

FDTechnologies plc



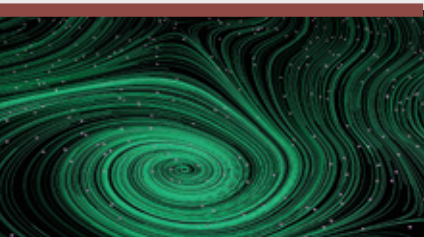
Annual Report 2024

Providing clarity and focus

The past year is one in which the Board took decisive steps to provide clarity and focus to the Group. This was achieved through a comprehensive examination of the optimal structure and adoption of a plan to return significant value to our shareholders. The result will be a pure play, high-growth software business in KX that is funded to execute on the enormous growth opportunities ahead of it.

We have great talent and a positive culture that will enable us to succeed and create value for all our stakeholders.

Donna Troy
Chair



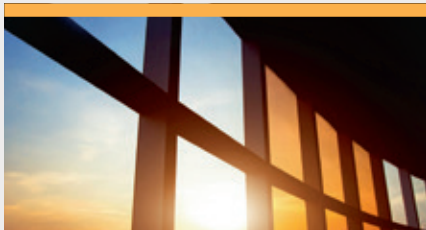
Our purpose

FD Technologies solves business-critical problems to unlock business value.



Who we are

We are a group of data and AI-driven businesses that unlock the value of insight, hindsight and foresight to drive organisations forward.



What we do

We give every business the ability to realise the true value of their data to achieve their potential.

Strategic report

- 1 Highlights
- 2 Business overview
- 4 Chair's review
- 6 Business review
- 8 Business model
- 10 Strategy
- 11 Key performance indicators
- 12 Market review: KX
- 14 Business review: KX
- 15 Market review: First Derivative
- 17 Business review: First Derivative
- 18 Financial review
- 23 Principal risks and uncertainties
- 29 Engaging with our stakeholders
- 33 Corporate responsibility and sustainability

Corporate governance

- 46 Board of Directors
- 48 Chair's governance statement
- 50 Governance framework
- 52 Report of the Audit and Risk Committee
- 55 Report of the Nomination and ESG Committee
- 58 Report of the Technology and Product Committee
- 60 Report of the Remuneration and Talent Committee
- 68 Directors' report
- 70 Statement of Directors' responsibilities

Financial statements

- 72 Independent auditor's report
- 79 Consolidated statement of comprehensive income
- 81 Consolidated balance sheet
- 82 Company balance sheet
- 83 Consolidated statement of changes in equity
- 84 Company statement of changes in equity
- 85 Consolidated cash flow statement
- 86 Company cash flow statement
- 87 Notes
- 134 Global directory
- IBC Directors and advisers

Highlights

Financial highlights*

Revenue

£248.9m

FY24	£248.9m
FY23	£254.6m
FY22	£212.4m

Adjusted EBITDA

£23.1m

FY24	£23.1m
FY23	£33.3m
FY22	£23.8m

* Adjusted to exclude MRP for comparison purposes

Business unit KPIs

KX growth in annual recurring revenue (ARR), constant currency:

12%

First Derivative revenue movement:

(8%)

Operational highlights

KX:

- Delivered constant currency ARR growth of 12% to £73m; recurring revenue was up 19% and now represents 86% of KX revenue (FY23: 81%)
- Performance was impacted by lower pipeline conversion rates and lengthened sales cycles, resulting from a combination of having fewer repeatable use-cases in newer markets and macroeconomic headwinds
- Annual contract value added of £14m, of which more than 80% was derived from repeatable use-cases in our core markets of financial services and aerospace and defence; 19 new logos signed (FY23: 16)
- Launched KDB.AI, our vector database for real-time contextual AI, with initial sales during the period and a number of key technical wins with major existing and potential customers demonstrating its ability to drive growth
- Launch of kdb Insights offerings with Microsoft, AWS, GCP, Databricks and Snowflake providing reduced time to value and cost to operate, as well as signing partnerships with leading industry partners including McLaren Applied and SRC

- Release of kdb+ 4.1, which has redefined the high-performance analytical database landscape, marking a major step forward in our core technology and the first major release in four years
- Completed the KX leadership team with senior appointments including a Chief Revenue Officer, Chief Marketing Officer and Chief Product & Engineering Officer to drive the next growth phase of KX.

First Derivative:

- Revenue declined by 8% to £170m due to increased spending caution among customers, with measures taken to control costs and improve efficiency, enabling adjusted EBITDA margin to be maintained
- Areas of demand for our domain and technology skills mitigating lower spending on general technology skills within our customer base and leaving us well positioned when demand improves
- Improvement in bookings in Q4 FY24 but market remains cautious.

Group structure review

In October 2023 the Board announced a review of the optimal organisational structure and allocation of capital to best position the Group to drive value for shareholders. In March 2024 the Board announced that it had unanimously concluded that the separation of its three businesses was in the best interests of all shareholders.

As a first step, it was also announced in March 2024 that the Group had agreed an all-share merger of MRP with CONTENTgine, a provider of B2B technology buyer insights and lead generation. FD Technologies owns 49% of the merged entity, which is reported

as discontinued operations in FY24 and will be reported as an associate investment in future years. FY23 has been restated to remove MRP to enable year-on-year comparison in performance.

The final step in the process is the separation of KX and First Derivative, with a measured and thoughtful process under way to ensure that any transaction reflects the value of First Derivative. Advisers on the process have been appointed and further updates will be provided as appropriate.

Business overview

Making an impact

We are a group of data and AI-driven businesses that unlock the value of insight, hindsight and foresight to drive organisations forward.

KX



High-performance analytics database engine for AI-driven innovation

FY24 revenue:

£79m

ARR constant currency growth:

12%

Our mission is to accelerate data and AI-driven innovation with high-performance analytics database solutions, enabling our customers to transform into AI-first enterprises. KX is trusted by the world's top investment banks and hedge funds, aerospace and defence, life and health sciences, semiconductor, telecommunications and advanced manufacturing companies.

Time series and vector data analytics and management are at the heart of our products, independently benchmarked as the fastest on the market. They help our customers process data at unmatched speed and scale and empower line-of-business leaders, developers, data scientists and data engineers to build high-performance data-driven applications and turbocharge their favourite analytics tools in the cloud, on premise or at the edge.

KX technology enables the discovery of richer, actionable insights for faster, better-informed decision-making which drives competitive advantage and transformative growth for our customers. KX operates across North America, Europe and Asia Pacific.

→ See page 12

First Derivative



Driving digital transformation in financial services and capital markets

FY24 revenue:

£170m

Revenue movement:

(8%)

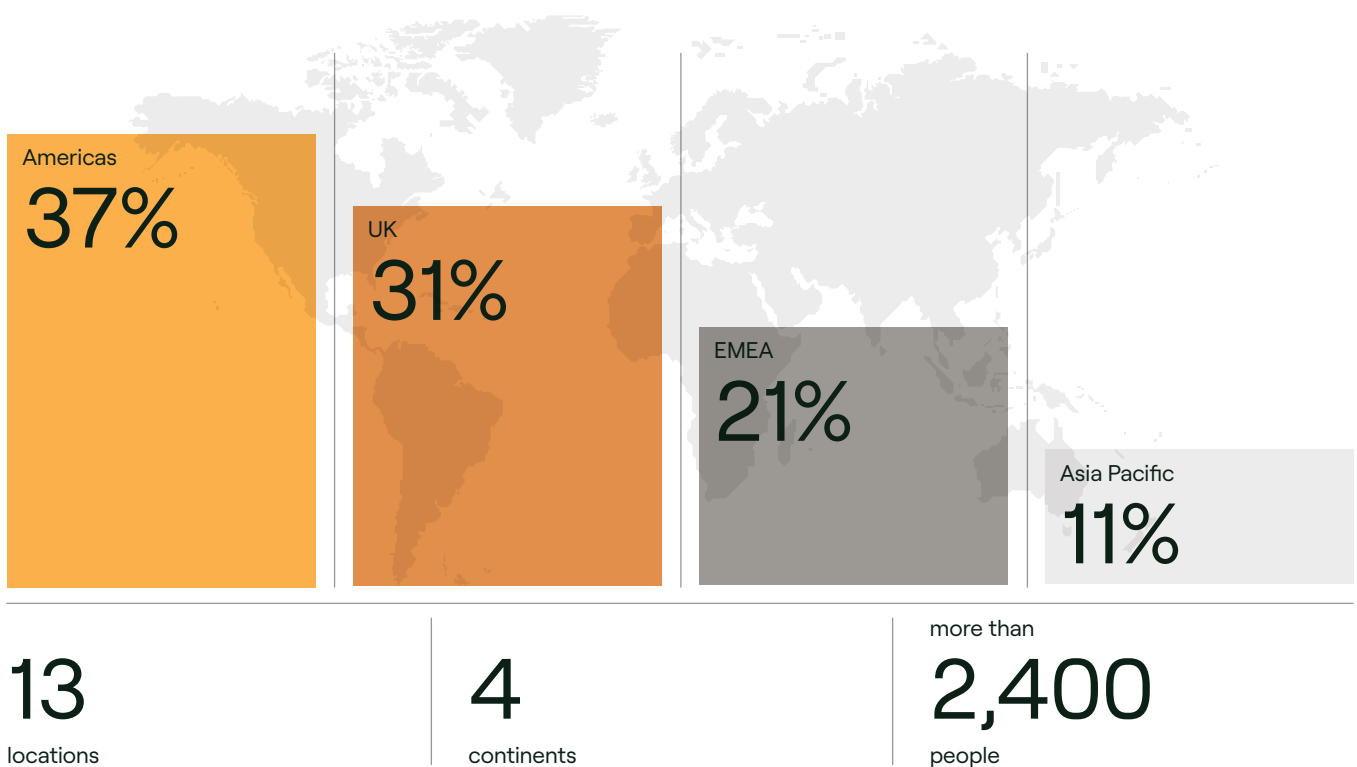
First Derivative has one of the largest, fully dedicated capital markets consulting teams in the world.

We deploy the most intuitive thinkers and innovative solutions into the world's financial markets to solve the toughest of operational, data and technology challenges for leading global investment banks.

Combining technical, logistical and scalable expertise, we release our clients' constraints and instigate action with authority, ingenuity and agility to drive positive outcomes. Our focus is transforming businesses at the optimum rate of change. First Derivative operates from centres of excellence in the UK, Ireland, Canada, the US and mainland Europe.

→ See page 15

Our global reach for scale and growth*



Our values



When others could say no, we say no problem. By working together to develop our skills, strategies and solutions, we can deliver what has never been done before – and can solve problems that haven't yet been solved.



Excel collectively. Grow individually. Belong globally. We are honest and to be true to ourselves, we share a responsibility to be the best we can be and to always do the right thing. To exceed limits, empower each other, and achieve great things together.



It is our belief that there is no smarter, kinder or better company you could partner with – or be a part of. We understand the importance of balancing our professional and personal worlds – and in both we give our best, take time to give back and never give in.

* Based on split of revenue

Providing clarity and focus



“The past year is one in which the Board took decisive steps to provide clarity and focus to the Group. This was achieved through a comprehensive examination of the optimal structure and adoption of a plan to return significant value to our shareholders. The result will be a pure play, high-growth software business in KX that is funded to execute on the enormous growth opportunities ahead of it.”

Donna Troy
Chair

The past year is one in which the Board took decisive steps to provide clarity and focus to the Group. This was achieved through a comprehensive examination of the optimal structure and adoption of a plan to return significant value to our shareholders. The result will be a pure play, high-growth software business in KX, funded to execute on the enormous growth opportunities ahead of it.

The organisational structure review was initiated to address a combination of issues, including the fact that each of KX, First Derivative and MRP had distinct investment propositions resulting from their differing operating models and capital allocation requirements. The Board, working closely with its advisers over more than a year, carefully considered the implications for all of its stakeholders including which of the options would create most value for shareholders.

Following the review process and after extensive discussions with shareholders, the Board announced its intention to separate its three businesses on 1 March 2024. The first step in the plan is the merger of our smallest business, MRP, with CONTENTgine, a complementary private company, to create a top-tier provider in the B2B demand generation services market.

The Board concluded that this was the optimal method to divest MRP, with the major benefit being that the Group now owns a 49% stake in a business expected to generate positive cash EBITDA by the end of calendar year 2024, instead of owning a loss-making standalone MRP. The merger creates the potential for a realisation of the Group's stake in the future at a significant premium to any valuation that could have been achieved through a sale of its entire stake in MRP in current market conditions.

The second and final element of the plan is the planned separation of KX and First Derivative, taking a measured approach with regard to timing and market conditions to ensure that the value of First Derivative is realised. When the process completes, the Board will evaluate the capital requirements of KX to ensure that it is funded to execute on its medium-term growth plans and consider whether and how to return any excess capital to shareholders.

The Board unanimously concluded that this plan is in the best interests of all our stakeholders. The transformative action to separate our business units will realise value for shareholders and I am confident it is also the best path for the businesses and their employees.

FY24 performance

I stated in my review of FY23 that the decisions taken by the Board in recent years, including investment in KX, had led to an acceleration across the Group. That was not sustained in FY24, due to a combination of execution issues within KX's go-to-market function and more difficult macroeconomic conditions. The details are explained more fully within the CEO's review and the KX and First Derivative business reviews.

Importantly, we remain convinced of the massive addressable market we see for KX and are delighted with the progress on the development of our technology and product. We see the issues identified in FY24 as short term and fixable, and the Board has approved plans to implement operational improvements to address them.

Despite the short-term headwinds for the Group in FY24 there is much to be positive about as we enter FY25. We are confident First Derivative is a strong and valuable business with excellent prospects when spending in its markets recovers.

KX is a world-leading technology at the forefront of innovation in AI and real-time, intelligent insights, which represents an enormous addressable market. Through key appointments during FY24 it now has a complete leadership team in place to execute against this opportunity, focusing on established, high-value and repeatable use-cases. Its future is bright, and the Board will ensure it has the resources to deliver against that opportunity.

Governance

The Board comprises highly skilled individuals with expertise and experience in scaling world-leading technology companies. Except for the resignation of Virginia Gambale in December 2023 after nearly nine years of service, Board composition has been stable for the past two years. The depth of skills and experience on the Board were factors that provided us with confidence to conclude the structure review during the year.

This Annual Report provides details of the Board's work in areas such as risk management and corporate responsibility. In addition to its work on the structure review, the Board has continued to focus on ensuring the mechanisms are in place to recruit and retain the talent to execute on our growth opportunities. This Annual Report also contains the first report of the Technology and Product Committee and highlights the important contribution it has made to the evolution of KX's strategy during the year.

Summary and outlook

The outcome of the structure review conducted over the past year provides clarity on the way forward for the Group. The process of delivering a pure play KX began with the merger of MRP, and we are focused on achieving a fair value for First Derivative through a thoughtful and measured divestment process.

While growth rates in FY24 were below our ambitions for KX, we have implemented measures to improve its performance and remain excited by our addressable market and product fit. I have no doubt that a pure play KX will deliver stronger, more sustainable growth and value.

On behalf of the Board, I would like to thank all our colleagues for their efforts to help our customers succeed and our communities thrive. Combined with our clarity and focus, we have great talent and a positive culture that will enable us to continue to succeed and create value for all our stakeholders.

Donna Troy

Chair

20 May 2024



Challenges addressed and opportunities ahead



“FY24 presented challenges within our businesses but we made significant strategic progress and we enter FY25 with clarity and focus on the exciting growth opportunities ahead.”

Seamus Keating
Chief Executive Officer

In FY24 our focus was on delivering the optimal performance for each of our businesses in a challenging macroeconomic environment while conducting and preparing for the outcome of the structure review.

Looking to FY25, the conclusion of the structure review provides a clear path to value creation for shareholders while the operational improvements, focus on repeatable use-cases and growing opportunity in AI provide confidence that KX will deliver stronger, sustainable growth.

Performance in FY24

Excluding MRP, following its merger with CONTENTgine and move to become an associate investment in FY25, Group revenue declined by 2% to £249m while adjusted EBITDA declined by 31% to £23m. This performance reflects the challenges in both KX and First Derivative during the year and the significant increase in KX investment to address the AI opportunity. The Group's net debt at the year end was £14m, compared to £4m at the beginning of the year.

KX

Our key performance metric, KX ARR growth, was below our expectations for the year of at least 35%, due to a combination of factors. Firstly, the pace of the pipeline build and a number of early wins during the first half of the financial year caused us to be overly optimistic about full-year performance. A major contributory factor in this was the make-up of the pipeline through Cloud Service Provider (CSP) partners, which was much more heavily weighted to newer sectors than our direct pipeline. Conversion here was lower, with a higher loss ratio which we attribute to us not yet having enough repeatable references where a customer could get to value quickly.

Secondly, our direct sales pipeline suffered some slippage for two reasons both linked to weaker macroeconomic conditions. This was caused by a general lengthening of sales cycles as customers took longer to make decisions in an uncertain environment, while the fact that we are targeting larger deals meant that customers required more and higher levels of approvals within their organisation. Some of these deals will be larger as customers plan to deploy KX more widely across their organisation and become Chief Information Officer-level decisions.

The macro environment is not something we can control, and we are not alone or immune from its effects. However, we have addressed the issues we can control around our pipeline qualification and deal execution process by:

- Upgrading our sales and marketing leadership, through the appointment of Clint Maddox as Chief Revenue Officer in February 2024 and Peter Finter as Chief Marketing Officer. They are bringing their experience in both enterprise technology and channel distribution, scaling our go-to-market process and increasing efficiency.
- Increasing our sales capacity in those sectors where we see the highest near-term results, namely capital markets, aerospace and defence and high-tech manufacturing which combined accounted for the bulk of our new ARR added in FY24. In these sectors we have multiple proven use-cases giving customers value in quick time.

We will target newer markets through our channel partners, which include OEMs, systems integrators and the CSPs. Again, we are targeting a focused set of use-cases such as: research in healthcare, meter data management in utilities and network analytics in telco across all of which we have increasing referenceability.

Finally, we are excited by the response to the launch in FY24 of KDB.AI, which positions us to benefit from the growth in generative AI. Already, two of our largest customers are licensed users and we have further technical wins with large capital markets institutions, reinforcing our belief in its potential.

First Derivative

First Derivative, in common with its peer group providing consulting services to capital markets, experienced difficult trading conditions as customers became more cautious on spending. Effective cost management mitigated the reduction in revenue and enabled First Derivative to maintain its adjusted EBITDA margin.

There are some signs of improved customer spending with pent-up demand for change work as budgets are released. We will continue to manage the cost base as we did in FY24, to support our drive for higher margins.

MRP

MRP experienced continued difficult market conditions through the year, driven by pressure on its customer budgets. Following its merger with CONTENTgine, announced at the year end as part of the conclusion of our structure review, our 49% stake will be treated as an associate investment. This enables our operational focus to centre on KX and First Derivative.

People

The Group currently employs more than 2,400 people, down 18% from the same time last year as a result of the merger of MRP with CONTENTgine and cost optimisation in First Derivative. Our people policies are one of three key pillars on which our corporate responsibility and sustainability are designed, enabling us to attract and retain the talent needed to execute our growth strategy.

During FY24 we focused on developing our leadership and continued to pay particular attention to learning and development. Across our business, but particularly within KX, we hired key talent to lead the execution of our strategy, while identifying and developing our existing leadership talent through internally developed programmes such as the Aspiring Leadership programme. This programme offers a structured and practical path to fast track high-potential individuals into leadership roles. We also evaluated and benchmarked every employee across the Group to ensure everyone is paid competitively and continue to foster a culture of high performance and feedback.

Despite the challenging market conditions in FY24 we adopted a focused approach to talent acquisition to ensure that we were hiring the right people for the right roles at the right time. Our focus for FY25 is to continue with planned recruitment to serve our growth strategy while further developing our training and development programmes to cultivate our talent.

We continue to evolve the ways in which our people connect and collaborate, with our fifth annual engagement survey showing that 80% (FY23: 82%) of our employees consider that they are engaged, enabled and energised. We believe that open and interactive communication is key to an engaged workforce and we adopt a rounded approach to deliver this, including regular town-hall meetings and recognition awards.

Priorities in FY25

We have a clear plan to drive value creation in FY25, with three priorities:

- **Implement the outcome of the structure review.** We are continuing to work on the legal separation of KX and First Derivative and have appointed advisers to work with us on the divestment process
- **Accelerate growth in KX.** Despite the execution issues in FY24, which we are solving, the KX opportunity is as exciting as ever. The market is enormous, and our technology is uniquely differentiated. We are doubling down on the areas of highest near-term return and with the initiatives we have taken to improve execution, we can deliver sustainably high growth rates
- **Return First Derivative to growth.** We are starting to see a return to stability in our revenue at First Derivative, which in addition to a more positive tone to customer conversations leads us to be more confident about the prospects for a return to growth as we progress through the year. We will continue to manage the cost base as we did in FY24, to support our drive for higher margins.

Seamus Keating
Chief Executive Officer

Business model

Enabling our business units to deliver sustainable value creation

Our business model is founded on our strategic purpose and enshrined by our values to create a business that generates sustainable returns for our stakeholders. We use our skills and strategies to ensure our business units have the resources they need to deliver products and services that delight our customers, while generating earnings for shareholders, tax receipts for society and a positive impact on the local communities in which we are based.

Inputs

People

Our people are at the core of our success, providing a vibrant culture centred around customer success and excellence. We recruit from universities around the world, as well as experienced talent, and provide our employees with exciting careers that challenge and stimulate them to solve problems for our clients that are at the forefront of technology. Working on-site or based in one of our 13 locations around the world, we have a diverse and inclusive culture with a shared work ethos that drives our success.

Training

Our training programmes and commitment to learning and development throughout their careers equip our employees to excel. New graduate employees benefit from class-based and online training programmes aligned to their chosen career path and supported by an assigned People Manager, while the training needs of more experienced employees are met by multi-faceted programmes that encompass industry and external accreditation and are matched to their career needs and aspirations. Our investment in our employees’ careers enables us to deliver the highest standards of customer satisfaction.

R&D

Our world-leading technology uses data to unlock the value of insight, hindsight and foresight. In recent years this commitment has been evidenced by substantial increases in our spending on software development, increasing the performance and capability of our technology, and making it easier to use and integrate with other technologies. In FY24 we made two significant advances in our technology – the launch of KDB.AI and release 4.1 of our core kdb+ technology. We are committed to our investment in research and development, expanding our teams of data scientists that are passionate about pushing the boundaries.

Partnerships

Our Cloud Service, Systems Integration and OEM partners help us in our mission to solve business-critical problems that haven’t yet been solved. They are leaders in their field and by working together we can make it easier to deliver solutions that accelerate the time to value for our customers and generate a high return on their investment in our technology.

What sets us apart



Focused

We are **focused** on large and fast-growing addressable markets driven by data and AI



Differentiated

We deliver **differentiated** technology products and solutions for extreme volume, high speed and complexity, low-latency data requirements



Deep expertise

We provide **deep expertise** for our customers

Business units



High-performance analytics database engine for AI-driven innovation

→ See page 12



Driving digital transformation in financial services and capital markets

→ See page 15

Analysing our performance

The Group’s structure is designed to enable its business units to communicate their distinct value proposition and maximise their growth opportunity. Our strategy is defined below, with appropriate key performance indicators also provided.



Driving growth in KX

What this means

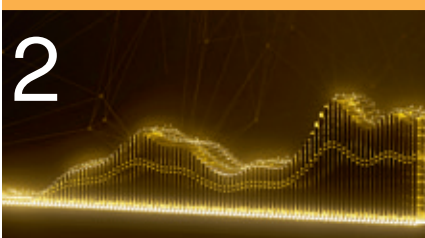
We are focused on accelerating our growth and investing to achieve our mission to use our performance and scale advantages to accelerate the speed of data and AI-driven innovation across all enterprises.

How we do it

- Provide products and platforms that enable enterprises to innovate at the speed of thought
- Work with our strategic partners to provide broad access to our technology, horizontally across industries
- Scale our operations to deliver the growth envisaged by the Board.

Progress

Continued growth and product innovation as detailed in the Business review.



Growing market share at First Derivative

What this means

Developing a sharper focus on target markets where First Derivative has the greatest in-depth expertise, and which are key for our clients, to drive revenue and margin growth from our technology and domain expertise.

How we do it

- Continue to enhance our engagement model to deliver propositions that focus on helping our customers meet their challenges
- Focus on areas of emerging demand, such as data engineering, to help broaden our revenue base.

Progress

In challenging market conditions, introduced operational efficiencies to improve our competitiveness as detailed in the Business review.



Group performance

What this means

The Board monitors the performance of the Group to assess overall growth, as a measure of the resources available to it and the value delivered to shareholders.

How we do it

- Assess revenue growth to measure the commercial performance of the products and services of the business units
- Track adjusted EBITDA* as a key metric for operational performance and a proxy for operational cash generation
- Monitor net cash/debt as an indicator of the level of capital available to allocate.

Progress

All three measures remain key metrics for the performance of our businesses.

* As defined in accounting policies note 1(r)

Key performance indicators

The Board uses the following key performance indicators to measure value creation for all stakeholders.

Group revenue

£249m

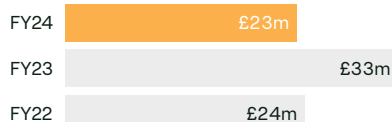


Measures the total of all revenue streams generated by continuing operations in the Group.

As a key metric communicated to investors, the Board monitors revenue and revenue performance to measure its effectiveness at customer wins, retention and expansion.

Group adjusted EBITDA*

£23m



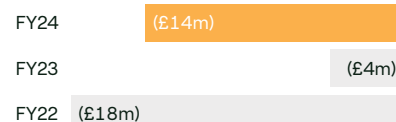
Measures EBITDA for continuing operations adjusted for costs deemed non-operational and is the headline performance measure for the Group.

Adjusted EBITDA is considered the headline measure of operating performance, ability to generate cashflow and to enable the Board and investors to most easily determine the impact of the Group's strategy on performance.

* See reconciliation of adjusted EBITDA to reported profit before tax in the Financial Review

Group net cash/(debt)

(£14m)



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

The Board monitors its net cash/(debt) position and covenant adherence to ensure it has sufficient capacity within its facilities to continue to deliver its strategy.

KX annual contract value (ACV)

£14m



Measures the sum of the value of each KX subscription, maintenance and perpetual contract signed during the period divided by the number of years in each contract.

This KPI provides the Board with the annual contract value of KX contracts signed in the year.

KX annual recurring revenue (ARR)

£73m



Measures the value at the period end of KX recurring software revenue to be recognised in the next twelve months.

KX annual recurring revenue measures the growth of valuable recurring revenues, which grew by 11% in the year (12% at constant currency).

KX cash EBITDA

(£19m)



Measures adjusted EBITDA for KX adjusted for KX R&D capitalised and is used as an indicator of cash generation for the KX business. The investment in KX announced in FY24 to capitalise on opportunities in AI has impacted cash EBITDA for the year. This KPI is new and is included to provide information on the cash generation of the KX business.

First Derivative revenue

£170m



Measures First Derivative revenue, which is an indicator of the business's size, progress of strategic initiatives and current market conditions.

First Derivative's revenue is derived from capital markets, principally from providing services requiring deep domain skills to large investment banks. Customer spending caution continued to be evident through the year and despite some large customer wins, revenue declined in the year.

First Derivative adjusted EBITDA margin

11%



Measures margin from First Derivative EBITDA adjusted for costs that are deemed to be non-operational in nature.

First Derivative EBITDA margin measures underlying performance and the ability to deliver on operating leverage. EBITDA margin has been maintained despite lower revenues by careful management of costs. As First Derivative returns to growth, the target is to increase adjusted EBITDA margin.

KX's pioneering high-performance software

“Leveraging the growing importance of real-time advanced analytics and generative AI, we’re setting the stage for future growth. Our aim is to lead the curve in market trends, ensuring we deliver unparalleled value to our customers.”

KX provides a robust, scalable and efficient database and analytics engine, ideal for time-oriented data. Its broad application spans serving as a foundational high-performance database, an analytics processing platform and a core for data science and AI initiatives, enabling customers to:

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

Industry forecasts by Gartner highlight significant annual investments across non-relational databases (\$54bn), analytics and business intelligence platforms (\$26bn) and data science and AI platforms (\$20bn), with growth rates ranging from 20% to 25% annually.

KX differentiates itself through:

- Expertise in handling diverse, voluminous high-frequency, real-time and historical data
- Leading performance and efficiency, courtesy of advanced array-based programming and compression technologies
- Simplification of complex analytics via in-built analytical functions and the functional vector language, augmented by Python and SQL support and upcoming natural language query interface
- Demonstrating exceptional efficiency, which is particularly vital for AI workloads that demand substantial power. By delivering more than 20x the number of queries per watt compared to competitors, KX reduces electricity, cooling, space and hardware needs by 80-90%, supporting demanding AI applications and providing substantial environmental and cost benefits and emphasising our leadership in sustainable, high-performance computing.

Market segments and emerging trends

KX focuses on critical market segments where our technology addresses fundamental business challenges with intensive data analysis requirements: **capital markets, aerospace and defence, high-tech manufacturing, notably semiconductor manufacturing, health and life sciences and telco.**

Emerging trends and market drivers common across all market segments include:

- The exponential growth in high-frequency and real-time data volumes and variety
- The infusion of AI, machine learning and automation into core business processes
- The escalating demand for real-time analytics and decision-making
- A universal push for cost-effective and high-performance technological solutions.

These trends underscore the accelerating digital transformation across sectors, with KX uniquely positioned to facilitate this shift, heralding a new chapter of sustained growth and innovation in the AI era.



Segment showcase: Aerospace and defence

Problem we address	Aerospace and defence companies operate in a highly complex landscape with vast amounts of data, real-time operational demands and stringent reliability and security requirements. Managing volumes of data from diverse sources and the capability of real-time monitoring and decision-making is the difference between success and failure. Leveraging this data can deliver better outcomes for predictive maintenance, operational readiness, simulation and training.	
Market dynamics and trends driving take-up of KX	- Exponential growth of real-time data: KX capitalises on the need to analyse and act on vast streams of sensor, IoT, and market data - Pervasive adoption of AI and autonomous systems: KX provides the high-performance infrastructure for intelligent systems across industries - Demand for real-time situational awareness: KX enables data fusion and rapid decision-making in complex environments	- Accelerated digital transformation: KX powers data-driven insights for digitalisation efforts in various sectors - Space exploration and satellite communications: KX's ability to handle massive telemetry data is crucial for space-related endeavours.
Customer feedback	Our technology's transformative impact is evidenced by a defence contractor's testament: "KX's technology has revolutionised data processing and analysis, achieving an operational throughput increase of 20,000%." This highlights KX's role as a catalyst for operational excellence and innovation across industries.	

Our products

We address these opportunities through our suite of high-performance software products and an overall integrated modular architecture.

kdb+ is a high-performance, highly scalable database and analytics engine, independently benchmarked as best-in-class for performance and efficiency. kdb+ is at the core of all KX products.

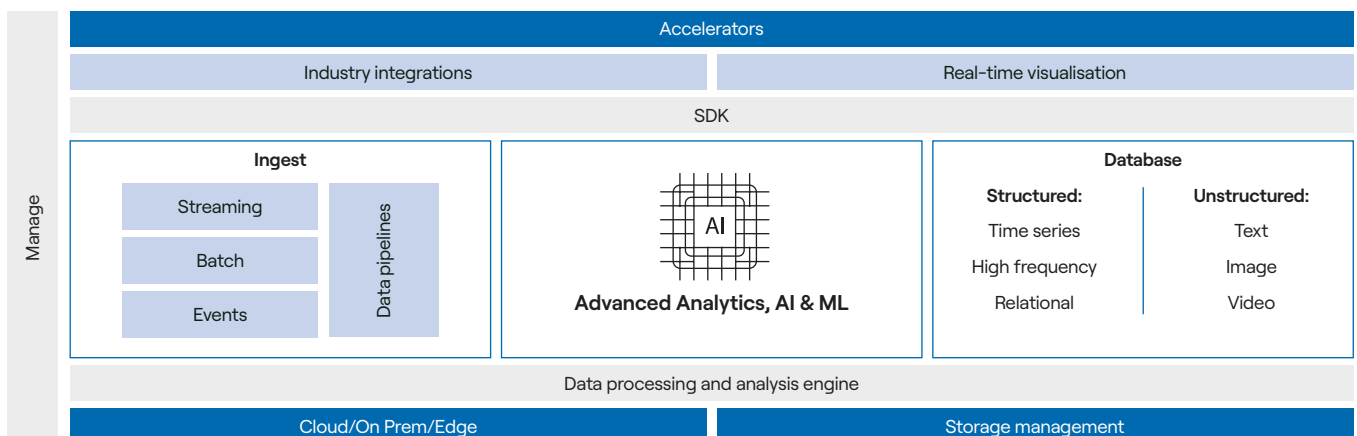
kdb Insights is a cloud-native high-performance and scalable analytics platform for real-time analysis of streaming and historical data. It provides native time-series analytics, Python integration and SQL support that enables developers and data scientists to derive insights, detect anomalies and automate responses – all in real-time and at scale.

kdb Insights Enterprise builds on kdb Insights and provides an integrated, out-of-the-box platform with enterprise features, a low-code approach and industry accelerators.

KDB.AI is a powerful vector database and search engine that allows you to build scalable, reliable AI applications, using real-time data, by providing advanced search, recommendation and personalisation.

Our integrated and modularised architecture:

KX technology supports a full stack, integrated yet modularised architecture to support a range of high-performance analytics and applications. Through standard configurations, industry accelerators and integrations we are reducing the complexity of our technology, enhancing "time to value" and accelerating adoption.



Targeting growth through repeatable use-cases

During FY24, KX experienced short-term challenges while also taking significant steps forward in our strategy. Our efforts have concentrated on advancing our status as a leading technology in the capital markets segment and leveraging this position to drive expansion across new and existing markets.

As we evolve into a leading software product company, our strategy has been refined to emphasise the development of more repeatable software products, marking a departure from our previous focus on bespoke services-led solutions. By broadening our user base with these repeatable products, enhancing our advanced analytics engine and leveraging the growing importance of real-time analytics and generative AI, we are setting the stage for future growth. Our aim is to lead the curve in market trends, ensuring we deliver unparalleled value to our customers.

Commercial performance

During FY24, the KX business added £14m of annual contract value and ARR grew by 12% (at constant currency). The lower than expected growth in ARR bookings was primarily as a result of lower than expected pipeline conversation rates, particularly with respect to new offerings and new channels. Furthermore, in the current macroeconomic environment customers are scrutinising their IT and cloud spends with renewed focus on operating costs. This is resulting in lengthening sales cycles for larger purchases.

As a demonstration of strategic progress and return on recent investments, over 40% of new bookings in FY24 came from industry segments outside of capital markets; 25% of our new bookings were in aerospace and defence and 10% in semi-conductor manufacturing, working with our OEM and systems integration industry partners. Furthermore, approximately 90% of our new bookings are from strategic products as opposed to solutions.

The lower level of ARR growth in the year has not materially affected reported revenue or adjusted EBITDA. During FY24 we made additional investment to underpin our generative AI product offering and in FY25 we will optimise our cost base to focus our investment on the areas of highest return.

Strategic highlights

KX achieved significant technological and leadership milestones in FY24, including:

- The introduction of **KDB.AI**, expanding our product suite with a vector database that offers unmatched capabilities for high-performance, structured and unstructured analytics at scale
- The launch of a **kdb Insights Enterprise** offering with Microsoft and **kdb Insights** offerings with AWS, GCP, Databricks and Snowflake, each presenting a compelling value proposition, greatly reduced time to value and reduced cost to operate
- The launch of **kdb+ 4.1**, which has redefined the high-performance analytical database landscape, marking a major step forward and the first major release in four years

- Expanded features and capabilities of our language interfaces and tooling including **Python**, **SQL** and **Visual Studio Code**. For example, our native Python-first interface, PyKX, now has more than 150,000 downloads and is central to our sales pipeline and ability to win new logos
- Key appointments within our executive team, including a new Chief Revenue Officer (CRO), Chief Marketing Officer (CMO) and Chief Product & Engineering Officer (CPO). These key hires have infused fresh perspectives and vigour into our strategic initiatives.

Opportunity for KX in the AI era

During FY24 we reinforced the position of kdb+ as the go-to database and query language for high-performance data analysis and model development. The rise of AI and the vast Python ecosystem present exciting opportunities that are seamlessly bridged by PyKX, our native Python interface, and the collaborative environments of kdb Insights and kdb Insights Enterprise. Now, KDB.AI further enriches this landscape, providing powerful tools specifically tailored for AI-driven applications and data platforms such as the AI Factory concept.

At the heart of the AI Factory, KX delivers a high-performance, scalable, and efficient analytics engine tailored for processing time-sensitive data. Our mission is to empower enterprises across various sectors to leverage the immense power of their data for insightful discovery, operational efficiency, and effective risk management. Aligning with the expansive market potential identified by industry experts, KX focuses on driving innovation and value, sidestepping the granular market size specifics for individual verticals.

Go-to-market priorities in FY25

The unique capabilities and differentiation of the KX technology continue to be consistently confirmed by our customers and partners. It is from this base that we have built our growth plans. The key drivers of sustainable growth in FY25 and beyond are:

- Disciplined focus on established, repeatable use-cases in capital markets leveraging standard configurations with options for cloud and on-premise infrastructure
- Continued investment in aerospace and defence leveraging Cloud Service Providers (CSPs) and specialist Systems Integrators.
- Working with established OEM partners and channels to target customer wins in semi-conductor and high-tech manufacturing
- Continuing to work with the CSPs on joint market propositions in capital markets as well as generative AI and as an OEM component within sector-specific solutions
- Accelerating work with customers to validate differentiated use-cases within generative AI and generate market share.



Discover more at kx.com

Market review: First Derivative

A trusted partner of leading investment banks

“We deploy a range of technology capabilities to assist our customers to meet their technology challenges, including application development and modernisation, real-time data platforms, robotic process automation, machine learning and artificial intelligence.”

First Derivative is a capital markets-focused consultancy that delivers a combination of deep domain skills and expertise in relevant technologies to enable its customers to meet their most demanding technology challenges. We are a trusted partner of leading investment banks, putting business outcomes at the centre of what we set out to achieve.

Operating in an environment where decisions need to be made quickly on vast volumes of data, subject to continual regulatory scrutiny and change and with constant demand to modernise their applications to meet business change, our customers are under pressure to deliver. Our three practices, Engineering services, Technology services and Business services, deploy a range of technology capabilities to assist them to meet these challenges, including application development and modernisation, real-time data platforms, robotic process automation, machine learning and artificial intelligence.

Engineering services

Our Engineering services practice focuses on ensuring our customers have the optimal application architecture on which to run their capital markets business. We specialise in the creation of the data platforms that enable our customers to harness the potential of machine learning and artificial intelligence.

Market drivers

- AI solutions provide the potential to utilise enhanced analytics and automate existing processes to generate efficiencies through investment banking operations
- The complex legacy technology landscape within investment banks requires modernisation and simplification against a backdrop of high levels of regulation and regulatory change
- Investment banks have invested heavily in modern cloud-based technology infrastructure over the last five years, typically running thousands of applications across business lines and functions. These applications require modification to take advantage of cloud functions and increase agility and cost efficiency.

How we help

- We have built best practice methodologies for the implementation of regulatory change initiatives; we provide teams of consultants skilled in the development and implementation of programmes to both deliver and maintain compliance
- Our deep domain expertise enables us to understand both the legacy complexity and the future technological possibilities. We assist customers to move faster, simplify complexity, deliver better experiences, reduce time to market and create a competitive edge
- In the area of AI, we work with clients to deploy solutions which take advantage of artificial intelligence and are, at the same time, secure, ethically fair, transparent, explainable and compliant with regulations. We use AI to help our clients make operational processes more efficient; to make better trading decisions and to accelerate the software development lifecycle.



Market review: First Derivative continued

Technology services

Technology services operates on the backbone of our customers' digital ecosystems, where interoperability is paramount. From implementing software applications to integrating systems across complex architectures, we assist in eliminating silos and optimising and tracking the flow of data across an organisation to harness the full value of its digital infrastructure.

Market drivers

- In the current environment of pressure on spending and a desire to make their technology budgets go further, investment banks are prioritising reducing their total cost of ownership
- At the same time, there is pressure from the business to increase the pace of systems change to improve competitiveness and address new business challenges, products and opportunities
- A continued increase in the complexity and volume of data required from regulators has led to a significant uptick in the speed and accuracy with which clients need to extract, analyse and display the data flows across their application landscape.

How we help

- We have developed skills and approaches to implement, integrate and run the key technologies and applications used across the industry
- Our depth and breadth of domain expertise combined with modern DevOps, a combination of software development and operations-based methodologies, allows us to offer a full packaged service to our clients
- Our innovation team continuously builds solutions and accelerators to adapt to changing requirements and adopt new applications across capital markets
- Our application managed service offering provides a full outsourced solution for our clients providing an SLA-backed delivery to support and QA their critical applications
- Our global reach allows us to repeat these solutions across our customer base, applying best practice to deliver rapid and effective solutions that address our customers' challenges.

Business services

As specialists in operational execution and consulting, we provide tangible solutions to our customers' operational challenges, allowing them to achieve their objectives.

Market drivers

- In the complex landscape of global finance, the critical domains of financial crime and compliance are growing in importance to safeguard the integrity of financial systems
- Geopolitical uncertainties have created additional demands for anti-money laundering and sanctions-compliant screening, backed by increased and ever more complex regulatory requirements
- The modernisation of operational processing, and the introduction of modern automation technology, is transforming the nature of payments, settlements and collateral functions.

How we help

- We have developed a market-leading methodology and data-driven approach for the implementation and remediation of regulatory reporting solutions to ensure our customers achieve and maintain compliance in an ever-changing technology and data landscape
- We provide expertise from nearshore locations for regulatory and financial crime compliance which delivers deep domain skills combined with automated data solutions at the optimal price point
- We have modernised the delivery of banking operations processes through optimising the blend of people and technology to reduce risk and cost for our clients
- We have deployed AI and machine learning tools that efficiently capture data to automate processes and improve accuracy, driving less manual effort and lower total cost of ownership.

Case study – Risk modernisation

First Derivative's client is a Japan-headquartered global bank and one of the world's largest financial institutions. With over five billion rows of data added per day and an anticipated seven-fold increase in data due to regulations including FRTB, our client needed a seamlessly-scaling risk architecture with minimum management overhead and low-cost storage and compute capabilities.

First Derivative deployed a specialist team of ten data architects, data analysts and data engineers to deliver a solution migrating credit and market risk reporting to a modern data platform. Across a twelve-month timeframe, the team decommissioned cumbersome legacy platforms and managed the parallel run to safely migrate onto the modern platform. This enabled risk calculations to be 300% faster, improved system performance driving a 400% increase in user demand and delivered profit and loss calculation 500% faster. Most importantly, it enabled the client's technology to be scalable to meet future requirements.



Business review: First Derivative

Protecting margins in a challenging environment

FY24 was a year in which reduced customer spending challenged all of the consultancies serving financial institutions, particularly as it followed two years of expansion in which we delivered compound organic growth in excess of 20%.

We reacted by becoming leaner and more focused on the areas of key spend in our clients and by adapting our service delivery to increase efficiency and competitiveness. These changes protected our margins during the year and have made us more competitive. With tentative signs of our market improving, I am confident that our business is well positioned for FY25 and beyond.

Commercial performance

We delivered revenue of £170m for the year, down 8% from the prior year as a result of the challenging market conditions.

FY24 contained a number of challenges for the global consulting industry as companies around the world reigned in spending. In particular, the failure of Silicon Valley Bank in March 2023 started a chain reaction among a number of US mid-tier banks. These events led most banks to halt spending on new initiatives and even cut back their spending on existing contracted engagements.

The timing of the downturn in customer spending coincided with the completion of two major projects resulting in a higher than typical bench that required some rightsizing to return to normal levels.

Market conditions did not improve through the year, as recession and the global political environment impacted customer confidence. They felt this most keenly through reduced income from mergers and acquisitions and IPOs, which resulted in their budgets, including for technology, being cut further. Even in areas where spending was authorised, the time taken to go from contract award to consultant billing extended dramatically, with multiple revisions of scope and deliverables in an effort to minimise spending.

Later in FY24 some stability returned to customer spending with a growing need for change within our customers. Spend on compliance also improved later in the year given the regulatory change agenda over the next few years. These factors provide optimism on customer spending when technology budgets improve.

Strategic progress

The challenging market conditions forced us to reassess the services we deliver as well as how we deliver them.

We restructured some key elements of our business, concentrating certain skill sets in delivery centres where we could build centres of excellence. We have seen a change in the way customers wish to engage particular skill sets in high-cost locations, especially New York and London, where they are becoming more reliant on nearshore solutions for work previously only executed in the metro centres.

We are servicing our New York clients increasingly from Toronto and our other nearshore centres in Northern Ireland, Poland and Spain. Despite this trend, customers remain keen to engage expert resource in their major hubs and we have seen our average bill rate in New York increase as a result.

Our people

Due to the volatility seen throughout the year, we acted conservatively with regard to people management, following a "just in time" method of recruitment. Our people bring a broad range of experience, expertise and perspectives that are essential to the delivery of our strategic objectives. We recognise that recruiting, developing and retaining the best talent, and cultivating a winning culture, are critical to maintaining a sustainable business.

Our focus during FY24 was on fostering and developing talent, delivered through multiple training and development programmes and engagement methods. We thoroughly reviewed our training methodologies during the year to ensure that we develop and deliver training content that is relevant, and customer-need focused.

Looking forward

Our year has started out encouragingly with our pipeline beginning to grow. We are starting to see the return of the development market as well as increased spend in regulatory work.

While we are confident about the market fit of the services we provide, our customer relationships and our abilities, we continue to take a conservative view of near-term demand while positioning ourselves to benefit from a return to growth as customers release their technology budgets.

Creditable performance on key metrics in a challenging year



“KX delivered double digit growth in revenue and ARR while First Derivative maintained its adjusted EBITDA margin.”

Ryan Preston
Chief Financial Officer

Revenue and margins

The table below shows the breakdown of Group performance between KX and First Derivative.

	FY24			FY23*			
	Group £m	KX £m	First Derivative £m	Group £m	KX £m	First Derivative £m	Group change
Revenue	248.9	79.1	169.7	254.6	71.0	183.6	(2%)
Cost of sales	(143.2)	(17.2)	(126.0)	(149.3)	(16.9)	(132.3)	(4%)
Gross profit	105.7	62.0	43.7	105.3	54.1	51.2	0%
Gross margin	42%	78%	26%	41%	76%	28%	
R&D expenditure	(31.1)	(30.2)	(0.9)	(23.4)	(23.0)	(0.4)	33%
R&D capitalised	24.8	23.9	0.9	19.4	19.0	0.4	28%
Net R&D	(6.3)	(6.2)	(0.1)	(4.0)	(4.0)	(0.0)	58%
Sales and marketing costs	(40.1)	(31.8)	(8.2)	(41.6)	(26.3)	(15.3)	(4%)
Adjusted admin expenses	(36.3)	(18.8)	(17.5)	(26.4)	(11.0)	(15.5)	37%
Adjusted EBITDA	23.1	5.1	18.0	33.3	12.8	20.5	(31%)
Adjusted EBITDA margin	9%	6%	11%	13%	18%	11%	

* FY23 has been restated excluding discontinued operations (MRP)

The revenue performance was led by 12% growth in KX while First Derivative declined by 8%, resulting in a 2% decline in Group revenue in the period. There was no appreciable currency impact on results due to similar average dollar FX rates this year compared to last year. Gross profit margin increased to 42% (FY23: 41%), with performance led by KX. During the year we announced we would accelerate investment in KX product development and go-to-market, particularly to target opportunities in AI. As a result, KX R&D cost increased by 31% and sales and marketing cost by 21%, supporting the launch of KDB.AI and contributing to our go-to-market capability. In addition, we continue to invest in people and systems to target the high growth markets in which we operate. These investments, together with the revenue reduction at First Derivative, resulted in adjusted EBITDA declining by 31% to £23.1m (FY23: £33.3m).

Reclassification of KX service revenue to First Derivative

During the period we transferred professional services contracts relating to post implementation consultancy and development from KX to First Derivative, where it is better placed to be serviced and grow. The numbers stated above reflect this change and the prior year results have also been restated to enable like-for-like comparison. The impact in the period was to move £9.0m of KX services revenue to First Derivative (FY23: £9.3m), along with £5.6m cost of sales (FY23: £5.4m) resulting in an impact on gross profit of £3.4m (FY23: £3.9m). A £0.1m movement in adjusted admin expenses (FY23: £0.1m) resulted in a net movement in adjusted EBITDA of £3.3m from KX to FD for the period (FY23: £3.8m).

KX

	KX total			Financial services			Industry		
	FY24 £m	FY23 £m	Change	FY24 £m	FY23 £m	Change	FY24 £m	FY23 £m	Change
Revenue	79.1	71.0	12%	62.5	59.7	5%	16.6	11.3	48%
Recurring	68.4	57.6	19%	56.4	50.2	13%	12.0	7.4	62%
Perpetual	2.3	1.6	45%	0.1	0.2	(76%)	2.2	1.3	64%
Total software	70.7	59.1	20%	56.5	50.4	12%	14.2	8.7	62%
Services	8.5	11.9	(29%)	6.0	9.3	(35%)	2.4	2.5	(4%)
Gross profit	62.0	54.1	15%						
Adjusted EBITDA	5.1	12.8	(60%)						

KX delivered 12% revenue growth in the period, driven by 19% growth in recurring revenue to £68m, balanced by a 29% reduction in services to £8.5m. The reduction in services reflects the increased ease of adoption of our software and therefore lower level of implementation services required. Annual contract value (ACV) added was £13.5m (FY23: £18.7m), with more than 80% of ACV added coming from repeatable use cases in capital markets and aerospace and defence. Revenue from perpetual license sales relates primarily to continuing customer engagements entered into before our decision in FY22 to focus exclusively on subscription sales for new customers.

Financial services revenue grew by 5% to £62.5m, with recurring revenue in financial services up 13%. We continue to benefit from adoption of kdb Insights by existing and new customers, attracted by its performance, ease of use and rapid time to value, as well as native integration with important developer languages such as Python and SQL. We had several new customer wins in the period driven by the release of PyKX, our Python-first interface, which now has more than 150,000 downloads.

Industry revenue grew by 48% to £16.6m with recurring revenue growing by 62% to £12.0m. This growth was primarily attributable to aerospace and defence and semiconductor manufacturing, where we have developed repeatable use cases that represent large and growing market opportunities.

For target markets outside of those referenced above we will work primarily through our partner networks of CSPs, OEMs and systems integrators to develop use cases that provide compelling return on investment.

Performance metrics	FY24	FY23	Change
Annual recurring revenue (ARR) £m	72.5	65.3	11%
Net revenue retention (NRR)	109%	119%	
Gross margin	78%	76%	
R&D expenditure as % of revenue	38%	32%	
Sales and marketing spend as % of revenue	40%	37%	
Adjusted EBITDA margin	6%	18%	

ARR increased by 11% to £72.5m while NRR of 109% is lower than the 119% achieved in FY23 principally due to the lower level of ACV added in the period. We continue to invest across KX to develop products that will enable us to gain market share in our target markets and to address the AI opportunity, as well as the go to market capability and leadership to deliver our growth strategy.

Financial review continued

First Derivative

	FY24 £m	FY23 £m	Change
Revenue	169.7	183.6	(8%)
Gross profit	43.7	51.2	(15%)
Adjusted EBITDA	18.0	20.5	(12%)

Revenue for the period was £169.7m, a decline of 8% on FY23 as a result of increased caution at our customers as a result of stress on banks following the collapse of SVB, as well as lower IPO and M&A activity impacting the income of our investment banking customers. Additional factors such as geopolitical and recessionary pressure prolonged this caution, although late in FY24 we saw stability in both revenue and bookings.

Performance in First Derivative was strongest in its technology services and engineering services practices, which were both stable year on year, while the business services practice decreased by 16%. We continue to focus resources and sales effort in the areas of highest demand and where our domain expertise provides differentiation from our competitors.

In response to lower activity levels we removed approximately £9.0m of annualised operating costs, while simplifying the sales, delivery and practice management of the business. This, together with an easing of the attrition and wage inflation, has reduced the impact on margins as detailed below.

Performance metrics	FY24	FY23
Gross margin	26%	28%
Adjusted EBITDA margin	11%	11%

Gross margin was 26%, a decline from 28% in the prior year, for the reasons outlined above, while the impact of our efficiency measures enabled us to maintain an adjusted EBITDA margin of 11%.

Group performance

Adjusted EBITDA

The reconciliation of operating (loss)/profit to adjusted EBITDA is provided below. The principal movement to note is the reduction in non-operational IT expenses following the successful implementation of the Group's Oracle Cloud Fusion ERP system.

	FY24 £m	FY23 ¹ £m
Operating (loss)/profit	(2.4)	1.0
Restructure and non-operational costs	3.8	7.0
Non-operational IT expenses ²	1.1	5.6
Share based payment and related costs	1.4	0.4
Depreciation and amortisation	19.2	19.3
Adjusted EBITDA	23.1	33.3

¹ FY23 has been restated excluding discontinued operations (MRP)

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

(Loss)/profit before tax

Adjusted profit before tax decreased to £0.6m (FY23: £13.1m), resulting from the reduction in adjusted EBITDA and higher software amortisation costs resulting from our investment in R&D.

The Group reported a loss before tax from continuing operations of £7.7m for the period, compared to a loss of £0.4m in FY23 as restated.

The reconciliation of adjusted EBITDA to reported profit before tax is provided below.

	FY24 £m	FY23 ¹ £m
Adjusted EBITDA	23.1	33.3
Adjustments for:		
Depreciation	(5.2)	(6.2)
Amortisation of software development costs	(13.7)	(10.5)
Net financing costs	(3.6)	(3.6)
Adjusted profit before tax	0.6	13.1
Adjustments for:		
Amortisation of acquired intangibles	(0.4)	(2.7)
Share based payment and related costs	(1.4)	(0.4)
Restructure and non-operational costs	(3.8)	(7.0)
Non-operational IT expenses	(1.1)	(5.6)
Loss on foreign currency translation	(1.6)	0.0
Profit on disposal of associate	0.1	3.0
Net financing costs	(0.2)	(0.9)
Reported loss before tax from continuing operations	(7.7)	(0.4)

1 FY23 Reported profit before tax has been restated excluding loss before tax from discontinuing operations of £0.8m

Discontinued operations - MRP

Following its all share merger with CONTENTgine, MRP is reported within discontinued operations and FY23 has been restated for comparative purposes. In FY24, MRP saw revenue decline following weaker customer demand, resulting in revenue of £29.0m (FY23: £41.5m) and an EBITDA loss of £4.1m (FY23: profit £1.4m). Accordingly, an impairment of goodwill and associated intangible assets of £21.2m was recognised in the year. In total, a loss before tax from discontinued operations relating to MRP has been recorded of £30.3m (FY23: 0.8m) and a reported loss after tax of £27.4m (FY23: £3.1m).

(Loss)/earnings per share

The Group reported a loss after tax of £13.4m for the period from continuing operations, compared to a loss after tax of £0.9m in FY23. Adjusted loss after tax was £0.2m, compared to a £10.2m profit in FY23, resulting in adjusted diluted loss per share for the period of 0.7p. The calculation of adjusted (loss)/profit after tax is detailed below:

	FY24 £m	FY23 £m
Reported (loss)/profit before tax	(7.7)	0.4
Tax	(5.6)	(0.5)
Loss from discontinued operations	(27.4)	(3.1)
Reported loss after tax	(40.8)	(4.0)
Adjustments from (loss)/profit before tax (as per the table above)	8.3	13.5
Tax effect of adjustments	(1.2)	(2.4)
Loss from discontinued operations	27.4	3.1
Discrete tax items	6.0	—
Adjusted (loss)/profit after tax	(0.2)	10.2
Weighted average number of ordinary shares (diluted)	28.1m	28.0m
Reported LPS (diluted)	(145.2p)	(14.4p)
Adjusted (LPS)/EPS (diluted)	(0.7p)	36.3p

Financial review continued

First Derivative continued

Cash generation and net cash (excluding lease liabilities)

The Group generated £21.8m of cash from operating activities, representing a 94% conversion of adjusted EBITDA (FY23: 114%). At the period end we had a net debt position from continuing operations of £14.4m, up from the FY23 position of net debt of £3.7m. The factors impacting the movement are summarised in the table below:

	FY24 £m	FY23 ¹ £m
Opening net debt (excluding lease liabilities)	(3.7)	(18.3)
Cash generated from operating activities before non-operational IT expenses	22.9	43.2
Non-operational IT expenses	(1.1)	(5.1)
Cash generated from operating activities	21.8	38.1
Taxes paid	(3.8)	(1.5)
Capital expenditure: property, plant and equipment	(0.6)	(2.8)
Capital expenditure: intangible assets	(24.8)	(19.6)
Sale of other investments and associates	3.0	0.1
Investments	(0.2)	8.1
Issue of new shares	0.1	3.1
Interest, foreign exchange and other	(6.1)	(11.0)
Closing net debt (excluding lease liabilities) from continuing operations	(14.4)	(3.7)

¹ FY23 Net cash as reported of £0.4m has been restated excluding cash held by discontinued operations at 28 Feb 2023 of £4.1m

The drivers of cash performance in FY24 were the increasing spend on research and development, where of the total £31.1m spend £24.8m (80%) was capitalised, lower capex costs following heavy investment in prior periods and an earnout payment relating to the sale of our investment in RxDataScience Inc £3m in FY24.

We refinanced our banking facility in early FY24 on improved terms and it comprises a £130m revolving credit facility, with an interest rate payable of SONIA/SOFR plus a margin range of 1.85% to 2.85%.

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.
- **Gross annual recurring revenue (Gross ARR):** ARR excluding churn.
- **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.
- **Net revenue retention rate (NRR):** is based on the actual revenues in the quarter annualised forward to twelve months and compared to the revenue from the four quarters prior. The customer cohort is comprised of customers in the quarter that have generated revenue in the prior four quarters.
- **Adjusted admin expenses:** is a measure used in internal management reporting which comprises administrative expenses per the statement of comprehensive income of £58.1m (FY23: £56.7m) adjusted for depreciation and amortisation of £19.2m (FY23: £19.3m), share based payments and related costs of £1.4m (FY23: £0.4m), restructure and non-operational costs of £3.8m (FY23: £7.0m), IT systems implementation costs expensed £1.1m (FY23: £5.6m), impairment loss on trade and other receivables £3.8m (FY23: £2.2m) and other income £0.1m (FY23: £0.2m)

Principal risks and uncertainties

Driving value through the management of risk

Effective risk management is core to our management practices which help deliver our strategy and our commitments to our customers. We are focused on conducting our business responsibly, safely and legally, while making risk-informed decisions when responding to opportunities or threats that present themselves. With the leadership of the Board and guided by our risk appetite, we 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 protecting 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 enhancing internal key financial and non-financial controls.

The Board is committed to the continuous improvement of our governance mechanisms and risk management processes, to ensure that risks, including new and emerging risks, continue to be identified and managed effectively at all levels of the Group.



Risk management framework (RMF)

The RMF ensures that ownership and responsibility for identification, assessment and management of key risks and opportunities are embedded throughout the Group. The Board sets the context for risk management through defining the strategic direction and risk appetite for the organisation as a whole. The risk management process is based on risk registers, the maintenance of which continues to be 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 at the Group and business unit level, along with 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 assesses risks on a continuous basis. The Group adopts a qualitative and quantitative approach to measuring and scoring risks using the Group risk matrix. A risk probability and impact matrix are applied to arrive at the inherent risk score. The risk assessment is then repeated with the application of controls, taking into account the overall effectiveness of the controls in arriving at 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 and financial reserves.

Risk monitoring

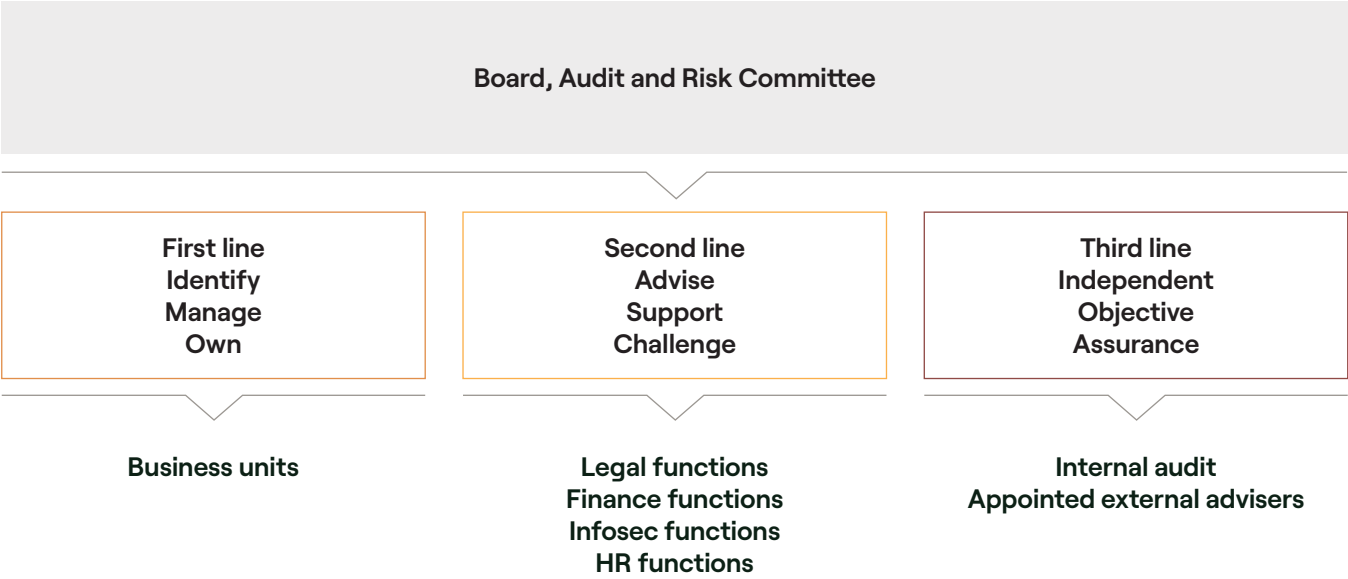
An annual plan is agreed with the Audit and Risk Committee to ensure key controls are tested regularly and any incidents reported result in a reassessment of the risks and controls. The Group maintains up-to-date information on its main risks and controls which the Board and the Audit and Risk Committee review and agree on a regular basis. 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 Group is willing to accept in achieving its strategic objectives. The RAS is used to guide strategy execution, decision-making and planning processes. 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 Group's activities or operating environment.

Principal risks and uncertainties continued

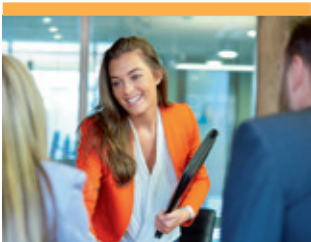
FD Technologies employs a three lines model to manage risk



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



Oversight



First line



Second line (“central functions”)



Third line (“independent advisers”)

The Board and the Audit and Risk Committee are the primary stakeholders served by the “three lines of defence” model.	Responsible for identifying, managing and owning risks. First line refers to all of the business functions which carry out the day-to-day operations of the Group and whose activities require personnel to operate in accordance with, and adhere to, the required risk policies and frameworks.	Develops, maintains and ensures implementation of control policies and frameworks across the Group along with monitoring, advising, challenging and supporting front-line business units (i.e. the first line). Includes functions such as legal, finance and infosec.	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 Group in the first and second lines. Includes internal audit and appointed external advisers.
--	--	---	--

Risk factors

Principal risks are defined as those risks that are significant for the Group and are owned and managed by a specified member of the leadership team who has accountability 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 As a software and consultancy provider, the Group is dependent on the skill, experience and commitment of its employees, which places huge importance on the recruitment, development and retention of key staff. It is also important to align the current and future resourcing levels and capabilities with the changing needs of the business and our customers. The success of the Group is built upon effective teams that consistently deliver superior performance. If the Group cannot attract, retain or develop suitably qualified, experienced and motivated employees, this could have an impact on business performance. Risk change over prior year Unchanged 	The long-term performance of the Group 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 the Group's strategic objectives if current and future resourcing levels and capabilities are not aligned with the needs of our customers. The recently announced intention to separate the KX and FD business units could impact on the ability to attract and retain talent.	The Group maintains a constant focus on this area with competitive remuneration packages and a strong commitment to training and career development. The Group has structured succession plans in place. Our policies and procedures are reviewed and regularly updated by Group Human Resources, divisional leads and the executive team. The Group also has systems in place to accurately forecast demand requirements including the level of recruitment and the types of skills/expertise required to meet client requirements. Should a mismatch occur, the Group has contingency plans in place. Incentive arrangements will be established to maintain capabilities in the strategic transition period.
Separation of KX and First Derivative The intended disaggregation of FD from the Group and the devolution of the control framework from the Group into KX and First Derivative could lead to a reduction in the strength of the control framework as experienced personnel do not transfer and changes are made to systems to reflect the new structure. Risk change over prior year New risk 	Changes to systems reflecting the new organisational structure could lead to sub-optimal segregation of duties or gaps in controls. The affordability of colleagues experienced in operating a quoted company may be challenging for a smaller business.	Reviews of segregation of duties and approvals will be undertaken as systems and control environments are updated. Experienced colleagues from central functions will be transferred into the KX business to support its operation and control. Reviews of knowledge and experience gaps will be undertaken to ensure that capabilities are maintained.
Cybersecurity The Group is at 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 Group or client IT systems and platforms. Risk change over prior year Unchanged 	The risk has implications which include operational disruption to critical IT systems and platforms, client exposure through cyber-attacks 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, the Group is required to operate stringent IT and cybersecurity practices. The Group has extensive documented policies to mitigate risk in these domains. The Group recently renewed its CyberEssentials Plus accreditation. Material investment has been undertaken in upgrading the security infrastructure of the Group. The Group undertakes a periodic third-party review of the cyber exposure and impact of mitigation programmes – which continues to show improvement.

Principal risks and uncertainties continued

Risk factors continued

Risk	Potential impact	Mitigation
Competition and markets External factors, outside the direct influence of the Group, including economic cycles and market trends, could significantly impact on performance in a competitive and cyclical market environment. Currently, this is particularly significant for KX around the evolving AI market/opportunity and the lengthening of sales cycles. These factors could also impact the suitability of our products, sales channels, services and solutions to meet current and future client requirements. This makes it more difficult to forecast future demand from clients. Risk change over prior year Increased 	The Group's resourcing decisions could lead to excess staff levels reducing profitability in the short term, or 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 decline in the event of a global economic downturn or political unrest.	The Group addresses the impact of these external factors through a focus on strong financial management, a broad spread of products and customers across the divisions, regular reviews of our products and services overseen by the Technology and Product Committee, increased investment on KX products and channels to maintain differentiation and careful geographic expansion. In addition, the Group's careful and select expansion into new industries reduces our exposure to sector-specific impacts.
Intellectual property infringement The Group's intellectual property (IP) is centred around the software and services it develops for customers. The Group has to manage the risk of infringing a third party's intellectual property rights in the development of its software and services. If this risk is not managed effectively, it could result in a violation or breach of protected intellectual property. Risk change over prior year Unchanged 	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 Group has policies and procedures in place to protect against the risk of IP infringement. These policies and procedures are reviewed on a periodic basis. The Group enters into formal non-disclosure agreements with employees, independent contractors and third parties in the ordinary course of its business. Staff are made aware of the importance of client confidentiality and the requirements in this area. The Group actively monitors the use of third-party software in its product offerings. The choice of third-party components is subject to technical review and assessment at design stage. Employment and consultancy contracts have clauses to protect intellectual property rights and these are regularly reviewed with external counsel to ensure that they are suitable.
Technology Technological advancements in the software industry, which are constantly evolving and ever changing, could result in increased competition or potential obsolescence of our current products. Risk change over prior year Unchanged 	In order to remain competitive, it is essential that the Group's products, services, technology and solutions are up to date and our development plans are flexible. This risk has implications in terms of the ability of our products, services, technology and solutions to address current and future customer requirements.	The Group makes significant ongoing investments in technological research and development to proactively develop new and enhanced capabilities within our software offerings. This allows for the identification of, and adaptation to, any technological changes that occur externally, thereby ensuring that the Group's products continue to meet our clients' requirements and our technology and information systems meet our requirements. Our product teams meet with actual and prospective clients to consider product roadmap developments whilst the KX user community similarly provides feedback. In addition to our central research and development team, the Group constantly evaluates 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	Potential impact	Mitigation
Political, regulatory and compliance Long-term changes in the global political environment and societal expectations are leading to greater regulation of businesses and potential penalties. Further, global conflicts have increased political complexities. Risk change over prior year Unchanged 	Failure to comply with legal and other requirements in an increasingly regulated and complex political environment results in fines, criminal penalties, consequential litigation, and an adverse impact on our reputation, financial results and/or our ability to do business. Failure to address and monitor these risks could impact the financial performance of the Group.	The Group has policies and procedures in place to constantly monitor international relations, macroeconomics, geopolitical events and global trends in all of the jurisdictions in which it operates. The Group is confident that it has the foresight and flexibility in its operations and legal team to mitigate the impact of any potentially negative consequences stemming from international operations. The impact of the increasing geopolitical uncertainty is being carefully monitored for its impact on our clients, suppliers and employees and appropriate diligence is being undertaken to ensure compliance with sanctions as they apply.
Management of growth As the Group continues to target strong growth, there is a risk that if this growth accelerates substantially (without being controlled and managed effectively), the Group may not be in a position to maintain the high standards of customer service that our customers are accustomed to. Risk change over prior year Decreased 	If the correct level of investment in people and technology is not maintained it is possible that the quality of the Group's service offering will drop and/or cost control and operational effectiveness will deteriorate.	The Group has a programme of continual investment in all aspects of the business (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 the Group can continue to maintain the high standards of customer service. As a result of the constant focus, the Group can ensure that the level of investment is relative to the growth of the Group and that that optimum operational efficiency is achieved. Delivery models have been evolved to provide greater resourcing flexibility in the provision of growing services to our clients.
Internal controls The Group's resources and finances must be managed in accordance with rigorous standards and stringent controls. A failure to meet those standards and implement appropriate controls may result in the Group's resources being improperly utilised or its financial statements being inaccurate or misleading. There is also a risk that the Group could suffer financial loss owing to fraudulent activity, unauthorised access to or misuse of Group bank accounts and/or other resources leading to the loss of funds. Risk change over prior year Decreased 	The consequences of failure to update controls and processes for changes in the business mean that it is possible that key risks will not be appropriately mitigated. There is also a potential for inaccurate reporting and fraudulent events to occur which could damage the Group's reputation. The intention of the Group to separate its business units could lead to new risks from material changes to the existing control frameworks.	The Group has processes and procedures in place which act as controls to mitigate risk. The Group now has 18 months of operations of its new ERP system, which allowed for streamlining and enhancement of processes with documentation updated accordingly. The internal audit function has been established with an agreed twelve-month work plan. We will utilise the experience and knowledge of external advisers to ensure controls are maintained as we separate KX and FD.
Data privacy We hold customer and colleague personal data. Although the threat landscape has been ever changing, the controls in place have decreased the risk. We continue to monitor and manage the risk closely, through robust governance and oversight mechanisms. Risk change over prior year Decreased 	Failure to comply with legal or regulatory requirements relating to data privacy in the course of our business activities results 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 impacts 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 to raise awareness of good data handling practices, and to help prevent personal data incidents. We carry out regular induction, awareness and refresher training for our colleagues.

Principal risks and uncertainties continued

Risk factors continued

Risk	Potential impact	Mitigation
Business continuity The Group is exposed to risks that, should they materialise, may give rise to the interruption of critical business processes that could adversely impact the Group 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. Risk change over prior year Decreased 	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 Group has resiliency built into its critical IT systems/processes with formal frameworks to confirm and test disaster recovery processes. Regular threat assessments are made, and incident scenarios are run to confirm the process and make further adjustments. Annual testing for systems back-up and restore as well as cyber and office disruption scenarios were successfully completed with learnings incorporated into business continuity planning. Key IT systems, including the ERP and CRM, are cloud based with resilience established which helps to mitigate loss of service risk. The business was largely unaffected by the flooding of its headquarters in Newry, Northern Ireland.
Retention of key client relationships Through world-class software products and associated services coupled with high-calibre managed services and consulting, we strive to maintain strong relationships with all clients. There is a risk that competitors may attempt to target key/potential customers offering a lower cost structure which could result in a material reduction in profit margins and/or business volumes. Risk change over prior year New risk 	Events outside of the Group's control such as changes in ownership or business priorities could adversely affect future revenues from existing client relationships. Approximately 63% of First Derivative revenues are derived from its top ten customers.	The Group is constantly increasing its portfolio of clients and selectively diversifying into new industries and sectors, in order to reduce reliance on a number of specific client relationships. The Group has a growing presence in geographic regions outside of the UK and US. Robust account management and customer feedback remain a focus of both KX and First Derivative.

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 enable a medium and longer-term view of emerging risks to our business including feedback from customers, reviewing 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 on a periodic basis for these emerging risks.

Engaging with our stakeholders

Strengthening our stakeholder relationships

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

The Directors give careful consideration to 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 they would be impacted by a decision under consideration.

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 FY24.

Case study – Structure review

The most significant decision taken by the Board in the past year was the structure review, which was on the agenda at each of the Board's meetings during the year. The review was instigated by the Board to address issues including the fact that each of the Group's three businesses – KX, First Derivative and MRP – had distinct investment propositions resulting from their differing operating models and capital allocation requirements. The purpose of the review was to resolve these issues while delivering value for shareholders.

Throughout the discussions the Board had the requirements of S172 in mind. The various options presented to it all considered the risks and impacts on the Group in the long term, as well as the risk of not taking or delaying action; the interests of employees and their career opportunities were taken into account throughout; and understanding the impact on customers and partners was crucial in the process. Value creation for shareholders was a priority and during the year the Group formally announced it was undertaking a review of the Group structure, following which discussions with shareholders provided a comprehensive understanding of their views.

At the conclusion of the structure review, the Board decided that a separation of its business units was the optimal solution. The focus and clarity that this provides will benefit all stakeholders, while providing a clear path to value creation for shareholders.



Engaging with our stakeholders continued



Employees

Reason why we engage

As detailed in the corporate responsibility and sustainability section of this report, our people play a crucial role in driving the success of our business. Prioritising the recruitment and retention of top-level talent is a key focus for the Board. Our organisational culture is central to this, and we actively promote diversity and inclusivity at all levels. Additionally, we foster a culture of continuous learning and development to enhance the skills and capabilities of our employees. These initiatives are instrumental in positioning us to deliver products and services that cater to our customers' needs and contribute to the achievement of our strategy.

Method of engagement

A workforce engagement director is responsible for understanding the interests of employees, thus ensuring that their interests are taken into account by the Board. A key input into our employee engagement strategy is an annual employee engagement survey, facilitated by an independent organisation, which is analysed and shapes our agenda on employee engagement for the subsequent year. Now in its fifth year, the results of our latest survey are detailed in the corporate responsibility and sustainability section. In addition, we encourage direct interaction between employees and the Board at dedicated "Meet the Board" events which are typically held across our locations to encourage direct dialogue between employees and Directors. These events make an important contribution to dialogue and understanding between the Board and employees.

Key developments during the year

The results of our latest employee engagement survey point to an engaged, enabled and energised workforce across our business. However, we accept that there is still work to do, particularly around enhancing reward and benefits. Each business unit has a Survey Actions Working Group that analyses the results and implements change designed to make improvements on the issues that matter most to our employees. For the coming year, our priorities will be focused on enhancing employee experience across every aspect of our business. We are focusing on improving every interaction we have with each employee throughout their career journey with us and this year we have focused on communication, learning and development and supporting employee health and wellbeing.



Customers

Reason why we engage

To fulfil the Group's growth strategy it is essential to retain and expand within existing customers as well as attracting new customers. Engaging with customers and potential customers is integral to shaping our development, strategy and allocation of resources and capital.

Method of engagement

Regular feedback is provided to the Board on customer insights and market dynamics by the CEO and the divisional leaders and senior teams. The customer events organised by the Group also provide the Directors with the opportunity to attend and engage directly with existing and potential customers to understand their needs and concerns. The Technology and Product Committee has a particular focus on evaluating and meeting the needs of customers and seeks to ensure that our technology development strategy takes their requirements into account. KX also has a customer success team dedicated to ensuring that our technology delivers the expected benefits and that lessons learned from working with a particular customer are applied across the customer base.

Key developments during the year

The views of customers are crucial to enable the Board to approve strategy and capital allocation, particularly at KX. During the year KX strengthened its customer interaction mechanisms to increase the sources of feedback to the Board. During the year KX recruited a Product Marketing Leader, who has experience and will spearhead the creation of our Customer and Product Advisory boards. These boards are set to be operational in FY25 and will play a crucial role in ensuring our products and strategies remain closely attuned to the evolving needs of our customers and the dynamic marketplace.

In addition, KX re-introduced its annual KXCon23 customer conference in Montauk, USA, which was completely sold out. It was attended by Board members, and brought together thought leaders, industry experts and users to share insights and experiences. The sessions can be viewed through the KX YouTube channel.



Partners

Reason why we engage

Partners are key to 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.

Method of engagement

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 and include cloud, data, independent software vendor, OEM and systems integrators.

Key developments during the year

Partnerships are a key strategic channel to achieve our goal of KX being the horizontal platform for time-series analytics and we continue to resource these efforts appropriately. The feedback mechanisms on strategy and progress with partners have been strengthened during the year to enable the Board to form a comprehensive understanding of their views. This feedback is through a combination of the partner strategy reports from the Technology and Product Committee, regular Board updates from the KX CEO relating to progress on the execution of that strategy and regular commercial updates from the KX CRO.



Shareholders

Reason why we engage

As owners of the Group, the support of shareholders for our strategic plans is crucial. The Group engages regularly with its shareholders to provide updates on its progress and future plans and to understand the views of shareholders so that the Board can take them into account during its decision-making processes.

Method of engagement

During the past year the Group has communicated regularly with the investment community through regulatory announcements and updates to our website. Additionally, the Chair, CEO, CFO and executive team members have taken part in one-to-one meetings with investors and potential investors to communicate the Group's investment case and strategy. While these meetings are regularly scheduled following the publication of interim and full-year results, the Group has an investor communication programme that also involves ad hoc meetings and appearances at investor conferences, as well as engaging directly with existing and potential investors.

Key developments during the year

The Group continued to increase its shareholder dialogue through the year. In addition to the discussions with shareholders relating to the structure review, as detailed above, the Group held an investor event to explain the opportunity for KX in AI, which was attended by more than 100 existing and potential investors as well as Directors including the Chair. We also continue to expand our shareholder base in the US and have engaged heavily with our new investors there to understand their views.

Engaging with our stakeholders continued



Communities

Reason why we engage

The Group 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 internationally, all of our people remain rooted in the communities where they live and work and helping those less fortunate has been at our very core for more than 25 years. We recognise our responsibility to act as an effective corporate citizen and to provide suitable environments for the wellbeing of employees. We support employee initiatives designed to benefit and support their communities and also provide direct assistance where we believe it to be appropriate.

Method of engagement

The Group 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 Group. 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

We announced our three corporate charity partners: The Brian Conlon Foundation, the British Heart Foundation and Pieta House. We are working closely with these wonderful organisations to maximise fundraising efforts and to support them to deliver their objectives of supporting individuals and the wider community.



Other stakeholders

The Group 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 Group regularly interacts with these stakeholders to understand their views and communicate its strategy and policies.

Corporate responsibility and sustainability

Corporate responsibility is at the very heart of everything we do

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 which impact our three pillars of ESG (People, Environment and Communities).

We further evolved our corporate responsibility approach in FY24. Following consultation with our key stakeholders, we have identified a number of key areas of focus which are grouped into our three core sustainability pillars, together with our ambitions for each of these. Our three sustainability pillars are directly linked to a range of key metrics that we measure across our business, and which are aligned with specific UN Sustainable Development Goals. We are committed to building on the efforts outlined below to ensure that we continue to adopt best practices across the entire spectrum of the Group's activities.



People

Focus

- Learning and development
- Employee experience
- Diversity and equality.

Ambitions

- Cultivate the world's most rewarding and inclusive employee experience, to position our people and the business for success
- Creating a culture of continuous learning and development.



Environment

Focus

- Task Force on Climate-related Financial Disclosures (TCFD) – Carbon reduction plan implemented in FY24
- Effective facilities management
- Awareness training for all of our people.

Ambitions

- Supporting our net zero transition
- Decarbonising our energy use.



Communities

Focus

- Corporate charity partnerships
- Community engagement and development
- Educational outreach.

Ambitions

- Creating a culture of partnership between us and the communities we operate in
- Enhancing educational partnerships to deliver on talent strategy.



People – empowering success

Our people bring a broad range of experience, expertise and perspectives that are essential to the delivery of our strategic objectives. We recognise that recruiting, developing and retaining the best talent, and cultivating a winning culture, are critical to maintaining a sustainable business and are important factors in the Group’s long-term success.

FY24 performance	FY25 objectives
• At the end of FY24 the Group employed a total of 2,462 people (FY23: 3,023) • Our employees undertook 111,208 hours of accredited learning, an increase of 36% on the prior year (FY23: 81,600) • Mean gender pay gap decreased from 18.9% to 16.3% • Sustainable engagement at 80% (FY23: 82%).	• Continue to empower our people to succeed by further developing our culture of learning and development • Roll out of talent programmes across all levels in our structure to ensure our top talent across the Group is identified together with the design of individual career development plans • Introduce further leadership training programmes to ensure a holistic approach to develop both our future and current leaders • Continue to embed an inclusive culture by supporting our networks.

Approach

Our ambition in the first pillar of our sustainability strategy is to recruit, develop and retain the best talent across the Group. Cultivating a diverse workplace, positioning our people and business for success, and developing a winning culture, is driving our ambition. We strongly believe that supporting and developing our people is key to helping us achieve our strategic objectives. We have continued to drive and embed a winning culture across the business through strong leadership and supported by the development of key policies, procedures, systems and controls.

A challenging year

This has been a challenging year given the prevailing market conditions for the business. We have responded to these challenges and improved efficiencies as required. As well as targeted reductions to save costs, the complementary all-share merger of MRP with CONTENTgine reduced the Group’s headcount by 19% from 3,023 to the 2,462 colleagues at the year end. We will continue to support our existing workforce as well as reinvigorate our recruitment efforts in line with client requirements.



Supporting our people to realise their potential



We aim to focus our resources and efforts on developing the skills and competencies that are most critical for achieving business success. In FY24 we introduced the Learning and Development (L&D) Partnership Model and engaged with leadership teams to help identify and support specific L&D needs and priorities. We also partnered with subject matter experts across the business to develop and deliver training content that is relevant and client-need focused.

We aim to foster a learning culture where continuous learning and development is valued, encouraged and supported at all levels. In FY24 we rolled out opportunities for peer learning and knowledge sharing through our collaborations and seminars. We also have senior leaders actively participating in learning and development activities, demonstrating the importance of continuous learning to all employees. We aim to recognise people who actively engage in learning and development activities, such as completing certifications, acquiring new skills, or participating in training programmes by showcasing success stories and achievements which inspire others.

In FY24 we curated learning paths aligned to new roles and we will continue to build these paths so that our people develop the required new competencies in the most effective and efficient way. We also partner with external training providers to ensure our people have access to the most relevant and up-to-date skills.

We aim to prioritise leadership development as this is a key driver of business success. In FY24 we focused on training for our people managers and delivered a series of bespoke leadership programmes across our business divisions. We aim to continue fostering a culture of leadership, mentorship and coaching. In FY25, we will roll out enhanced sales enablement Programmes, update senior leadership programmes, introduce new leadership programmes targeted at mid-career leaders and continue to deliver our existing and successful aspiring leadership programmes for new leaders. We also aim to roll out individual development plans to support career development.

Compliance and risk management

We have a robust compliance training platform via LRN, an independent training provider, to ensure that employees have the knowledge and skills necessary to adhere to relevant regulations and industry standards. LRN provides our business with access to an expansive ethics and compliance management knowledge database which allows the business to keep up to date with the latest regulatory requirements.

Fostering a culture of high performance and feedback

In FY24 we continued to foster a culture of high performance and feedback. We encourage employees to meet regularly with their manager for a 1-1 to discuss their day-to-day work, wellbeing, career aspirations and any learning and development requirements. To further embed this process, we rolled out training to all of our managers on how to maximise the benefit of these meetings. We also rolled out a comprehensive talent review programme to identify top talent across the management team. In FY25, we plan to roll this programme out across all grades. Providing real time feedback is pivotal to creating a high-performance culture and in FY24 we again put this to the forefront of our agenda by ensuring our managers were equipped to deliver feedback whilst also supporting managers to enhance employee performance as required.

In FY24 we promoted 245 employees across the Group which evidences our commitment to retaining top talent, developing our employees' career pathways and supporting succession.

Data driven hiring

In difficult market conditions in FY24 we adopted a focused approach to talent acquisition to ensure that we were hiring the right people for the right roles at the right time. Our focus for the year ahead is to continue with planned hiring which serves our growth strategy.

Reward and recognition

In a challenging labour market, we strive to remain competitive in compensating colleagues and continue to evolve our reward and recognition strategy. We continue to review and benchmark all our roles across the business to ensure that our talented and hard-working employees are paid fairly for the valued work that they do.

Corporate responsibility and sustainability continued

People – empowering success continued

People care approach

In FY24 we further enhanced our people care approach by dedicating resources to ensure our employees are fully supported. This has greatly enhanced our already all-encompassing approach to wellbeing which puts the five pillars of wellbeing (financial, physical, mental, emotional and environmental) at the core of our People strategy.

Prioritising inclusion and diversity

We are naturally an ethnically diverse organisation given our presence across EMEA, APAC and North America. Of those employees who have disclosed their nationality we can see that we currently have employees from over 26 different nationalities. Whilst diversity is not only defined by nationality, we appreciate the strategic value of having a diverse, international workforce together with the ability to create an inclusive and rewarding culture for our people. We remain committed to creating an inclusive culture that champions diversity of thinking and ensures everyone has an equal opportunity to develop, be rewarded and be recognised for their contribution to our business. This year we rolled out mandatory diversity and inclusion training with unconscious bias training now a key requirement for all employees to undertake.

We pride ourselves on the diverse, inclusive and vibrant team that we have built. We are committed to being an equal opportunities employer, with policies in place to ensure that the best person, irrespective of gender, race, disability, ethnicity, religious belief or sexual orientation, is appointed to a particular role or position within the organisation.

This year we have retained the Silver accreditation from Diversity Mark NI. The Diversity Mark accreditation is a “Mark of Progress” that recognises our progress with inclusion and diversity across the Group. Our ambition is to target the Gold accreditation from Diversity Mark NI.

Recognition for our D&I

CIPD Awards NI – Best D&I Initiative
Women in Business/Women in Tech –
David Collins, Male Advocate of the Year

FY24 saw the continuation of our diversity efforts across the Group. During the year the proportion of women in the Group decreased marginally to 29% (FY23: 30%). We continue to remain committed to improving the proportion of women in the Group with focused talent acquisition campaigns alongside the delivery of key initiatives such as the Strive mentorship programme and our corporate partnership with the Lean-in Foundation.

With regards to our gender pay gap this decreased to 16.3% (FY23: 18.9%). We are making steady progress and we have a three-year plan to continue to reduce the gap.

In addition to our efforts to increase support for gender diversity through our Women’s Network, we also have three further established networks – Pride, representing our LGBTQIA+ community, Multicultural and Neurodiversity Network. FY24 was the inaugural year for our Neurodiversity network which now has over 70 members. Critical to the success of all of our networks is the sense of allyship and caring which underpins them all.

We have executive sponsorship for each network and we have also embedded representation from every part of the Group. We continue to drive engagement in these networks with a calendar of events to mark key celebrations such as International Women’s Day and Pride. We recognise that further developing our allies from across the business will be key to the furtherance of our diversity objectives.

Early careers

We continue to strive to inspire and educate young people and those from underrepresented groups for potential careers in our industry. In FY24, we continued to develop our partnerships with local education providers to further develop our apprenticeship route into the business. We recognise the clear benefits of cultivating talent from diverse backgrounds to both the individuals, the business and to our communities.

Case study

Empowering employee voice – employee engagement

We are now in the fifth year of running our annual engagement survey. There are many positives to take from the Group results including sustainable engagement being at 80% (FY23: 82%) showing us that our employees are engaged, enabled and energised. However, we accept that there is still work to do around enhancing reward and benefits. The investments made in learning and development together with people development initiatives are all aimed at empowering our colleagues to progress their careers and achieve their own personal development goals. We strive to ensure our people are engaged and we believe that open and interactive communications are key in cultivating an engaged workforce. In addition to surveying colleagues, our approach to employee engagement involves regular contact through town-hall updates, where we also recognise and celebrate the hard work and achievements of the team.

Environment – committed to a sustainable future

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

FY24 performance	FY25 objectives
• Provided our first disclosure report in accordance with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) • Focused our efforts on ensuring the environmental efficiency of our corporate real estate • Further development of IT systems removing physical servers from office locations to cloud-based data storage reducing our overall carbon emissions • Ongoing consolidation of office space due to our hybrid working model • Rolled out environmental awareness training to all employees • Set up of an environmental Sustainability Group chaired by the HR Director to ensure key stakeholders are working collaboratively on our aligned environmental goals.	• Investigate provision of renewable energy across our commercial real estate and related greenhouse emission reduction themes • Integrate new methods for sustainability into the Group's overall strategy that ensure accountability for the ESG implementation • We are introducing a carbon intelligence platform, designed and supported by qualified chartered engineers to simplify carbon reporting and reduction.

Approach

As a provider of technology and professional services, the Group's direct operations have a minimal impact on the environment. The Group does not manufacture or mine and does not transport goods and so consequently its operations have no direct impact in terms of land, water or air emissions. The Group does not provide company vehicles to any employee and does not operate its own data centres.

Nonetheless, as the technology sector is forecasted to continually grow, its ability to contribute to global emissions will naturally increase. Therefore, we are committed to reducing our environmental impact. This is central to our relationship with our shareholders, our people, our clients, and our communities. The Group recognises that the business community has a responsibility to act to preserve our environment and we are committed to play our part, by minimising the impact our operations have on the environment.

Implementation of the Task Force on Climate-related Financial Disclosures (TCFD) framework

We understand that climate change is an increasingly significant issue for our regulators, investors and clients, and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations provide an important framework for recognising, evaluating and disclosing the associated risks and opportunities.

Our disclosures, consistent with the TCFD recommendations, are summarised in the following tables.

Our focus in FY24 has been to use the recommendations of the TCFD to structure our update on climate issues and we have continued to work this year to better understand how the effects of climate change may influence our business.



Corporate responsibility and sustainability continued

Environment – committed to a sustainable future continued

Implementation of the Task Force on Climate-related Financial Disclosures (TCFD) framework continued

We recognise that climate change poses some physical and transition-related risks and opportunities for our business.

As part of our commitment to operate ethically and sustainably, we take a risk-based collaborative and strategic approach to climate change. We continue to align internal processes with the recommendations of the TCFD. In FY25 we will undertake a climate change risk assessment as part of our programme of work in reducing our environmental impact. We will use the outcome of the assessment to deploy actions to embed climate risk into our risk management processes, with integrated briefings and assessments planned during the year.

The Board continues to be responsible for overseeing climate change with some responsibilities delegated to Board Committees, especially the Nomination and ESG Committee (“the Committee”) which meets four times a year. In FY24 the Committee received an update on the TCFD framework, and the disclosures required. We have established a Sustainability Group chaired by the HR Director to advise the Committee and support the wider Group.

We have considered how climate-related risks and opportunities affect our business and how they fit within the four pillars of governance, strategy, risk management and measurements and targets, as suggested by the TCFD recommendations. This is our first year of reporting using this framework and we are committed to ensuring that our climate-related disclosures become more mature each year. Our disclosures, consistent with the TCFD recommendations, are summarised in the following tables.

Governance

a) Describe the Board’s oversight of climate-related risks and opportunities.

Our Board has overall responsibility for the implementation of our Environmental strategy and its associated reduction of our carbon impact. The Board has delegated responsibility to our Nomination and ESG Committee in relation to the oversight of climate-related risks and opportunities. A Sustainability Group which meets monthly has been established and reports into the Nomination and ESG Committee. During the year climate related matters were discussed at each meeting of the Committee and the Committee chairs in turn provide updates to every Board meeting in relation to the matters addressed by the Committee.

In FY25 the Board will ascertain the most suitable structure for the Directors to monitor the ongoing performance and delivery of the plan.

b) Describe management’s role in assessing and managing climate-related risks and opportunities.

The responsibility for our Environmental strategy has been devolved to the CEO, with day-to-day co-ordination led by our Sustainability Group, chaired by the Group HR Director. The Sustainability Group has representatives drawn from across the business divisions, as well as the finance, operations and property teams, meeting monthly and providing updates as required.

Climate-related risks are brought to the attention of the Nomination and ESG Committee, which raises matters, as appropriate, to the main Board.

Strategy

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

Potential areas of risk

Limiting our impact on the climate is a key priority for the Group. We believe that the likelihood of climate-related risks occurring as “medium-to-high”. Nonetheless, we have determined the impact of these events on our business as being low to moderate and hence are not recognised as a principle risk or uncertainty to the overall business.

We submit that the climate-related risks are two-fold to our business:

- (i) Physical. Extreme weather events could impact upon business continuity due to damage to our office premises, restricting business travel, disrupting cloud and internet connectivity providers and causing regular interruption to power supply, or disruption to supply chains, for instance the supply of laptops. There was a flood at our main office in Newry during FY24, however it did not materially impact our ability to operate the business.
- (ii) Transition. We may experience reputational damage if we fail to meet our climate targets; or the increased cost for carbon offsetting programmes may result in additional business cost. Unsatisfactory customer or community perceptions of our contribution to the transition to a lower-carbon economy may arise and is a recognised risk. Further, our environmental performance and ESG rating agency scores may damage our reputation. Inadequate and incorrect reporting disclosures are also a risk to our business in this transition phase.

Strategy continued

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

Potential areas of opportunity

During FY24 our Sustainability Group assessed the potential opportunities in responding to the climate crisis. These ideas were communicated with key stakeholders across the Group. In FY25 we plan to establish an employee-led climate action community which will allow us to add momentum to our commitment to climate action. The key opportunities we identified include:

- **Products:** our customers across industries typically use our proprietary software, KX, as an analytics platform to enable them to reduce waste and improve yield and for predictive maintenance. Not only is KX an enabler of environmentally friendly operations, in addition we have benchmarked ourselves as up to 100 times more efficient than competing streaming analytics technologies and have seen reductions in our customers' electricity, cooling, space and hardware requirements in the range of 80-90% against our competitors
- **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 on ESG indices and/or higher ESG ratings can increase stock liquidity and attract investors
- Greater operational resilience offers an opportunity to gain market share.

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

Our sustainability strategy is incorporated in the overall three-year Group Strategy. Our corporate risk register details that failure to define and implement an overarching and integrated Group Sustainability/CSR strategy and related milestones, that deliver on the Group's values (internal focus) and customer expectations (external focus), may heighten the risk of negative perceptions in the market as compared to our competitors, with a consequential impact on Group brands/reputation/market share/profitability. To date, climate-related risks have not been a material consideration in the financial planning process. Our initial assessment of the impact of climate-related risks to our business is moderate.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2-degree lower scenario.

Protecting our reputation, customers, colleagues and assets is core to the Group's aim of sustainable growth and success. Global events continue to reinforce the need for organisations to have robust crisis capabilities, and during FY24 we updated our business continuity planning process as part of a broader crisis preparedness programme. Our crisis preparedness programme builds upon existing crisis and business continuity capabilities, structures, plans and toolkits, which already make a strong contribution to the resilience of our organisation. However, the impact from climate change and the associated risks are constantly evolving, and the Group will continue to monitor this risk and consequent impact.

Greater operational resilience offers an opportunity to gain market share together with potential competitive and financial advantages. To date, we have not yet completed the scenario planning for different climate-related scenarios.

We expect to complete this work in FY25.

The modelling results will be used to further develop our approach to climate risks and to anticipate any opportunities within those scenarios.

Corporate responsibility and sustainability continued

Environment – committed to a sustainable future continued

Implementation of the Task Force on Climate-related Financial Disclosures (TCFD) framework continued

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.
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.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	The responsibility of identifying risks is allocated to the leadership teams within the Group, which represents a community of over 25 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.
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.	We await the feedback on our Science Based Targets initiative (SBTi) submission, which is expected mid-2024, and which will inform our implementation plan and related metrics for our aim to be carbon net zero by 2030. 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.
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.	The below 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 3 emissions by 2045 (indirect emissions not covered by scope 2, business travel, employee commuting and waste management).

It is important that we continue to understand the impact of climate change on our business and to deepen our understanding of our impact on climate change.

In FY25 we will:

- Continue to account for our emissions in line with the GHG Protocols and set SBTi emission reduction targets across all relevant scopes
- Enhance our reporting processes and further evolve our TCFD reporting
- Develop further tangible actions which will improve our monitoring and assessment of identified climate-related risk and opportunities
- Implement a digital tool for managing our carbon footprint accounting, with capability to track, report and manage our carbon emissions
- Develop our sustainability strategy and embed processes to effectively manage compliance with current and upcoming regulation
- Roll out a training programme on environmental and climate change risk to raise awareness.

Location strategy

We have adapted to the new world of hybrid work and as a business we have reviewed our location strategy. Hybrid working with a mix of remote and office-based working provides us with an opportunity to considerably decrease our environmental impact especially with regards to business travel and employee commuting, which are significant contributors to our environmental impact. Our entire workforce has the opportunity for hybrid working and this has had a positive impact on the environment.

Streamlining our real estate

During the year we continued our efforts on ensuring the environmental efficiency of our corporate real estate. Due to our hybrid working model we have been able to streamline office space. During FY24, we continued the enhancement of our data collection processes so we can publish a more comprehensive data set in relation to our environmental impact, whilst completing Energy Savings Opportunity Scheme (ESOS) phase 3. To help that process, we have engaged Carbonfit, an external carbon intelligence platform that has been designed by qualified Chartered Engineers to simplify carbon reporting and reduction. This will enable our business to centralise our global energy and carbon data, which will help streamline mandatory reporting around ESOS, SECR and TCFD.

Maximising energy savings

In FY25, we will further be setting out a clear and robust environmental strategy, including finalising the targets by which our progress will be measured, whilst working towards ESOS phase 3 compliance. An ESOS action plan to outline how we intend to reduce energy consumption will be completed in advance of the FY24 December deadline. An internal sustainability team continues to implement an Environmental Management System, which will involve a detailed audit of our material impacts and a way forward that reflects our growing business.

For FY24 the UK energy used was 606,796 kWh (FY23: 702,325 kWh/FY22: 927,986 kWh) showing the impact of the efforts to increase environmental efficiency. Using the UK Government's GHG Conversion Factors Guidance to calculate the quantity of emissions provides Scope 2 emissions of 125 (FY23: 148/FY22:195) tonnes of carbon dioxide equivalent, representing a 16% reduction in emissions over the prior year. The SECR regulations require a statement of relevant intensity ratios, which are an expression of the quantity of emissions in relation to a quantifiable factor of the business activity. The Group has identified two such intensity ratios, set out below.

Intensity ratios
(tonnes of CO₂e per unit)

Total revenue	Employee
0.00 (FY24)	0.52 (FY24)
0.00 (FY23)	1.19 (FY23)*

* Externally verified



Environmental benefits of KX technology

Our customers across industries typically use KX as an analytics platform to enable them to reduce waste and improve yield and for predictive maintenance. Not only is KX an enabler of environmentally friendly operations, it is a hundred times more efficient than competing streaming analytics technologies with reductions in our customers' electricity, cooling, space and hardware requirements in the range of 80–90% against our competitors. We are rightly proud of the undoubted environmental benefits that KX delivers through its energy and environmental efficiency, and we have continued to focus efforts to ensure KX remains the most efficient streaming analytics technology available.

Communities – creating a culture of partnership

Whilst our business operates internationally, all of our people remain rooted in the communities where they live and work and supporting those around us has been at our core for more than 25 years.

FY24 performance	FY25 objectives
- Announced our corporate charity partnerships - Donated £23,000 to our corporate charity partners - Developed educational partnerships further by developing an Early Careers programme.	- Roll out global charity initiatives to continue to serve the communities where our employees are based - Continue to leverage employee support for local community organisations - Reinvigorate external mentorship programmes.

Corporate charity partnerships

We were delighted to announce three corporate charity partnerships this year. Following consultation with employees, we nominated the following three charities: the Brian Conlon Foundation, the British Heart Foundation and Pieta House. Each of these charities’ overarching aims resonated with employees. We are thrilled to be partnering with them and helping them raise much needed funds as well as raising awareness around the work they are undertaking. We have already hosted several in-office events, such as CPR (cardiopulmonary resuscitation) training via the British Heart Foundation to equip our people with critical lifesaving skills which may help save the life of a loved one, colleague or member of their community. We look forward to seeing what we can achieve with each of these charities in the year ahead. In addition to fundraising events, the Group also encourages our people to contribute to charities of their choice through a payroll giving scheme under which donations are taken tax free from their monthly salary.

Outreach

The Group also engages with its local communities by supporting initiatives to train and develop talent. Examples include support at both school and university level to assist in the development of business and technology skills and to shape the curriculum to ensure study programmes are relevant to modern business requirements. We have developed several partnerships in connection with our communities, particularly with a number of universities across the UK and Ireland. We have partnered with several education-based initiatives such as Young Enterprise and Business in the Community. In FY24, we also continued to develop and promote internal and external mentorship programmes.

Responsible operations – our approach to governance

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



The Group is committed to the highest standards of security and privacy and is conscious that these matters are of great importance to our stakeholders, such as employees, customers and partners. We regard the development and maintenance of privacy and security infrastructure as critical to promoting sustainable development of the industrialised world because it helps to promote individual wellbeing, supports equality, avoids discrimination and empowers all genders through confidentiality of their information. Privacy and security are also essential to successful partnerships, which can then 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:



Security business practices

We work with, support and engage with many large organisations from a multitude of sectors who manage sensitive and confidential data. As such, our adherence to high levels of IT and information security 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 whilst aligning to international regulations and framework. All people undergo stringent pre-employment screening to ensure secure user onboarding and must then routinely complete IT security and awareness training to highlight the risks of a modern security climate. This informs users of the potential impact a cyber-attack could have, and the steps required to reduce the risk of cyber-crime 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 ensures 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, it is mandatory for each employee to 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 Group 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 Group relating to stakeholders including clients, partners, prospective people and digital/mobile visitors. Our privacy policy can be found on the Group website here: <https://fdtechnologies.com/privacy-policy>.

Anti-slavery policy

While we believe the Group'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

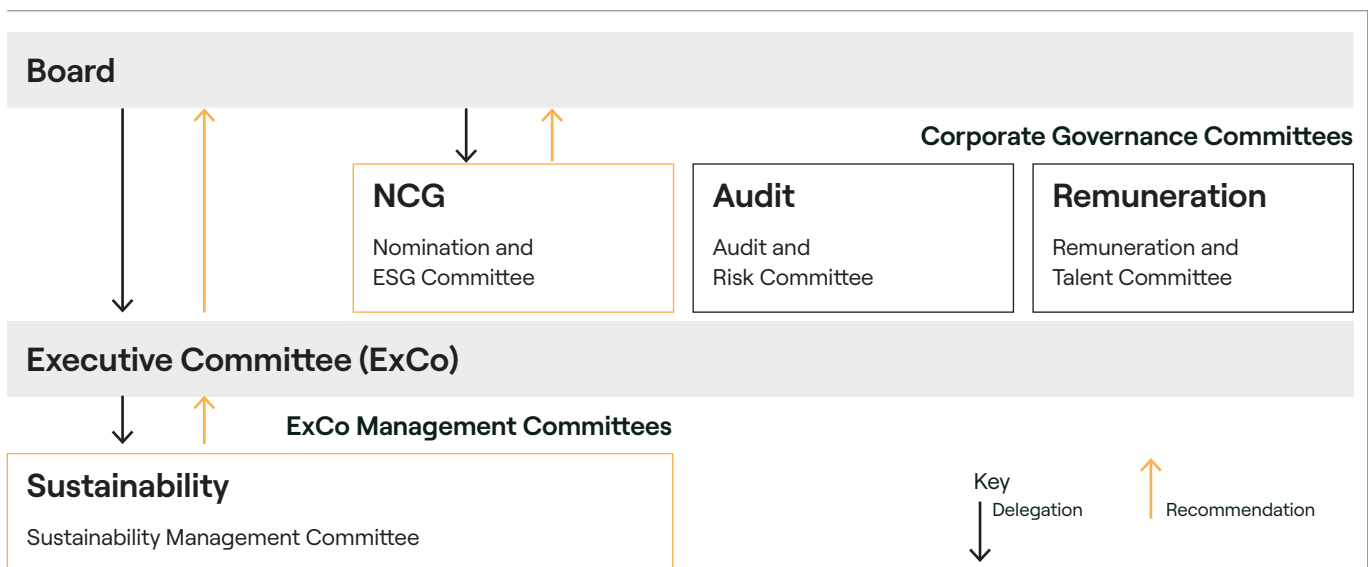
The Company has policies and procedures in place to identify and protect against anti-bribery and anti-corruption risks in its business activities both internally and with third parties such as its suppliers. All employees must participate in regular mandatory training programmes in this area.

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.

UN GC principles	FD Technologies' business practices
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. Statement on Modern Slavery Our Statement on Modern Slavery is available on the Group website here: https://fdtechnologies.com/modern-slavery/.
Environment	FD Technologies is committed to minimising the impact of its operations on the environment and understands the importance of reporting on that impact through recognised corporate responsibility standards. Environmental impact As a provider of software and professional services, the Group's direct operations have minimal impact on the environment, broadly limited to its own energy use. The Group does not manufacture or mine and does not transport goods and so consequently its operations have no impact in terms of land, water or air emissions. The Group does not provide company vehicles to employees or Directors and does not operate its own data centres. Nonetheless, the Group does seek 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 As well as meeting its obligations under the Bribery Act 2010, the Group operates an Ethics Code of Conduct which includes, inter alia, requirements relating to anti-bribery and corruption.

Corporate governance



“The focus in FY24 has been on determining the optimal Group structure. The skills, experience and knowledge of the Board were essential in delivering a comprehensive and thoughtful plan that I am confident will benefit all stakeholders.”

Donna Troy
Chair

In this section

- | | |
|---|--|
| 46 Board of Directors | 58 Report of the Technology and Product Committee |
| 48 Chair's governance statement | 60 Report of the Remuneration and Talent Committee |
| 50 Governance framework | 68 Directors' report |
| 52 Report of the Audit and Risk Committee | 70 Statement of Directors' responsibilities |
| 55 Report of the Nomination and ESG Committee | |

Board of Directors



Donna Troy
Chair (Independent)

Committee membership

N **R**

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

Key:

- A** Audit and Risk Committee
- N** Nomination and ESG Committee
- R** Remuneration and Talent Committee
- T** Technology and Product Committee
- Chair**



Ayman Sayed

**Non-Executive Director,
Senior Independent
Director (Independent)**

Committee membership

R **N** **T**

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.

Skills matrix

Strategy, international experience, technology industry, listed company executive



Thomas Seifert

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

Committee membership

A **R**

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

T **A**

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 Postprocess Technologies, Inc., 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: 17%
■ 9 years+: 17%

Gender diversity



■ Male: 83%
■ Female: 17%

Balance of Executive/Non-Executive



■ Executive: 33%
■ Non-Executive/ Independent: 67%

Clarity and focus



“Our highly talented and experienced Board has delivered a path to simplify the Group structure and deliver a pure-play, high-growth KX software business for the benefit of all stakeholders.”

Donna Troy
Chair

On behalf of the Board, I am pleased to present the Group's Corporate Governance Report for the year ended 29 February 2024.

As I outlined in my review earlier in this report, this year the Board undertook a comprehensive review of the optimal structure of the Group. This has resulted in the implementation of a plan 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 process was led by the Board, working with its advisers, across a range of activities to ensure the strategy is robust and comprehensive and represents the optimal outcome for all stakeholders.

The work of the Board Committees during the year also supported the structure review process, notably within the Audit and Risk Committee which examined the financial reporting requirements arising from the separation of our businesses. It also had oversight of the refinancing of the Group at improved interest rates and covenants, providing financial flexibility and security as we implement our strategy.

The Remuneration and Talent Committee focused on the strategy to strengthen the KX senior management team to ensure we can deliver on our strategic priorities. The primary mechanism for this is through our Long-Term Incentive Plan, which was reviewed during the year to ensure transparency and alignment with our long-term goals, including designing and determining measures and targets for variable pay.

As we execute on our strategy to deliver a pure play KX software business, the work to steer the development of our technology, and address emerging opportunities and risks to meet our strategic goals, is increasingly vital. In FY23 the Board decided that with effect from the beginning of FY24 the subcommittee that dealt with these matters should become a full Board Committee. Named as the Technology and Product Committee, its first report is contained in this Annual Report and highlights the important contribution it has made to the evolution of KX's strategy, including appraising the opportunity in AI, aligning product development priorities to repeatable use-cases and monitoring the development of our core kdb+ technology to deliver enhanced benefits for customers.

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						

Culture and Board information

I believe that reaching our objectives demands the highest standards of governance and a strong organisational culture. As Chair, my aim is to exhibit objective judgement and foster productive dialogues among Board members.

It is crucial that Directors receive precise, timely and transparent information that enables them to execute their roles effectively. The CEO provided regular updates to the Board on business unit performance at every Board meeting. Additionally, divisional leaders attended Board meetings throughout the year to offer comprehensive updates on business unit performance, facilitating the Board's assessment of progress and its provision of guidance as needed. Throughout the year, the locations of Board meetings rotate to enable the Board to visit the Group's operations. This approach allows the Board to engage in dialogue with employees at varying levels in each location.

Developing our employees to reach their full potential and contribute to the Group's development remained a key priority during FY24 and we again strengthened our leadership programmes as well as our programmes to increase the skills and knowledge of our workforce to foster a culture where learning and development is valued, encouraged and supported at all levels.

Employee engagement is a key metric reviewed by the Board to ensure alignment with our mission as it reflects our organisational culture, skills and strategic alignment. I am delighted with the high level of employee engagement evident in our annual employee survey, particularly in crucial areas such as sustainable engagement. This underscores our commitment to fostering an energised and motivated workforce.

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. As well as our continued efforts to increase gender diversity and reduce our gender pay gap, we have established networks to increase diversity through the Company. In FY24 we established a Neurodiversity network to add to our Pride and Multicultural networks. We retained our Silver accreditation from Diversity Mark NI and continue to focus on outcome-based initiatives to demonstrate our progress.

Since my last report the only change to Board composition resulted from the resignation of Virginia Gambale in December 2023. Virginia had served on the Board for almost nine years, and we benefited from her deep domain expertise across the financial services, technology, cloud, data and AI sectors.

Aside from Virginia's resignation, Board composition has been stable for the past two years. Our highly skilled and experienced Board has been instrumental in guiding us through significant strategic decisions over the past year. We review the composition of our Board on an annual basis and have a well-defined process and skills matrix that is updated to support our strategic goals.

Compliance with the UK Corporate Governance Code

The Board is committed to promoting high standards of corporate governance across the Company and has adopted the 2018 UK Corporate Governance Code (the "Code"). The Board notes the recent revisions to the Code, most of which will apply to financial periods beginning on or after 1 January 2025 and will consider in a timely way how the relevant changes apply to the Company. During the year, and as further set out in this report and with the exception of the comment made in relation to provision 36 of the Code in the Report of the Remuneration and Talent Committee, the Company has applied the principles of the Code and complied with the provisions of the Code.

Board effectiveness

Arranged by the Nomination and ESG Committee under my direction as Chair, the Board engaged Independent Audit again this year to undertake a review of its effectiveness. I am satisfied that the evaluation showed that the skills and experience of the Executive Directors and Non-Executive Directors were appropriate, with the Board working effectively together.

Annual General Meeting

The AGM is an important forum for shareholders to hear more about the general development of the business. The 2024 Annual General Meeting will be held on 18 July 2024. 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 FY24 has been on determining the optimal Group structure. The skills, experience and knowledge of the Board, supported by our governance framework providing a strong decision-making framework, were essential in delivering a comprehensive and thoughtful plan to deliver a high-growth pure play KX software business that I am confident will benefit all stakeholders.

Donna Troy

Chair

20 May 2024

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 risk
- 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 in recent years as the pace of transformation has increased, resulting in accelerated product and services development, a broadening of the range of customers we serve and the increasing scale of our operations.

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 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.

These matters are discussed more fully in the Report of the Nomination and ESG Committee, which details any changes to Board composition during the year. 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, a Nomination and ESG Committee and a Technology and Product Committee. 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 reviews, evaluates and makes recommendations to the Board regarding the Company's major product and technology plans. It also reviews and evaluates the talent and skills of the workforce supporting its product, technology and research and development activities and monitors and evaluates existing and future trends in technology that may affect the Company's strategic plans.

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.

The internal control framework was monitored and reviewed by Internal Audit with findings presented to the Audit and Risk Committee and the Board. The principal risk owners also presented on the risks and controls in place to the Audit and Risk Committee as appropriate. Any controls which did not pass had agreed action plans in place to remediate. The Board confirms that it is not aware of any significant failings or weaknesses in the Group's system of internal controls.

Meeting attendance¹

	Board	Audit and Risk Committee	Remuneration and Talent Committee	Nomination and ESG Committee	Technology and Product Committee	Total
S Keating	13/13	—	—	—	—	13
D Troy	13/13	—	6/6	3/3	—	22
U Fayyad	11/13	6/6	—	—	5/5	22
V Gambale*	9/10	6/6	—	3/3	—	18
R Preston	13/13	—	—	—	—	13
A Sayed	13/13	—	6/6	3/3	5/5	27
T Seifert	13/13	6/6	6/6	—	—	25
Number of meetings	13	6	6	3	5	33

* Resigned 29 December 2023.

¹ In addition certain routine more administrative matters such as the allotment of shares connected with employee share plans may be addressed with a smaller quorum or by written resolution from time to time.

Supporting our strategy



“The Committee plays an important role in the Group’s risk management framework, providing independent challenge, review and oversight of its reporting and control environment, which supports the ability to successfully navigate a future separation of the Group.”

Thomas Seifert
Non-Executive Director

Focus in FY24

- Governance of debt refinancing
- Oversight of cybersecurity
- Financial statements and reporting.

Priorities for FY25

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

Membership



Thomas Seifert (Chair)



Usama Fayyad



Virginia Gambale*

* Resigned 29 December 2023.

Meeting attendance

Six meetings in total

Thomas Seifert (Chair)						
Usama Fayyad						
Virginia Gambale						

Principal activities

Governance of debt refinancing

The Committee provided oversight of the Group refinancing, which was completed in May 2023 with a syndicate of four banks providing a multi-currency facility up to £130m for a three-year period and with the option to extend by a further two years. The facility is a revolving credit facility at improved borrowing rates and with improved covenants relative to the previous facility.

Oversight of cybersecurity

The Committee ensured that information under Group control is protected from loss or malicious amendment; that systems and applications are protected from attack and disruption; and that the evolving cyber threat landscape is monitored, and controls are implemented to mitigate the risks. The Committee received a report from its independent adviser regarding our cybersecurity programme and our maturity level which is assessed in accordance with NIST Cyber Security Framework.

Financial statements and reporting

The Committee has oversight of the Group’s financial and reporting processes including both the annual and interim results, assessment of the accounting policies and whether the Annual Report is fair, balanced and understandable. In addition, there were two specific considerations for the Committee: the restructure of the Group’s entities as we continue to separate both KX and First Derivative and the accounting treatment of MRP as an asset held for sale.

Dear shareholders

I am pleased to present the report of the Audit and Risk Committee (the "Committee") for the year ended 29 February 2024. 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. The Committee's agenda includes items such as governance of the debt refinancing, cybersecurity, 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 members are Virginia Gambale, who was a member of the Committee until 29 December 2023 when she stepped down from the Board, and Usama Fayyad, who has held senior technology positions at multi-national technology organisations including Yahoo, Microsoft and Barclays. The members of the Committee 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 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, and internal audit 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. The Committee reviewed the Group'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 Group's Risk Appetite Statement. The Group's Risk Appetite Statement is reviewed and approved annually by the Board. The Committee reviews the procedures in place to identify emerging risks within its business units and at the Group level 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 reporting of MRP, as it was treated as an asset held for sale, and the reporting structure of the Group. The Committee also assessed all of the areas of key reporting estimates and judgements which principally comprise revenue recognition, accounting for equity investments, goodwill impairment, employee taxes, deferred tax and capitalisation of internally developed software 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 bank facilities available 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 the Group has 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.

Report of the Audit and Risk Committee continued

Viability statement

In accordance with the UK Corporate Governance Code, the Board has considered the Group's current financial position and future prospects and has a reasonable expectation that the Group 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 Group's current financial position and available financial resources, the Group's 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 the Group as it is currently constituted with MRP treated as an asset held for sale, and does not consider the separation of First Derivative as having a detrimental impact on the long-term viability.

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 Group's strategy during the period.

Given the technology-based nature of the Group's 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. The lead audit engagement partner is Richard Howard.

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 2024. The Committee holds regular meetings with the external auditor to review matters of interest including interim and 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 FY24 Internal Audit Plan was delivered in line with expectation including testing of the internal control framework. The Committee considered and reviewed progress against the plan, including the implementation of remedial management actions to address issues identified and deliver internal control improvements. This process enables the Committee to receive assurance in relation to the effectiveness of the internal audit function.

The FY25 Internal Audit Plan was presented to the Committee, reviewed and approved.

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 renewing the Group's insurance policies, ensuring the cover is sufficient to realise the Group's strategy and approving updated policies.

Principal activities

Governance of debt refinancing

Issue: The existing £130m banking facility was due to expire within twelve months.

How the Committee addressed the issue:

- Appointed a third-party adviser
- Advised on the tender which was issued to several banks
- Agreed a lending construct which supported the strategic plans of the business
- Advised on the submissions from the banks who could meet the construct to finalise the facility agreement
- Reviewed and approved the facility agreement.

Financial statements and reporting

Issue: Agree the reporting treatment and disclosures for MRP during the disposal process.

How the Committee addressed the issue

- Appointed advisers with experience to provide support preparing the accounting treatment
- Reviewed and challenged the accounting treatment and disclosures in the financial statements
- Approved the treatment as an asset held for sale and the disclosures required to inform the reader of the financial statements.

Report of the Nomination and ESG Committee

Ensuring our governance is effective



Focus in FY24

- Succession planning
- ESG compliance and reporting.

Priorities for FY25

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

Membership



Donna Troy (Chair)



Ayman Sayed



Virginia Gambale*

* Resigned 29 December 2023.

Meeting attendance

Three meetings in total

Donna Troy (Chair)



Ayman Sayed



Virginia Gambale



Key activity during the year

This year the Committee focused on succession planning. The Committee leads selection of and succession planning for the Board and executive level members, considering the evolving skills and experience the Board needs and our desire to promote diversity. The Committee recognises the importance of succession planning and its role in maintaining the quality of management and reducing instability and prioritises succession planning at each meeting. This year the Committee also re-engaged Independent Audit Limited, an independent board evaluation partner, to assist with an externally facilitated review using an in-depth questionnaire-based approach. The primary purpose of the evaluation is to direct the Board's attention to areas where there might be opportunities to improve its performance and effectiveness.

"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 have an appropriate balance of skills and experience."

Donna Troy

Non-Executive Chair

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 acts as Secretary to the Committee 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 a number of 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:

- Evaluation of the effectiveness of the Board and its Committees
- Succession planning
- Gender pay gap
- Employee engagement.
- Reviewing requirements for Task Force on Climate-related Financial Disclosures

Changes during the year

In December 2023, Virginia Gambale, who chaired the Committee, resigned as a Non-Executive Director of the Group, as she approached the ninth anniversary of her appointment. Donna Troy assumed responsibility for chairing the Committee going forward. A decision on a replacement is being considered and will be made based on a review of our skills matrix to support our growth strategy.

Board effectiveness review

Following on from the review conducted last year, the Committee again engaged Independent Audit Limited to facilitate an evaluation of the effectiveness of the Board and its Committees. Besides the provision of the Board and Board Committee evaluation work, there was no other contractual connection between the Company or the individual Directors and Independent Audit. The Committee Chair provided input in advance to ensure that the questionnaires were

Report of the Nomination and ESG Committee continued

Board effectiveness review continued

appropriately tailored. All members of the Board fully engaged with the review and it produced a consistent set of results in terms of both the participants' assessment of the strengths and current state of the Board, and also the priorities for further development.

The insights gained into how the Board is working will enable it to continually develop. A number of actions will be taken forward as a result of it. In particular, in light of the planned structural changes to the business, there will be renewed emphasis on succession planning and the Committee has allocated time to ensure this is given due consideration. Whilst the findings were positive and confirmed that dynamics are good and the Board is operating effectively, there remained, as with all balanced process, opportunities for improvement and refinement.

The summary findings of the review are as follows:

- The Board feels it has the right mix of relevant skills and experience which are leveraged well
- There is good alignment on strategic decision making and the Board has good visibility of the big risks and uncertainties
- The Board and its Committees are chaired effectively and are well structured with clear agendas
- Board dynamics are good with a good level of constructive and collaborative discussion
- The Board feels confident with the level of consideration given to stakeholders.

Several areas were identified where consideration could be given to some improvement as follows:

- More might be done to consider big trends, particularly in relation to competitors and customers and external opportunities and threats
- Whilst there has been improvement around how the Board works with management since last year's results, exploring more ways for the management team to benefit further from the experience of the Non-Executive Director team in and outside the boardroom would add value
- Executive summaries could be better used in the papers to focus discussion on the highest priority areas
- Ensuring the Board has sufficient strategic oversight of succession planning and talent management.

The results of the Board evaluation process are used to update the annual rolling agendas of the Board and its Committees and will shape the training and development programme for Directors and will continue to inform the Committee over the coming year.

Task Force on Climate-related Financial Disclosures

As a global business we recognise the importance our environmental, social and governance policies have on all our stakeholders. This year we established an Environmental Sustainability Group chaired by the Group HR Director to advise the Committee and support the wider business. The Sustainability Group considered how climate-related risks and opportunities affect our business and how they fit within the four pillars of governance, strategy, risk management, and measurements and targets, as suggested by the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. As well as establishing this Sustainability Group, which has representatives from across the business, we are working 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 at both the graduate and experienced hire level, 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 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.

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 Company'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 FY25 to ensure that we maintain robust and effective recruitment processes for our Non-Executive Director Board members. Donna Troy, as 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 CEO and executive leadership evaluation process includes a mix of self-evaluation, 360-degree feedback and peer and Board review. Each leader, including the CEO, was tasked with reviewing performance against objectives and bonus metrics and reflecting on performance over the last year. For the CEO, the Board provided feedback in relation to a range of competencies. 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. Following the resignation of Virginia Gambale, the Board's female representation reduced from 29% to 17% 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. As a global business FD Technologies recognises the importance of reflecting the diversity of the customers we serve and the markets we operate in. The Group is proud of its track record on diversity, including gender, ethnicity, nationality, skills and experience, which has resulted in the formation of a diverse, inclusive and vibrant team. Our approach to inclusion and diversity on the Board is set out in the Board's diversity policy which is reviewed annually by the Committee. The Group has been awarded a Silver Diversity Mark, from Diversity Mark NI, in recognition of the Group's achievements with regards to inclusion and diversity. Diversity Mark NI provides an accreditation framework and process which is designed to assist the Group in setting realistic targets and the independent assessment panel provides expert annual feedback to continually support the Group on its inclusion and diversity journey.

Employee engagement

The outcome of the Group Employee Engagement Survey was presented to the Committee along with tailored action plans to be implemented as a result. In addition to the survey, we continued our "Meet the Board" initiative giving Board members and employees the opportunity to connect.

Gender pay gap

Our gender pay gap continued to be lower than that of the industries in which we operate. 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. The Committee recognises that there is still much 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 Group 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 following the resignation of Virginia Gambale in December 2023. Ayman Sayed is the other 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.

Aligning R&D with opportunity



“KX technology has a significant opportunity in the emerging AI era and, after identifying the market opportunities, we now need to focus on executing our research and development plans to drive growth for our shareholders.”

Usama Fayyad
Non-Executive Director

Focus in FY24

The Committee had a special focus on KX during the year but also tracked product and technology matters in First Derivative and MRP as follows:

- KX: Reappraising the competitive strengths and differentiators for KX in the age of AI
- KX: Aligning product investment and product features with repeatable use-cases
- KX: Monitoring release plans for kdb core engine improvements to deliver enhanced benefits for our customers
- First Derivative: In addition to understanding synergies in product and technology with KX, the Committee generally assessed how technology can assist the business and its competitiveness and considering the changing needs of its customers
- MRP: Obtaining an understanding of product status and service offerings and assessing how the technology could enhance the business and improve margin and competitiveness.

Priorities for FY25

- Identification of high value use-cases where KX technology is highly differentiated with emphasis on capital markets, aerospace and defence and 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 proof points
- Assessing evidence for product-market fit to validate new product directions aligned with the emerging AI market.

Membership



Usama Fayyad (Chair)



Ayman Sayed

Meeting attendance

Five meetings in total

Usama Fayyad (Chair)



Ayman Sayed



In addition to the Committee members, the KX CEO and Chief Product & Engineering Officer (CPO) are expected to attend and present at each meeting along with members of their team. Where matters in relation to MRP or First Derivative are on the agenda, the relevant leaders from each business are in attendance. The Committee meetings are also open to other Board members to attend as desired. Outside of the formal cycle of quarterly meetings, several preparatory and discussion meetings took place throughout the year to discuss the focus topics for the Committee’s agenda and special focus areas. These additional sessions refined the key topics requiring discussion, provided valuable interim feedback to the KX team and helped the team formulate the case for investment in KX prior to the formal Committee meetings.

Key activity during the year

This year was characterised by a focus on assessing the unique differentiators of KX in the enterprise data management ecosystem in the evolving age of AI and positioning KX technology to seize the AI market opportunity. Execution was tracked on R&D investment and utilisation with focus on tracking KPIs for development through prioritisation of customer needs.

Dear shareholders

I am pleased to present my report as the Chair of the Technology and Product Committee (the "Committee") where I strive to bring my experience in data management, data science and artificial intelligence to lead the Committee.

The Committee's primary function is to support the work of the Board in formulating the Company's business strategy by evaluating and making recommendations to the Board regarding the Company's product plans, while considering how these align with broader industry trends and market needs. Additionally, the Committee monitors the delivery of product roadmaps to ensure the Company is positioned to execute its strategy effectively with a special focus on reviewing evidence to assess how the technology investment is aligned with product market fit.

Through the work the KX leadership team have presented to the Committee during the year I believe the Company's products are properly positioned for the emerging AI ecosystem in data management, real-time analytics and vector databases and I look forward to capitalising on the work we have done this year to ensure that the Committee remains effective in supporting the Board to seize the product opportunities ahead. As a Committee we serve to assess investment requests and provide recommendations to the Board in support of the justified investment request as well as tracking how well the market receives the product and technology. While our focus has been primarily on KX, we have conducted reviews and discussions with the MRP and First Derivative teams to understand potential synergies with KX as well as where technology and product offerings can benefit from market changes and customer demand.

Role and activities of the Committee

The Committee met formally four times during the year and is composed of independent Non-Executive Directors. However, as well as the Committee members, the KX CEO and Chief Product & Engineering Officer are expected to attend and present to each meeting along with relevant members of the KX business leadership team. The parts of the Committee meetings that covered MRP and First Derivative had executive participation from those companies. Prior to each formal Committee meeting, preparatory and discussion meetings are held with the executive team to make sure the focus of the formal Committee covers the most important issues and to better utilise the in-person formal Committee meetings. Typically, between one and three preparatory meetings are held via video conference before the formal Committee meeting.

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

- Progress of delivery of key customer features and projects
- The technical and market risks associated with product development
- Capability and capacity within the research and development resources to support the Company's ambitions
- The competitive landscape for the Company's products
- Evidence for product market fit and areas of investment needs in light of market developments and changes.

Key business during the year

Recognising that AI will drive new enterprise data management practices, a key focus area for the Committee has been understanding the trends that are shaping the modern AI technology stack and service offerings. Another important focus area has been understanding the drivers that will be key to the adoption of AI, such as an ability to unlock value in ever increasing volumes of unstructured data in a manner that produces accurate and unbiased results.

Limiting factors which hinder the potential of AI within existing database management systems in the market today and evaluating offerings from KX's competitors were also important focus areas for the Committee.

Following the work undertaken to analyse both trends and market gaps, the Committee focused on evaluating the unique potential of KX to provide an enterprise database solution which addresses market gap problems in a differentiated way such as: providing integrated search for structured and unstructured data, behavioural analytics and pattern matching using time-based data, and bringing performance and scale to Retrieval Augmented Generation (RAG) architectures. There may also be a serious opportunity around more cost-effective and energy-efficient processing of data, leveraging the unique capabilities at KX.

Alignment between product investment and product features which deliver repeatable use-cases

To bring KX's differentiation thesis fully to market the Committee also ensured that time was dedicated to reviewing the product road map and the differentiation and value that could be delivered to customers at different horizons on the release path.

A particular focus area was consideration of customer use-case patterns emerging from early engagements including in areas such as anomaly detection and forecasting, semantic search and enterprise search.

The Committee was also keen to understand and bring focus to example outcomes and benefits that could be delivered for customers, such as the potential in capital markets to extend trading models to include unstructured data and drive higher revenues for customers and the potential in healthcare to combine more data sources in clinical trials and produce better results and reduce trial timelines.

kdb core engine improvements

Finally, another focus during the year for the Committee and the KX leadership team was the first major release of kdb in four years. In February 2024 kdb 4.1 was released delivering wide-ranging enhancements that benefit the entirety of the KX customer base.

Attracting and retaining talent for growth



“During the year the Committee invested considerable time in ensuring that our remuneration strategy continues to attract and retain key talent to drive performance.”

Ayman Sayed
Non-Executive Director

Focus in FY24

- Prioritising pay for performance
- Reviewing remuneration policy
- Long-term incentive planning.

Priorities for FY25

- Ensure that remuneration opportunities remain appropriate to attract and retain key talent
- Set incentive arrangements that are appropriately stretching and aligned to the strategy.

Membership



Ayman Sayed (Chair) Donna Troy Thomas Seifert

Meeting attendance

Six meetings in total

Ayman Sayed (Chair)	     
Donna Troy	     
Thomas Seifert	     

Key activity during the year

Ensuring remuneration practices can attract and retain key talent

The Committee believes that the remuneration policy should be reflective of the growth potential and international nature of the Group’s business. We have worked closely with independent compensation consultants in the US and UK on incentive planning to ensure we can retain and attract talent. Over the coming year, we will focus on incentive arrangements for the future as we move to a new Group structure.

Dear shareholders

I am pleased to present the Company's Remuneration Report for the year ended 29 February 2024. This report is intended to provide insight into the roles and responsibilities of the Remuneration and Talent Committee and to demonstrate how it is 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 2024 AGM on an advisory basis.

Role of 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 independent 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 acts as Secretary to the Committee and 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 FY24 has been reviewing the remuneration structure for the Company and the introduction of the new LTIP Awards in April 2023 formed a significant part of this work. During the year, the Committee worked with independent compensation specialists Insightory in the US and Farient Advisors in the UK, which have 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 FY23 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 2023 as reported below
- It was determined that no changes to remuneration for the CEO and Non-Executive Directors were required during the year
- Approved the first tranche of awards under the new LTIP as reported last year with the grant of performance share units (PSUs) to Executive Directors and a mix of PSUs and restricted share units (RSUs) for other senior leaders across the Group to ensure employee alignment to the Group'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 metrics for the senior management team.

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 Group purpose and values and is clearly linked to the successful delivery of the Group's 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. No such discretion was exercised in respect of FY24.

Over the coming year the Committee will consider the appropriateness of the existing incentive arrangements as the Company moves forward through its Group structure review process.

Report of the Remuneration and Talent Committee continued

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 FY24 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 FY24. This approach will be expanded amongst the senior management team in FY25. 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 FY24

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 to £300,000.
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 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

Report of the Remuneration and Talent Committee continued

Directors Remuneration Report for FY24 continued

Annual cash bonus

Purpose and link to strategy	To incentivise and reward performance of Executive Directors over the financial year.
Operation	Bonus awards, which are not pensionable, are made to the Executive Directors based on achieving performance criteria set out by the Committee. 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 achievable. Performance targets are calibrated to be challenging and the criteria are reviewed annually and aligned to the key financial and strategic objectives of the Group 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; any such discretion shall not result in a bonus payment in excess of 100% of basic salary. Bonuses are paid in cash. The Committee reviews and approves annual payments. A bonus of £63,000 was awarded to the CFO for achievement of non-financial objectives. The CEO would have also been entitled to some bonus in relation to certain non-financial metrics but has elected to waive this in light of the Company's overall performance this year.
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. Annual bonus is discretionary.

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.																																		
Operation	In FY24, and as mentioned in last year's report, we made the first grants under the new LTIP with the grant of performance share units (PSUs) to Executive Directors and a mix of PSUs and restricted share units (RSUs) for other senior leaders across the Group. The awards were made in April 2023 and the associated metrics are linked to the achievement of performance metrics over the three-year period of those grants. These awards are subject to a normal vesting period of three years followed by a two-year holding period. These awards are not 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. We will keep these matters under regular review. As advised in last year's report, the awards to the Executive Directors under the new LTIP are through PSUs only with the CEO receiving a grant of 143,514 PSUs and the CFO a grant of 38,270 PSUs.																																		
Performance metrics	The PSUs for the CEO and CFO will vest on the achievement of performance metrics linked to the performance of the Group's business units over the three years to 28 February 2026 designed to be challenging and to reward value creation. linked to the successful delivery of the Group's long-term strategy. The PSUs for the CFO and two-thirds of the PSUs for the CEO will vest based on: <table> <tr> <th></th><th></th><th></th><th>Threshold</th><th>On target</th><th>Maximum</th></tr> <tr> <th></th><th>Metric</th><th>Weighting</th><th>25% vesting</th><th>50% vesting</th><th>100% vesting</th></tr> <tr> <td>KX</td><td>Combined ARR growth and adjusted EBITDA*</td><td>65%</td><td>88% of target</td><td>Target</td><td>125% of target</td></tr> <tr> <td>First Derivative</td><td>Adjusted EBITDA</td><td>25%</td><td>84% of target</td><td>Target</td><td>115% of target</td></tr> <tr> <td>MRP</td><td>Adjusted EBITDA</td><td>10%</td><td>83% of target</td><td>Target</td><td>117% of target</td></tr> </table> * 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.								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
			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																														

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. Their remuneration comprises a cash payment (67%), with the remainder in FD Technologies shares. The number of shares to be issued is based on the average closing mid-market share price over the 90 business days prior to the release of the Group's full-year results.

No changes to Non-Executive Director reward were made during the year. 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 discussed and set levels of remuneration considered necessary to attract, retain and reward.

There have been several key appointments made to strengthen management at all levels of the Group and to support the global expansion of the Group's business. An important part of the Committee's work this year has therefore been to advise and support the CEO and executive management in applying the remuneration policy and ensuring appropriate and effective remuneration structures are adopted across the wider executive management of the Group.

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. Senior leaders within the divisions invited into the LTIP (PSU and RSU) participate on broadly similar terms to the Executive Directors (with vesting conditions linked to divisional performance), although award opportunities are lower and vary by organisational level. These awards are structured to reward performance, encourage retention and deliver the strategic objectives of the Group over the longer term.

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	FY24	450	1	—	—	—	451
	FY23	450	1	236	—	—	687
R Preston	FY24	300	1	63	—	30	394
	FY23	275	1	140	—	28	444
Non-Executive Directors							
D Troy	FY24	133	—	—	67	—	200
	FY23	133	—	—	67	—	200
V Gambale*	FY24	83	—	—	42	—	125
	FY23	100	—	—	50	—	150
A Sayed	FY24	100	—	—	50	—	150
	FY23	100	—	—	50	—	150
T Seifert	FY24	100	—	—	50	—	150
	FY23	100	—	—	50	—	150
U Fayyad	FY24	100	—	—	50	—	150
	FY23	100	—	—	50	—	150
Total	FY24	1,266	2	63	259	30	1,620
	FY23	1,258	2	376	267	28	1,931

* Resigned 29 December 2023

Report of the Remuneration and Talent Committee continued

Directors Remuneration Report for FY24 continued

Service contracts

The Executive Directors have entered into service contracts with the Group that are terminable by either party on not less than 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	
	29 February 2024	28 February 2023
S Keating	49,018	38,518
R Preston	5,201	2,415
D Troy	13,151	9,201
A Sayed	6,848	3,885
T Seifert	6,786	3,823
U Fayyad	3,269	306

Share Options and PSUs:

The awards currently outstanding to Directors are as follows:

	1 March 2023	Granted during the year	Vested during the year	Lapsed during the year	Exercised during the year	29 February 2024
S Keating	250,000	143,514	—	—	—	393,514
R Preston	115,000	38,270	10,000	—	—	153,270

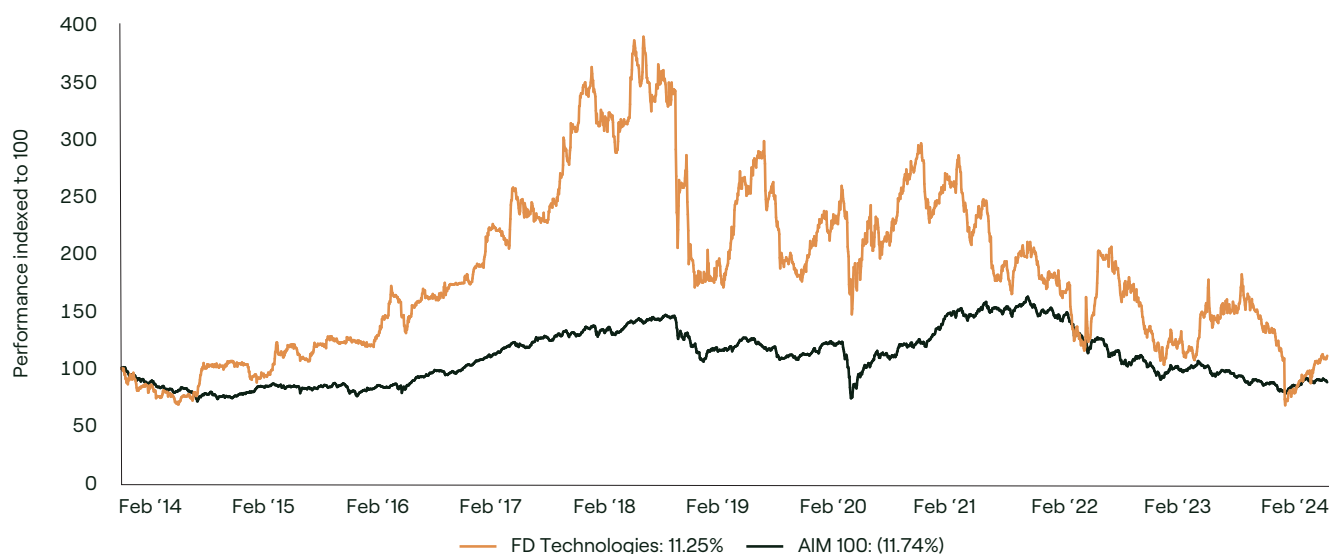
There were 181,784 PSUs granted to the Directors during the year (FY23: nil). There were no share options exercised by the Directors during the year (FY23: nil)

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.

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Total remuneration (£'000)	165	311	657	693	542	435	451	656	687	451
Annual bonus as a % of maximum opportunity	—	97%	100%	100%	53%	—	—	46%	53%	—
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
FY24 CEO total remuneration	Option A	5.3	8.3	12.1
FY23		8.8	15.0	22.6
FY24 CEO base salary	Option A	5.6	8.7	12.7
FY23		6.2	10.3	15.5

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 29 February 2024 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 29 February 2024.

Results and dividend

The Group's loss after taxation attributable to shareholders for the year to 29 February 2024 was £40.8m (FY23: £4.0m).

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 (FY23: nil) per share.

The price of the Company's shares at close of business on 29 February 2024 was £13.24 (FY23: £18.68) and the high and low share prices during the year were £21.65 (FY23: £24.50) and £8.12 (FY23: £12.30) respectively. The average share price during the year was £15.08 (FY23: £17.68).

Directors

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

U Fayyad

V Gambale*

S Keating

R Preston

A Sayed

T Seifert

D Troy

* resigned 29 December 2023

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 20 May 2024, the Group had received notification of interests in 3% or more of the ordinary share capital from Irenic Capital (15.0%), Juliana Conlon (13.4%), Octopus Investments (11.9%), Baillie Gifford & Co (10.6%), Columbia Threadneedle Investments (9.3%), Briarwood Chase Management (7.1%), Newtyn Management (5.1%) and Gumshoe Capital (3.8%).

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 £24.8m (FY23: £19.4m) 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 £6.3m (FY23: £4.0m) 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 29-32.

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 30 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 30–32.

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.

In addition, the Group has financial risk exposure as a result of debt financing for asset purchases, trade receivables and activities carried on by subsidiary undertakings, as well as exposure to movements in fair value of equity investments and convertible loans. The Group's financial position is structured to take advantage of a natural foreign currency hedge using excess cash generated from operations to repay the associated capital and interest on US dollar borrowings. Furthermore, by funding in US dollars the acquisitions of Market Resource Partners LLC (MRP), Reference Data Factory LLC (RDF), Prelytix Inc. and Kx Systems, the Group achieves a net investment hedge against a significant portion of its translation exposure on the net assets of its foreign operations.

Political donations

The Group and Company made no political donations during the year (FY23: nil).

Annual General Meeting voting

At the AGM held on 20 July 2023, resolution 4 (to reappoint Virginia Gambale) was passed with the necessary majority but with less than 80% in favour. The Company actively seeks the views of shareholders and has regular discussions with them on a range of matters. We have engaged with major shareholders to elicit their views, particularly with those shareholders identified as voting against resolution 4. The discussions with institutional shareholders with regard to this resolution centred on concerns regarding overboarding. The Company believes that Virginia Gambale has demonstrated her ability to contribute most effectively in her role, evidenced throughout her more than eight years of service as a Director. The Company also notes that major shareholder governance bodies such as PIRC recommended voting for her reappointment. However, under the governance policies of certain of our institutional shareholders she was considered to be overboarded and they voted against her reappointment on that basis.

Note that Virginia Gambale resigned as a Non-Executive Director on 29 December 2023, having served close to nine years, the limit at which a Non-Executive Director is considered as Independent under the UK Corporate Governance Code. The Board reaffirms its commitment to active dialogue with its shareholders.

Future developments

As highlighted in the Chair's Review and the Business Review, the Group focuses on the sale of software and consulting services. In FY24 the Group concluded a review of its optimal structure and indicated its intention to separate its KX and First Derivative businesses to create value for shareholders.

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.

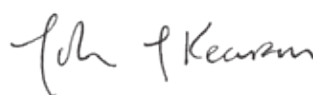
Auditor

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



J Kearns

Secretary

20 May 2024

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.

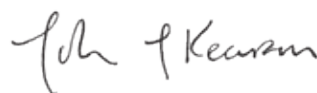
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply 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.

On behalf of the Board



J Kearns
Secretary
20 May 2024

Financial statements

In this section

- 72 Independent auditor's report
- 79 Consolidated statement of comprehensive income
- 81 Consolidated balance sheet
- 82 Company balance sheet
- 83 Consolidated statement of changes in equity
- 84 Company statement of changes in equity
- 85 Consolidated cash flow statement
- 86 Company cash flow statement
- 87 Notes
- 134 Global directory
- IBC Directors and advisers

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 29 February 2024 and of the Group's loss 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.

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 accrued income; and • Capitalisation of internally developed software costs Within this report, key audit matters are identified as follows: ① Newly identified ⬆ Increased level of risk ↔ Similar level of risk ⬇ Decreased level of risk
Materiality	The materiality that we used for the Group financial statements was £1,200k which was determined on the basis of 0.5% of revenue. The materiality that we used for the Company financial statements was £1,060k, which was determined based on approximately 0.5% of revenue.
Scoping	We determined the scope of our Group audit by obtaining an understanding of the Group and its environment and assessing the risks of material misstatement at the Group level. Our full scope and specified audit procedures covered 99% (2023: 99%) of total Group revenue; 99% (2023: 93%) of Group loss before tax and 99% (2023: 98%) of total Group assets.
Significant changes in our approach	Our audit approach is consistent with the prior year and no changes have been made to the key audit matters presented.

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:

- we obtained an understanding of the Group's and Company's business model, objectives, strategies and related business risks, how the Group and company is structured and financed and the measurement and review of the Group's and company's financial performance, including the FY24 budget, future cash flows and management's budgeting processes;
- we challenged and assessed the forecasts prepared by management including an assessment of the assumptions used in the forecast, including assumptions around profitability levels, and a challenge to the assumptions based on a review of the historical accuracy of forecasts prepared by management and amount of headroom in the forecasts;
- we evaluated the relevance and reliability of the underlying data management used to make these assessments; and
- we assessed the adequacy of the going concern disclosure and whether it reflects a true and fair assessment of the work performed by the Group and 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.

Independent auditor's report continued

To the members of FD Technologies plc

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 accrued income

Key audit matter description

The Group had £9.3m (2023: £8.3m) of accrued income at 29 February 2024 with £249m of revenue recognised from continuing activities in the year (2023: £255m).

The delivery of licensing or service revenue may occur over multiple accounting periods such that there is a risk that revenue is misstated at the statement of financial position date due to incorrect recognition of accrued income as a consequence of either fraud or error.

Revenue accrued at the balance sheet date could be misstated where the correct revenue recognition policies may not have been applied to contracts primarily due to the following factors;

- Revenue from contracts may not have been correctly recognised over the installation period for software installations or over the appropriate service period for service contracts which can be time or performance based.
- Accrued income balances recorded at year end may not reflect the appropriate level of revenue to be recognised at the balance sheet date.

This key audit matter is disclosed in the significant accounting policies as an area where critical judgement has been applied in accounting policies in note 1 and in the significant accounting policies on page 94.

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:

- obtained an understanding of the process and relevant controls for ensuring appropriate recognition of accrued income and evaluated the design and determined the implementation of the relevant controls relating to accrued income;
- carried out a review of the appropriateness of revenue recognition policies adopted under United Kingdom adopted international accounting standards including disclosures in the financial statements;
- evaluated a sample of contracts including performing a recalculation of revenue to be recognised based on the contract terms and comparing this to actual accrued income to assess for possible management bias; and
- challenged the appropriateness of accrued income as at the balance sheet date; this work included reviewing supporting documentation to determine whether the performance obligations had been met.

Key observations

We have no observations that impact on our audit in respect of the recognition of accrued income.

5.2. Capitalisation of internally developed software costs

Key audit matter description

At 29 February 2024, the Group held internally developed software costs with a net book value of £60m (2023: £56.3m). Costs in relation to internally generated intangible assets 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.

This key audit matter is also disclosed in the significant accounting policies on page 88.

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 related controls for ensuring appropriate capitalisation of internally developed software costs;
- We evaluated the design and determined the implementation of the relevant controls in place to separately identify when development activities meet recognition criteria;
- We reviewed the capitalised project register and completed procedures 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; and
- We agreed the amount of internally developed software costs capitalised to underlying documentation detailing cost per project, including timesheet and salary data.

Key observations

We have no observations that impact on our audit in respect of the capitalisation of internally developed software costs

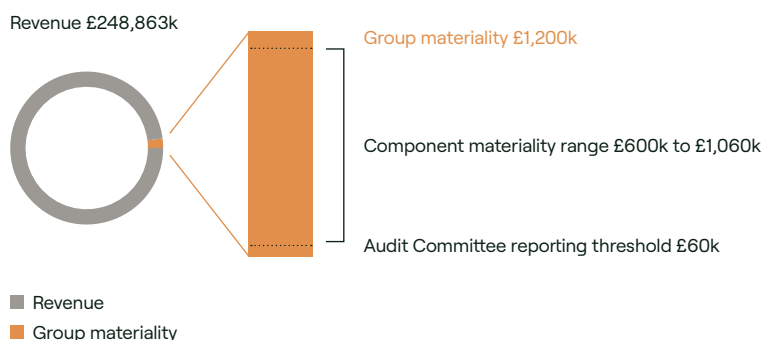
6. Our application of materiality

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	Company financial statements
Materiality	£1,200k (2023: £1,200k)	£1,060k (2023: £1,080k)
Basis for determining materiality	0.5% of revenue.	Company materiality equates to 0.5% of revenue and is capped at 90% of Group materiality.
Rationale for the benchmark applied	Revenue is a key performance measure for management, investors and the analyst community. This metric is important to the users of the financial statements (investors and analysts being the key users for a listed entity) because it portrays the performance and growth of the business, particularly as the Group seeks to grow through the increased investment in the business and hence its ability to pay a return on investment to the investors.	Revenue was considered to be the most appropriate measure for the company given it is a key performance measure for management and the analyst community as a trading company. As this was higher than Group materiality, we capped company materiality at 90% of Group materiality.



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	Company financial statements
Performance materiality	80% of Group materiality	90% of Company materiality
Basis and rationale for determining performance materiality	We deemed the performance materiality level to be appropriate based on: - 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 being listed; and - the level of uncorrected misstatements recorded in the prior year audit.	We deemed the performance materiality level to be appropriate based on: - Our risk assessment, including our assessment of the 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 level of uncorrected misstatements recorded 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 £60k (2023: £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.

Independent auditor's report continued

To the members of FD Technologies plc

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The Group operates in 14 locations across 4 continents with the largest footprint being in North America and Europe. We determined the scope of our Group audit by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group and component level. Based on that assessment, we focused our Group audit scope on the audit work at the Newry location, where the Group entities finance functions are centrally managed.

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

Of the Group's 44 legal entities, we subjected 13 of the Group entities to full audit scope, specified audit procedures were undertaken on a further 14 components and analytical procedures were performed on a further 3 components. The other 14 entities represent non-trading or very small entities. Our full scope and specified audit procedures covered 99% (2023: 99%) of total Group revenue; 99% (2023: 93%) of Group loss before tax and 99% (2023: 98%) total Group assets.

These entities were selected based on the level of coverage achieved and to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above. Our audit work for all entities was executed at levels of materiality applicable to each individual unit which were lower than Group materiality and ranged from £55k to £1,060k.

At the Group level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to a full audit.

Revenue



- Full audit scope: 98%
- Specified audit procedures: 1%
- Review at group level: 1%

Loss before tax



- Full audit scope: 96%
- Specified audit procedures: 2%
- Review at group level: 1%
- Out of scope: 1%

Group assets



- Full audit scope: 94%
- Specified audit procedures: 5%
- Review at group level: 1%

7.2 Our consideration of the control environment

Where relevant, we followed a combined approach of performing substantive and controls testing. We took a controls reliance approach over revenue, payroll and internally developed software costs in the Group's continuing activities.

7.3 The impact of climate change on our audit

In planning our audit, we considered the potential financial impacts on the Group and its financial statements of climate change and the transition to a low carbon economy. We considered management's own assessment of the related risks and opportunities as described on page 40, together with our cumulative knowledge and experience of the Group and the environment in which it operates. We assessed management's disclosures about critical judgements and key sources of estimation uncertainty, including the potential impact of climate change on those judgements and estimates, in Note 1 to the financial statements. We assessed management's going concern and viability disclosures, and identified no significant impact of climate change on those disclosures given the timeframes of those assessments. We have considered whether information included in the climate related disclosures in the Annual 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 our 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 Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, 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 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 fraud;
- 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 accrued 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 of controls.

We also obtained an understanding of the legal and regulatory frameworks that the Group and 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 Company's ability to operate or to avoid a material penalty. These include 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 revenue recognition relating to accrued 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;

Independent auditor's report continued

To the members of FD Technologies plc

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

11.2. Audit response to risks identified continued

- 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 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. Corporate Governance Statement

As you have chosen to voluntarily comply with the UK Corporate Governance Code, we are required to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

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 53;

- the directors' explanation as to its assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate, set out on page 54;
- the directors' statement on fair, balanced and understandable, set out on page 68;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 51;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 51; and
- the section describing the work of the audit committee, set out on page 54.

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

14.1. 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.

14.2. 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.

15. Use of our report

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Howard FCA (Senior statutory auditor)

For and on behalf of Deloitte (NI) Limited

Statutory Auditor

Belfast, United Kingdom

20 May 2024

Consolidated statement of comprehensive income

Year ended 29 February 2024

	Note	2024 £'000	2023 restated* £'000
Continuing operations			
Revenue	3 & 4	248,863	254,568
Cost of sales		(143,152)	(149,252)
Gross profit	3	105,711	105,316
Operating costs			
Research and development costs		(31,094)	(23,409)
– of which capitalised		24,799	19,435
Sales and marketing costs		(40,070)	(41,574)
Administrative expenses		(58,113)	(56,741)
Impairment loss on trade and other receivables	31	(3,811)	(2,245)
Total operating costs	6	(108,289)	(104,534)
Other income	5	148	249
Operating (loss)/profit		(2,430)	1,031
Finance income	10	124	24
Finance expense	10	(3,968)	(4,489)
(Loss)/gain on foreign currency translation	10	(1,560)	10
Net finance costs		(5,404)	(4,455)
Profit on disposal of associate	17	88	3,017
(Loss)/profit before taxation		(7,746)	(407)
Income tax expense	11	(5,626)	(480)
Loss for the year from continuing operations		(13,372)	(887)
Discontinued operations			
Loss after tax for the year from discontinued operations	34	(27,412)	(3,126)
Loss for the year attributable to owners of the Company		(40,784)	(4,013)

Consolidated statement of comprehensive income continued

Year ended 29 February 2024

	Note	2024 £'000	2023 restated* £'000
Loss for the year		(40,784)	(4,013)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Equity investments at FVOCI – net change in fair value		(3,725)	(522)
Items that will or may be reclassified subsequently to profit or loss			
Net exchange (loss)/gain on net investment in foreign subsidiaries		(5,760)	12,052
Net gain/(loss) on hedge of net investment in foreign subsidiaries		847	(3,124)
Other comprehensive income for the year, net of tax		(8,638)	8,406
Total comprehensive income for the year attributable to owners of the parent		(49,422)	4,393
Total comprehensive income for the year attributable to owners of the parent arising from:			
Continuing operations		(22,010)	7,519
Discontinued operations		(27,412)	(3,126)
	Note	Pence	Pence
Loss per share			
From continuing operations:			
Basic	14a	(47.6)	(3.2)
Diluted	14a	(47.6)	(3.2)
From continuing and discontinued operations:			
Basic	14a	(145.2)	(14.4)
Diluted	14a	(145.2)	(14.4)

* The comparative figures have been restated to reflect the MRP business being classified as a discontinued operation. 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 29 February 2024

Registered Company number: NI 30731

	Note	2024 £'000	2023 £'000
Assets			
Property, plant and equipment	15	14,581	25,593
Intangible assets and goodwill	16	154,040	175,660
Other financial assets	18	7,642	9,356
Trade and other receivables	19	2,146	2,548
Deferred tax assets	24	11,029	21,313
Non-current assets		189,438	234,470
Trade and other receivables	19	63,170	96,749
Current tax receivable	25	10,249	6,114
Cash and cash equivalents	20	20,787	36,905
Assets classified as held for sale	34	22,879	—
Current assets		117,085	139,768
Total assets		306,523	374,238
Equity			
Share capital	21	140	140
Share premium		104,120	103,789
Share option reserve		19,811	18,974
Fair value reserve		(723)	3,002
Currency translation adjustment reserve		441	5,354
Retained earnings		23,195	69,609
Equity attributable to owners of the Company		146,984	200,868
Liabilities			
Loans and borrowings	22	44,086	17,026
Trade and other payables	23	4,498	3,681
Deferred tax liabilities	24	11,562	15,758
Non-current liabilities		60,146	36,465
Loans and borrowings	22	2,466	39,911
Trade and other payables	23	33,690	41,466
Deferred income	4	43,176	48,407
Current tax payable	25	1,075	682
Employee benefits	26	6,349	6,439
Liabilities classified as held for sale	34	12,637	—
Current liabilities		99,393	136,905
Total liabilities		159,539	173,370
Total equity and liabilities		306,523	374,238

These financial statements were approved by the Board of Directors on 20 May 2024.



Seamus Keating
Chief Executive Officer



Ryan Preston
Chief Financial Officer

Company balance sheet

As at 29 February 2024

Registered Company number: NI 30731

	Note	2024 £'000	2023 £'000
Assets			
Property, plant and equipment	15	10,026	12,195
Intangible assets and goodwill	16	54,514	43,833
Investment in subsidiaries	17	114,169	130,978
Other financial assets	18	1,072	956
Trade and other receivables	19	736	56,163
Deferred tax assets	24	9,730	17,143
Non-current assets		190,247	261,268
Trade and other receivables	19	58,644	64,398
Current tax receivable	25	7,356	5,176
Cash and cash equivalents	20	8,910	18,958
Current assets		74,910	88,532
Total assets		265,157	349,800
Equity			
Share capital	21	140	140
Share premium		104,120	103,789
Share option reserve		20,149	19,285
Fair value reserve		(908)	(1,014)
Retained earnings		(29,825)	21,686
Equity attributable to shareholders		93,676	143,886
Liabilities			
Loans and borrowings	22	41,650	7,522
Trade and other payables	23	3,677	2,972
Deferred tax liabilities	24	9,730	8,042
Non-current liabilities		55,057	18,536
Loans and borrowings	22	1,096	37,506
Trade and other payables	23	87,106	118,479
Deferred income	4	24,604	27,552
Employee benefits	26	3,618	3,841
Current liabilities		116,424	187,378
Total liabilities		171,481	205,914
Total equity and liabilities		265,157	349,800

The Company's loss for the year ended 29 February 2024 was £45,881k (2023: £22,263k).

These financial statements were approved by the Board of Directors on 20 May 2024.



Seamus Keating
Chief Executive Officer



Ryan Preston
Chief Financial Officer

Consolidated statement of changes in equity

Year ended 29 February 2024

	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 gain on net investment in foreign subsidiaries	—	—	—	—	(5,760)	—	(5,760)
Net exchange loss 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
	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 2022	139	100,424	18,404	9,755	(3,574)	67,391	192,539
Total comprehensive income for the year							
Loss for the year	—	—	—	—	—	(4,013)	(4,013)
Other comprehensive income							
Net exchange gain on net investment in foreign subsidiaries	—	—	—	—	12,052	—	12,052
Net exchange loss on hedge of net investment in foreign subsidiaries	—	—	—	—	(3,124)	—	(3,124)
Transfer of reserve of sale of equity investment	—	—	—	(6,231)	—	6,231	—
Net change in fair value of equity investments at FVOCI	—	—	—	(522)	—	—	(522)
Total comprehensive income for the year	—	—	—	(6,753)	8,928	2,218	4,393
Transactions with owners of the Company							
Tax relating to share options	—	—	245	—	—	—	245
Exercise of share options	1	3,079	—	—	—	—	3,080
Issue of shares	—	286	—	—	—	—	286
Share based payment charge	—	—	325	—	—	—	325
Balance at 28 February 2023	140	103,789	18,974	3,002	5,354	69,609	200,868

Company statement of changes in equity

Year ended 29 February 2024

	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
	Share capital £'000	Share premium £'000	Share option reserve £'000	Fair value reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 March 2022	139	100,424	18,624	1,547	43,949	164,683
Total comprehensive income for the year						
Loss for the year	—	—	—	—	(22,263)	(22,263)
Other comprehensive income						
Net change in fair value of equity investments at FVOCI	—	—	—	(2,561)	—	(2,561)
Total comprehensive income for the year	—	—	—	(2,561)	(22,263)	(24,824)
Transactions with owners of the Company						
Tax relating to share options	—	—	336	—	—	336
Exercise of share options	1	3,079	—	—	—	3,080
Issue of shares	—	286	—	—	—	286
Share based payment charge	—	—	325	—	—	325
Balance at 28 February 2023	140	103,789	19,285	(1,014)	21,686	143,886

Consolidated cash flow statement

Year ended 29 February 2024

	2024 £'000	2023 £'000
Cash flows from operating activities		
Loss for the year	(40,784)	(4,013)
Adjustments for:		
Net finance costs	6,176	2,646
Depreciation of property, plant and equipment	6,339	7,265
Amortisation of intangible assets	15,291	14,331
Lease modification	(1,469)	—
Impairment loss on remeasurement of the disposal group	21,204	—
Equity-settled share based payment transactions	1,408	325
Profit on disposal of associate	(88)	(3,017)
Loss on disposal of fixed assets	10	5
Other income	—	(9)
Grant income	(148)	(240)
Tax expense	2,735	2,836
	10,674	20,129
Changes in:		
Trade and other receivables	12,039	(14,604)
Trade and other payables and deferred income	(1,218)	22,970
Cash generated from operating activities	21,495	28,495
Taxes paid	(3,845)	(1,467)
Net cash from operating activities	17,650	27,028
Cash flows from investing activities		
Interest received	125	24
Sale of associate	3,005	100
(Investment in)/sale of other investments	(249)	8,139
Acquisition of property, plant and equipment	(654)	(2,940)
Proceeds from sale of property, plant and equipment	—	67
Acquisition of intangible assets	(27,220)	(23,468)
Net cash used in investing activities	(24,993)	(18,078)
Cash flows from financing activities		
Proceeds from issue of share capital	64	3,080
Drawdown of loans and borrowings	37,867	—
Repayment of borrowings	(38,019)	(17,823)
Payment of lease liabilities	(3,381)	(4,000)
Interest paid	(4,235)	(3,666)
Net cash used in financing activities	(7,704)	(22,409)
Net decrease in cash and cash equivalents	(15,047)	(13,459)
Cash and cash equivalents at 1 March	36,905	48,564
Effects of exchange rate changes on cash held	(1,071)	1,800
Cash and cash equivalents at end of year	20,787	36,905
Cash and cash equivalents at end of year (continuing operations)	20,787	32,788
Cash and cash equivalents at end of year (discontinued operations)	—	4,117

Company cash flow statement

Year ended 29 February 2024

	2024 £'000	2023 £'000
Cash flows from operating activities		
Loss for the year	(45,881)	(22,264)
Adjustments for:		
Net finance costs	6,771	7,920
Depreciation of property, plant and equipment	2,543	2,926
Amortisation of intangible assets	12,054	9,171
Dividends from subsidiary	(2,288)	—
Loss on disposal of fixed asset	30	5
Equity-settled share based payment transactions	1,408	325
Other income	(249)	(257)
Grant income	(148)	(240)
Impairment of investment in subsidiaries	21,558	7,546
Tax charge/(credit)	2,480	(4,582)
	(1,722)	550
Changes in:		
Trade and other receivables	51,786	14,217
Trade and other payables and deferred income	(30,387)	24,494
Cash generated from operating activities	19,677	39,261
Tax (payment)/refund	(85)	1,134
Net cash from operating activities	19,592	40,395
Cash flows from investing activities		
Interest received	82	24
Acquisition of subsidiaries	—	(6)
Sale of other investments	—	9
Acquisition of property, plant and equipment	(404)	(1,839)
Proceeds from sale of property, plant and equipment	—	67
Acquisition of intangible assets	(22,735)	(17,417)
Net cash used in investing activities	(23,057)	(19,162)
Cash flows from financing activities		
Proceeds from issue of share capital	64	3,080
Drawdown of loans and borrowings	37,867	—
Repayment of borrowings	(38,019)	(17,823)
Payment of lease liabilities	(983)	(1,466)
Interest paid	(4,684)	(3,071)
Net cash used in financing activities	(5,755)	(19,280)
Net (decrease)/increase in cash and cash equivalents	(9,220)	1,953
Cash and cash equivalents at 1 March	18,958	16,236
Effects of exchange rate changes on cash held	(828)	769
Cash and cash equivalents at 28 February	8,910	18,958

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 20 May 2024.

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 related notes that form a part of those approved financial statements.

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 2023 and these have been adopted in the Group and Company financial statements where relevant:

- IFRS 17 & Amendment to IFRS 17 Insurance Contracts
- Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to IFRS 4
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2
- Amendments to IFRS 8 Operating Segments
- Amendments to IAS 12 Income Taxes
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS 2 – Climate-related Disclosures

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 2024 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 1	1 January 2024
Amendments to IFRS 16	1 January 2024
Amendments to IFRS 7: Financial Instruments Disclosures	1 January 2024
Amendments to IAS 21	1 January 2025
IFRS 18: Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 7 Statement of Cash Flows	1 January 2024

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 has long-term loan facilities in place. 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.

Notes continued

1. Material accounting policy information continued

a) Basis of preparation continued

Going concern continued

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 and the existing loan facility. Whilst the Company balance sheet shows it to have net current liabilities, it has cash resources available to it through its subsidiary undertakings. Accordingly, they 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 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 critical 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 are 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 have 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).

1. Material accounting policy information continued

a) Basis of preparation continued

Measurement of fair values continued

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 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.

Notes continued

1. Material accounting policy information continued

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 as 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.

1. Material accounting policy information continued

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.

Notes continued

1. Material accounting policy information continued

f) Financial instruments continued

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. Bank overdrafts are included under borrowings in the statement of financial position.

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.

1. Material accounting policy information continued

h) Impairment continued

i) Financial assets continued

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 adjusted 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, 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), 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 amount recognised as an expense is adjusted to reflect the actual number of share options that vest. On the lapse of share options on the vesting date, the amount recognised in the share option reserve is transferred to retained earnings. Modifications are assessed at the date of modification and any incremental charges are charged to the income statement.

Notes continued

1. Material accounting policy information continued

i) Employee benefits continued

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.

1. Material accounting policy information continued

j) Revenue continued

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.

Notes continued

1. Material accounting policy information continued

m) Taxation continued

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, does 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 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, 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 systems 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 of our 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.

1. Material accounting policy information continued

s) Non current assets held for sale and discontinued operations continued

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.

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. All loans are currently variable rate in nature, with the terms being at prevailing market interest rates.

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 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 generates positive operating cash flows and is able to meet its liabilities as they fall due. In addition, the Group has lines of credit identified in note 22 to the financial statements.

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 Group's capital management overall strategy remains unchanged from 2022. 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 option schemes as disclosed in note 32 to the financial statements and as purchase consideration in business combinations. The Board seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a strong capital position. Please see capital structure per note 21.

Notes continued

3. Operating and business segments

Business segments

The Group is 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) – 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

	KX		FD		Total		MRP (discontinued)	
	2024 £'000	2023 restated* £'000	2024 £'000	2023 restated* £'000	2024 £'000	2023 restated* £'000	2024 £'000	2023 £'000
Revenue by segment								
Revenue	79,146	70,981	169,717	183,587	248,863	254,568	28,975	41,474
Gross profit	61,978	54,076	43,733	51,240	105,711	105,316	12,817	17,025
Adjusted EBITDA	5,103	12,824	17,969	20,509	23,072	33,333	(4,124)	1,429
Restructure and non-operational costs					(3,805)	(6,963)	(1,667)	(1,753)
IT systems implementation costs expensed					(1,077)	(5,562)	—	—
Share based payment and related costs					(1,408)	(436)	—	—
Depreciation and amortisation					(18,839)	(16,690)	(2,316)	(2,109)
Amortisation of acquired intangibles					(373)	(2,651)	(101)	(146)
Operating (loss)/profit					(2,430)	1,031	(8,208)	(2,579)
Net finance costs					(5,404)	(4,455)	(774)	1,809
Impairment of intangible assets and goodwill					—	—	(21,204)	—
Profit on disposal of associate					88	3,017	—	—
Lease costs					—	—	(117)	—
Loss before taxation					(7,746)	(407)	(30,303)	(770)

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.

* Reclassification of KX service revenue to First Derivative

During the period we transferred professional services contracts relating to post implementation consultancy and development from KX to First Derivative, where it is better placed to be serviced and grow. The numbers stated above reflect this change and the prior year results have also been restated to enable like-for-like comparison. The impact in the period was to move £9,040k of KX services revenue to First Derivative (FY23: £9,258k), along with £5,609k cost of sales (FY23: £5,363k) resulting in an impact on gross profit of £3,431k (FY23: £3,895k). A £100k movement in adjusted admin expenses (FY23: £100k) resulted in a net movement in adjusted EBITDA of £3,331k from KX to FD for the period (FY23: £3,795k).

3. Operating and business segments continued

Geographical location analysis

	Revenues		Non-current assets	
	2024 £'000	2023 restated £'000	2024 £'000	2023 £'000
UK	78,360	95,189	81,817	87,589
EMEA	51,473	51,698	15,683	17,028
The Americas	92,398	88,561	79,593	106,317
Asia Pacific	26,632	19,120	1,316	2,223
Total	248,863	254,568	178,409	213,157

Major customers

The Group has no key customers who generated more than 10% of Group revenue in 2024 or 2023.

4. Revenue

Disaggregation of revenue

	KX		FD		Total	
	2024 £'000	2023 restated* £'000	2024 £'000	2023 restated* £'000	2024 £'000	2023 £'000
Type of good or service						
Sale of goods – perpetual	2,251	1,556	—	—	2,251	1,556
Sale of goods – recurring	68,438	57,554	—	—	68,438	57,554
Rendering of services	8,457	11,871	169,717	183,587	178,174	195,458
	79,146	70,981	169,717	183,587	248,863	254,568
Timing of revenue recognition						
At a point in time	2,251	1,556	—	—	2,251	1,556
Over time	76,895	69,425	169,717	183,587	246,612	253,012
	79,146	70,981	169,717	183,587	248,863	254,568

* See note 3 for further details on 2023 reclassification of KX service revenue to First Derivative

The following table provides information about receivables, accrued income and deferred income from contracts with customers.

Receivables, accrued and deferred income

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Net current trade receivables (see note 19)	44,370	72,098	32,852	48,460
Accrued income (see note 19)	9,316	8,325	6,838	4,513
Deferred income	43,176	48,407	24,604	27,552

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

	2024 £'000	2023 (restated) £'000
Government grants	148	240
Dividends from equity investments held at FVOCI	—	9
	148	249

Notes continued

5. Other income continued

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 2024. The income is recognised as the costs are incurred.

In December 2020, the Group was awarded a government grant amounting to £192k under the ATI Programme, COREF (COConnected REconfigurable Factory). 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 2023, the income is recognised as the costs are incurred. For the year ended 29 February 2024, £15k was recognised in the profit and loss account (2023: £48k).

6. Operating costs

	2024 £'000	2023 (restated) £'000
Rent, rates and insurance	3,556	3,178
Telecommunications	426	474
Accountancy, audit and legal expenses	3,893	2,960
Payroll costs	76,651	72,142
– of which capitalised	(19,323)	(15,936)
Research and Development Related Tax credit	(2,876)	(2,234)
Listing expenses	379	640
Travel and subsistence	3,945	1,622
IT expenses	5,394	3,068
Marketing expenses	3,477	2,501
Restructure and non-operational costs	3,805	6,963
IT systems implementation costs expensed	1,077	5,562
Depreciation and amortisation	19,212	19,341
Impairment loss on trade and other receivables	3,811	2,245
Other operating costs	4,862	2,008
	108,289	104,534

Included within restructure and non-operational costs is £2,639k in relation to efficiency measures at First Derivative.

7. Adjusted EBITDA

	2024 £'000	2023 (restated) £'000
Operating (loss)/profit	(2,430)	1,031
Restructure and non-operational costs	3,805	6,963
IT systems implementation costs expensed	1,077	5,562
Share based payment and related costs	1,408	436
Depreciation and amortisation	19,212	19,341
	23,072	33,333

8. Auditor's remuneration

	2024 £'000	2023 (restated) £'000
Auditor's remuneration		
Audit of these financial statements	164	160
Amounts receivable by the auditor and its associates in respect of:		
Audit of the subsidiary undertakings included in the consolidation	67	65
All other services	2	3
Taxation compliance services	—	—
Other assurance	36	27
Other tax advisory services	—	—
Expenses recharged	1	—
	270	255

Included in the auditor's remuneration is £nil (2023: £12k) relating to discontinued operations. Refer to note 34 for details.

9. Personnel expenses and numbers

The average monthly number of persons (including Directors) employed by the Group during the year is set out below:

	Group		Company	
	2024 Average no.	2023 Average no.	2024 Average no.	2023 Average no.
Administration	228	215	184	181
Sales	161	104	71	41
Technical	2,060	2,287	1,059	1,273
Monthly average excluding discontinued operations	2,449	2,606	1,314	1,495
MRP business (classified as discontinued operations)*	281	417	—	—
Monthly average including discontinued operations	2,730	3,023	1,314	1,495

* At the financial reporting date MRP has been classified as a disposal group held for sale. Refer to note 34 for details.

The aggregate payroll costs were as follows:

	Group (2024)			Group (2023)		
	Continuing operations £'000	Discontinuing operations £'000	Total £'000	Continuing operations £'000	Discontinuing operations £'000	Total £'000
Wages and salaries	176,194	17,322	193,516	180,321	26,066	206,387
Social security costs	16,417	2,039	18,456	16,656	1,625	18,281
Other pension costs	6,513	830	7,343	6,625	588	7,213
Share based payments (see note 32)	1,408	—	1,408	325	—	325
Less capitalised development costs	(19,323)	(1,791)	(21,114)	(15,936)	(3,171)	(19,107)
	181,209	18,400	199,609	187,991	25,108	213,099
Included in:						
Cost of sales	123,881	9,135	133,016	131,785	15,508	147,293
Operating costs (see note 6)	57,328	9,265	66,593	56,206	9,600	65,806
	181,209	18,400	199,609	187,991	25,108	213,099

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	
	2024 £'000	2023 £'000
Wages and salaries	87,910	97,161
Social security costs	9,542	10,263
Other pension costs	3,685	3,710
Share based payments (see note 32)	1,408	325
Less capitalised development costs	(7,824)	(13,763)
	94,721	97,696

Notes continued

10. Finance income and expense on continuing operations

	2024 £'000	2023 (restated) £'000
Bank interest income	91	24
Other interest income	33	—
Finance income	124	24
(Loss)/gain on foreign currency translation	(1,560)	10
Financial liabilities measured at amortised costs		
– interest expense	(3,473)	(3,784)
– lease interest expense	(495)	(705)
Finance expense	(3,968)	(4,489)
Net finance expense recognised in profit or loss	(5,404)	(4,455)

Exchange gains and losses on net investments in foreign subsidiaries and related effective hedges are recognised in the foreign currency translation reserve.

11. Tax expense on continuing operations

a) Income tax recognised in the income statement

	2024 £'000	2023 (restated) £'000
Current tax expense		
Current year	2,681	5,008
Adjustment for prior years	(143)	(88)
	2,538	4,920
Deferred tax expense		
Origination and reversal of temporary differences	3,129	(4,107)
Adjustment for prior years	(41)	(333)
	3,088	(4,440)
Tax expense on continuing operations	5,626	480

b) Amounts recognised in OCI

	2024			2023 (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	3,674	51	3,725	1,811	(1,289)	522
Items that are or may be reclassified subsequently to profit or loss						
Hedge of net investment in foreign subsidiaries	(1,130)	283	(847)	4,165	(1,041)	3,124
	2,544	334	2,878	5,976	(2,330)	3,646

c) Amounts recognised in equity

	2024			2023 (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	—	(215)	(215)	—	(181)	(181)
Deferred tax on losses	—	(6,040)	(6,040)	—	24	24
Deferred tax on other items	—	54	54	—	—	—
Current tax on losses	—	—	—	—	(88)	(88)
	—	(6,201)	(6,201)	—	(245)	(245)

11. Tax expense on continuing operations continued

c) Amounts recognised in equity continued

	2024 £'000	2023 (restated) £'000
Reconciliation of effective tax rate		
Loss excluding income tax	(7,746)	(407)
Income tax using the Company's domestic tax rate of 24.49% (2023: 19.0%)	(1,897)	(77)
Tax exempt income	(308)	(235)
Expenses not deductible for tax purposes	1,812	783
Adjustments for prior years	(184)	(421)
Other differences	(98)	(80)
Effect of foreign exchange on consolidation	310	(420)
Foreign tax rate differences	(274)	1,156
Impact of change in tax rates	(60)	(591)
Permanent adjustment on SBP	225	148
Deferred tax not recognised in respect of losses carried forward	2,324	—
Deferred tax not recognised in respect of current period	3,738	—
Losses recognised in equity	—	79
Unrelieved overseas taxes	38	138
Total tax expense	5,626	480

Tax expense excludes the income tax credit from the discontinued operation of £2,891 (2023: income tax charge £2,356k), included in the 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 29 February 2024, as this rate has been enacted at the balance sheet date effective from 1 April 2023.

The Group's overall effective tax rate in the period was impacted significantly by the derecognition of carried forward losses in the UK.

The total tax charge, including discrete items is £5,626k (2023: £480k), which equates to an effective tax rate of (72.62%) (2023: (117.94%)).

The total tax credit, excluding discrete items, being tax losses derecognised in the period, is £385k (2023: £480k), which equates to an effective tax rate of 4.97% (2023: 117.94%). Disallowable non-operational costs and tax charges arising in jurisdictions with a higher effective rate of tax than the UK, continue to create a higher tax charge than the standard rate of tax of 24.49%.

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:

	2024 £'000	2023 £'000
Aggregate emoluments (including benefits in kind)	1,331	1,636
Company pension contributions	30	28
Share based payment	259	267
	1,620	1,931

During the year there was one Director accruing benefits under a defined contribution pension scheme (2023: one).

The aggregate emoluments and Company pension contributions of the highest paid Director (excluding fees paid for provision of services) amounted to £451k and £nil respectively during the year (2023: £687k and £nil respectively).

The Directors are deemed to be the key management of the Group. There is no remuneration paid to Directors allocated to MRP business 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.

Notes continued

13. Dividends

	2024 £'000	2023 £'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 (2023: £nil) per share.

After the respective reporting dates, no dividends were paid or declared by the Directors.

	2024 £'000	2023 (restated) £'000
£Nil per ordinary share (2023: £nil)	—	—

14. a) Loss per ordinary share – from continuing and discontinued operations

Basic

The calculation of basic loss per share at 29 February 2024 was based on the loss attributable to ordinary shareholders of £40,784k (2023: £4,013k), and a weighted average number of ordinary shares in issue of 28,080k (2023: 27,962k).

	2024 Pence per share	2023 Pence per share
Basic loss per share	(145.2)	(14.4)

Loss per share from continuing operations at 29 February 2024 is 47.6p (FY23: 3.2p), based on the loss attributable to ordinary shareholders from continuing operations £13,372k (2023: £887k).

Weighted average number of ordinary shares

	2024 Number '000	2023 Number '000
Issued ordinary shares at 1 March	28,065	27,826
Effect of share options exercised	4	124
Effect of shares issued as remuneration	11	12
Weighted average number of ordinary shares at 29/28 February	28,080	27,962

Diluted

The calculation of diluted loss per share at 29 February 2024 was based on the loss attributable to ordinary shareholders of £40,784k (2023: £4,013k) and a weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares of 28,080k (2023: 27,962k).

	2024 Pence per share	2023 Pence per share
Diluted loss per share	(145.2)	(14.4)

Diluted loss per share from continuing operations at 29 February 2024 is 47.6p (FY23: loss per share 3.2p), based on the loss attributable to ordinary shareholders from continuing operations £13,372k (2023: £887k).

Weighted average number of ordinary shares (diluted)

	2024 Number '000	2023 Number '000
Weighted average number of ordinary shares (basic)	28,080	27,962
Effect of dilutive share options in issue	—	—
Weighted average number of ordinary shares (diluted) at 29/28 February	28,080	27,962

In accordance with IAS 33, share options in issue are anti-dilutive meaning there is no difference between basic and diluted loss per share in FY24 and FY23.

Basic and diluted loss per share at 29 February 2024 for discontinued operations is presented in note 34.

14. b) Loss before tax per ordinary share – from continuing and discontinued operations

Loss before tax per share is based on loss before taxation of £38,049k (2023: £1,177k). The number of shares used in this calculation is consistent with note 14(a) above.

	2024 Pence per share	2023 Pence per share
Basic loss before tax per ordinary share	(135.5)	(4.3)
Diluted loss before tax per ordinary share	(135.5)	(4.3)

Reconciliation from loss per ordinary share to loss before tax per ordinary share:

	2024 Pence per share	2023 Pence per share
Basic loss per share	(145.2)	(14.4)
Impact of taxation charge	9.7	10.1
Basic loss before tax per share	(135.5)	(4.3)
Diluted loss per share	(145.2)	(14.4)
Impact of taxation charge	9.7	10.1
Diluted loss before tax per share	(135.5)	(4.3)

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:

	2024 £'000	2023 (restated) £'000
Loss after tax	(40,784)	(4,013)
Amortisation of acquired intangibles after tax effect	373	2,419
Share based payments after tax effect	1,408	353
Restructure and non-operational costs after tax effect	4,077	10,395
Profit on sale of associate after tax effect	(66)	(3,017)
Loss/(gain) on foreign currency translation after tax effect	1,177	(8)
Finance costs after tax effect	208	902
Discrete items for tax	6,011	—
Loss after tax from discontinued operations	27,412	3,126
Adjusted (loss)/profit after tax	(184)	10,157

The number of shares used in this calculation is consistent with note 14(a) above.

14. c) Adjusted earnings after tax per ordinary share – from continuing and discontinued operations

	2024 Pence per share	2023 (restated) Pence per share
Adjusted basic (loss)/earnings after tax per ordinary share	(0.7)	36.3
Adjusted diluted (loss)/earnings after tax per ordinary share	(0.7)	36.3

Notes continued

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 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

* At the financial reporting date MRP has been classified as a disposal group held for sale. Refer to note 34 for details.

	Leasehold improvements £'000	Plant and equipment £'000	Office furniture £'000	Right-of-use assets £'000	Total £'000
Cost					
At 1 March 2022	5,444	14,372	1,366	30,171	51,353
Additions	441	2,362	137	1,035	3,975
Disposals	(104)	(34)	—	(880)	(1,018)
Reclass	1,468	(1,468)	—	—	—
Exchange adjustments	230	624	89	1,443	2,386
At 28 February 2023	7,479	15,856	1,592	31,769	56,696
Depreciation					
At 1 March 2022	3,544	8,544	1,116	9,806	23,010
Charge for the year	671	2,257	171	4,166	7,265
Disposals	(32)	—	—	(451)	(483)
Reclass	(38)	(9)	47	—	—
Exchange adjustments	116	539	28	628	1,311
At 28 February 2023	4,261	11,331	1,362	14,149	31,103
Carrying Amount					
At 28 February 2023	3,218	4,525	230	17,620	25,593

The basis by which depreciation is calculated is stated in note 1.

Property, plant and equipment includes right-of-use assets of £10,178k (2023: £17,620k), 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.

15. Property, plant and equipment continued

Company

	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
	Leasehold improvements £'000	Plant and equipment £'000	Office furniture £'000	Right-of-use assets £'000	Total £'000
Cost					
At 1 March 2022	3,395	3,922	726	13,142	21,185
Reclass	558	(558)	—	—	—
Additions	441	1,260	138	244	2,083
Disposals	(105)	—	—	—	(105)
At 28 February 2023	4,289	4,624	864	13,386	23,163
Depreciation					
At 1 March 2022	1,817	1,958	640	3,659	8,074
Charge for the year	425	776	83	1,642	2,926
Disposals	(32)	—	—	—	(32)
At 28 February 2023	2,210	2,734	723	5,301	10,968
Carrying Amount					
At 28 February 2023	2,079	1,890	141	8,085	12,195

The basis by which depreciation is calculated is stated in note 1.

Notes continued

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 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

* At the financial reporting date MRP has been classified as a disposal group held for sale. Refer to note 34 for details.

	Goodwill £'000	Customer lists £'000	Acquired software £'000	Brand name £'000	Internally developed software £'000	Total £'000
Cost						
Balance at 1 March 2022	106,501	12,834	29,769	743	101,540	251,387
Additions	—	—	330	—	—	330
Disposals	—	—	—	—	—	—
Development costs	—	—	—	—	23,138	23,138
Exchange adjustments	10,141	1,083	2,877	59	978	15,138
At 28 February 2023	116,642	13,917	32,976	802	125,656	289,993
Amortisation						
Balance at 1 March 2022	—	11,832	26,106	703	57,139	95,780
Amortisation for the year	—	944	1,816	37	11,534	14,331
Exchange adjustment	—	1,003	2,527	55	637	4,222
At 28 February 2023	—	13,779	30,449	795	69,310	114,333
Carrying Amount						
At 28 February 2023	116,642	138	2,527	7	56,346	175,660

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 for continuing operations is £19,323k (2023: £15,936k) of capitalised employee costs for the year. Developed software includes £3,235k (2023: £11,290k) of software under development at 29 February 2024 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.

16. Intangible assets and goodwill continued

Group continued

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 (discontinued)* £'000	Total goodwill £'000
Goodwill at 1 March 2023	95,777	1,899	18,966	116,642
Transfer	(1,749)	1,749	—	—
Foreign currency translation adjustment	(3,894)	(20)	(867)	(4,781)
Balance at 29 February 2024 (including discontinued operations)	90,134	3,628	18,099	111,861
Transferred to assets held for sale	—	—	(18,099)	(18,099)
Balance at 29 February 2024 (excluding discontinued operations)	90,134	3,628	—	93,762

* At the financial reporting date MRP has been classified as a disposal group held for sale. Refer to note 34 for 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 FY25 to FY28 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 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 rates used in each business segment for impairment testing are as follows:

	KX	FD	MRP
Risk-adjusted discount rate	11.0%	10.0%	13.0%

(c) Long term growth rate

The long term growth rates used in each region for impairment testing are as follows:

	KX	FD	MRP
Long term growth rate	2%	2%	2%

Impairment on discontinued operations

Management determined that an impairment was required in relation to the MRP CGU. Following the IAS 36 impairment test on 29th February the MRP CGU met the criteria of a held for sale asset and in line with IFRS 5, the carrying value of the disposal group was written down to the fair value of the disposal group less costs to sell resulting in all goodwill on the MRP CGU being written down to £nil. Refer to note 34 for further details.

Notes continued

16. Intangible assets and goodwill continued

Group continued

Sensitivity analysis on continuing operations

There was no impairment charge for the year ended 29 February 2024 (2023: £nil) in relation to continuing operations. Management have reviewed changes to assumptions which are based on best estimates in arriving at value-in-use, future growth rates and the discount rate applied to cash flow projections and has identified that a reasonable possible change in two key assumptions could cause the carrying amounts to equal the recoverable amount. The following table shows the amounts by which these two assumptions would need to change for the estimated recoverable amount to be equal to the carrying amount. Management believe there to be no reasonably possible changes that would result in an impairment charge being recognised in the FD CGU given the headroom that exists in the goodwill impairment review.

	KX	FD
Risk-adjusted discount rate %	16%	n/a
Budgeted EBITDA margin	30%	n/a

Company

	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
----------------------------	--------------	------------	---------------	---------------

	Goodwill £'000	Acquired software £'000	Internally developed software £'000	Total £'000
Cost				
Balance at 1 March 2022	1,947	914	74,083	76,944
Development costs	—	—	17,183	17,183
Additions	—	234	—	234
Balance at 28 February 2023	1,947	1,148	91,266	94,361

Amortisation and impairment losses

Balance at 1 March 2022	—	402	40,955	41,357
Amortisation for the year	—	191	8,980	9,171
Balance at 28 February 2023	—	593	49,935	50,528

Net Book Value

At 28 February 2023	1,947	555	41,331	43,833
----------------------------	--------------	------------	---------------	---------------

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 £7,824k (2023: £13,763k) of capitalised employee costs. Developed software includes £2,729k (2023: £7,133k) of software under development at 29 February 2024 not yet commissioned. Uncommissioned development expenditure is assessed for impairment annually as part of the underlying CGU.

Impairment testing of goodwill

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. There was no impairment charge for the year ended 29 February 2024 (2023: £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	
		2024	2023
ActivateClients Limited	Ireland	100%	100%
FD Technologies (Spain) SLU	Spain	100%	100%
First Derivative (Hong Kong) Limited	Hong Kong	100%	n/a
First Derivative (Spain) S.L.	Spain	100%	n/a
First Derivative Limited	United Kingdom	100%	100%
First Derivative Poland Sp Z.o.o	Poland	100%	100%
First Derivative (AUS) Pty Limited	Australia	100%	n/a
FD (Hong Kong) Limited	Hong Kong	100%	100%
First Derivatives (Ireland) Limited	Ireland	100%	100%
First Derivatives Canada Inc.	Canada	100%	100%
First Derivatives Holdings Inc.	United States	100%	100%
First Derivatives I Limited	United Kingdom	100%	100%
First Derivatives Investments LLP	United Kingdom	100%	100%
First Derivatives Japan Co. Limited	Japan	100%	100%
First Derivatives Pte Limited	Singapore	100%	100%
First Derivatives Holdings Pty Limited	Australia	100%	100%
First Derivatives Services Limited	United Kingdom	100%	100%
First Derivatives South Africa (Pty) Limited	South Africa	100%	100%
First Derivatives South Korea	South Korea	100%	100%
First Derivatives Sweden AB	Sweden	100%	100%
KX Analytics Limited (previously KX Systems Limited)	United Kingdom	100%	n/a
KX (SG) PTE. Ltd	Singapore	100%	n/a
KX Canada Inc.	Canada	(1) 100%	100%
KX Group Ltd	United Kingdom	100%	100%
KX Systems Hungary Kft	Hungary	100%	100%
KX Systems Inc.	United States	100%	100%
KX Systems Ltd (previously FDT One Ltd)	United Kingdom	100%	n/a
MRP Holdings Limited	United Kingdom	100%	100%
Redshift Horizons Limited	United Kingdom	(3) n/a	100%
QuantumKDB Limited	United Kingdom	(3) n/a	100%

Indirectly owned subsidiaries of FD Technologies plc	Address of registered office	Ownership	
		2024	2023
FDT Holdings Inc	United States	100%	100%
First Derivatives Pty Limited	Australia	100%	100%
First Derivatives US Inc	United States	100%	100%
KX Systems India Private Limited	India	100%	n/a
Market Resource Partners (Ireland) Limited	Ireland	(2) 100%	100%
Market Resource Partners Australia Pty	Australia	(2) 100%	100%
MRP Brazil Ltd.	Brazil	(2) 100%	n/a
Market Resource Partners Canada Inc	Canada	(2) 100%	100%
Market Resource Partners Limited	United Kingdom	(2) 100%	100%
Market Resource Partners LLC	United States	(2) 100%	100%
MRPFD S DE RL DE CV	Mexico	100%	100%
Prelytix LLC	United States	100%	100%
Reference Data Factory LLC	United States	100%	100%

(1) Ordinary and preference shares held by Group

(2) Entities included within held for sale disposal group

(3) Entities dissolved in the period

Notes continued

17. Investment in subsidiaries and associate continued

Subsidiaries

Unlisted investments in subsidiaries

	Company	
	2024 £'000	2023 £'000
Cost		
At 1 March 2023	130,978	132,435
Additions	4,749	6,089
Impairment	(21,558)	(7,546)
Disposals	—	—
At 29 February 2024	114,169	130,978

Additions in the 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 year end following the formal offset of intercompany balances. The prior year additions relate to capital contributions made to existing subsidiaries of £6,010k and to subsidiaries incorporated in the year of £79k.

During the year, the Board agreed on the separation of its interests in the MRP business and related entities. An impairment of £18,620k relates to the impairment of the Company's equity investment in MRP Holdings Limited. A further impairment of £2,938k was booked in relation to ActivateClients Limited. In the prior year impairments of subsidiaries were recognised for FD Technologies (Spain) SLU £536k, ActivateClients Limited £2,167k, First Derivatives Holdings Pty Limited £2,002k, Quantum KDB Limited £2,648k, Redshift LLP £9k and Redshift Horizons Limited £184k.

Associate

On 5 October 2021, First Derivatives I Limited, a company wholly owned by FD Technologies plc, executed an agreement for the disposal of its holding in its associate RxDataScience Inc. A profit on disposal of £6,943k was recognised within the consolidated statement of comprehensive income in FY22. During FY24, additional proceeds of £88k (FY23: £3,017k) were recognised during the year based on the delivery of earn-out arrangements included in the agreement for the disposal of the Group's interest in this entity which were not considered probable at the prior year end. Additional proceeds of £3,005k (FY23: £100k) are presented as cash flows from investing activities in the cash flow statement.

18. Other financial assets

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Non-current investments				
Equity securities at FVOCI	7,642	9,356	1,072	956
	7,642	9,356	1,072	956

Information about the Group's and Company's exposure to market risk and fair value measurement are disclosed in note 31(b). Movements in the value of the equity securities held is 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 in the year (2023: £9k).

19. Trade and other receivables

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current assets				
Trade receivables	44,370	72,098	32,852	48,460
Receivables from subsidiaries	—	—	11,985	3,495
Other receivables	3,517	7,299	2,501	1,110
Accrued income	9,316	8,325	6,838	4,513
Prepayments	5,045	8,436	4,306	6,495
Grant income receivable	922	591	162	325
	63,170	96,749	58,644	64,398

19. Trade and other receivables continued

	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Non-current assets				
Receivables from subsidiaries	—	—	—	55,429
Convertible loans	83	283	—	—
Other loans	—	104	—	—
Trade and other receivables	1,410	1,410	736	734
Grant income receivable	653	751	—	—
	2,146	2,548	736	56,163

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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank balances	20,787	36,905	8,910	18,958

See note 31 for discussion of interest rate risk and sensitivity analysis.

21. Share capital

	Ordinary shares	
	2024 Number	2023 Number
In issue at 1 March	28,064,854	27,826,486
Exercise of share options (see note 32)	7,500	222,800
Issued as remuneration	15,802	15,568
In issue at year end – fully paid	28,088,156	28,064,854

	2024 Number	2024 £'000	2023 Number	2023 £'000
Equity shares				
Issued, allotted and fully paid				
Ordinary shares of £0.005 each	28,088,156	140	28,064,854	140

Shares increased in the year due to the exercise of 7,500 share options (2023: 222,800) for cash consideration of £64k (2023: £3,080k) and the issue of 15,802 shares (2023: 15,568) as remuneration of £267k (2023: £286k).

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

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.

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.

Notes continued

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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current liabilities				
Secured bank loans	—	36,499	—	36,499
Lease liabilities	2,466	3,412	1,096	1,007
	2,466	39,911	1,096	37,506
Non-current liabilities				
Secured bank loans	35,200	—	35,200	—
Lease liabilities	8,886	17,026	6,450	7,522
	44,086	17,026	41,650	7,522

Terms and repayment schedule

In May 2023, FD Technologies plc refinanced its banking facilities, which had been due to expire in June 2024, on improved terms. The total facility remains at £130m and is entirely comprised of a revolving credit facility, replacing a £65m term loan and £65m revolving credit facility. The interest rate payable is 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 is equal to 1.85% to 2.80%, which compares favourably to the previous margin of 2% to 3%. The lead arranger for the facility remains Bank of Ireland, with continued participation from Barclays and AIB and new participation from HSBC.

The terms and conditions of outstanding loans were as follows:

				2024		2023	
	Currency	Nominal interest rate	Year of maturity	Face value £'000	Carrying amount £'000	Face value £'000	Carrying amount £'000
Term loan – USD	USD	2.0%+US Libor	2024	—	—	35,064	34,885
Term loan – GBP	GBP	2.0%+SONIA	2024	—	—	1,622	1,614
Revolving loan	Multi	SONIA/SOFR + ¹	2026	36,085	35,200	—	—
Lease liabilities	Multi	3.78%	2022–2035	11,352	11,352	20,438	20,438
Total interest bearing				47,437	46,552	57,124	56,937

¹ The nominal interest rate varies as the Group meets financial targets with a minimum rate available of 1.85%+SONIA/SOFR.

The revolving credit facility is secured by a fixed charge over certain subsidiaries of the Group.

22. Loans and borrowings continued

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	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	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

Group	2022 £'000	New/(disposed) leases £'000	Cash flow on principal £'000	Cash flow on interest £'000	Non-cash movement £'000	2023 £'000
Secured bank loans	48,236	—	(17,823)	—	6,086*	36,499
Lease liabilities	23,322	(50)	(4,000)	(982)	2,148	20,438
Total liabilities from financing activities	71,558	(50)	(21,823)	(982)	8,234	56,937

* The majority of non-cash movement relates to foreign exchange movements.

Company	2023 £'000	New/(disposed) leases £'000	Cash flow on principal £'000	Cash flow on interest £'000	Non-cash movement £'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

Company	2022 £'000	New/(disposed) leases £'000	Cash flow on principal £'000	Cash flow on interest £'000	Non-cash movement £'000	2023 £'000
Secured bank loans	48,236	—	(17,823)	—	6,086*	36,499
Lease liabilities	9,994	—	(1,466)	(386)	387	8,529
Total liabilities from financing activities	58,230	—	(19,289)	(386)	6,473	45,028

* The majority of non-cash movement relates to foreign exchange movements.

23. Trade and other payables

Current liabilities

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade payables	8,014	11,291	4,924	6,852
Other payables	13,044	15,745	7,394	10,234
Accruals	10,925	13,460	8,108	5,457
Government grants	1,707	970	1,500	790
Payables to subsidiaries	—	—	65,180	95,146
	33,690	41,466	87,106	118,479

Non-current liabilities

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Government grants	4,498	3,681	3,677	2,972
	4,498	3,681	3,677	2,972

The Group and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 31.

Notes continued

24. Deferred taxation

Group

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Property, plant and equipment	2,240	1,979	(266)	(907)
Share based payments	337	428	—	—
Trading losses	6,124	14,424	—	—
Other financial assets at fair value	—	54	(1,355)	(1,358)
Intangible assets	—	397	(9,941)	(13,493)
Short-term temporary differences	1,025	3,082	—	—
Other*	1,303	949	—	—
Tax assets/(liabilities) before set-off	11,029	21,313	(11,562)	(15,758)
Set-off of tax	—	—	—	—
Net tax assets/(liabilities)	11,029	21,313	(11,562)	(15,758)

* This balance primarily relates to deferred future RDEC release to the profit or loss.

Movement in deferred tax balances differences during the year:

	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 assets 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 financial reporting date MRP has been classified as a disposal group held for sale. Refer to note 34 for details.

24. Deferred taxation continued

Group continued

	Balance at 1 March 2022 £'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	Balance at 28 February 2023 £'000
Property, plant and equipment	(252)	—	—	1,411	—	(87)	1,072
Share based payments	280	—	—	—	181	(33)	428
Trading losses	14,017	—	—	189	(24)	242	14,424
Other financial assets at fair value	(2,607)	—	—	—	1,289	14	(1,304)
Intangible assets	(11,735)	—	—	(988)	—	(373)	(13,096)
Short-term temporary differences	2,204	—	—	591	—	287	3,082
Other	784	—	—	120	—	45	949
	2,691	—	—	1,323	1,446	95	5,555

The basis by which taxation is calculated is stated in note 1.

As at 29 February 2024, the Group has recognised tax losses carried forward generated in the United Kingdom of £5,971k and Australia of £153k, which have no expiration period.

At the end of each reporting period, management assess 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 £11,657k, and Spanish tax losses of £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 £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 £1,563k.

Company

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Property, plant and equipment and intangibles	2,003	1,792	(9,705)	(7,973)
Share based payments	364	429	—	—
Trading losses	5,894	13,786	—	—
Other financial assets at fair value	—	—	(25)	(69)
Other*	1,469	1,136	—	—
Tax assets/(liabilities) before set-off	9,730	17,143	(9,730)	(8,042)
Set-off of tax	—	—	—	—
Net tax assets/(liabilities)	9,730	17,143	(9,730)	(8,042)

* This balance primarily relates to our deferred future RDEC release to the profit and loss and short-term timing differences.

Notes continued

24. Deferred taxation continued

Company continued

Movement in deferred tax balances during the year:

	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)	—

	Balance at 1 March 2022 £'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 28 February 2023 £'000
Property, plant and equipment and intangibles	(6,807)	—	—	626	—	(6,181)
Share based payments	255	—	—	—	174	429
Trading losses	10,231	—	—	3,467	88	13,786
Other financial assets at fair value	(29)	—	—	—	(40)	(69)
Other	997	—	—	144	(5)	1,136
	4,647	—	—	4,237	217	9,101

The basis by which taxation is calculated is stated in note 1. The Company has not recognised deferred tax asset on the fair value movement of investments on equity investments of £864k. The Company has not recognised a deferred tax asset on Corporate Interest Restriction carried forward of £1,563k. The company has not recognised deferred tax on corporate tax losses of £11,658k.

25. Current tax

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current tax receivable	10,249	6,114	7,356	5,176
Current tax payable	1,075	682	—	—

26. Employee benefits

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Accrued holiday pay	2,791	2,547	1,234	1,211
Employee taxes	3,558	3,892	2,384	2,630
	6,349	6,439	3,618	3,841

27. Leases

The Group leases office properties. The leases typically have an average remaining life of four 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
ii. Amounts recognised in profit or loss				
– interest on lease liabilities	792	982	314	387
iii. Amounts recognised in statement of cash flows				
– principal lease liability payments	3,381	4,000	983	1,466
Total cash outflow	4,173	4,982	1,297	1,853

28. Commitments

The maturity analysis of lease liabilities as at 29 February 2024 is as follows:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current lease liabilities	2,466	3,412	1,096	1,007
Non-current lease liabilities	8,886	17,026	6,450	7,522
	11,352	20,438	7,546	8,529

Maturity analysis:

	Group	
	2024 £'000	2023 £'000
Year 1	2,466	3,412
Year 2	2,361	3,426
Year 3	1,898	3,578
Year 4	842	2,885
Year 5	741	1,853
Over 5 years	3,044	5,284
	11,352	20,438

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.

Notes continued

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 £6,513k (2023: £6,625k). Contributions amounting to £1,600k (2023: £1,378k) 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 £40k (2023: £nil) and incurred costs of £nil (2023: £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 £2k (2023: £nil) and incurred costs of £nil (2023: £128k) from Cloudflare for which Thomas Seifert is chief financial officer. All transactions were carried out at arm's length.

In the prior year the Group generated revenues of £121k from Nutanix and £345k from Virtu Financial, and incurred costs of £7k from JAMF. These entities are associated companies to Virginia Gambale, who resigned as Director of FD Technologies plc December 2023. 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Subsidiaries	23,397	25,554	88,500	95,826

	Receivables outstanding		Payables outstanding	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Subsidiaries	11,985	58,924	65,180	95,146

Interest is charged on intercompany loans at market rates.

Dividends of £2,288k from subsidiaries were recognised during the year (2023: £nil).

There were no dividends paid by the Company to the Directors during the year (2023: £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				Total £'000	Fair value £'000	Level
	FVPL £'000	FVOCI £'000	Financial assets at amortised cost £'000	Other financial liabilities £'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 not disclosed as the carrying amounts are considered to be a reasonable approximation of fair value.

	Carrying value				Total £'000	Fair value £'000	Level
	FVPL £'000	FVOCI £'000	Financial assets at amortised cost £'000	Other financial liabilities £'000			
28 February 2023							
Financial assets measured at fair value							
Equity securities	—	886	—	—	886	—	1
Equity securities	—	8,470	—	—	8,470	8,470	3
Convertible loans	283	—	—	—	283	283	3
	283	9,356	—	—	9,639	8,753	
Financial assets not measured at fair value							
Trade and other receivables ¹	—	—	90,578	—	90,578		
Cash and cash equivalents ¹	—	—	36,905	—	36,905		
	—	—	127,483	—	127,483		
Financial liabilities not measured at fair value							
Secured bank loans ¹	—	—	—	(36,499)	(36,499)		
Trade and other payables ¹	—	—	—	(71,240)	(71,240)		
	—	—	—	(107,739)	(107,739)		

1 Fair value not disclosed as the carrying amounts are considered to be a reasonable approximation of fair value.

Notes continued

31. Financial instruments continued

Fair values continued

a) Accounting classifications and fair values continued

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
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	—	
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	—	63,894		
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 not disclosed as the carrying amounts are considered to be a reasonable approximation of fair value.

	Carrying value						
	FVPL	FVOCI	Financial assets at amortised cost	Other financial liabilities	Total	Fair value	Level
28 February 2023	£'000	£'000	£'000	£'000	£'000	£'000	
Financial assets measured at fair value							
Equity securities	—	886	—	—	886	—	1
Equity securities	—	70			70	70	3
Convertible loans	—	—	—	—	—	—	3
	—	956	—	—	956	70	
Financial assets not measured at fair value							
Trade and other receivables ¹	—	—	114,066	—	114,066		
Cash and cash equivalents ¹	—	—	18,958	—	18,958		
	—	—	133,024	—	133,024		
Financial liabilities not measured at fair value							
Secured bank loans ¹	—	—	—	(36,499)	(36,499)		
Trade and other payables ¹	—	—	—	(136,319)	(136,319)		
	—	—	—	(172,818)	(172,818)		

1 Fair value 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.

31. Financial instruments continued

Fair values continued

Financial instruments at fair value

Equity investments and convertible loans – the Group and Company have invested in a number of unlisted companies and a venture capital fund. The Group and Company have applied a discounted cash flow valuation technique to assess the fair value of the unlisted companies 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	
	2024	2023		2024 £'000	2023 £'000
Forecast annual revenues – with adjustments applied to Company forecasts	0-60%	0-90%	+/(-)15%	690/(538)	1,649/(1,509)
Risk-adjusted discount rate	30-55%	30-55%	-/(+)5%	248/(212)	1,554/(1,259)
Market multiple exit values – revenue based valuation	3.0x-5.5x	2.5x-5.5x	+/(-)15%	459/(483)	984/(1,043)

Reconciliation of Level 3 fair value Group

	Convertible loans £'000	Unquoted equities £'000
Balance at 1 March 2023	282	8,470
Purchases	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 2022	282	19,676
Transfer to Level 1	—	(2,774)
Disposals	—	(2,324)
Adjustments to fair value	—	(6,275)
Transfers	—	—
Foreign exchange gain	—	167
Balance at 28 February 2023	282	8,470

Company

	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

Notes continued

31. Financial instruments continued

Fair values continued

Financial instruments at fair value continued

Reconciliation of Level 3 fair value continued

Company continued

	Convertible loans £'000	Unquoted equities £'000
Balance at 1 March 2022	—	3,485
Transfer to Level 1	—	(2,774)
Changes in fair value	—	(763)
Foreign exchange loss	—	122
Balance at 28 February 2023	—	70

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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current assets	63,170	96,749	58,644	64,398
Non-current assets	2,146	2,548	736	56,163
Cash and cash equivalents	20,787	36,905	8,910	18,958
	86,103	136,202	68,290	139,519

The maximum exposure to credit risk for trade and other receivables and convertible loans at the reporting date by geographical region:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Europe	9,982	12,215	6,095	8,610
North America	23,848	36,520	14,340	71,776
United Kingdom	21,582	34,324	31,583	27,134
Asia Pacific	4,859	7,802	3,056	6,546
	60,271	90,861	55,074	114,066

The maximum exposure to credit risk for trade and other receivables and convertible loans at the reporting date by type of counterparty:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
End-user customer	53,686	80,424	39,690	52,972
Convertible and other loans	83	387	—	—
Receivable from subsidiaries	—	—	11,985	58,925
Other*	6,502	10,050	3,399	2,169
	60,271	90,861	55,074	114,066

* 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.

31. Financial instruments continued

Exposure to credit risk continued

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 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

Group	Weighted average loss rate 2023 %	Gross carrying amount 2023 £'000	Loss allowance 2023 £'000
Not past due	0.06	55,257	32
Past due 0–30 days	0.51	5,729	29
Past due 31–120 days	0.57	11,028	63
Past due 121–180 days	2.49	3,859	96
Past due 181–365 days	9.54	4,003	382
Past due 366 days +	65.2	3,301	2,152
Total		83,177	2,754

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

Company	Weighted average loss rate 2023 %	Gross carrying amount 2023 £'000	Loss allowance 2023 £'000
Not past due	0.09	36,150	32
Past due 0–30 days	0.60	4,860	29
Past due 31–120 days	1.00	6,309	63
Past due 121–180 days	1.34	2,831	38
Past due 181–365 days	6.26	2,477	155
Past due 366 days +	44.98	1,205	542
Total		53,832	859

Notes continued

31. Financial instruments continued

Exposure to credit risk continued

Impairment losses continued

Trade receivables and accrued income continued

Expected credit loss assessment continued

The movement in the allowance for impairment in respect of trade receivables and accrued income during the year was as follows:

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Balance at 1 March	2,754	1,644	859	385
Net remeasurement of loss allowance	5,788	2,645	3,504	1,741
Foreign exchange impact	(8)	67	—	—
Amounts written off	(691)	(1,602)	(537)	(1,267)
Transfer to assets held for sale	(3,592)	—	—	—
Closing balance	4,251	2,754	3,826	859

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 decreased from 88 in 2023 to 65 at 2024 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 2024 %	Gross carrying amount 2024 £'000	Loss allowance 2024 £'000
Convertible loans	Medium grade financial services	A+ to BBB-	—	83	—
Non-convertible loans	Non-investment grade pharma	BB+ to B-	—	—	—
Total			—	83	—

Group		Equivalent to external credit rating (S&P)	Weighted average loss rate 2023 %	Gross carrying amount 2023 £'000	Loss allowance 2023 £'000
Convertible loans	Medium grade financial services	A+ to BBB-	—	283	—
Non-convertible loans	Non-investment grade pharma	BB+ to B-	—	104	—
Total			—	387	—

None of the balances in respect of the Group and Company are credit impaired.

31. Financial instruments continued

Exposure to credit risk continued

Receivables from subsidiaries

Company

The Company has intercompany receivable balances totalling £11,985k at year end (2023: £58,924k). 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. On this basis management determined that it is not necessary to provide for an expected credit loss for this balance.

Government grants

At the year end £162k (2023: £325k) for the Group and £162k (2023: £325k) for the Company are receivable from Invest Northern Ireland in respect of grants receivable and £1,413k (2023: £1,016k) 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 £20,787k (2023: £36,905k) and £8,910k (2023: £18,958k) respectively at 29 February 2024 which represents their maximum exposure to 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
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)
28 February 2023							
Secured bank loans	(36,499)	(36,901)	(3,066)	(3,066)	(30,769)	—	—
Lease liabilities	(20,438)	(23,288)	(2,164)	(2,016)	(4,039)	(9,347)	(5,722)
Deferred income	(48,407)	(48,407)	(48,407)	—	—	—	—
Trade and other payables	(22,833)	(22,833)	(22,833)	—	—	—	—
	(128,177)	(131,429)	(76,470)	(5,082)	(34,808)	(9,347)	(5,722)

The above contracted cash flows include interest on secured bank loans, the terms of which are set out in note 22.

Notes continued

31. Financial instruments continued

Exposure to credit risk continued

Liquidity risk continued

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
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)
28 February 2023							
Secured bank loans	(36,499)	(36,686)	(3,066)	(3,066)	(30,554)	—	—
Lease liabilities	(8,529)	(10,010)	(716)	(600)	(1,362)	(3,220)	(4,112)
Deferred income	(27,552)	(27,552)	(27,552)	—	—	—	—
Trade and other payables	(108,767)	(108,767)	(108,767)	—	—	—	—
	(181,347)	(183,015)	(140,101)	(3,666)	(31,916)	(3,220)	(4,112)

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:

	29 February 2024			28 February 2023		
	CAD £'000	EUR £'000	USD £'000	CAD £'000	EUR £'000	USD £'000
Trade receivables	409	2,945	18,437	245	5,440	14,937
Trade and other payables	(15)	(593)	(952)	(21)	(630)	(4,030)
Net balance sheet exposure	394	2,352	17,485	224	4,810	10,907

The secure bank loan above excludes bank loans designated in a net investment hedge of £31,085k (2023: £35,064k).

Company

The Company's exposure to currency risk was as follows:

	29 February 2024			28 February 2023		
	CAD £'000	EUR £'000	USD £'000	CAD £'000	EUR £'000	USD £'000
Trade receivables	409	2,971	17,404	245	5,185	13,764
Secured bank loans	—	—	(31,085)	—	—	(35,064)
Trade and other payables	(8)	(497)	(936)	(21)	(608)	(4,006)
Net balance sheet exposure	401	2,474	(14,617)	224	4,577	(25,306)

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2024	2023	2024	2023
USD 1	1.25	1.25	1.26	1.21
EUR 1	1.16	1.18	1.17	1.14
CAD 1	1.69	1.62	1.72	1.64

31. Financial instruments continued

Exposure to credit risk continued

Currency risk continued

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 £2,023k (2023: £1,594k). A 10% weakening of sterling against the above currencies at the end of the year would increase Group profit or loss by £1,821k (2023: £1,435k). 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 increase Company profit or decrease Company loss by approximately £1,162k (2023: £2,050k). A 10% weakening of sterling against the above currencies at the end of the year would increase Company profit or decrease Company loss by approximately £1,046k (2023: £1,845k). 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Variable rate instruments:				
Financial assets	20,787	36,905	8,910	18,958
Financial liabilities	(35,200)	(36,499)	(35,200)	(36,499)
	(14,413)	406	(26,290)	(17,541)
Fixed rate instruments:				
Financial assets	83	283	—	—
Financial liabilities	(11,352)	(20,438)	(7,546)	(8,529)
	(11,269)	(20,155)	(7,546)	(8,529)

A 10% reduction in interest rates at the end of the year would increase Group equity and profit or decrease loss by approximately £273k (2023: £298k). A 10% increase in interest rates at the end of the year would decrease Group equity and profit or increase Group loss by approximately £301k (2023: £302k). This analysis assumes that all other variables remain constant.

Hedge accounting

Hedge of net investment in a foreign operation

A foreign currency exposure arises from the translation of the Group's net investments in its subsidiaries which have USD functional currencies. The hedged risk is the risk of changes in the GBP/USD spot rates that will result in changes in the value of the Group's net investment in its USD assets when translated into GBP. The hedged items are a portion of the Group's assets which are denominated in USD. The hedging instruments are debt which mitigates an exposure to the effect of a weakening USD on the hedged item against GBP.

It is expected that the change in value of each of these items will mirror each other as there is a clear and direct economic relationship between the hedging instrument and the hedged item in the hedge relationship.

Hedge ineffectiveness would arise if the value of the hedged items fell below the value of the hedging instruments; however, this is unlikely as the value of the Group's assets denominated in USD are significantly greater than the value of the hedging instruments.

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 2024
Foreign exchange risk				
Foreign currency loan				
2024	31,085	31,085	Loans and borrowings	n/a
2023	35,064	35,064	Loans and borrowings	n/a

Notes continued

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 with TSR conditions 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:

	Weighted average exercise price (£) 2024	Number of options 2024	Weighted average exercise price (£) 2023	Number of options 2023
Range of exercise price: £0.00–£1.00				
Maximum options outstanding at beginning of year	—	—	—	—
Lapsed during the year	0.00	(25,953)	—	—
Exercised during the year	—	—	—	—
Granted during the year	0.00	387,433	—	—
Maximum options outstanding at end of year	0.00	361,480	—	—
Exercisable at end of year	—	—	—	—

The options outstanding at 29 February 2024 above have an exercise price in the range of £0.00 to £1.00 (2023: £0.00 to £1.00) and a weighted average contractual life of 9.2 years (2023: N/A).

	Weighted average exercise price (£) 2024	Number of options 2024	Weighted average exercise price (£) 2023	Number of options 2023
Range of exercise price: £4.27–£9.00				
Maximum options outstanding at beginning of year	8.91	92,500	7.58	160,000
Lapsed during the year	8.48	(9,000)	5.65	(10,000)
Exercised during the year	8.48	(7,500)	5.77	(57,500)
Granted during the year	—	—	—	—
Maximum options outstanding at end of year	9.00	76,000	8.91	92,500
Exercisable at end of year	9.00	76,000	8.91	92,500

The options outstanding at 29 February 2024 above have an exercise price in the range of £4.27 to £9.00 (2023: £4.27 to £9.00) and a weighted average contractual life of 0.3 years (2023: 1.2 years).

	Weighted average exercise price (£) 2024	Number of options 2024	Weighted average exercise price (£) 2023	Number of options 2023
Range of exercise price: £12.28–£22.35				
Maximum options outstanding at beginning of year	19.93	1,010,366	19.21	801,416
Lapsed during the year	20.48	(73,000)	19.51	(121,250)
Exercised during the year	—	—	16.63	(165,300)
Granted during the year	17.50	50,000	18.66	495,500
Maximum options outstanding at end of year	19.23	987,366	19.93	1,010,366
Exercisable at end of year	19.85	526,866	19.64	486,499

The options outstanding at 29 February 2024 above have an exercise price in the range of £12.28 to £22.35 (2023: £12.28 to £22.35) and a weighted average contractual life of 5.8 years (2023: 6.7 years).

	Weighted average exercise price (£) 2024	Number of options 2024	Weighted average exercise price (£) 2023	Number of options 2023
Range of exercise price: £23.80–£25.95				
Maximum options outstanding at beginning of year	25.32	1,644,282	25.27	1,901,287
Lapsed during the year	25.18	(392,610)	25.00	(257,005)
Exercised during the year	—	—	—	—
Granted during the year	—	—	—	—
Maximum options outstanding at end of year	25.36	1,251,672	25.32	1,644,282
Exercisable at end of year	25.95	58,672	25.95	80,282

32. Share based payments continued

Reconciliation of outstanding share options continued

The options outstanding at 29 February 2024 above have an exercise price in the range of £23.80 to £25.95 (2023: £23.80 to £25.95) and a weighted average contractual life of 6.7 years (2023: 7.7 years).

The weighted average share price at the date of exercise for share options exercised for the year ended 29 February 2024 was £17.38 per share (2023: £15.95).

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 an adjusted Black-Scholes or Monte-Carlo model where required (on the basis that a Monte-Carlo simulation model is considered a better model to reflect the impact of vesting conditions such as EPS and TSR, it is used for valuing such shares with the Black-Scholes model used for share options with no performance based vesting conditions), with the following inputs:

	Grant of options during the year ended							
	29 February 2024				28 February 2023			
	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Grant date	05/04/23	04/08/23	08/12/23	18/01/24	17/06/22	09/08/22	27/10/22	01/02/23
Fair value at grant date (£)	17.42	4.39	10.62	11.46	6.73	6.70	4.65	4.90
Share price at grant date (£)	17.42	17.50	10.62	11.46	18.80	18.72	13.00	13.70
Exercise price (£)	0.00	17.50	0.00	0.00	18.80	18.72	13.00	13.70
Number of options	346,054	50,000	40,071	1,308	330,500	155,000	5,000	5,000
Expected volatility (weighted average volatility)	48.00%	48.00%	48.00%	48.00%	49.00%	49.00%	49.00%	49.00%
Option life (expected weighted average life)	3.0 years	1.0 year	2.0 years	2.0 years	3.0 years	3.0 years	3.0 years	3.0 years
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	3.33%	3.33%	3.33%	3.33%	3.00%	3.00%	3.00%	3.00%

The key assumption which may be subject to change is the attrition rate over the vesting period.

Employee expenses

	2024 £'000	2023 £'000
Expense relating to:		
Share options granted in 2016/17	—	—
Share options granted in 2017/18	—	51
Share options granted in 2018/19	—	10
Share options granted in 2019/20	12	7
Share options granted in 2020/21	(57)	(972)
Share options granted in 2021/22	(715)	525
Share options granted in 2022/23	960	704
Share options granted in 2023/24	1,208	—
Total amount recognised as share based payment charge	1,408	325
	2024 £'000	2023 £'000
Total expense recognised as employee benefit expense	1,408	325
National Insurance contributions on employee benefit expense	—	111
Share based payment and related costs	1,408	436

Notes continued

33. Contingent liabilities

There are no contingent liabilities to report for the year ended 29 February 2024.

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 separation of its interest in the MRP business and related entities: Market Resource Partners LLC, Market Resource Partners Ltd, Market Resource Partners Canada Inc, Market Resource Partners (Ireland) Limited, Market Resource Partners Australia PTY, MRP Brazil Ltd. The MRP business represented the entirety of the Group's MRP segment.

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 will own 49% of the combined entity, which will be reflected as an associate investment rather than consolidated in the Group financial statements. The net asset value of MRP at the date of the transaction was approximately £10,242k. As at and for the year ended 29 February 2024, the MRP business was classified as a disposal group held for sale and as a discontinued operation.

Results of discontinued operation

The results of the discontinued operations, which have been included in the profit for the year, were as follows:

	2024 £'000	2023 £'000
Revenue	28,975	41,474
Expenses	(37,183)	(44,053)
Results from operating activities	(8,208)	(2,579)
Net finance costs	(774)	1,809
Lease costs	(117)	—
Impairment loss recognised on the remeasurement to fair value less costs to sell	(21,204)	—
Loss before tax from discontinued operations	(30,303)	(770)
Attributable income tax	2,891	(2,356)
Loss from discontinued operations, net of tax (attributable to the owners of the Group)	(27,412)	(3,126)
Basic loss per share	(97.6)	(11.2)
Diluted loss per share	(97.6)	(11.2)

* The calculation of basic loss per share at 29 February 2024 was based on the loss attributable to ordinary shareholders of £27,412k (2023: £3,126k), and a weighted average number of ordinary shares in issue of 28,080k (2023: 27,962k).

Cash flows used in discontinued operation

	2024 £'000	2023 £'000
Net cash outflow from operating activities	(284)	(9,630)
Net cash outflow from investing activities	(2,486)	(3,958)
Net cash outflow from financing activities	(1,308)	(1,392)
Net cash outflows for the year	(4,078)	(14,980)
Effects of exchange rate changes on cash held	(39)	503
Opening cash and cash equivalents	4,117	18,594
Closing cash and cash equivalents	—	4,117

34. Discontinued operations and assets/liabilities classified as held for sale continued

Disposal group held for sale

As at 29 February 2024, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities.

	2024 £'000	2023 £'000
Assets		
Property, plant and equipment (refer to note (a) below)	3,449	—
Intangible assets	7,284	—
Trade and other receivables	10,612	—
Deferred tax assets	1,321	—
Corporation tax	213	—
Cash and cash equivalents	—	—
Assets classified as held for sale	22,879	—
Liabilities		
Loans and borrowings	2,417	—
Trade and other payables	8,225	—
Deferred tax liabilities	1,995	—
Liabilities classified as held for sale	12,637	—
Net assets classified as held for sale	10,242	—

(a) Impairment losses relating to the disposal group

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 have been included in loss from discontinued operations in the statement of comprehensive income. The impairment losses have been applied to reduce goodwill of the MRP CGU (£18,099k) to £nil, in the first instance with remaining impairment allocated to intangible assets within the disposal group.

On disposal of the disposal group the related accumulated currency translation reserve will be recycled to retained earnings. There are no cumulative income or expenses included in OCI relating to the disposal group.

(b) Measurement of fair value

i. Fair value hierarchy

The non-recurring fair value measurement for the disposal group of £12,000k (before costs to sell of £1,758k) has been 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.

35. Subsequent events

On 1 March 2024 following the review process and after extensive discussions with shareholders, the Board announced its intention to separate its three businesses and 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. FD Technologies Group will own 49% of the combined entity, which will be reflected as an associate investment rather than consolidated in the Group financial statements.

Global directory

Europe, Middle East and Africa

Head office

FD Technologies plc

Brian Conlon House
3 Canal Quay
Newry
Co. Down
N. Ireland
BT35 6BP

Telephone: +44 28 3025 2242

Fax: +44 28 3025 2060

Madrid

Avenida de la Industria, 32
28108 Alcobendas
Madrid
Spain

Budapest

Baobab
14 Kemenes St
Budapest
Hungary

Łódź

REACT Building
ul. Piłsudskiego 24
90-368
Łódź
Poland

London

Fifth Floor
Cannon Green Building
27 Bush Lane
London
EC4R 0AN
UK

Dublin

6th Floor
Block A
1 George's Quay Plaza
Dublin 2
D02 Y098
Ireland

USA and Canada

New York

45 Broadway
Twentieth Floor
New York
NY 10006
USA

Toronto

31 Lakeshore Road East
Suite 201
Mississauga
Ontario
L5G 4V5
Canada

Asia Pacific

Sydney

Suite 201
22 Pitt Street
Sydney
NSW 2000
Australia

Singapore

One Raffles Quay
North Tower
#30-03
Singapore
048583

Hong Kong

Level 66
Two Centre
99 Queens Road
Central
Hong Kong

Tokyo

20F Shin-Marunouchi
Center Building
1-6-2 Marunouchi
Chiyoda-ku
Tokyo
Japan 100-0005

Seoul

#113
8F WeWork Gangnam Station II
7 Teheran-ro 5-gil
Gangnam-gu
Seoul 06134

Directors and advisers

Directors

D Troy	–	Non-Executive Chair ^{NR}
S Keating	–	Chief Executive Officer
R Preston	–	Chief Financial Officer
T Seifert	–	Non-Executive Director ^{AR}
A Sayed	–	Non-Executive Director ^{RNT}
U Fayyad	–	Non-Executive Director ^{TA}

A Member of the Audit and Risk Committee

N Member of the Nomination and ESG Committee

R Member of the Remuneration and Talent Committee

T Member of the Technology and Product Committee

Secretary

J J Kearns

Registered office

3 Canal Quay

Newry

Co. Down

BT35 6BP

Auditor

Deloitte (NI) Limited

Lincoln Building

27-45 Great Victoria Street

Belfast

BT2 7SL

Solicitors

Mills Selig

21 Arthur Street

Belfast

BT1 4GA

Bankers

Bank of Ireland

Corporate Headquarters

1 Donegall Square South

Belfast

BT1 5LR

Nominated adviser/Euronext Growth adviser and joint brokers

Investec Bank Plc

30 Gresham Street

London

EC2V 7QP

Goodbody Corporate Finance

Ballsbridge Park

Ballsbridge

Dublin 4

J.P. Morgan Cazenove

25 Bank Street

Canary Wharf

London

E14 5JP

Company registration number

NI 30731

Registrar and transfer office

Neville Registrars Limited

Neville House

Steelpark Road

Halesowen

West Midlands

B62 8HD



www.carbonbalancedpaper.com
CBP025209



FD Technologies plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Amadeus Silk, an FSC® certified material. This document was printed by Pureprint Group using its environmental print technology, with 99% of dry waste diverted from landfill, minimising the impact of printing on the environment. The printer is a CarbonNeutral® company.

Both the printer and the paper mill are registered to ISO 14001.

Produced by

designportfolio

FDTechnologies plc

Global Headquarters

3 Canal Quay

Newry, Co. Down

BT35 6BP

+44 (0) 28 3025 2242