

2 April 2020

SHEARWATER GROUP PLC

Pre-close statement

Shearwater Group plc (AIM: SWG, "Shearwater", "the "Group"), the organisational resilience group, provides the following update for the financial year ended 31 March 2020.

Reported unaudited underlying EBITDA¹ is expected to be in excess of £3 million compared to a loss of £1.4 million in the prior financial year, with the Group posting its fourth consecutive quarter of profitable growth. Good cash generation in the period has resulted in an unaudited cash balance of £3.0 million as at 31 March 2020.

The Group anticipates publishing a full year-end trading update at the end of April 2020 and expects to publish its audited results for the financial year ended 31 March 2020 in June 2020.

David Williams, Chairman of Shearwater, commented:

"With all the current uncertainty, we thought that we would update our loyal shareholders as to the progress the Group has made over the prior 12 months as quickly as possible after the year end, before a more extensive update later in April.

"Thanks to the efforts of our highly experienced team, we have been able to produce an impressive result with a substantial swing from an EBITDA loss to profit and notably strong cash generation.

"As noted in our COVID-19 update on 25 March 2020, our workforce continues to provide continuity of service to our customers from remote locations. I would like to take this opportunity to thank them and also our customers for their unwavering dedication and support as we collectively pull through this unprecedented time.

"The world is recalibrating, and it is impossible to predict with certainty the impact of the surreal events experienced since the COVID-19 appeared in our lives. We have always maintained that data and organisational resilience is one of the few areas in which growth is more or less assured. Also, the current uncertainties are providing us with interesting opportunities to expand our reach at attractive valuations.

"Moreover, as a result of recently increased numbers of people working from home, our software division has seen significantly higher levels of activity which gives us confidence for the year ahead.

"With good momentum as we enter the new financial year, we remain confident of building on the considerable successes of 2019/20."

Note 1. Underlying EBITDA defined as profit before tax, before one off exceptional items, share based payment charges, finance charges, depreciation and amortisation.

Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014 ("MAR") prior to its release as part of this announcement and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.



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About Shearwater Group plc

Shearwater Group plc is an award-winning organisational resilience group that provides cyber security and managed security services to help assure and secure businesses in a connected global economy.

The Group's comprehensive cyber security solutions and services maintain trust between users, provide assurance around the protection of information assets and critical infrastructure, and support organisations' operational effectiveness. Its capabilities include identity and access management and data security, cyber security solutions and managed security services, and security governance, risk and compliance.

The Group is headquartered in the UK with offices in the US, UK and Europe, serving customers across the globe who are active in a broad spectrum of industries.

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