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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**21 January 2026**

**NCC Group plc ("NCC" or the "Company")**

**NCC announces the sale of its Escode business, reports strong Q1 revenue performance of its remaining Cyber business and the launch of a share buyback programme**

- NCC's Escode business sold to TDR Capital LLP for total enterprise value of £275.0m, creating a pure-play global Cyber security and resilience business
- The Cyber business maintained the momentum gained in Q4 FY25 and delivered a second consecutive quarter of revenue growth on a constant currency basis as well as sales order growth. Escode has now delivered thirteen consecutive quarters of revenue growth on a constant currency basis
- Share buyback programme as announced separately will commence imminently

#### **Sale of NCC's Escode business**

NCC is pleased to announce a sale and purchase agreement has been entered into to sell its Escode business to Herringbone Acquisitions Limited and Herringbone Acquisitions Inc., entities controlled by investment funds managed by TDR Capital LLP ("TDR"), for total enterprise value of £275.0m (the "Transaction"), following an extensive and thorough process for this sale conducted by NCC. Completion of the Transaction is expected to be no earlier than 30 April 2026, once customary conditions and regulatory approvals have been satisfied.

TDR is a leading European private equity firm with over €15 billion of assets under management. It partners with high-quality, market-leading businesses with clear potential for sustained growth through innovation and resilience through economic cycles.

#### **Key highlights of the transaction:**

- The total enterprise value of the Transaction is £275.0m representing an FY25 Adjusted EBITDA multiple of approximately 9x. The Transaction supports further investment in NCC's core Cyber business.
- The gross aggregate consideration of the Transaction is £309.1m payable in cash, subject to completion adjustments, on Completion. The net proceeds (pre-transaction costs) to be received by the Group after deduction of any completion adjustment items is expected to be £262.4m. Total transaction costs are expected to amount to c.£10m.
- The Transaction is expected to complete no earlier than 30 April 2026, subject to the satisfaction of certain conditions and regulatory approvals.

- In line with NCC's capital allocation policy, the Board intends to return a significant proportion of the net proceeds to shareholders and will consult with shareholders before deciding on the quantum and form of any such return, with timing dependent on the Completion date of the Escode sale.
- The sale of Escode is consistent with NCC's strategic plan to simplify the business and focus on creating a pure-play cyber security resilience service proposition with multiple growth drivers including an ever-increasing threat landscape, digital adoption and a shortage of the necessary skills to meet evolving client needs. The Company will host a Capital Markets Event in the next few months for shareholders to present the future strategy for the Cyber security and resilience business.
- The Transaction follows two other non-core disposals: (i) Fox-IT DetACT and (ii) Fox-IT Crypto, which completed on 30 April 2024 and 28 March 2025 respectively. The total expected enterprise value from the three non-core disposals would, in aggregate, be approximately £349m and results in a combined Adjusted EBITDA multiple of approximately 9.8x.
- The Board announced on 21 October 2025 and 11 December 2025 the intention to launch a Share Buyback Programme using the Company's existing shareholder authority to purchase up to 10% of the Company's issued share capital. The purpose of the Share Buyback Programme is to reduce the Company's share capital, return capital to shareholders and reflects the Board's continued confidence in the future prospects of the Group and the strength of the balance sheet. As announced separately, this Share Buyback Programme has been launched today and the Board expects repurchases to commence in the next few days once appropriate to do so. Any Ordinary Shares purchased through the Share Buyback Programme will be cancelled. NCC's current dividend policy remains unchanged by the Share Buyback Programme. This share buyback is independent of the expected return of capital from proceeds of the Escode disposal described above.

**Chris Stone, Chair of NCC, commented:**

*"The Board believes this agreement represents an excellent outcome for shareholders and will allow us to make a significant return of capital to shareholders while allowing management to focus on the further development of the value inherent in our Cyber security and resilience business.*

*Escode is a great business and as announced on 11 December 2025 in our full year results to 30 September, it has consistently delivered profitable growth – 13 consecutive quarters of revenue growth on a constant currency basis. I want to thank the Escode management team and colleagues who have driven that success. Under the new stewardship of TDR, which has a strong track record of building category-leading business services companies, Escode will be well positioned to accelerate growth and continue to strengthen its leadership in the software escrow and verification market."*

**Mike Maddison, Chief Executive Officer of NCC, commented:**

*"The sale of Escode completes the divestment of our non-core activities and allows NCC to focus fully on accelerating growth in our core Cyber security resilience business. Over the past year, we have transformed the business and strengthened our strategic sales capability, introduced technology-led, recurring-revenue services, and invested in consulting and implementation capabilities that are delivering value. Supported by stronger global account management and a unified sales operations*

*function, we are well positioned to deepen client relationships, grow recurring revenue, and advance our cyber-focused strategy with clarity and momentum.*

*I echo Chris' thanks to the entire Escode team for their consistency and dedication in driving the business to where it is today. We'll work to ensure a smooth transition for colleagues and customers as we work towards Completion."*

This summary should be read in conjunction with the whole of this announcement, including its Appendices. Certain capitalised terms in this announcement bear the meanings set out in Appendix 5 (Definitions).

## **Strategic rationale of the Transaction**

The sale of the Escode business reflects the Board's strategy to create a global, pure-play cyber security and resilience business. The Board believes the sale of Escode is in the best interests of NCC's shareholders and other stakeholders on the basis that:

- It simplifies the Group and enables NCC to focus on repositioning the Cyber business towards higher value, recurring revenue streams, supported by a single technology stack and scalable global delivery
- It achieves a compelling value for the sale of Escode, reflecting its strong performance and established market position
- The expected net proceeds of the Escode sale provide for shareholder returns and investment in growth of the Cyber business in line with NCC's capital allocation policies.

The Transaction follows two other non-core disposals: (i) Fox-IT DetACT and (ii) Fox-IT Crypto, which completed on 30 April 2024 and 28 March 2025 respectively. Should the Transaction complete as the Board expects, the total expected enterprise value from the three non-core disposals would, in aggregate, be approximately £349m and results in a combined Adjusted EBITDA multiple (approximately 9.8x):

Non-core disposal	Enterprise value	Adjusted EBITDA (£m)	Adjusted EBITDA Multiple (x)
Fox-IT DetACT	8.2	0.7	11.7
Fox-IT Crypto	65.6	4.0	16.4
Escode	275.0	30.9	8.9
Total	348.8	35.6	9.8

Following Completion, NCC will remain committed to delivering sustainable revenue growth and improved gross margin over the medium to long term.

The Board believes that the sale of Escode is in the best interests of NCC and its shareholders as a whole.

## **Use of net cash proceeds from the Transaction**

The net cash proceeds (pre-transaction costs) arising from the Transaction are expected to be £262.4m. Total transaction costs are expected to amount to c.£10m.

Following Completion, and in line with its capital allocation policy, it is the Board's intention to use the net proceeds from the Transaction to:

- return a significant proportion of the proceeds to shareholders and will consult with shareholders to determine the quantum and form of any such capital before deciding how the proceeds will be returned. An update on timing and mechanism for that return will follow Completion.
- retain the balance of the net proceeds for ongoing general corporate purposes, and as potential funding for future value enhancing M&A activity.

Any return of capital to shareholders as a result of the sale of Escode is separate from, and in addition to, the Share Buyback Programme, which was launched today by way of a separate announcement, and which uses the Company's general buyback authority approved by shareholders at its last annual general meeting. The purpose of the Share Buyback Programme is to reduce the Company's share capital and return capital to shareholders and reflects the Board's continued confidence in the future prospects of the Group and the strength of the balance sheet.

### **Summary Transaction details**

The Transaction is subject to completion accounts and potential adjustments and any other costs and expenses under the terms of the sale and purchase agreement. The net proceeds to be received by the Group after deduction of any completion adjustment items and Transaction costs are expected to be £252.4m.

The Transaction is structured as a purchase by the Buyers of:

- the entire issued share capital of Escode Jersey Holdco Limited from NCC Group (Solutions) Limited; and
- 100% of the membership interests in NCC Group Software Resilience (Americas) LLC from NCC Group (Americas), Inc.,

each being an indirectly wholly owned subsidiary of the Company.

Further details of the principal terms of the Transaction are set out in Appendix 1 (*Summary of the principal terms of the Transaction*) to this announcement.

### **Summary information on Escode**

Escode is the global leader in software escrow and associated solutions. Escode safeguards the continued availability of third-party business-critical software and data through the use of powerful escrow and verification services. These solutions strengthen operational resilience and satisfy business continuity planning, regulatory compliance and supply chain risk management needs across various industries such as legal services, transportation, utilities, fintech and government.

Headquartered in Manchester, United Kingdom, Escode provides escrow solutions in more than 17 jurisdictions. For the financial year ended 30 September 2025, and as announced on 11 December 2025, Escode delivered revenue of £66.5m and maintained robust gross margins of 71.4%. Escode had achieved thirteen consecutive quarters of year-on-year revenue growth on a constant currency basis and has established a reputation for trusted service delivery across a broad client base.

## **Process and timetable**

Completion is conditional on the terms outlined in Appendix 1 (*Summary of the principal terms of the Transaction*) to this announcement and is expected to be no earlier than 30 April 2026, once conditions and regulatory approvals have been satisfied.

## **Transaction effects on the Company**

NCC notes that the Transaction, based on the financial results for the year ended 30 September 2025, is expected to have the following financial impact on the Company:

- Escode's revenue of £66.5m and Adjusted EBITDA of £30.9m in FY25 will no longer be contributing to the Company's results from the date of Completion;
- Escode's total assets of £198.0m as at 30 September 2025 will no longer be contributing to the Company's results from the date of Completion;
- Escode's total liabilities of £39.8m as at 30 September 2025 will no longer be contributing to the Company's results from the date of Completion; and
- Escode's net cash inflow from operating activities of £39.6m in FY25 will no longer be contributing to the Company's results from the date of Completion.

Details of the risks to NCC as a result of the Transaction are set out in Appendix 3 of this announcement.

Following Completion, NCC will have a revised reduced banking facility and plan to refinance those facilities within six months of Completion.

## **Update on Cyber security and resilience business review**

The Board remains in the early stages of reviewing both the ongoing strategy and strategic options for its retained Cyber business, as well as the appropriate level of overheads required to operate the retained Cyber business.

As the Cyber business review includes the possibility of a potential sale of the entire issued and to be issued share capital of the Company, NCC remains in an offer period under the Takeover Code. There can be no certainty that the review will result in any transaction, nor as to the terms or timing of any such transaction.

The Company will host a Capital Markets Event in the next few months for shareholders to present the future strategy for the Cyber security and resilience business.

## **Trading update**

As announced on the 11 December 2025, the Board anticipates that revenue (including recent non-core disposals) for the year ending 30 September 2026 will grow marginally, with Escode and Cyber experiencing low single-digit growth as pipeline continues to build.

Encouragingly, from this sales order pipeline, revenue for Q1 2026 has seen Escode deliver thirteen consecutive quarters of revenue growth on a constant currency basis and importantly Cyber revenue (excluding non-core disposals) grew by high single digit growth on a constant currency basis (against a low Q1 FY25 comparator due to challenging buying patterns arising from macroeconomic

uncertainties). On this basis, the Cyber business has maintained the momentum gained in Q4 FY25 and delivered a second consecutive quarter of revenue growth on a constant currency basis as well as sales order growth.

FY26 Group Adjusted EBITDA (after the adjustments for non-core disposals noted above) is expected to be in line with the Board expectations and the Board remains confident in delivering the Group's medium-term financial goals as it continues to improve operational discipline and transform the cyber engine.

## UK listing rules

Due to the size of the Transaction in relation to the Company, it constitutes as a Significant Transaction for the purposes of the UK Listing Rules made by the Financial Conduct Authority (the "FCA") for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended), which came into effect on 29 July 2024 (the "UKLRs") and is therefore notifiable in accordance with UKLR 7.3.1R and 7.3.2R. In accordance with the UKLRs, the Transaction is not subject to shareholder approval.

The person responsible for the release of this announcement is Guy Ellis, Chief Financial Officer of NCC Group plc.

## Enquiries

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NCC Group plc is listed on the London Stock Exchange (NCC)  
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## **About NCC**

NCC Group is a people-powered, tech-enabled global cyber security and software escrow business.

Driven by a collective purpose to create a more secure digital future, c. 2,000 colleagues across Europe, North America, and Asia Pacific harness their collective insight, intelligence, and innovation to deliver cyber resilience solutions for both public and private sector clients globally. With decades of experience and a rich heritage,

NCC Group is committed to developing sustainable solutions that continue to meet client's current and future cyber security challenges.

## Important notices

Lazard & Co., Limited ("**Lazard**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to NCC and no one else in connection with the Transaction and will not be responsible to anyone other than NCC for providing the protections afforded to clients of Lazard nor for providing advice in relation to the Transaction or any other matters referred to in this announcement. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this announcement, any statement contained herein or otherwise.

Investec Bank plc ("**Investec**"), which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the FCA and the PRA in the United Kingdom, is acting exclusively for NCC and for no one else in connection with the matters set out in this announcement and none of Investec nor any of its affiliates, branches or subsidiaries will not be responsible to anyone other than NCC for providing the protections afforded to clients of Investec Bank plc or for providing advice in relation to the subject matter of this announcement or any other matters referred to in this announcement. Neither Investec nor any of its affiliates, branches or subsidiaries or any of their respective officers, directors, representatives, agents or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person in connection with the contents of this document or any statement contained herein, or accepts any liability whatsoever for any direct, indirect or consequential losses (in contract, tort or otherwise) arising from the use of this document or its contents or reliance on the information contained herein, except to the extent this would be prohibited by law or regulation who is not a client of in connection with this announcement, any statement contained herein or otherwise.

Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for NCC and for no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than NCC for providing the protections afforded to clients of Peel Hunt or for providing advice in relation to the subject matter of this announcement or any other matters referred to in this announcement. Neither Peel Hunt nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt in connection with this announcement, any statement contained herein or otherwise.

## Inside information and Market Abuse Regulation

This announcement contains inside information for the purposes of the UK version of the Market Abuse Regulation (EU) No. 596/2014, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MAR**"). Upon publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

## No offer or solicitation

This announcement is not a prospectus and does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to purchase, acquire, subscribe for, sell, dispose of or issue, any security.

## **Overseas jurisdictions**

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable restrictions or requirements. Any failure to comply with these restrictions may constitute a violation of securities laws of any such jurisdictions. To the fullest extent permitted by law, NCC disclaims all and any responsibility or liability for the violation of such restrictions by such persons.

## **Forward looking statements**

This announcement includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be indented by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'anticipates', 'targets', 'aims', 'continues', 'expects', 'intends', 'hopes', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places throughout this announcement and include statements regarding the Board's intentions, beliefs or current expectations concerning, amongst other things, NCC's and, following Completion, the Group's results of operations, financial condition, prospects, growth, strategies and the industries in which NCC and, following Completion, the Group operate. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances.

## **No profit forecast**

Save for the FY26 NCC Profit Forecast, nothing in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share or dividend per share for NCC for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for NCC.

## **Rounding**

Certain figures included in this announcement have been rounded. Accordingly, figures shown for the same category may vary slightly and figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

## **Appendix 1 – Summary of the principal terms of the Transaction**

### **1. Sale and Purchase Agreement**

#### **Parties and structure**

The Transaction is governed by the sale and purchase agreement ("Sale and Purchase Agreement") entered into between (1) NCC Group (Solutions) Limited, (2) NCC Group (Americas), Inc., ((1) and (2) together, the **Sellers**), (3) Herringbone Acquisitions Limited and (4) Herringbone Acquisitions Inc. Herringbone Acquisitions Limited and Herringbone Acquisitions Inc. are both entities controlled by investment funds managed by TDR Capital LLP ("TDR") (together, the "Buyers"). Pursuant to the Sale and Purchase Agreement and subject to the Conditions (as defined below):

- Herringbone Acquisitions Limited has agreed to purchase the entire issued share capital of Escode Jersey Holdco Limited from NCC Group (Solutions) Limited; and
- Herringbone Acquisitions Inc. has agreed to purchase 100% of the membership interests in NCC Group Software Resilience (Americas) LLC from NCC Group (Americas), Inc.,

each being a wholly owned indirect subsidiary of NCC and which, together with their subsidiaries, will, as at Completion, constitute the Escode business.

#### **Conditions**

The Transaction is subject to: (i) certain actions relating to the separation of the Escode business from the retained NCC group; and (ii) obtaining approvals from certain antitrust and other regulatory authorities. The long stop date for satisfaction of the conditions (the "Long Stop Date") is six months from the date of the signed Sale and Purchase Agreement, at the expiry of such period, specific regulatory approvals have not been satisfied, in which case the Long Stop Date will be extended for a further period of three months.

#### **Consideration**

The gross consideration payable by the Buyers in connection with the Transaction is £309.1m, payable in cash on Completion of the Transaction, subject to estimated net cash (£46.7m) and certain adjustments for indebtedness and working capital (against an agreed working capital target) of £34.1m remaining with the Escode business and any other costs and expenses under the terms of the Sale and Purchase Agreement. Net cash proceeds (pre-transaction costs and any completion accounts adjustments) for the Group are expected to be £262.4m. Total transaction costs are expected to amount to c.£10m.

#### **Warranties and indemnities**

The Sale and Purchase Agreement contains warranties given by the Sellers and the Buyers respectively which are customary for a transaction of this nature. In addition, the Sale and Purchase Agreement contains a customary tax indemnity and other specific indemnities given by the Sellers. The Buyers have purchased warranty and indemnity insurance, the costs of which will be borne solely by the Buyers, which (other than in the case of fraud) will be the Buyers' sole recourse for breach of the business and tax warranties given under the Sale and Purchase Agreement and in respect of the tax indemnity, save for specific indemnities given by the Sellers in respect of certain matters set out in the Sale and Purchase Agreement. Warranties given by the Sellers in respect of title and capacity, authority and

insolvency matters will be subject to customary limitations of liability. The warranties given by the Buyers relate to, amongst other things, capacity, authority, insolvency matters and funding in place for the Transaction.

### **Termination**

The Sale and Purchase Agreement will terminate: (i) if any of the conditions to the Transaction are not satisfied on or before the Long Stop Date upon written notice from the Sellers to the Buyers or from the Buyers to the Sellers; or (ii) if any of the conditions become incapable of being satisfied by the Long Stop Date, upon written notice from the Sellers to the Buyers.

### **Governing law and jurisdiction**

The Sale and Purchase Agreement is governed by English law. The English courts will have exclusive jurisdiction to settle any dispute arising out of or in connection with the Sale and Purchase Agreement.

## **2. Transitional Services Agreement**

NCC will provide certain services to Escode pursuant to a Transitional Services Agreement for a 12 month period relating to each specific service as set out in the Transitional Services Agreement with the option of a six-month extension for IT services only. The Transitional Services Agreement services include finance, HR, IT support and governance matters, and the parties have agreed to enter into a separate master services agreement with respect to the provision of certain cybersecurity services. The service charge payable to NCC in respect of the services is specific to each service and is set out in the Transitional Services Agreement, which are subject to uplift during an extension. The Transitional Services Agreement includes other provisions which are consistent with an agreement of this nature. Each parties' liability for breach of its obligations under the Transitional Services Agreement is limited to 100% of the charges paid and payable, other than where liability cannot be lawfully excluded under applicable law, or where NCC is subject to a separate and independent liability cap for certain specific claims.

## Appendix 2 – Historical financial information relating to NCC’s Escode business

### Income Statement

Extracted without material adjustment from NCC’s Annual Report and Accounts for the year ended 30 September 2025 and year ended 30 September 2024:

	12 Months Ended 30-Sep-25	12 Months Ended 30-Sep-24
<b>Revenue</b>	<b>66.5</b>	<b>66.0</b>
Cost of sales	(19.0)	(20.6)
<b>Gross profit</b>	<b>47.5</b>	<b>45.4</b>
<i>Gross margin %</i>	<i>71.4%</i>	<i>68.8%</i>
Administrative expenses	(16.4)	(16.9)
Share-based payments	(0.2)	(0.1)
<b>Adjusted EBITDA</b>	<b>30.9</b>	<b>28.4</b>
Depreciation and amortisation	(1.0)	(0.5)
Amortisation of acquired intangibles	(5.0)	(5.3)
<b>Adjusted operating profit</b>	<b>24.9</b>	<b>22.6</b>
Individually Significant Items	-	(0.1)
<b>Operating profit</b>	<b>24.9</b>	<b>22.5</b>
<i>Operating margin %</i>	<i>37.4%</i>	<i>34.1%</i>

### Balance Sheet

Extracted without material adjustment from NCC’s Annual Report and Accounts for the year ended 30 September 2025:

	30-Sep-25
<b>Assets</b>	
Goodwill	110.2
Intangible fixed assets	76.1
Tangible fixed assets	0.2
Right-of-use assets	2.0
Trade and other receivables	5.1
Cash and cash equivalents	3.9
Contract assets	0.5
<b>Total Assets</b>	<b>198.0</b>
<b>Liabilities</b>	
Lease liabilities	(3.0)
Trade and other payables	(6.2)
Provisions	(0.3)
Deferred revenue	(24.7)
Current tax liability	(5.6)
<b>Total Liabilities</b>	<b>(39.8)</b>

## **Appendix 3 – Additional information (in relation to NCC and Escode)**

### **Risks**

The risks disclosed below are those risks known to the Company and the Board, which they consider: (i) are material risks related to the Transaction, (ii) will be new material risks to the Company as a result of the Transaction, or (iii) are existing material risks for the Company, which will be impacted by the Transaction. The information given is as of the date of this announcement and, except as required by any applicable law, rules or regulations, will not be updated. Shareholders should carefully consider the risks and uncertainties described below, together with all other information contained in this announcement. The risks described below are not set out in any order of priority, assumed or otherwise.

Additional risks and uncertainties currently unknown to the Company and the Board, or which the Company and the Board currently deem immaterial or deem material to the Company, but which will not result from or be impacted by the Transaction, may also have an adverse effect on the business, financial condition, operating results or prospects of the Company. In such cases, the market price of the Ordinary Shares may decline, and investors may lose all or part of their investment.

#### **Risks relating to the Transaction**

##### **(i) The Transaction may be delayed or may not proceed to Completion**

Completion of the Sale and Purchase Agreement is subject to, among other things, the consent of relevant antitrust and other regulatory authorities. While NCC and the Buyers have obligations in relation to the satisfaction of the conditions to the Transaction, there can be no assurance that the conditions precedent to the Sale and Purchase Agreement will be satisfied (or waived, if applicable). The Transaction may, therefore, be delayed or not complete at all. Completion is also subject to NCC and the Buyers having delivered certain deliverables prior to or on the date of Completion. Any failure on the part of NCC and/or the Buyers to comply with any of the aforementioned obligations could result in the Transaction being delayed or not completing at all.

Having considered a range of options as part of NCC's strategic review, the Board believes that the Transaction currently provides the best opportunity to maximise value for shareholders and realise an attractive and certain value for Escode. There can be no guarantee of another transaction involving the Escode business on terms more favourable than, or equivalent to, the Transaction.

If the Transaction does not proceed to Completion, this could, in turn, have a material adverse effect on the business, financial condition, operating results or prospects of the Company, as well as the market price of the Ordinary Shares.

##### **(ii) If the Transaction does not complete, the Company would forfeit the benefits of the sale proceeds and incur transaction costs**

If the Transaction does not Complete, NCC will not receive the cash proceeds from, nor realise any of the potential benefits of, the Transaction. In such circumstances, the transaction and other costs incurred by the NCC in connection with the Transaction (including the costs of negotiating the Sale and Purchase Agreement as well as the costs associated with the aborted Transaction), most of which have already been accrued and reflected in the Company's financial results for the year ended 30 September 2025, would not be offset by such cash

proceeds. This would then result in the Company having higher leverage and, therefore, potentially having less financial headroom in executing its strategy. This may be the case even if the failure to complete the Transaction is outside of NCC's control.

**(iii) Exposure to liabilities and restrictions under the Sale and Purchase Agreement**

The Sale and Purchase Agreement contains obligations in the form of warranties, a tax indemnity, certain pre-Completion undertakings and a number of customary post-Completion restrictive covenants in favour of the Buyers. NCC has taken steps to minimise the risk of liability through customary limitations on liability and sought to ensure that the restrictive covenants will not impact NCC's business as currently carried on. However, the limitations on liability will not apply in all scenarios and any liability to make a payment arising from a successful claim by the Buyers under the Sale and Purchase Agreement could reduce the consideration and have an adverse effect on its business, results of operations, prospects and financial condition. Similarly, restrictive covenants, including non-compete, non-solicit and non-disparagement obligations, applicable to NCC could also have an adverse effect on its ability to pursue future opportunities and therefore its business, results of operations, prospects and financial condition.

NCC has undertaken a customary disclosure process to minimise the risk of liability under these provisions and the Buyers have put in place a policy of warranty and indemnity insurance ("**W&I Insurance**") in respect of such liabilities typical for a transaction of this nature. The W&I Insurance is the Buyers' sole recourse for breach of the business and tax warranties and the tax indemnity given by NCC under the Sale and Purchase Agreement other than in the case of fraud.

**New material risks relating to NCC**

If the Transaction is completed, the following risks and uncertainties may occur or result as a consequence:

**(i) NCC will be dependent on the business of the retained Cyber division, which while it has a greater revenue and growth capacity, operates at a lower gross margin than Escode.**

The sale of Escode enables the Company to concentrate its resources on driving sustainable growth in the core Cyber business, which has the strongest long-term strategic potential for returning value to shareholders.

The Company has been preparing in parallel for the separation, acutely aware of the risks associated with the divestment of Escode from a defence perspective, and the current Cyber strategic review addresses the opportunity for growth as a standalone business.

The divestment of non-core Cyber assets has been part of the strategy for the Company since early 2023. Over the past year, the Company has strengthened strategic sales capability in Cyber, introduced technology led, recurring revenue services, and invested in consulting and implementation areas that are already delivering value. Supported by stronger global account management and a unified sales operations function the Company has stated it is well

positioned to deepen client relationships, grow recurring revenue, and advance the cyber-focused strategy with clarity and momentum.

## **Material Contracts**

### **NCC:**

The following is a summary of each contract (not being a contract entered into in the ordinary course of business) to which the Company or any other member of the Group is or has been a party: (i) within the two years immediately preceding the date of this announcement which is, or may be, material or (ii) at any time, which contains provisions under which any member of NCC has any obligation or entitlement which is material to the Company as at the date of this announcement:

Material contracts which relate to the Transaction:

- **Sale and Purchase Agreement:** A summary of the principal terms of the Sale and Purchase Agreement is set out in Appendix 1 (*Summary of the principal terms of the Transaction*) of this announcement.
- **Transition Services Agreement:** A summary of the principal terms of the Transitional Services Agreement is set out in Appendix 1 (*Summary of the principal terms of the Transaction*) of this announcement.

Material contracts which do not relate to the Transaction:

- **Sale of Fox-IT DeTACT:** In December 2023, the Group announced that it had entered into an asset purchase agreement to effect the sale of the business of DetACT to DataExpert BV for a total gross consideration of €9.0m. The sale completed on 30 April 2024.
- **Sale of Fox-IT Crypto B.V.:** In August 2024, the Group announced that it had entered into a sale and purchase agreement to effect the sale of the entire issued share capital of Fox-IT Crypto B.V. to CR Group Nordic AB for cash consideration of c.€77m (c.£66m). The sale completed on 28 March 2025.
- **RCF:** On 28 April 2025, the Group announced that it had entered into a new four-year £120m multi-currency revolving credit facility (**RCF**), with a £50m uncommitted accordion option, provided by a syndicate of National Westminster Bank plc, HSBC UK Bank plc, Barclays Bank plc and Santander UK plc. The RCF facility will expire on 28 April 2029 and replaced the Group's previous £162.5m RCF, which had an expiry date of 22 December 2026.

On 16 December 2025, the Group entered into a consent letter with the above banking syndicate that enables subsequent to Completion, the above RCF to be reduced from £120m to £30m and the facilities to be refinanced within six-months from Completion.

### **Escode:**

No contracts (other than contracts entered into in the ordinary course of business) have been entered into by Escode (i) within the period of two years immediately preceding the date of this announcement, which are or may be material to Escode or (ii) at any time, which contain any provisions under which Escode has any obligation or entitlement which is, or may be, material to Escode as at the date of this announcement.

## **Details of any legal and arbitration proceedings**

### **NCC:**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which is aware), during the period covering the 12 months preceding the date of this announcement, which may have, or have had in the recent past, a significant effect on NCC and/or NCC's financial position or profitability.

### **Escode:**

There are no governmental, legal or arbitration proceedings (including any such proceedings, which are pending or threatened of which NCC is aware) during a period covering at least the 12 months preceding the date of this announcement, which may have, or have had in the recent past, a significant effect on Escode and/or Escode's financial position or profitability.

## **Significant changes in financial position**

### **NCC:**

There has been no significant change in the financial position or financial performance of the Company since 30 September 2025, being the end of the last financial period for which financial information has been published.

### **Escode:**

There has been no significant change in the financial position or financial performance of Escode since 30 September 2025, being the end of the last financial period for which Escode's financial information has been published.

## **Related Party Transactions**

Other than those matters disclosed previously in the published annual reports and accounts of NCC and/or otherwise disclosed in this announcement (including its Appendices), there were no related party transactions entered into by NCC during the period since 30 September 2025.

## **Appendix 4 – FY26 NCC Profit Forecast**

### **FY26 NCC Profit Forecast**

This announcement (the "**Announcement**") includes the following statement:

FY26 Group Adjusted EBITDA (after the adjustments for non-core disposals noted above) is expected to be in line with the Board expectations and the Board remains confident in delivering the Group's medium-term financial goals as it continues to improve operational discipline and transform the cyber engine (the "**FY26 NCC Profit Forecast**").

### **Directors' confirmation**

The NCC Board of Directors confirm that, as at the date of the Announcement, the FY26 NCC Profit Forecast remains valid and that it has been properly compiled on the basis of the assumptions set out below and that the basis of accounting used is consistent with NCC's accounting policies which are in accordance with UK-adopted International Accounting Standards and those that NCC applied in preparing its financial statements for the 12 months ended 30 September 2025.

### **Basis of preparation and principal assumptions**

The FY26 NCC Profit Forecast is based upon internal NCC forecasts.

In confirming the FY26 NCC Profit Forecast, the NCC Board of Directors have made the following assumptions in respect of the forecast period to 30 September 2026:

Factors outside the influence or control of the NCC Board of Directors:

1. No material change in the political, economic and/or market environment that would materially affect NCC;
2. No material changes in market conditions over the period to 30 September 2026 in relation to either customer demand or competitive environment;
3. No significant one-off events or litigation that would have a material impact on the operating results or financial position of NCC;
4. No material adverse change to NCC's commercial relationships;
5. No material changes to inflation, interest or tax rates in NCC's principal markets compared with NCC's budgeted estimates;
6. No material changes to foreign exchange rates that will have a significant impact on NCC's revenue or cost base;
7. No material adverse events which will have a significant impact on the operating results or financial position of NCC;
8. No material adverse outcome from any ongoing or future disputes with any customer, competitor, regulator or tax authority; and
9. No change in legislation, taxation, regulatory requirements, applicable standards or the position of any regulatory bodies that would have a material impact on NCC's operations or accounting policies.

Factors within the influence or control of the NCC Board of Directors:

1. No additional significant acquisitions, disposals, developments, partnership or joint venture agreements being entered into by NCC which would have materially dilutive effect on NCC's earnings;
2. No material change in dividend or capital policies of NCC;
3. No material changes to the senior leadership team of NCC that are not already announced;
4. No material change in NCC's strategy; and
5. NCC's accounting policies will be consistently applied in the period to 30 September 2026.

## **Appendix 5 - Definitions**

The following definitions apply throughout this announcement and the Appendices, unless expressly stated otherwise:

**"Adjusted EBITDA"** means adjusted earnings before interest, taxes, depreciation and amortisation.

**"Board"** or **"Board of Directors"** means the Board of Directors of NCC.

**"Buyers"** means Herringbone Acquisitions Limited and Herringbone Acquisitions Inc., being entities controlled by certain investment funds managed by TDR Capital LLP.

**"Completion"** means completion of the Transaction in accordance with the terms of the Sale and Purchase Agreement.

**"Adjusted EBITDA"** means adjusted earnings before interest, taxes, depreciation and amortisation.

**"Escode"** means the Escrow Software services business of the Company.

**"FCA"** means the Financial Conduct Authority.

**"Group"** means the NCC Group following Completion.

**"NCC Group", "NCC" or "Company"** means NCC Group Plc.

**"PRA"** means the Prudential Regulation Authority.

**"Sale and Purchase Agreement"** or **"SPA"** means the sale and purchase agreement entered into by NCC and TDR in relation to the sale of Escode, dated on or around the date of this announcement, as more particularly described in Appendix 1.

**"Significant Transaction"** means a transaction that exceeds the 25% threshold under the UKLRs.

**"Takeover Code"** means the UK's City Code on Takeovers and Mergers, issued by the Takeover Panel, as amended from time to time.

**"TDR"** means TDR Capital LLP.

**"Transaction"** means the proposed sale by NCC of Escode to TDR in the manner described in this announcement and to be effected pursuant to the Sale and Purchase Agreement.

**"Transitional Services Agreement"** means the transitional services agreement to be entered into between NCC and Escode at Completion, as more particularly described in Appendix 1.

**"UKLRs"** means the UK Listing Rules made by the FCA for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended), which came into effect on 29 July 2024.

**"W&I Insurance"** means warranty and indemnity insurance.