

FD Technologies plc

In the AI era, only the fastest survive

Annual Report 2025



A transformative year

During the year, we took decisive steps to streamline our operations, enhance our focus, and deliver substantial value to our shareholders.

Donna Troy

Chair

Our business in detail

Investment case

We have industry-leading technology, a unique customer value proposition, a global market opportunity, and financial strength.

Read more on page 6

Strategy

We offer a highly differentiated, unified data, AI, and analytics platform and industry-focused product offerings. We prioritise investment for the most efficient go-to-market approach.

Read more on page 16

KX Q&A

Ashok Reddy discusses the benefits AI brings to customers, the challenges they face, the part that KX plays in the data and analytics landscape, and what long-term success for our business looks like.

Read more on page 18

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Highlights

Financial highlights*

Revenue £80.7m

FY25	£80.7m
FY24	£79.1m
FY23	£71.0m

Adjusted EBITDA £6.5m

FY25	£6.5m
FY24	£5.1m
FY23	£12.8m

* All figures are for KX as the only continuing operation of the Group

Operational highlights

- KX continued to execute well in the second half of the year, delivering FY bookings growth at the top end of our guidance range and ahead of consensus¹ expectations, with £18.0 million annual ACV (FY24: £13.5 million), +33 per cent YoY.
- KX achieved annual recurring revenue +13 per cent to £81.8 million (FY24: £72.5 million), a significant milestone exceeding \$100 million² for the first time.
- Cash EBITDA was ahead of previous guidance and above the top end of consensus expectations with a loss of £14.6 million (FY24: loss of £18.8 million).
- Bookings growth during the period was driven by expansion with existing financial services customers, and we expanded our market share in high-tech semiconductor manufacturing. In addition, we secured new business among tier 2 hedge funds and investment banks, as well as in the aerospace and defence sector.
- We divested MRP³ and First Derivative, and subsequently returned £120 million to shareholders, closing the year with £55 million net cash and no debt.
- On 8 May 2025, the Board unanimously recommended TA's cash offer for the business (under Kairos Bidco), which values FD Technologies at £24.50 per share or £570 million.

¹ On 28 February 2025, the Company-compiled analyst mean consensus estimates indicated £16.7 million in Annual Contract Value ACV added during the period (range £16.0-17.0 million), £82.8 million in ARR (range £81.2-84.5 million), and an £18.5 million cash EBITDA loss (range of £16.3-20.1 million loss). The consensus included estimates from six analysts.

² £81.8 million ARR translated into US dollars was \$103.1 million, using the US\$/£ exchange rate of 1.26 on 28 February 2025.

³ The Group retains a 49 per cent associate investment in pharosIQ, which resulted from the subsequent merger of MRP with CONTENTgine.

Industry-leading technology

Today, KX is a high-growth subscription software business. It operates in advanced data analytics and AI and has an industry-leading technology platform for managing and analysing historical and real-time structured and unstructured data at any scale.

We have a robust pipeline of opportunities for FY26, with a healthy mix of expansion and new customer opportunities across financial services, aerospace and defence, and high-tech semiconductor manufacturing.

Business overview

A trusted, global technology leader

We are uniquely positioned with a trusted and strongly differentiated technology in the global data and analytics market, where AI is the key growth driver.

Who we are

KX is a global software business trusted by top investment banks, aerospace and defence, high-tech manufacturing and health and life sciences organisations.

With growing ARR and strong retention rates, we have good visibility over future revenues. KX has a strong balance sheet and is expected to achieve positive cash EBITDA in FY27.



* February 2025. Only locations with 10 or more full-time employees are shown.

Employees

>580

ARR

>£81.8m

ARR growth

+13%

Net cash (excluding lease liabilities)

£55m

What we do

We help our customers make faster, more confident business-critical decisions. Our data platform excels at handling vast volumes of historical and real-time, high-frequency structured and unstructured data, making it ideal for real-time analytics, IoT, and streaming solutions.

Revenue by type

Subscription 94% (FY24: 86%)

Services 5% (FY24: 11%)

Perpetual 1% (FY24: 3%)

Revenue by sector

Financial services 76% (FY24: 79%)

Industry 24% (FY24: 21%)

Operating expenses / revenue

S&M 40% (FY24: 40%)

R&D 38% (FY24: 38%)

G&A 24% (FY24: 24%)

Our purpose

To deliver the world's fastest and best-informed, real-time decision-making capabilities.

Our mission

Accelerate the speed of data and AI-driven business innovation to enable our customers to transform to real-time intelligent enterprises.

Our values**Data driven**

We lead with instinct and follow fact.

Naturally curious

We lean in, listen, and learn fast.

All in

We take ownership, take on challenges, and give it our all.

Our solutions**Financial services**

Quantitative research, back-testing, pre- and post-trade analytics, real-time visibility, pattern and trend analytics.

Aerospace and defence

Multi-source event correlation, research science analytics, sensor monitoring, and real-time asset monitoring.

High-tech manufacturing

Predictive maintenance, yield monitoring and optimisation, visual quality inspection, and digital twins.

Chair's review

Maximising shareholder value

"As a result of our actions, KX is positioned for strong top-line growth and sustainable operating leverage."

Donna Troy
Chair

In the fiscal year ending February 2025, we achieved significant strategic milestones and delivered a robust financial performance. During the year, we took decisive steps to streamline our operations, enhance our focus, and deliver substantial value to our shareholders.

Strategic divestment of First Derivative

One of our most pivotal actions this year was divesting our First Derivative business. This strategic move was driven by our commitment to sharpen our focus on the KX division, which specialises in real-time analytics and AI-driven solutions. The sale of the First Derivative business to EPAM Systems, Inc. for an enterprise value of £230 million was a carefully considered decision to optimise our portfolio and reallocate resources to areas with the highest growth potential.

The divestment process was initiated in March 2024 and completed in Q4 2024, following shareholder approval. The proceeds from the sale have been instrumental in strengthening our balance sheet, returning value to shareholders and positioning us for future growth.

Capital return

In line with our commitment to delivering value to our shareholders, we announced a £120 million tender offer following the completion of the First Derivative divestment. This tender offer, which shareholders approved in January 2025, involved the acquisition of 6.2m ordinary shares for £19.50 per share. Its successful execution enhanced shareholder value and demonstrated our disciplined approach to capital allocation.

Formation of pharosIQ

Another significant development this year was the all-share merger of our MRP business with CONTENTgine and the subsequent creation of pharosIQ, a leading B2B demand generation services provider. We continue to own 49% of pharosIQ as an associate investment, and we are pleased to report that significant synergies have been achieved since the merger. This merger has positioned pharosIQ as a leader in the B2B intent signal data and demand generation space, leveraging advanced AI and machine learning technologies to deliver significant value to B2B vendors.

Operational and financial performance

KX has consistently delivered strong operational and financial performance throughout the year. Our focus on real-time analytics and AI-driven solutions has resonated well with our clients, leading to significant growth in recurring revenues. KX added £18.0 million in annual contract value, with annual recurring revenue increasing by 13 per cent to £81.8 million, strengthening our visibility over future revenues.

Our focused go-to-market strategy is working. We have grown within our existing customers and added new logos in financial services. We have successfully increased our penetration into our focus markets, including aerospace and defence and industrial IoT, especially high-tech manufacturing for semiconductors. Our partnerships with industry leaders such as AWS, Microsoft, and NVIDIA have further strengthened our market position and are helping to support our expansion. Such collaborations enable us to leverage cutting-edge technologies, increase our reach, and deliver innovative solutions to our clients.

Governance

The Board remains steadfast in its commitment to strong governance and risk management, particularly in a year marked by significant strategic projects. We ensure that we identify, assess, and mitigate risks effectively, safeguarding our operations. In the past year, we have focused particularly on ensuring that the strategic projects were conducted with careful oversight to safeguard our stakeholders' interests. For further details on governance and risk management, see page 27 of this Annual Report.

Strategic focus and outlook

As we move forward, our strategic focus is to drive growth and enhance profitability. The divestment of the First Derivative business has allowed us to concentrate on KX, where we see significant growth potential. We can leverage our powerful competitive advantages through our industry-leading technology, which seamlessly manages diverse, high-volume, high-frequency, real-time, and historical data. This capability positions us at the forefront of our industry, enabling us to deliver unmatched value and insights for our customers.

We are confident in achieving our financial targets and delivering sustainable growth and operating leverage. Our strong pipeline of opportunities and robust financial position provide a solid foundation for future success. We remain focused on executing our strategic initiatives and driving long-term shareholder value.

Recommended cash offer for the Group

On 8th May, TA Associates (TA) announced an all-cash offer for the Group (under Kairos Bidco), valuing the business at £24.50 per share, or £570 million. We are pleased to have reached this agreement with TA, allowing shareholders to realise value in cash at an attractive premium. The Board is unanimous in its belief that this transaction recognises the quality and underlying value of the business and delivers appropriate value to shareholders.

Conclusion

In conclusion, 2025 has been a transformative year. The strategic divestment of MRP and the First Derivative businesses, and the successful execution of the £120 million tender offer, have been key milestones in our journey. As a result of our actions, KX is positioned for strong top-line growth and sustainable operating leverage.

I want to thank our shareholders for their continued support and confidence in our vision. I would also like to thank our employees for their dedication and hard work, which have been instrumental in achieving our strategic objectives. Together, we have laid a strong foundation for the future, and I am excited about the opportunities ahead.

Donna Troy

Chair

FD Technologies plc

2 June 2025

Investment case

FD Technologies

Henceforth, our sole continuing operation is KX. The Company is uniquely positioned, with a trusted, proven and strongly differentiated technology, in the global data and analytics market, where AI has become the key growth driver.

1

Trusted, proven technology

KX is a critical technology for the world's top investment banks, aerospace and defence, and high-tech manufacturing organisations.

2

Unmatched speed and performance

Our products have been independently benchmarked as the fastest on the market.

3

Strong customer value proposition

We help businesses extract high-value, actionable insights from their data to support real-time, business-critical decisions.

4

Significant, growing market

We estimate that our current serviceable addressable market at >\$8 billion.

5

Financial strength

With fast-growing ARR and high retention rates, we have good visibility over our revenue, high gross margins, significant potential for operating leverage, and a strong balance sheet.

Chief Executive's review

A year of significant strategic progress

"As these results demonstrate, momentum is accelerating."

Seamus Keating

Group Chief Executive Officer

FD Technologies plc

In FY25, we separated the Group's three businesses, divesting MRP and First Derivative. Henceforth, KX is the Group's sole continuing operation.

KX is a high-growth subscription software business. It operates in advanced data analytics and AI, with an industry-leading technology platform for managing and analysing historical and real-time structured and unstructured data at any scale.

As these results demonstrate, momentum is accelerating in KX bookings and ARR growth, and the business is on course to deliver sustainable operating leverage over the long term, with cash EBITDA reaching breakeven in FY27.

Following the completion of the disposal of First Derivative for an enterprise value of £230 million in December 2024, we returned £120 million to shareholders via a tender offer in January 2025, reflecting our commitment to maintaining an efficient balance sheet and maximising shareholder value.

Recommended cash offer for FD Technologies plc

On the 8th of May, the Board unanimously recommended TA's cash offer for the Group (under Kairos Bidco), which values FD Technologies at £24.50 per share or £570 million. I believe TA is a valuable partner for the Company with a shared commitment to enhancing KX's business and capitalising on the longer-term opportunity in the data and analytics software market.

TA has significant experience in supporting high-growth global software businesses and we believe it is a suitable and appropriate partner for our employees, customers and other stakeholders.

FY25 business performance

In FY25, KX delivered a strong financial performance, as our strategic focus on delivering advanced data and analytics capabilities into high-growth sectors yielded significant wins across our core verticals.

We generated an incremental £18.0 million in annual contract value (ACV) at the top end of our guidance range of £16-18 million. Annual recurring revenue (ARR) increased by 13 per cent to £81.8 million (FY24: £72.5 million); this marks a strategic milestone, with ARR surpassing \$100 million* for the first time.

Reported revenue increased by 2 per cent to £80.7 million (FY24: £79.1 million). KX reported an operating loss of £(23.4) million (FY24: £(15.6) million), with an adjusted EBITDA of £6.5 million (FY24: £5.1 million).

We continue to see strong interest and adoption of our KX Insights products, and we are continually enhancing platform accessibility for developers and analysts. Momentum is building for our new AI capabilities among existing customers and new logos.

In the year, 35 per cent of ACV bookings came from industries outside financial services, with notable contributions from aerospace, defence, and industrial IoT.

Strategic highlights

Our mission is to transform industries by enabling organisations to harness high-frequency time-series data, unstructured data, and AI-driven models with unparalleled speed, accuracy, and efficiency.

To achieve this ambition, we have a product portfolio strategy that leverages our differentiation by offering a unified, real-time, time-series AI data platform. We also invest in industry-focused product offerings, targeting further growth in financial services and additional opportunities in industries such as aerospace, defence, and industrial IoT.

Furthermore, we prioritise an efficient go-to-market strategy, focusing on repeatable use cases, primarily through a direct sales model, while also collaborating with strategic partners to generate awareness and demand.

Among our key strategic achievements in FY25 were the following:

- In financial services, we achieved significant expansion bookings with existing customers.
- We achieved notable wins with cloud service partners, enabling customers to deploy KX solutions seamlessly on leading cloud platforms.
- We launched accelerators in collaboration with ICE, Databricks, and Snowflake to expand our market reach.
- We participated in several initiatives with NVIDIA to support customers in building their advanced AI capabilities.
- We also secured significant new logos at global semiconductor companies through our collaborative partnerships with Applied Materials and Synopsys.

For further information about our strategy, see page 16.

Our markets

With a heritage in the financial services industry, the KX time-series AI data platform is trusted by many of the world's top investment banks and asset managers. We have a significant global market opportunity to expand our presence with existing and new financial services customers. Our software has applications in satellite imagery analysis and signal processing in the aerospace and defence industry. Additionally, we are expanding our presence in the industrial Internet of Things (IoT), specifically for the high-tech semiconductor manufacturing sector, where our software is utilised to enhance machine production lines and improve uptime on the factory floor.

In our assessment of our current serviceable addressable market (SAM), we estimate that the opportunity in our existing markets, utilising our current products, exceeds \$8 billion and is growing rapidly.

We focus on several strategic growth opportunities, including:

- Expanding further in financial services as customers deploy our platform across new asset classes and divisions.
- Adding new customers in the financial services industry, specifically among tier-2 investment banks, asset managers and hedge funds.
- Other focus markets, for example, the aerospace and defence industry and industrial IoT.
- Through innovation to sustain our industry leadership position, develop new capabilities, and shorten time-to-value through industry accelerators.
- Through building close relationships with key strategic partners.

For further information about our markets, see page 12.

Priorities for FY26

We have a robust pipeline of opportunities for FY26, with a healthy mix of expansion and new logo opportunities across financial services, aerospace, defence, industrial IoT, and health and life sciences. To execute our growth plans effectively, we prioritise our investment into the following:

- **Accelerate our go-to-market motion:** we aim to optimise our go-to-market efforts and expand customer reach in core sectors.
- **Further expansion in financial services:** we can leverage our loyal network of evangelical users in financial services to solidify our market position further.
- **Innovation, driving flexibility and accessibility:** enhanced functionality (PyKX, AI tools) is helping us to unlock new

customer opportunities and further accelerate our go-to-market motion.

- **Build on the new vertical market opportunities:** we continue to evaluate opportunities in regulated sectors, including aerospace and industrial applications.

Sustainability

This has been a year of significant change and transition. Our business started FY25 with 2,400 employees, and today, that number has decreased to just under 600, following the sale of First Derivative, which resulted in the transfer of 1,523 colleagues to their new home at EPAM Systems Inc.

Being a responsible business is at the core of our sustainability approach. We ensure that sustainability is at the centre of the decision-making processes. We are committed to fostering a sustainable future through our dedication to the three pillars of sustainability: people, environment, and communities. These three pillars are directly linked to a range of key metrics that we measure across our business and are aligned with specific UN Sustainable Development Goals.

During the year, we successfully supported those employees transferring to new business owners, launched three KX employee resource groups (Pride, Women, and Neurodiversity), and rolled out several employee initiatives, including Culture Champions across all regions to ensure our people feel connected and part of the team.

We also deployed a new employee engagement platform, widely regarded as the industry's gold standard, to further strengthen our employee brand, attract top talent more effectively, and reinforce our commitment to fostering an exceptional workforce.

We are committed to reducing our carbon emissions in line with the UK Government's targets and have several initiatives underway to embed carbon reduction into all aspects of our business operations, from employee travel to the use of clean energy in our offices and making sustainable choices throughout our supply chain.

For further information about our approach to sustainability, see page 37.

Outlook

We made significant strategic and operational progress in FY25. With accelerating ARR growth and better-than-expected operating leverage, KX delivered a strong performance based on good ongoing execution.

Our focus for FY26 is to deliver efficient growth and demonstrate progress in delivering the significant operating leverage that is a feature of our business over the long term. We will prioritise our investments to accelerate deployment, time-to-value and ease of use, further simplifying our product model and enhancing sales productivity.

Consequently, in FY26, we expect ARR growth of at least 20 per cent and continue to target positive cash EBITDA in FY27.

Seamus Keating

Group Chief Executive Officer

FD Technologies plc

2 June 2025

* £81.8 million ARR restated in US dollars was \$103.1 million, using the US\$/£ exchange rate of 1.26 on 28 February 2025

Business model

Our goal is to maximise value for stakeholders

Our business model is founded on providing advanced data analytics and real-time processing capabilities to organisations that require rapid and precise data insights. Operating primarily in the financial services sector, we are also expanding into markets where our products can address the challenges of handling large volumes of real-time data, such as aerospace & defence, and high-tech manufacturing.

Enabling sustainable value creation

We equip our business with the resources to deliver products that satisfy customers while maximising shareholder returns and positively impacting local communities.

Key aspects of our business model include:

Subscription-based licensing

Cloud and on-premises deployment

AI and machine learning integration

Inputs

Our employees

Recruiting and retaining the most talented people is crucial to our success.

Our employees drive innovation, helping us sustain our industry-leading position and ensuring the quality and reliability of our products.

Investment in research and development

We invest in research and development to sustain our technology advantage, principally through developing new capabilities and additional industry-specific accelerators to drive further growth.

Establishing strategic partnerships

Partnerships are an essential part of our business model. For example, we partner with Cloud Service providers, systems integrators and original equipment manufacturers (OEMs).

Key differentiators

High performance

We have been ranked as the fastest available data analytics platform in independent performance benchmark studies.

Time series and vector data analytics

We specialise in handling large volumes of time series and vector data.

Scalability and flexibility

We support cloud, on-premise, and edge deployments.

Integration capabilities

Our customers can maximise their existing investments by easily integrating our platform with popular third-party analytics tools.

Global presence

We are trusted by leading organisations.

How we create value

Strategy

Our Board has set a strategy for KX to deliver the leading platform for time-series data and AI, setting new standards for performance, ease of use, and unified data access.

KX will empower organisations to build intelligent applications that transform industries. If we succeed, KX will become a high-growth, high-value Company as the leader in real-time insights, and the default choice for time-series data and AI.

Read more on page 16.

Financial

Our emphasis on financial discipline and strong governance underpins our ability to meet our strategic and financial goals.

Read more on page 23.

Outputs

Returns for shareholders

- 5 year recurring revenue CAGR: +19%
- £120 million return of value via a tender offer in calendar Q1 2025

Returns for our employees

- Positive culture: 80% sustainable engagement
- Profits reinvested for growth

See page 38.

Returns for society

- Our technology is highly efficient and helps to democratise AI through a lower total cost of ownership
- More intelligent, actionable insights further reduce costs and improve returns for society as a whole

Community benefits in FY25

- £33k donated to charity
- Diverse range of causes supported by employee volunteering

See page 52.

Market review

Our markets

Our customers' competitive advantage depends on leveraging ever-growing amounts of data to make better, faster decisions.

In today's digital landscape, organisations are moving from static, code-based systems to dynamic learning models, where data drives innovation and competitiveness. However, traditional technology solutions often hinder innovation through latency, complexity, and cost, especially when deployed at scale. Through our investments in AI, our platform has expanded to enable the simultaneous ingestion and analysis of structured and unstructured time-based data at scale and in real time.

At the heart of our approach is the 'AI Factory' concept. This framework integrates data collection, pipelines, analytics, and algorithm development into a seamless process that automates and optimises decision-making. This empowers our customers to uncover relationships, patterns, and behaviours that other technologies cannot deliver as effectively or cost-efficiently, forming the technology platform to deploy better and more automated decision-making as part of their AI Factory.

With partners such as NVIDIA and leading cloud service providers, including AWS and Microsoft, we are working on solving some of our customers' highest-value challenges, cementing KX as a critical part of the AI Factory for state-of-the-art data management, model development, experimentation, and deployment.

Using our data platform, customers can:

- Discover competitive insights through data exploration.
- Enhance operational efficiency and reduce costs.
- Navigate risk management and compliance effectively.

Industry-leading technology

We enjoy significant competitive advantages due to our industry-leading technology's ability to manage diverse, high-volume, high-frequency, real-time, and historical data.

Our data platform simplifies complex analytics using built-in analytical functions, a functional vector language augmented by Python and SQL support, and a natural language query interface.

Thanks to our advanced array-based programming and compression technologies, KX is the industry leader in performance and efficiency. This support for demanding AI applications offers significant environmental and cost benefits.

Our platform is integrated and modular

KX technology supports a comprehensive, integrated, yet modular architecture that facilitates a range of high-performance analytics and applications. By utilising standard configurations, industry accelerators, and integrations, we are reducing the complexity of our technology, enhancing time-to-value, and accelerating adoption.

Read more about our technology on page 20.

Focus markets

The common characteristic of the markets we address is the need to quickly derive high-value, actionable insights from large volumes of data. Our heritage lies in the financial services industry, where we continue to have significant opportunities for growth, as we can expand within our installed base and win new customers, particularly in tier-1 and tier-2 financial services businesses. However, we have a growing presence in aerospace and defence, industrial IoT (notably within high-tech manufacturing for semiconductors), health, and life sciences. In all these industries, we see the following trends:

- An exponential growth in high-frequency and real-time data volumes and varieties
- The need to integrate AI, machine learning, and automation into core business processes
- An increasing demand for real-time analytics and decision-making
- A universal push for cost-effective, high-performance technological solutions

These trends highlight the accelerating digital transformation across various sectors. Our cutting-edge technology is helping to facilitate this shift, marking a new chapter of sustained growth and innovation in the AI era.

In our assessment of our current serviceable addressable market (SAM), we estimate that the opportunity in our existing markets, utilising our current products, exceeds \$8 billion and is growing.

Our products

We capitalise on these opportunities with our suite of high-performance software products and an integrated modular architecture.

- **kdb+** is a high-performance, highly scalable database and analytics engine independently benchmarked best-in-class for performance and efficiency. It lies at the core of all KX products.
- **kdb Insights** is a cloud-native, high-performance, scalable analytics platform for real-time streaming and historical data analysis. It features native time-series analytics, Python integration, and SQL support, enabling developers and data scientists to derive insights, detect anomalies, and automate responses—all in real time and at scale.
- **KX Delta** provides real-time data processing and advanced analytics to power precise operational decision-making and reliable mission-critical operations in high-security environments, for example, in the defence industry.
- **KDB.AI** is a robust vector database and search engine that facilitates building scalable, reliable AI applications using real-time data. It offers advanced search, recommendation, and personalisation capabilities.
- **KX Sensors** transforms vast IoT data into actionable insights, helping businesses maintain a competitive edge. High-performance analytics enable real-time and historical sensor data analysis to identify abnormalities, detect faults, and predict failures quickly.

Our customers' competitive advantage

Financial services customer

(Hong Kong, capital markets, large enterprise)

The problem

The customer was facing difficulties in scaling their data processing capabilities. They needed a solution to handle big data processing and predictive analytics as they ingest 100-500 GB of structured data daily and access 100-500 TB of historical data.

The solution

KX vectorised data and time series features allowed them to process and analyse their large volumes of data effectively. They deployed KX on-premises to overcome scaling challenges and enhance their predictive analytics capabilities.

Why KX?

- Vectorised data processing.
- Time series.
- Predictive analytics.
- Big data processing.

+100%

increased query performance

75%

reduction in total cost of ownership

Bank of America

(United States, capital markets, Fortune 500)

The problem

Bank of America encountered challenges with their data systems, including a lack of flexibility. They needed a solution capable of processing and analysing large volumes of structured data.

The solution

KX enabled Bank of America to ingest over 1 TB of data daily and access 100-500 TB of historical data, performing anomaly detection, big data processing, predictive analytics, algorithmic automation, asset monitoring, streaming data analysis, pattern detection and data visualisation. By choosing KX, Bank of America achieved a return on their investment within 12-18 months.

Why KX?

- Actionable analytics.
- Vectorised data processing.
- Time series.
- Low latency queries.
- q language.

+100%

faster development cycles

+100%

increased query performance

Chemicals company

(France, industrials, large enterprise)

The problem

The Company faced significant challenges with its existing solutions, including a lack of flexibility, difficulty scaling, and slow development cycles. These issues hindered its ability to handle data effectively and optimise operations.

The solution

Having deployed KX, the customer can now ingest 10-100 GB of structured streaming data daily, utilising algorithmic automation, data visualisation, asset monitoring, operational optimisation and predictive analytics. The customer achieved significant value across their organisation and a return on their investment after 18 months.

Why KX?

- Time series.
- Scalability.
- Low latency queries.

+100%

operational efficiency

+75%

faster query performance

LOGICLY/TMX

(United States, capital markets, SME)

The problem

LOGICLY encountered challenges with their previous solution, which lacked flexibility. This hindered their ability to process and analyse their data effectively.

The solution

KX provided LOGICLY with a scalable solution to process all its structured data types, including time series data, with low latency queries and actionable analytics. LOGICLY ingests 10-100 GB of data daily into KX, which it deploys on AWS Cloud, and it accesses less than 1 TB of historical data. KX's vectorised data and q language capabilities deliver a low total cost of ownership and LOGICLY achieved a return on their investment within 1-3 months.

Why KX?

- Ability to process all data types.
- Vectorised data processing.
- Low latency queries.
- Scalability.
- Low total cost of ownership.
- Actionable analytics.
- Time series.
- q language.

+75%

acceleration in development cycles

+100%

increased query speed

"KDB uses less time & space. This effectively means fewer CPUs and less RAM, bringing our compute costs down. Operationally, this means we can rebuild and recover from errors much faster."

Emil Tarazi

LOGICLY

Strategy

Driving profitable growth and shareholder value

KX is a global software business trusted by top investment banks, aerospace and defence, high-tech manufacturing and health and life sciences organisations. Here, we explain our strategy and the key performance indicators we consider most appropriate for measuring success.

Key elements of our strategy:

1 Product portfolio strategy

2 Industry-focused product offerings, leveraging the unified platform

3 Efficient go-to-market approach

Our vision

To be the global leader in high-performance, real-time and AI-driven decision-making and analytics, empowering customers with cutting-edge solutions for the most data-intensive environments.

Our mission

To transform industries by enabling organisations to harness high-frequency time-series data, unstructured data, and AI-driven models with unparalleled speed, accuracy, and efficiency. Through continuous innovation in AI, real-time analytics, time-based analytics and high-frequency processing, we redefine how industries leverage data, ensuring our position as the go-to platform for mission-critical decision-making.

Our strategy is succeeding:

As elaborated in the CEO's review on page 7, in FY25, we achieved the following notable successes:

- Robust bookings growth with new and existing customers in financial services.
- Customers can now deploy KX solutions seamlessly on these leading cloud platforms.
- Separated and refocused our business during the year, with KX well-placed to achieve its growth and profitability targets.

1

Product portfolio strategy

- A unified platform vision that leverages our differentiation.
- Unified data & AI; analytics, algorithms and AI on real-time, historical and streaming data.
- High performance; volume (petabyte), variety (all data types), velocity (sub-second latency), veracity (trusted source) and value (efficient).
- Accessible; code in Python, SQL or 'q'. Modular components for design flexibility and enhanced time-to-value that can be deployed anywhere.

2

Industry-focused product offerings, leveraging the unified platform

- We target further growth in financial services by adding asset classes, use cases, and divisions, leveraging value- and usage-based pricing, and capturing market share gains with our existing customers.
- We target new customers in the financial services industry, particularly among the 2,500 tier-2 and tier-3 organisations we have identified where we see growing demand for the advanced data processing our platform enables.
- We capture further growth opportunities in industries such as aerospace and defence, the broader government segment, industrial IoT, and health and life sciences.
- We forge strong strategic partnerships to expand our ecosystem and ensure widespread access to our transformative technology, which empowers industries at every level.

3

Efficient go-to-market approach

- We focus on repeatability and prioritise our focus markets. For example, established use cases include trading analytics, research, back-testing, monitoring and signal detection. Emerging use cases include AI research, pattern recognition, and observability.
- Our business model, aligned with our strategy, is to land, deploy, expand and renew.
- We operate a direct sales-led model, with most of our pipeline generated internally.
- We also leverage our strategic partnerships with the hyperscalers, market data providers, systems integrators, and hardware vendors.
- We operate separate new business and customer expansion teams with a value-led approach to support pricing and expansion discussions.
- We prioritise our investment to target the most efficient regional growth opportunities.
- Our marketing strategy centres on raising awareness through thought leadership, industry events, and co-marketing with partners. We grow our pipeline of deal opportunities and increase market advocacy for our brand through campaigns, webinars, meet-ups, events and our customer advisory board.

Q&A with Ashok Reddy

Breaking the limits

Projected market value of AI in the financial sector

\$4.4 trillion

For further information refer to <https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/the-economic-potential-of-generative-ai-the-next-productivity-frontier>

Manufacturers reporting AI as reducing costs and improving efficiencies

72%

Predictive maintenance based on IoT sensor data is slashing downtime by

15%

Ashok Reddy

CEO, KX

As CEO of KX, Ashok Reddy oversees the development and deployment of advanced AI solutions that drive business value for customers and is recognised and respected as a thought-leader regarding the strategic use of AI to achieve a tangible return on investment.

What benefits does AI bring to businesses?

Like electricity or the internet, AI itself isn't a product — it's a utility. AI will be the enabler for groundbreaking services and solutions that reinvent global industry. Indeed, researchers are already shifting from pure technological innovation to solving real-world, targeted problems across various sectors.

The AI innovation and learnings that have transformed Wall Street are now exploding onto Main Street, unleashing opportunity and disruption in equal measure. While AI advances offer the financial sector \$200 — \$340 billion in value, that figure will be utterly eclipsed by the potential across other industries — up to \$4.4 trillion annually according to a recent article from the McKinsey Global Institute.

In pharma, AI is transforming drug discovery and genomic analysis. Firms like Johnson & Johnson are leveraging AI to design and optimise drug candidates, speed up clinical trials, and enable targeted and personalised healthcare. Recent academic studies published by the National Library of Medicine put the cost of creating a new drug at \$2.8 billion, so AI's potential to double development success will have an enormous impact.

According to the National Association of Manufacturers, 72% of manufacturers report AI is reducing costs and improving efficiency. Optimised Industry 4.0 design and production processes, as well as supply chains, significantly reduce waste. For instance, AI-powered collaborative robots (or cobots) are working alongside people in companies like BMW and Boeing to improve productivity, while predictive maintenance based on IoT sensor data is slashing downtime by as much as 15%, according to a 2024 article from Oracle.

What challenges are faced by enterprises seeking to take advantage of this?

Analysing massive volumes of historical and streaming data in real time, in structured and unstructured formats, is a deeply complex challenge. You need the ability to seamlessly ingest, process, and analyse vast amounts of time-oriented, high-frequency data. This allows you to uncover patterns, relationships, and behaviours at a scale and speed that no other technology can match in terms of cost-effectiveness and precision.

This is where organisations hit the AI sound barrier. At KX, we're breaking through these limits by delivering an ultra-high-performance, real-time analytics platform purpose-built for AI-driven decision-making. Our unique combination of a vectorised time-series database, in-memory processing, and real-time streaming capabilities enables businesses to ingest, process, and analyse vast volumes of structured and unstructured data at unmatched speed and efficiency.

What part does KX play in the competitive landscape for data management platforms?

The data management platform competitive landscape is fragmented, and businesses are typically required to stitch together multiple tools to achieve their goals. These tools include data warehouses, analytical databases, traditional relational databases, speciality time-series databases, and event streaming platforms. These platforms are mostly not designed for analysing real-time or time-series data at sub-millisecond latency and at scale.

KDB, built upon KX's industry-leading kdb+ technology, is a revolutionary platform designed to overcome these limitations and unlock the full potential of Time-Series AI. It's a single, unified environment for managing, analysing, and building AI-powered applications on all your time-series data – both historical and real-time – leveraging kdb+'s proven performance.

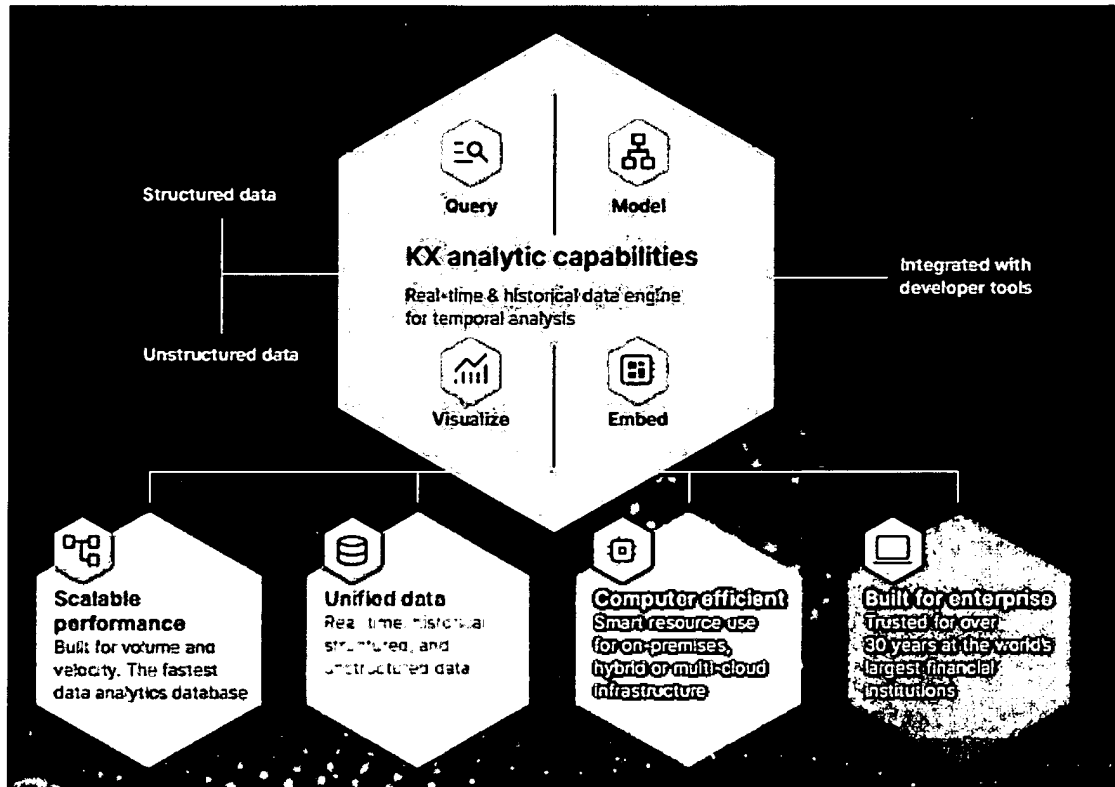
What will success look like for KX?

Through KDB, KX will become the definitive analytical database platform for time-series AI, setting a new standard for performance, ease of use, and unified data access. We will empower organisations to build intelligent applications that transform industries. KX will be a high-growth, high-value company, the undisputed leader in real-time insights, and the default choice for time-series data and AI.

Technology feature

Real-time AI data platform

Our platform is integrated and modular



Unified analytical platform

Eliminates data silos, reduces complexity, seamlessly handles temporal intelligence.

In-memory speed

Minimal footprint, unmatched real-time processing power.

Columnar efficiency

Maximises analytical power with minimal data overhead.

Developer accessibility

Lowering the barrier for developers to leverage time-aware AI capabilities.

Time-oriented data enables applications across multiple industries

KX technology supports a comprehensive, integrated, yet modular architecture that facilitates a range of high-performance analytics and applications. By utilising standard configurations, industry accelerators, and integrations, we are reducing the complexity, enhancing time-to-value, and accelerating adoption.

Finance and banking**Data**

Real-time transactional and market data, time series data of stock prices and financial indicators

Application

Fraud detection, risk assessment, predictive financial modelling, algorithmic trading

Aerospace & defence**Data**

Geo-location, equipment sensors, traffic logs, environmental sensors

Application

Location intelligence, asset tracking, supply chain, threat detection

Healthcare**Data**

Patient records, treatment data, time series data of patient vital signs and medical interventions

Application

Health monitoring, disease diagnosis, predictive healthcare, personalised treatment plans

Manufacturing**Data**

Machine data, production logs, time series data of sensor readings and production outputs

Application

Production process optimisation, predictive maintenance, quality control

Telecom**Data**

Network traffic, service usage data, time series data of network latency and packet loss

Application

Network optimisation, customer insights, fraud detection, user behaviour modelling

Retail**Data**

Sales trends, customer behaviour, supply chain efficiency, time series data of sales and interactions

Application

Sales analysis, customer segmentation, inventory management, demand forecasting

Read more about the markets we serve on page 12

Key performance indicators¹

Measuring stakeholder value

The Board utilises the following key performance indicators (KPIs) to measure stakeholder value creation.

Annual contract value (ACV) added

£18m

FY25 £18m

FY24 £14m

FY23 £19m

Measures the sum of the value of all subscription, maintenance and perpetual contracts signed during the period divided by the number of years in each contract. This KPI is meaningful as it provides the Board with insight into the growth of the business and its future recurring revenues. Encouragingly, the ACV added in FY25 increased by 33 per cent year-over-year.

Cash EBITDA

(£15m)

FY25 (£15m)

FY24 (£19m)

FY23 (£6m)

Measures adjusted EBITDA adjusted for R&D capitalised and is used as an indicator of cash generation. This KPI is meaningful as it provides insight into the Company's cash flow characteristics. Cash EBITDA was a loss of £14.6 million in FY25. We aim to achieve positive cash EBITDA in the fiscal year 2027.

Annual recurring revenue (ARR)

£82m

FY25 £82m

FY24 £73m

FY23 £65m

The value of recurring software revenue that will be recognised over the next twelve months, as measured at the end of the period. We consider the growth in annual recurring revenue to be a significant KPI, and more meaningful than total annual revenue, as it provides us with visibility into recurring, high-margin future subscription software revenue. ARR grew by 13% in the year as KX achieved a significant milestone, with ARR surpassing \$100 million² for the first time.

Net cash/(debt)

£55m

FY25 £55m

FY24 (£19m)

FY23 £(9m)

Measured as the amount of debt (excluding lease obligations) less cash and cash equivalents.

The Board monitors its net cash position to ensure the Company has sufficient capacity within its facilities to continue delivering its strategy. Following the sale of First Derivative for £237 million in December 2024, the Group repaid all its debt. After deducting transaction costs and repaying debt, we returned £120 million to shareholders via a tender offer in January, and KX retained c.£50 million in cash.

¹ All KPIs are for KX, the Group's sole continuing operations. They exclude the divested First Derivative and MRP businesses to provide meaningful year-over-year comparisons.

² £81.8 million ARR restated in US dollars was \$103.1 million, using the US\$/£ exchange rate of 1.26 on 28 February 2025

Financial review

Driving growth and value creation in FY25

"In FY25, we prioritised efficient organic growth, innovation, and our people, and demonstrated our commitment to maximising shareholder value by returning excess capital to shareholders."

Ryan Preston

Chief Financial Officer

Revenue and margins

The table below shows the Group's performance in the year, with KX as the sole continuing operation.

	FY25 £m	FY24 £m	(+/-) YoY
Revenue	80.7	79.1	2%
Cost of sales	(13.1)	(17.2)	(24%)
Gross profit	67.7	62.0	9%
Gross margin	84%	78%	
R&D expenditure	(30.4)	(30.2)	1%
R&D capitalised	21.1	23.9	(12%)
Net R&D	(9.3)	(6.2)	49%
Sales and marketing costs	(32.6)	(31.8)	2%
Adjusted admin expenses	(19.3)	(18.8)	3%
Adjusted EBITDA	6.5	5.1	27%
Adjusted EBITDA margin	8%	6%	
Cash EBITDA	(14.6)	(18.8)	(22)%

KX

In FY25, our continuing operations at KX generated an additional £18.0 million in annual contract value (ACV), an increase of 33% per cent YoY (+33% per cent at constant currency). Reported revenue rose to £80.7 million, an increase of 2% per cent YoY (+3% per cent at constant currency). At the end of the period, annual recurring revenue (ARR) was £81.8 million, reflecting growth of 13 per cent YoY (+13 per cent at constant currency).

	KX total			Financial services			Industry		
	FY25 £m	FY24 £m	(+/-) YoY	FY25 £m	FY24 £m	(+/-) YoY	FY25 £m	FY24 £m	(+/-) YoY
Revenue	80.7	79.1	2%	61.7	62.5	(1%)	19.0	16.6	14%
Recurring	76.0	68.4	11%	59.0	56.4	5%	17.0	12.0	42%
Perpetual	0.9	2.3	(61%)	0.0	0.1	(100%)	0.9	2.2	(60%)
Total software	76.9	70.7	9%	59.0	56.5	4%	17.9	14.2	26%
Services	3.8	8.5	(55%)	2.7	6.0	(55%)	1.1	2.4	(55%)
Gross profit	67.7	62.0							
Adjusted EBITDA	6.5	5.1							

Revenue growth drivers included an 11 per cent increase in recurring license fees to £76.0 million, countered by a reduction in services revenues to £3.8 million. This decline in services aligns with our strategy to focus on software revenue, which reflects the increased ease of adopting our software, resulting in a reduced need for implementation services. As a result of this shift, the gross margin improved to 84 per cent (FY24: 78 per cent) with the reduction in lower-margin services and a higher proportion of software in the mix.

During the year, we generated £18.0 million in additional ACV (FY24: £13.5 million). Perpetual license fees primarily relate to ongoing customer engagements initiated before we focused exclusively on subscription sales for new customers. We made encouraging progress in transitioning several of these legacy agreements to more favourable terms, reflecting the value our products deliver.

During FY25, there was a 1 per cent decline in financial services revenue to £61.7 million, after the 5 per cent increase in recurring software revenue was offset by a 55 per cent decline in services revenue. We are encouraged to see existing and new customers adopting KX Insights, attracted by its performance, ease of use, and rapid time-to-value; our native integration with essential developer languages, such as Python and SQL, has facilitated this trend.

Industry revenue grew by 14 per cent to £19.0 million, with recurring revenue rising by 42 per cent to £17.0 million. The aerospace, defence, and high-tech semiconductor manufacturing sectors primarily drove this growth.

ARR increased by 13 per cent to £81.8 million, while our net retention rate (NRR) was 108 per cent, slightly down on the 110 per cent achieved in FY24. This decline was mainly due to an expected higher churn rate in the second half of the year, resulting in an overall gross retention rate (GRR) of 89 per cent for the year, 92% in FY24.

We continue to invest in innovation at KX to maintain our industry leadership and develop future features and products that will enable us to expand our footprint with existing customers and acquire new ones.

Cash EBITDA was £(14.6) million, compared with £(18.8) million a year ago. This result exceeded expectations and our guidance for a similar outcome in FY24. The better-than-expected performance reflects our focus on efficient growth and the timing of certain investments.

Adjusted EBITDA

The reconciliation of operating loss to adjusted EBITDA and cash EBITDA is provided below. Notably, we incurred £6.5 million in restructuring and non-operational costs in the period, primarily relating to the organisational restructuring to separate the First Derivative business of £2.7 million and restructuring costs of £2.5 million. The increase in depreciation and amortisation reflects the expected flow of previously capitalised R&D expenditure.

	FY25 £m	FY24 ¹ £m
Operating loss	(23.4)	(15.6)
Restructure and non-operational costs ²	6.5	2.1
Share-based payment and related costs	1.6	1.1
Depreciation and amortisation	21.7	17.5
Adjusted EBITDA	6.5	5.1
R&D capitalised	(21.1)	(23.9)
Cash EBITDA	(14.6)	(18.8)

¹ FY24 has been restated excluding discontinued operations

² Non-operational costs include ERP implementation costs that are required to be expensed under accounting standards

Loss before tax

Adjusted loss before tax increased to £18.3 million (FY24: £15.5 million), resulting from higher software amortisation costs due to our investment in R&D.

Reported loss before tax from continuing operations reached £29.1 million for the period, compared to £20.3 million in FY24 as restated.

The reconciliation of cash EBITDA to reported loss before tax is provided below.

	FY25 £m	FY24 ¹ £m
Cash EBITDA	(14.6)	(18.8)
Adjustments for:		
R&D capitalised	21.1	23.9
Adjusted EBITDA	6.5	5.1
Adjustments for:		
Depreciation	(3.7)	(3.6)
Amortisation of software development costs	(17.9)	(13.6)
Net financing costs	(3.2)	(3.5)
Adjusted loss before tax	(18.3)	(15.5)
Adjustments for:		
Amortisation of acquired intangibles	(0.2)	(0.4)
Share-based payment and related costs	(1.6)	(1.1)
Restructure and non-operational costs	(6.5)	(2.2)
Loss on foreign currency translation	(0.7)	(1.1)
Profit on disposal of associate	—	0.1
Impairment	(0.2)	—
Share of loss from associate	(1.3)	—
Net financing costs	(0.4)	(0.2)
Reported loss before tax from continuing operations	(29.1)	(20.3)

¹ FY24 Reported loss before tax has been restated excluding loss before tax from discontinuing operations of £17.7m

Discontinued operations

Following the completion of the divestment in December 2024, we report the nine-month contribution from the First Derivative business within discontinued operations, with FY24 restated for comparison purposes.

The total profit before tax from discontinued operations was £195.5 million (FY24: £17.7 million loss).

Loss per share

The group reported a loss after tax of £26.4 million for the year from continuing operations, compared to £21.0 million in FY24. Adjusted loss after tax was £13.7 million, compared to £11.0 million in FY24, resulting in an adjusted diluted loss per share for the period of 48.9 pence. The adjusted loss after-tax calculation is shown below.

	FY25 £m	FY24 £m
Reported loss before tax from continued operations	(29.1)	(20.3)
Tax	2.7	(0.7)
Profit/(loss) from discontinued operations	190.4	(19.7)
Reported profit/(loss) after tax	164.0	(40.8)
Adjustments from loss before tax (as per the table above)	10.8	4.8
Tax effect of adjustments	(1.1)	(0.5)
(Profit)/loss from discontinued operations	(190.4)	19.7
Discrete tax items	3.0	5.7
Adjusted loss after tax	(13.7)	(11.0)
Weighted average number of ordinary shares (diluted)	28.1m	28.1m
Reported LPS (diluted) – continuing operations	(94.2p)	(74.9)p
Adjusted LPS (diluted) – continuing operations	(48.9p)	(39.5)p

Cash generation and net cash (excluding lease liabilities)

KX generated £12.1 million of cash from operating activities (FY24: 19.3 million). At the end of the period, we had a net cash position from continuing operations of £55.1 million, up from the FY24 position of net debt of £18.5 million. The factors impacting the movement are summarised in the table below:

	FY25 £m	FY24 ¹ £m
Opening net debt (excluding lease liabilities)	(18.5)	(9.0)
Cash generated from operating activities	12.1	19.3
Taxes paid	(1.1)	(0.9)
Capital expenditure: property, plant and equipment	(0.6)	(0.3)
Capital expenditure: intangible assets	(21.1)	(23.9)
Disposal of other investments and associates	(1.7)	3.0
Investments	—	(0.2)
Disposal of subsidiaries	211.4	—
Issue of new shares	1.1	0.1
Repurchase of shares	(120.0)	—
Interest, foreign exchange and other	(6.4)	(6.6)
Closing net cash/(debt) (excluding lease liabilities) from continuing operations	55.1	(18.5)

¹ FY24 net debt has been restated to exclude £4.1 million cash held by discontinued operations on 29 Feb 2024

Definition of terms

The Group uses the following definitions for its key metrics:

Annual recurring revenue (ARR): the value, at the end of the accounting period, of recurring software revenue to be recognised in the next twelve months.

Annual contract value (ACV): the sum of the value of each customer contract signed during the year divided by the number of years in each contract.

Gross retention rate (GRR): GRR measures the proportion of ARR that we retain from the cohort of customers that existed twelve months earlier before any expansion of those customers' subscriptions. Gross Retention Rate isolates revenue contraction and customer attrition and indicates the percentage of baseline ARR that was preserved over the trailing twelve-month period.

Net retention rate (NRR): NRR supplements GRR by also capturing the impact of ARR expansion within the same cohort of customers. Net Retention Rate thus reflects customer renewals, contractions, churn, and expansions, and demonstrates our ability not only to maintain but also to grow revenue from our existing customer base over time.

Adjusted admin expenses: is a measure used in internal management reporting which comprises administrative expenses per the statement of comprehensive income of £49.7 million (FY24: £35.8 million) adjusted for depreciation and amortisation of £21.7 million (FY24: £17.5 million), share based payments and related costs of £1.6 million (FY24: £1.1 million), restructuring and non-operational costs of £6.5 million (FY24: £2.1 million), impairment loss on trade and other receivables £0.0 million (FY24: £3.7 million) and other income £0.5 million (FY24: £0.0 million)

Principal risks and uncertainties

Effective risk management

Our robust risk management framework ensures that we balance risk and reward, enabling informed decision-making that protects our assets, enhances operational resilience, and maintains regulatory compliance. With the oversight of the Board and guided by our risk appetite, we identify, understand, prioritise and manage our risks.

We recognise that effective internal control and risk management are essential to our long-term success and are fundamental in helping us achieve our strategic objectives and protect shareholder value. We continuously seek opportunities to enhance our risk management and internal control environment and to introduce greater rigour and standardisation in processes and controls as appropriate. An internal control improvement programme was initiated during the year to take a systematic approach to reviewing our current processes, to enhance key internal financial and non-financial controls as we transition to a standalone software business. Several control enhancements have materialised, including a simplifier and a more efficient cost centre structure.

The Board is committed to continually improving our governance mechanisms and risk management processes to ensure that risks, including new and emerging ones, are effectively identified and managed within the organisation. This disciplined approach not only protects our business but also drives long-term value by fostering trust, stability and sustained performance.

Risk management framework (RMF)

The RMF ensures that ownership and responsibility for identifying, assessing, and managing key risks and opportunities are embedded throughout the Company. The Board sets the context for risk management by defining the strategic direction and risk appetite for the organisation. The risk management process is based on risk registers, the maintenance of which remains at the heart of our risk management process. Key risks in the registers have assigned risk owners who review them, on at least a bi-annual basis, as part of the risk reporting process. The strength of existing controls is evaluated to determine whether any additional remedial actions are needed to manage the risk level to within the risk appetite set by the Board.

Risk identification and assessment

We identify and assess risks within each function based on processes, objectives, and business knowledge, and we conduct horizon scanning for emerging risks. To enable better assessment, the identified risks are categorised into one or more of the following risk types: strategic, operational, financial or regulatory.

Management continually assesses risks. The Company adopts a qualitative and quantitative approach to measuring and scoring risks using our risk matrix. A risk probability and impact matrix are used to determine the inherent risk score. The risk assessment is then repeated, taking into account the overall effectiveness of the controls in determining the residual risk score.

Risk management and controls

Risk management strategies have been developed and implemented for all significant risks. These strategies include robust controls, policies and procedures. Remedial actions, with an Executive owner and a timeline, are identified if the risk is deemed to be outside the risk appetite.

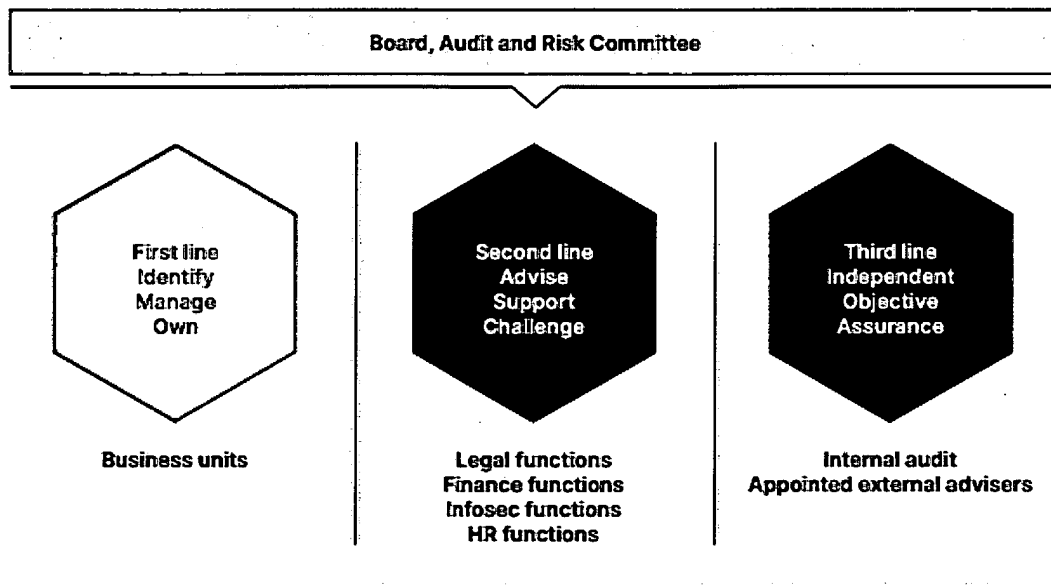
Risk monitoring

An annual plan is agreed upon with the Audit and Risk Committee to ensure that key controls are tested regularly and that any incidents reported result in a reassessment of the risks and controls. The Company maintains up-to-date information on its key risks and controls, which the Board and the Audit and Risk Committee regularly review and agree upon. Appropriate reporting procedures and feedback loops ensure that risk management is actively monitored and managed by all relevant personnel, including the Audit and Risk Committee and the Board.

Risk appetite

The purpose of the Risk Appetite Statement (RAS) is to express the level and nature of risk the Board and Executive management are willing to accept in achieving its strategic objectives. The RAS is used to guide strategy execution, delivery of the AOP and daily operations. The RAS is reviewed and approved at least annually by the Board, on the recommendation of the Audit and Risk Committee, with periodic review of the RAS occurring in the event of changes to the Company's activities or operating environment.

FD Technologies employs a three lines model to manage risk



The Company employs the “three lines of defence” model to structure roles, responsibilities, and accountabilities for risk and control activities, including risk governance and risk-based decision-making. The model distinguishes between:

Oversight

The Board and the Audit and Risk Committee are the primary stakeholders served by the “three lines of defence” model.

First line

Responsible for identifying, managing and owning risks. The first line refers to all business functions that carry out day-to-day operations and whose activities require personnel to operate in accordance with and adhere to the necessary risk policies and frameworks.

Second line (“central functions”)

Develops, maintains, and ensures the implementation of control policies and frameworks across the organisation, along with monitoring, advising, challenging, and supporting front-line business units (i.e., the first line). Includes functions such as legal, finance, and information security.

Third line (“independent advisers”)

Provides the Board and management with independent, objective assurance that the policies and frameworks in place are appropriate, proportionate, and adequately adhered to across the organisation, including both the first and second lines of defence. Includes internal audit and appointed external advisers.

Risk factors

Principal risks are defined as those risks that are significant to the Company and are owned and managed by a specified member of the leadership team, who is accountable for ensuring that the risk is managed within the risk appetite levels set by the Board. Assigning risk ownership at this level ensures that an appropriate level of attention and focus is applied in addressing the principal risks.

Risk	Potential impact	Mitigation
People Failure to attract, retain, or develop suitably qualified, experienced, and motivated employees could have a significant impact on business performance. Risk change over prior year Unchanged	Our long-term performance would be adversely affected if we fail to attract, develop and retain staff in a competitive labour environment and if the required staffing levels of sufficient calibre are not achieved and sustained. There is the potential to impact the achievement of our strategic objectives if current and future resourcing levels and capabilities are not aligned with the needs of our customers.	We maintain a constant focus on this area with competitive remuneration packages and a strong commitment to training and career development. Global review of our benefits and policies with a view on competitive best practise. Establishment of the KX Academy, providing training courses for colleagues. We track employee engagement regularly.
Cybersecurity The risk of financial loss and/or reputational damage relating to breaches of IT security policies and controls, including unauthorised access to confidential data or technology disruption to our organisation or managed service environment. Risk change over prior year Decreased	The risk has implications that include operational disruption to critical IT systems, platforms, and managed service environments through cyberattacks and significant data leakage. This could lead to potential litigation and regulatory actions, as well as commercial implications, including loss of customer confidence, reputational damage, contractual impact, and negative publicity.	As a provider of software to leading financial services organisations around the world, KX is required to operate stringent IT and cybersecurity practices. KX has extensive documented policies to mitigate risk in these domains. We recently renewed our Cyber Essentials Plus accreditation and comply with numerous international and regional regulatory frameworks. Material investment has been undertaken in upgrading and maintaining the security infrastructure to minimise risk to the organisation.
Competition and markets External factors, outside the direct influence of the Company, including economic cycles and market trends, could significantly impact performance in a competitive and cyclical market environment. Currently, this is particularly significant for KX, given the evolving AI market. These factors may also impact the suitability of our products, sales channels, services, and solutions in meeting the current and future needs of our clients. This could make it more challenging to forecast future demand from clients. Risk change over prior year Increased	The Company's investment decisions could result in underinvestment in our products, services, and solutions, leading to missed commercial opportunities and/or client dissatisfaction. This may result in a weakening of our market position. Demand for our services could decrease, and consequently, revenues may decline in the event of a global economic downturn or political unrest.	The Company addresses the impact of these external factors through a focus on strong financial management, a broad range of products and customers, regular reviews of our products and services overseen by the Technology and Product Committee, increased investment in KX products and channels to maintain differentiation, and careful geographic expansion. Additionally, careful and selective expansion into new industries reduces our exposure to sector-specific risks. Formalised customer engagement and design partner programme introduced.

Risk	Potential impact	Mitigation
Intellectual property infringement The Company's intellectual property (IP) is centred around the software it develops for customers. The Company must manage the risk of infringing a third party's intellectual property rights during the development of its software. If this risk is not managed effectively, it could result in a violation or breach of protected intellectual property.	This risk has implications in terms of potential litigation and regulatory actions as well as commercial implications resulting from loss of customer confidence and negative publicity.	The Company has established policies and procedures to protect against the risk of intellectual property infringement. These policies and procedures are reviewed periodically. We enter into formal non-disclosure agreements with employees, independent contractors and third parties in the ordinary course of our business. Staff are made aware of the importance of client confidentiality and the associated requirements. We actively monitor the use of third-party software in our product offerings. The choice of third-party components is subject to technical review and assessment at the design stage. Employment and consultancy contracts often include clauses to protect intellectual property rights, which are regularly reviewed with external counsel to ensure their suitability.
Risk change over prior year Unchanged		
Technology Technological advancements in the software industry, which are constantly evolving, may lead to increased competition or the potential obsolescence of our current products.	To remain competitive, it is essential that the Company's products, services, technology, and solutions are up-to-date and our development plans are flexible. This risk has implications for the ability of our products, services, technology, and solutions to address current and future customer requirements.	The Company makes significant ongoing investments in technological research and development to develop new and enhanced capabilities within our software offerings proactively. This enables the identification and adaptation to any external technological changes, ensuring that our products continue to meet our clients' requirements and that our technology and information systems meet our requirements. Our product teams meet with actual and prospective clients to consider product roadmap developments, while the KX user community also provides feedback. We continually evaluate technology trends and new software product opportunities, including AI. The Technology and Product Committee exists to address this risk, as well as emerging opportunities to ensure our technology maintains its leadership position.
Risk change over prior year Unchanged		

Risk	Potential impact	Mitigation
Political, regulatory and compliance Exposure to political, economic, or social instability in key markets, particularly as KX expands in regions with heightened geopolitical risks. This includes increased trade sanctions, regulatory constraints, and potential reputational risks. Strategic missteps in navigating these complexities could compromise business continuity and negatively impact global market positioning.	Failure to comply with legal and other requirements in an increasingly regulated and complex political environment can result in fines, criminal penalties, consequential litigation, and an adverse impact on our reputation, financial results, and/or our ability to conduct business. Failure to address and monitor these risks could negatively impact the Company's financial performance.	Enhanced Geopolitical Risk Controls, including an emphasis on proactive identification, assessment, and management of geopolitical risks. This includes strengthening controls for due diligence, continuous monitoring, and stakeholder engagement; Robust Risk Mitigation Controls; and a focus on building resilience through stronger controls that enforce contract clauses and contingency planning, ensuring effective management of disruptions. Strengthened compliance and localisation Controls: Prioritise ethical operations and reduce risk exposure through enhanced controls for compliance training, diversification, and localisation strategies.
Risk change over prior year Unchanged		
Managing growth As the Company continues to target strong growth, there is a risk that if this growth accelerates substantially without being effectively controlled and managed, we may not be in a position to maintain the high standards of customer service that our customers are accustomed to.	If the correct level of investment in people and technology is not maintained, it is possible that the quality of the service offering will drop and/or cost control and operational effectiveness will deteriorate.	The Company has a programme of continual investment in all aspects of the business, including operational, financial, and management controls, reporting systems and procedures, training programmes, and strengthening of the leadership teams. This is constantly reviewed and monitored to ensure that we can continue to maintain the high standards of customer service. As a result of our constant focus, we can ensure that the level of investment is relative to the Company's growth and that optimal operational efficiency is achieved. Delivery models have been evolved to provide greater resourcing flexibility in the provision of growing services to our clients.
Risk change over prior year Unchanged		
Data privacy We hold the personal data of our customers and colleagues. Although the threat landscape is ever-changing, the controls in place effectively manage the risk. We continue to closely monitor and manage risk through robust governance and oversight mechanisms.	Failure to comply with legal or regulatory requirements related to data privacy in the course of our business activities can result in reputational damage, fines, or other adverse consequences. These can include criminal penalties and consequential litigation, which may result in adverse impacts on our financial performance or unfavourable effects on our ability to do business.	Our data privacy policies and processes, including privacy notices, records of processing, impact assessments, and data governance, establish how we protect and appropriately use personal data. We recognise the importance of ongoing training and communication in raising awareness of good data handling practices and in helping to prevent personal data incidents. We conduct regular induction, awareness, and refresher training for our colleagues.
Risk change over prior year Unchanged		

Risk	Potential impact	Mitigation
Business continuity The Company is exposed to risks that, should they materialise, may lead to the interruption of critical business processes, which could adversely impact the Company and/or its customers. There is also a risk that the IT systems and infrastructure may be affected by loss of service or system availability, which impacts the provision of services to customers.	Failure to address this risk could result in key processes and systems being unavailable in the event of a significant incident affecting their availability.	The Company has established robust resilience across its critical IT systems and processes through implementation and regular testing of a formal Business Continuity Plan (BCP). Threat assessments are conducted routinely, and incident response scenarios are executed to validate procedures and identify opportunities for improvement. Annual testing continues to be conducted successfully, encompassing system backup and restoration, cyber incident response, and office disruption scenarios. Key insights and lessons learned are incorporated into the broader business continuity planning process. Core IT systems, including the ERP and CRM platforms, are cloud-based and designed for high availability, thereby reducing the risk of service disruptions. Additionally, the Company is enhancing its enterprise-wide Business Resilience Programme, which includes a comprehensive control framework, the <i>Information Security Management System</i> , to support ongoing and new wide-reaching compliance audits and certification efforts.
Risk change over prior year Unchanged		
Fluctuations in business activity, change & transformation The Company is exposed to the risk of fluctuations in business activity, which could negatively impact its operations, financial performance, and ability to achieve its strategic goals. Risk also arises when businesses undergo significant changes, such as digital transformation, organisational restructuring, and process optimisation. As KX transitions into a fully standalone software Company, it faces inherent transformation risks for us to scale our business.	Failure to address the risk of a volume of business change can lead to several negative consequences, including overcapacity or underutilisation, supply chain disruption, revenue volatility, strategic misalignment, and risk to customer satisfaction. Failing to address transformation risk could lead to a lack of clear vision that is unaligned with business objectives, process breakdowns, productivity losses, as well as cost overruns and financial losses. Resistance to change from employees can lead to change fatigue and a potential loss of talent, ultimately resulting in stakeholder dissatisfaction.	KX Standalone Readiness project subject to regular review in Executive and Board forums. Separate TSA teams and Advisory firms supporting standalone readiness initiatives. Rationalisation of the product portfolio means less resource allocation and a smaller product spread. Sales focus on sustainable, repeatable use cases and are concentrated in three core business sectors.
Risk change over prior year New risk		

Emerging risks

Our emerging risks are reported to and assessed by the Audit and Risk Committee alongside our principal risks. We conduct horizon scanning to provide a medium- and long-term view of emerging risks to our business, including feedback from customers, reviews of external publications, and discussions with our advisers. We are currently tracking several emerging risk themes, including technological, political and economic. We continue to monitor the risk indicators periodically for these emerging risks.

Engaging with our stakeholders

Strengthening our stakeholder relationships

Our stakeholders include our shareholders, employees, customers, suppliers, and the communities in which we operate. The Board recognises that engaging with stakeholders is essential to enabling the Group to make balanced strategic decisions and build a successful business that creates long-term value for all our stakeholders.

The Directors carefully consider the views of stakeholders when discharging their duties and are supported by a range of means, including regular reports and presentations from members of the executive team throughout the year, the presence of a designated workforce representative on the Board, and specific briefings on the impact on stakeholders where the Board believes a decision under consideration would impact them.

S172 statement

Under S172(1) of the Companies Act 2006 (S172), the Board is obligated to act in the way it considers would be most likely to promote the success of the Company for the benefit of its members as a whole (its stakeholders including shareholders). In doing so, the Directors must have regard (among other matters) to:

- (a) The likely consequences of any decision in the long term
- (b) The interests of the Company's employees
- (c) The need to foster the Company's business relationships with suppliers, customers and others
- (d) The impact of the Company's operations on the community and the environment
- (e) The desirability of the Company maintaining a reputation for high standards of business conduct
- (f) The need to act fairly as between shareholders of the Company.

Our governance framework is conducive to Board-level decisions complying with the requirements of S172. Board papers take into account the impact on stakeholders who may be affected by decisions, including employees and partners, while the strategic discussions of the Board focus on the long-term impact of the decisions taken.

Below are examples of how the Board elicited input from each of its key stakeholder groups into the decision-making process, demonstrating the regard for S172 when discharging their duties in FY25.

Case study

Engagement with all stakeholders during the FY25 business transition

Having announced the conclusion of the Group structure review on 1 March 2024, we successfully divested MRP and First Derivative during FY25. We engaged extensively with all our stakeholders during this transformation process. For example, we consulted with our shareholders to understand their preferences for the most efficient way to return excess capital. As a result, we conducted a tender offer in January, returning £120 million in cash.

To ensure the divestment of First Derivative was a success, we engaged with our employees, 1,526 of whom transferred to EPAM, the new owner of First Derivative. Furthermore, we engaged with customers and partners throughout the process to provide them with clarity and support as the businesses were separated and sold, to ensure a smooth transition and the continuity of those essential relationships.

Shareholders

Why and how we engage with shareholders

Shareholder support for our strategic plans is crucial, and we regularly engage with them to provide updates on our progress and plans and understand their views. The Board receives regular updates on our investor relations activity and considers relevant shareholder feedback in its decision-making.

During the year, we communicated regularly with the investment community through our Annual Report, regulatory announcements and updates published on our corporate and investor websites.

Board members and other executives met with current and prospective investors to communicate our investment case and strategy. We schedule regular meetings following the publication of interim and full-year results. We have an active investor relations programme involving ad hoc meetings, structured roadshows and investor conferences.

Shareholder engagement in FY25

We engaged extensively with investors during the year to better understand their views and incorporate them, where relevant, into our strategic decision-making. After publishing our interim and full-year results, we offered in-person meetings and calls to all our significant shareholders and maintained an active investor relations programme between results and trading updates.

Our head of investor relations regularly briefs existing and prospective shareholders worldwide to educate them about our business and answer their questions on our products, markets, strategy and financial performance. We have recently invested in redeveloping our investor relations website to reflect the newly independent KX business, and we anticipate that this will go live after our Annual General Meeting in July. At this point, we expect the Company's name to change to reflect the new shape of the business.

We are also implementing a new investor relations CRM system to add intelligence and support to our investor engagement activities.

Partners

Why and how we engage with partners

Our partners are important in promoting the adoption and use of KX across industries, helping to deliver our growth strategy. KX partners with market leaders and invests in creating deep integration to deliver high-performance data-driven solutions.

Given the commercial importance of partner relationships, KX has a dedicated team working to recruit and develop target partners. This team handles the formal accreditation and commercial agreements between KX and the partner and manages the working relationship, working closely with the sales and development teams within KX. Our partners cover the technology ecosystem, including cloud, data, independent software vendors, OEMs, and systems integrators.

Partner engagement during FY25

The partner team seeks ongoing feedback from our partners to understand their views. The Board receives this feedback via Board updates from the KX management team.

Employees

Why and how we engage with employees

Our employees drive the success of our business. The Board prioritises the recruitment and retention of top-level talent. We foster a culture of continuous learning and development to enhance our employees' skills and capabilities. These initiatives are instrumental in positioning us to deliver products and services that cater to our customers' needs and succeed as a business.

Our Workforce Engagement Director is responsible for understanding the interests of employees, thus ensuring these are considered by the Board. A key input into our employee engagement strategy is an annual employee engagement survey facilitated by an independent, third-party platform, which we use to help shape our agenda on employee engagement over the forthcoming year. We have provided the results of our latest survey in the sustainability section of this Annual Report on page 39. In addition, we regularly promote direct dialogue between employees, the executive team and the Board.

Employee engagement during FY25

Our most recent employee engagement survey indicates that our workforce is engaged, empowered and motivated. To act on the results, each part of the business has a Survey Actions Working Group that analyses the results and considers targeted improvements with respect to the issues that matter most to our employees. We are focusing on improving every interaction we have with each employee throughout their career journey with us.

Customers

Why and how we engage with customers

Retaining and expanding our existing customer base, while attracting new customers, remains central to our growth strategy. Engaging with our customers informs our strategic priorities and guides how we allocate resources and capital.

The Board receives regular updates from our CEO, divisional leaders and senior teams concerning customer feedback and evolving market dynamics. Directors also participate in customer-focused events organised by the Company, offering direct engagement opportunities to better understand customer needs and expectations. The Technology and Product Committee played an important role in assessing customer trends and requirements to ensure that our technology roadmap considers their requirements. We also have a customer success team that ensures customer satisfaction and builds valuable long-term relationships.

Customer engagement during FY25

Customers' input is an important component which ultimately influences strategic and capital allocation decisions to be made by the Board. We were highly active in our customer engagement in FY25. During the year, we hosted fifteen KX-led customer events, including meet-ups, industry-specific events, briefings, and seminars. We had over 2,600 engagements with KX customers, of which over 740 were in-person. We produce informative video tutorials to help our customers get the greatest value from our products; these can be accessed via our dedicated YouTube channel, KX—Survival of the fastest.

Communities

Reason why we engage

The Company has a strong focus on how it does business and how we interact with our stakeholders and in particular how we interact with the communities in which we live and work. Whilst we operate globally, our people are deeply connected to the local communities where they live and work. Supporting those less fortunate has been a core value of the Company for more than 25 years. We recognise our role to act as a responsible corporate citizen and to provide suitable environments for the wellbeing of employees. We encourage and support employee-led initiatives designed to benefit and support their communities and also provide direct assistance where we believe it to be appropriate.

Method of engagement

The Company engages with local communities by supporting initiatives to train and develop talent. It provides educational and career support aimed at assisting individuals in local communities to enter the technology industry, often through partnership with community groups and organisations. We also provide placements and higher-level apprenticeships for school leavers as an alternative to attending university full time, enabling them to undertake an undergraduate degree whilst working and gaining experience across the Company. In addition, many of our staff volunteer to support local organisations in their community across a range of charitable pursuits, whether directly in terms of contributing their time and skills or indirectly through fundraising activities.

Key developments during the year

In FY25 we continued to support charities in the communities where our employees are based. Our commitment to fostering a culture of partnership between our organisation and our communities is reflected in our KX for Good programme. Through this programme, our people are given dedicated volunteering days to contribute to causes they are passionate about, whether that be local charity work, environmental sustainability projects, community development initiatives, or individual fundraising.

Other stakeholders

The Company recognises that it plays an important role in relation to many other stakeholders, including suppliers, governmental agencies and the wider public, which benefit directly or indirectly from its products and services. As one of the largest private sector enterprises headquartered in Northern Ireland, it is particularly aware of its responsibilities to maintain high standards in all aspects of its business. The Company engages with these stakeholders as appropriate.

Corporate responsibility and sustainability

Empowering change

We are committed to fostering a sustainable future through our dedication to the three pillars of sustainability: People, Environment, and Communities. Our three pillars are directly linked to a range of key metrics that we measure across our business and that are aligned with specific UN Sustainable Development Goals (SDG). We are committed to building on the efforts outlined below to ensure we continue adopting best practices across the business.

People

Focus

- Cultivating our talent
- Employee experience
- Agile workforce for the future

Objectives

- Empowering Growth and Development
- Embracing an inclusive and performance-driven culture

SDG: 3, 4, 5, 8, 10,

Environment

Focus

- Understand how KX's climate risks and opportunities could financially and operationally impact the business

Objectives

- Resetting carbon emission targets and the transition to net zero plan following the sale of First Derivative

SDG: 9, 11, 12, 13

Communities

Focus

- Volunteering-KX for Good
- Developing meaningful Partnerships

Objectives

- Creating a culture of partnership between us and the communities in which we operate

SDG: 3, 4, 5, 10,

People – empowering people, driving innovation

In December 2024, we completed the sale of our consulting business, First Derivative, to EPAM Systems. As a result, approximately 1500 employees were transferred to the new owner, with 578 employees remaining at KX. In this year of transition, the Company remains deeply committed to developing a People strategy that aligns closely with that of an independent software business.

The key principles underpinning our People strategy are:

- Creating meaningful employee experiences that drive long-term success
- Helping employees to learn and grow and supporting the development of top talent
- Continuing to develop a high-performance culture
- Simplifying the business
- Realising the powerful impact of diverse backgrounds, expertise and passions that drive us to succeed

By promoting a culture of collaboration, innovation and responsible leadership, we strive to create an environment where our people are empowered to thrive, contribute and lead positive change.

FY25 key highlights	FY26 objectives
• At the end of FY25, the Company employed 578 employees (FY24: 2,462) • Mean gender pay gap decreased from 16.3 per cent to 12.3 per cent • Launched three KX employee resource groups (ERGs): Pride, Women and Neurodiversity • Rolled out several People initiatives, including our Culture Champions across all regions to ensure our people feel connected and part of the team	Talent management: attracting, hiring, developing, and retaining the best talent in the market. Passionate leaders: developing a unified leadership culture to inspire continuous innovation and drive change. Agile workplace of the future: creating a work environment that addresses the needs of a digitalised workforce, where our people leverage digital tools such as AI, technologies and platforms to enhance productivity and collaboration. Learning journey: fostering a learning culture that drives continuous innovation and enhances the skills needed for the future. A culture of performance: an outcome-driven environment where individuals and teams strive for excellence through accountability, continuous improvement, and high standards. Embrace an inclusive and performance-driven culture: driving a sustainable & engaged workforce that is inclusive, diverse, and healthy, spanning all generations. A commitment to our DNA of being “data-driven”, “naturally curious”, and “all-in” ownership.

Our new employee engagement survey

As part of our ongoing commitment to being a great place to work, in FY25, we transitioned our employee engagement survey to Great Place to Work, which is widely regarded as the industry gold standard. Earning this certification will strengthen our employer brand, help attract top talent and reinforce our dedication to fostering an exceptional workplace.

As we transitioned to a new engagement survey platform, we observed a notable decline in our overall engagement score. As the categories and questions on our previous platform differ from those used by Great Place to Work, we could not make direct, like-for-like comparisons across our data.

Although the survey results cannot be compared as like-for-like, we did see improvement in 4 of our 6 engagement categories for FY25, as follows: justice (DE & I)- +7 per cent; equity (pay/reward)- +15 per cent; support- +2 per cent; confidence in the executive team- +3 per cent.

Empowering growth, cultivating excellence

We are committed to cultivating a culture of continuous learning and development (L&D), emphasising talent succession planning to ensure the growth and sustainability of our leadership pipeline in critical roles. We have designed bespoke coaching and mentorship programmes, particularly within our sales organisation, to enhance individual capabilities, drive performance, and equip our people with the skills necessary to succeed in a competitive market. These initiatives are integral to building a robust and agile workforce that can navigate the challenges of the fast-evolving software industry while contributing to our long-term success.

We are committed to identifying and nurturing top talent to ensure our organisation's continued success and growth. Recognising that our leadership pipeline is vital, in FY26, we will implement a comprehensive succession planning process that focuses on critical roles below our Executive Leadership Team.

To elevate our performance standards, we are establishing clear criteria for excellence and are actively working to raise the performance bar across all levels of the business. This includes implementing robust performance management systems, driven by our People Partnering function, to provide targeted support for improvement and growth.

A key focus of our L&D strategy is to conduct a skills analysis to assess the current competencies within our workforce and identify the skills required for the future. Additionally, we have focused on strengthening and developing our mid-management tier. Recognising the critical role that effective middle managers play in driving performance and fostering a positive organisational culture, we invest in targeted training programmes to enhance their leadership capabilities.

Through these concerted efforts in talent identification, succession planning, performance enhancement, skills development and mid-management strengthening, we are building a resilient and agile workforce poised to lead the business into a successful future.

Fostering a culture of high performance

We are committed to fostering a culture of high performance by aligning compensation with individual contributions and achievements. We have already adopted a pay-for-performance model, which incentivises employees to excel and links performance to tangible rewards. This approach not only motivates our people but also reinforces our dedication to excellence.

This year, in addition to ongoing coaching and continuous feedback throughout the year, we will introduce a formal mid-year checkpoint to ensure constant alignment with business goals. Recognising the pivotal role of management in this framework, we are investing in training programmes focused on delivering constructive feedback. Equipping our leaders with the skills to provide clear, actionable insights empowers employees to improve their performance and fosters a culture of accountability and growth.

Through these initiatives, we aim to cultivate an environment where high performance is recognised, rewarded and continuously developed, driving both individual and organisational success.

Supporting our people, building our success

We are committed to fostering an environment where employees feel supported, valued and empowered. A key component of this is the establishment of our KX People Partnership Model in FY25, which provides tailored coaching and support to managers in driving employee engagement, well-being and performance. This model is a true partnership, aligning HR expertise with the organisation's business needs and overall strategic goals. By working closely with managers, we ensure that employees receive the proper support at the right time, creating a more cohesive and effective workforce that thrives in a collaborative environment.

To further enhance employee care, we have introduced an ecosystem of HR support, ensuring that our teams receive personalised guidance tailored to their individual needs. In FY25, we introduced Open HR hours in all our offices, both in-person and virtual, to provide an open door for employees to engage with HR, ask questions, and receive personalised advice. Additionally, the AskHR channel on our internal communications platform provides a convenient and real-time channel for employees to quickly reach out to HR, ensuring continuous support and open communication.

We recognise the importance of work-life balance and employee well-being; in FY25, we have enhanced our global policies to better support the diverse needs of our workforce. We aim to positively impact employee well-being, demonstrating our commitment to supporting their physical, mental, and emotional health. We anticipate that these changes also contribute to greater employee satisfaction and retention, reinforcing our efforts to create a workplace that values recognition and fosters a healthy, productive environment for all.

Through these initiatives, we are cultivating a people-centric culture that aligns with our business values and strategic objectives, ultimately driving success both for our employees and the Company.

Curating a first-class hiring and onboarding experience

We recognise that attracting and retaining top talent is essential for our continued success and growth. We have refined our hiring processes to align with the needs and expectations of prospective employees while ensuring that our values and culture are communicated.

A key area of focus in FY25 has been our investment in sales hiring. As a software company, having a robust and skilled sales team is critical to driving revenue growth and expanding our market presence. By investing in attracting top talent to our sales organisation, we are ensuring that we have the right expertise to meet the evolving demands of the business.

Championing diversity, driving innovation

We are deeply committed to fostering a diverse and inclusive culture that reflects the global communities in which we operate. Our approach to diversity and inclusion is at the heart of our core values. It is essential to our innovation and growth as a global software company serving diverse customers and industries.

As gender is disclosed during recruitment and onboarding globally, we have accurate data concerning gender diversity in our business. At the end of FY25, 161 of our 578 employees were female, representing 28 per cent of our workforce (FY24: 29 per cent). While this is in line with tech industry standards in the UK, we are committed to continually improving our gender demographic split.

FY25 gender representation of employees

	Female	Male	Undisclosed
Executive	27%	73%	—
Non-exec	34%	66%	—
Technical	17%	82%	<1%
All other	37%	63%	—
Total	28%	72%	—

Source: Company data

We recognise the challenges we will face in achieving a more gender-balanced workplace, given historical gender gaps, issues with the educational pipeline, and societal gender norms. Nonetheless, we are committed to improving the gender balance year on year and appreciate that this will require time and systemic change within society, the education system, and the industry.

We are delighted to have curated and launched our three Employee Resource Groups (ERGs) with strong executive buy-in and support and deep-rooted allyship across the business.

Each ERG has an Executive Sponsor in place, ensuring strategic alignment, visibility and resource allocation to each ERG. Our Executive Sponsors are actively involved in the ERG Leadership Committees, participating in driving committee meetings, decision-making, and committee communications.

These ERGs serve as vital communities within our business where our people can connect, share experiences and drive initiatives that promote inclusion and belonging. These groups offer employees a platform to influence organisational change, contribute to workplace initiatives, and foster a more profound connection to the Company's mission and values. Our executive leadership team is fully committed to these efforts, with executive sponsorship providing a mechanism for executives to engage with the ERGs, listen to feedback, support initiatives, and ensure that diversity and inclusion remain at the forefront of our priorities.

We have made significant progress in our ongoing commitment to fostering gender equality within our organisation. Our UK mean gender pay gap has decreased from 16.3 to 12.3 per cent, reflecting our continuous efforts to ensure fair compensation practices and create a more inclusive workplace.

This improvement directly results from our initiatives to promote diversity and provide equal opportunities for all employees, regardless of gender. Whilst we acknowledge that there is still work to be done, we are proud of our progress and remain committed to further reducing the gender pay gap year on year.

At KX, diversity and inclusion are not just strategic priorities but are integral parts of our culture. As the business evolves, we remain committed to the principle that every voice is valued and matters.

“An environment where employees feel supported, valued, and empowered.”

In our commitment to fostering a sustainable future, we recognise the importance of nurturing early careers within the software industry.

Environment

Our efforts are focused on ensuring that we understand, manage and reduce the harmful environmental impact of our business activities.

As a software business, we recognise that we have a responsibility to act to preserve our environment and are committed to playing our part by minimising the impact our operations have on the environment.

FY25 performance	FY26 objectives
• Evolved the work of the Environment Sustainability Group to ensure key stakeholders worked collaboratively to achieve environmental goals. • Conducted a climate scenario analysis that considered climate-related risks and opportunities. • Completed the switch to renewable energy across our commercial real estate and reduced office space following the sale of First Derivative and MRP. • Introduced a carbon intelligence platform, designed and supported by qualified chartered engineers, to simplify carbon reporting and reduction.	• Develop our sustainability strategy and embed processes to manage compliance with current and upcoming regulations effectively. • Continue to monitor briefing updates and training programmes in place for the Board and executive leadership team as part of our Sustainability strategy. • Continue to review how we report and share climate-related matters with the business, and how they are integrated into strategic plans, performance metrics, and reporting processes. • Advance our understanding of the financial-related impacts of the business's climate risks and opportunities, including our transition plan, and integrate the outcomes into our strategy and financial planning processes. • As the business evolves, we will continue to support risk owners in managing climate-related risks and horizon scanning for new and emerging climate-related risks.

In FY26, we plan to continue making progress in understanding how KX's climate risks and opportunities could impact the business financially and operationally, capitalise on climate opportunities, and manage climate risk.

Climate-related financial disclosures (CFD)

We have considered the TCFD recommendations to report our climate-related financial disclosures. As highlighted in the following table, these align with the CFD disclosure requirements required under the Companies Act (2006).

TCFD recommendations	TCFD & CFD compliance summary and FY26 priorities
Governance	
a) Describe the Board's oversight of climate-related risks and opportunities.	CFD requirement: describe our governance arrangements in relation to assessing and managing climate-related risks and opportunities. The Board is ultimately responsible for setting the Group's risk appetite and for risk management. The Board has delegated responsibility to our Nomination and ESG Committee for overseeing climate-related risks and opportunities. The Board is responsible for implementing our environmental strategy and reducing our carbon footprint. A Sustainability Group meets monthly and reports to the Nomination and ESG Committee. At every committee meeting, the board and the nomination and ESG committee receive updates on sustainability matters, including those related to climate change. FY26 priorities We will continue to monitor updates and training in place for the Board and the ELT.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	CFD requirement: describe how we identify, assess, and manage climate-related risks and opportunities. The responsibility for identifying, assessing and managing climate-related risks and opportunities has been devolved to the CEO, with day-to-day coordination led by our Sustainability Group, chaired by the Group HR Director. The Sustainability Group has representatives drawn from across the business, meets monthly, and provides updates to the Nomination and ESG Committee, which raises matters as appropriate to the main Board. FY26 priorities We will continue to review how we report and share climate-related matters, including how they are integrated into strategic plans, performance metrics, and reporting.

Strategy

a) Describe the climate-related risks and opportunities that the organisation has identified over the short, medium and long term.

CFD requirement: describe the principal climate-related risks and opportunities arising in connection with our operations, and the time periods by reference to which those risks and opportunities are assessed.

The analysis we undertook during FY25 did not identify any principal climate-related risks to the business in the short-term (<3yrs) or medium-term (3-10yrs).

Reflecting on our progress outlined in our previous disclosures, we continue to enhance our understanding of climate-related risks and opportunities across multiple time horizons through the use of climate scenario analyses. We aim to develop a holistic understanding of how climate change may impact aspects of our business strategy, operations, and finances. Our scenario analysis identified no principal climate risks with impact on our business considered low. In FY25, our climate related risks and opportunities remained consistent with previous years as outlined below:

Climate Related Risks

- (i) **Physical.** Extreme weather events could impact business continuity due to damage to our office premises, restricting business travel, disrupting cloud and internet connectivity, and causing regular interruptions to power supply or disruptions to supply chains, such as the supply of laptops.
- (ii) **Transition.** We may experience reputational damage if we fail to meet our climate targets, or the increased cost of carbon offsetting programs may result in additional business costs. Unsatisfactory customer or community perceptions of our contribution to the transition to a lower-carbon economy may arise and is a recognised risk. Furthermore, our environmental performance and ESG rating agency scores may negatively impact our reputation. Inadequate and incorrect reporting disclosures also pose a risk to our business during this transition phase.

Climate Related Opportunities

- **Products:** Our customers across various industries typically utilise our proprietary software, KX, as an analytics platform to enable them to reduce waste, improve yield, and facilitate predictive maintenance. has been independently benchmarked to be faster and more energy efficient than competing products, and so helps to lower energy use and the total cost of ownership for customers
- **Reputation:** Enhanced reputation and business opportunity by becoming a sustainability leader in both the consulting and software sectors
- **Attracting talent:** ability to utilise our approach to climate-related issues to help recruit talent to join the business
- **The Group's inclusion in ESG indices and/or higher ESG ratings** can increase stock liquidity and attract investors
- **Greater operational resilience** offers an opportunity to gain market share.

FY26 priorities

In line with best practices, we plan to refresh our climate scenario analysis during FY26. This may result in our climate-related risks and opportunities evolving, and we will disclose the impact of these developments in future reports.

Strategy continued**b) Describe the impact of climate-related risks and opportunities on the organisation.**

Reviewing the output of our TCFD-aligned climate change scenario analyses against our strategy, business plan, and operations, we have not identified any material impacts on the Group's financial results, going concern, viability, businesses, or current strategy. However, consequences arising from climate change and its associated risks are constantly evolving; therefore, we will continuously monitor and evaluate climate-related impacts, reviewing them in line with our evolving business strategy. If we identify material climate-related implications in the future, as per our risk management framework, we will manage and prioritise these impacts based on their financial materiality.

FY26 priorities

We plan to advance our understanding of the financial-related impacts of the business' climate risks and opportunities, including our transition plan, and integrate the outcomes into our strategy and financial planning through a climate scenario analysis refresh in FY26.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2-degree lower scenario.**CFD requirement: describe the actual and potential impacts of the principal climate-related risks and opportunities on our business model and strategy and our resilience to these risks.**

In FY25, we undertook a scenario analysis to evaluate the most material physical and transition risks and refreshed our assessment to take account of our evolving business. This analysis did not identify any principal climate-related risks that would have a material impact on our business model or strategy.

We acknowledge that the models used in assessing our risks are inherently uncertain and contain underlying assumptions, which affect their outcome.

The output of this analysis ensures that we have a consistent understanding of the risks and opportunities associated with our business strategy and a holistic understanding of workforce impacts.

As such, based on our climate scenario analysis, the Company is currently not materially affected by climate-related impacts (including the Group's financial results, going concern, or viability). Recognising that impacts arising from climate change are constantly evolving, we will continue to monitor and evaluate climate-related impacts and review these in line with our evolving business strategy.

FY26 priorities

We will conduct a full review and refresh our climate scenario approach, focusing on both impact quantification and better understanding how climate interacts with various touchpoints across the business.

Risk**a) Describe the organisation's processes for identifying and assessing climate-related risks.**

Our approach to assessing risks, as well as the process to identify and manage risk, is described in more detail in the principal risks and uncertainties section of this report.

The identification and assessment of climate risks are consistent with our approach to overall risk management.

As above, the results of our climate scenario analysis indicate that climate-related risks are not currently financially material to the Company.

During FY25, we have improved our understanding of our climate risks and opportunities, using a combination of regulatory guidance, risk management processes, TCFD best practices and consultation with advisers.

FY26 priorities

As the business evolves, we will continue to support risk owners to manage climate-related risks and horizon scan for new and emerging climate-related risks. Additionally, as outlined above, we will refresh and advance our climate scenario analysis. As a result of this, we may identify additional climate risks.

b) Describe the organisation's processes for managing climate-related risks.

In line with our overall approach, we review our risk register twice each year, with further updates, where required, provided to the Audit and Risk Committee. Climate-related risks are reviewed as part of this process.

FY26 priorities

We will continue to consider and review how we engage with stakeholders across our business to aid risk identification and management.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

CFD requirement: describe how processes for identifying, assessing, and managing climate-related risks are integrated into our overall risk management process.

The responsibility of identifying risks is allocated to the leadership teams within the Group, which represents a community of our most senior leaders.

Those risks that are assessed as significant are allocated a dedicated owner to ensure that a mitigation plan is put in place. For example, climate risks associated with cloud hosting are considered by the product team, whereas physical risks to the offices resulting from extreme weather are considered by the operations and property teams as part of business continuity planning.

FY26 priorities

We will continue to review and identify opportunities to educate colleagues on the impact of climate change and what it means for the business. Using insights from the climate scenario analysis, we will support colleagues to consider climate risk and opportunities practically as part of ongoing day-to-day and risk management activities.

Metrics and targets

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	CFD requirement: describe the key performance indicators we use to assess progress against targets used to manage climate-related risks and realise climate-related opportunities, as well as the calculations on which those key performance indicators are based. Since 2022, we have been measuring and reporting on energy and carbon emissions, providing us with a robust baseline from which to plan our journey to net zero. In FY24, we engaged Carbonfit, a carbon reporting platform, to externally verify and provide strategic guidance on calculating emissions and relevant intensity ratios in compliance with the relevant regulations. At present, we use the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2019 to calculate our absolute emissions and relevant intensity ratios. These intensity ratios are the principal key performance indicators that we use to assess progress against targets and manage our climate-related risks and opportunities. They are calculated by measuring our carbon emissions per employee and per £1 million of revenue.
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	We calculate and disclose our emissions from Scope 1 and Scope 2 in compliance with Streamlined Energy and Carbon Reporting (SECR) regulations. We also disclosed full Scope 3 emissions as well as the specific Scope 3 emissions as they relate to business travel. Our emissions are externally verified. Further information about our emissions is contained in the following sections.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	CFD requirement: describe the targets we use to manage climate-related risks and realise climate-related opportunities and to assess our performance against those targets. Following the sale of our consulting business to EPAM in FY25 and the transformation to a software business with 578 employees, we will be considering which targets are most appropriate going forward. These targets and timelines are currently under consideration: 50% reduction in scope 1 and 2 emissions by 2030 100% reduction in scope 1 and 2 emissions by 2035 100% reduction in scope three emissions by 2045 (indirect emissions not covered by scope 2, business travel, employee commuting and waste management). We will continue to monitor the climate targets we have in place, providing quantitative disclosures against targets where possible.

Climate scenario analysis

We have considered the TCFD recommendations to report our climate-related financial disclosures. To help us with our strategic decision-making and financial planning amidst the uncertainty of global climate change, we have undertaken a qualitative and quantitative scenario analysis, including a 2°C or lower scenario as recommended by the TCFD. We modelled three different scenarios over three different timeframes, as follows:

- **Scenario 1** sees governments and regulators take little or no action, and temperatures rise by more than 4°C. In this scenario, the UK reneges on its commitments to the Paris Agreement, and carbon emissions continue to increase unabated.
- **Scenario 2** sees expected and well-flagged actions taken in line with the current stated policy of governments and regulators. As a result, temperatures rise by between 2-3°C. Regulatory change is well-flagged, and decarbonisation occurs at a measured pace.
- **Scenario 3** sees actions taken to reduce emissions in line with the Paris Agreement, and consequently, the temperature rises by less than 2°C. In this scenario, governments and regulators introduce significant new regulations and take substantial immediate action to enforce a rapid reduction in emissions.

We modelled the potential impact on revenue and costs for each area of risk or opportunity. We examined how to manage the risks using the Group's existing enterprise risk management framework and scoring matrix. Adopting this approach enabled us to assign a level of probability and impact to each identified risk and opportunity. We also considered existing and emerging regulatory requirements.

We maintained our methodology for determining the likely financial impacts over the short, medium, and long term:

- **Short term:** <3 years
- **Medium term:** 3-10 years
- **Long term:** >10 years

As a result, we have not identified any material climate-related risks or opportunities that would be considered principal risks for our business, or that would have a material effect on our business model or strategy over the short, medium or long term.

Impact and relevance to business model and strategy	Estimated time-frame	How we mitigate the effects	Overall impact*	Overall likelihood*
~~Transition risk: increasing regulation arising from climate change~~	~~MT~~	~~This is already happening in many markets, and we have adapted accordingly.~~	~~2.0~~	~~2.0~~
Transition – new regulations and taxes designed to restrict energy use may result in additional operating costs	MT	We increasingly use a cloud-based technology architecture and use relatively little energy.	2.0 Minor/Low	2.0 Minor/Low
Transition – a need to replace existing technology and processes with low-carbon alternatives may result in additional operating costs	MT	Our office footprint is relatively small, and we can transition rapidly to new, more sustainable technologies and processes as they become available.	2.0 Minor/Low	2.0 Minor/Low
Transition – long-term shifts in consumer behaviour may affect demand for our business customers' products and services	MT	We will continue to innovate to adapt our platform and products to help our business customers respond to the risks and opportunities that arise from shifting consumer behaviour over the short, medium and long term.	2.0 Minor/Low	2.7 Unlikely/ possible

Impact and relevance to business model and strategy	Estimated time-frame	How we mitigate the effects	Overall impact*	Overall likelihood*
Physical risk: disruption caused by the increasing frequency of extreme weather events	MT	Cloud-based, small office footprint, proven capability to rapidly transition to remote working	2.0 Minor/Low	2.3 Unlikely/possible
Physical acute - damage to office premises	ST	Our technology infrastructure is increasingly cloud-based. We have business continuity plans to respond to disruptions to our physical business operations, supply chain, and customers over the short, medium and long term. We operate with a relatively small office footprint and have proven to transition rapidly to remote working when necessary. There was a flood at our main office in Newry during FY24. However, it did not materially impact our ability to operate the business as we shifted immediately to remote working.	2.0 Minor/Low	2.3 Unlikely/possible
Physical acute - travel disruption and restrictions for employees caused by severe weather events	ST		2.0 Minor/Low	2.3 Unlikely/possible
Physical chronic - disruption to our internet and cloud connectivity	MT		2.0 Minor/Low	2.3 Unlikely/possible
Physical chronic - disruption to our supply chain, resulting in general cost inflation	LT		2.0 Minor/Low	2.3 Unlikely/possible
Physical chronic - our ability to grow in certain geographies may be disrupted	LT		2.0 Minor/Low	2.3 Unlikely/possible
Physical chronic - disruption to home-workers	MT		2.0 Minor/Low	2.3 Unlikely/possible
Physical acute - commercial disruption for our customers	MT		2.0 Minor/Low	2.3 Unlikely/possible
Opportunity: designing sustainability into our products and services	MT	KX technology delivers energy efficiency gains for customers	2.0 Minor/Low	1.7 Unlikely/rare
As our customers become more environmentally conscious and pursue their own carbon emissions reduction plans, they can use KX technology to reduce waste, improve yield and for predictive maintenance.	MT	KX technology has been independently benchmarked to be faster and more energy efficient than competing products, and so helps to lower energy use and the total cost of ownership for customers.	2.0 Minor/Low	1.7 Low
The growing social benefit of efficient information management may drive more significant usage of our platform and increase our revenue	LT		2.0 Minor/Low	1.7 Low
Shifting consumer priorities provides an opportunity for our customers to use our technology to derive valuable insights and increase revenue	LT		2.0 Minor/Low	1.7 Low

Impact and relevance to business model and strategy	Estimated time-frame	How we mitigate the effects	Overall impact*	Overall likelihood*
Opportunity: clean energy and reduced resource consumption	MT	More sustainable business travel and commuting	2.3 Minor/ moderate	2.0 Unlikely
The increasing availability of renewable energy allows us to reduce our exposure to fossil fuel price volatility and hence reduce long term operating costs	LT	Our customers use cloud computing, which is environmentally sustainable and emits one-tenth of the carbon associated with on-premise data centres, according to AWS. AWS has committed to 100% renewable energy by the end of 2025. A substantial proportion of our Scope 3 emissions is generated through business travel and employee commuting. In FY24, we surveyed our employees to understand their commuting habits and to explore how we can educate and encourage them to adopt more sustainable travel practices. We have reviewed our business travel policy and booking systems to further incorporate sustainability into the travel and accommodation choices we make in the short, medium, and long term. We have set out clear goals and an action plan to reduce our carbon footprint, over the short, medium and longer term.	2.3 Minor/ moderate	2.0 Unlikely
Our emissions goals are underpinned by the carbon reduction targets of our chosen suppliers	MT		2.3 Minor/ moderate	2.0 Unlikely
Government legislation and regulatory policies promoting eco-friendly transport	ST		2.3 Minor/ moderate	2.0 Unlikely
We have the opportunity to reduce our operating costs by using less power, water, and other resources in our offices	ST		2.3 Minor/ moderate	2.0 Unlikely
We have the opportunity to enhance our reputation and business opportunity, and to attract and retain talent by taking being recognised as a leader in sustainability in the software industry	MT		2.3 Minor/ moderate	2.0 Unlikely

ST = short term (next 3 years); **MT** = medium term (3-10 years); **LT** = long term (>10yrs)

Scoring: assumptions

Impact: minor/low = >£0.25m <£0.75m; moderate = >£0.75m <£1.5m

Likelihood: rare = <5%; unlikely = 5% to 20%; possible = 20% to 65%

Our greenhouse gas emissions

The table below shows the Group's streamlined energy and carbon reporting disclosures across Scope 1, 2, according to the disclosure requirements for listed companies under the Companies Act of 2006. We have voluntarily provided Scope 3 data as well.

Methodology

We have quantified and reported our organisational greenhouse gas (GHG) emissions according to the GHG Reporting Protocol. Energy use data has been collated and converted into Carbon Dioxide Equivalent (Co2e) using the latest (March 2019) HM Government Environmental Reporting Guidelines, along with the 2024 UK Government Conversion Factors for Company reporting (DESNZ). We have used reliable and obtainable data typical of our operations throughout.

GHG quantity emissions reported (tCO₂e)

Scope	Source	FY24 UK	FY25 UK	UK base year difference
	Fossil fuels	0.4	0.0	-100%
	Transport	0.0	0.0	—
	Bio Energy	0.0	0.0	—
	Fugitive	0.0	0.0	—
Total Direct 1	Scope 1	0.4	0.0	-100%
Total Indirect 2	Scope 2	135.9	40.0	+112%
Total	Scope 1 & 2	136.3	40.0	+112%
	Business travel*	435.1	506.8	+18%
	Fuel-related activities*	62.7	62.0	+1%
	Energy-related activities*	32.7	23.3	-18%
Total Indirect 3	Scope 3	530.6	592.1	+14%
Total	Scope 1, 2 & 3	666.9	632.1	+34%

* TCO₂e represents Tonnes Carbon Dioxide equivalent.

* The total amount of estimated information calculated is within the band of 1–20%.

* Scope 3 includes additional data that is optional but advised for reporting on for SECR transparency purposes.

* We have accounted to report on at least mandatory requirements for scopes 1, 2 & 3 as per compliance regulations.

* Scopes 2 dual reporting confirms there is allowance to display a reduced figure associated with electricity if applicable.

Intensity metrics

Scope	Per employee		Per £m revenue	
	FY24 UK	FY25 UK	FY24 UK	FY25 UK
1	0.11	0.07	0.55	0.49
2	0.41	1.07	2.13	7.24
3	0.52	1.15	2.68	7.73
Total 1,2 & 3	1.04	2.29	5.36	15.46

Total energy use Scopes 1 and 2

Energy source	Activity	Unit	FY24 UK	FY25 UK
Heating	Gas & oil	KWH	1,546	19,626
Electric	Electricity consumption	KWH	656,370	745,940
Total		KWH	657,916	745,940

Low-carbon initiatives

The Company has implemented several initiatives to reduce its environmental impact:

- **Office Spaces:** Transitioning office spaces to renewable energy providers to reduce Scope 2 emissions by up to 60 per cent within the first year. This includes sourcing electricity from wind, solar, and other renewable sources to power our offices.
- **Belfast and Newry Refit:** Implementing low-carbon refits in Belfast and Newry offices. These refits involve upgrading insulation, installing energy-efficient lighting and HVAC systems, and using sustainable building materials to reduce energy consumption and improve overall efficiency.
- **Waste Management:** Ensuring that no waste goes to landfill where we have direct control over waste. In Newry, waste is taken to Regen where it goes down a picking line. All recyclable materials are removed and recycled, and the rest is processed for boiler fuel as SRF, resulting in 0 per cent landfill. In Belfast, general waste is processed at RiverRidge Craigmore, where recyclables are removed and residual material is used as fuel via Energy Recovery at Full Circle Generation Belfast, ensuring 100 per cent diversion from landfill.
- **Work From Home:** Encouraging remote work to reduce commuting emissions. By allowing employees to work from home, we reduce the need for daily commuting, which in turn lowers our overall carbon emissions and supports work-life balance.

Reasons for change

These factors affected the change in energy use and emissions during the year:

Divestment of First Derivative to EPAM Systems Inc: The divestment of a significant part of the business has resulted in the removal of one office in the UK in December 2024. This change will contribute to a reduction in overall energy consumption and emissions. The consolidation of operations will allow the organisation to optimise resource use and improve efficiency across our remaining offices.

Switch to green energy in summer 2024: KX has completed the transition to green energy sources for its operations. This switch has already significantly reduced the Company's carbon footprint and further aligns with our sustainability goals. By sourcing energy from renewable providers, we are decreasing our reliance on fossil fuels and supporting the global transition to clean energy.

Communities – creating a culture of partnership

We believe in making a meaningful contribution to the companies in which we operate. Our commitment to our communities has been an integral part of our DNA for over 25 years.

In FY25 we donated £32,894 to charities (FY24: £23,000) and our priorities in FY26 are as follows:

- Roll out global charity initiatives to continue to serve the communities where our employees are based
- Develop meaningful partnerships within our communities
- Further support and promote our "KX for Good" programme launched this year.

KX for Good

Our commitment to fostering a culture of partnership between our organisation and our communities is reflected in our KX for Good programme, which encourages employee volunteerism. Through this programme, our people are given dedicated volunteering days to contribute to causes they are passionate about, whether that be local charity work, environmental sustainability projects, community development initiatives, or individual fundraising.

Over the past year, our colleagues globally have used our volunteering days initiative to support a diverse range of causes. In FY26, we are aligning our KX for Good initiative with our Engagement calendar. We encourage the use of volunteering days internally, and some inspiring initiatives are already being supported in FY26. By empowering our people to give back, we are not only enhancing their sense of purpose but also fostering strong connections with the communities that support us.

KX for Good achievements

- Our team recently participated in the SGX Cares Bull Charge Charity Run in Singapore.
- In Canada, our team participated in a "give back" project for the Toronto General Hospital Cardiac Care Unit.
- In Hungary, our team volunteered at a local elementary school.
- We supported environmental conversation and beach clean-ups.
- Volunteered at a Global Solidarity project in South Africa.
- Volunteered at Royal Air Force Air Cadets camp for underprivileged youth.

Through these initiatives, we aim to foster a more inclusive, supportive, and engaged company culture that extends beyond our business operations. These initiatives represent our ongoing efforts to make a positive and lasting impact on society, reflecting our values of social responsibility and community engagement.

Donation to charities in FY25

£32,894

Responsible operations – our approach to governance

The Company takes seriously its responsibilities to operate ethically and responsibly, and this commitment is demonstrated through a range of policies and supporting governance, as described below.

SDG goals: 3/9/10

The Company is committed to the highest standards of security and privacy. We are conscious that these matters are important to our stakeholders, such as employees, customers, and partners. We regard developing and maintaining privacy and security infrastructure as critical to promoting sustainable development in the industrialised world because it helps promote individual well-being, supports equality, avoids discrimination, and empowers all genders through the confidentiality of their information.

Privacy and security are also essential to successful partnerships, which can progress towards sustainable development through co-operation with confidence that shared information is managed safely. We believe that our business practices in these areas support the following SDG goals: .

SDG goals: 5/9/17

Security business practices

We work with, support, and engage with many large organisations from various sectors that manage sensitive and confidential data. As such, our adherence to high IT and information security levels is imperative. To ensure compliance with best practices, we continue to certify to the UK Government-backed cybersecurity framework, Cyber Essentials and Cyber Essentials Plus, testing our controls, standardisation, and procedures.

Our controls, policies, and procedures take a defence-in-depth and risk-based approach to secure our staff, customers, and systems while aligning to international regulations and frameworks. All people undergo stringent pre-employment screening to ensure secure user onboarding. They must then routinely complete IT security and awareness training to highlight the risks of a modern security climate. This informs users of a cyber-attack's potential impact, and the steps required to reduce the risk of cybercrime infiltration and data exfiltration.

Regular phishing campaigns are undertaken to understand user risk, and mandatory training is subsequently completed for any failures to improve user awareness maturity. Secure development practices, penetration and vulnerability testing of environments ensure we test and remediate any platform, process or system risks.

Training

Delivering robust and regular training is essential to ensure our workforce understands our policies and regulations that apply to them. In addition to cybersecurity training, each employee must complete the following courses: Anti-Money Laundering and Counter-Terrorist Financing, Anti-Bribery and Anti-Corruption, Anti-Facilitation of Tax Evasion, Anti-Slavery and Human Trafficking, Discrimination and Harassment, General Data Protection Regulation (GDPR) and Global Code of Conduct. We maintain a quarterly schedule of mandatory training for both new starters and existing employees, with training completion rates tracked, followed up and reported to the Executive Committee.

Privacy business practices

The Company has privacy policies and practices in place designed to deliver compliance with privacy and data protection law, including GDPR, to protect the personal information held by the Company relating to stakeholders including clients, partners, prospective people and digital/mobile visitors. Our privacy policy can be found on the Company's website here: <https://fdtechnologies.com/privacy-policy>.

Anti-slavery policy

While we believe the Company's risk of encountering human trafficking and modern slavery may be low in the industry we operate in relative to other industries, we are committed to acting ethically and with integrity in all our business relationships and to having processes to reduce the risk of slavery and human trafficking in our organisation and supply chain. We choose suppliers and contractors which we believe share our commitment. The Board receives an update on the approach to modern slavery and approves the Modern Slavery Statement. Our Modern Slavery Statement can be found on the Group website here: <https://fdtechnologies.com/modern-slavery>.

Whistleblowing and anti-bribery and corruption

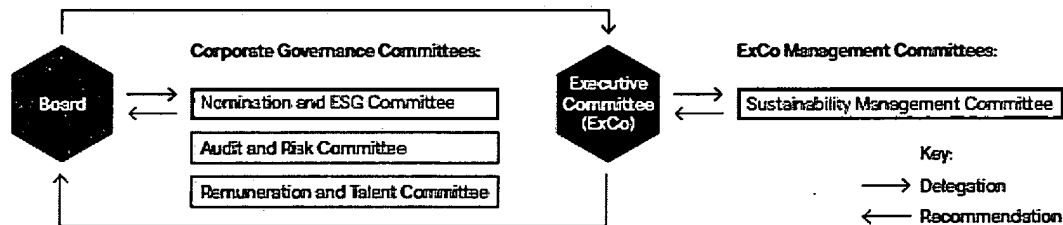
The Company has policies and procedures in place to identify and protect against anti-bribery and anti-corruption risks in its business activities both internally and with third parties such as its suppliers. All employees must participate in regular mandatory training programmes in this area.

The Board is committed to promoting a culture that ensures employees can report confidentially matters of concern both through internal and external whistleblowing mechanisms. No such matters arose during the year in question. The details of any such reports, should they arise, will be communicated to the Audit and Risk Committee.

Delegated authority process

The Board delegates sustainability authority as follows:

- Board sets strategy and policy for sustainability
- Board delegates oversight to the Nomination and ESG Committee
- Board delegates management responsibility to the ExCo
- ExCo delegates oversight to the Sustainability Management Committee, which comprises a group of senior executives representing key functions across the Group.



Our corporate responsibility principles

Here we provide a high-level summary of the principles that guide our policies on corporate responsibility.

FD Technologies' business practices aligned with UN GC principles

Human rights

FD Technologies is a business based on people and, therefore, we place significant emphasis on all aspects of the welfare and wellbeing of our employees. A foundation of Group policies is the rights of employees and the upholding and enforcement of relevant laws for the many jurisdictions in which we operate. Additionally, the Group seeks to promote the same respect and consideration for rights across its supply chain and endeavours through third-party due diligence assessment to only conduct business with parties that uphold the rights of their employees.

Labour

FD Technologies is committed to the elimination of all forms of forced and compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation. Our Statement on Modern Slavery is available on the Group website here:

<https://fdtechnologies.com/modern-slavery>.

Environment

FD Technologies is committed to minimising its operations' environmental impact and understands the importance of reporting on that impact through recognised corporate responsibility standards.

As a provider of software and professional services, the Group's direct operations have minimal environmental impact, broadly limited to energy use. The Group does not manufacture or mine and does not transport goods, so its operations have no effect on land, water, or air emissions. The Group does not provide company vehicles to employees or Directors and does not operate its data centres.

Nonetheless, the Group seeks to minimise the limited impact its operations have on the environment through a range of policies focused on environmental, corporate social responsibility, and ethical and sustainable business.

Anti-corruption FD Technologies is committed to working against corruption in all its forms, including extortion and bribery.

Anti-bribery and corruption policy

In addition to meeting its obligations under the Bribery Act 2010, the Group operates an Ethics Code of Conduct that includes, inter alia, requirements relating to anti-bribery and corruption.

Non-financial and sustainability information statement

The table below constitutes the non-financial and sustainable information statement of FD Technologies plc, produced to comply with Sections 414CA(1) and 414CB(1) of the Companies Act (2006). The information listed in the table below is cross-referenced by page number.

Reporting requirement	Policies and standards that govern our approach	Annual Report reference
Climate-related financial disclosures (CFD)	1. A description of our governance arrangements in relation to assessing and managing climate-related risks and opportunities 2. How we identify and assess, and manage climate-related risks and opportunities 3. The principal climate-related risks and opportunities arising in connection with our operations, and the time periods by reference to which those risks and opportunities are assessed 4. A description of the actual and potential impacts of the principal climate-related risks and opportunities on our business model and strategy, and our resilience to these risks 5. A description of how processes for identifying, assessing, and managing climate-related risks are integrated into our overall risk management process 6. A description of the targets we use to manage climate-related risks and realise climate-related opportunities and to assess our performance against those targets 7. A description of the key performance indicators we use to assess progress against targets used to manage climate-related risks and realise climate-related opportunities, as well as the calculations on which those key performance indicators are based	Climate-related financial disclosures (CFD), page 42 to 51. Task Force for Climate-related Financial Disclosures (TCFD) and CFD compliance, page 43. Specific CFD disclosure requirements: 1. CFD, page 42 2. CFD, page 42 3. CFD, page 43 4. CFD, page 44 5. CFD, page 45 6. CFD, page 46 7. CFD, page 46
Employees	Diversity, equity and inclusion Health, safety and wellbeing Global Code of Conduct Whistleblowing	Empowering change, page 39. Championing diversity, page 40.
Social matters	Stakeholder engagement	Section 172 statement, page 33.
Human-rights, anti-corruption and bribery	Anti-Money Laundering and Counter-Terrorist Financing, Anti-Bribery and Anti-Corruption, Anti-Facilitation of Tax Evasion, Anti-Slavery and Human Trafficking, Discrimination and Harassment	Training, page 53. Anti-slavery policy, page 53. Whistleblowing and anti-bribery and corruption policies and procedures, page 53. Corporate responsibility principles, page 54.

Reporting requirement	Policies and standards that govern our approach	Annual Report reference
Business model	We carefully assess our inputs & resources, primary activities and how our business model can maximise stakeholder value	Purpose, mission, and values, page 3. Business model, page 10.
Principal risks	Effective risk management is at the heart of our commitment to creating sustainable value for our stakeholders	Chair's review, governance, page 5. Principal risks and uncertainties, page 27.
Non-financial key performance indicators	The Board utilises certain non-financial key performance indicators to measure value creation	Key performance indicators, page 22. Definition of terms, page 26.

Corporate governance

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Board of directors

Donna Troy

Chair

Committee membership

Nomination and ESG (Chair), Remuneration and Talent

Donna joined the Board of First Derivatives in January 2018 as a Non-Executive Director and was appointed Non-Executive Chair in January 2020. She has extensive experience in both senior executive and non-executive roles within multi-national technology companies. She is based in Austin, Texas.

Donna has held CEO, division general management and sales leadership roles in organisations including IBM, Partnerware, McAfee, SAP, Dell and Epicor, delivering revenue and margin growth while implementing global go-to-market strategies in businesses from start-up to \$8bn in revenue.

Donna holds a Bachelor of Science degree, summa cum laude, in Computer Science from North Carolina State University and in 2017 was inducted into the North Carolina State University Computer Science Alumni Hall of Fame.

Other appointments

Donna is currently on the board of directors of Aptean.

Skills matrix

Technology industry, strategy, listed company executive, international experience

Seamus Keating

Chief Executive Officer

Committee membership

None.

Seamus was appointed as CEO in January 2020. He was first appointed to the Board as an independent Non-Executive Director in December 2012 and was appointed Non-Executive Chair in July 2013. He has over 20 years' experience in the global technology sector in finance and operational roles and has held a number of non-executive roles since 2012.

He was chief financial officer of Logica plc from 2002 until 2010 when he became chief operating officer and head of its Benelux operations. Prior to his role at Logica plc, he worked for the Olivetti Group in senior finance roles in the UK and Italy.

Other appointments

None

Skills matrix

Technology industry, finance industry, strategy, listed company executive, accounting qualifications, international experience

Ryan Preston

Chief Financial Officer

Committee membership

None.

Ryan joined the Board of First Derivatives in January 2021 and has responsibility for the Group's financial and legal operations. Ryan was formerly chief financial officer of Independent News & Media plc and at OVO Energy Retail, having spent the early part of his career at Tesco plc where he was European CFO.

Other appointments

None.

Skills matrix

Technology industry, strategy, listed company executive, international expertise, accounting qualifications.

Ayman Sayed

Non-Executive Director, Senior Independent Director (Independent)

Committee membership

Remuneration and Talent (Chair), Nomination and ESG, Technology and Product

Ayman joined the Board of First Derivatives in July 2020. He brings to the Group extensive experience in enterprise technology and a track record of driving business success through growth strategies focused on product innovation. He is currently president and CEO of BMC Software Inc., a global enterprise software company headquartered in Houston, Texas.

Prior to his current role he was president and chief product officer of CA Technologies Inc., a Fortune 500 company acquired by Broadcom Inc., where he was responsible for the vision, strategy, development and success of the company's portfolio of products and solutions. Ayman holds a Bachelor's degree in Electrical Engineering from Cairo University.

Other appointments

Ayman is also a director of BMC Software and Donnelley Financial Solutions.

Skills matrix

Strategy, international experience, technology industry, listed company executive.

Thomas Seifert

Non-Executive Director, Designated Workforce Engagement Director (Independent)

Committee membership

Audit and Risk (Chair), Remuneration and Talent

Thomas joined the Board in July 2020. Thomas is chief financial officer of Cloudflare Inc., where he is also responsible for the company's business data analytics and data science. He provides a wealth of expertise across the cloud, SaaS and data analytics, which is highly relevant to the Group's growth ambitions. In addition, Thomas has extensive operating experience growing and scaling technology companies across cybersecurity, software and semiconductors.

Prior to his current role Thomas was chief financial officer of Symantec Corp, a leading cybersecurity company, where he was responsible for the implementation of transformation and M&A strategies. He was also CFO at Advanced Micro Devices, where he held an interim CEO position.

Other appointments

None

Skills matrix

Strategy, international experience, technology industry, listed company executive, accounting qualifications

Usama Fayyad

Non-Executive Director (Independent)

Committee membership

Audit and Risk, Technology and Product (Chair)

Usama joined the Board in January 2022. Usama is the inaugural executive director of the Institute for Experiential AI at Northeastern University in Boston and is also the founder and chair of Open Insights, a company focused on helping enterprises drive full value from their data assets.

He started his career at NASA Jet Propulsion Lab and after leadership roles at Microsoft Research and Microsoft SQL Server, he became Yahoo's first chief data officer. From there, Usama became global chief data officer at Barclays in London where he led digital transformation projects that reduced costs and helped create new data products.

Other appointments

Usama is also a director of Open Insights Group and Open Insights Technology Corporation.

Skills matrix

Finance industry, strategy, international experience, technology industry

Board composition

Length of tenure 1–3 years: 17% 4–6 years: 50% 7–9 years: 33%	Gender diversity Male: 83% Female: 17%	Balance of Executive/Non-Executive Executive: 33% Non-Executive/Independent: 67%
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Chair's governance statement

"Reinforcing governance and managing risk through strategic transformation".

Donna Troy
Chair

On behalf of the Board, I am pleased to present the Group's Corporate Governance Report for the year ended 28 February 2025. This past year marked a pivotal period for the Group, as we undertook the divestment of the First Derivative division aligned with our strategic priorities. The decision to divest First Derivative was the result of extensive analysis and thorough Board-level debate supported by expert advice from our advisers from leading investment banks, accounting and law firms. As a result, I am delighted that we are now positioned to deliver a pure play, high-growth software business in KX, which is funded to execute on the exciting growth opportunities ahead of it.

The work of the Board Committees during the year also supported the review process, notably within the Audit and Risk Committee which examined the financial reporting requirements arising from the separation of our businesses and the accounting and tax considerations associated with these transactions.

The Remuneration and Talent Committee continued to focus on strategic hires to strengthen the KX leadership team to ensure that KX is set up for success as a pure software business going forward and the incentive structure that is needed to support recruitment and retention.

The Board remained committed to strong governance and robust risk management, particularly in a year marked by significant divestment activity. We have ensured that strategic projects, including a significant internal reorganisation and the divestment of First Derivative were conducted with careful oversight, aligned with our strategic objectives, and that risks were carefully considered. These actions reflect our focus on long-term value creation and operational resilience. While additional time and effort was required to oversee these strategic initiatives, during this

Skills matrix

		Donna Troy	Seamus Keating	Ryan Preston	Usama Fayyad	Ayman Sayed	Thomas Seifert
100%	Technology industry	✓	✓	✓	✓	✓	✓
50%	Finance Industry		✓	✓	✓		
100%	Strategy	✓	✓	✓	✓	✓	✓
83%	Listed company executive	✓	✓	✓	✓	✓	✓
50%	Accounting qualifications		✓	✓			✓
100%	International experience	✓	✓	✓	✓	✓	✓

period of transformation, we made the decision not to carry out a board evaluation this year.

Following the divestment of First Derivative, we have executed our strategy to deliver a pure play KX software business. In December 2024 the Board decided that the important work done by the Technology and Product Committee to steer the evolution of our product strategy and assess the emerging opportunities and threats should be included in the main Board agenda given its importance in a pure play software business.

Culture and Board information

Strong governance and a healthy organisational culture are vital to our success – particularly during times of significant strategic change. As Chair, I remain committed to fostering open, objective and constructive Board dialogue to guide the business through complex decisions with integrity and clarity.

This past year marked a pivotal period for the Group, as we undertook a major internal re-organisation and a divestment of the First Derivative division aligned with our strategic priorities.

Throughout this period of organisational change the Board executed their roles to ensure the business continued to perform. The CEO provided regular updates on business unit performance, and divisional leaders attended Board meetings throughout the year to ensure a comprehensive understanding of operational and financial outcomes. This informed the Board's oversight and ensured we could provide clear direction during key milestones of the divestment process.

Developing and supporting our people remained central to our strategy during the year. We further invested in leadership development and enhanced skills programmes to help employees realise their full potential. This commitment to learning and development supports a culture of resilience, adaptability and growth.

Employee engagement is a key indicator for the Board reflecting the strength of our organisational culture and strategic alignment. I am pleased with the strong levels of engagement demonstrated in our annual employee survey, especially in key areas such as sustainable engagement. These results highlight our ongoing commitment to cultivating a motivated, energised, and high-performing workforce.

As part of our commitment to remaining connected with our employees, we continued our practice of rotating Board meeting locations across Group sites. These visits provided valuable opportunities to engage directly with employees and reinforce our values during a period of change.

Having a diverse and inclusive workforce is imperative for maintaining a sustainable and thriving business. Our work on diversity, inclusion and belonging continued this year and we continued to work with our established networks to increase diversity and continue to focus on outcome-based initiatives to demonstrate our progress.

Since my last report there have been no changes to Board composition. The Board continues to bring a wealth of skill and experience to the organisation, playing a vital role in navigating recent strategic decisions. Working with an external consultancy, I have begun the process of reviewing the composition of our Board as we go forward as a standalone software business. However, this process has been put on hold as we await the outcome of the shareholder vote on the offer we received for the Company from TA Associates on May 8, 2025.

Compliance with the UK Corporate Governance Code

The Board is committed to promoting high standards of corporate governance across the Company and has followed the 2018 UK Corporate Governance Code (the "Code") during the year. In subsequent years, the updated 2024 UK Corporate Governance Code will be adopted by the Company. In relation to our compliance with the Code in FY25, we have applied the principles of the Code, save for some exceptions noted in relation to provision 21 of the Code (see Report of the Nomination and ESG Committee) and provision 36 of the Code (see Report of the Remuneration and Talent Committee).

Annual General Meeting

The AGM is an important forum for shareholders to hear more about the general development of the business. The 2025 Annual General Meeting will be held on 28 August 2025. Full information is contained in the Notice of Annual General Meeting, which will be sent to shareholders with this Annual Report at least 21 working days prior to the date of the meeting and is available on the Company's website at www.fdtechnologies.com.

Conclusion

In summary, the focus in FY25 has been on executing the Group's strategy following the work commenced in FY24 to review the optimal way forward for the component parts of the business to deliver value to our stakeholders. The Board's skills, experience and knowledge, underpinned by our governance framework, provided a robust decision-making framework, enabling the Group to execute a multi-jurisdictional internal reorganisation and the divestment of a major part of the Group during the year. Post year end the governance framework has continued to support the work of the Board in reaching an agreement on the terms and conditions of a recommended acquisition pursuant to which TA Associates shall acquire the entire issued and to be issued ordinary share capital of FD Technologies.

Donna Troy
Chair
2 June 2025

Governance framework

The Board

Led by the Chair, the Board's principal responsibilities are:

- To establish the vision, mission and values of the Group
- To set strategic objectives and provide the leadership to put them into effect
- To monitor and assess financial performance
- To embed a framework of controls which allow for the identification, assessment and management of risks
- To ensure the Group fulfils its obligations to shareholders, employees, clients and other stakeholders.

The effective discharge of these responsibilities is intended to achieve high standards of governance within the Group. The Board is acutely aware that good governance is a prerequisite to successful execution of Group strategy on a sustained basis and constantly strives to ensure that its policies and practices in this area are regularly reviewed and, where necessary, updated to reflect the evolution of the Group's operations. This has been particularly important this past year as the pace of transformation has increased.

Matters reserved for a decision of the Board include approval of the Group's commercial strategy, annual operating plans, business plans, acquisitions, oversight of the recruitment of key executives, significant contracts, Annual Reports and interim statements and any substantial funding and capital expenditure plans.

The Board meets regularly to discuss and agree on the various matters brought before it, including trading results, key personnel matters and significant investments. FD Technologies has a highly experienced Board with a depth of skills and expertise relevant to the effective running of the Group, supported by the senior management team.

In addition to the Board meetings, there is regular communication and Board update calls between Executive and Non-Executive Directors to update the Non-Executive Directors on matters requiring attention prior to the next Board meeting. In addition, the Chair meets separately with the Non-Executive Directors.

Responsibilities of the Chair and Chief Executive Officer

The Chair is responsible for the leadership of the Board, ensuring the efficient discharge of its principal responsibilities described above. The CEO is responsible for implementing the Group's strategy and for the financial performance, risk management, people development and other key components of ongoing operations.

Composition of the Board

The Code requires that the Board should contain a balance of skills, experience, independence and knowledge of the Company. It should also include an appropriate combination of Executive and Non-Executive Directors and there should be a formal, rigorous and transparent procedure when appointing new Directors to the Board. The Board includes a majority (4 out of 6) of independent Non-Executive Directors which includes the Chair.

These matters are discussed more fully in the Report of the Nomination and ESG Committee. Board composition is regularly reviewed to ensure the requisite mix of skills and business experience is maintained and to ensure the proper functioning of the Board.

When a new appointment to the Board is proposed, consideration is given to the capabilities, knowledge and experience that a potential new member could add to the existing Board composition. Before the appointment of a Non-Executive Director is confirmed, the Chair establishes that the prospective Director can commit the time and effort necessary to fulfil their duties, in terms of availability both to prepare for and attend meetings and to discuss matters at other times.

Role of the Senior Independent Director

The Senior Independent Director:

- Provides support to the Chair on governance issues
- Works with the Chair and other Directors to resolve significant issues should they arise, particularly where stakeholders have concerns that are not being addressed by the Chair or Chief Executive
- Takes the lead in evaluating the performance of the Chair and serves as an intermediary and sounding board for Directors.

Board information and development

Both at its periodic meetings and in separate briefing sessions between Non-Executive Directors and senior management (including Executive Directors), the Board is kept fully apprised of all material commercial and technological developments likely to affect the Group's performance and prospects.

Updates dealing with changes in legislation and regulation relevant to the Group's business are provided to the Board and the Board Committees. The Company's nominated adviser provides refresher training on AIM rules and regulations. The Board rotates the venue for its meetings between the major operating centres of the Group to encourage two-way communication between the Board and employees across its operations.

The Board recognises its overall responsibility for the Group's system of internal control and for monitoring its effectiveness. All activity is organised within a defined structure with formal lines of responsibility and delegation of authority. The Group produces information packs on a weekly and monthly basis detailing key financial and marketplace information. The Group also produces regular information packs which are distributed to Directors to enable the Board to monitor operational performance and the cash position and as a result allocate the Group's resources.

Adherence to high standards in the areas of employee wellbeing, health and safety and corporate social responsibility are also monitored by the Board on a regular basis.

Re-election

Under the Code, Directors should offer themselves for re-election at regular intervals. The Board has decided that all Directors will offer themselves for re-election annually.

Board Committees

The Group has an Audit and Risk Committee, a Remuneration and Talent Committee and a Nomination and ESG Committee. The Technology and Product Committee was in operation until December 2024 and its work will be included in the main

Board agenda going forward now reflecting that the remaining business, KX, is a pure software business and it would be appropriate to consider product strategy and risks as part of the Board.

These Committees consist of Non-Executive Directors and have written constitutions and Terms of Reference which can be found on the Group's website.

The Audit and Risk Committee's role is to assist the Board with the discharge of its responsibilities in relation to internal controls and external audits particularly with respect to the integrity, reliability and transparency of published financial information. The Committee has formal meetings prior to the publication of the interim and final results and additional meetings on an ad hoc basis as and when required. The external auditor attends the Committee as and when required including to present the audit plan and to feedback on the audit prior to the publication of the final results.

The Remuneration and Talent Committee meets periodically to determine the remuneration of the Board and senior executives. Remuneration levels are set in order to attract and retain the talent needed to run the Company based on objective comparable market data. In addition, the Remuneration and Talent Committee provides guidance and direction into all major compensation-related policy decisions by the Group.

The Nomination and ESG Committee ensures that there is an appropriate balance of skills, experience, diversity, independence and knowledge on the Board and its Committees, reviews the size and composition of the Board and makes recommendations to the Board. The Committee receives reports from and provides input on the CEO's plans for executive succession and development. The Committee also considers and agrees: (i) appointments to and removals from the executive leadership team and changes in other executive direct reports to the CEO; and (ii) proposals to restructure the executive leadership team, should the need arise. The Committee also oversees and monitors the Group's governance framework and endorses governance policies and makes recommendations to the Board.

The Technology and Product Committee reviewed, evaluated and made recommendations in relation to product plans, the talent and skills of the workforce, research and development activities and future trends in technology that may affect the Company's strategic plans. Post FY25 it has been decided to incorporate the work of this committee into the main Board agenda given its importance in a pure play software business.

Conflicts of interest

In order to identify and manage conflicts of interest, all members of the Board are required to promptly notify the Chair and Company Secretary in advance of any matters where there is a reasonable likelihood that such matter could give rise to an actual or perceived conflict of interest. This would include, but is not limited to, other executive roles and directorships, or material shareholdings in companies that may compete with FD Technologies or which may have a customer or supplier relationship with the Group or which may benefit from investment by the Group. In such circumstances, Board members would withdraw from any consideration of the matter by the Board and, in the event that the matter related to competition, may be required to resign from the Board. No conflicts of interest arose during the year.

Internal control

The Board has overall responsibility to ensure that the Group's internal control system is comprehensive, coherent and responsive to the evolving environment in which the Group operates. The Board is also responsible for maintaining a sound system of risk management and internal control that is sufficient to meet its business objectives whilst effectively reducing risks to an acceptable level.

The Group has built a robust framework of internal control around risk identification, impact assessment, probability of occurrence and mitigation strategies, which has been in place for the year under review and up to the date of approval of the Annual Report and Accounts. It is reviewed annually by the Board and is in accordance with the guidance included in the FRC's "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting". Further information can be found in the Risk Factors section of this report.

During the year, due to the resource demands of ongoing strategic projects, internal audit activities were temporarily reduced. Nevertheless, the internal audit function remained engaged in risk management assessments during this time. Principal risk owners also reported to the Audit and Risk Committee on the relevant risks and associated controls, as appropriate. The Board confirms that it is not aware of any significant deficiencies or weaknesses in the Group's internal control system.

Meeting attendance

	Board ¹	Audit and Risk Committee	Remuneration and Talent Committee	Nomination and ESG Committee	Technology and Product Committee	Total
S Keating	9/9	—	—	—	—	9
D Troy	9/9	—	5/5	4/4	—	18
U Fayyad	5/6	6/6	—	—	4/4	15
R Preston	9/9	—	—	—	—	9
A Sayed ²	5/6	1/1	5/5	4/4	4/4	19
T Seifert	6/7	5/6	4/5	—	—	15
Number of meetings	9	6	5	4	4	28

¹ The number of Board meetings includes sub-committee meetings. In addition, certain matters were addressed by written resolution and routine administrative business, such as the allotment of shares connected with employee share plans, was addressed with a smaller quorum from time to time.

² In addition, A Sayed acted as proxy for T Seifert in the June 2024 ARC and RTC.

Report of the Audit and Risk Committee

Delivering on our strategy

"The Committee plays an important role in managing the Group's risks and has focused on the governance of the successful separation and divestment of First Derivative whilst ensuring KX has the reporting and control environment for sustainable growth."

Thomas Seifert
Non-Executive Director

Focus in FY25

- Separation of KX and First Derivative
- Financial statements and reporting
- Risk management and internal control.

Priorities for FY26

- Financial statements and reporting
- Risk management and internal control
- Succession planning.

Membership

- Thomas Seifert (Chair)
- Usama Fayyad

Meeting attendance

- Thomas Seifert 5/6
- Usama Fayyad 6/6
- Ayman Sayed (1/1) (as proxy for T Seifert)

Principal activities

Separation of KX and First Derivative

During the year the Group implemented a reorganisation programme that focused on separating the business of First Derivative and KX into standalone entities. The Committee oversaw this process, offering both guidance and challenge as new entities were established, system configurations were set up in Oracle ERP, and Business Transfer Agreements were executed.

As a result, a defined perimeter for the First Derivative business was established, encompassing the associated contracts, assets, and personnel.

Divestment of First Derivative

The Committee oversaw the divestment of the First Derivative business, ensuring adequate resources were in place to complete the transaction. It provided guidance on transaction-related fees and offered feedback on key documentation, including the Share Purchase Agreement and the Transitional Services Agreement. Additionally, the Committee contributed input on the appropriate accounting treatment for the divestment.

Financial statements and reporting

The Committee is responsible for overseeing the Group's financial reporting processes, including the review of both annual and interim results, the assessment of accounting policies, and ensuring that the Annual Report is fair, balanced, and understandable. During the year, the Committee also addressed two key areas: the restructuring of the Group's entities following the separation of KX and First Derivative, and the accounting treatment related to the divestments of both MRP and First Derivative.

Risk management and internal controls

During the financial year, the Committee undertook the following key activities to discharge its responsibilities in relation to risk management and internal control: Risk Management - reviewing the organisation's risk management framework to ensure it remains appropriate, effective, and aligned with the strategic objectives. Internal Control monitoring - evaluated the effectiveness of internal controls through reports from internal audit and management. Reviewed the external auditor's audit plan and findings, particularly in areas relating to internal control deficiencies or risk exposures. Monitored the operation of the whistleblowing mechanism and associated reports, no matters of significance arose during the period in question.

Dear shareholders

I am pleased to present the Report of the Audit and Risk Committee (the "Committee") for the year ended 28 February 2025. This report provides insight into the work carried out by the Committee and outlines the key areas of focus of the Committee during the past year.

Role of the Committee

The Committee has been charged by the Board with the task of providing governance and oversight over the integrity of accounting and financial reporting, reviewing the risk management framework of the Group and managing the relationship with the external auditor. A key focus of the Committee in FY25 was the separation and divestment of the First Derivative business. In addition the Committee's agenda includes items such as governance of cybersecurity, updates to the ERP, the reporting environment, internal audit and renewals of insurance policies. As detailed below, the Committee also considers the going concern and longer-term viability of the Group. The Committee meets regularly to consider the matters under its remit, including meetings prior to the release of both the interim and full-year financial reports.

Composition

The Audit and Risk Committee is chaired by Thomas Seifert, who is currently chief financial officer of NYSE-listed Cloudflare and who has held CFO roles at global, public technology companies including Symantec and Advanced Micro Devices. The other Committee member is Usama Fayyad, who has held senior technology positions at multi-national technology organisations including Yahoo, Microsoft and Barclays. The Committee members have significant experience of financial matters developed during their business careers.

Governance

The Committee sets its own agenda in line with best practice. Only Committee members have the right to attend Committee meetings. At the invitation of the Committee, the Chief Financial Officer, Chief Executive Officer, Chief Executive Office KX and senior representatives of the finance and management teams also attend meetings, as do representatives of both internal and external audit. The Committee holds regular meetings with the external auditor, Deloitte without management present, and these discussions assist in ensuring that reporting and risk management processes are subject to rigorous review throughout the year.

Standing agenda items

Issues considered by the Committee during the year included items that are a standing part of its remit as well as a number of areas which the Committee considered required a deeper focus.

Risk management framework

The Committee is responsible to the Board for ensuring the Company has appropriate systems and procedures for the identification, assessment, management and monitoring of risk. Following the divestment of both MRP and First Derivative the focus was primarily on the KX risk framework. The Committee reviewed KX's risk register, principal and emerging risks and mitigation strategies, with particular discussion around the principal risks. Further details are provided in the Principal Risks and Uncertainties Report. Where risks are insurable, the Committee reviews the cover in place and makes recommendations in line with the Risk Appetite Statement. The Risk Appetite Statement is reviewed and approved annually by the Board. The Committee reviews the procedures in place to identify emerging risks on an annual basis. Emerging risks, after review and where appropriate, are added to the Group's risk register, enabling them to be monitored along with the efforts taken to mitigate them.

Accounting and financial reporting

The Committee ensures that the financial results are accurate, timely and in line with accounting standards and provide support on key judgements. During the year, the Committee considered and recommended the approval of the interim financial results, preliminary results and the Annual Report.

The Committee carefully addressed the key issues that faced the Company within the financial statements, including the divestment of MRP and First Derivative. The Committee also assessed the areas of key reporting estimates and judgements which principally comprise revenue recognition, capitalisation of internally developed software, accounting for equity investments, goodwill impairment, and concluded that all judgements were reasonable and appropriate. The outcome of the Committee's findings were discussed with the external auditor. We are satisfied that the judgements and estimates applied in the financial statements satisfy the requisite standards both in terms of accounting treatment and disclosure. The Committee ensures compliance with relevant regulations for financial reporting.

Going concern

The Committee reviewed and challenged management's financial forecasts and cash available from the First Derivative divestment and applied sensitivity analysis. The Committee and the Board concluded that the Company and the Group are going concerns, and the financial statements are therefore prepared on that basis. This treatment reflects the reasonable expectation that there are adequate resources to continue in business for the next twelve months from the date of approving these financial statements, taking into account the principal risks set out in this Annual Report.

Viability statement

In accordance with the UK Corporate Governance Code, the Board has considered the current financial position and future prospects and has a reasonable expectation that KX will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment.

In reaching this conclusion, considerations that impact this assessment include the current financial position and available financial resources, the KX business model as outlined in this Annual Report and management's forecasts presented to both the Committee and the Board. The assessment is based on KX as the sole trading business.

The Annual Operating Plan involves input from all relevant business leads and the impact of strategic initiatives, together with consideration of key risks. This results in a detailed twelve-month outlook which includes cash flow projections and capital expenditure requirements. The Annual Operating Plan is reviewed and approved by the Board and performance against the plan is reviewed throughout the year. In addition to the detailed Annual Operating Plan, a three-year forecast is prepared using assumptions of future growth and the costs required to support the KX strategy during the period.

Given the technology-based nature of the KX business, the Board considers that three years is an appropriate period over which to provide a viability statement and believes this provides the readers of the Annual Report with a reasonable degree of confidence. The Board has no reason to believe that the Group will not be viable over a longer period.

External audit

At the 2019 AGM, Deloitte was appointed auditor for the financial year ended 29 February 2020 and continues to act as external auditor. As part of the auditor's normal rotation process, John Kehoe replaced Richard Howard as the lead audit engagement partner from Deloitte. The Board and Audit Committee would like to thank Richard Howard for their service and contribution during their tenure.

The Committee reviews and makes recommendations regarding the appointment of the external auditor. In making these recommendations the Committee reviews the performance, effectiveness and independence of the external auditor as well as longevity of service. In conducting its annual assessment of external auditor independence, the Committee reviews the external auditor's own policies and procedures for safeguarding its objectivity and independence. The Committee's primary means of assessing the effectiveness of the external audit is by monitoring performance against the agreed audit plan and through discussions with management on Deloitte's effectiveness and quality of work. The audit plan was presented by Deloitte in March 2025. The Committee holds regular meetings with the external auditor to review matters of interest including year-end reports, the audit plan, management letter observations and updates on ongoing audit work.

To maintain independence the external auditor is not invited to provide any non-audit services where it is felt that this could conflict with its independence or objectivity. In all cases the provision of non-audit services is carefully monitored by, and subject to, prior approval of the Committee.

Internal audit function

The internal audit function reports directly to the Committee, with a remit to provide independent and objective assurance to the risk management framework. The focus in FY25 was the separation and divestment of First Derivative and it was agreed with the Audit and Risk Committee that internal audit team could be utilised to support delivery of this goal. This included ensuring we had appropriate controls in place to deliver the Transition Services Agreement. Whilst the internal audit activities were temporarily scaled back for part of the year, including pausing testing of the internal control framework from June 2024 until February 2025, the team continued to be involved in risk management reviews during this period and completing follow-ups on prior year audits and testing on the Internal Control Framework providing assurance on the effectiveness of controls. Internal audit is now focussed on delivering the FY26 internal audit plan.

Compliance and whistleblowing

The Committee monitors the Group's compliance with the UK Corporate Governance Code and AIM and Euronext Growth Listing Rules for Companies as well as ensuring the processes and arrangements that enable employees to raise concerns in confidence. No matters of significance arose during the period in question. The Committee reviewed and approved the arrangements for whistleblowing during the year.

Other agenda items

Other specific items addressed by the Committee during the year include approving specific Delegations of Authority and renewing insurance policies, ensuring the cover is sufficient to realise the Group's strategy and approving updated policies.

Principal activities

Separation of KX and First Derivative

Issue: KX and First Derivative financial information was limited as contracts, employees and assets operated in the same entities.

How the Committee addressed the issue:

- Approved the perimeter for First Derivative including contracts, people and assets within the perimeter.
- Provided guidance and shared experience on the separation project plan.
- Approved resource to reconfigure Oracle to the new entity structure.
- Approved resource and reviewed the tax step plan as part of the separation.
- Reviewed progress against agreed timelines.
- Provided guidance on transaction-related fees.

Report of the Nomination and ESG Committee

Effective governance and decision making

"The Committee plays a vital role supporting the Board in ensuring effective governance structures are in place, as well as ensuring the Board and its Committees maintain an optimal combination of skills, experience, knowledge and diversity to facilitate effective governance and decision making."

Donna Troy

Non-Executive Chair

Focus in FY25

- Reviewing Board Composition Requirements
- Succession planning
- ESG compliance and reporting.

Priorities for FY26

- Evolution of corporate governance practices
- Succession planning
- ESG compliance and reporting.

Membership

- Donna Troy (Chair)
- Ayman Sayed (Independent Non-Executive Director)

Meeting attendance

- Donna Troy- 4/4
- Ayman Sayed - 4/4

Dear Shareholders

The Nomination and ESG Committee ("the Committee") is responsible for supporting our governance through ensuring we have effective succession planning, maintaining a pipeline of strong candidates for potential nomination to the Board, while simultaneously ensuring robust succession planning and talent strategy for the senior leadership in the business. Our role also includes ensuring there is an appropriate balance of skills, experience, diversity, independence and knowledge on the Board and its Committees, reviewing the size and composition of the Board and making recommendations on these matters to the Board. The Committee also ensures that the Group's environmental, social and governance policies and priorities are aligned to the overall strategy of the Group. The Group HR Director attends the Committee meetings and is available to assist the members of the Committee as required, ensuring that timely and accurate information is distributed accordingly.

Business during the year

Issues considered by the Committee during the year included items that are a standing part of its remit as well as several areas which the Committee considered to require a deeper focus. During the year, to complement the work already being undertaken by the Board, the Committee focused on the following matters:

- Board Composition and Succession Planning
- Climate-related Financial Disclosures
- Succession planning
- Gender pay gap

Board effectiveness review

Following on from the external review conducted in FY24 by Independent Audit Limited, the Committee decided to move to an externally facilitated evaluation of the effectiveness of the Board and its Committees every other year with an internal annual review in the intervening years. However, the Board did not carry out an internal evaluation during FY25 to not distract from the strong focus and time commitment required on the strategic changes being undertaken. As a result, the Company was not compliant with provision 21 of the UK Corporate Governance Code in the year.

Climate-related financial disclosures

As a global business we recognise the importance our environmental, social and governance policies have on all our stakeholders. The environmental Sustainability Group (SG) chaired by the Group HR Director continued to advise the Committee and support the wider business. The SG considered a range of scenarios to determine how climate-related risks and opportunities affect our business. We continued to work closely with external consultants Carbonfit to assist us in ensuring compliance with mandatory climate-related disclosures. Carbonfit is a platform designed and supported by qualified chartered engineers to simplify carbon reporting and reduction.

Succession planning

A key area of focus for the Committee is nurturing the Group's leadership and talent pipeline. The Committee's focus this year has been on effective succession planning throughout the Group, particularly at the executive level. The Committee is fully engaged with the end-to-end talent management and senior succession planning approach that is utilised by the Group. All executive team roles and other roles deemed critical have a formal succession plan. These plans contain an immediate succession option, if we need to ensure business continuity in an emergency, as well as longer-term succession options. Development plans are put into place for potential successors; to address any developmental gaps and to ensure they are ready for the role. To ensure that our internal talent is being developed to meet strategic needs, all our leadership development programmes were enhanced this year. These programmes are geared at developing our leaders of the future and aim to support and accelerate future leader development across all stages of an individual's career. The Committee receives reports on executive team and critical roles succession planning at each Committee meeting.

Whilst we continue to invest in recruiting new talent our priority remains to look after and develop our existing team as employee retention is an increasingly important element in our approach to talent management and succession planning.

Board composition and appointment process

Given the amount of change the business is currently undergoing, the Committee is carefully considering the skills and experience required to enhance the current Board when we come to appoint the next Non-Executive Director. The overarching priority is to ensure we have the appropriate balance of skills, experience, diversity, independence and knowledge on the Board and its Committees.

The business is now smaller, less complex with a well understood risk profile. This year, independent consultants from ZRG Consulting Solutions were appointed to undertake a Board Composition Review to identify the requirements going forward, given the business is at an inflexion point following the sale of First Derivative to EPAM Systems Inc.

Appointing the right people to the Board and the leadership team is fundamental to the success of the Group. The Committee has a robust strategy and process to ensure the recruitment of individuals with the most appropriate competencies and experience to complement those that already exist. The composition of the Board is informed by plans for orderly succession across Board and Committee roles. This is supported by regular assessment of the skills, experience and diversity the Board needs, in line with strategy and changes in the Group's operating context. The Board recruitment and succession process has the following stages:

- Stage 1 – Confirm objective of the process and role specification
- Stage 2 – Engage an external recruitment firm and set out process
- Stage 3 – Assess how the specification can be met through a longlist
- Stage 4 – Review technical and cultural fit to agree a shortlist
- Stage 5 – Identify the preferred candidate to recommend to the Board.

The Committee monitors a schedule of the Non-Executive Directors' tenures (including the Chair's tenure) and reviews potential departure dates assuming the relevant Directors are not permitted to serve more than three three-year terms (nine years in total) from their appointment date unless exceptional circumstances apply. Planning will continue over the course of FY26 to ensure that we maintain robust and effective recruitment processes for our Non-Executive Director Board members. Donna Troy, as independent Chair of the Board, will not chair any meeting of the Committee dealing with the appointment of her successor.

Evaluation and accountability

The Committee's focus continued to be on accountability and pay for performance. The leadership evaluation process employed by the Group included a mix of self-evaluation, 360-degree feedback and peer and Board review. Each leader was tasked with reviewing performance against objectives and bonus metrics and reflecting on performance over the last year. Quantitative and qualitative evidence was sought in reaching evaluation conclusions regarding performance.

Board diversity priorities

The Committee is committed to achieving diversity in its broadest sense in the composition of the Board and senior management. Our approach to diversity and inclusion on the Board is set out in the Company's diversity and inclusion policy which is reviewed annually by the Committee. The policy sets out the Group's commitment to having a diverse workforce and pipeline of talent, through recruitment and employment practices and actively supporting inclusion through its succession planning process, as well as its open culture and support for employee networks that foster diversity and inclusion.

Although the Committee monitors the Group's organisational inclusion and diversity strategies and initiatives, it also holds itself accountable for the Board's own inclusion and diversity. The Board and the Committee are dedicated to diversity, including ensuring an open and fair recruitment and selection process for all Board appointments. The Committee ensures that its approach to diversity is under regular review, including ensuring the development of a diverse Board. The Board's female representation reduced from 29% to 17% following the resignation of Virginia Gambale in December 2023 but continues to meet its target on ethnic diversity. The Board recognises that there may be periods of change on the Board when female representation may temporarily fall below our target while the Board is refreshed.

Recognising the benefits of wider experience, Non-Executive Director candidates from a wide variety of backgrounds will be considered when making Non-Executive Director appointments. The recruitment and selection process for Non-Executive Directors ensures that longlists of potential candidates comprise at least 50% female candidates.

The Committee and the Board continue to promote the Group's Board diversity policy and will also review advances in best practice. Prior to embarking on the selection process for any new Non-Executive Director, the Committee proactively ensures that the search process is sufficiently inclusive to encourage applications from diverse candidates with relevant skills, experience and knowledge, and that the selection process is fair and transparent. The FRC's guidance on board effectiveness recognises a breadth of diversity that goes beyond just gender and race, and includes personal attributes including intellect, judgement, courage, honesty and tact and the ability to listen and forge relationships and develop trust. This ensures that a board is not closely comprised of like-minded individuals. The Committee agrees that diversity is vital when reviewing the composition of the Board and possible new appointees. Appointing the right people to the Board and the executive leadership team with the appropriate balance of skills, knowledge, experience and culture is fundamental to the ongoing success of the Company. The Committee continues to recommend the appointment of the best people with the right skills and potential.

Standing agenda items

Inclusion and diversity

The Board believes that its perspective and approach can be greatly enhanced through diversity of gender and ethnic backgrounds, cognitive and personal strengths, tenure and relevant experience. We recognise that the delivery of our strategy requires the promotion of a high-performing culture, characterised by a diverse and inclusive workforce. The Board is committed to advancing diversity and to instilling a culture that is inclusive to all. This is founded on inclusion being a critical behaviour to ensure diversity, in its broadest sense, is truly embraced and encouraged, bringing broader debate, better decision-making and ultimately better results for all stakeholders. The Company also recognises the importance of reflecting the diversity of the customers we serve and the markets we operate in. We are proud of our track record on diversity, including gender, ethnicity, nationality, skills and experience, which has resulted in the formation of a diverse, inclusive and vibrant team. When briefing ZRG Consultants to conduct the review referenced under Board composition above, a key requirement was to include female candidates, with the aim of providing the Board with the opportunity to enhance female representation.

Employee engagement

The outcome of the employee engagement survey was presented to the Committee. These results not only inform the Committee on the outcome of the survey are an important tool for the Committee to assess and monitor our culture and how well our values are embedded and whether tailored action plans require to be implemented.

Gender pay gap

More information on the gender pay gap analysis results is available on our website. The Committee's role was to review the results and review the strategies underway to improve the representation of women throughout our business with the aim of narrowing the gender pay gap. While our mean gender pay gap has decreased, the Committee recognises that there is still work to do around the pay gap, particularly at the senior level across the Group, and we commit to ensuring this gap is reduced year on year. The Board remains committed to supporting the efforts of the executive team on these matters.

Director induction

Following Board appointment, Directors receive a comprehensive induction tailored to their individual needs. This includes meetings with senior management to enable them to build up a detailed understanding of the business, the strategy, and the key risks and issues that the business faces.

Governance and composition

The Committee sets its own agenda and while only the members of the Committee have the right to attend its meetings, the Committee may from time to time invite third parties to attend. The composition of the Committee is reviewed on an annual basis. The Committee is chaired by Donna Troy who is independent. Ayman Sayed is the other independent member of the Committee.

Other matters considered

The Committee dealt with a range of other matters during the year, including a review of the annual employee engagement survey and the follow-up action plan, Carbon Reduction Plan Proposals, reviewing the Committee Terms of Reference and relevant training and development for the Board.

Report of the Technology and Product Committee

Evolving with Purpose

"A year of focus on strategic alignment and execution to position KX for long term success and market leadership".

Usama Fayyad

Non-Executive Director

Focus in FY25

The Committee had a special focus on KX during the year as follows:

- Emphasis on high value use-cases where KX technology is highly differentiated with focus on capital markets, aerospace and defence and high tech manufacturing.
- Improve efficiency in our development and deployment lifecycle while continuing to support existing customer expansion and new logo acquisition.
- Engage with design customers to drive early adoption, feedback and proof points.
- Assessing evidence for product-market fit to validate new product directions aligned with the emerging AI opportunity.

Membership

- Usama Fayyad (Chair)
- Ayman Sayyed

Meeting attendance

- Usama Fayyad – 4/4
- Ayman Sayed – 4/4

Dear shareholders

I am pleased to present this report as Chair of the Technology and Product Committee (the "Committee"). Over the past year, I have drawn on my experience in data management, data science and artificial intelligence to support the Committee's oversight and ensure its work adds strategic value to KX.

The Committee's primary role has been to advise the Board on KX's product strategy, evaluating product plans in the context of broader market trends and customer needs. We also oversee the execution of product roadmaps, with a particular focus on how technology investments drive product-market fit and support long-term growth.

Throughout the year, the Committee has received regular and detailed updates from the KX leadership team. Based on these engagements, I believe KX is well positioned to capitalise on opportunities in data management, analytics and AI.

In addition to reviewing and recommending investment proposals, we monitored product adoption with our customers to understand how shifts in customer requirements and market conditions may influence or enhance KX's technology and product offerings. While our primary focus during the year has been on KX, we have also engaged with the First Derivative business (now owned by EPAM) to explore synergies and shared opportunities with customers.

Following the divestments of the First Derivative business to EPAM, the Board decided post FY25 the Committee should be discontinued and to incorporate the work of this committee into the main Board agenda. This change reflects a desire to give greater prominence to product and technology matters at the full Board level, in line with KX's strategic focus as a standalone software business.

Role and activities of the Committee

The Committee met formally four times during the year and is comprised of entirely independent Non-Executive Directors. The Committee meetings are also open to other Board members to attend as desired.

Each meeting was attended by the CEO of KX and other senior members of the KX leadership team as appropriate including the Chief Product & Engineering Officer. Where agenda items related to First Derivative, executives from that business also participated. To ensure that formal meetings focus on the most critical strategic and operational matters, a series of preparatory discussions with the executive team are held in advance. These sessions—typically one to three video conferences per meeting—help shape the agenda and enhance the effectiveness of the in-person Committee meetings.

The Committee sets its own agenda and throughout the year the Committee routinely considers the following matters:

- Strategic Product Alignment
- Investment Planning and Focus
- Vertical Focus and Customer Growth
- R&D Innovation

Key areas of activity included:

- **Strategic Product Alignment:**
The Committee reviewed the FY25 go-to-market strategy and ensured the product portfolio was aligned with growth priorities. It engaged with management on product readiness, roadmap execution, and segment-specific use cases.
- **Kdb Insights Product and Use Cases:**
The Committee monitored progress on the kdb Insights platform, supporting its development in response to capital markets needs. It was encouraged by the growing success of customer adoption and the focus on enhanced time-to-value.
- **KDB.AI Development and Market Positioning:**
The Committee reviewed ongoing development of KDB.AI and its fit within the broader enterprise AI and data management landscape. The Committee encouraged a measured approach and prioritisation of validated opportunities and working with existing customer base
- **Vertical Focus and Customer Growth:**
The Committee received regular updates on progress in key verticals, including new customer wins, expansion within existing accounts, and ongoing deployment success. It supported initiatives to deepen customer engagement and increase referenceability.
- **Innovation and Investment Planning:**
The Committee reviewed the Company's modularised architecture and supported its strategy to deliver integrated capabilities across all products. It also considered potential areas for future R&D investment to support growth and scalability.

Through these activities, the Committee played a key role in supporting the Company's product-led growth strategy and ensuring continued innovation in alignment with business priorities.

Report of the Remuneration and Talent Committee

Strong alignment in pay for performance

"KX has transformed into a software business delivering strong performance. During the year the Committee focused on strong alignment in pay for performance and retaining high calibre executives required for our continued growth in a competitive global technology market."

Ayman Sayed

Non-Executive Director

Focus in FY25

- Ensure that remuneration is competitive to attract and retain key talent
- Review and refine performance metrics to ensure these are appropriately stretching and aligned to strategic priorities

Priorities for FY26

- Review approach to remuneration benchmarking in recognition of global tech market dynamics
- Consider introducing ESG-linked metrics

Membership

- Ayman Sayed (Chair)
- Donna Troy
- Thomas Seifert

Meeting attendance

- Ayman Sayed – 6/6
- Donna Troy – 6/6
- Thomas Seifert – 6/6

Key activity during the year

Attracting and retaining talent in a global market

Under the leadership of the current Executive Directors, the business has transformed into a pure play software business following the sale of First Derivative to EPAM Systems Inc which delivered significant shareholder value. Financial performance has been strong. The Committee believes the Company is well positioned to drive further growth with expanding margins. The Committee is committed to achieving stronger alignment to retain and motivate the Company's senior executives, recognising both the opportunity and the challenge of delivering KX's strategic ambition and the associated growth in shareholder value. We continue to work closely with independent compensation consultants in the US and UK to ensure we can retain and attract talent.

Dear shareholders

I am pleased to present the Company's Remuneration and Talent Committee Report for the year ended 28 February 2025. This report is intended to provide insight into the roles and responsibilities of the Remuneration and Talent Committee and to demonstrate how it has carried out its work during the year and provide context for the decisions made. It also summarises the remuneration outcomes for Executive Directors and contains the Directors' Remuneration Report, which will be put before the 2025 AGM on an advisory basis.

Role of the Committee and membership

The Committee is constituted by the Board to assist it in meeting its responsibilities regarding the determination and implementation of the Group's remuneration policy, including the remuneration of the Chair, Executive Directors and senior management, as well as overseeing the arrangements for the wider workforce.

All members of the Committee are Non-Executive Directors. None of the Committee members has day-to-day involvement with the business and nor do they have any personal financial interest, except as shareholders, in the matters to be recommended.

The number of formal meetings held and the attendance by each member is shown in the table above. The Committee also held informal discussions as required.

The Group HR Director is available to assist the members of the Committee as required, ensuring that timely and accurate information is distributed accordingly.

The CEO and other members of the management team may be invited to attend Committee meetings to provide business context and performance updates. However, no member of management is present when their own remuneration is determined.

Key activities of the Committee

A key focus in FY25 has been reviewing whether the current structure of the Long-Term Incentive Plan (LTIP) introduced in April 2023 remains appropriate following the major restructuring of the business following the sale of First Derivative to EPAM Systems Inc. During the year, the Committee worked with independent compensation specialists Farient Advisors in the US and UK, which has no connection with the Group or individual Directors.

The Committee held six meetings during the year and, amongst other things, undertook the following activities:

- Finalised the FY24 Directors' Remuneration Report.
- A benchmarking exercise was undertaken in relation to the CFO's reward resulting in changes to the CFO's reward structure taking effect from 1 March 2024 as reported below.
- It was determined that no changes to remuneration for the CEO and Non-Executive Directors were required during the year.
- The Committee approved new awards under the LTIP during the year for certain employees below the Executive Directors and which included a mix of performance share units (PSUs) and restricted share units (RSUs) to ensure employee alignment to the Company's long-term goals.
- Reviewed the structures in place for our people with the objective to incentivise, motivate and retain talent and support the delivery of the Group's long-term strategy.
- Approved bonus awards and metrics for the senior management team including Executive Directors. Following the year-end, the Committee also exercised discretion regarding the Executive Directors' bonuses, determining that they should be paid at the maximum level in recognition of the Group's achievements during a notable year.

Approach to remuneration

Our remuneration policy is designed to provide levels of remuneration to attract, retain and motivate both Executive Directors and employees. Further remuneration policies and practices across the Group have been designed to support strategy and promote long-term sustainable success and to be competitive in value to those offered at similarly sized public companies in related sectors.

Remuneration is aligned to our purpose and values and is clearly linked to the successful delivery of the long-term strategy. No Director is involved in deciding their own remuneration outcome. Discretion is exercised appropriately by the Committee when remuneration outcomes are reviewed and authorised.

Over the coming year the Committee will consider the appropriateness of the existing incentive arrangements now the Company is a standalone software business and recognising that KX needs to compete effectively in the international technology talent market, in order to attract and retain talent and to capture the skills we need to succeed. This market is highly competitive and dynamic, is global in nature, and is heavily influenced by US-based companies.

There are key differences between pay models of our global technology comparators (many of which are US-based) and our own pay model, which is UK-centric in nature.

Setting target ranges to reward performance appropriately

The Committee determines target ranges for the annual bonus and LTIP through a review process which considers, where relevant, various factors, including, but not limited to, the current business plan and budget, historical performance, peer benchmarks, and market forecasts. This helps to ensure that remuneration outcomes are appropriate for the level of performance achieved. All performance metrics determined by the Committee for the annual bonus and LTIP were selected following a detailed review of strategic priorities and external benchmarking.

UK Corporate Governance Code

The Committee has taken into account the need for Executive Director remuneration arrangements to consider the six principles set out in UK Corporate Governance Code Provision 40 detailed in the table below:

Alignment of the Directors' remuneration policy with the Corporate Governance Code	
Clarity: remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	We believe our policy is clear in this Annual Report and provides transparency of the elements of Directors' remuneration for the year under review.
Simplicity: remuneration structures should avoid complexity, and their rationale and operation should be easy to understand.	
Risk: remuneration arrangements should ensure reputational and other risks from excessive rewards and behavioural risks that can arise from target-based incentive plans are identified and mitigated.	Targets are designed to be stretching but are not intended to encourage an inappropriate level of risk-taking. There are suitable governance protections, such as malus and clawback provisions, if the Committee determines that any material misstatement or misrepresentation of financial results or performance metric criteria has occurred.

Predictability: the range of possible values of rewards to individual Directors and other limits or discretions should be identified and explained.	Variable remuneration opportunities are expressed as a percentage of base salary with discretion for the Committee to further adjust these outcomes. The Directors' Remuneration Report sets out the potential bonus that could have been earned under the Directors' remuneration policy by the Executive Directors in FY25 as well as the amount earned.
Proportionality: the link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	Variable remuneration for Executive Directors is subject to the achievement of performance targets. The Committee has discretion to override formulaic outturns to ensure that poor performance is not rewarded. A significant proportion of Executive Director reward is through the grant of performance share units (PSUs) under the Long-Term Incentive Plan to deliver the strategic objectives of the Group over the longer term.
Alignment to culture: incentive schemes should drive behaviours consistent with the Company's purpose, values and strategy.	The Committee aims to choose bonus metrics for the Executive Directors which are capable of being cascaded down to managers throughout the organisation - particularly senior managers. Accordingly, some of the non-financial metrics forming part of the Executive Directors' bonuses were applied to elements of the bonuses for relevant senior managers in FY25. This approach will be expanded amongst the senior management team in FY26. This means that the wider workforce remuneration is also aligned with overall performance with a consistent approach to performance assessment across the leadership team and that members of the wider workforce are also able to benefit from their contribution to the overall success of the Group.

Directors' Remuneration Report for FY25

The components of the Executive Directors' remuneration packages are basic salary, bonus, pension contributions (for CFO only) and other benefits including participation in Long-Term Incentive Plans as set out in the following tables.

Base salary	
Purpose and link to strategy	To attract and retain Executive Directors and to reflect the size and scope of the role.
Operation	Basic salary for Executive Directors is set by the Committee and reviewed annually with increases normally taking effect from 1 March each year. Salary levels for the CEO and CFO are regularly benchmarked to market rates for roles of similar scope in comparable peer companies, taking into account a range of factors which include the Director's role and responsibilities; their skills, experience and performance; and pay and conditions elsewhere in the Group. The CEO's base salary is unchanged and remains at £450,000. The CFO's base salary was increased from £300,000 to £325,000.
Performance metrics	None.
Pension	
Purpose and link to Strategy	To provide a market-competitive pension.
Operation	The Company operates a defined contribution scheme. Base salary is the only element of remuneration that is pensionable. The CFO receives a Company pension contribution equal to 10% of his base salary. This is generally in line with employees in the same region. The CEO has elected not to receive a Company pension contribution.
Performance metrics	None.

Benefits	
Purpose and link to strategy	To provide market competitive benefits to support personal health and the wellbeing of employees.
Operation	Benefits are benchmarked against local market conditions. Any review may support changes to, or additional benefits being provided in, that location. The Group also offers additional benefits such as health checks to the executive leadership team. Additional benefits may be accessed if they are offered to other employees in-country.
Performance metrics	None.
Annual cash bonus	
Purpose and link to strategy	To incentivise and reward the performance of Executive Directors over the financial year.
	Bonus awards, which are not pensionable, are made to the Executive Directors based on achieving performance criteria set out by the Committee.
Operation	The bonus plan for the Executive Directors includes an on-target bonus of 70% of basic salary with a maximum of up to 100% being achieved in the normal course. Given the key dependency on the CFO to deliver a number of strategic priorities in an exceptionally demanding year for the Company, the Committee exercised its discretion earlier in the year to increase the maximum bonus potential for the CFO to 150% of base salary in FY25. Performance targets are calibrated to be challenging, and the criteria are reviewed annually and aligned to the key financial and strategic objectives of the Company with minimum thresholds which must be achieved. The Committee has discretion to amend the pay-out should any formulaic outcome not reflect its assessment of overall performance. Bonuses are paid in cash. Post year end, the Committee met to review and approve the level of annual bonus payment that should be awarded to the Executive Directors and exercised its discretion to override the formulaic outcome to pay out at the maximum level for FY25. A bonus of £450,000 was awarded to the CEO and a bonus of £487,500 was paid to the CFO for the achievement of financial and non-financial objectives.
Performance metrics	The Committee chooses and weighs the criteria and sets targets each year, in line with business priorities. An element of the bonus may also be based on personal performance. The Committee approves Executive Directors' annual bonuses following a detailed review and moderation exercise.
Long-Term Incentive Plans (LTIP)	
Purpose and link to strategy	To incentivise the Executive Directors to drive sustained long-term performance and build substantial shareholder value. Long-term incentives for Executive Directors are equity based.
	In FY25 no new awards were made to the Executive Directors.
Operation	In April 2023, awards were made under the LTIP with the grant of performance share units (PSUs) to Executive Directors. In the normal course these awards are subject to a normal vesting period of three years followed by a two-year holding period. These awards were not made subject to a formal post-employment shareholding requirement as suggested in provision 36 of the Code as we believe that our current approach provides for a sufficient long-term alignment of interest between executives and Shareholders through, for example, the further two-year holding period over and above the three-year performance period continues to apply in the event of cessation of employment.

Performance metrics The PSUs for the CEO and CFO were granted with performance conditions linked to the performance of the Group's business units over the three years to 28 February 2026 to reward value creation linked to the successful delivery of the Group's long-term strategy as follows:

			Threshold	On target	Maximum
	Metric	Weighting	25% vesting	50% vesting	100% vesting
KX	Combined ARR growth and adjusted EBITDA*	65%	88% of target	Target	125% of target
First Derivative	Adjusted EBITDA	25%	84% of target	Target	115% of target
MRP	Adjusted EBITDA	10%	83% of target	Target	117% of target

*KX ARR and adjusted EBITDA (excluding capitalised development costs) metrics are linked to eliminate the impact of any investment decisions taken during the period, such that overperformance in one metric will reduce the target in the other.

The remaining third of the PSUs for the CEO will vest based on total shareholder return (TSR) over the three-year period with vesting starting at 25% for 25% TSR appreciation and increasing on a straight-line basis up to a maximum of 100%. By tracking to the overall Company share price, this portion of the CEO's award is consistent with the ultimate value received by our shareholders.

Non-Executive Directors

The Board, based on a recommendation by the Chair of the Remuneration and Talent Committee or, in the case of the Chair, the remainder of the Board, determines the remuneration of the Non-Executive Directors. The Non-Executive Directors are not eligible to join the Group's pension scheme nor do they receive awards under the Group's LTIP or cash bonuses. Non-Executive Directors may elect to receive payment in their home currency if based outside the UK.

No changes to Non-Executive Director reward were made during the year. A more formal benchmarking review will be conducted in FY26 to ensure continued alignment with best practice. The Chair's total annual reward is £200,000 per annum while Non-Executive Directors receive £150,000, and this has been unchanged since 1 September 2019. These remuneration levels are deemed sufficient to attract high-calibre new Board members and the Committee, having reviewed them, resolved not to make any recommendation to the Board during the year to vary them.

Employees

The Committee also examined compensation levels of members of the existing senior executive team, particularly those who received promotions and took on additional roles and responsibilities, together with new senior hires recruited during the year. The Committee engaged with HR leadership to understand workforce pay concerns. This feedback informed our decision to ensure that Executive Director pay increases were proportionate to overall employee salary increases. The Committee discussed and set levels of remuneration considered necessary to attract, retain and reward. Our colleagues deliver extraordinary outcomes every day and it is important for us to ensure they are rewarded fairly, feel valued, and are advocates for KX. Across our workforce, our annual pay review budget is aligned with the external software market, and pay increases are aligned to a colleague's proficiency and impact to ensure appropriate reward levels.

The remuneration policy for other employees is based on broadly consistent principles to those for Executive Directors. Annual salary reviews take into account personal performance, divisional performance, local pay and market conditions and salary levels for similar roles in comparable companies. Some employees below executive level are eligible to participate in annual bonus schemes; opportunities and performance measures vary by organisational level and an individual's role.

Remuneration at a glance

Details of each Director's remuneration are set out in the table below (audited).

		Salary and fees £'000	Benefits £'000	Annual bonus £'000	Share based payment £'000	Pension £'000	Total remuneration £'000
Executive Directors							
S Keating	FY25	450	1	450	—	—	901
	FY24	450	1	—	—	—	451
R Preston	FY25	325	1	488	—	32	846
	FY24	300	1	63	—	30	394
Non-Executive Directors							
D Troy	FY25	200	—	—	—	—	200
	FY24	133	—	—	67	—	200
A Sayed	FY25	150	—	—	—	—	150
	FY24	100	—	—	50	—	150
T Seifert	FY25	150	—	—	—	—	150
	FY24	100	—	—	50	—	150
U Fayyad	FY25	150	—	—	—	—	150
	FY24	100	—	—	50	—	150
V Gambale*	FY25	—	—	—	—	—	—
	FY24	83	—	—	42	—	125
Total	FY25	1,425	2	938	—	32	2,397
	FY24	1,266	2	63	259	30	1,620

*Resigned 29 December 2023.

Service contracts

The Executive Directors have entered into service contracts with the Group that are terminable by either party on twelve months' prior notice.

Directors' interests in shares (audited)

The interests held in shares of the Company by the Directors who held office at the end of the financial year, all of which are beneficial holdings, were as follows:

	Number of ordinary shares	
	28 February 2025	29 February 2024
S Keating	49,018	49,018
R Preston	6,936	5,201
D Troy	18,523	13,151
A Sayed	10,877	6,848
T Seifert	10,815	6,786
U Fayyad	7,298	3,269

Share options and PSUs:

The awards currently outstanding to Directors are as follows:

	1 March 2024	Granted during the year	Vested during the year	Lapsed during the year	Exercised during the year	28 February 2025
S Keating	393,514	—	—	250,000	—	143,514
R Preston	153,270	—	—	20,000	—	133,270

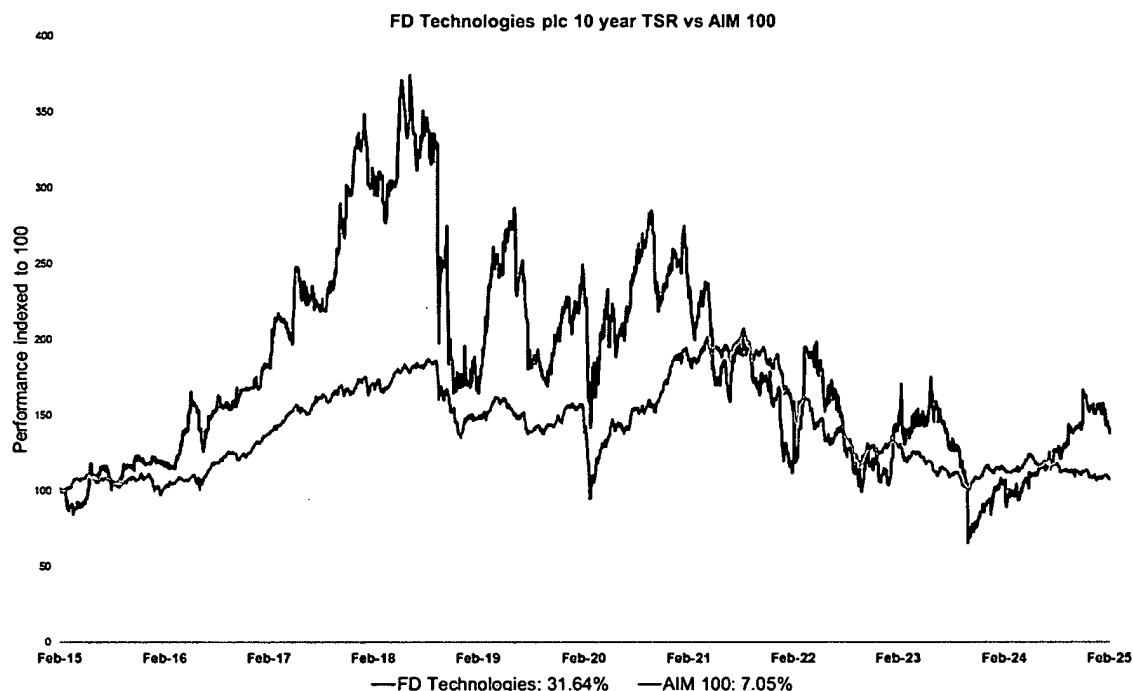
There were no PSUs granted to the Directors during the year (FY24: 181,784). There were no share options exercised by the Directors during the year (FY24: nil).

Transactions with Directors

Outside of remuneration noted above, there were no other direct transactions with Directors.

Performance graph

The chart below shows the Group's TSR performance over the past ten years compared to the AIM 100, an index of which the Group is a constituent.



CEO remuneration

The table below shows the total remuneration and annual bonus for the CEO over the past ten years.

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Total remuneration (£'000)	311	657	693	542	435	451	656	687	451	901
Annual bonus as a % of maximum opportunity	97%	100%	100%	53%	—	—	46%	53%	—	100%
Long-term incentives as a % of maximum opportunity	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The Group is also required to report on its CEO pay gap ratio, which is detailed in the table below.

	Method	25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
FY25	CEO total remuneration Option A	7.3	11.2	17.2
FY24		5.3	8.3	12.1
FY25	CEO base salary Option A	4.4	6.3	9.5
FY24		5.6	8.7	12.7

Option A was selected as the basis for the calculations above as it was considered to be the most accurate. The total remuneration for all of the Company's UK employees was calculated, and those employees were then ranked from high to low, based on their total remuneration, with the employees whose remuneration places them at the 25th, 50th and 75th percentile points identified. The date by which these calculations were made was 28 February 2025 and no component of pay has been omitted from the calculations.

Directors' report

The Directors have pleasure in submitting to the shareholders their Annual Report and the audited financial statements of the Group and Company for the year ended 28 February 2025.

Results and dividend

The Group's profit after taxation attributable to shareholders for the year to 28 February 2025 was £164.0m (FY24: Loss £40.8m).

The Directors do not propose the payment of a final dividend for the year. As a result, the total distribution relating to the year is nil (FY24: nil) per share.

The price of the Company's shares at close of business on 28 February 2025 was £16.26 (FY24: £13.24) and the high and low share prices during the year were £20.60 (FY24: £21.65) and £11.04 (FY24: £8.12) respectively. The average share price during the year was £15.69 (FY24: £15.08).

Directors

The Directors who held office during the year were as follows:

U Fayyad
S Keating
R Preston
A Sayed
T Seifert
D Troy

Directors and their interests

The interests of the Directors in shares during the year are set out in the Report of the Remuneration and Talent Committee and the information is incorporated into the Directors' Report by reference.

Substantial shareholdings

At 7 May 2025, the Group had received notification of interests in 3% or more of the ordinary share capital from Irenic Capital (29.2%), Juliana Conlon (10.0%), Briarwood Chase Management (10.0%), Baillie Gifford & Co (8.3%), Newtyn Management (7.2%), Gumshoe Capital (7.2%), and Columbia Threadneedle Investments (5.1%).

Research and development

The Group's policy is to invest in product innovation and engage in research and development activities geared towards the enhancement of its software products. During the year costs of £21.1m (FY24 Restated: £23.9m) were capitalised in respect of activities which were deemed to be development activities in accordance with the Group's accounting policies. Research and development costs of £9.3m (FY24 Restated: £6.2m) were expensed during the year.

AIM Rule compliance report

FD Technologies plc is quoted on AIM and as a result the Company has complied with AIM Rule 31 which requires the following:

- Have in place sufficient procedures, resources and controls to enable its compliance with the AIM Rules
- Seek advice from its nominated adviser regarding its compliance with the Rules whenever appropriate and take that advice into account
- Provide its nominated adviser with any information it reasonably requests in order for the nominated adviser to carry out its responsibilities under the AIM Rules for Nominated Advisers, including any proposed changes to the Board of Directors and provision of draft notifications in advance of publication
- Ensure that each of the Company's Directors accept full responsibility, collectively and individually, for compliance with the AIM Rules
- Ensure that each Director discloses without delay all information which the Company needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the Director or could with reasonable diligence be ascertained by the Director.

In addition, the Company maintains compliance with AIM Rule 26, which lists a range of information that the Company is required to make available. AIM Rule 26 also requires the Company to adopt a corporate governance code and it has chosen the UK Corporate Governance Code 2018, against which the Directors are responsible for reporting the Company's compliance.

Section 172 compliance statement

The Directors have acted in good faith to promote the success of the Company for the benefit of its members as a whole. In doing so, they have given regard, amongst other matters, to the following matters set out in Section 172(1)(a) to (f) of the Companies Act 2006:

- a) The likely consequences of any decision in the long term;
- b) The interests of the Company's employees;
- c) The need to foster the Company's business relationships with suppliers, customers and others;
- d) The impact of the Company's operations on the community and the environment;
- e) The desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly as between members of the Company.

An explanation of how the views of stakeholders have been taken into account in the Board's decision-making during the year is provided in the Stakeholder Engagement section of this report on pages 33-36.

Fair, balanced, understandable

The Board of Directors has combined the knowledge and experience derived by each of them from other board positions with a review of the annual reports of other similar enterprises in order to satisfy themselves that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Employee engagement

The Group's policy on employees remains to adopt a very open management style, keeping employees informed of all matters affecting them as employees including key financial and economic factors affecting the Group's performance. This is achieved through meetings and informal consultation at all levels. An annual Group-wide employee satisfaction review is conducted by an independent third-party organisation, as detailed in the Corporate Responsibility section, with the results being utilised to inform the Group's push to make it an employer of choice in the sector.

Page 35 provides details of how the Board takes into account the effect of its decisions on employees and how that has impacted decisions taken during the year, while also detailing the ways in which Directors have engaged with employees.

Employee opportunities

It is the Group's policy to ensure that equal opportunity is given for the employment, training and career development of disabled persons, including persons who become disabled whilst in the Group's employment.

Business relationships

The Directors are mindful of the need to foster and maintain strong working relationships with customers, suppliers and others. Further information on how the Directors take into account this requirement in their decision-making is provided on pages 34-36.

Financial instruments

The Group's financial risk management objective is broadly to seek to make neither a profit nor loss from exposure to currency or interest rate risk. The policy is to finance working capital and the acquisitions of property, plant and equipment through retained earnings and through borrowings at prevailing market interest rates.

The Group does not use derivatives to manage its financial risks. The main cash flow, credit and liquidity risks are those associated with selling on credit. However, the vast majority of the Group's clients are substantial enterprises which reduces the risk of default. The Group is also exposed to the impact of fluctuations in exchange rates as it generates income and incurs expenses in currencies other than sterling (GBP). The Group's main exposure is to the US dollar (USD), euro (EUR) and Canadian dollar (CAD). However, because it has both income and expenses denominated in foreign currency, its net exposures are substantially lower than the gross balances.

Political donations

The Group and Company made no political donations during the year (FY24: nil).

Annual General Meeting voting

At the AGM held on 18 July 2024, all resolutions were duly passed with the exception of resolution 12 (further disapplication of pre-emption rights in relation to an acquisition or specified capital investment). Resolutions 11 (general disapplication of pre-emption rights) and 13 (authority to purchase own shares) passed but with less than 80% support of the votes cast.

Future developments

On 8 May 2025, the Board unanimously recommended TA's cash offer for the business, which values FD Technologies at £24.50 per share or £570 million.

For further information refer to <https://fdtechnologies.com/recommended-acquisition-of-fdtech-by-kairos-bidco-disclaimer/>

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to become aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

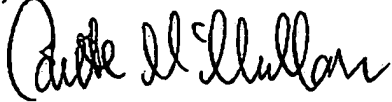
Auditor

The Board has recommended the reappointment of Deloitte (NI) Limited and a resolution to that effect will be proposed at the forthcoming Annual General Meeting.

Other information

The other information required under Section 414C (ii) of the Companies Act 2006 to be disclosed in respect of the review of the Group's business is given in the Chair's Review, the Business Review and the Financial Review.

By order of the Board



Colette McMullan
Secretary
2 June 2025

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and UK-adopted International Accounting Standards. This reporting framework is also consistent with the requirements of Euronext Growth Dublin market, where the Company's shares are also listed.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable, relevant and reliable
- State whether they have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and UK-adopted International Accounting Standards
- Assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

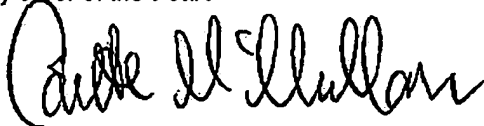
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We consider the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board



Colette McMullan
Secretary
2 June 2025

Financial statements

In this section

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FD TECHNOLOGIES PLC

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of FD Technologies plc (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 28 February 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and company balance sheets;
- the consolidated and company statements of changes in equity;
- the consolidated and company cash flow statements; and
- the related notes 1 to 35, including material accounting policy information as set out in note 1.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Revenue recognition relating to deferred income; and • Capitalisation of internally developed software costs
Materiality	The materiality that we used for the Group financial statements was £646k which was determined on the basis of 0.8% of the Group's revenue.
Scoping	We applied a risk-based approach when performing our Group audit scoping by obtaining an understanding of the Group and its environment including consideration of disposals and acquisitions that occurred during the current year, Group-wide internal financial controls, identifying significant classes of transactions, account balances or disclosures and assessing the risks of material misstatement. Our audit scope covered 100% (2024: 99%) of the Group's revenue; 99% (2024: 99%) of the Group's loss before tax and 99% (2024: 99%) of the Group's total assets.
Significant changes in our approach	Our audit approach is largely consistent with the prior year, except the key audit matter in relation to revenue recognition. In the prior year, the key audit matter in relation to revenue recognition was focused on accrued income, while during the current year, this key audit matter was focused on deferred income following the First Derivative sale and the Group's strategic objective of growing KX business in the coming years. There were no other significant changes to our approach during the current year when compared to the prior year.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the Group's and parent company's process and controls relating to going concern;
- obtaining an understanding of the Group's and parent company's business model, objectives, strategies and related business risks, how the Group and parent company are structured and financed and the measurement and review of the Group's and parent company's financial performance, including the FY'26 budget, future cash flows and management's budgeting processes;
- assessing the forecasts prepared by management including the assumptions used in the forecast, the profitability levels, and challenging the assumptions based on a review of the historical accuracy of forecasts prepared by management and directors;
- evaluating the relevance and reliability of the underlying data management used to make these assessments; and
- assessing the adequacy of the relevant going concern disclosure made in the financial statements and whether it reflects a true and fair assessment of the work performed by the Group and parent company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Revenue recognition relating to deferred income

Key audit matter description This key audit matter is in relation to the Group financial statements.

As at 28 February 2025, the Group had £49m of deferred income.

In the prior year, this key audit matter in relation to revenue recognition was focused on accrued income, while during the current year, this key audit matter was focused on deferred income following the sale of the FD business and the Group's strategic objective of growing KX business in the coming years. As a result we determined the appropriate deferral and cut-off of revenue as a significant risk in the current year.

Due to the significant judgement made by management in relation to when performance obligations are satisfied, there is a possibility of management bias and potential fraud risk relating to this matter. This matter also required extensive audit effort and therefore, we considered this as a key audit matter.

Please refer to the relevant accounting policy in note 1j), critical accounting judgements in note 1a) and the relevant disclosures in note 4 of the financial statements.

How the scope of our audit responded to the key audit matter	In order to address the key audit matter, our procedures included the following: • We obtained an understanding of the process and relevant controls for ensuring appropriate revenue recognition relating to deferred income including evaluating the design, determining the implementation and, testing the operating effectiveness of the relevant controls relating to deferred income; • We carried out a review of the appropriateness of relevant accounting policies in respect of revenue recognition, including relevant disclosures in the financial statements; • We evaluated a sample of revenue transactions before and after the year-end and recalculated revenue to be recognised based on the contract terms and compared this to actual revenue recognised, with each contractual element reviewed to challenge the appropriateness of revenue recognition; • We challenged the appropriateness of deferred income as at the balance sheet date; this work included reviewing supporting documentation to determine whether the performance obligations had been met; and • We reviewed the financial statements to ensure all relevant disclosures were appropriately included in relation to deferred income.
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Key observations	We have no observations that impact on our audit in respect of the revenue recognition relating to deferred income.
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5.2. Capitalisation of internally developed software costs

Key audit matter description	This key audit matter is in relation to the Group financial statements. As at 28 February 2025, the Group held internally developed software costs with a net book value of £61m. Costs in relation to internally developed software are capitalised when all of the criteria as set out in IAS 38 "Intangible Assets" are met. There is a risk that additions are made to internally developed software costs before all the required capitalisation criteria are met, whether through fraud or error. Expenditure is capitalised from the date when the intangible asset first meets the recognition criteria and, in determining the amount to be capitalised, management make judgements regarding expected future cash generation of the asset. Due to the significant judgement made by management in relation to the expected future cash generation of the assets, there is a possibility of management bias and potential fraud risk relating to this matter. This matter also required extensive audit effort and therefore, we considered this as a key audit matter. Please refer to the relevant accounting policy in note 1e), critical accounting judgements in note 1a) and the relevant disclosures in note 16 of the financial statements.
How the scope of our audit responded to the key audit matter	In order to address the key audit matter, our procedures included the following: • We obtained an understanding of the process and relevant controls for ensuring appropriate capitalisation of internally developed software costs; • We evaluated the design, determined the implementation and tested the operating effectiveness of the relevant controls in place to identify when development activities meet the recognition criteria per IAS 38; • We carried out a review of the appropriateness of relevant accounting policies in respect of internally developed software costs as intangible assets, including relevant disclosures in the financial statements; • We reviewed the capitalised project register, underlying technical data and agreed a sample of development costs capitalised to documentation detailing the costs per project and the timesheet data to determine whether the internally developed software costs were recorded accurately and whether the costs met the required capitalisation criteria in accordance with IAS 38; • We agreed the amount of internally developed software costs capitalised to underlying documentation detailing the cost per project, including timesheets of staff and salary data; and • We reviewed the financial statements to ensure all relevant disclosures were appropriately included in relation to internally developed software costs as intangible assets.
Key observations	We have no observations that impact on our audit in respect of the capitalisation of internally developed software costs.

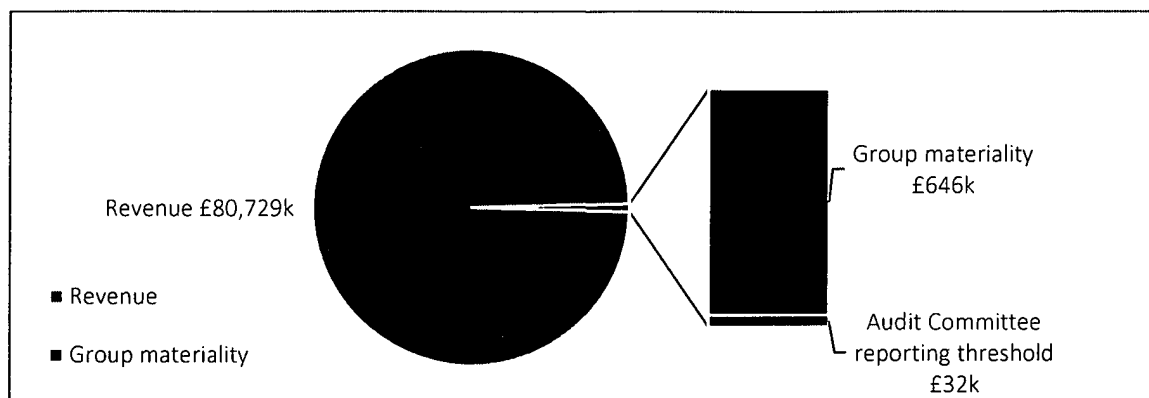
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£646k (2024: £1,200k)	£646k (2024: £1,060k)
Basis for determining materiality	0.8% of revenue.	1.3% of revenue and is capped at 100% of Group materiality. We note that the lower materiality of £646k has been used for the purposes of the Group audit.
Rationale for the benchmark applied	We applied revenue as the benchmark because revenue is a deemed key performance measure for management, investors and the analyst community as the principal users of the financial statements since it demonstrates the performance and growth of the business, particularly as the Group seeks to grow through the increased investment in the business.	We applied revenue as the benchmark because revenue was considered to be the most appropriate metric for the parent company given it is a key performance measure for management, investors and the analyst community as the principal users of the financial statements.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	80% of Group materiality	80% of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: - our risk assessment, including our assessment of the Group's overall control environment and that we consider it appropriate to rely on controls over a number of business processes; - our understanding of the entity and its environment, and the nature of the entity and its environment and the impact of various macro-economic factors; and - the nature, volume and size of uncorrected and corrected misstatements in the prior year audit.	In determining performance materiality, we considered the following factors: - our risk assessment, including our assessment of the parent company's overall control environment and that we consider it appropriate to rely on controls over a number of business processes; - our understanding of the entity and its environment and the impact of various macro-economic factors; and - the nature, volume and size of uncorrected misstatements in the prior year audit.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £32k (2024: £60k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

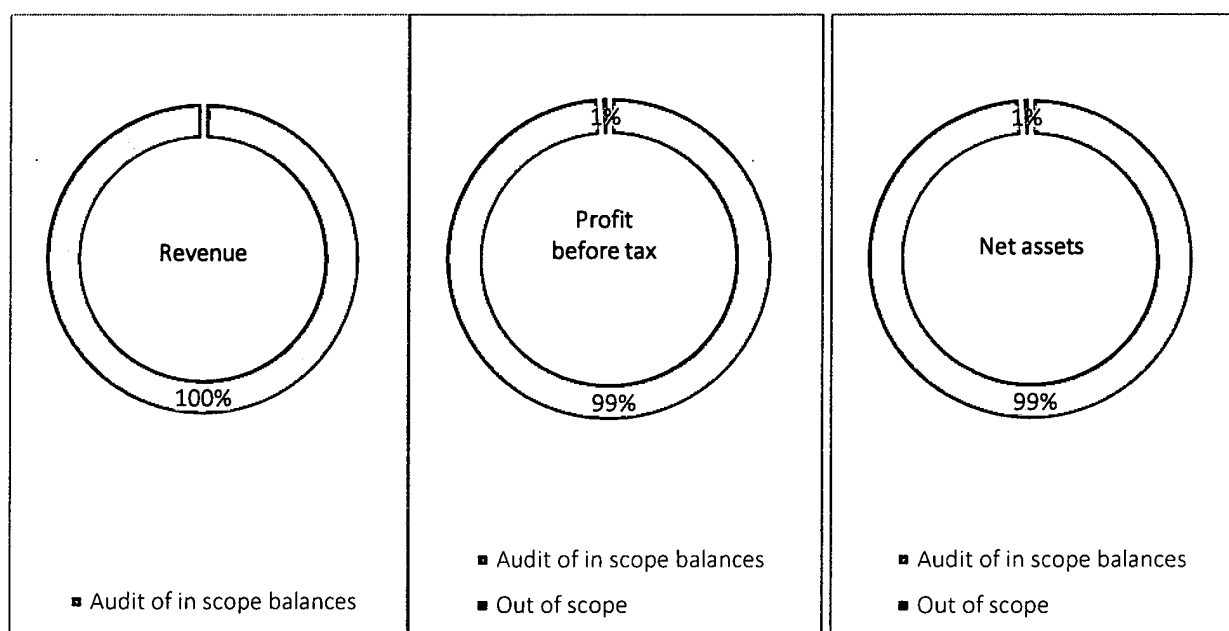
7.1. Identification and scoping of components

We followed a risk-based approach when performing our Group audit scoping by obtaining an understanding of the Group and its environment, including disposals and acquisitions that occurred during the current year, Group-wide internal financial controls, identifying significant classes of transactions, account balances or disclosures and assessing the risks of material misstatement at the Group level.

We performed audit procedures over in-scope balances in aggregate at the Group level and on the parent company financial statements. Audit procedures undertaken at the Group level were performed to Group performance materiality.

There were no separate component audit teams, with the entire audit including the testing of the consolidation of the Group's results being conducted by one central audit team.

Our audit scope covered 100% (2024: 99%) of the Group's revenue; 99% (2024: 99%) of the Group's loss before tax and 99% (2024: 99%) of the Group's total assets.



7.2. Our consideration of the control environment

We performed detailed walkthroughs of the processes associated with each of the Group's relevant business cycles, identifying relevant controls and evaluating those controls. We took a controls reliance approach over revenue (including deferred income), payroll and internally developed software costs in the Group's continuing activities.

7.3. Our consideration of climate-related risks

In planning our audit, we considered climate-related risks and the potential financial impacts on the Group and its financial statements. We considered management's own assessed of the climate-related risks disclosed on page 42 in the strategic report, together with our cumulative knowledge and experience of the Group and the environment in which it operates.

Our risk assessment procedures included the following:

- obtaining an understanding of management's process and controls in considering the impact of climate risks;
- assessing whether the risks identified by the entity are complete and consistent with our understanding of the entity;

Our procedures to risks identified included:

- engaging internal ESG specialists to review the disclosures included in the strategic report to ensure they are in line with the requirements of the climate-related financial disclosures;
- We assessed management's going concern and viability disclosures, and identifying no significant impact of climate change on those disclosures given the timeframes of those assessments; and
- considering whether information included within the climate-related disclosures in the strategic report is consistent with our understanding and knowledge of the business and the financial statements.

Our knowledge obtained in the audit is from attending meetings with key management personnel responsible for climate change at the Group, reviewing the Group's risk register, reviewing board packs and meeting minutes and evaluating any public announcements or initiatives to which the Group has committed.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company'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 the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's and parent company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's and parent company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists including tax specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition relating to deferred income and capitalisation of internally developed software costs. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group and parent company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, rules of the London Stock Exchange for companies trading securities on AIM and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's and parent company's ability to operate or to avoid a material penalty. These included the EU General Data Protection Regulation (GDPR) and possible inadvertent software patent infringements under governing laws including the UK Patent Act 1977 and the European Patent Convention.

11.2. Audit response to risks identified

As a result of performing the above, we identified identified revenue recognition relating to deferred income and capitalisation of internally developed software costs as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
 - the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.
- In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Opinion on other matter prescribed by our engagement letter

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the provisions of the Companies Act 2006 that would have applied were the company a quoted company.

14. Corporate Governance Statement

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set, out on page 65;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate, set out on page 66;
- the directors' statement on fair, balanced and understandable, set out on page 80;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 65.
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 63; and
- the section describing the work of the audit committee, set out on page 64.

15. Matters on which we are required to report by exception

15.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

16. Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Kehoe FCA (Senior statutory auditor)

For and on behalf of Deloitte (NI) Limited

Statutory Auditor

Belfast, United Kingdom

2 June 2025

Consolidated statement of comprehensive income

Year ended 28 February 2025

	Note	2025 £'000	2024 restated* £'000
Continuing operations			
Revenue	3 & 4	80,729	79,146
Cost of sales		(13,057)	(17,169)
Gross profit	3	67,672	61,978
Operating costs			
Research and development costs		(30,376)	(30,166)
– of which capitalised	16	21,100	23,929
Sales and marketing costs		(32,564)	(31,834)
Administrative expenses		(49,706)	(35,822)
Impairment loss on trade and other receivables	31	—	(3,740)
Total operating costs	6	(91,546)	(77,633)
Other income	5	506	15
Operating loss		(23,368)	(15,640)
Finance income	10	816	124
Finance expense	10	(4,353)	(3,809)
Loss on foreign currency translation	10	(679)	(1,065)
Net finance costs		(4,216)	(4,750)
Impairment	16	(246)	—
Share of loss from associate	17	(1,280)	—
Profit on disposal of associate	17	—	88
Loss before taxation		(29,110)	(20,304)
Income tax credit/(expense)	11	2,684	(735)
Loss for the year from continuing operations		(26,426)	(21,039)
Discontinued operations			
Profit/(loss) after tax for the year from discontinued operations	34	190,440	(19,745)
Profit/(loss) for the year attributable to owners of the Company		164,014	(40,784)

	2025 £'000	2024 restated* £'000
Profit/(loss) for the year	164,014	(40,784)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Equity investments at FVOCI – net change in fair value	(1,602)	(3,725)
Items that will or may be reclassified subsequently to profit or loss		
Net exchange loss on net investment in foreign subsidiaries	(1,191)	(5,760)
Net (loss)/gain on hedge of net investment in foreign subsidiaries	(64)	847
Other comprehensive income for the year, net of tax	(2,857)	(8,638)
Total comprehensive income for the year attributable to owners of the parent	161,157	(49,422)
Total comprehensive income for the year attributable to owners of the parent arising from:		
Continuing operations	(29,283)	(29,677)
Discontinued operations	190,440	(19,745)

	Note	Pence	Pence
Profit/(loss) per share			
From continuing operations:			
Basic	14a	(95.7)	(74.9)
Diluted	14a	(94.2)	(74.9)
From continuing and discontinued operations:			
Basic	14a	594.1	(145.2)
Diluted	14a	584.5	(145.2)

*The comparative figures have been restated to reflect the MRP and First Derivative businesses being classified as discontinued operations. The respective notes to the financial statements have also been restated on this basis. Further detail can be found in note 34.

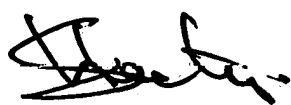
Consolidated balance sheet

As at 28 February 2025

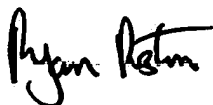
Registered Company number: NI 30731

	Note	2025 £'000	2024 £'000
Assets			
Property, plant and equipment	15	8,752	14,581
Intangible assets and goodwill	16	151,293	154,040
Other financial assets	18	6,065	7,642
Investment in associate	17	12,367	—
Trade and other receivables	19	2,340	2,146
Deferred tax assets	24	13,420	11,029
Non-current assets		194,237	189,438
Trade and other receivables	19	40,829	63,170
Current tax receivable	25	4,978	10,249
Cash and cash equivalents	20	55,062	20,787
Assets classified as held for sale	34	—	22,879
Current assets		100,869	117,085
Total assets		295,106	306,523
Equity			
Share capital	21	110	140
Capital redemption reserve	21	31	—
Share premium		105,458	104,120
Share option reserve		20,657	19,811
Fair value reserve		(2,325)	(723)
Currency translation adjustment reserve		9,819	441
Retained earnings		57,516	23,195
Equity attributable to owners of the Company		191,266	146,984
Liabilities			
Loans and borrowings	22	5,029	44,086
Trade and other payables	23	3,131	4,498
Deferred tax liabilities	24	13,174	11,562
Non-current liabilities		21,334	60,146
Loans and borrowings	22	2,144	2,466
Trade and other payables	23	28,670	33,690
Deferred income	4	49,025	43,176
Current tax payable	25	129	1,075
Employee benefits	26	2,538	6,349
Liabilities classified as held for sale	34	—	12,637
Current liabilities		82,506	99,393
Total liabilities		103,840	159,539
Total equity and liabilities		295,106	306,523

These financial statements were approved by the Board of Directors on 2 June 2025.



Seamus Keating
Chief Executive Officer



Ryan Preston
Chief Financial Officer

Company balance sheet

As at 28 February 2025

Registered Company number: NI 30731

	Note	2025 £'000	2024 £'000
Assets			
Property, plant and equipment	15	6,007	10,026
Intangible assets and goodwill	16	54,532	54,514
Investment in subsidiaries	17	110,430	114,169
Other financial assets	18	1,354	1,072
Trade and other receivables	19	736	736
Deferred tax assets	24	10,577	9,730
Non-current assets		183,636	190,247
Trade and other receivables	19	34,269	58,644
Current tax receivable	25	4,476	7,356
Cash and cash equivalents	20	40,065	8,910
Current assets		78,810	74,910
Total assets		262,446	265,157
Equity			
Share capital	21	110	140
Capital redemption reserve	21	31	—
Share premium		105,458	104,120
Share option reserve		20,995	20,149
Fair value reserve		(676)	(908)
Retained earnings		41,918	(29,825)
Equity attributable to shareholders		167,836	93,676
Liabilities			
Loans and borrowings	22	3,973	41,650
Trade and other payables	23	2,599	3,677
Deferred tax liabilities	24	10,577	9,730
Non-current liabilities		17,149	55,057
Loans and borrowings	22	1,016	1,096
Trade and other payables	23	52,649	87,106
Deferred income	4	22,436	24,604
Employee benefits	26	1,360	3,618
Current liabilities		77,461	116,424
Total liabilities		94,610	171,481
Total equity and liabilities		262,446	265,157

The Company's profit for the year ended 28 February 2025 was £190,803k (2024: £45,881k loss).

These financial statements were approved by the Board of Directors on 2 June 2025.



Seamus Keating
Chief Executive Officer



Ryan Preston
Chief Financial Officer

Consolidated statement of changes in equity

Year ended 28 February 2025

	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Share option reserve £'000	Fair value reserve £'000	Currency translation adjustment £'000	Retained earnings £'000	Total equity £'000
Balance at 1 March 2024	140	—	104,120	19,811	(723)	441	23,195	146,984
Total comprehensive income for the year								
Profit for the year	—	—	—	—	—	—	164,014	164,014
Other comprehensive income								
Net exchange loss on net investment in foreign subsidiaries	—	—	—	—	—	(1,191)	—	(1,191)
Net exchange loss on hedge of net investment in foreign subsidiaries	—	—	—	—	—	(64)	—	(64)
Transfer of reserve on disposal of subsidiaries	—	—	—	—	—	10,633	(10,633)	—
Net change in fair value of equity investments at FVOCI	—	—	—	—	(1,602)	—	—	(1,602)
Total comprehensive income for the year	—	—	—	—	(1,602)	9,378	153,381	161,157
Transactions with owners of the Company								
Tax relating to share options	—	—	—	190	—	—	—	190
Exercise of share options	1	—	1,080	—	—	—	—	1,081
Repurchase of shares	(31)	31	—	—	—	—	(120,000)	(120,000)
Issue of shares	—	—	258	—	—	—	—	258
Share based payment release	—	—	—	(940)	—	—	940	—
Share based payment charge	—	—	—	1,596	—	—	—	1,596
Balance at 28 February 2025	110	31	105,458	20,657	(2,325)	9,819	57,516	191,266

	Share capital £'000	Share premium £'000	Share option reserve £'000	Fair value reserve £'000	Currency translation adjustment £'000	Retained earnings £'000	Total equity £'000
Balance at 1 March 2023	140	103,789	18,974	3,002	5,354	69,609	200,868
Total comprehensive income for the year							
Loss for the year	—	—	—	—	—	(40,784)	(40,784)
Other comprehensive income							
Net exchange loss on net investment in foreign subsidiaries	—	—	—	—	(5,760)	—	(5,760)
Net exchange gain on hedge of net investment in foreign subsidiaries	—	—	—	—	847	—	847
Net change in fair value of equity investments at FVOCI	—	—	—	(3,725)	—	—	(3,725)
Total comprehensive income for the year	—	—	—	(3,725)	(4,913)	(40,784)	(49,422)
Transactions with owners of the Company							
Tax relating to share options	—	—	(215)	—	—	—	(215)
Exercise of share options	—	64	—	—	—	—	64
Issue of shares	—	267	—	—	—	—	267
Tax on other items taken to reserves	—	—	—	—	—	(5,986)	(5,986)
Share based payment release	—	—	(356)	—	—	356	—
Share based payment charge	—	—	1,408	—	—	—	1,408
Balance at 29 February 2024	140	104,120	19,811	(723)	441	23,195	146,984

Company statement of changes in equity

Year ended 28 February 2025

	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Share option reserve £'000	Fair value reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 March 2024	140	—	104,120	20,149	(908)	(29,825)	93,676
Total comprehensive income for the year							
Profit for the year	—	—	—	—	—	190,803	190,803
Other comprehensive income							
Net change in fair value of equity investments at FVOCI	—	—	—	—	232	—	232
Total comprehensive income for the year	—	—	—	—	232	190,803	191,035
Transactions with owners of the Company							
Tax relating to share options	—	—	—	190	—	—	190
Exercise of share options	1	—	1,080	—	—	—	1,081
Repurchase of shares	(31)	31	—	—	—	(120,000)	(120,000)
Issue of shares	—	—	258	—	—	—	258
Share based payment release	—	—	—	(940)	—	940	—
Share based payment charge	—	—	—	1,596	—	—	1,596
Balance at 28 February 2025	110	31	105,458	20,995	(676)	41,918	167,836

	Share capital £'000	Share premium £'000	Share option reserve £'000	Fair value reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 March 2023	140	103,789	19,285	(1,014)	21,686	143,886
Total comprehensive income for the year						
Loss for the year	—	—	—	—	(45,881)	(45,881)
Other comprehensive income						
Net change in fair value of equity investments at FVOCI	—	—	—	106	—	106
Total comprehensive income for the year	—	—	—	106	(45,881)	(45,775)
Transactions with owners of the Company						
Tax relating to share options	—	—	(188)	—	—	(188)
Exercise of share options	—	64	—	—	—	64
Issue of shares	—	267	—	—	—	267
Tax on other items taken to reserves	—	—	—	—	(5,986)	(5,986)
Share based payment release	—	—	(356)	—	356	—
Share based payment charge	—	—	1,408	—	—	1,408
Balance at 29 February 2024	140	104,120	20,149	(908)	(29,825)	93,676

Consolidated cash flow statement

Year ended 28 February 2025

	2025 £'000	2024 £'000
Cash flows from operating activities		
Profit/(loss) for the year	164,014	(40,784)
Adjustments for:		
Net finance costs	4,979	6,176
Depreciation of property, plant and equipment	4,782	6,339
Amortisation of intangible assets	18,212	15,291
Lease modification	(65)	(1,469)
Impairment loss on remeasurement of the disposal group	1,589	21,204
Equity-settled share based payment transactions	1,666	1,408
Profit on disposal of subsidiaries	(189,142)	—
Profit on disposal of associate	—	(88)
Loss from associate	1,280	—
Loss on disposal of fixed assets	—	10
Other income	(582)	—
Grant income	—	(148)
Tax expense	2,389	2,735
	9,122	10,674
Changes in:		
Trade and other receivables	(3,790)	12,039
Trade and other payables and deferred income	4,473	(1,218)
Cash generated from operating activities	9,805	21,495
Taxes paid	(2,088)	(3,845)
Net cash from operating activities	7,717	17,650
Cash flows from investing activities		
Interest received	816	125
Acquisition of associate	(1,732)	—
Increase in loans to other investments	(185)	—
Disposal of associate	—	3,005
Investment in other investments	—	(249)
Acquisition of property, plant and equipment	(712)	(654)
Disposal of subsidiaries, net of cash disposed	211,420	—
Acquisition of intangible assets	(21,100)	(27,220)
Net cash from/(used in) investing activities	188,507	(24,993)
Cash flows from financing activities		
Proceeds from issue of share capital	1,081	64
Repurchase of shares	(120,000)	—
Drawdown of loans and borrowings	21,000	37,867
Repayment of borrowings	(57,170)	(38,019)
Payment of lease liabilities	(2,363)	(3,381)
Interest paid	(3,877)	(4,235)
Net cash used in financing activities	(161,329)	(7,704)
Net increase/(decrease) in cash and cash equivalents	34,895	(15,047)
Cash and cash equivalents at 1 March	20,787	36,905
Effects of exchange rate changes on cash held	(620)	(1,071)
Cash and cash equivalents at end of year	55,062	20,787
Cash and cash equivalents at end of year (continuing operations)	55,062	16,660
Cash and cash equivalents at end of year (discontinued operations)	—	4,127

Company cash flow statement

Year ended 28 February 2025

	2025 £'000	2024 £'000
Cash flows from operating activities		
Profit/(loss) for the year	190,803	(45,881)
Adjustments for:		
Net finance costs	7,702	6,771
Depreciation of property, plant and equipment	2,392	2,543
Amortisation of intangible assets	16,191	12,054
Dividends from subsidiary	(16,406)	(2,288)
Gain/(loss) on disposal of fixed asset	(96)	30
Profit on disposal of subsidiaries	(204,466)	—
Equity-settled share based payment transactions	1,666	1,408
Other income	(547)	(249)
Grant income	—	(148)
Impairment of investment in subsidiaries	7	21,558
Impairment of intangible asset	3,297	—
Tax (credit)/expense	(95)	2,480
	448	(1,722)
Changes in:		
Trade and other receivables	2,550	51,786
Trade and other payables and deferred income	(24,941)	(30,387)
Cash (used in)/generated from operating activities	(21,943)	19,677
Taxes refunded/(paid)	66	(85)
Net cash (used in)/from operating activities	(21,877)	19,592
Cash flows from investing activities		
Interest received	827	82
Disposal of subsidiaries	227,697	—
Acquisition of property, plant and equipment	(252)	(404)
Dividends received from subsidiaries	4,539	—
Acquisition of intangible assets	(19,506)	(22,735)
Net cash from/(used in) investing activities	213,305	(23,057)
Cash flows from financing activities		
Proceeds from issue of share capital	1,081	64
Repurchase of shares	(120,000)	—
Drawdown of loans and borrowings	21,000	37,867
Repayment of borrowings	(57,170)	(38,019)
Payment of lease liabilities	(1,023)	(983)
Interest paid	(3,786)	(4,684)
Net cash used in financing activities	(159,898)	(5,755)
Net increase/(decrease) in cash and cash equivalents	31,530	(9,220)
Cash and cash equivalents at 1 March	8,910	18,958
Effects of exchange rate changes on cash held	(375)	(828)
Cash and cash equivalents at end of year	40,065	8,910

Notes

1. Material accounting policy information

FD Technologies plc (FTP or the "Company") is a public limited company incorporated and domiciled in Northern Ireland. The Company's registered office is 3 Canal Quay, Newry BT35 6BP. The consolidated financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity accounts for the Group's interest in any associate companies. The Company financial statements present information about the Company as a separate entity and not about the Group.

The Group is primarily involved in the provision of a range of software and consulting services, primarily in capital markets and in aerospace and defence and high tech manufacturing.

The financial statements were authorised by the Board of Directors for issuance on 2 June 2025.

a) Basis of preparation

The consolidated financial statements and the Company financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards (IFRS) and with the Companies Act 2006. On publishing the Group financial statements together with the Company financial statements, the Company is taking advantage of the exemption in Section 408 of the Companies Act 2006 not to present its individual income statement and statement of comprehensive income.

The Group and Company financial statements are prepared on a historical cost basis except for share based payment arrangements which are measured in accordance with IFRS 2 and derivative financial instruments and equity investments that are in the scope of IFRS 9 which are measured at fair value.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group and Company in changes in accounting policies.

Changes in accounting policies

The following standards, amendments and interpretations were effective for accounting periods beginning on or after 1 March 2024 and these have been adopted in the Group and Company financial statements where relevant:

- Amendments to IAS 1 – Clarification of liabilities as Current or Non-current
- Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback
- Amendments to IFRS 7 – Financial Instruments Disclosures
- Amendments to IAS 7 – Statement of Cash Flows

The changes listed above did not result in material changes to the Group and Company financial statements.

IFRSs not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 March 2025 and have not been applied in preparing these financial statements. The relevant standards and interpretations not adopted are outlined below and will be applied when mandatory:

Amendments to IAS 21 – Lack of Exchangeability	1 January 2025
Amendment to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments; Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to IFRS Accounting Standards	1 January 2026
IFRS 18 – Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027

There are no other IFRS standards or interpretations that are not yet effective that would be expected to have a material impact on the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Functional and presentational currency

The financial statements are presented in GBP, rounded to the nearest thousand, which is also the Company's functional currency as its cost base is predominantly in this currency.

Going concern

The financial statements are prepared on a going concern basis. The Directors consider the Group to have a resilient business model and to have considerable financial resources in order to enable it to meet its strategic objective of growing the KX business in the coming years. It meets its day-to-day working capital requirements through cash generated from its trading activities and funds retained by the business following the disposal of the FD business in December 2024. The Group's forecasts and projections show that the Group will be able to meet all obligations as they fall due with sufficient headroom for the foreseeable future.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future on the basis of cash resources. The Company balance sheet shows it to have net current assets, accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and financial statements. Further information regarding the Group and Company's loan facilities, which were repaid in the year, are discussed in note 22. Note 2 to the financial statements includes the Group's and Company's objectives, policies and processes for managing its capital, financial risk management objectives and exposure to credit risk and liquidity risk. Note 31 details financial instruments and their impact on credit risk and liquidity.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed and revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about the judgements in applying accounting policies that have the most significant impact on the amounts recognised in the financial statements are as follows:

- In determining capitalised internally developed software costs, management is required to apply judgement and evaluate the technical and commercial feasibility of each product, and the ability to yield future economic benefits, and assess the likelihood of success and ability of the Group to complete each product. Judgements are used in determining what costs meet the requirement for capitalisation under IAS 38.
- Management applies judgement in the recognition of revenue, determining when performance obligations are satisfied and control transferred. For software products provided as an annual license, including the right to regular upgrades, judgement is required when assessing whether the annual license is a separate performance obligation from the provision of upgrades to the customer. Management has assessed that the ongoing updates and upgrades to the software are fundamental to the value of the software and that without these updates the value of the software will substantially deteriorate over time. Therefore, the annual license and the updates and upgrades are combined as one performance obligation and revenue is recognised over the life of the license as the service is delivered.
- The Group and Company have incurred sales and marketing costs and software development costs in developing the KX business. As a result, the Group and Company have tax losses being carried forward which contribute to the Group and Company's deferred tax asset balances. Management has forecasted that the Company and Group will generate future taxable profits from the KX and FD trades against which these deferred tax assets will be utilised.

The estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Under IFRS, goodwill on acquisitions is not amortised but is tested for impairment on an annual basis. Management has assessed goodwill for impairment based on the projected profitability of the individual cash-generating unit to which the goodwill relates. A number of key assumptions including discount rates, terminal growth rate and forecast cash flows are determined. Note 16 outlines the critical estimates applied in the value-in-use calculations that are most sensitive to changes in key assumptions and the sensitivity of these critical estimates.
- Management has estimated the fair value of equity investments and convertible loans. Management has reviewed recent market activity and has applied a discounted cash flow valuation technique to assess the fair value of the assets as at year end considering the forecast revenue and EBITDA, together with forecast exit value applying market multiples, discounted using a risk-adjusted discount rate. Details of the key assumptions used are included in note 31(b).

Management has assessed that there are no other estimates or uncertainties as regards the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognised in the financial statements.

Measurement of fair values

A number of the Group's and Company's accounting policies and disclosures require the measurement at fair value of assets and liabilities.

Management has established a control framework with respect to the measurement of fair values and regularly reviews significant unobservable inputs and valuation adjustments. If third-party information is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group and Company use market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 31 Financial instruments and note 34 Discontinued operations.

b) Basis of consolidation

i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount of the identifiable assets acquired and liabilities assumed. Identifiable intangibles are those which can be sold separately, or which arise from contractual or legal rights regardless of whether those rights are separable.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of a pre-existing relationship. Such amounts are generally recognised in profit or loss.

Transaction costs other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return of all other assets that are part of creating the related cash flows. The fair value of other intangible assets acquired in a business combination is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. In the Company's financial statements, investments in subsidiaries are carried at cost less any allowance made for impairment.

iii) Non-controlling interests (NCI)

All subsidiaries are 100% owned with no non-controlling interests.

iv) Investments in associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. This includes the goodwill identified on acquisition and fair value of intangibles (these amounts are not recognised separately in the consolidated financial statements but included in the Group's net investment in the associate). The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases net of any impairment on the investment. In the Company's financial statements, investments in associates are carried at cost less any provision made for impairment. Profit or loss on disposal of associates is recognised in profit or loss as other gains/(losses).

v) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

c) Foreign currency

i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Group entities at the exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Monetary liabilities designated as a hedge of net investments are treated as set out in note 1(c)(iii). Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate ruling at the date the fair value was determined. Foreign exchange differences arising on retranslation are generally recognised in profit or loss, except for:

- Differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective, which is recognised in other comprehensive income (OCI) in the Group's financial statements; and
- Differences arising from the retranslation of an interest in equity securities designated at FVOCI which are recognised in OCI.

ii) Foreign operations

The assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments arising on consolidation, are translated to GBP at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to GBP at the foreign exchange rates ruling at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income and presented in the currency translation adjustment reserve in equity.

When a foreign operation is disposed of, such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Certain exchange differences arising from monetary items receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and presented in the currency translation adjustment reserve in equity.

iii) Hedge of net investment in foreign operation

Foreign currency differences arising on the retranslation of foreign currency loans designated as a hedge of net investments in a foreign operation are recognised in other comprehensive income to the extent the hedge is effective and are presented in the currency translation adjustment reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

d) Property, plant and equipment

i) Owned assets

Property, plant and equipment is reported at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised in the profit or loss.

ii) Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense as incurred.

iii) Depreciation

Depreciation is calculated to write down the costs of parts of items to their estimated residual values and is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation is calculated using the following annual rates:

Office furniture	— 25%
Plant and equipment	— 25–50%
Leasehold improvements	— 2–20%
Right-of-use assets	— 6–50%

Items of property, plant and equipment are depreciated from the date that the asset is completed and ready for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

e) Intangible assets and goodwill

i) Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets on the balance sheet. For the measurement of goodwill at initial recognition see note 1(b).

Goodwill is measured at cost less any accumulated impairment losses. Goodwill arising on acquisitions is not amortised. Goodwill is allocated to cash-generating units and is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Negative goodwill arising on an acquisition is recognised immediately in profit or loss.

ii) Research and development

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Expenditure on research activities undertaken with the prospect of gaining new technical knowledge and understanding is recognised in profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised in respect of software assets includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised through profit and loss as an expense as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses.

Tax credits for research and development are recognised based on amounts recoverable from the tax authorities in current and future years. A credit is recognised in the income statement against the related expense or recognised in the period in which the expenditure is amortised where the related expenditure is capitalised.

iii) Other intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

iv) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

v) Amortisation

Except for goodwill, intangible assets are amortised based on the cost of an asset less its residual value. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets, from the date that the asset is available for use as follows:

Customer lists	— 12.5%
Acquired software	— 12.5%
Brand name	— 12.5%
Internally developed software	— 12.5–33.3%

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

f) Financial instruments

Financial assets and financial liabilities are recognised in the Company's and Group's statement of financial position when it becomes a party to the contractual provisions of the instrument.

On initial recognition a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit and loss (FVPL). The classification is based on the business model for managing the financial assets and the contractual terms of the cash flows. Only when the business model for managing the assets changes is reclassification required. The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or are transferred to a third party. The Group also derecognises a financial asset when its terms are substantially modified. This is determined by a quantitative analysis to determine that the cash flows of the modified asset are substantially different and a qualitative assessment to identify substantial differences in terms that by their nature are not captured by the quantitative assessment. Where a substantial modification has been determined, a new financial asset based on the modified terms is recognised at fair value and the original financial asset is derecognised; the difference in the respective carrying amounts is recognised in profit or loss. If the modification is not substantial, the difference between: (1) the carrying amount of the asset before the modification; and (2) the present value of the cash flows after the modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Financial liabilities are classified as measured at amortised cost or FVPL. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Trade and other receivables

Trade and other receivables in a held to collect business model are initially measured at transaction price where there is no significant financing component, otherwise they are recognised at fair value. Trade and other receivables are subsequently stated at amortised cost less expected credit losses.

Trade and other receivables not measured at amortised cost, as described above, are measured at FVPL. This includes convertible loans.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of one month or less and are measured at amortised cost.

Equity investments

Equity investments are recognised initially at fair value plus attributable transaction costs. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI and accumulated in the fair value reserve. This election is made on an investment-by-investment basis. When an investment is sold, the cumulative gain or loss in equity is transferred to retained earnings. Dividends from equity investments are recognised in profit or loss when the Group's right to receive payment is established.

Derivative financial instruments

Derivatives are initially measured at fair value with any directly attributable transaction costs being recognised immediately in profit or loss. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognised in profit or loss.

Trade and other payables

Trade and other payables are initially measured at fair value less any directly attributable transaction costs. Trade and other payables are subsequently measured at amortised cost.

Loans and borrowings

Loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

g) Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- a) They include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and
- b) Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial asset for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called-up share capital and share premium account exclude amounts in relation to those shares.

h) Impairment

i) Financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group measures loss allowances on a forward-looking basis, at an amount equal to lifetime ECLs. The Group uses an allowance matrix to measure the ECLs of trade receivables and contract assets (accrued income). Loss rates are calculated using a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different business units based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to twelve-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, twelve-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve months after the reporting date.

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions for agencies (Standard & Poor's). Exposures within each credit risk grade are segmented by industry classification. An ECL rate is calculated for each segment based on delinquency status and actual credit loss experience.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether this is a reasonable expectation of recovery.

ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill acquired in a business combination is allocated to the legal entity or business that has been acquired in a business combination, which reflects the lowest level at which goodwill is monitored for internal reporting purposes.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i) Employee benefits

i) Defined contribution plans

The Group operates a defined contribution (pension) plan for employees. A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense through profit or loss as incurred.

ii) Share based payment transactions

The grant date fair value of equity-settled share based payment arrangements granted to employees is generally recognised as an expense with a corresponding increase in equity over the vesting period. The fair value of the options granted is measured using an Black-Scholes or Monte Carlo model, taking into account the terms and conditions upon which the options were granted. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, the expected volatility (based on an evaluation of the Company's historical volatility, particularly over the historical period commensurate with the expected term and adjusted for recent volatility changes), the expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

iii) Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave entitlements represent present obligations resulting from employees' services provided up to the reporting date and are calculated at undiscounted amounts based on remuneration, wage and salary rates that the Group expects to pay as at the reporting date.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

j) Revenue

i) Products and services rendered

Revenue is measured based on the transaction price allocated to the performance obligation from the sale of goods or provision of services. Revenue is recognised either when the performance obligation in the contract has been performed ("point in time" recognition) or "over time" as control of the performance obligation is transferred to the customer.

Revenue in respect of each product or service is as follows:

- Revenue from perpetual software licensing is recognised at the point in time when control is transferred upon delivery to the customer where there are no significant vendor obligations remaining following delivery, the client has accepted the software, and the collection of the resulting receivable is considered probable.
- Revenue from annual licensing is usually recognised on a straight-line basis over the period to which the service is provided to the customer. When the value of the satisfied performance obligations is in excess of the payment due, the Group recognises a contract asset (accrued income). When the amount of unconditional consideration is in excess of the value of satisfied performance obligations, the Group recognises a contract liability (deferred income). Once a right to receive consideration is unconditional, that amount is recognised as a receivable. Further detail on revenue recognition is provided in the critical accounting estimates and judgement section of this note.
- Revenue from consulting services is recognised in the period in which the consultants perform the work at the contracted rates for each consultant. Revenue is based on timesheets from our consultants which are authorised by the Group's customers detailing the hours and service provided.
- Maintenance and support revenue is recognised based over the term of the support arrangement. Under the standardised maintenance and support services, the Group's performance obligation is to provide product support and unspecified updates, upgrades and enhancements on a when-and-if available basis. The customers simultaneously receive and consume the benefits of these services.

- The Group undertakes the provision of software-related services for specialised business operations. Such services will be contracted on either a "fixed fee" or "time and materials" basis.

Fixed fee contracts

Where the provision of software-related services has been contracted on a fixed price basis, the associated revenue is recognised based on the stage of completion of the contract. The Directors have assessed that the stage of completion, determined as the delivered proportion of the total scope expected for the project, is an appropriate measure of progress towards complete satisfaction of the performance conditions under IFRS 15. Any such assessments are reviewed on a regular basis. Such contracts will contain a pre-agreed billing model, and payments will be made by the client in accordance with the conditions within the contract.

Time and materials contracts

- Where the provision of software-related services has been contracted on a time and materials basis, the customer is bound to pay for services in line with contractually pre-agreed daily rates. The revenue associated with such services is recognised on a monthly basis, in line with any chargeable time and materials delivered against a given project. Typically, time and material billing will occur on a monthly basis and clients are required to settle any payments due in line with contractually pre-agreed payment terms.
- Revenue from other services, including data management hosting, other hosting and transactional activities, is recognised over the period to which the contract relates, or the transaction occurs which gives rise to the receivable. In instances where a non-refundable fee is paid by the customer, a contract liability (deferred income) is recognised, and the fair value of any significant obligations is deferred and recognised over the life of the contract; the remaining balance is recognised when control is transferred following delivery and when the resulting receivable is considered probable.

The Group recognises a contract asset (accrued income) when the value of satisfied performance obligations is in excess of the payment due to the Group or a contract liability (deferred income) when the amount of unconditional consideration is in excess of the value of satisfied performance obligations. Once a right to receive consideration is unconditional, that amount is presented as a receivable.

Costs incurred on the commission paid to employees relating to software sales are capitalised as contract costs within prepayments and recognised as an expense consistent with the transfer of the related goods or services to the customer and amortised over the life of the initial term of the contract. The Group applies the practical expedient of IFRS 15 and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

ii) Government grants

An unconditional government grant is recognised as other operating income when the grant becomes receivable. Other government grants are initially recognised in the balance sheet as deferred income if there is reasonable assurance that they will be received and that the Group has complied with the conditions attaching to it; they are released to the income statement as other income on a systematic basis over the performance condition period. Grants that compensate the Group for expenses incurred are recognised as other operating income through profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement as other operating income on a systematic basis over the useful life of the asset.

k) Leases

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A lease conveys a right to control the use of an identified asset for a period of time in exchange for consideration. At inception or upon reassessment of the arrangement, the Group allocates the consideration for lease and non-lease components on the basis of their relative fair values. However, for certain leases of properties the Group has elected not to separate non-lease components and instead accounts for the lease and non-lease components as a single arrangement. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low-value assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. It is remeasured, with a corresponding adjustment to the right-of-use asset, when there is a change in the future lease payments. The lease liability is presented within loans and borrowings in the consolidated balance sheet.

The right-of-use asset is initially measured at cost, comprising the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use asset is tested for impairment if there are any indicators of impairment. The right-of-use assets are presented within the same line item as that within which the corresponding underlying assets would be presented if they were owned – for the Group this is property, plant and equipment.

For short-term leases and leases of low-value assets, lease payments are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Low-value assets comprise IT equipment and small items of office furniture. This expense is presented within other operating expenses in the consolidated statement of comprehensive income.

l) Finance income and expenses

Finance income comprises interest receivable on funds invested and dividend income. Interest income is recognised through profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. Finance expenses comprise interest payable on borrowings calculated using the effective interest rate method, and foreign exchange gains and losses. The interest expense component of lease payments is recognised through profit or loss using the effective interest rate method. Finance income and expenses included the foreign currency gain or loss on financial assets and liabilities; the net gain or loss on financial assets at fair value through profit or loss; the fair value loss on contingent consideration classified as a financial liability; and hedge ineffectiveness recognised in profit or loss. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

m) Taxation

Tax expense on the profit or loss for the period presented comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

ii) Deferred tax

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; those arising from the initial recognition of assets or liabilities acquired in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable they will not reverse in the foreseeable future and at the time of the transaction, do not give rise to equal taxable and deductible temporary differences. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

n) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. The nominal value of shares issued is recognised as share capital.

o) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at the year end.

p) (Loss)/earnings per share

The Group presents basic and diluted (loss)/earnings per share ((LPS)/EPS) data for its ordinary shares. Basic (LPS)/EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted (LPS)/EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and Executive Directors and as part of business combinations.

q) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer and Chief Financial Officer jointly. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

r) Use of non-GAAP measures – adjusted EBITDA

The Group believes that the consistent presentation of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA), adjusted effective tax rate, adjusted basic (loss)/earnings per share and adjusted diluted (loss)/earnings per share provides additional useful information to shareholders on the underlying trends and comparable performance of the Group over time. Adjusted EBITDA is defined as results from operating activities before restructure and non-operational costs, IT system implementation costs expensed, share based payments and related costs, depreciation of property, plant and equipment and amortisation of intangible assets, and non-recurring dividend income from investments. Restructure and non-operational costs relate to items that are considered significant in size and non-operational in nature and include one-off costs relating to restructuring and to address legacy employee tax liabilities while on assignment and costs associated with the management the Group's equity investment portfolio. The Group uses adjusted EBITDA as an underlying measure of its performance. A reconciliation between GAAP and underlying measures is set out in note 7 Adjusted EBITDA.

s) Non current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if it is highly probable that their carrying value will be recovered primarily through sale rather than through continuing use, and management is highly committed to an immediate sale in the asset's present condition. Such assets or disposals groups are measured at the lower of their carrying amount and fair value less costs to sell. The measurement basis required for non-current assets classified as held for sale is applied to the group as a whole, and any resulting impairment loss reduces the carrying amount of the non-current assets in the disposal group in the order of allocation required by IAS 36. Impairment losses on initial classification as held for sale, and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit/loss after tax from discontinued operations in the consolidated income statement.

When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative year. Additional disclosures are provided in note 34. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

t) Purchase of shares

Shares repurchased under the share buy-back programme are immediately cancelled and the nominal amount is transferred to the capital redemption reserve, any difference to the purchase price is shown as a deduction from the profit and loss account reserve in the Group statement of changes in equity.

2. Financial risk management

Overview

The Group's activities expose it to a variety of financial risks: market risk (principally foreign exchange risk and interest rate risk), credit risk and liquidity risk.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's profit or loss, other comprehensive income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group currently does not use derivative financial instruments to hedge its exposure to currency or interest rate risk.

During the year the level of trading and borrowings in foreign currency in respect of foreign subsidiaries produces a natural hedge of a large proportion of the Group's exposures to foreign currency movements on trading and investments. Certain borrowings in foreign currencies are designated as net investment hedges of foreign operations.

The Group's equity investments and convertible loans are being carried at their estimated fair value and the Group's maximum exposure to risks associated with these investments is represented by their carrying amounts. Further details on equity investments and convertible loans are disclosed in note 31 to the financial statements.

Credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Although the Group's client base is predominantly large multinational corporations, management separately assesses each new customer before the Group's standard payment and delivery terms and conditions are offered. This assessment includes a review of credit ratings, if available, financial statements, credit agency information and industry information.

Customer credit limits are managed by divisional credit control teams and are impacted by the previous matters and the customer's historical credit characteristics. The credit control team makes regular contact with customers when debts are overdue with follow-up procedures carried out as required. The Group establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade and other receivables.

The Group does not require collateral in respect of trade and other receivables.

The quantitative information on trade receivables and other receivables including concentration of credit risk is detailed in note 31.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has sufficient cash reserves and is able to meet its liabilities as they fall due.

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net cash (borrowings disclosed in note 22 after deducting cash and bank balances in note 20) and equity of the Group (comprising issued capital, reserves and retained earnings).

The Group is not subject to external requirements in respect of its capital, with the exception of the need to comply with the level of ordinary shares available for trading on the AIM and Euronext Growth Dublin, with which the Group has complied in the current year. Additional shares in the Group are made available to staff by the use of share schemes as disclosed in note 32 to the financial statements and as purchase consideration in business combinations. During the financial year the Board oversaw the divestment of the FD and MRP businesses in order to drive optimal organisational structure, allocation of capital and value for shareholders. As determined by the Group's structure review, announced in March 2024, divestment enables the Company to focus on KX, the part of the Group with the largest value creation potential, and provides funding for KX to move towards positive cash EBITDA in FY27, with the resources to execute on the exciting growth plans in its target markets. Please see capital structure per note 21.

3. Operating and business segments

Business segments

The Group was organised into operating segments (as identified under IFRS 8 "Operating Segments") and generates revenue through the following activities:

- KX – high-performance analytics database engine for AI-driven innovation
- First Derivative (FD) (discontinued) – driving digital transformation in financial services and capital markets
- MRP (discontinued) – technology-enabled services for enterprise demand generation

The chief operating decision maker monitors the operating results of segments separately in order to allocate resources between segments and to assess performance. Segment performance is predominantly evaluated based on operating profit before restructure and non-operational costs, share based payment and related costs, depreciation and amortisation of intangible assets ("adjusted EBITDA"). These costs are managed on a centralised basis and therefore these items are not allocated between operating segments for the purpose of presenting information to the chief operating decision maker and accordingly are not included in the detailed segmental analysis. Intersegment revenue is not material and thus not subject to separate disclosure.

Information about reportable segments

Details on discontinued FD and MRP operations are included in note 34.

	Continuing		Discontinued	
	2025 £'000	2024 (restated) £'000	2025 £'000	2024 (restated) £'000
Revenue	80,729	79,146	115,158	198,692
Gross profit	67,672	61,978	28,093	56,550
Adjusted EBITDA	6,469	5,103	10,457	13,844
Restructure and non-operational costs	(6,453)	(2,153)	(703)	(4,395)
Share based payment and related costs	(1,642)	(1,088)	(24)	(320)
Depreciation and amortisation	(21,589)	(17,129)	(1,253)	(4,026)
Amortisation of acquired intangibles	(153)	(373)	—	(101)
Operating (loss)/profit	(23,368)	(15,640)	8,477	5,002
Net finance costs	(4,216)	(4,750)	(763)	(1,427)
Impairment of intangible assets and goodwill	(246)	—	(1,343)	(21,204)
Profit on disposal of associate/investment	—	88	189,142	—
Share of loss from associate	(1,280)	—	—	—
Lease costs	—	—	—	(117)
(Loss)/profit before taxation	(29,110)	(20,304)	195,513	(17,746)

The Group has disclosed overleaf certain information regarding its revenue and non-current assets by geographical location. In presenting this information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets. Details regarding total revenues are presented in note 4.

Geographical location analysis

	Revenues		Non-current assets	
	2025	2024 (restated)	2025	2024
	£'000	£'000	£'000	£'000
UK	15,460	14,160	87,550	81,817
EMEA	9,515	8,680	14,055	15,683
The Americas	40,387	36,314	77,938	79,593
Asia Pacific	15,367	19,992	1,274	1,316
Total	80,729	79,146	180,817	178,409

Major customers

The Group has no key customers who generated more than 10% of Group revenue in 2025 or 2024.

4. Revenue

	2025 £'000	2024 £'000
Type of good or service		
Sale of goods – perpetual	887	2,251
Sale of goods – recurring	76,008	68,438
Rendering of services	3,834	8,457
	80,729	79,146
Timing of revenue recognition		
At a point in time	887	2,251
Over time	79,842	76,895
	80,729	79,146

The following table provides information about receivables, accrued income and deferred income from contracts with customers.

Receivables, accrued and deferred income

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Net current trade receivables (see note 19)	29,169	44,370	11,821	32,852
Accrued income (see note 19)	1,178	9,316	398	6,838
Deferred income	49,025	43,176	22,436	24,604

Accrued income relates to the Group's right to consideration for work completed and delivered but not invoiced as at year end and is transferred to trade receivables when an invoice is issued to the customer. Customers are typically invoiced on a monthly basis and consideration is payable in line with agreed commercial terms.

Deferred income relates to advance consideration received from customers, where revenue is recognised over time as the services are provided/delivered to customers. Movements in the deferred income balance were driven by transactions entered into by the Group within the normal course of business in the year.

5. Other income

	2025 £'000	2024 (restated) £'000
Government grants	—	15
Rental income	506	—
	506	15

In December 2018, the Group was awarded a government grant amounting to £1,268k under the Skills Growth Programme. The grant was drawn down on the occurrence of approved training expenditure, for the period to February 2025. The income is recognised as the costs are incurred, no income was recognised in the current year (2024: £nil). The grant related to the FD operating segment and all rights and obligations of the Group were extinguished as part of the FD divestment.

In December 2020, the Group was awarded a government grant amounting to £192k under the ATI Programme, COnnected REconfigurable Factory (COREF). The grant is to be drawn down quarterly on the occurrence of approved labour, overheads, travel and other costs relating to COREF project expenditure, for the period to 31 December 2024, the income was recognised as the costs were incurred. No income was recognised in the current year (2024: £15k).

During the year, £506k (2024:£nil) was recognised in other income relating to rental income from subleasing part of the Group's properties.

6. Operating costs

	2025 £'000	2024 (restated) £'000
Rent, rates and insurance	2,801	2,818
Telecommunications	323	423
Accountancy, audit and legal expenses	1,327	2,177
Payroll costs	66,455	62,663
– of which capitalised	(18,820)	(18,453)
Research and development related tax credit	(483)	(2,622)
Listing expenses	542	379
Travel and subsistence	2,539	2,344
IT expenses	5,219	5,042
Marketing expenses	5,327	3,244
Restructure and non-operational costs	6,453	2,153
Depreciation and amortisation	21,742	17,502
Impairment loss on trade and other receivables	—	3,740
Other operating costs	5,688	4,529
TSA recharges	(1,632)	—
Allocation to discontinued operations	(5,935)	(8,306)
	91,546	77,633

Following the d of the First Derivative business on 2 December the Group entered into a transitional services agreement with the purchaser, EPAM Systems Inc, whereby operational expenses would continue to be managed and incurred by the FD Technologies Group for a period of time after disposal. These costs are recognised within operating costs and recharges received from EPAM Systems Inc is presented as a reduction to these costs.

Included within restructure and non-operational costs is £2,460k in relation to efficiency measures at KX.

7. Adjusted EBITDA

	2025 £'000	2024 (restated) £'000
Operating loss	(23,368)	(15,640)
Restructure and non-operational costs	6,453	2,153
Share based payment and related costs	1,642	1,088
Depreciation and amortisation	21,742	17,502
	6,469	5,103

8. Auditor's remuneration

	2025 £'000	2024 (restated) £'000
Auditor's remuneration		
Audit of these financial statements	168	164
Amounts receivable by the auditor and its associates in respect of:		
Audit of the subsidiary undertakings included in the consolidation	69	67
All other services	—	2
Taxation compliance services	—	—
Other assurance	—	36
Other tax advisory services	—	—
Expenses recharged	1	1
	238	270

9. Personnel expenses and numbers

The average monthly number of persons (including Directors) for continuing operations employed by the Group during the year is set out below:

	Group		Company	
	2025 Average no.	2024 (restated) Average no.	2025 Average no.	2024 (restated) Average no.
Administration	174	136	126	113
Sales	97	122	34	49
Technical	314	383	114	129
Monthly average for continuing operations	585	641	274	291

The aggregate payroll costs were as follows:

Group	Continuing operations 2025 £'000	Discontinued operations 2025 £'000	Total 2025 £'000	Continuing operations 2024 £'000	Discontinued operations 2024 £'000	Total 2024 £'000
Wages and salaries	65,025	75,675	140,700	66,159	127,357	193,516
Social security costs	5,372	7,091	12,463	5,607	12,849	18,456
Other pension costs	2,583	2,953	5,536	2,450	4,893	7,343
Share based payments (see note 32)	1,642	24	1,666	1,088	320	1,408
Less capitalised development costs	(18,820)	—	(18,820)	(18,453)	(2,661)	(21,114)
	55,802	85,743	141,545	56,851	142,758	199,609
Included in:						
Cost of sales	8,167	76,758	84,925	12,641	120,375	133,016
Operating costs (see note 6)	47,635	8,985	56,620	44,210	22,383	66,593
	55,802	85,743	141,545	56,851	142,758	199,609

The above analysis does not include costs relating to redundancy/severance, which are included as part of restructure and non-operational costs as outlined in note 6.

Company	Continuing operations 2025 £'000	Discontinued operations 2025 £'000	Total 2025 £'000	Continuing operations 2024 £'000	Discontinued operations 2024 £'000	Total 2024 £'000
Wages and salaries	27,668	31,503	59,171	29,233	58,677	87,910
Social security costs	3,036	3,410	6,446	2,959	6,583	9,542
Other pension costs	976	1,430	2,406	1,005	2,680	3,685
Share based payments (see note 32)	1,642	24	1,666	1,088	320	1,408
Less capitalised development costs	(17,307)	—	(17,307)	(6,954)	(870)	(7,824)
	16,015	36,367	52,383	27,331	67,390	94,721

10. Finance income and expense on continuing operations

	2025 £'000	2024 (restated) £'000
Bank interest income	782	91
Other interest income	34	33
Finance income	816	124
Loss on foreign currency translation	(679)	(1,065)
Financial liabilities measured at amortised costs		
– interest expense	(4,043)	(3,473)
– lease interest expense	(310)	(336)
Finance expense	(4,353)	(3,809)
Net finance expense recognised in profit or loss	(4,216)	(4,750)

Exchange gains and losses on net investments in foreign subsidiaries and related effective hedges are recognised in the foreign currency translation reserve.

11. Tax (credit)/expense on continuing operations

a) Income tax recognised in the income statement

	2025 £'000	2024 (restated) £'000
Current tax (credit)/expense		
Current year	(1,372)	(2,724)
Adjustment for prior years	(154)	133
	(1,526)	(2,591)
Deferred tax (credit)/expense		
Origination and reversal of temporary differences	(1,483)	3,345
Adjustment for prior years	325	(19)
	(1,158)	3,326
Tax (credit)/expense on continuing operations	(2,684)	735

b) Amounts recognised in OCI

	2025			2024 (restated)		
	Before tax £'000	Tax impact £'000	After tax £'000	Before tax £'000	Tax impact £'000	After tax £'000
Items that will not be reclassified to profit or loss						
Equity investments at FVOCI – net change in fair value	1,578	24	1,602	3,674	51	3,725
Items that are or may be reclassified subsequently to profit or loss						
Hedge of net investment in foreign subsidiaries	86	(22)	64	(1,130)	283	(847)
	1,664	2	1,667	2,544	334	2,878

c) Amounts recognised in equity

	2025			2024 (restated)		
	Before tax £'000	Tax impact £'000	After tax £'000	Before tax £'000	Tax impact £'000	After tax £'000
Deferred tax on share based payments	—	165	165	—	(215)	(215)
Deferred tax on losses	—	(14)	(14)	—	(6,040)	(6,040)
Deferred tax on other items	—	—	—	—	54	54
Current tax on losses	—	39	39	—	—	—
	—	190	190	—	(6,201)	(6,201)

	2025 £'000	2024 (restated) £'000
Reconciliation of effective tax rate		
Loss excluding income tax	(29,110)	(20,304)
Income tax using the Company's domestic tax rate of 24.49% (2024: 19.0%)	(7,277)	(4,972)
Tax exempt income	(409)	(597)
Expenses not deductible for tax purposes	1,709	1,114
Adjustments for prior years	171	113
Other differences	349	(505)
Effect of foreign exchange on consolidation	(96)	3
Foreign tax rate differences	(256)	(321)
Impact of change in tax rates	13	(60)
Permanent adjustment on SBP	403	225
Deferred tax not recognised in respect of losses carried forward	—	1,962
Deferred tax not recognised in respect of current period	2,709	3,738
Unrelieved overseas taxes	—	35
Total tax (credit)/expense	(2,684)	735

Following the sale of the First Derivative business on 2 December, results for the period before disposal and FY24 have been presented in discontinued operations.

The tax (credit)/expense excludes the income tax charge from discontinued operations of £5,073k (2024:£1,999), included in the profit/(loss) from discontinued operations. Refer to note 34 for details.

Deferred tax balances have to be measured using the tax rates that have been substantively enacted at the balance sheet date and that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax has been calculated at 25% at 28 February 2025, as this rate has been enacted at the balance sheet date effective from 1 April 2024.

The total continuing operations tax credit, including discrete items is £2,684k (2024: £735k expense), which equates to an effective tax rate of (9.2%) (2024: 3.6%).

The total continuing operations tax credit, excluding discrete items, being tax losses derecognised in the period, is £5,881k (2024: £4,954k), which equates to an effective tax rate of (20.2%) (2024: (24.4%)).

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

12. Remuneration of Directors

The remuneration paid to the Directors was:

	2025 £'000	2024 £'000
Aggregate emoluments (including benefits in kind)	2,148	1,331
Company pension contributions	32	30
Share based payment	217	259
	2,397	1,620

During the year there was one Director accruing benefits under a defined contribution pension scheme (2024: one).

The aggregate emoluments and Company pension contributions of the highest paid Director (excluding fees paid for provision of services) amounted to £901k and £nil respectively during the year (2024: £451k and £nil respectively).

The Directors are deemed to be the key management of the Group. There is no remuneration paid to Directors allocated to the FD and MRP businesses and thus classified as discontinued operations.

Disclosures in respect of Directors' emoluments as required by AIM Rules, Directors' interests in shares and Directors' share options are set out in the Report of the Remuneration Committee.

13. Dividends

	2025 £'000	2024 £'000
Dividends paid to the owners of the parent		
Final dividend relating to the prior year	—	—
Interim dividend paid	—	—
	—	—

The dividends recorded in each financial year represent the final dividend of the preceding financial year and the interim dividend of the current financial year.

No final dividend was declared in relation to the comparative period and no interim dividend was declared or paid relating to the current or prior year. The cumulative dividend paid during the year amounted to £nil (2024: £nil) per share.

After the respective reporting dates, no dividends were paid or declared by the Directors.

	2025 £'000	2024 (restated) £'000
£Nil per ordinary share (2024: £nil)	—	—

14. a) Profit/(loss) per ordinary share from continuing and discontinued operations

Basic

The calculation of basic profit per share at 28 February 2025 was based on the profit attributable to ordinary shareholders of £164,014k (2024: £40,784k loss) and a weighted average number of ordinary shares in issue of 27,608k (2024: 28,080k).

	2025 Pence per share	2024 Pence per share
Basic profit/(loss) per share	594.1	(145.2)

Loss per share from continuing operations at 28 February 2025 is 95.7p (2024: 74.9p), based on the loss attributable to ordinary shareholders from continuing operations of £26,426k (2024: £21,039k).

Weighted average number of ordinary shares

	2025 Number '000	2024 Number '000
Issued ordinary shares at 1 March	28,088	28,065
Effect of share options exercised	96	4
Effect of shares issued as remuneration	14	11
Effect of share buy back	(590)	—
Weighted average number of ordinary shares at 28/29 February	27,608	28,080

Diluted

The calculation of diluted profit per share at 28 February 2025 was based on the profit attributable to ordinary shareholders of £164,014k (2024: £40,784k loss) and a weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares of 28,061k (2024: 28,080k).

	2025 Pence per share	2024 Pence per share
Diluted profit/(loss) per share	584.5	(145.2)

Diluted loss per share from continuing operations at 28 February 2025 is 94.2p (2024: 74.9p), based on the loss attributable to ordinary shareholders from continuing operations of £26,426k (2024: £21,039k).

Weighted average number of ordinary shares (diluted)

	2025 Number '000	2024 Number '000
Weighted average number of ordinary shares (basic)	27,608	28,080
Effect of dilutive share options in issue	453	—
Weighted average number of ordinary shares (diluted) at 28/29 February	28,061	28,080

In accordance with IAS 33, share options in FY24 in issue are anti-dilutive meaning there is no difference between basic and diluted loss per share in FY24.

Basic and diluted loss per share at 28 February 2025 for discontinued operations is presented in note 34.

14. b) Profit/(loss) before tax per ordinary share - from continuing and discontinued operations

Profit/(loss) before tax per share is based on profit before taxation of £166,403k (2024: £38,049k loss). The number of shares used in this calculation is consistent with note 14(a) above.

	2025 Pence per share	2024 Pence per share
Basic profit/(loss) before tax per ordinary share	602.8	(135.5)
Diluted profit/(loss) before tax per ordinary share	593.0	(135.5)

Reconciliation from profit/(loss) per ordinary share to profit/(loss) before tax per ordinary share:

	2025 Pence per share	2024 Pence per share
Basic profit/(loss) per share	594.1	(145.2)
Impact of taxation charge	8.7	9.7
Basic profit/(loss) before tax per share	602.8	(135.5)
Diluted profit/(loss) per share	584.5	(145.2)
Impact of taxation charge	8.5	9.7
Diluted profit/(loss) before tax per share	593.0	(135.5)

Profit/(loss) before tax per share is presented to facilitate pre-tax comparison returns on comparable investments.

14. c) Adjusted earnings after tax per ordinary share

The reconciliation of adjusted earnings after tax per share is shown below:

	2025 £'000	2024 (restated) £'000
Profit/(loss) after tax	164,014	(40,784)
Amortisation of acquired intangibles after tax effect	153	373
Share based payments after tax effect	1,642	1,088
Restructure and non-operational costs after tax effect	5,482	1,858
Profit on disposal of associate after tax effect	—	(66)
Share of loss from associate after tax effect	1,280	—
Loss on foreign currency translation after tax effect	509	804
Finance costs after tax effect	352	208
Impairment after tax effect	263	—
Discrete items for tax	3,035	5,690
(Profit)/loss after tax from discontinued operations	(190,440)	19,745
Adjusted loss after tax	(13,710)	(11,084)

The number of shares used in this calculation is consistent with note 14(a) above.

	2025 Pence per share	2024 (restated) Pence per share
Adjusted basic loss after tax per ordinary share	(49.7)	(39.5)
Adjusted diluted loss after tax per ordinary share	(48.9)	(39.5)

15. Property, plant and equipment
Group

	Leasehold improvements £'000	Plant and equipment £'000	Office furniture £'000	Right-of-use assets £'000	Total £'000
Cost					
At 1 March 2024	4,306	10,356	854	23,442	38,958
Additions	105	578	29	1,191	1,903
Disposals	(193)	(1,002)	—	(2,670)	(3,865)
Business disposal*	(902)	(393)	—	(5,324)	(6,619)
Exchange adjustments	(40)	(192)	(12)	(240)	(484)
At 28 February 2025	3,276	9,347	871	16,399	29,893
Depreciation					
At 1 March 2024	2,338	8,035	740	13,264	24,377
Charge for the year	414	1,764	68	2,536	4,782
Disposals	(192)	(1,001)	—	(2,599)	(3,792)
Business disposal*	(434)	(234)	—	(3,160)	(3,828)
Exchange adjustments	(30)	(172)	(11)	(185)	(398)
At 28 February 2025	2,096	8,392	797	9,856	21,141
Carrying amount					
At 28 February 2025	1,180	955	74	6,543	8,752

* Following the sale of the First Derivative business on 2 December, results for the period before disposal and FY24 have been presented in discontinued operations. Refer to note 34 for further details.

	Leasehold improvements £'000	Plant and equipment £'000	Office furniture £'000	Right-of-use assets £'000	Total £'000
Cost					
At 1 March 2023	7,479	15,856	1,592	31,769	56,696
Additions	14	639	1	185	839
Disposals	(1,527)	(1,469)	(620)	(1,013)	(4,629)
Impairment	—	—	—	(1,059)	(1,059)
Transferred to assets held for sale**	(1,506)	(4,269)	(97)	(5,638)	(11,510)
Exchange adjustments	(154)	(401)	(22)	(802)	(1,379)
At 29 February 2024	4,306	10,356	854	23,442	38,958
Depreciation					
At 1 March 2023	4,261	11,331	1,362	14,149	31,103
Charge for the year	561	2,363	112	3,303	6,339
Disposals	(1,508)	(1,469)	(620)	(559)	(4,156)
Transferred to assets held for sale**	(880)	(3,870)	(97)	(3,214)	(8,061)
Exchange adjustments	(96)	(320)	(17)	(415)	(848)
At 29 February 2024	2,338	8,035	740	13,264	24,377
Carrying amount					
At 29 February 2024	1,968	2,321	114	10,178	14,581

**The MRP operating segment was designated as held for sale in February 2024 and sold on 1 March 2024. Results for the period before disposal and FY24 have been presented in discontinued operations. Refer to note 34 for further details.

Property, plant and equipment includes right-of-use assets of £6,543k (2024: £10,178k), related to leased properties that do not meet the definition of investment property. Details of security provided for borrowing in respect of property, plant and equipment are disclosed in note 22.

Company

	Leasehold improvements £'000	Plant and equipment £'000	Office furniture £'000	Right-of-use assets £'000	Total £'000
Cost					
At 1 March 2024	3,293	3,790	552	13,386	21,021
Additions	71	177	4	266	518
Disposals*	(814)	(1,120)	—	(3,126)	(5,060)
At 28 February 2025	2,550	2,847	556	10,526	16,479
Depreciation					
At 1 March 2024	1,589	2,514	463	6,429	10,995
Charge for the year	327	848	43	1,174	2,392
Disposals*	(338)	(1,001)	—	(1,576)	(2,915)
At 28 February 2025	1,578	2,361	506	6,027	10,472
Carrying amount					
At 28 February 2025	972	486	50	4,499	6,007

* On 1 October 2024 the Company sold all trade and assets associated with the First Derivative business to a wholly owned subsidiary, First Derivative Limited, in exchange for shares. Exclusive of right-of-use asset disposals of cost £817k and accumulated depreciation of £734k all other plant, property and equipment disposals relate to the trade and asset transfer, see note 17 for further details.

	Leasehold improvements £'000	Plant and equipment £'000	Office furniture £'000	Right-of-use assets £'000	Total £'000
Cost					
At 1 March 2023	4,289	4,624	864	13,386	23,163
Additions	8	396	—	—	404
Disposals	(1,004)	(1,230)	(312)	—	(2,546)
At 29 February 2024	3,293	3,790	552	13,386	21,021
Depreciation					
At 1 March 2023	2,210	2,734	723	5,301	10,968
Charge for the year	354	1,009	52	1,128	2,543
Disposals	(975)	(1,229)	(312)	—	(2,516)
At 29 February 2024	1,589	2,514	463	6,429	10,995
Carrying amount					
At 29 February 2024	1,704	1,276	89	6,957	10,026

The basis by which depreciation is calculated is stated in note 1.

16. Intangible assets and goodwill

Group

	Goodwill £'000	Customer lists £'000	Acquired software £'000	Brand name £'000	Internally developed software £'000	Total £'000
Cost						
Balance at 1 March 2024	93,762	9,871	26,016	544	135,546	265,739
Additions	—	—	—	—	21,100	21,100
Asset impairment	—	—	—	—	(5,754)	(5,754)
Business disposal*	(3,614)	(2,571)	—	(111)	—	(6,296)
Exchange adjustments	(181)	(54)	(199)	(9)	(744)	(1,187)
At 28 February 2025	89,967	7,246	25,817	424	150,148	273,602
Amortisation						
Balance at 1 March 2024	—	9,871	25,575	542	75,711	111,699
Amortisation for the year	—	—	152	—	18,060	18,212
Asset impairment	—	—	—	—	(4,166)	(4,166)
Business disposal*	—	(2,571)	—	(111)	—	(2,682)
Exchange adjustment	—	(54)	(198)	(7)	(495)	(754)
At 28 February 2025	—	7,246	25,529	424	89,110	122,309
Carrying amount						
At 28 February 2025	89,967	—	288	—	61,038	151,293

* Following the sale of the First Derivative business on 2 December, results for the period before disposal and FY24 have been presented in discontinued operations. Refer to note 34 for further details.

	Goodwill £'000	Customer lists £'000	Acquired software £'000	Brand name £'000	Internally developed software £'000	Total £'000
Cost						
Balance at 1 March 2023	116,642	13,917	32,976	802	125,656	289,993
Additions	—	—	49	—	—	49
Development costs	—	—	—	—	27,171	27,171
Disposals	—	—	—	—	(557)	(557)
Transferred to assets held for sale**	(18,099)	(3,523)	(5,660)	(229)	(16,136)	(43,647)
Exchange adjustments	(4,781)	(523)	(1,349)	(29)	(588)	(7,270)
At 29 February 2024	93,762	9,871	26,016	544	135,546	265,739
Amortisation						
Balance at 1 March 2023	—	13,779	30,449	795	69,310	114,333
Amortisation for the year	—	136	333	5	14,817	15,291
Disposals	—	—	—	—	(557)	(557)
Transferred to assets held for sale**	—	(3,523)	(3,949)	(228)	(7,459)	(15,159)
Exchange adjustment	—	(521)	(1,258)	(30)	(400)	(2,209)
At 29 February 2024	—	9,871	25,575	542	75,711	111,699
Carrying amount						
At 29 February 2024	93,762	—	441	2	59,835	154,040

**The MRP operating segment was designated as held for sale in February 2024 and sold on 1 March 2024. Results for the period before disposal and FY24 have been presented in discontinued operations. Refer to note 34 for further details.

The basis by which amortisation is calculated is stated in note 1. Amortisation is recognised through profit or loss in administration expenses.

During the year the Group recognised an impairment charge of £1,589k in relation to legacy software products (FY24: £nil) of which £246k is presented in continuing operations.

Included within development costs capitalised in the year for continuing operations is £18,820k (2024: £18,453k) of capitalised employee costs for the year. Developed software includes £5,857k (2024: £3,235k) of software under development at 28 February 2025 not yet commissioned, which relates largely to ongoing development of the KX software. This is included in the KX impairment assessment which is discussed overleaf.

Impairment testing of goodwill

The Group tests goodwill for impairment at each reporting date or more frequently if there are indications that goodwill might be impaired. For the purposes of impairment testing, goodwill is allocated to segments which represent the lowest level within the Group at which goodwill is monitored. The recoverable amount of goodwill has been determined based on a value-in-use calculation using cash flows derived from financial projections covering a four-year period, with cash flows thereafter calculated using a terminal value methodology, using a CGU specific, risk-adjusted discount rate to calculate their net present value.

Goodwill and indefinite life intangible assets are allocated to the Group's CGUs according to business segment. A segment-level summary of the allocation of goodwill and indefinite useful life intangible assets is presented below:

	KX £'000	FD £'000	MRP £'000	Total goodwill £'000
Goodwill at 1 March 2024	90,134	3,628	—	93,762
Foreign currency translation adjustment	(167)	(14)	—	(181)
Business disposal	—	(3,614)	—	(3,614)
Balance at 28 February 2025	89,967	—	—	89,967

Following a Group restructure programme the Group divested MRP and FD in the year. Refer to notes 17 and 34 for further details.

Key assumptions

The calculation of value in use is most sensitive to the following assumptions:

(a) CGU specific operating assumptions

CGU specific operating assumptions are applicable to the forecasted cash flows for the years FY26 to FY30 and relate to revenue forecasts and EBITDA margins in each of the operating CGUs. The values applied to these key assumptions are derived from a combination of external and internal factors, based on past experience together with management's future expectations about business performance.

(b) Discount rate

Discount rates reflect the current market assessment of the risk specific to each CGU. The discount rate was estimated based on past experience and reflective of industry average pre-tax weighted average cost of capital adjusted to reflect the current market assessment of risks specific to each CGU for which the cash flow projections have not been adjusted. The risk-adjusted discount rate used for impairment testing are as follows:

	KX
Risk-adjusted discount rate	10.0%

(c) Long term growth rate

The long term growth rate used for impairment testing are as follows:

	KX
Long term growth rate	2%

Sensitivity analysis on continuing operations

There was no impairment charge for the year ended 28 February 2025 (2024: £nil) in relation to continuing operations. On 8 May 2025 the Group received a cash offer for the business, which values FD Technologies at £24.50 per share or £570 million. This supports the carrying value of the KX CGU, further details are provided in note 35.

Impairment on discontinued operations

In the prior year management determined that an impairment was required in relation to the MRP CGU and all goodwill on the MRP CGU was written down to £nil. Refer to note 34 for further details.

Company

	Goodwill £'000	Acquired software £'000	Internally developed software £'000	Total £'000
Cost				
Balance at 1 March 2024	1,947	1,148	114,001	117,096
Development costs	—	—	19,506	19,506
Impairment	(1,947)	—	(4,529)	(6,476)
Balance at 28 February 2025	—	1,148	128,978	130,126
Amortisation and impairment losses				
Balance at 1 March 2024	—	751	61,831	62,582
Amortisation for the year	—	134	16,057	16,191
Impairment	—	—	(3,179)	(3,179)
Balance at 28 February 2025	—	885	74,709	75,594
Net book value				
At 28 February 2025	—	263	54,269	54,532

	Goodwill £'000	Acquired software £'000	Internally developed software £'000	Total £'000
Cost				
Balance at 1 March 2023	1,947	1,148	91,266	94,361
Development costs	—	—	22,735	22,735
Additions	—	—	—	—
Balance at 29 February 2024	1,947	1,148	114,001	117,096
Amortisation and impairment losses				
Balance at 1 March 2023	—	593	49,935	50,528
Amortisation for the year	—	158	11,896	12,054
Balance at 29 February 2024	—	751	61,831	62,582
Net book value				
At 29 February 2024	1,947	397	52,170	54,514

The basis by which amortisation is calculated is stated in note 1. Amortisation is recognised through profit or loss in administration expenses.

Included within development costs capitalised in the year is £17,307k (2024: £6,954k) of capitalised employee costs. Developed software includes £5,406k (2024: £2,729k) of software under development at 28 February 2025 not yet commissioned. Uncommissioned development expenditure is assessed for impairment annually as part of the underlying CGU.

Impairment

The Company tests goodwill for impairment at each reporting date, or more frequently if there are indications that goodwill might be impaired. The recoverable amount of goodwill has been determined based on a value-in-use calculation using cash flows derived from financial projections covering a five-year period, with cash flows thereafter calculated using a terminal value methodology. In the current year the Company recognised an impairment charge in relation to goodwill of £1,947k and internally generated software of £1,350k relating to legacy products for the year ended 28 February 2025 (2024: £nil).

17. Investment in subsidiaries and associate

The subsidiaries of the Group and Company are detailed as follows and class of shares held reflect ordinary shares except where otherwise indicated.

Directly owned subsidiaries of FD Technologies plc	Address of registered office		Ownership	
			2025	2024
ActivateClients Limited	Ireland		100%	100%
KX Analytics Limited (previously KX Systems Limited)	United Kingdom		100%	100%
KX Analytics (Ireland) Limited (previously First Derivatives (Ireland) Limited)	Ireland		100%	100%
KX (SG) PTE. Ltd	Singapore		100%	100%
KX Canada Inc.	Canada	(1)	100%	100%
KX Group Ltd	United Kingdom		100%	100%
KX Japan GK	Japan		100%	n/a
KX Software Limited	United Kingdom		100%	n/a
KX Systems Hungary Kft	Hungary		100%	100%
KX Systems Inc.	United States		100%	100%
KX Systems Ltd (previously FDT One Ltd)	United Kingdom		100%	100%
First Derivative (Spain) S.L.	Spain		100%	100%
FD (Hong Kong) Limited	Hong Kong		100%	100%
First Derivatives Holdings Pty Limited	Australia		100%	100%
First Derivatives Services Limited	United Kingdom		100%	100%
First Derivatives South Korea	South Korea		100%	100%
First Derivatives I Limited	United Kingdom		100%	100%
MRP Holdings Limited	United Kingdom		100%	100%
First Derivatives Japan Co. Limited	Japan	(2)	n/a	100%
First Derivatives Pte Limited	Singapore	(2)	n/a	100%
First Derivative Poland Sp Z.o.o	Poland	(2)	n/a	100%
First Derivatives South Africa (Pty) Limited	South Africa	(2)	n/a	100%
First Derivatives Sweden AB	Sweden	(2)	n/a	100%
FD Technologies (Spain) SLU	Spain	(2)	n/a	100%
First Derivative (AUS) Pty Limited	Australia	(2)	n/a	100%
First Derivative (Hong Kong) Limited	Hong Kong	(2)	n/a	100%
First Derivatives Canada Inc.	Canada	(2)	n/a	100%
First Derivatives Holdings Inc.	United States	(2)	n/a	100%
First Derivative (Ireland) Limited (previously Wrex Ventures Ltd)	Ireland	(2)	n/a	100%
First Derivative Limited	United Kingdom	(2)	n/a	100%

Indirectly owned subsidiaries of FD Technologies plc	Address of registered office		Ownership	
			2025	2024
FDT Holdings Inc	United States		100%	100%
First Derivatives Pty Limited	Australia		100%	100%
KX Systems India Private Limited	India		100%	100%
First Derivatives US Inc	United States	(2)	n/a	100%
Market Resource Partners (Ireland) Limited	Ireland	(3)	n/a	100%
Market Resource Partners Australia Pty	Australia	(3)	n/a	100%
MRP Brazil Ltd.	Brazil	(3)	n/a	100%
Market Resource Partners Canada Inc	Canada	(3)	n/a	100%
Market Resource Partners Limited	United Kingdom	(3)	n/a	100%
Market Resource Partners LLC	United States	(3)	n/a	100%
MRPFD S DE RL DE CV	Mexico		100%	100%
Prelytix LLC	United States	(4)	n/a	100%
Reference Data Factory LLC	United States	(4)	n/a	100%

(1) Ordinary and preference shares held by Group

(2) Entities included within FD disposal group

(3) Entities included within MRP disposal group

(4) Liquidated

Subsidiaries

Unlisted investments in subsidiaries

	Company	
	2025 £'000	2024 £'000
Cost		
At 1 March	114,169	130,978
Additions	16,100	4,749
Transfer to associated company	(3,758)	—
Disposals	(16,074)	—
Impairment	(7)	(21,558)
At 28/29 February	110,430	114,169

Group structure review

In October 2023 a formal review of the options to maximise value from the Group structure was announced, which included extensive consultation with shareholders and input from advisers. Following that process, the Board unanimously concluded that the separation of its three businesses was in the best interest of all shareholders.

Trade and asset transfer

During the year the Group implemented an internal reorganisation programme which focused on separating the businesses of First Derivative (FD) and KX into standalone entities. Within the Company, a trade and asset transfer of the FD business occurred on 1 October 2024, to the wholly owned subsidiary First Derivative Limited at market value in exchange for an issuance of shares by First Derivative Limited, leading to an addition in investments of £16,074k.

Other additions

Other additions in the year relate to new subsidiaries incorporated in the year, KX Japan GK, £26k, and KX Software Limited, £nil, and the purchase of First Derivative (Ireland) Limited (Previously Wrex Ventures Limited) £nil.

Additions in the prior year relate to a capital contribution from MRP Holdings Limited to its wholly owned subsidiary MRP LLC.; the associated amount was derecognised in advance of the year end following the formal offset of intercompany balances.

Disposals and impairments

The ownership of all designated FD entities was transferred from FD Technologies plc, with a cost of £3,758k to First Derivative Limited, in exchange for further common shares issued in First Derivative Limited, on 1 October 2024.

On 2 December 2024 First Derivative Limited and associated subsidiaries representing the FD business were sold to EPAM Systems Inc for total enterprise value of £230,000k on a cash-free, debt-free basis. Following adjustment for debt and debt-like items and a customary working capital adjustment the consideration payable was determined to be £236,592k. The investment value of First Derivative Limited of £16,074k was disposed in the books of the Company.

In the current year, the Company recognised an impairment of £7k in relation to ActivateClients Limited (2024: £2,938k). An impairment of £18,620k in relation to MRP Holdings Limited was recognised in the prior year.

Investment in associate

Group

Following disposal of the MRP business on 1 March 2024, in exchange for shares, the Group recognised the acquisition of an associate holding in pharosIQ. pharosIQ is a new merged business consisting of MRP and CONTENTgine. FD Technologies plc owns 49% of pharosIQ, which is not publicly listed. The Group recognised a loss of £3,658k in relation to the disposal of MRP see note 34 for further details.

The investment in the associate has been recognised at the initial fair value of the pharosIQ Group at acquisition £12,005k and directly attributable costs of £1,732k necessary to acquire it.

The Group's share of loss from associate for the year ended 28 February 2025 was £1,280k (2024: £nil).

	2025
	£'000
Cost	
At 1 March 2024	—
Additions (share of net assets on acquisition)	13,737
At 28 February 2025	13,737
Share of loss	
At 1 March 2024	—
Group's share of loss from continuing operations	(1,280)
Exchange movement	(90)
At 28 February 2025	(1,370)
Total	
At 28 February 2025	12,367
At 29 February 2024	—

At 28 February 2025, the Group had the following investment in associate:

Associate entity	Country of incorporation	Class of shares	Ownership	
			2025	2024
pharosIQ	United States	Ordinary	49%	—

18. Other financial assets

Equity securities

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Non-current investments				
Equity securities at FVOCI	6,065	7,642	1,354	1,072
	6,065	7,642	1,354	1,072

Information about the Group and Company's exposure to market risk and fair value measurement is disclosed in note 31(b). Movements in the value of the equity securities held are also disclosed in note 31(b).

The Group designates the investments as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

The Group and Company have not recognised dividend income from equity securities in the year (2024: £nil).

19. Trade and other receivables

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Current assets				
Trade receivables*	29,169	44,370	11,821	32,852
Receivables from subsidiaries	—	—	14,402	11,985
Other receivables	5,779	3,517	4,819	2,501
Accrued income*	1,178	9,316	398	6,838
Prepayments	4,012	5,045	2,829	4,306
Grant income receivable	691	922	—	162
	40,829	63,170	34,269	58,644
Non-current assets				
Convertible loans	368	83	—	—
Trade and other receivables	1,413	1,410	736	736
Grant income receivable	559	653	—	—
	2,340	2,146	736	736

* On 1 October 2024 the Company sold all trade and assets associated with the First Derivative business to a wholly owned subsidiary, First Derivative Limited, in exchange for shares. Accordingly, trade receivables of £18,644k and contract assets of £1,787k relating to the First Derivative business were transferred to First Derivative Limited. See note 17 for further details.

The Group's accrued income (contract asset) balance solely relates to revenue from contracts with customers. Movements in the accrued income balance were driven by transactions entered into by the Group within the normal course of business in the year.

Trade receivables, accrued income, non-current other receivables and non-convertible loans are shown net of an allowance for expected credit loss; this is disclosed in note 31.

The Group's and Company's exposure to currency risks and impairment losses related to trade and other receivables is disclosed in note 31.

20. Cash and cash equivalents

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank balances	55,062	20,787	40,065	8,910

See note 31 for discussion of interest rate risk and sensitivity analysis.

21. Share capital

	Ordinary shares	
	2025 Number	2024 Number
In issue at 1 March	28,088,156	28,064,854
Exercise of share options (see note 32)	138,946	7,500
Issued as remuneration	20,817	15,802
Repurchase of shares	(6,153,846)	—
In issue at year end – fully paid	22,094,073	28,088,156

	2025 Number	2025 £'000	2024 Number	2024 £'000
Equity shares				
Issued, allotted and fully paid				
Ordinary shares of £0.005 each	22,094,073	110	28,088,156	140

Shares increased in the year due to the exercise of 138,946 share options (2024: 7,500) for cash consideration of £1,081k (2024: £64k) and the issue of 20,817 shares (2024: 15,802) as remuneration of £258k (2024: £267k).

Repurchase of shares

On 29 January 2025, the Company repurchased 6,153,846 ordinary shares with a nominal value of £31k (£0.005 per share) for a total consideration of £120,000k for the purpose of reducing the issued share capital of the Company in order to return capital to shareholders. The shares repurchased represent 21.8% of the Company's issued share capital as at the tender offer record date being, 19 December 2024. On repurchase of the shares the Group recognised a capital redemption reserve of £31k.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Nature and purpose of reserves

Capital redemption reserve – The capital redemption reserve comprises the nominal value associated with shares repurchased under the share buy-back programme that are immediately cancelled.

Share option reserve – The share option reserve comprises the charge for unexercised share options granted to employees and includes share options granted in consideration for the acquisition of business combinations net of deferred tax assets relating to the tax deduction receivable when the options are exercised.

Currency translation adjustment reserve – The currency translation adjustment reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and intercompany loans that are determined to form part of the net investment, as well as from the translation of liabilities that hedge the Group's net investment in a foreign subsidiary. On termination of the hedging arrangements and disposal of any subsidiaries associated currency translation adjustment is released to retained earnings.

Fair value reserve – The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at fair value through OCI. Additionally, the fair value reserve of the Company relates to the revaluation reserve which arose on revaluation relating to Kx Systems Inc. prior to significant influence being obtained. The balance continues to be retained as the Company continues to retain this original investment.

22. Loans and borrowings

This note provides information about the contractual terms of the Group and Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group and Company's exposure to interest rate, foreign currency and liquidity risk arising from these loans and borrowings see note 31.

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Current liabilities				
Secured bank loans	—	—	—	—
Lease liabilities	2,144	2,466	1,016	1,096
	2,144	2,466	1,016	1,096
Non-current liabilities				
Secured bank loans	—	35,200	—	35,200
Lease liabilities	5,029	8,886	3,973	6,450
	5,029	44,086	3,973	41,650

Terms and repayment schedule

Banking facilities, which had been due to expire in May 2026, were repaid following the divestment of the First Derivative business on 2 December 2024. Prior to repayment the total facility was £130m and was entirely comprised of a revolving credit facility. The interest rate payable was SONIA/SOFR plus a fixed margin that depends on the level of debt relative to adjusted EBITDA. The margin on the new revolving credit facility was equal to 1.85% to 2.80%. The lead arranger for the facility was Bank of Ireland, with participation from Barclays and AIB and HSBC.

The terms and conditions of outstanding loans were as follows:

	Currency	Nominal interest rate	Year of maturity	2025		2024	
				Face value £'000	Carrying amount £'000	Face value £'000	Carrying amount £'000
Revolving loan	Multi	SONIA/SOFR + ¹	2026	—	—	36,085	35,200
Lease liabilities	Multi	3.78%	2022-2035	7,173	7,173	11,352	11,352
Total interest bearing				7,173	7,173	47,437	46,552

¹ The nominal interest rate varies as the Group meets financial targets with a minimum rate available of 1.85% + SONIA/SOFR

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	2024 £'000	New/disclosed /impaired leases £'000	Cash flow on principal £'000	Cash flow on interest £'000	Non-cash movement £'000	Disposal £'000	2025 £'000
Secured bank loans	35,200	—	(36,170)	—	970*	—	—
Lease liabilities	11,352	805	(2,363)	(364)	284	(2,541)	7,173
Total liabilities from financing activities	46,552	805	(38,533)	(364)	1,254	(2,541)	7,173

*The majority of non-cash movement relates to foreign exchange movements.

Group	2023 £'000	New/disclosed /impaired leases £'000	Cash flow on principal £'000	Cash flow on interest £'000	Non-cash movement £'000	Transferred to held for sale £'000	2024 £'000
Secured bank loans	36,499	—	(152)	—	(1,147)*	—	35,200
Lease liabilities	20,438	(2,816)	(3,381)	(792)	320	(2,417)	11,352
Total liabilities from financing activities	56,937	(2,816)	(3,533)	(792)	(827)	(2,417)	46,552

*The majority of non-cash movement relates to foreign exchange movements.

Company	2024 £'000	New/disposed /impaired leases* £'000	Cash flow on principal £'000	Cash flow on interest £'000	Non-cash movement £'000	Disposal £'000	2025 £'000
Secured bank loans	35,200	—	(36,170)	—	970	—	—
Lease liabilities	7,546	(1,534)	(1,023)	(229)	229	—	4,989
Total liabilities from financing activities	42,746	(1,534)	(37,193)	(229)	1,199	—	4,989

* On 1 October 2024 the Company sold all trade and assets associated with the First Derivative business to a wholly owned subsidiary, First Derivative Limited, in exchange for shares. Included within lease disposals is £1,450k of leases transferred to First Derivative Limited, see note 17 for further details.

Company	2023 £'000	New/disposed /impaired leases £'000	Cash flow on principal £'000	Cash flow on interest £'000	Non-cash movement £'000	Transferred to held for sale £'000	2024 £'000
Secured bank loans	36,499	—	(152)	—	(1,147)	—	35,200
Lease liabilities	8,529	—	(983)	(314)	314	—	7,546
Total liabilities from financing activities	45,028	—	(1,135)	(314)	(833)	—	42,746

23. Trade and other payables

Current liabilities

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade payables*	2,728	8,014	1,577	4,924
Other payables*	11,121	13,044	6,025	7,394
Accruals*	12,714	10,925	10,163	8,108
Government grants	2,107	1,707	1,876	1,500
Payables to subsidiaries	—	—	33,008	65,180
	28,670	33,690	52,649	87,106

* On 1 October 2024 the Company sold all trade and assets associated with the First Derivative business to a wholly owned subsidiary, First Derivative Limited, in exchange for shares. Accordingly, trade payables of £206k, accruals of £1,419k and other payables (including contract liabilities and VAT payable) of £1,738k relating to the First Derivative business were transferred to First Derivative Limited. See note 17 for further details.

Non-current liabilities trade

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Government grants	3,131	4,498	2,599	3,677
	3,131	4,498	2,599	3,677

The Group and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 31.

24. Deferred taxation

Group

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Property, plant and equipment	2,034	2,240	(164)	(266)
Share based payments	550	337	—	—
Trading losses	8,107	6,124	—	—
Other financial assets at fair value	—	—	(2,488)	(1,355)
Intangible assets	192	—	(10,522)	(9,941)
Short-term temporary differences	1,406	1,025	—	—
Other*	1,131	1,303	—	—
Tax assets/(liabilities) before set-off	13,420	11,029	(13,174)	(11,562)
Set-off of tax	—	—	—	—
Net tax assets/(liabilities)	13,420	11,029	(13,174)	(11,562)

* This balance primarily relates to deferred future RDEC release to the profit or loss.

Movement in deferred tax balance differences during the year:

	Balance at 1 March 2024 £'000	Impact of change in tax rate in equity £'000	Impact of change in tax rate in profit and loss £'000	Recognised in income £'000	Recognised in equity £'000	Recognised in OCI £'000	Disposal* £'000	Balance at 28 February 2025 £'000
Property, plant and equipment	1,974	—	—	113	—	(6)	(211)	1,870
Share based payments	337	—	—	47	165	1	—	550
Trading losses	6,124	—	—	2,066	(14)	34	(103)	8,107
Other financial assets at fair value	(1,355)	—	—	(1,109)	(24)	—	—	(2,488)
Intangible assets	(9,941)	—	—	(395)	—	6	—	(10,330)
Short-term temporary differences	1,025	—	—	608	—	(47)	(180)	1,406
Other	1,303	—	—	(172)	—	—	—	1,131
	(533)	—	—	1,158	127	(12)	(494)	246

* Following the sale of the First Derivative business on 2 December, results for the period before disposal and FY24 have been presented in discontinued operations. Refer to note 34 for further details.

	Balance at 1 March 2023 £'000	Impact of change in tax rate in equity £'000	Impact of change in tax rate in profit and loss £'000	Recognised in income £'000	Recognised in equity £'000	Recognised in OCI £'000	Transferred to held for sale** £'000	Balance at 29 February 2024 £'000
Property, plant and equipment	1,072	—	—	487	—	37	378	1,974
Share based payments	428	—	—	123	(215)	1	—	337
Trading losses	14,424	—	—	(1,422)	(6,040)	33	(871)	6,124
Other financial assets at fair value	(1,304)	—	—	—	(51)	—	—	(1,355)
Intangible assets	(13,096)	—	—	1,436	—	135	1,584	(9,941)
Short-term temporary differences	3,082	—	—	(1,512)	—	(139)	(406)	1,025
Other	949	—	—	353	54	(53)	—	1,303
	5,555	—	—	(535)	(6,252)	14	685	(533)

**At the end of the previous reporting period, MRP was classified as a disposal group held for sale. Refer to note 34 for details.

The basis by which taxation is calculated is stated in note 1.

As at 28 February 2025, the Group has recognised tax losses carried forward generated in the United Kingdom of £6,890k (2024: £5,971k), United States of £1,096k (2024: £nil) and Australia of £24k (2024: £153k), which have no expiration period.

At the end of each reporting period, management assesses the recognition of these deferred tax assets to determine the extent that it is probable that future taxable profit will allow the utilisation of the deferred tax asset in the foreseeable future.

The above tax losses have been recognised on the basis that it is probable that future taxable profits will arise due to the reversal of deferred tax liabilities in future periods.

Additionally, as a result of this assessment, the Group has not recognised further UK tax losses of £14,862k (2024: £11,657k), US tax losses of £4,202 (2024: £nil) and Spanish tax losses of £nil (2024: £325k) at the balance sheet date.

The Group has also not recognised a deferred tax asset on the fair value movement on equity investments of £2,763k (2024: £3,054k). The Group does not recognise deferred tax where the fair value of equity investments is below cost, and it is not probable that the temporary difference will reverse in the foreseeable future.

The Group has also not recognised a deferred tax asset on Corporate Interest Restriction carried forward of £1,612k (2024: £1,563k) and notional tax on RDEC of £3,394k (2024: £nil).

Company

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Property, plant and equipment and intangibles	1,901	2,003	(10,502)	(9,705)
Share based payments	576	364	—	—
Trading losses	6,869	5,894	—	—
Other financial assets at fair value	—	—	(75)	(25)
Other*	1,231	1,469	—	—
Tax assets/(liabilities) before set-off	10,577	9,730	(10,577)	(9,730)
Set-off of tax	—	—	—	—
Net tax assets/(liabilities)	10,577	9,730	(10,577)	(9,730)

* This balance primarily relates to our deferred future RDEC release to the profit and loss and short-term timing differences.

Movement in deferred tax balances during the year:

	Balance at 1 March 2024 £'000	Impact of change in tax rate in equity £'000	Impact of change in tax rate in profit and loss £'000	Recognised in profit and loss £'000	Recognised in equity £'000	Disposal £'000	Balance at 28 February 2025 £'000
Property, plant and equipment and intangibles	(7,702)	—	—	(761)	—	(138)	(8,601)
Share based payments	364	—	—	47	165	—	576
Trading losses	5,894	—	—	975	—	—	6,869
Other financial assets at fair value	(25)	—	—	—	(50)	—	(75)
Other	1,469	—	—	(175)	(14)	(49)	1,231
	—	—	—	86	101	(187)	—

* On 1 October 2024 the Company sold all trade and assets associated with the First Derivative business to a wholly owned subsidiary, First Derivative Limited, in exchange for shares. Deferred tax disposals of £187k relate to the trade and asset transfer. See note 17 for further details.

	Balance at 1 March 2023 £'000	Impact of change in tax rate in equity £'000	Impact of change in tax rate in profit and loss £'000	Recognised in profit and loss £'000	Recognised in equity £'000	Balance at 29 February 2024 £'000
Property, plant and equipment and intangibles	(6,181)	—	—	(1,521)	—	(7,702)
Share based payments	429	—	—	123	(188)	364
Trading losses	13,786	—	—	(1,865)	(6,027)	5,894
Other financial assets at fair value	(69)	—	—	—	44	(25)
Other	1,136	—	—	347	(14)	1,469
	9,101	—	—	(2,916)	(6,185)	—

The basis by which taxation is calculated is stated in note 1. The Company has not recognised a deferred tax asset on the fair value movement on equity investments of £816k (2024: £864k). The Company has not recognised a deferred tax asset on Corporate Interest Restriction carried forward of £1,612k (2024: £1,563k) and notional tax on RDEC of £3,394k (2024: £nil). The Company has not recognised deferred tax on corporate tax losses of £14,862k (2024: £11,658k).

25. Current tax

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Current tax receivable	4,978	10,249	4,476	7,356
Current tax payable	129	1,075	—	—

26. Employee benefits

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Accrued holiday pay	1,420	2,791	584	1,234
Employee taxes*	1,118	3,558	776	2,384
	2,538	6,349	1,360	3,618

* On 1 October 2024 the Company sold all trade and assets associated with the First Derivative business to a wholly owned subsidiary, First Derivative Limited, in exchange for shares. Accordingly, employee benefit provisions of £2,496k relating to the First Derivative business were transferred to First Derivative Limited. See note 17 for further details.

27. Leases

The Group leases office properties. The leases typically have an average remaining life of three years, with an option to renew the lease thereafter. Lease payments are renegotiated every five years to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The Group leases IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as right-of-use assets (see note 15).

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
ii. Amounts recognised in profit or loss				
– interest on lease liabilities	364	792	229	314
iii. Amounts recognised in statement of cash flows				
– principal lease liability payments	2,363	3,381	1,023	983
Total cash outflow	2,727	4,173	1,252	1,297

28. Commitments

The maturity analysis of lease liabilities as at 28 February 2025 is as follows:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Current lease liabilities	2,144	2,466	1,016	1,096
Non-current lease liabilities	5,029	8,886	3,973	6,450
	7,173	11,352	4,989	7,546

Maturity analysis:

	Group	
	2025 £'000	2024 £'000
Year 1	2,144	2,466
Year 2	1,651	2,361
Year 3	652	1,898
Year 4	593	842
Year 5	615	741
Over 5 years	1,518	3,044
	7,173	11,352

The Group and Company do not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

29. Pension contributions

The Group makes contributions to the personal pension schemes of certain employees. The pension charge for the year for continuing operations amounted to £2,583k (2024: £2,450k). Contributions amounting to £582k (2024: £1,600k) were payable to the schemes at the year end and are included in creditors.

30. Related party transactions

Parent and ultimate controlling party

There is no one party which is the ultimate controlling party of the Group and Company.

Group

Key management personnel compensation

Key management personnel have been deemed to be the Directors of the Company. The remuneration of the Directors is set out in note 12.

During the financial year the Group generated revenues of £nil (2024: £40k) and incurred costs of £nil (2024: £nil) from BMC Software for which Ayman Sayed is CEO. All transactions were carried out at arm's length.

During the financial year the Group generated revenues of £nil (2024: £2k) and incurred costs of £nil (2024: £nil) from Cloudflare for which Thomas Seifert is chief financial officer. All transactions were carried out at arm's length.

The Group holds an interest in a number of investments as disclosed in note 18.

Company

Other related party transactions

	Sales to subsidiaries		Costs charged by subsidiaries	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Subsidiaries	12,724	23,397	54,406	88,500

	Receivables outstanding		Payables outstanding	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Subsidiaries	14,402	11,985	33,008	65,180

Transactions with subsidiaries include transactions with First Derivative Limited (and its subsidiaries) for the period to 2 December 2024, after this point, the entities were no longer part of the Group.

Interest is charged on intercompany loans at market rates.

Dividends of £16,406k from subsidiaries were declared during the year (2024: £2,288k), of these, amounts paid in 2025 and 2024 were £4,539k and £nil, respectively. There were no dividends paid by the Company to the Directors during the year (2024: £nil).

31. Financial instruments

Fair values

a) Accounting classifications and fair values

Group

The following table shows the carrying amounts and fair values of financial assets and liabilities. The carrying amount of all financial assets and liabilities not measured at fair value is considered to be a reasonable approximation of fair value due to the short-term nature of the balances.

	Carrying value					Fair value £'000	Level
	FVPL £'000	FVOCI £'000	Financial assets at amortised cost £'000	Other financial liabilities £'000	Total £'000		
28 February 2025							
Financial assets							
measured at fair value							
Equity securities	—	1,044	—	—	1,044	1,044	1
Equity securities	—	5,021	—	—	5,021	5,021	3
Convertible loans	368	—	—	—	368	368	3
	368	6,065	—	—	6,433	6,433	
Financial assets not							
measured at fair value							
Trade and other receivables ¹	—	—	38,789	—	38,789		
Cash and cash equivalents ¹	—	—	55,062	—	55,062		
			93,851	—	93,851		
Financial liabilities not							
measured at fair value							
Secured bank loans ¹	—	—	—	—	—		
Trade and other payables ¹	—	—	—	(61,014)	(61,014)		
				(61,014)	(61,014)		

¹ Fair value is not disclosed as the carrying amounts are considered to be a reasonable approximation of fair value.

	Carrying value					Fair value £'000	Level
	FVPL £'000	FVOCI £'000	Financial assets at amortised cost £'000	Other financial liabilities £'000	Total £'000		
29 February 2024							
Financial assets							
measured at fair value							
Equity securities	—	962	—	—	962	962	1
Equity securities	—	6,680	—	—	6,680	6,680	3
Convertible loans	83	—	—	—	83	83	3
	83	7,642	—	—	7,725	7,725	
Financial assets not							
measured at fair value							
Trade and other receivables ¹	—	—	60,188	—	60,188		
Cash and cash equivalents ¹	—	—	20,787	—	20,787		
			80,975	—	80,975		
Financial liabilities not							
measured at fair value							
Secured bank loans ¹	—	—	—	(35,200)	(35,200)		
Trade and other payables ¹	—	—	—	(61,348)	(61,348)		
				(96,548)	(96,548)		

¹ Fair value is not disclosed as the carrying amounts are considered to be a reasonable approximation of fair value.

Company

The following table shows the carrying amounts and fair values of financial assets and liabilities. The carrying amount of all financial assets and liabilities not measured at fair value is considered to be a reasonable approximation of fair value due to their short-term nature.

	Carrying value						
	FVPL £'000	FVOCI £'000	Financial assets at amortised cost £'000	Other financial liabilities £'000	Total £'000	Fair value £'000	Level
28 February 2025							
Financial assets measured at fair value							
Equity securities	—	1,044	—	—	1,044	1,044	1
Equity securities	—	310	—	—	310	310	3
Convertible loans	—	—	—	—	—	—	3
	—	1,354	—	—	1,354	1,354	
Financial assets not measured at fair value							
Trade and other receivables ¹	—	—	32,176	—	32,176		
Cash and cash equivalents ¹	—	—	40,065	—	40,065		
	—	—	72,241	—	72,241		
Financial liabilities not measured at fair value							
Secured bank loans ¹	—	—	—	—	—		
Trade and other payables ¹	—	—	—	(61,864)	(61,864)		
	—	—	—	(61,864)	(61,864)		

¹ Fair value is not disclosed as the carrying amounts are considered to be a reasonable approximation of fair value.

	Carrying value						
	FVPL £'000	FVOCI £'000	Financial assets at amortised cost £'000	Other financial liabilities £'000	Total £'000	Fair value £'000	Level
29 February 2024							
Financial assets measured at fair value							
Equity securities	—	962	—	—	962	962	1
Equity securities	—	110	—	—	110	110	3
Convertible loans	—	—	—	—	—	—	3
	—	1,072	—	—	1,072	1,072	
Financial assets not measured at fair value							
Trade and other receivables ¹	—	—	55,074	—	55,074		
Cash and cash equivalents ¹	—	—	8,910	—	8,910		
	—	—	63,984	—	63,984		
Financial liabilities not measured at fair value							
Secured bank loans ¹	—	—	—	(35,200)	(35,200)		
Trade and other payables ¹	—	—	—	(100,078)	(100,078)		
	—	—	—	(135,278)	(135,278)		

¹ Fair value is not disclosed as the carrying amounts are considered to be a reasonable approximation of fair value.

b) Measurement of fair values

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

The Group and Company have no assets or liabilities measured under Level 2.

The following techniques have been applied in measuring Level 3 fair values, together with the significant unobservable inputs used.

Financial instruments at fair value

Equity investments and convertible loans – the Group and Company have invested in a number of equity investments measured at fair value through other comprehensive income. The Group and Company have applied a discounted cash flow valuation technique to assess the fair value of the unlisted equity investments and convertible loans as at year end.

The valuation model calculates the equity value considering the forecast revenue and costs, together with forecast exit value after applying market multiples and discounted using a risk-adjusted discount rate.

Significant inputs	Range in inputs		Change in input	Impact on fair value	
	2025	2024		2025 £'000	2024 £'000
Forecast annual revenues – with adjustments applied to					
Company forecasts	0–50%	0–60%	+/(–)15%	1,359/(851)	690/(538)
Risk-adjusted discount rate	30–55%	30–55%	–/(+)5%	567/(490)	248/(212)
Market multiple exit values – revenue based valuation	1.5–4.0x	3.0–5.5x	+/(–)15%	691/(692)	459/(483)

Reconciliation of Level 3 fair value

Group

	Convertible loans £'000	Unquoted equities £'000
Balance at 1 March 2024	83	6,680
Purchases	285	70
Disposals	—	—
Adjustments to fair value	—	(1,729)
Transfers	—	—
Foreign exchange gain	—	—
Balance at 28 February 2025	368	5,021

	Convertible loans £'000	Unquoted equities £'000
Balance at 1 March 2023	282	8,470
Additions	1,500	250
Disposals	—	—
Adjustments to fair value	—	(3,740)
Transfers	(1,700)	1,700
Foreign exchange gain	—	—
Balance at 29 February 2024	83	6,680

	Convertible loans £'000	Unquoted equities £'000
Balance at 1 March 2024	—	110
Changes in fair value	—	200
Foreign exchange loss	—	—
Balance at 28 February 2025	—	310

	Convertible loans £'000	Unquoted equities £'000
Balance at 1 March 2023	—	70
Changes in fair value	—	40
Foreign exchange loss	—	—
Balance at 29 February 2024	—	110

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date:

	Group Carrying amount		Company Carrying amount	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Current assets	40,829	63,170	34,269	58,644
Non-current assets	2,340	2,146	736	736
Cash and cash equivalents	55,062	20,787	40,065	8,910
	98,231	86,103	75,070	68,290

The maximum exposure to credit risk for trade and other receivables and convertible loans at the reporting date by geographical region:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
EMEA	5,457	9,982	3,289	6,095
North America	17,818	23,848	5,597	14,340
United Kingdom	14,064	21,582	19,496	31,583
Asia Pacific	1,817	4,859	3,793	3,056
	39,156	60,271	32,175	55,074

The maximum exposure to credit risk for trade and other receivables and convertible loans at the reporting date by type of counterparty:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
End-user customer	32,841	53,686	14,022	39,690
Convertible and other loans	368	83	—	—
Receivable from subsidiaries	—	—	14,402	11,985
Other*	5,947	6,502	3,751	3,399
	39,156	60,271	32,175	55,074

* Other relates mainly to sundry debtors, including property deposits and trade settlement agreements.

No receivable balance was in excess of 10% of the Group's total trade and other receivables balance at the year end.

Impairment losses

Trade receivables and accrued income

Expected credit loss assessment

The expected credit loss allowance for trade receivables and accrued income at the reporting date was:

Group	Weighted average loss rate 2025 %	Gross carrying amount 2025 £'000	Loss allowance 2025 £'000
Not past due	2.86	24,155	691
Past due 0–30 days	5.92	4,426	262
Past due 31–120 days	8.96	3,114	279
Past due 121–180 days	71.16	683	486
Past due 181–365 days	100.00	273	273
Past due 366 days +	100.00	846	846
Total		33,497	2,837

Group	Weighted average loss rate 2024 %	Gross carrying amount 2024 £'000	Loss allowance 2024 £'000
Not past due	1.10	36,633	403
Past due 0–30 days	2.32	4,963	115
Past due 31–120 days	5.61	10,290	577
Past due 121–180 days	18.72	1,266	237
Past due 181–365 days	43.09	2,439	1,051
Past due 366 days +	79.62	2,346	1,868
Total		57,937	4,251

Company	Weighted average loss rate 2025 %	Gross carrying amount 2025 £'000	Loss allowance 2025 £'000
Not past due	4.39	11,643	511
Past due 0–30 days	11.51	1,338	154
Past due 31–120 days	26.03	292	76
Past due 121–180 days	100.00	458	458
Past due 181–365 days	100.00	201	201
Past due 366 days +	100.00	607	607
Total		14,539	2,007

Company	Weighted average loss rate 2024 %	Gross carrying amount 2024 £'000	Loss allowance 2024 £'000
Not past due	1.29	25,823	334
Past due 0–30 days	3.06	3,762	115
Past due 31–120 days	6.13	9,190	563
Past due 121–180 days	22.48	1,041	234
Past due 181–365 days	52.79	1,900	1,003
Past due 366 days +	87.66	1,799	1,577
Total		43,515	3,826

The movement in the allowance for impairment in respect of trade receivables and accrued income during the year was as follows:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Balance at 1 March	4,251	2,754	3,826	859
Net remeasurement of loss allowance	3	5,788	(626)	3,504
Foreign exchange impact	(10)	(8)	—	—
Amounts written off	(901)	(691)	(793)	(537)
Transfer to assets disposal*	(506)	—	(400)	—
Transfer to assets held for sale	—	(3,592)	—	—
Closing balance	2,837	4,251	2,007	3,826

* On 1 October 2024 the Company sold all trade and assets associated with the First Derivative business to a wholly owned subsidiary, First Derivative Limited, in exchange for shares. Accordingly, provisions of £400k relating to the First Derivative business were transferred to First Derivative Limited. See note 17 for further details.

The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities.

Debtor days are 132 at year end.

Non-convertible loans and other receivables

Expected credit loss assessment

The following table provides information about exposure to credit risks and ECLs for non-convertible loans and other receivables at the reporting date:

Group		Equivalent to external credit rating (S&P)	Weighted average loss rate 2025 %	Gross carrying amount 2025 £'000	Loss allowance 2025 £'000
Other receivables:					
Convertible loans	Medium grade financial services	A+ to BBB-	—	368	—
Non-convertible loans	Non-investment grade pharma	BB+ to B-	—	—	—
Total			—	368	—

Group		Equivalent to external credit rating (S&P)	Weighted average loss rate 2024 %	Gross carrying amount 2024 £'000	Loss allowance 2024 £'000
Other receivables:					
Convertible loans	Medium grade financial services	A+ to BBB-	—	83	—
Non-convertible loans	Non-investment grade pharma	BB+ to B-	—	—	—
Total			—	83	—

None of the balances in respect of the Group and Company are credit impaired.

Receivables from subsidiaries

Company

The Company has intercompany receivable balances totalling £14,402k at year end (2024: £11,985k). Management has assessed that the estimated credit loss on such balances is low based on the cash-generating ability of the relevant subsidiaries and latest forecasts.

Government grants

At the year end £nil (2024: £162k) for the Group and the Company are receivable from Invest Northern Ireland in respect of grants receivable and £1,251k (2024: £1,413k) for the Group is receivable from Irish Revenue Commissioners in relation to R&D tax credit. Both are government agencies and based on historical payment history, with all amounts previously recognised subsequently being received, no expected credit loss is recognised in relation to this balance.

Cash and cash equivalents

The Group and Company held cash and cash equivalents of £55,062k (2024: £20,787k) and £40,065k (2024: £8,910k) respectively at 28 February 2025 which represents their maximum exposure on the assets. The majority of cash and cash equivalents are held with bank and institutional counterparties which are rated BBB+ to AA+ based on credit agency ratings.

Liquidity risk

Group

The following are contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount £'000	Contractual cash flows £'000	6 months or less £'000	6–12 months £'000	1–2 years £'000	2–5 years £'000	More than 5 years £'000
28 February 2025							
Secured bank loans	—	—	—	—	—	—	—
Lease liabilities	(7,173)	(7,886)	(1,188)	(1,188)	(1,801)	(2,126)	(1,583)
Deferred income	(49,025)	(49,025)	(49,025)	—	—	—	—
Trade and other payables	(11,989)	(11,989)	(11,989)	—	—	—	—
	(68,187)	(68,900)	(62,202)	(1,188)	(1,801)	(2,126)	(1,583)
29 February 2024							
Secured bank loans	(35,200)	(36,085)	—	—	—	(36,085)	—
Lease liabilities	(11,352)	(12,778)	(1,490)	(1,388)	(2,660)	(3,971)	(3,269)
Deferred income	(43,176)	(43,176)	(43,176)	—	—	—	—
Trade and other payables	(18,172)	(18,172)	(18,172)	—	—	—	—
	(107,900)	(110,211)	(62,838)	(1,388)	(2,660)	(40,056)	(3,269)

The above contracted cash flows include interest on secured bank loans, the terms of which are set out in note 22.

Company

The following are contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount £'000	Contractual cash flows £'000	6 months or less £'000	6–12 months £'000	1–2 years £'000	2–5 years £'000	More than 5 years £'000
28 February 2025							
Secured bank loans	—	—	—	—	—	—	—
Lease liabilities	(4,989)	(5,612)	(588)	(588)	(806)	(2,047)	(1,583)
Deferred income	(22,436)	(22,436)	(22,436)	—	—	—	—
Trade and other payables	(39,428)	(39,428)	(39,428)	—	—	—	—
	(66,853)	(67,476)	(62,452)	(588)	(806)	(2,047)	(1,583)
29 February 2024							
Secured bank loans	(35,200)	(36,085)	—	—	—	(36,085)	—
Lease liabilities	(7,546)	(8,718)	(694)	(667)	(1,362)	(2,726)	(3,269)
Deferred income	(24,604)	(24,604)	(24,604)	—	—	—	—
Trade and other payables	(75,473)	(75,473)	(75,473)	—	—	—	—
	(142,823)	(144,880)	(100,771)	(667)	(1,362)	(38,811)	(3,269)

The above contracted cash flows include interest on secured bank loans, the terms of which are set out in note 22.

Currency risk

Group

The Group's exposure to currency risk was as follows:

	28 February 2025			29 February 2024		
	CAD £'000	EUR £'000	USD £'000	CAD £'000	EUR £'000	USD £'000
Trade receivables	314	212	8,035	409	2,945	18,437
Trade and other payables	(2)	(28)	(1,254)	(15)	(593)	(952)
Net balance sheet exposure	312	184	6,781	394	2,352	17,485

The above excludes secured bank loans designated in a net investment hedge of £nil (2024: £31,085k).

Company

The Company's exposure to currency risk was as follows:

	28 February 2025			29 February 2024		
	CAD £'000	EUR £'000	USD £'000	CAD £'000	EUR £'000	USD £'000
Trade receivables	314	53	6,485	409	2,971	17,404
Secured bank loans	—	—	—	—	—	(31,085)
Trade and other payables	—	(26)	(1,245)	(8)	(497)	(936)
Net balance sheet exposure	314	27	5,240	401	2,474	(14,617)

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2025	2024	2025	2024
USD 1	1.27	1.25	1.26	1.26
EUR 1	1.19	1.16	1.21	1.17
CAD 1	1.76	1.69	1.82	1.72

Sensitivity analysis

A 10% strengthening of sterling against the above currencies at the end of the year would decrease Group profit or increase Group loss by £728k (2024: £2,023k). A 10% weakening of sterling against the above currencies at the end of the year would increase Group profit or loss by £655k (2024: £1,821k). The movement on the net investment hedge would be offset by the movement in the net investment. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% strengthening of sterling against the above currencies at the end of the year would decrease Company profit or increase Company loss by approximately £558k (2024: £1,162k). A 10% weakening of sterling against the above currencies at the end of the year would decrease Company profit or increase Company loss by approximately £502k (2024: £1,046k). This analysis assumes that all other variables, in particular interest rates, remain constant.

Interest rate risks

At the reporting date the interest profile of the Group's and Company's interest-bearing financial instruments was:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Variable rate instruments:				
Financial assets	55,062	20,787	40,065	8,910
Financial liabilities	—	(35,200)	—	(35,200)
	55,062	(14,413)	40,065	(26,290)
Fixed rate instruments:				
Financial assets	368	83	—	—
Financial liabilities	(7,173)	(11,352)	(4,989)	(7,546)
	(6,805)	(11,269)	(4,989)	(7,546)

A 10% reduction in interest rates at the end of the year would increase Group equity and profit or decrease loss by approximately £25k (2024: £273k). A 10% increase in interest rates at the end of the year would decrease Group equity and profit or increase Group loss by approximately £27k (2024: £301k). This analysis assumes that all other variables remain constant.

Hedge accounting

Hedge of net investment in a foreign operation up to 2 December 2024

A foreign currency exposure arose from the translation of the Group's net investments in its subsidiaries with USD functional currencies. The hedged risk was the risk of changes in the GBP/USD spot rates that resulted in changes in the value of the Group's net investment in its USD assets when translated into GBP. The hedged items were a portion of the Group's assets which were denominated in USD. The hedging instruments were debt which mitigated an exposure to the effect of a weakening USD on the hedged item against GBP.

It was expected that the change in value of each of these items would mirror each other as there was a clear and direct economic relationship between the hedging instrument and the hedged item in the hedge relationship.

Hedge ineffectiveness would have arisen if the value of the hedged items fell below the value of the hedging instruments; however, this was unlikely as the value of the Group's assets denominated in USD is significantly greater than the value of the hedging instruments.

Following the sale of the First Derivative business on 2 December 2024, all bank borrowings were repaid in full. As the bank loan represented a hedging instrument, the qualification criteria for hedge accounting were no longer satisfied and hedge accounting was discontinued in line with IFRS 9, all cumulative translation movements on the hedged items of £10,234k were transferred to retained earnings as presented in the consolidated statement of changes in equity.

The amounts at the reporting date relating to items designated as hedging instruments were as follows:

	Nominal amount of the hedging instrument £'000	Carrying amount of the hedging instrument £'000	Line item in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness for 2025
Foreign exchange risk				
Foreign currency loan				
2025	n/a	n/a	n/a	n/a
2024	31,085	31,085	Loans and borrowings	n/a

32. Share based payments

Options have been granted as set out below under the Group's equity-settled share option schemes which are open to all Executive Directors and employees of the Group. Options that vest at annual intervals over a three or four-year period are deemed to consist of three separate options for valuation purposes. Options vesting at the end of a three-year period are deemed to be a single option for valuation. Vested options are exercisable following the satisfaction of the service criteria for a period not exceeding ten years from the date of grant.

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options have been analysed into four exercise price ranges as follows:

Range of exercise price: £0.00–£1.00	Weighted average exercise price (£) 2025	Number of options 2025	Weighted average exercise price (£) 2024	Number of options 2024
Maximum options outstanding at beginning of year	0.00	361,480	—	—
Lapsed during the year	0.00	(68,110)	0.00	(25,953)
Exercised during the year	0.00	(32,946)	—	—
Granted during the year	0.00	260,421	0.00	387,433
Maximum options outstanding at end of year	0.00	520,845	0.00	361,480
Exercisable at end of year	—	—	—	—

The options outstanding at 28 February 2025 above have an exercise price in the range of £0.00 to £1.00 (2024: £0.00 to £1.00) and a weighted average contractual life of 9.0 years (2024: 9.2 years).

	Weighted average exercise price (£) 2025	Number of options 2025	Weighted average exercise price (£) 2024	Number of options 2024
Range of exercise price: £4.27–£9.00				
Maximum options outstanding at beginning of year	9.00	76,000	8.91	92,500
Lapsed during the year	—	—	8.48	(9,000)
Exercised during the year	9.00	(76,000)	8.48	(7,500)
Granted during the year	—	—	—	—
Maximum options outstanding at end of year	—	—	9.00	76,000
Exercisable at end of year	—	—	9.00	76,000

The options in this range have been fully exercised in the year. During the prior year the outstanding options had an exercise price in the range £4.27 to £9.00, and a weighted average contractual life of 0.3 years.

	Weighted average exercise price (£) 2025	Number of options 2025	Weighted average exercise price (£) 2024	Number of options 2024
Range of exercise price: £12.28–£22.35				
Maximum options outstanding at beginning of year	19.23	987,366	19.93	1,010,366
Lapsed during the year	19.33	(245,850)	20.48	(73,000)
Exercised during the year	15.82	(40,000)	—	—
Granted during the year	—	—	17.50	50,000
Maximum options outstanding at end of year	20.05	701,516	19.23	987,366
Exercisable at end of year	23.42	393,766	19.85	526,866

The options outstanding at 28 February 2025 above have an exercise price in the range of £12.28 to £22.35 (2024: £12.28 to £22.35) and a weighted average contractual life of 5.2 years (2024: 5.8 years).

	Weighted average exercise price (£) 2025	Number of options 2025	Weighted average exercise price (£) 2024	Number of options 2024
Range of exercise price: £23.80–£25.95				
Maximum options outstanding at beginning of year	25.36	1,251,672	25.32	1,644,282
Lapsed during the year	26.26	(1,049,531)	25.18	(392,610)
Exercised during the year	—	—	—	—
Granted during the year	—	—	—	—
Maximum options outstanding at end of year	21.66	202,141	25.36	1,251,672
Exercisable at end of year	26.45	42,141	25.95	58,672

The options outstanding at 28 February 2025 above have an exercise price in the range of £23.80 to £25.95 (2024: £23.80 to £25.95) and a weighted average contractual life of 6.2 years (2024: 6.7 years).

The weighted average share price at the date of exercise for share options exercised for the year ended 28 February 2025 was £13.77 per share (2024: £17.38).

Measurement of fair values

The fair value of services received in return for share options granted is based on the fair value of share options granted. The grants are measured using a Black-Scholes model, with the following inputs:

	Grant of options during the year ended									
	28 February 2025					29 February 2024				
	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Grant date	11/12/2024	11/12/2024	07/02/2025	07/02/2025	07/02/2025	05/04/2023	04/08/2023	08/12/2023	18/01/2024	
Fair value at grant date (£)	19.50	19.50	19.12	19.12	19.12	17.42	4.39	10.62	11.46	
Share price at grant date (£)	19.50	19.50	19.12	19.12	19.12	17.42	17.50	10.62	11.46	
Exercise price (£)	0.00	0.00	0.00	0.00	0.00	0.00	17.50	0.00	0.00	
Number of options	35,857	107,587	108,235	3,742	5,000	346,054	50,000	40,071	1,308	
Expected volatility (weighted average volatility)	44.94%	46.51%	47.39%	46.51%	33.28%	48.00%	48.00%	48.00%	48.00%	
Option life (expected weighted average life)	4 years	3 years	3 years	2 years	1 year	3 years	1 year	2 years	2 years	
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Risk-free interest rate (based on government bonds)	4.03%	4.03%	3.97%	3.97%	3.97%	3.33%	3.33%	3.33%	3.33%	

Employee expenses

	2025 £'000	2024 £'000
Expense relating to:		
Share options granted in 2014/15	35	—
Share options granted in 2015/16	8	—
Share options granted in 2016/17	45	—
Share options granted in 2017/18	—	—
Share options granted in 2018/19	—	—
Share options granted in 2019/20	18	12
Share options granted in 2020/21	—	(57)
Share options granted in 2021/22	(22)	(715)
Share options granted in 2022/23	369	960
Share options granted in 2023/24	954	1,208
Share options granted in 2024/25	259	—
Total amount recognised as share based payment charge	1,666	1,408
	2025 £'000	2024 £'000
Total expense recognised as employee benefit expense	1,596	1,408
National Insurance contributions on employee benefit expense	70	—
Share based payment and related costs	1,666	1,408

33. Contingent liabilities

There are no contingent liabilities to report for the year ended 28 February 2025.

34. Discontinued operations and assets/liabilities classified as held for sale

In October 2023 the Group decided to conduct a formal Group structure review to achieve an optimal organisational structure and capital allocation to deliver best value for the Group's shareholders.

After considering the available options and consulting with the shareholders and external advisers, the Board unanimously concluded on the divestment of the MRP and First Derivative (FD) and businesses.

On 1 March 2024, the Group announced that it had agreed to an all-share merger of its MRP business with CONTENTgine, a provider of B2B technology buyer insights and lead generation. CONTENTgine tracks content engagement across 650 B2B software and technology categories, identifying which organisations have the highest propensity to buy. The combination with MRP's enterprise demand generation products and services will create an end-to-end provider covering the entire B2B technology sales and marketing process. FD Technologies Group now owns 49% of the combined entity pharosIQ, which is reflected as an associate investment rather than consolidated in the Group financial statements. Entities disposed as part of this disposal are identified in note 17. The MRP business represented a distinct operating segment and a major component of the Group's operations, and was classified as a disposal group held for sale at 29 February 2024 in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

On 7 October 2024, the Group signed an agreement to sell its First Derivative division to EPAM Systems Inc. for a total cash consideration of £236.6 million. The transaction was completed on 2 December 2024. The FD division represented a distinct operating segment and a major component of the Group's operations. Accordingly, the results of the division have been classified as a discontinued operation in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Prior period comparatives have been restated to reflect this classification. The FD division was also previously reported as a separate segment in the segmental disclosures under IFRS 8 "Operating Segments".

Results of discontinued operations

The results of the discontinued operations, which have been included in the profit for the year, were as follows:

	2025 £'000	2024 (restated) £'000
Revenue	115,158	198,692
Expenses	(106,681)	(193,690)
Results from operating activities	8,477	5,002
Net finance costs	(763)	(1,427)
Lease costs	—	(117)
Intangible asset impairment	(1,343)	—
Impairment loss recognised on the remeasurement to fair value less costs to sell	—	(21,204)
Net gain on disposal of subsidiaries	189,142	—
Profit/(loss) before tax from discontinued operations	195,513	(17,746)
Attributable income tax	(5,073)	(1,999)
Profit/(loss) from discontinued operations, net of tax (attributable to the owners of the Group)	190,440	(19,746)
Basic profit/(loss) per share (£)*	689.8	(70.3)
Diluted profit/(loss) per share (£)*	678.7	(70.3)

*The calculation of basic profit/(loss) per share at 28 February 2025 was based on the profit attributable to ordinary shareholders of £190,440k (2024: £19,745k loss), and a weighted average number of ordinary shares in issue of 27,000k (2024: 20,000k).

Cash flows used in discontinued operation

	2025	2024 (restated)
	£'000	£'000
Net cash outflow from operating activities	(3,281)	(779)
Net cash outflow from investing activities	(112)	(3,643)
Net cash outflow from financing activities	(574)	(1,602)
Net cash outflows for the year	(3,967)	(6,024)
Effects of exchange rate changes on cash held	(160)	755
Opening cash and cash equivalents	4,127	9,396
Closing cash and cash equivalents	—	4,127

Gain on disposal

	FD £'000	MRP £'000	Total £'000
Consideration received	236,592	12,005	248,597
Net assets disposed	(31,597)	(15,663)	(47,260)
Transaction-related costs	(12,195)	—	(12,195)
Gain/(loss) on disposal	192,800	(3,658)	189,142

Assets and liabilities disposed

During the year the following assets and liabilities were disposed of in connection with the divestment of the FD and MRP operations.

	FD £'000	MRP £'000
Assets		
Property, plant and equipment	3,588	3,449
Intangible assets	3,609	7,284
Trade and other receivables	31,895	15,333
Deferred tax assets	541	1,321
Corporation tax	133	213
Cash and cash equivalents	14,159	700
Assets disposed	53,925	28,300
Liabilities		
Loans and borrowings	3,170	2,417
Trade and other payables	14,932	8,225
Employee benefit obligations	4,178	—
Deferred tax liabilities	48	1,995
Liabilities disposed	22,328	12,637
Net assets disposed	31,597	15,663

(a) Impairment losses relating to the disposal group

Impairment losses of £1,343k relate to the impairment of intangible assets (2024: £nil). In the prior year impairment losses of £21,204k for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell were included in loss from discontinued operations in the statement of comprehensive income.

On disposal of the FD and MRP businesses related accumulated currency translation reserves of £400k have been recycled to retained earnings.

(b) Measurement of fair value

i. Fair value hierarchy

The non-recurring fair value measurement for the MRP disposal group was categorised as a Level 3 fair value based on the inputs to the valuation technique used see note 1.

ii. Valuation technique and significant unobservable inputs

The Group determined the fair value of the MRP disposal group following a market analysis based on trading multiples of EBITDA and revenue. The fair value of the FD disposal group is aligned to disposal proceeds of £236.6m.

35. Subsequent events

On 8 May 2025, the boards of Kairos Bidco Ltd (a newly formed company indirectly owned by entities forming part of TA Fund XV) reached agreement on terms of a recommended acquisition by Bidco of the entire issued ordinary share capital of FD Technologies. The acquisition is intended to be implemented by means of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act. The cash offer for the business values FD Technologies at £24.50 per share or £570million. TA is a valuable partner for the Company with a shared commitment to enhancing KX's business and capitalising on the longer-term opportunity in the data and analytics software market, and the Board of FD Technologies Plc has recommended shareholders approve the scheme.

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