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If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the FCA or any other competent authority. The contents of this document should not be construed as legal, business or tax advice.

FD Technologies plc

(incorporated and registered in Northern Ireland with registered number NI030731)

Proposed Divestment of the First Derivative Business

and

Notice of General Meeting

This document should be read as a whole. However, your attention is drawn to the letter from the Chair of the Company which is set out in Part 1 of this document and which contains, amongst other things, the Directors' unanimous recommendation that you vote in favour of the Resolution to be proposed at the General Meeting.

Notice of the General Meeting, to be held at the offices of the Company at the Conlon Building, 1-2A Marcus Square, Newry, County Down, BT34 1AY at 12 p.m. on 24 October 2024, is set out at the end of this document. The General Meeting will be held as a physical meeting and Shareholders should refer to the Notice of General Meeting at the end of this document for further information. Whether or not you intend to attend the General Meeting, you are encouraged to appoint a proxy to cast your votes on the Resolution as soon as possible in the manner set out below.

A summary of the action you should take is set out in paragraph 13 of the letter from the Chair of the Company, which is set out in Part 1 of this document and on the Form of Proxy which accompanies this document.

To be valid, the accompanying Form of Proxy should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Neville Registrars Ltd, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, by no later than 12 p.m. on 22 October 2024 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). Alternatively, you may submit your proxy electronically at www.sharegateway.co.uk. Shareholders will need to use their personal proxy registration code which is printed on their Form of Proxy to facilitate this. To be effective, your proxy appointment must reach the Company's Registrar by 12 p.m. on 22 October 2024 (or if the meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). Shareholders who hold their Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Neville Registrars Ltd (ID: 7RA11) by no later than 12 p.m. on 22 October 2024 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The appointment of a proxy by completion and return of a Form of Proxy, submission of an electronic proxy appointment or using the CREST Proxy Voting Service will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

If you have any questions relating to this document, the General Meeting or the completion and return of the Form of Proxy, please contact the Company's registrars, Neville Registrars Ltd during business hours on 0121 585 1131 within the United Kingdom or on +44 (0) 121 585 1131 from overseas or by writing to info@nevilleregistrars.co.uk or Neville Registrars Ltd, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD. Lines will be open between 9.00 am to 5.00 pm, Monday to Friday (excluding UK public holidays). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Divestment nor give any financial, legal or tax advice.

A copy of this document will be made available on the Company's website at <https://fdtechnologies.com/investor-relations/regulatory-listings/public-filings/>. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

Investec Bank plc (“Investec”), which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting as nominated adviser and broker exclusively for the Company in connection with the matters set out in this document and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to anyone other than the Company for providing the protections afforded to clients of Investec or for advising any other person in respect of the matters set out in this document or any divestment, matter or arrangement referred to in this document. Investec's responsibilities as the Company's nominated adviser are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by the FSMA (as amended) or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Investec does not accept any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, and nothing contained in this document is, or shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with the Divestment, or in connection with the Company or the matters set out in this document. Investec accordingly disclaims to the fullest extent permitted by law all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

Goodbody Stockbrokers UC, trading as Goodbody (“**Goodbody**”), which is regulated in Ireland by the Central Bank of Ireland and regulated in the United Kingdom by the FCA, is acting exclusively as joint corporate broker and Euronext Growth Adviser to the Company and no one else in connection with the matters set out in this document. Goodbody will not regard any other person as its client in relation to the matters set out in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Goodbody, nor for providing advice in relation to the matters set out in this document. Neither Goodbody nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Goodbody in connection with the matters set out in this document. No representation or warranty, express or implied, is made by Goodbody as to the contents of this document.

N.M. Rothschild & Sons Limited (“**Rothschild & Co**”), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser to the Company in connection with the matters set out in this document and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Rothschild & Co or for advising any other person in respect of the matters set out in this document. Rothschild & Co's responsibilities as the Company's financial adviser are owed solely to the Company and are not owed to any other person.

Apart from the responsibilities and liabilities, if any, which may be imposed on Rothschild & Co by the FSMA (as amended) or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Rothschild & Co does not accept any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, and nothing contained in this document is, or shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with the Divestment, or in connection with the Company or the matters set out in this document. Rothschild & Co accordingly disclaims to the fullest extent permitted by law all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove (“**J.P. Morgan Cazenove**”), and which is authorised in the United Kingdom by the PRA and regulated by the PRA and the Financial Conduct Authority, is acting as financial adviser exclusively for the Company and no one else in connection with the matters set out in this document and will not regard any other person as its client in relation to the matters set out in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the matters set out in this document.

Allen Overy Shearman Sterling LLP is acting as legal adviser to FD Technologies plc in connection with the Divestment.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, forward-looking statements beliefs or opinions. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Existing Group's results of operations and financial condition and the Existing Group's and the Continuing Group's liquidity, prospects, growth, strategies and markets. These statements are made by the Directors in good faith based on the information available to them at the date of this document and reflect the Directors' beliefs and expectations.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document, including the Directors' current view with respect to future events, are subject to risks relating to future events and other risks and uncertainties and are based on assumptions relating to the Existing Group's and the Continuing Group's operations, results of operations, growth strategy and liquidity. You should specifically consider the factors identified in this document which could cause actual results to differ before making any decision in relation to the Divestment. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law, the FCA, MAR, the DTRs or the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

No statement in this document is or is intended to be a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that the earnings of the Company or any of the Target Group Companies for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company or Target Group Companies. Any information contained in this document on the price at which shares or other securities in the Company have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance.

No offer or solicitation

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

Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions other than those within the United Kingdom may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document has been prepared for the purposes of complying with English law and the AIM Rules, and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

Presentation of financial information

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

Publication of website and availability of hard copies

A copy of this document, together with all information incorporated into this document by reference to another source, is and will be available for inspection on the Company's website at <https://fdtechnologies.com/investor-relations/regulatory-listings/public-filings/> from the time this document is published. For the avoidance of doubt, the contents of the websites referred to in this document are not incorporated into, and do not form part of, this document.

If and to the extent that any document or information incorporated by reference or attached to this document itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this document, except where such information or documents are stated within this document as specifically being incorporated by reference or where this document is specifically defined as including such information.

In particular, information on or accessible through the Company's website at <https://fdtechnologies.com> does not form part of, and is not incorporated into, this document. If you have received this document in electronic form, you may request a hard copy of this document and/or any information incorporated into this document by reference to another source by contacting the Company's Registrars, Neville Registrars Ltd, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD or between 9:00 a.m. and 5:00 p.m., Monday to Friday (excluding UK public holidays), on 0121 585 1131, with your full name and the full address to which the hard copy may be sent (calls may be recorded and monitored for training and security purposes). Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate.

Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the Definitions section of this document.

All times referred to in this document and the Form of Proxy are, unless otherwise stated, references to London time.

All references to legislation in this document and the Form of Proxy are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time and/or date
Announcement of the Divestment	7 October 2024
Publication of this document and Notice of General Meeting	8 October 2024
Latest time and date for receipt of Forms of Proxy, online voting instructions and CREST voting instructions	12 p.m. on 22 October 2024
General Meeting	12 p.m. on 24 October 2024
Expected completion of the Divestment subject to the Conditions being satisfied	Fourth quarter of 2024
Long Stop Date	28 February 2025

Notes:

All references to time in this document are to London time unless otherwise stated.

The expected completion date for the Divestment is indicative only and based on the Company's expectations and is subject to change. If the expected completion date for the Divestment should change, the revised expected completion date will be announced through a Regulatory Information Service.

DIRECTORS, SECRETARY AND ADVISERS

Directors

Donna Troy, *Independent Chair*
Seamus Declan Keating, *Chief Executive Officer*
Michael Ryan Preston, *Chief Financial Officer*
Usama Fayyad, *Independent Non-Executive Director*
Ayman Sayed, *Independent Non-Executive Director*
Thomas Seifert, *Independent Non-Executive Director*

all of:
3 Canal Quay
Newry
Co Down BT35 6BP

Company Secretary

John Joseph Kearns

Nominated Adviser and Joint Broker

Investec Bank plc
30 Gresham Street
London EC2V 7QP

Euronext Growth Adviser and Joint Broker

Goodbody Stockbrokers UC
9-12 Dawson Street
Dublin 2
D02 YX99

Financial adviser to the Company

Rothschild & Co
New Court, St Swithin's Lane
London EC4N 8AL

Financial adviser and Joint Broker to the Company

J.P. Morgan Cazenove
25 Bank Street
Canary Wharf
London E14 5JP

Legal advisers to the Company

Allen Overy Shearman Sterling LLP
One Bishops Square
London E1 6AD

Registrars

Neville Registrars Ltd
Neville House
Steelpark Road
Halesowen
West Midlands B62 8HD

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

Act	the Companies Act 2006 (as amended);
AIM Rules	the AIM Rules for Companies and guidance notes published by the London Stock Exchange from time to time;
B2B	business to business;
Business Day	a day on which dealings in domestic securities may take place on the London Stock Exchange;
Certificated form or in Certificated form	an Ordinary Share recorded on a company's share register as being held in certificated form (i.e. not in CREST);
Company	FD Technologies plc, a company incorporated and registered in Northern Ireland with registered number NI030731;
Competition Condition	the Irish Competition and Consumer Protection Commission having determined (or being deemed to have determined) pursuant to Part 3 of the Irish Competition Act 2002 (as amended) that the Divestment may be put into effect;
Completion	completion of the sale of the entire issued share capital of the Target in accordance with the Sale and Purchase Agreement;
Conditions	the Shareholder Approval Condition, the Competition Condition and the Reorganisation Condition;
Continuing Group	the Company and its subsidiary undertakings following Completion;
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations);
CREST Regulations	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended);
Directors or Board	the directors of the Company whose names are set out on page 8 of this document, or any duly authorised committee thereof;
Divestment	the proposed divestment by the Company of the whole of the issued share capital of the Target, which will hold each of the other Target Group Companies and the First Derivative Business pursuant to the Sale and Purchase Agreement;
DTRs	the Disclosure Guidance and Transparency Rules of the FCA under FSMA and contained in the FCA's publication of the same name, as amended from time to time;

Euroclear	Euroclear UK & International Limited, the operator of CREST;
Existing Group	the Company and its subsidiary undertakings as at the date of this document (including, without limitation, the Target Group Companies);
FCA	the Financial Conduct Authority;
First Derivative Business	the First Derivative business owned and operated by the Target Group Companies for the provision of specialist consulting services to customers in the capital markets industry;
Form of Proxy	the form of proxy for use in connection with the General Meeting which accompanies this document;
FSMA	the Financial Services and Markets Act 2000 (as amended);
FY24	the Company's financial year ended 29 February 2024;
General Meeting	the general meeting of the Company to be held at the offices of the Company, at the Conlon Building, 1-2A Marcus Square, Newry, County Down BT34 1AY at 12 p.m. on 24 October 2024, notice of which is set out at the end of this document;
Group	before Completion, the Existing Group and, on and after Completion, the Continuing Group;
Group Reorganisation	the reorganisation of the Group as a result of which the Target Group Companies hold the First Derivative Business;
Investec	Investec Bank plc, the Company's nominated adviser and broker;
KX	the KX business being (i) the design, architecture, development, marketing, sale, licensing and distribution of software databases, analytics tools and applications, artificial intelligence and machine learning tools and applications, and any technology, solutions and products relating thereto; and (ii) the provision and performance of evaluation, assessment, customisation, installation, implementation, integration, maintenance, support, consulting and managed services associated with any of the foregoing;
Liabilities	all liabilities, claims, damages, fines, penalties, demands, orders, costs, losses, charges, penalties and expenses (including legal and other professional costs and experts' and consultants' fees, expenses and costs of investigation and enforcement);
London Stock Exchange	London Stock Exchange plc;
Long Stop Date	11.59 p.m. on 28 February 2025 (which may be postponed by up to one calendar month) or such later time and date as the Company and the Purchaser may agree in writing;
MAR	the Market Abuse Regulation (EU) No 596/2014 as it forms part of

	the laws of the United Kingdom from time to time;
Material Breach	any one or more facts, circumstances, developments, events or other matters that (separately or together) cause or would cause one or more of the Warranties (whether given at the date of the Sale and Purchase Agreement or as repeated on Completion) to become untrue or inaccurate in circumstances where the damages recoverable by the Purchaser from the Company in respect of that breach would reasonably be expected to exceed £20,000,000;
Notice of General Meeting	the notice convening the General Meeting which is set out at the end of this document;
Ordinary Shares	the ordinary shares of £0.005 each in the capital of the Company;
PRA	the Prudential Regulation Authority;
Prospectus Rules	the prospectus rules made by the FCA pursuant to section 73A of the FSMA;
Purchaser	EPAM Systems, Inc.;
Register	the register of members of the Company maintained by Neville Registrars Ltd;
Reorganisation Condition	in relation to the Group Reorganisation; <ul style="list-style-type: none"> (a) the Target Group being an original party or becoming a party by way of deed of novation or otherwise to certain customer contracts that together accounted for at least 80% of the First Derivative Business's revenue for the financial year ended 29 February 2024 (and disregarding certain customer contracts as agreed between the Company and the Purchaser); (b) all actions, transactions and corporate matters contemplated as part of the Group Reorganisation being completed and in effect (save to the extent expressly provided for in the Sale and Purchase Agreement or otherwise as agreed in writing by the Purchaser); and (c) the Target having commenced trading in respect of the First Derivative Business;
Resolution	the ordinary resolution set out in the Notice of General Meeting to approve, amongst other things, the Divestment;

Restricted Business	the provision and performance of specialised capital markets consulting services to banks, investment banks, and financial services institutions, specifically with respect to and in connection with facilitating such institutions' requirements for regulatory compliance, risk management, data management, data analytics, technology integration and modernisation, and operational optimisation, cost reduction and related activities as carried on by a Target Group Company at or during the 12 months prior to Completion, within a Restricted Territory;
Restricted Territory	the United States, Canada, United Kingdom, Ireland, Australia, Japan, Singapore, Spain, Hong Kong, Sweden, Poland, the Netherlands or South Africa;
Restricted Transaction	a disposal by the Company of any interest in the issued share capital of any Target Group Company or of all, or a material part, of the First Derivative Business, but for the avoidance of doubt does not include any acquisition of shares in the Company;
Rothschild & Co	N.M. Rothschild & Sons Ltd;
Sale and Purchase Agreement	the conditional Sale and Purchase Agreement dated 6 October 2024 between the Company and the Purchaser;
Shareholder Approval Condition	the passing of the Resolution at the General Meeting;
Shareholders	holders of Ordinary Shares;
subsidiary undertaking	has the meaning given in section 1162 of the Companies Act 2006;
Target	First Derivative Ltd;
Target Group	each of the Target Group Companies;
Target Group Companies	First Derivative Ltd and its subsidiaries and Target Group Company means any of them;
Tax Covenant	the covenant relating to tax incorporated into the Sale and Purchase Agreement;
Transitional Services Agreement	the conditional transitional services agreement entered into on 6 October 2024 between the Company and the Target;
TUPE Regulations	the UK Transfer of Undertakings (Protection of Employment) Regulations 2006 and the Ireland European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003;
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland;
uncertificated or in uncertificated form	an Ordinary Share recorded on a company's share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of

Voting Record Time

CREST;

6 p.m. on 22 October 2024 or, if the General Meeting is adjourned, 6 p.m. on the date that is two working days before the time fixed for the adjourned meeting; and

£

the lawful currency of the United Kingdom.

PART 1

LETTER FROM THE CHAIR OF FD TECHNOLOGIES PLC

FD Technologies plc

(incorporated and registered in Northern Ireland with registered number NI030731)

Directors:

Donna Troy, *Independent Chair*
Seamus Declan Keating, *Chief Executive Officer*
Michael Ryan Preston, *Chief Financial Officer*
Usama Fayyad, *Independent Non-Executive Director*
Ayman Sayed, *Independent Non-Executive Director*
Thomas Seifert, *Independent Non-Executive Director*

Registered Office:

3 Canal Quay
Newry
Co Down
BT35 6BP

8 October 2024

Dear Shareholder,

Proposed Divestment of the First Derivative Business and Notice of General Meeting

1. Introduction

The Board of FD Technologies plc announced on 7 October 2024 that it had conditionally agreed to sell the Target, which will hold each of the other Target Group Companies and the First Derivative Business to EPAM Systems, Inc. (“**EPAM**” or the “**Purchaser**”), for an enterprise value of £230m. Further details of the Divestment and the Sale and Purchase Agreement are set out below and in Part 3 of this document.

The benefits of the Divestment are that it:

- provides the optimal organisational structure and allocation of capital to drive value for Shareholders, as determined by the Group’s structure review, announced in March 2024;
- enables the Company to focus on KX, the part of the Group with the largest value creation potential, and provides funding for KX to become cash generative, with the resources to execute on the exciting growth plan in its target markets;
- achieves an attractive valuation of £230m for the First Derivative Business;
- generates synergies for KX through a partnership with EPAM to provide professional services capabilities in key markets;
- provides a platform for the First Derivative Business within a global professional services company with the scale and resources to support its growth ambitions;
- enables the repayment of the Group’s net debt, amounting to approximately £20m on 31 August 2024; and

- facilitates the return of excess cash to Shareholders, details of which will be communicated at the time of interim results in November 2024.

After customary closing adjustments, transaction and separation costs, net cash proceeds are expected to be approximately £205m. The Divestment constitutes a fundamental change of business pursuant to Rule 15 of the AIM Rules and is conditional upon, amongst other things, Shareholders' approval of the Divestment, by the passing of an ordinary resolution. Accordingly, a General Meeting of the Company will be held at the offices of the Company at the Conlon Building, 1-2A Marcus Square, Newry, County Down, BT34 1AY at 12 p.m. on 24 October 2024. Further details can be found at the end of this document.

Your attention is also drawn to the various risks related to the Divestment as outlined in this document, which should be considered carefully.

2. Background to and benefits of the Divestment

The Board has been considering the options to maximise shareholder value for more than 18 months, taking independent advice throughout the process. In October 2023, a formal review of the Group structure was announced, which enabled extensive consultation with Shareholders and input from advisers. The aim of the review was to determine the optimal organisational structure and allocation of capital to best drive value for Shareholders. On 1 March 2024, the Board announced that it had unanimously concluded that the separation of its three businesses (KX, the First Derivative Business and MRP) was the most effective way to achieve these objectives and was in the best interest of Shareholders.

It was also announced on 1 March 2024 that the Company had agreed an all-share merger of its MRP business with CONTENTgine to create a top-tier provider in the B2B demand generation services market. The Company owns 49% of the combined entity, pharosIQ, which is reflected as an associate investment and therefore not consolidated in the Group's financial statements.

Since 1 March 2024, a comprehensive process has been undertaken with the support of advisors to identify and engage with potential purchasers of the First Derivative Business to ensure that any divestment would reflect its value. In addition to meeting the Board's expectation on valuation, the Divestment delivers additional benefits:

- for Shareholders, the Divestment enables the Group to focus on KX, its largest value creation opportunity, providing it with the resources to deliver on its exciting growth plans and returning excess capital to Shareholders after the repayment of net debt;
- for the First Derivative Business, the Divestment provides a platform within a global professional services company with the scale and resources to support its growth ambitions. Customers will benefit from the combination of EPAM's deep engineering skills and the domain expertise of the First Derivative Business; and
- for KX, the Divestment provides potential synergy benefits through a commitment from EPAM to further strengthen the existing partnership between the First Derivative Business and KX. This global commitment covers joint go-to-market and lead generation activities and is backed by EPAM's existing expertise across vertical markets and in time series databases.

The Board believes that the Divestment will enable both KX and the First Derivative Business to capitalise on the opportunities for growth. Accordingly, the Board believes that the Divestment is in the best interest of all stakeholders.

Completion of the Divestment will mark the conclusion of the review of the Group's structure.

3. Principal terms of the Divestment

The Sale and Purchase Agreement between the Company and the Purchaser was entered into on 6 October 2024. Pursuant to the terms of the Sale and Purchase Agreement, the Company has conditionally agreed to sell the entire issued share capital of the Target to the Purchaser for total consideration of £230m on a cash-free, debt-free basis. The Group will complete the Group Reorganisation pursuant to which the First Derivative Business (including the Target Group Companies) will be transferred out of the Existing Group and into the Target, to the extent not already held by the Target. The consideration payable by the Purchaser to the Company at Completion is expected to be approximately £225m, following adjustment for debt and debt-like items and a customary working capital adjustment.

Completion of the Sale and Purchase Agreement is conditional upon satisfaction or (where applicable) waiver of the following conditions:

- (a) the Shareholder Approval Condition;
- (b) the Reorganisation Condition; and
- (c) the Competition Condition.

The Sale and Purchase Agreement contains certain warranties, indemnities and covenants given by the Company which are customary for a divestment of this nature. An insurance policy to insure the majority of the warranties and part of the Tax Covenant has been purchased by the Purchaser as part of the Divestment, which reduces the scope of the Company's potential liability under the Sale and Purchase Agreement. The Company has also agreed to indemnify the Purchaser in relation to certain matters in connection with the Group Reorganisation.

The Purchaser may terminate the Sale and Purchase Agreement with immediate effect if a Material Breach occurs prior to the satisfaction of the Conditions and which either: (i) cannot be remedied; or (ii) if capable of remedy, is not remedied, in each case within 20 Business Days from the date on which the Company is made aware of such Material Breach.

As part of the Divestment, the Company and the Purchaser have entered into a Transitional Services Agreement.

Further details of the Sale and Purchase Agreement and the Transitional Services Agreement are set out in Part 3 of this document.

4. Information on the First Derivative Business

The First Derivative Business has one of the largest, fully dedicated capital markets consulting teams in the world, employing approximately 1,670 people. It deploys 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 domain knowledge and technical expertise, the First Derivative Business releases its clients' constraints and instigates action with authority, ingenuity and agility to drive positive outcomes. Its focus is transforming businesses at the optimum rate of change. The First Derivative Business operates from centres of excellence in the UK, Ireland, Canada, the US and mainland Europe.

For the first half of the Group's financial year ended 31 August 2024, the First Derivative Business's capital markets consulting customers continued to be cautious in their spending, with revenue for the period of approximately £79m, similar to the second half of FY24.

5. Information on the Purchaser

EPAM is a leading digital transformation services and product engineering company. Since 1993, it has used its software engineering expertise to become a leading global provider of digital engineering, cloud and AI-enabled transformation services, as well as a leading business and experience consulting partner for global enterprises and ambitious startups.

EPAM addresses its clients' transformation challenges by fusing EPAM Continuum's integrated strategy, experience and technology consulting with its 30+ years of engineering execution to speed its clients' time to market and drive greater value from their innovations and digital investments.

6. Financial effects of the Divestment

The table below shows the split of Group revenues, adjusted EBITDA and Net Assets between the Continuing Group and the First Derivative Business for the year ended on 29 February 2024. Adjusted EBITDA is the Group's primary measure of profitability and is stated after the effects of non-trading and adjusting items. Further information can be found in the Group's Annual Report and Accounts for the year ended 29 February 2024.

	Revenue £m	Adjusted EBITDA £m	Net Assets £m
Continuing Group	79.1	5.1	121.4
First Derivative Business	169.7	18.0	25.6
Total	248.9	23.1	147.0

The tables below contain historic financial information relating to the Continuing Group and the First Derivative Business for the financial years ended on 28 February 2022 and 2023 and 29 February 2024.

Financial performance for year ended on 29 February 2024

	Continuing Group £m	First Derivative Business £m	Total £m
Revenue	79.1	169.7	248.9
Cost of sales	(17.2)	(126.0)	(143.2)
Gross profit	62.0	43.7	105.7
R&D expenditure	(30.2)	(0.9)	(31.1)
R&D capitalised	23.9	0.9	24.8
Net R&D	(6.2)	(0.1)	(6.3)

Sales and marketing costs	(31.8)	(8.2)	(40.1)
Adjusted admin expenses	(18.8)	(17.5)	(36.3)
Adjusted EBITDA	5.1	18.0	23.1
Cash EBITDA*	(18.8)	17.1	(1.7)

* Cash EBITDA is calculated by deducting R&D capitalised from adjusted EBITDA

Financial performance for year ended on 28 February 2023

	Continuing Group £m	First Derivative Business £m	Total £m
Revenue	71.0	183.6	254.6
Cost of sales	(16.9)	(132.3)	(149.3)
Gross profit	54.1	51.2	105.3
R&D expenditure	(23.0)	(0.4)	(23.4)
R&D capitalised	19.0	0.4	19.4
Net R&D	(4.0)	(0.0)	(4.0)
Sales and marketing costs	(26.3)	(15.3)	(41.6)
Adjusted admin expenses	(11.0)	(15.5)	(26.4)
Adjusted EBITDA	12.8	20.5	33.3
Cash EBITDA*	(6.2)	20.1	13.9

* Cash EBITDA is calculated by deducting R&D capitalised from adjusted EBITDA

Financial performance for year ended on 28 February 2022

	Continuing Group £m	First Derivative Business* £m	Total** £m
Revenue	57.0	155.4	212.4
Cost of sales	(14.3)	(114.2)	(128.5)
Gross profit	42.7	41.2	83.9
R&D expenditure	(18.6)	(0.2)	(18.8)
R&D capitalised	16.1	0.2	16.3
Net R&D	(2.6)	0.0	(2.6)

Sales and marketing costs	(23.6)	(14.5)	(38.1)
Adjusted admin expenses	(8.5)	(11.0)	(19.5)
Adjusted EBITDA	8.1	15.7	23.8
Cash EBITDA***	(8.0)	15.5	7.5

* First Derivative restated to reflect classification of KX services revenue to First Derivative consistent with FY23/FY24 reporting

** Excluding MRP consistent with FY23/FY24 reporting

*** Cash EBITDA is calculated by deducting R&D capitalised from adjusted EBITDA

7. Use of proceeds

Following completion of the Divestment, the Group is expected to apply the net proceeds to: (i) repay the Group's net debt, which was approximately £20m on 31 August 2024; (ii) provide the financial resources to execute the KX business plan; and (iii) return a portion of the proceeds which represents excess capital to Shareholders. The Board reiterates its expectation that KX will generate positive cash flow for FY27.

The Board retains discretion around the form, timing and quantum of the return of capital to Shareholders at this stage to maintain maximum flexibility. The quantum and form of return is expected to be determined taking into account several factors including the Continuing Group's cash requirements, efficiency and shareholder feedback. Further details will be provided alongside the publication of the Group's interim results in November 2024.

8. Information on the Continuing Group and future strategy

The Divestment delivers on the strategy of the Group to separate its business units by achieving an attractive valuation for the First Derivative Business. When the Divestment completes, the Group will consist of KX as the only operating business, together with investments including its 49% stake in pharosIQ.

KX's strategy was most recently outlined in the Group's annual report for FY24. Its mission is to accelerate data and AI-driven innovation with high-performance analytics database solutions, enabling its customers to transform into AI-first enterprises. KX provides a robust, scalable and efficient database and analytics engine, ideal for time-oriented data, and is trusted by many of the world's top enterprises.

Forecasts by industry analyst Gartner (*Market Opportunity Map: Data and Analytics Software, Worldwide, February 2024*) 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.

Following completion of the Divestment, the Company will be well-positioned as a pure play, high-growth UK-listed software business, funded to execute on its strategy and capitalise on the growth opportunities in the markets it serves. Its priority is to deliver sustainable growth through:

- effective go-to-market strategies focused on repeatable use cases in established markets and leveraging partners to target new verticals

- disciplined investment aligned to business development priorities including AI, focused on the areas of highest return

The execution of this strategy will support the stated medium-term targets of the business:

- annual recurring revenue (ARR) growth in excess of 25% per annum from FY26 to FY28
- cash EBITDA positive in FY27.

9. Current trading and future prospects

On 7 October 2024 the Company announced the following:

- For the first half of the Group's financial year ended 31 August 2024 that both KX and the First Derivative Business performed in line with the Board's expectations.
- KX delivered annual contract value (ACV) added of £7.4m, within the guidance of £6m-£8m for the period.
- The Board reiterated its expectation of a range of £16m-£18m ACV added in FY25, driving ARR growth of 11-15% at constant currency.

10. Material Risks relating to the Divestment

For a discussion of the risks and uncertainties which you should take into account when considering whether to vote in favour of the Resolution, please refer to Part 2 of this document entitled "*Risk factors relating to the Divestment*".

11. Irrevocable undertakings

The Company has received irrevocable undertakings to vote in favour of the Divestment at the General Meeting from Irenic Capital Management LP and Briarwood Capital Partners LP, who in aggregate hold 28.8% of the issued share capital of the Company as of the date of this document.

In addition, the Directors of the Company have provided irrevocable undertakings to vote in favour of the Divestment at the General Meeting in respect of their own beneficial holdings, which amount in aggregate to approximately 0.4% of the Company's issued share capital as of the date of this document.

12. The General Meeting

You will find set out at the end of this document a notice convening the General Meeting to be held at the offices of the Company at the Conlon Building, 1-2A Marcus Square, Newry, County Down BT34 1AY at 12 p.m. on 24 October 2024, at which the Resolution will be proposed.

The Resolution, which will be proposed at the General Meeting as an ordinary resolution, is to approve the Divestment and to authorise the Directors to take all steps necessary or desirable to complete the Divestment. In order for the Resolution to be passed, a simple majority is required.

Shareholders should read the Notice of General Meeting at the end of this document for the full text of the Resolution and for further details about the General Meeting.

The attention of Shareholders is also drawn to the voting intentions of the Directors as set out in the paragraph entitled Recommendation below.

Shareholders have the right to attend, speak and vote at the General Meeting (or, if they are not attending the meeting, to appoint someone else as their proxy to vote on their behalf) if they are on the Register at the Voting Record Time (namely 6 p.m. on 22 October 2024). Changes to entries in the Register after the Voting Record Time will be disregarded in determining the rights of any person to attend and/or vote at the General Meeting. If the General Meeting is adjourned, only those Shareholders on the Register 48 hours before the time of the adjourned General Meeting (excluding any part of a day that is not a Business Day) will be entitled to attend, speak and vote or to appoint a proxy.

The number of Ordinary Shares a Shareholder holds as at the Voting Record Time will determine how many votes a Shareholder or his proxy will have in the event of a poll. Under the AIM Rules, the Resolution must be passed by Shareholders at the General Meeting in order for the Divestment to proceed.

13. Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Neville Registrars Ltd, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, as soon as possible, but in any event so as to be received by no later than 12 p.m. on 22 October 2024 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

Alternatively, you may submit your proxy electronically at www.sharegateway.co.uk. Shareholders will need to use their personal proxy registration code which is printed on their Form of Proxy to facilitate this by no later than 12 p.m. on 22 October 2024 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

If you hold your Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Neville Registrars Ltd (ID: 7RA11) by no later than 12 p.m. on 22 October 2024 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

The completion and return of a Form of Proxy in hard copy form or via the Company's Registrar's share portal service or the use of the CREST Proxy Voting Service will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

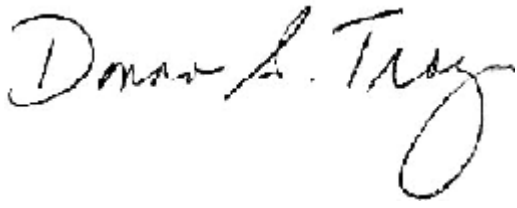
14. Financial Advice

The Board has received financial advice from Rothschild & Co and J.P. Morgan Cazenove (as joint financial advisers) in relation to the Divestment. In providing advice to the Board, Rothschild & Co and J.P. Morgan Cazenove have relied upon the commercial assessment of the Board.

15. Recommendation

The Board considers the Divestment to be in the best interests of the Company and its Shareholders as a whole and accordingly the Directors unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting.

Yours faithfully,

A handwritten signature in black ink that reads "Donna L. Troy". The signature is written in a cursive style with a large, looping 'y' at the end.

Donna Troy
Chair

PART 2

RISK FACTORS RELATING TO THE DIVESTMENT

In addition to the other information contained in, or incorporated by reference into, this document, the following risk factors should be considered carefully prior to making any decision as to whether or not to vote for the Divestment. The Divestment may give rise to certain risks which, if they occur, may have a material adverse effect on the business, financial condition, results of operations and prospects of the Continuing Group. If any of the following risks were to materialise, the business, financial condition, results of operations and prospects of the Continuing Group could be materially adversely affected, and the value of the Ordinary Shares could decline and Shareholders could lose all or part of their investment in those Ordinary Shares.

The Directors consider the following to be the material risk factors related to the Divestment, material new risk factors to the Company as a result of the Divestment, or existing material risk factors to the Company which will be affected by the Divestment. These risks do not purport to be a comprehensive list of all potential risks in relation to the Divestment and do not include additional risks relating to the Divestment that are not presently known to the Directors, or which the Directors deem immaterial in the context of the Divestment. The risks described in this are based on information known at the date of this document but may not be the only risks to which the Continuing Group is or might be exposed. Additional risks and uncertainties, which are currently unknown to the Company or that the Company does not currently consider to be material, may adversely affect the business of the Continuing Group and could have material adverse effects on the business, financial condition, results of operations and future prospects of the Continuing Group. Shareholders should read this document as a whole and not rely solely on the information set out in this section.

The Divestment is the final step in executing on the Board's strategic plans to maximise shareholder value by the separation of its three businesses (KX, the First Derivative Business and MRP). In the event that the Divestment does not proceed the Group would continue to operate two disparate businesses in the First Derivative Business and KX; the Board is of the opinion that this would not create the optimal structure for growth and would not be in the best interest of all Shareholders or other stakeholders.

1. RISKS RELATING TO THE DIVESTMENT NOT PROCEEDING TO COMPLETION

Completion of the Sale and Purchase Agreement is subject to the satisfaction of the Conditions.

There can be no assurance that the Conditions will be satisfied and, accordingly, that Completion will take place. If Completion does not take place, any of the risks and uncertainties set out in this section may adversely affect the Group's business, results of operations and financial condition.

If the Divestment does not proceed to Completion, there can be no guarantee of another transaction involving the First Derivative Business on terms more favourable than, or equivalent to, the Divestment. There is also a risk that the value of the First Derivative Business may decrease over time if the Company is not able to invest the resources necessary to drive and to deliver its growth potential. Further, irrespective of whether completion of the Divestment occurs, the Group will have incurred material costs in connection with the Divestment.

1.1 Inability to realise value and return capital to Shareholders if Completion does not take place

The Divestment is subject to the Conditions being satisfied. If Completion does not take place, the Continuing Group will not receive the net cash proceeds from the Divestment and consequently the Divestment costs and other costs incurred by the Group in connection with the Divestment will not be offset by such proceeds and the potential return of excess capital to Shareholders resulting from the Divestment will not proceed. In addition, the market's perception of a failure to complete the Divestment could result in a negative impact on the price of the Ordinary Shares.

1.2 If the Divestment does not complete there may be a disruptive impact on the First Derivative Business

The Board believes that the Divestment is in the best interests of Shareholders taken as a whole and that the Divestment currently provides the best opportunity to realise an attractive and certain value for the Group's interest in the First Derivative Business.

The Divestment process has required substantial investments of time and focus from the management team of the First Derivative Business. Key managers, employees and customers may have been and/or may become distracted by the Disposal and may defer or delay or change commitment decisions based on any perceived uncertainty in the future of the First Derivative Business. Such decisions could have a material adverse impact on the First Derivative Business' operating and financial performance, as well as the market price of the Company's shares.

This could result in the value of the Group's interest in the Target Group being materially different from the position it would be in if Completion had taken place. There is also no assurance that the Group would be able to dispose of its interest in the Target Group at a later date on the same or on improved terms to those contained in the Sale and Purchase Agreement, or at all.

1.3 There will be less certainty regarding the provision of resources required to fund the KX business plan

The Board intends to apply resources from the Divestment to support the business plan of KX, its largest value creation opportunity. These resources include both capital from the proceeds of the Divestment and Board and management time. If the Divestment does not take place, the Continuing Group will not receive the net cash proceeds from the Divestment and KX will continue to rely on capital generated by the profits of the First Derivative Business, which are subject to the risk factors detailed above.

This may require the Group to revisit its financial planning, which may impact the Group's ability to meet its strategic objectives and may require the Group to pursue alternative opportunities and/or take additional actions in order to enable it to do so.

1.4 There may be an adverse impact on the Group's reputation if Completion does not take place

If Completion does not take place, there may be an adverse impact on the reputation of the Group as a result of media scrutiny arising in connection with the attempted Divestment. Any such reputational risks may adversely affect the Group's business, results of operations and financial condition.

2. RISKS RELATED TO THE CONTINUING GROUP

2.1 The Continuing Group will be smaller and more dependent on its KX business

Following the Divestment, without the benefit of the revenues or profits of the First Derivative Business consolidated with the Continuing Group, the Continuing Group's revenues and income streams will be reduced and its overall financial performance will depend more on the performance

of its continuing operations and the success of its strategy for KX. In particular, any underperformance within the Continuing Group may have a larger relative impact on the Continuing Group than would have been the case before the Divestment. Furthermore, the business of the Continuing Group will be less diversified and may be more susceptible to adverse economic changes.

2.2 The future success of the Continuing Group may be impacted if its business strategy is not successfully implemented

The future success of the Continuing Group will depend on the successful implementation of its business strategy, including the successful execution of the Divestment, as part of that strategy. The implementation of this business strategy will be subject to certain risks and factors outside management's control, including changes in the markets in which the Continuing Group currently operates and in the global macroeconomic context.

Furthermore, the level of investment required to implement the Continuing Group's strategy may be greater than expected. In these scenarios, the Continuing Group may require additional funding or financing after FY26 in order to implement such future strategy and management may be obliged to reevaluate the Continuing Group's business strategy.

In circumstances where the Continuing Group determines that it requires additional funding or financing through FY27, the Company expects that it would address this through actions which may include, but which are not limited to, a divestment of other assets, raising new debt, further reducing discretionary spending, increasing cost efficiencies, further reducing capital expenditure, seeking extensions to existing debt facilities and seeking other forms of funding. Other than a divestment of other assets, raising new debt and seeking other forms of funding, the Company considers these mitigating actions to be within its control.

If the level of investment required to implement the Continuing Groups strategy focusing on KX was greater than expected and the actions (described above) required to obtain additional funding or financing do not result in sufficient additional funding or financing being obtained, the Continuing Group would reevaluate its strategy. In this scenario, the Directors expect that the Continuing Group's strategy would need to change to reduce discretionary spending and/or further reduce capital expenditure.

2.3 The Continuing Group's ability to retain key employees may be impacted

The success of the Continuing Group depends on the efforts, experience and expertise of its senior management team, and on recruiting, retaining, motivating and developing highly skilled and competent people at all levels of its business. The reduction in size and diversification of the Continuing Group following the Divestment may make it more difficult to attract and retain talented employees, which may adversely affect the Continuing Group's business, results of operations, financial condition and reputation.

2.4 The Continuing Group's businesses may be adversely affected by general economic, political and financial market conditions

The Continuing Group may be susceptible to any deterioration in market activity, economic downturn, increased interest rates, increasing inflationary pressure, exchange rate fluctuations, geo-political conditions, volatility and/or volatility in world markets. The reduction in size and diversification of the Continuing Group following the Divestment may leave it more exposed to the above-mentioned factors which, should they materialise, may adversely affect the business, financial and operating performance of the Continuing Group.

2.5 The market price of the Ordinary Shares may fluctuate on the basis of market sentiment surrounding the Divestment and the perception of the Continuing Group

The value of an investment in the Company may go down as well as up and could be subject to significant fluctuations. The price of the Ordinary Shares will be influenced by a large number of factors, some specific to the Continuing Group and its operations and some which may affect the markets and segments in which the Continuing Group operates as a whole. The sentiment of the stock market regarding the Divestment is one such factor.

The other factors that may affect the price of the Ordinary Shares include fluctuations from national and global political, economic and financial conditions, market perception of the Continuing Group including variations in the Continuing Group's operating results, business developments of the Continuing Group and/or its competitors, the liquidity of the financial markets and legislative or regulatory changes in the markets and segments in which the Continuing Group operates. Any of these events could result in a decline in the market price of the Ordinary Shares.

SUMMARY OF THE PRINCIPAL TERMS OF THE DIVESTMENT

1. Overview

The Divestment will be effected by the sale of 100% of the shares in the Target by the Company to the Purchaser to be effected pursuant to the Sale and Purchase Agreement, following the exercise of a put option by the Company (the “**Put Option**”) or, if not exercised, by the exercise of a call option (the “**Call Option**”) by the Purchaser, in respect of the shares in the Target. The Put Option and the Call Option are exercisable following satisfaction of each of the Conditions.

Prior to Completion, the Group will complete the Group Reorganisation pursuant to which the First Derivative Business including the Target Group Companies will be transferred out of the Existing Group and into the Target, to the extent not already held by the Target. As part of the Group Reorganisation, the Company will transfer certain assets related to the First Derivative Business to the Target Group Companies. These transfers shall take place at the net book value or, in some instances, the fair market value of the assets, with such value being determined on the basis of the First Derivative Business continuing to be operated in the same way as the Company had previously operated the First Derivative Business prior to the Group Reorganisation.

In addition to the Sale and Purchase Agreement, the Company has entered into a Transitional Services Agreement. The principal terms of each of the Sale and Purchase Agreement and the Transitional Services Agreement are summarised below.

2. Sale and Purchase Agreement

2.1 Sale and purchase

The Sale and Purchase Agreement was entered into between the Company and the Purchaser on 6 October 2024. Pursuant to the terms of the Sale and Purchase Agreement, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Target.

2.2 Conditions to Completion and termination

Completion of the Sale and Purchase Agreement is conditional upon satisfaction or (where applicable) waiver of the Conditions.

If any of the Shareholder Approval Condition, the Reorganisation Condition or the Competition Condition are not satisfied by the Long Stop Date, except for certain surviving provisions, the terms of the Sale and Purchase Agreement shall lapse and cease to have effect and Completion will not take place. The Sale and Purchase Agreement may also be terminated if Completion fails to occur due to the default of either party.

2.3 Termination for Material Breach

The Purchaser may terminate the Sale and Purchase Agreement with immediate effect if a Material Breach occurs prior to the satisfaction of the Conditions and which either: (i) cannot be remedied; or (ii) if capable of remedy, is not remedied, in each case within 20 Business Days from the date on which the Company is made aware of such Material Breach.

2.4 Pre-Completion obligations

The Company has given customary covenants to the Purchaser in relation to the Target Group Companies and the conduct of the First Derivative Business during the period between signing of the Sale and Purchase Agreement and Completion. Such obligations include procuring that, to the extent

permitted by applicable law, the First Derivative Business and the Target Group Companies do not depart in any material respect from the ordinary course of its day-to-day business. There are also a number of specific actions that the Target Group Companies and the Company (as applicable) must not take, including making material changes to the nature of the First Derivative Business, entering into or incurring any material commitments, disposing of a material part of the First Derivative Business or making changes to the share capital of any Target Group Company. These provisions do not apply where the Purchaser has given its prior written consent to any matter.

There are also a number of agreed exceptions, including any action reasonably undertaken by the Target Group Companies or the Company to comply with applicable law or in an emergency situation with the intention of minimising any adverse effects of that situation, actions contemplated by the transaction documentation or any action taken in accordance with or pursuant to certain contracts or arrangements entered into prior to the Sale and Purchase Agreement.

2.5 Consideration

The consideration payable by the Purchaser to the Company at Completion is expected to be approximately £225m, following adjustment for debt and debt-like items and a customary working capital adjustment, and with the consideration being increased or decreased to reflect any surplus or deficit of working capital transferring with the Target at Completion compared to an agreed target level of £20.5m.

2.6 Restrictive covenants

Prior to Completion, the Company on behalf of itself and the Continuing Group, has provided undertakings to the Purchaser that for a period of thirty-six months from Completion it shall not:

- (a) solicit the employment of any key employees of the First Derivative Business;
- (b) be engaged, concerned or interested in any Restricted Business;
- (c) in relation to any Restricted Business, solicit, interfere with or endeavour to entice away from the Target Group a person who has during the period of 12 months before the date of the Sale and Purchase Agreement been a client or customer of, or supplier to, the Target Group in connection with the First Derivative Business; or
- (d) supply goods or services that are substantially the same as or in competition with any goods or services supplied by the Target Group as at Completion to a person who has during a period of 12 months before the date of the Sale and Purchase Agreement been a client or customer of the Target Group.

Each of the protective covenants listed at (a)-(d) above are subject to certain customary carve-outs whereby such restrictions will not apply to the Company.

The Sale and Purchase Agreement also contains a covenant from the Purchaser that, with effect from Completion, it shall procure that no Target Group Company represents that the Company retains any connection with the Target Group Companies (other than in relation to any connection arising in accordance with the performance of the services contemplated by the terms of the Transitional Services Agreement).

2.7 Non-solicitation

The Company has agreed that, prior to Completion, it shall not and shall procure that no member of the Continuing Group, nor any of their respective officers, employees, consultants, secondees, agents, advisers and representatives shall, directly or indirectly:

- (a) solicit proposals from any person in relation to a Restricted Transaction or respond to any approach by a person which might reasonably be expected to lead to a Restricted Transaction;
- (b) participate in, prepare or make arrangements for, discussions or negotiations with any third party in relation to a Restricted Transaction;
- (c) provide or otherwise make available information to any third party for a purpose which includes enabling it to evaluate, or decide whether to make an offer in connection with or otherwise pursue, a Restricted Transaction; and
- (d) enter into, agree to enter into, or make any arrangement relating to any Restricted Transaction.

2.8 Employees

The employees of the First Derivative Business will transfer with the Target Group Companies. The Company has agreed to indemnify the Purchaser, on terms customary for transactions of this nature and subject to the aggregate maximum limitation on liability described below, should any employees outside of the agreed perimeter claim to transfer to the First Derivative Business or the Purchaser by operation of law as a result of the Group Reorganisation.

2.9 Warranties and specific indemnities

The Sale and Purchase Agreement contains warranties given by the Company to the Purchaser (which are customary for a divestment of the nature and size of the Divestment and are subject to certain agreed levels of materiality). The liability of the Company under the majority of the warranties is limited to £1.00, and the Purchaser has acquired a warranty and indemnity insurance policy against which it will make any warranty claims and Tax Covenant claims.

The warranties are subject to matters fairly disclosed (i.e. in sufficient detail and clarity to enable a reasonable buyer to identify and assess the nature, scope and significance of the matter) by the Company under a disclosure letter to the Purchaser and via a virtual data room. The warranties will be repeated immediately before Completion subject to matters fairly disclosed by the Company in an updated disclosure letter to be provided prior to Completion.

The Sale and Purchase Agreement also contains a number of customary indemnities in relation to the Group Reorganisation (the **Indemnities**), including in respect of:

- (a) any Liabilities that any member of the Purchaser's Group and any Target Group Company may suffer or incur caused by any breach of certain warranties provided by the Company in relation to the Group Reorganisation; and
- (b) any Liabilities suffered or incurred by any member of the Purchaser's Group and any Target Group Company to the extent such Liabilities arise directly as a result of the Group Reorganisation (or any part of it) subsequently being unwound or declared void in whole or in part by an authority of competent jurisdiction.

The Indemnities (other than in relation to tax) are subject to a total aggregate liability cap of £30,000,000, such cap being subject to a reduction of up to £18,500,000 as further described in paragraph 2.10 below. Any liability of the Company in respect of the Indemnities shall terminate 12 months after Completion.

2.10 Limitations of liability

The Sale and Purchase Agreement limits the liability of the Company with respect to certain claims that the Purchaser may wish to make. The maximum aggregate liability of the Company in respect of:

- (a) certain warranty claims and certain general claims under the Tax Covenant shall not exceed £1.00 in the aggregate;
- (b) any and all specific claims under the Tax Covenant shall not exceed 40% of the aggregate consideration;
- (c) any and all claims in relation to the Indemnities shall not exceed the total aggregate liability cap of £30,000,000, (such cap being subject to a reduction of up to £18,500,000 subject to the extent to which the Target Group has customer contracts which accounted for in excess of 80% of the First Derivative Business's revenue for the financial year ended 29 February 2024 in accordance with the terms of the Sale and Purchase Agreement). The liability of the Company for the Indemnities terminates on the date falling 12 months after Completion; and
- (d) any and all claims (other than those listed at 2.10(a) to (c) above) shall not exceed 10% of the aggregate consideration provided that the maximum aggregate liability of the Company in respect of any and all claims under the Sale and Purchase Agreement (including those listed in (a) to (d) above) shall not exceed an amount equal to (i) 50 per cent. of the aggregate consideration in respect of any claim notified to the Seller during the first twelve months after Completion; and (ii) thereafter, 40 per cent. of the aggregate consideration.

2.11 Tax Covenant

Under the Tax Covenant:

- (a) the Company covenants to pay the Purchaser amounts broadly representing unanticipated pre-Divestment tax liabilities of the Target Group Companies, subject to a limit on liability of £1 as described in paragraph 2.10(a) above; and
- (b) the Company covenants to pay the Purchaser amounts relating to unanticipated tax liabilities of the Target Group Companies relating to certain specified matters including the Group Reorganisation, subject to a cap equal to 40% of the aggregate consideration for the Divestment as described in paragraph 2.10(b) above and other limitations.

2.12 Governing law and jurisdiction

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

3. Transitional Services Agreement

The Company and the Purchaser have entered into the Transitional Services Agreement (which will take effect at Completion) under which the Company will provide certain specified administrative services such as tax, accounting, financial reporting, accounts payable, expense reimbursement, human resources, information technologies, facilities administration and related services for a period of up to twelve months during which time the Company and the Purchaser will work together to migrate these support functions to the Purchaser's infrastructure. The Company will be compensated for providing these services.

NOTICE OF GENERAL MEETING

FD Technologies plc

(incorporated and registered in Northern Ireland with registered number NI030731)

NOTICE IS HEREBY GIVEN THAT a general meeting of FD Technologies plc (the Company) will be held at the offices of the Company at the Conlon Building, 1-2A Marcus Square, Newry, County Down BT34 1AY at 12 p.m. on 24 October 2024 to consider and, if thought fit, to pass the following resolution, which will be proposed as an ordinary resolution:

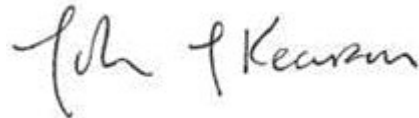
Ordinary Resolution

THAT, for the purposes of Rule 15 of the AIM Rules for Companies published by the London Stock Exchange plc, the Divestment by the Company of the First Derivative Business and the Target Group Companies (as defined in the circular to the Company's Shareholders dated 8 October 2024) on the terms and subject to the conditions set out in the share sale and purchase agreement dated 6 October 2024 (the **Sale and Purchase Agreement**) between (1) the Company and (2) EPAM Systems, Inc., and related documentation to be entered into in connection with or pursuant to the Sale and Purchase Agreement (the **Divestment**), with such amendments as the directors of the Company (the **Directors**) may approve, be and is hereby approved and the Directors or any duly authorised committee of the Directors be and are hereby authorised to take all steps necessary or desirable to complete the Divestment.

Dated: 8 October 2024

Registered Office:
3 Canal Quay
Newry
Co Down
BT35 6BP

By order of the Board



John Joseph Kearns

Company Secretary

Explanatory Notes:

Entitlement to attend and vote

1. Only those members registered on the Company's register of members at:
 - 6 p.m. on 22 October 2024; or
 - if the meeting is adjourned, at 6 p.m. on the date that is two business days prior to the adjourned meeting,

shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this Notice of General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chair of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chair) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to more than one share. To appoint more than one proxy please refer to the notes on the proxy form.

Appointment of proxy using hard copy proxy form or via the share portal service

5. The notes to the proxy form explain how to direct your proxy how to vote on the resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - completed and signed;
 - sent or delivered to Neville Registrars Ltd, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD; and
 - received by Neville Registrars Ltd no later than 12 p.m. on 22 October 2024 or, if the meeting is adjourned, the time and date which is 48 hours prior to the adjourned meeting (excluding for this purpose any part of a day which is not a working day).
6. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

8. You may submit your proxy electronically at www.sharegateway.co.uk. Shareholders will need to use their personal proxy registration code which is printed on their Form of Proxy to facilitate this. To be effective, your proxy appointment must reach the Company's Registrar by 12 p.m. on 22 October 2024 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (excluding for this purpose any part of a day which is not a working day).

Submission of proxy electronically via CREST

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: 7RA11) by the latest time(s) for receipt of proxy appointments specified in this Notice of General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the appointee by other means.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider take) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. The CREST Manual can be reviewed at www.euroclear.com.

Appointment of proxy by joint members

13. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

14. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in

relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

15. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Neville Registrars Ltd, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD.
16. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointment

17. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Ltd, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD.
18. In the case of a member which is a Company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.
19. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
20. The revocation notice must be received by Neville Registrars Ltd, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD no later than 12 p.m. on 22 October 2024 or, if the meeting is adjourned, the time and date which is 48 hours prior to the adjourned meeting (excluding for this purpose any part of a day which is not a working day).
21. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
22. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
23. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between them and the shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
24. The statement of the rights of Shareholders in relation to the appointment of proxies above does not apply to Nominated Persons. These rights can only be exercised by Shareholders of the Company.
25. Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.

Corporate representative

26. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

General

27. You may not use any electronic address provided either in this Notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.