unaudited) £'000 | Year ended 31 December 2024 (Audited) £'000 |
|--|------|---|---|---|
| Cash flows from operating activities | | | | |
| Profit before income tax for the period | | 7,991 | 15,511 | 28,062 |
| <i>Adjustments for:</i> | | | | |
| Depreciation and amortisation | | 2,601 | 2,759 | 5,405 |
| Loss/ (profit) on disposal of non-current assets | | 1 | (167) | (167) |
| Finance income | | (631) | (847) | (1,927) |
| Finance expense | | 729 | 626 | 1,304 |
| Share-based payment expense (including associated social security costs) | | 23 | 99 | 1,202 |
| Decrease/ (increase) in trade and other receivables | | 573 | (3,799) | 3,864 |
| Increase/ (decrease) in trade and other payables | | 1,264 | 1,685 | (4,635) |
| Cash flows generated from operations | | 12,551 | 15,867 | 33,108 |
| Interest received | | 631 | 847 | 1,927 |
| Income tax paid | | (2,471) | (3,782) | (5,796) |
| Net cash flow from operating activities | | 10,711 | 12,932 | 29,239 |
| Cash flows from investing activities | | | | |
| Acquisition of property, plant and equipment | | (61) | (56) | (335) |
| Net cash used in investing activities | | (61) | (56) | (335) |
| Cash flows from financing activities | | | | |
| Proceeds from issue of ordinary shares | | - | - | 1 |
| Proceeds from sale of shares from EBT | | 39 | 171 | 299 |
| Principal elements of lease payments | | (1,540) | (1,895) | (3,676) |
| Interest elements of lease payments | | (675) | (605) | (1,225) |
| Finance costs paid | | (54) | (21) | (57) |
| Dividends paid | 9 | (13,692) | (20,749) | (31,677) |
| Net cash used in financing activities | | (15,922) | (23,099) | (36,335) |
| Exchange (losses)/ gain on cash and cash equivalents | | (699) | (61) | 793 |
| Net (decrease) in cash and cash equivalents | | (5,971) | (10,284) | (6,638) |
| Cash and cash equivalents at beginning of period | | 40,588 | 47,226 | 47,226 |
| Cash and cash equivalents at end of period | 12 | 34,617 | 36,942 | 40,588 |

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025

| | Share capital £000 | Share premium £000 | Capital redemption reserve £000 | Own shares reserve £000 | Translation reserve £000 | Other reserves £000 | Retained earnings £000 | Total equity £000 |
|---|--------------------|--------------------|---------------------------------|-------------------------|--------------------------|---------------------|------------------------|-------------------|
| Balance at 1 January 2025 (Audited) | 1,097 | 9,705 | 52 | (2,400) | 1,556 | 3,317 | 54,013 | 67,340 |
| Profit for the period | - | - | - | - | - | - | 6,233 | 6,233 |
| Other comprehensive expense for the period | - | - | - | - | (973) | - | - | (973) |
| Total comprehensive income for the period | - | - | - | - | (973) | - | 6,233 | 5,260 |
| Share-based payments (note 14) | - | - | - | - | - | 72 | - | 72 |
| Transfer to retained earnings | - | - | - | - | - | (1,505) | 1,505 | - |
| Own shares sold (note 15) | - | - | - | 535 | - | - | (429) | 106 |
| Recharge of net settled share options | - | - | - | - | - | - | (67) | (67) |
| Dividends (note 9) | - | - | - | - | - | - | (13,692) | (13,692) |
| Total transactions with owners, recognised directly in equity | - | - | - | 535 | - | (1,433) | (12,683) | (13,581) |
| Balance at 30 June 2025 (Unaudited) | 1,097 | 9,705 | 52 | (1,865) | 583 | 1,884 | 47,563 | 59,019 |

Condensed Consolidated Statement of Changes in Equity (continued)

for the six months ended 30 June 2024

| | Share capital £000 | Share premium £000 | Capital redemption reserve £000 | Own shares reserve £000 | Translation reserve £000 | Other reserves £000 | Retained earnings £000 | Total equity £000 |
|---|--------------------|--------------------|---------------------------------|-------------------------|--------------------------|---------------------|------------------------|-------------------|
| Balance at 1 January 2024 (Audited) | 1,096 | 9,705 | 52 | (3,016) | 1,062 | 3,469 | 64,303 | 76,671 |
| Profit for the period | - | - | - | - | - | - | 11,245 | 11,245 |
| Other comprehensive expense for the period | - | - | - | - | (60) | - | - | (60) |
| Total comprehensive income for the period | - | - | - | - | (60) | - | 11,245 | 11,185 |
| Share-based payments (note 14) | - | - | - | - | - | 108 | - | 108 |
| Transfer to retained earnings | - | - | - | - | - | (554) | 554 | - |
| Own shares sold (note 15) | - | - | - | 266 | - | - | (95) | 171 |
| Recharge of net settled share options | - | - | - | 145 | - | - | (210) | (65) |
| Dividends (note 9) | - | - | - | - | - | - | (20,749) | (20,749) |
| Total transactions with owners, recognised directly in equity | - | - | - | 411 | - | (446) | (20,500) | (20,535) |
| Balance at 30 June 2024 (Unaudited) | 1,096 | 9,705 | 52 | (2,605) | 1,002 | 3,023 | 55,048 | 67,321 |

Condensed Consolidated Statement of Changes in Equity (continued)

for the year ended 31 December 2024

| | Share capital £000 | Share premium £000 | Capital redemption reserve £000 | Own shares reserve £000 | Translation reserve £000 | Other reserves £000 | Retained earnings £000 | Total equity £000 |
|---|-----------------------|-----------------------|------------------------------------|----------------------------|-----------------------------|------------------------|---------------------------|----------------------|
| Balance at 1 January 2024 | 1,096 | 9,705 | 52 | (3,016) | 1,062 | 3,469 | 64,303 | 76,671 |
| (Audited) | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | 20,507 | 20,507 |
| Other comprehensive expense for the year | - | - | - | - | 494 | - | - | 494 |
| Total comprehensive income for the year | - | - | - | - | 494 | - | 20,507 | 21,001 |
| Share-based payments (note 14) | - | - | - | - | - | 1,108 | - | 1,108 |
| Transfer to retained earnings | - | - | - | - | - | (1,260) | 1,260 | - |
| Own shares sold (note 15) | - | - | - | 616 | - | - | (317) | 299 |
| Recharge of net settled share options | - | - | - | - | - | - | (63) | (63) |
| Dividends (note 9) | - | - | - | - | - | - | (31,677) | (31,677) |
| Issue of new shares | 1 | - | - | - | - | - | - | 1 |
| Total transactions with owners, recognised directly in equity | 1 | - | - | 616 | - | (152) | (30,797) | (30,332) |
| Balance at 31 December 2024 | 1,097 | 9,705 | 52 | (2,400) | 1,556 | 3,317 | 54,013 | 67,340 |
| (Audited) | | | | | | | | |

Notes to the Condensed Consolidated Interim Financial Statements

1 General information

The Group is a global business and technology consultancy powering the people behind tech and innovation for over 30 years. The Company is limited by shares, incorporated and domiciled in the UK and registered as a public limited company in England and Wales with a Listing on the London Stock Exchange. The Company's registered office is 3rd Floor, Cottons Centre, Cottons Lane, London SE1 2QG and its registered number is 07078823.

These Condensed Interim Financial Statements were approved for issue by the Board of Directors of the Group on 29 July 2025. They have not been audited, but have been subject to an independent review by PricewaterhouseCoopers LLP, whose independent report is included on pages 31 and 32.

These Condensed Interim Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The Annual Report and Accounts for the year ended 31 December 2024 was approved by the Board of Directors of the Group on 18 March 2025 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

2 Basis of preparation

This Condensed Consolidated Interim Financial Report for the half-year reporting period ended 30 June 2025 has been prepared in accordance with the UK-adopted International Accounting Standard 34, "Interim Financial Reporting" and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax, which is determined in the Interim Financial Statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

The following amendment to accounting standards, that became applicable for annual reporting periods commencing on or after 1 January 2025, has been considered and did not have a material impact on the Group:

- Amendments to IAS 21 - Lack of Exchangeability

Exceptional items

The separate reporting of exceptional items helps to provide a better understanding of the Group's underlying business performance. The Group exercises judgement in assessing whether items should be classified as exceptional items. Exceptional items are disclosed and described separately in the financial statements where it is necessary to do so to provide a better understanding of the financial performance of the Group. They are items of expense or income that are material and one-off in nature and are shown separately due to the significance of their nature or amount.

Going concern basis

The Group's business activities, operating cash flows and liquidity position, together with its distinctive business model, have enabled it to manage its business risks. The Group's forecasts and projections show that it will continue to operate with adequate cash resources and within the current working capital facilities for at least twelve months from the date of approval of these Condensed Interim Financial Statements.

Having considered the principal risks, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial information.

3 Significant accounting policies

These Condensed Interim Financial Statements have been prepared in accordance with the accounting policies, methods of computation and presentation adopted in the financial statements for the year ended 31 December 2024.

4 Other accounting estimate

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting year. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods. The estimates and assumptions applied in the Condensed Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's Annual Report for the year ended 31 December 2024, with the exception of changes in estimates that are required in determining the provision for income taxes, which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

No individual judgements have been made that have a significant impact on the financial statements.

The following estimate is not considered to be a significant estimate as it is considered there is not a significant risk of the estimate resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Share-based payment charge

A share-based payment charge is recognised in respect of share awards based on the Directors' best estimate of the number of shares that will vest based on the performance conditions of the awards, which comprise adjusted EPS growth and the number of employees that will leave before vesting. In estimating the number of shares likely to vest, the Directors have based their assessment of the adjusted EPS growth in the forecasts contained within the Group's three-year plan, adjusted for the impact of potential scenarios that could potentially impact EPS growth. The charge is calculated based on the fair value on the grant date using the Black-Scholes model and is expensed over the vesting period.

5 Seasonality

The Group is not significantly impacted by seasonality trends. A lower number of working days in the first half of the year is approximately offset by increased annual leave in the second half of the year, our lowest number of billable days occurs in December each year.

6 Segmental reporting

Management has determined the operating segments based on the operating reports reviewed by the Board of Directors that are used to assess both performance and strategic decisions. Management has identified that the Executive Directors are the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating segments'.

At 30 June 2025, the Board of Directors consider that the Group is organised into four core geographical operating segments:

- (1) UK;

(2) NORTH AMERICA,

- (3) Europe, Middle East and Africa, excluding UK ("EMEA"); and
- (4) Asia Pacific ("APAC").

Each geographical segment is engaged in providing services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

All segment revenue, profit before income tax, assets and liabilities are attributable to the Group's sole revenue-generating stream, being a global professional services provider with a focus on IT.

Segmental reporting for the six months ended 30 June 2025 (Unaudited)

| | UK £000 | North America £000 | EMEA £000 | APAC £000 | Total £000 |
|---|-----------------|--------------------------|----------------|-----------------|-----------------|
| Revenue | 46,220 | 26,780 | 9,573 | 14,706 | 97,279 |
| Depreciation and amortisation | (1,045) | (651) | (185) | (720) | (2,601) |
| Exceptional administrative expenses (see note 7) | (802) | (150) | (30) | (21) | (1,003) |
| Segment operating profit | 6,301 | 965 | 429 | 394 | 8,089 |
| Finance income ¹ | 661 | 65 | 1 | - | 727 |
| Finance expense ¹ | (545) | (65) | (27) | (188) | (825) |
| Profit before income tax | 6,417 | 965 | 403 | 206 | 7,991 |
| As at 30 June 2025 | | | | | |
| Total assets | 62,659 | 16,667 | 9,871 | 13,680 | 102,877 |
| Total liabilities | (14,212) | (6,388) | (7,034) | (16,224) | (43,858) |

¹ Finance income and finance expense include intercompany interest which is eliminated upon consolidation.

Included in total assets above are non-current assets (excluding deferred tax) as follows:

| | UK £000 | North America £000 | EMEA £000 | APAC £000 | Total £000 |
|---------------------|---------------|--------------------------|--------------|--------------|---------------|
| 30 June 2025 | 33,195 | 2,473 | 411 | 3,603 | 39,682 |

Segmental reporting for the six months ended 30 June 2024 (Unaudited)

| | UK £000 | North America £000 | EMEA £000 | APAC £000 | Total £000 |
|---|-----------------|--------------------------|----------------|-----------------|-----------------|
| Revenue | 54,003 | 53,854 | 11,001 | 21,329 | 140,187 |
| Depreciation and amortisation | (1,088) | (700) | (185) | (786) | (2,759) |
| Exceptional administrative expenses (see note 7) | (1,264) | (527) | (55) | (218) | (2,064) |
| Segment operating profit | 6,456 | 8,180 | 157 | 497 | 15,290 |
| Finance income ¹ | 811 | 143 | 16 | 4 | 974 |
| Finance expense ¹ | (423) | (76) | (27) | (227) | (753) |
| Profit before income tax | 6,844 | 8,247 | 146 | 274 | 15,511 |
| As at 30 June 2024 | | | | | |
| Total assets | 59,497 | 24,913 | 14,411 | 17,151 | 115,972 |
| Total liabilities | (12,397) | (9,849) | (7,508) | (18,897) | (48,651) |

Included in total assets above are non-current assets (excluding deferred tax) as follows:

| | UK £000 | North America £000 | EMEA £000 | APAC £000 | Total £000 |
|--------------|------------|--------------------------|--------------|--------------|---------------|
| 30 June 2024 | 31,158 | 2,290 | 717 | 4,875 | 39,040 |

Segmental reporting for the year ended 31 December 2024 (Audited)

| | UK £000 | North America £000 | EMEA £000 | APAC £000 | Total £000 |
|---|-----------------|--------------------------|----------------|-----------------|-----------------|
| Revenue | 103,985 | 92,188 | 21,923 | 39,608 | 257,704 |
| Depreciation and amortisation | (2,135) | (1,356) | (368) | (1,546) | (5,405) |
| Exceptional administrative expenses (see note 7) | (3,636) | (780) | (86) | (392) | (4,894) |
| Segment operating profit | 14,512 | 10,666 | 1,186 | 1,075 | 27,439 |
| Finance income ¹ | 1,842 | 280 | 15 | 6 | 2,143 |
| Finance expense ¹ | (897) | (149) | (51) | (423) | (1,520) |
| Profit before income tax | 15,457 | 10,797 | 1,150 | 658 | 28,062 |
| As at December 2024 | | | | | |
| Total assets | 68,210 | 18,936 | 9,599 | 14,705 | 111,450 |
| Total liabilities | (12,325) | (7,461) | (7,177) | (17,147) | (44,110) |

Included in total assets above are non-current assets (excluding deferred tax) as follows:

| | UK £000 | North America £000 | EMEA £000 | APAC £000 | Total £000 |
|------------------|------------|--------------------------|--------------|--------------|---------------|
| 31 December 2024 | 34,108 | 1,896 | 579 | 4,469 | 41,052 |

7 Exceptional administrative expenses

During the period, the Group incurred exceptional costs of £1.0 million (2024: £2.1 million) as we continued the programme initiated in 2024 to align our internal staff and undeployed Consultants with market demand.

8 Taxation

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2025 is 22.0% (the estimated tax rate for the six months ended 30 June 2024 was 27.5%).

9 Dividends

2025

An interim dividend of 6.0 pence per ordinary share was declared by the Directors on 29 July 2025 and will be paid on 14 November 2025 to holders of record on 24 October 2025, the total amount payable will be £6,565,000.

A final dividend of 12.5 pence per share in respect of the year to 31 December 2024 was approved by shareholders at the AGM on 20 May 2025 and paid on 27 June 2025 to shareholders of record on 6 June 2025, the total amount paid was £13,692,000.

2024

An interim dividend of 10.0 pence per ordinary share was declared by the Directors on 30 July 2024 and was paid on 1 November 2024 to holders of record on 11 October 2024, the amount paid was £10,928,000.

In respect of the year to 31 December 2023, a final dividend of 19.0 pence per share was paid on 28 June 2024, to shareholders of record on 7 June 2024, the total amount paid was £20,749,000.

10 Earnings per ordinary share

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

| | | Six months to 30 June 2025 (Unaudited) | Six months to 30 June 2024 (Unaudited) | Year ended 31 December 2024 (Audited) |
|--|--------|---|---|--|
| Profit for the period | £000 | 6,233 | 11,245 | 20,507 |
| Average number of ordinary shares in issue (thousands) | Number | 109,357 | 109,164 | 109,224 |
| Basic earnings per share | Pence | 5.7 | 10.3 | 18.8 |

Adjusted basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent company, excluding (i) Performance Share Plan expense (including social security costs and associated deferred tax) and (ii) exceptional costs relating to terminating the employment of internal staff and undeployed Consultants (including associated tax) by the weighted average number of ordinary shares in issue during the period.

| | | Six months to 30 June 2025 (Unaudited) | Six months to 30 June 2024 (Unaudited) | Year ended 31 December 2024 (Audited) |
|---|--------|---|---|--|
| Profit for the period (basic earnings) | £000 | 6,233 | 11,245 | 20,507 |
| Share-based payment expense (including social security costs) (see note 14) | £000 | 12 | 91 | 1,063 |
| Tax effect of share-based payment expense | £000 | (91) | (17) | (210) |
| Exceptional costs (see note 7) | £000 | 1,003 | 2,064 | 4,894 |
| Tax effect of exceptional costs | £000 | (248) | (568) | (1,164) |
| Adjusted profit for the period | £000 | 6,909 | 12,815 | 25,090 |
| Average number of ordinary shares in issue (thousands) | Number | 109,357 | 109,164 | 109,224 |
| Adjusted basic earnings per share | Pence | 6.3 | 11.7 | 23.0 |

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one type of dilutive potential ordinary shares in the form of employee share plan awards; the number of shares in issue has been adjusted to include the number of shares that would have been issued assuming the exercise of the share options.

| | | Six months to 30 June 2025 (Unaudited) | Six months to 30 June 2024 (Unaudited) | Year ended 31 December 2024 (Audited) |
|--|--------|---|---|--|
| Profit for the period (basic earnings) | £000 | 6,233 | 11,245 | 20,507 |
| Average number of ordinary shares in issue (thousands) | Number | 109,357 | 109,164 | 109,224 |
| Adjustment for employee share plan awards (thousands) | Number | 177 | 195 | 401 |
| Diluted number of ordinary shares in issue (thousands) | Number | 109,534 | 109,359 | 109,625 |
| Diluted earnings per share | Pence | 5.7 | 10.3 | 18.7 |

Due to their short-term nature, the Directors consider that the carrying amount of trade receivables approximates to their fair value. The standard credit terms are 30 days.

| | 30 June 2025 (Unaudited) £000 | 30 June 2024 (Unaudited) £000 | 31 December 2024 (Audited) £000 |
|--------------------------------|--|--|--|
| Trade receivables | 20,361 | 28,445 | 22,297 |
| Prepayments and accrued income | 6,123 | 6,850 | 5,105 |
| Other receivables | 788 | 1,139 | 1,130 |
| | <hr/> | <hr/> | <hr/> |
| | 27,272 | 36,434 | 28,532 |
| | <hr/> | <hr/> | <hr/> |

Included within prepayments and accrued income is £2,121,000 of accrued income (June 2024: £2,388,000; December 2024: £1,528,000).

12 Cash and cash equivalents

| | 30 June 2025 (Unaudited) £000 | 30 June 2024 (Unaudited) £000 | 31 December 2024 (Audited) £000 |
|--------------------------|--|--|--|
| Cash at bank and in hand | 34,617 | 36,942 | 40,588 |
| | <hr/> | <hr/> | <hr/> |

13 Trade and other payables

| | 30 June 2025 (Unaudited) £000 | 30 June 2024 (Unaudited) £000 | 31 December 2024 (Audited) £000 |
|---------------------------------|--|--|--|
| Trade payables | 2,014 | 3,200 | 1,782 |
| Other payables | 2,614 | 1,843 | 1,773 |
| Other taxes and social security | 5,131 | 6,724 | 4,798 |
| Accruals | 11,951 | 15,577 | 12,381 |
| | <hr/> | <hr/> | <hr/> |
| | 21,710 | 27,344 | 20,734 |
| | <hr/> | <hr/> | <hr/> |

Included within accruals are volume rebates of £1,634,000 (June 2024: £2,231,000; December 2024: £2,126,000) and payroll accruals of £2,394,000 (June 2024: £3,191,000; December 2024: £3,013,000). No significant judgements were made in the estimation of the volume rebate accrual. Any volume rebates, where the rebate period is non-coterminous with the financial period, are accrued based on forecast revenue for the remainder of the rebate period. No individual client rebates were material in value in 2025 or 2024.

14 Share-based payments

During the six-month period ended 30 June 2025, the Group recognised a net share-based payment expense of £12,000, comprised of an expense of £92,000 and associated social security credit of £80,000; with a credit of £371,000 and associated social insurance credit of £95,000 in relation to the PSP, and an expense of £463,000 and social security of £15,000 attributable to the BAYE Plan (2024: share-based payment expense of £108,000 and associated social security credit of £17,000, both of which relating to the BAYE Plan).

15 Investment in own shares

During 2018 the FDM Group Employee Benefit Trust was established to purchase shares sold by option holders upon exercise of options under the FDM Performance Share Plan. The Group accounts for its own shares held by the Trustee of the FDM Group Employee Benefit Trust as a deduction from shareholders' funds. During the period own shares held were used to satisfy the requirements of the Group's share plans.

16 Related party transactions

Eight family members of Directors are employed by the Group, each at market rate on an arm's length basis. The total remuneration relating to these staff in aggregate was £405,000, comprising salary and bonus of £437,000 and share-based payment credit of £32,000 (2024: seven individuals, aggregate remuneration of £398,000, comprising salary and bonus of £398,000 and share-based payment expense of £nil).

17 Key management personnel

The key management personnel comprise the Directors of the Group. The compensation of key management is set out below:

| | Six months to 30 June 2025 (Unaudited) £000 | Six months to 30 June 2024 (Unaudited) £000 | Year ended 31 December 2024 (Audited) £000 |
|---------------------------------------|---|---|--|
| Short-term employee benefits | 1,396 | 1,479 | 2,802 |
| Post-employment benefits | 28 | 28 | 55 |
| Share-based payments (credit)/expense | (106) | - | 71 |
| | | 1,318 | 1,507 |
| | | | 2,928 |

18 Financial instruments

There are no material differences between the fair value of the financial assets and liabilities included within the following categories in the Condensed Consolidated Statement of Financial Position and their carrying value:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

Statement of Directors' Responsibilities

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

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

Directors who held office during the period:

| | |
|-----------------------------|--|
| Rod Flavell | Chief Executive Officer |
| Sheila Flavell | Chief Operating Officer |
| Mike McLaren | Chief Financial Officer |
| Andy Brown | Chief Commercial Officer |
| David Lister | Non-Executive Chairman |
| Alan Kinear | Non-Executive Director |
| Jacqueline de Rojas | Non-Executive Director |
| Rowena Murray | Non-Executive Director |
| Bruce Lee | Non-Executive Director (appointed 19 March 2025) |
| Michelle Senecal de Fonseca | Non-Executive Director (retired 19 March 2025) |

The Executive Directors of FDM were listed in the Annual Report and Accounts of the Company for the year ended 31 December 2024 and remained the same in the six months to 30 June 2025.

By order of the Board

Rod Flavell

Chief Executive Officer

Mike McLaren

Chief Financial Officer

29 July 2025

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed FDM Group (Holdings) plc's condensed consolidated interim financial statements (the "interim financial statements") in the Interim Report of FDM Group (Holdings) plc for the 6 month period ended 30 June 2025 (the "period").

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

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 30 June 2025;
- the Condensed Consolidated Income statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Cash Flows and the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

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

Basis for conclusion

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

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

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

Conclusions relating to going concern

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

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim Report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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

PricewaterhouseCoopers LLP

Chartered Accountants

London

29 July 2025

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