FD Technologies plc

26th November 2024

RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2024 ("H1 FY25")

H1 performance in line with expectations
Confident in KX FY25 and medium-term outlook
£120m to be returned to shareholders

Financial highlights

- KX revenue increased 5% to £39.5m, with annual recurring revenue ("ARR") up 8% reported, or 10% at constant currency, to £74.6m (H1 FY24: £69.3m)
- KX annual contract value ("ACV") added at £7.4m (H1 FY24: £6.9m), in line with the expected range of £6-8m.
- Net revenue retention ("NRR") of 110% reported (H1 FY24: 112%), or 112% at constant currency.
- First Derivative revenue of £78.8m (H1 FY24: £89.1m) declined by 2% compared to H2 FY24, reflecting a resilient performance against anticipated ongoing challenging market conditions.
- Group revenue declined 7% to £118.2m (H1 FY24: £126.8m), reflecting the 12% decline in revenue from First Derivative partially offset by the robust growth in KX.
- Group adjusted EBITDA was £10.5m (H1 FY24: £14.2m), reflecting the revenue performance and increased investment in R&D, go-to-market and people to support our growth ambitions for KX.

Strategic highlights

- Divestment of First Derivative for £230m is expected to complete on 2 December.
- KX will become the Group's sole continuing operation, retaining approximately £54m of the £205m net divestment proceeds, and, after the repayment of £32m of debt outstanding at the completion date, a balance of around £120m cash will be returned to shareholders.
- The Board will provide additional details regarding the mechanism by which the capital will be returned to shareholders following completion of the transaction. We expect this to be a tender offer, supplemented by a special dividend depending on the take up of the tender.
- Consequently, KX will have the necessary funding to achieve financial stability and to invest in growth and profitability, driving accelerating constant currency ARR growth and achieving positive cash EBITDA in FY27.

Outlook

Our pipeline is strong for the second half and into next year, with a healthy mix of expansion and new opportunities across Capital Markets, Aerospace & Defence, and Semiconductor Manufacturing.

Consequently, the Board remains confident in its FY25 outlook for KX of £16–18 million ACV added, with 11–15% growth in ARR[1]. Looking ahead, we expect our compound annual growth rate[2] in ARR to accelerate to c.25% and to achieve positive cash EBITDA by FY27.

Seamus Keating, CEO, commented:

"We have made significant strategic and operational progress in the first half, with the divestment of First Derivative and strong execution in KX. Following the completion of the sale of First Derivative, we expect to return cash to shareholders, in line with our disciplined approach to capital allocation, and KX will be a pure-play, high-growth software business; fully funded and well-positioned to capitalise on the significant and growing global market opportunity."

[1] Growth in ARR is stated net of churn. As previously flagged, in the current year we expect churn of 8-10% reducing in FY26 and beyond.
[2] Growth rates are at constant currency.

Financial summary

Six months to end August	**2024**	2023*	*Change*
Revenue	**£118.2m**	£126.8m	*(7%)*
Gross profit	**£52.1m**	£52.3m	*0%*
(Loss)/profit before tax from continuing operations	**(£11.1m)**	(£1.6m)	*N/A*
Reported diluted (LPS)/EPS	**(54.6p)**	(22.2p)	*N/A*
Net debt**	**£19.8m**	£10.8m	*84%*
Adjusted performance measures			
Adjusted EBITDA***	**£10.5m**	£14.2m	*(26%)*
Adjusted diluted (LPS)/EPS	**(8.1p)**	4.4p	*N/A*

* *H1 FY24 has been restated excluding discontinued operations (MRP)*
** *Excluding lease obligations*
*** *Adjusted for share-based payments and restructure and non-operational costs*

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About KX

KX is on a mission to make AI a commercial reality for the many by addressing data challenges that impede deployment at scale. By simultaneously ingesting and analysing high volumes of historical and real-time data, KX's AI-ready analytical database enables organizations to unlock the full value of their data to accelerate innovation and make faster, more confident decisions.

KX is the world's most performant, cost-effective and energy-efficient analytical database, delivering advanced data algorithms, insights and analytics at unmatched scale and speed. KX is trusted by the world's top investment banks, Aerospace and Defence, high-tech manufacturing and health and life sciences organizations and operates across North America, Europe, and Asia Pacific.

Results presentation

A presentation for analysts will be held at 9.30am today, following which a recording of the presentation will be available on the Group's website.

Business Review

Further strategic progress

We have continued to drive strong strategic progress across the Group in the first half, particularly with respect to our strategy to maximise shareholder value by separating the Group's three businesses.

Firstly, the all-share merger of MRP and CONTENTgine created pharosIQ, a leading B2B demand generation services provider, of which the Group continues to own 49% as an associate investment. The business has seen a significant improvement in bookings during our fiscal Q3 and is expected to become profitable this year.

Secondly, the proposed sale of First Derivative to EPAM is on track to complete on 2 December, following our announcement on 14 November that all closing conditions had been satisfied. EPAM is a global professional services company and will provide First Derivative a platform with the scale and resources to support its growth ambitions. We also anticipate potential synergies for KX through a further strengthening of the partnership between the First Derivative Business and KX.

Finally, the continuing Group will solely consist of the KX business, which provides a robust, scalable, and efficient database and analytics engine, ideal for time-oriented data and AI use cases, and trusted by many of the world's top enterprises.

KX is funded and positioned for success

KX will retain £54m from the proceeds of the sale of First Derivative, comprising:

1. c.£30-35m to achieve financial stability, with sufficient capital to support the business until it reaches positive cash EBITDA in FY27, in line with guidance.
2. c.£20m to invest in growth and profitability, driving accelerating constant currency ARR growth.

Consequently, KX is now a pure-play, high-growth software business, fully funded and well-positioned to execute against its strategy to capitalise on the significant and growing global market opportunity. For KX to deliver sustainable growth, management priorities include investing in an efficient and effective go-to-market strategy, focused on repeatable use cases in established markets and leveraging partners to target new verticals.

With the successful execution of this strategy, KX constant currency ARR is expected to accelerate to c.25% CAGR, with the business achieving positive cash EBITDA in FY27.

Return of excess cash

KX will become the Group's sole continuing operation, retaining approximately £54m of the £205m net divestment proceeds, and, after the repayment of £32m of debt outstanding at the completion date, a balance of around £120m cash will be returned to shareholders. The Board will provide additional details regarding the mechanism by which the capital will be returned to shareholders following completion of the transaction. We expect this to be a tender offer, supplemented by a special dividend depending on the take up of the tender.

KX Empowering Smarter, Faster Decision-Making with Data and AI

In the first half of the year, we strengthened KX's position as the high-performance analytical database for the AI era. Our customers' competitive advantage depends on leveraging ever-growing amounts of data to make better, faster decisions. In today's digital landscape, organizations are moving from static, code-based systems to dynamic, learning models where data itself drives innovation and competitiveness.

However, the latency, complexity, and costs of traditional technology solutions can hinder innovation, especially when deploying at scale. Through our investments in AI, KX's offering has been expanded to uniquely enable the simultaneous ingestion and analysis of structured and unstructured time-based data at extreme scale and in real time.

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

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

KX delivered a strong performance against a focused strategy

KX delivered a robust commercial performance in the first half of the year, generating an incremental £7.4 million in Annual Contract Value (ACV), in line with our guidance range of £6–8 million. Our strategic focus on delivering advanced data and analytics capabilities into high-growth sectors is yielding significant wins across our core verticals.

We continue to see strong interest and adoption of our KX Insights products and are expanding our user base through tools that support algorithm development and deployment, such as PyKX, SQL, and Dashboards. Momentum is building for our new AI capabilities among both existing customers and new users trialing our offerings.

Our partnerships and ecosystem expansion are key to our strategy:

- **Cloud Service Providers**: Achieved wins with AWS FinSpace and Microsoft—enabling customers to deploy KX solutions seamlessly on leading cloud platforms.
- **Ecosystem Expansion**: Launched accelerators with ICE, Databricks, and Snowflake to broaden our market reach and launched initiatives with NVIDIA to support customers in building their advanced AI capabilities.
- **Strategic Partnerships**: Collaborated with industry leaders to enhance our offerings, including securing significant new logos at global semiconductor companies through our partnerships with Applied Materials and Synopsys.

Confidence in the outlook for KX

Our pipeline is strong for the second half and into next year, with a healthy mix of expansion and new opportunities across Capital Markets, Aerospace & Defence, and Semiconductor Manufacturing.

Consequently, the Board remains confident in its FY25 outlook for KX of £16–18 million ACV added, with 11–15% growth in ARR[1]. Looking ahead, we expect our compound annual growth[2] rate in ARR to accelerate to c.25% and to achieve positive cash EBITDA by FY27.

[1] Growth in ARR is stated net of churn. As previously flagged, in the current year we expect churn of 8-10% reducing in FY26 and beyond.

[2] Growth rates are at constant currency

First Derivative – a resilient H1 performance

During H1, as anticipated the First Derivative business faced a challenging trading environment with ongoing macroeconomic uncertainties and continued cautious spending trends among capital markets consulting customers. First Derivative revenue was £78.8m in H1 (H1 FY24: £89.1m), a 2% decline on the result reported for H2 FY24 of £80.6m and reflecting a resilient performance against a difficult market backdrop.

Sustainability

We strive to ensure that sustainability is at the centre of decision-making processes. Our sustainability strategy has three pillars: People, the Environment, and Communities. We intend to progress further in these core focus areas during the fiscal year.

We shall continue to empower our people to succeed by further developing our culture of learning and development. We plan to roll out talent programmes across our organisation, identifying and fostering our top talent. We also plan to introduce leadership training programmes to ensure a holistic approach to developing both our future and current leaders. We continue to embed an inclusive culture by supporting our networks.

Principal risks and uncertainties

The principal risks and uncertainties relating to the Group's operations for the next six months are considered to remain consistent with those disclosed in the Group's Annual Report and Accounts 2024. Please refer to pages 23 to 28 thereof which can be found at www.fdtechnologies.com/investor-relations/news-results/results-centre/.

Financial review

Revenue and margins

The table below shows an analysis of Group performance by business contribution.

	H1 FY25			H1 FY24*			
	Group	**KX**	**First Derivative**	Group	KX	First Derivative	***Group change***
	£m	**£m**	**£m**	£m	£m	£m	
Revenue	**118.2**	**39.5**	**78.8**	126.8	37.7	89.1	***(7%)***
Cost of sales	**(66.2)**	(6.6)	(59.6)	(74.5)	(8.5)	(66.0)	***(11%)***
Gross profit	**52.1**	**32.8**	**19.2**	52.3	29.2	**23.1**	***(0%)***
Gross margin	*44%*	*83%*	*24%*	*41%*	*78%*	*26%*	
R&D expenditure	**(15.9)**	(15.9)	(0.0)	(15.2)	(14.7)	(0.5)	***5%***
R&D capitalised	**11.4**	11.4	0.0	12.6	12.1	0.4	***(9%)***
Net R&D	**(4.5)**	(4.5)	0.0	(2.6)	(2.6)	0.0	***72%***
Sales and marketing costs	**(18.9)**	(15.9)	(3.0)	(19.2)	(14.8)	(4.4)	***(2%)***
Adjusted admin expenses	**(18.2)**	(9.2)	(9.0)	(16.3)	(7.0)	(9.3)	***11%***
Adjusted EBITDA	**10.5**	3.3	7.2	14.2	4.8	9.4	***(26%)***
Adjusted EBITDA margin	*9%*	*8%*	*9%*	*11%*	*13%*	*11%*	

** FY24 has been restated excluding discontinued operations (MRP)*

Group revenue declined 7%, 6% at constant currency, to £118.2m (H1 FY24: £126.8m). Within the sales mix, KX revenue rose 5% to £39.5m, whilst revenue from the First Derivative business declined by 12% to £78.8m, reflecting the anticipated ongoing challenging market conditions.

The gross profit margin increased to 44% (H1 FY24: 41%), with a 5ppt improvement at KX partly offset by a 2ppt decline at First Derivative. We achieved an adjusted EBITDA of £10.5m in the first half of the year (H1 FY24: £14.2m).

For the first half of the year, First Derivative has been reported as a continuing operation, but for the full year, post the transaction completing, we shall report the business as a discontinued operation.

KX

	KX total			Financial services			Industry		
	H1 FY25	H1 FY24	Change	**H1 FY25**	H1 FY24	Change	**H1 FY25**	H1 FY24	Change
	£m	£m		**£m**	£m		**£m**	£m	
Revenue	**39.5**	37.7	*5%*	**30.4**	29.9	*2%*	**9.1**	7.8	*17%*
Recurring	**37.2**	32.9	*13%*	**28.8**	26.9	*7%*	**8.4**	6.0	*41%*
Perpetual	**0.3**	0.6	*(46%)*	**0.1**	0.1	*93%*	**0.2**	0.6	*(59%)*
Total software	**37.5**	33.5	*12%*	**28.9**	27.0	*7%*	**8.6**	6.5	*32%*
Services	**2.0**	4.2	*(53%)*	**1.5**	2.9	*(50%)*	**0.5**	1.2	*(61%)*
Gross profit	**32.8**	29.2	*12%*						
Adjusted EBITDA	**3.3**	4.8	*(31%)*						
Cash EBITDA	**(8.1)**	(7.3)	*(11%)*						

** Revenue from perpetual license sales relates to continuing customer engagements established prior to our decision in 2021 to focus exclusively on subscription sales for new customers, and now represents less than 1% of KX revenue.*

KX revenue increased 5% to £39.5m, with recurring revenue booked in the period up 13% to £37.2m, whilst ARR was up 8% to £74.6m. Services revenue continued to decline, to £2.0m in the period, demonstrating that our software is increasingly efficient to implement but also reflecting our increased focus on selling software rather than consulting services.

Annual contract value added was £7.4m (H1 FY24: £6.9m), in line with the guidance range of £6-8m discussed at the time of our annual results in May. This result reflected our success in expanding within existing accounts and adding new logos in key new verticals.

Financial services revenue was £30.4m (H1 FY24: £29.9m), with recurring revenue in the vertical increasing 7% to £28.8m. We continue to see good adoption of KDB Insights by existing and new financial services customers, who find its performance, ease of use, rapid time to value, and native integration with important developer languages, such as Python and SQL, highly attractive. We had several new customer wins in H1 in our focused market segments including wins with strategic partners.

The growth in our Industry segment revenue was encouraging, with revenue increasing by 17% to £9.1m and recurring revenue up by 41% to £8.4m. This growth was principally driven by deals in Aerospace and Defence and semiconductor manufacturing.

Performance metrics	**H1 FY25**	H1 FY24	Change
Annual recurring revenue (ARR) £m	**74.6**	69.3	*8%*
Net revenue retention (NRR)	**110%**	112%	
Gross margin	**83%**	78%	
R&D expenditure as % of revenue	**40%**	39%	
Sales and marketing spend as % of revenue	**40%**	39%	
Adjusted admin expenses as % of revenue	**23%**	19%	
Adjusted EBITDA margin	**8%**	13%	

Annual recurring revenue (ARR) increased by 8% to £74.6m (H1 FY24: £69.3m), with net revenue retention (NRR) of 110% (H1 FY24: 112%), or 112% at constant currency. ARR is converted at the exchange rate prevailing at the end of the period, whereas NRR is converted based on the average rate for the period.

In line with our strategy, we continued to prioritise our investments in R&D and go-to-market.

First Derivative

	H1 FY25	H1 FY24	Change
	£m	£m	
Revenue	**78.8**	89.1	*(12%)*
Gross profit	**19.2**	23.1	*(17%)*
Adjusted EBITDA	**7.2**	9.4	*(23%)*

First Derivative revenues declined 12% to £78.8m (H1 FY24: £89.1m), reflecting the anticipated ongoing challenging market conditions with customer caution and the lengthened sales cycles we reported in the previous period continuing.

Performance metrics	**H1 FY25**	H1 FY24
Gross margin	**24%**	26%
Adjusted EBITDA margin	**9%**	11%

Through a continued focus on cost control, we successfully mitigated some of the impact of the revenue decline on the First Derivative gross margin and adjusted EBITDA margin, which was also of benefit to the overall Group performance.

Group performance

Adjusted EBITDA

The table below provides a reconciliation of operating loss to adjusted EBITDA. Notably, we incurred £4.5m in restructuring and non-operational costs in the period primarily relating to the organisational restructure and the divestment of the FD division (£2.8m), as well as restructuring within the KX division (£1.7m). The decline in share-based payment costs reflected options lapsing. The increase in depreciation and amortisation reflects the expected flow of previously capitalised R&D expenditure.

	H1 FY25	H1 FY24*
	£m	£m
Operating (loss) / profit	**(6.7)**	1.5
Restructure and non-operational costs	**4.9**	2.1
Share-based payment and related costs	**0.8**	1.5
Depreciation and amortisation	**11.5**	9.0
Adjusted EBITDA	**10.5**	14.2

**FY24 has been restated excluding discontinued operations (MRP)*

Loss before tax

The adjusted loss before tax was £3.1m (H1 FY24: profit £3.4m), principally reflecting the lower adjusted EBITDA and the increase in software amortisation costs flowing through from previous years' investment in R&D.

The Group reported a loss before tax of £11.1m (H1 FY24: £1.6m). In addition to those factors that influenced the adjusted EBITDA, outlined above, this result was also affected by the inclusion of the share of loss of associate related to MRP. In H1 we continued to make progress with aligning capitalised R&D costs and amortisation of software development costs, with amortisation now c80% of capitalised R&D costs (H1 FY24: 52%).

The reconciliation of adjusted EBITDA to reported loss before tax from continuing operations is provided below.

	H1 FY25	H1 FY24*
	£m	£m
Adjusted EBITDA	**10.5**	14.2
Adjustments for:		
Depreciation	**(2.6)**	(2.5)
Amortisation of software development costs	**(8.8)**	(6.3)
Net financing costs	**(2.2)**	(2.0)
Adjusted (loss)/profit before tax	**(3.1)**	3.4
Adjustments for:		
Amortisation of acquired intangibles	**(0.1)**	(0.2)
Share based payment and related costs	**(0.8)**	(1.5)
Restructure and non-operational costs	**(4.9)**	(2.1)
Loss on foreign currency translation	**(0.4)**	(1.0)
Share of loss of associate	**(1.9)**	—
Profit on disposal of associate	—	0.1
Net financing costs	—	(0.2)
Reported loss before tax from continuing operations	**(11.1)**	(1.6)

** Reported loss before tax has been restated excluding loss before tax from discontinued operations of £3.7m (H1 FY24: £2.9m)*

(Loss)/earnings per share

The table below provides a reconciliation of the calculation of the adjusted loss after tax of £2.3m, which compares with an adjusted profit of £1.2m in H1 FY24. As a result, the adjusted diluted loss per share for the period is 8.1 pence compared to the adjusted diluted earnings per share of 4.4 pence in H1 FY24.

	H1 FY25	H1 FY24
	£m	£m
Reported loss before tax from continuing operations	**(11.1)**	(1.6)
Tax	**(0.7)**	(1.1)
Loss from discontinued operations	**(3.7)**	(3.5)
Reported loss after tax	**(15.4)**	(6.2)
Adjustments from loss before tax (as per the table above)	**8.0**	5.0
Tax effect of adjustments	**(0.6)**	(1.1)
Loss from discontinued operations	**3.7**	3.5
Discrete tax items	**2.1**	—
Adjusted (loss)/profit after tax	**(2.3)**	1.2
Weighted average number of ordinary shares (diluted)	**28.2m**	28.1m
Reported LPS (diluted)	**(54.6p)**	(22.2p)
Adjusted (LPS)/EPS (diluted)	**(8.1p)**	4.4p

Cash generation and net debt (excluding lease liabilities)

The Group generated £12.2m of cash from operating activities, representing an 116% conversion of adjusted EBITDA (H1 FY24: 57%). We continue to focus on efficient cash collection and overall working capital management.

At the end of the period, we had a net debt position of £19.8m. We summarise the factors impacting the movement in net debt (excluding lease liabilities) in the table below. For the period, these included an improvement in cash collection, lower capitalised intangible assets, a loss from disposal of associate and a higher debt interest charge.

	H1 FY25	H1 FY24
	£m	£m
Opening net debt (excluding lease liabilities)	**(14.4)**	(3.7)
Cash generated from operating activities before non-operational IT expenses	**12.6**	10.6
Non-operational IT expenses	**(0.4)**	(2.5)
Cash generated from operating activities	**12.2**	8.1
Taxes paid	**(1.0)**	(2.3)
Capital expenditure: property, plant and equipment	**(0.3)**	(0.3)
Capital expenditure: intangible assets	**(11.4)**	(12.6)
(Acquisition)/disposal of associate and investment in other investments	**(1.7)**	2.8
Issue of new shares	**0.8**	0.1
Interest, foreign exchange and other	**(3.8)**	(2.8)
Closing net debt (excluding lease liabilities)	**(19.8)**	(10.8)

Our banking facility 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 £35.0m (H1 FY24: £28.3m) adjusted for depreciation and amortisation of £11.5m (H1 FY24: £9.0m), share based payments and related costs of £0.8m (H1 FY24: £1.5m), restructure and non-operational costs of £4.9m (H1 FY24: £2.1m), impairment loss on trade and other receivables £0.5m (H1 FY23: £0.6m) and other income £0.2m (H1 FY23: £0.0m).

Consolidated statement of comprehensive income (unaudited)

Six months ended 31 August

	Note	**2024**	2023 restated*
		£'000	£'000
Continuing operations	3 & 4		
Revenue		**118,245**	126,758
Cost of sales		**(66,188)**	(74,461)
Gross profit		**52,057**	52,297
Operating costs			
Research and development costs		**(15,890)**	(15,177)
– of which capitalised		**11,427**	12,579
Sales and marketing costs		**(18,911)**	(19,233)
Administrative expenses		**(35,031)**	(28,350)
Impairment loss on trade and other receivables		**(530)**	(593)
Total operating costs		**(58,935)**	(50,774)
Other income		**210**	7
Operating (loss)/profit		**(6,668)**	1,530
Finance income		**77**	40
Finance expense		**(2,238)**	(2,238)
Loss on foreign currency translation		**(352)**	(1,035)
Net finance costs		**(2,513)**	(3,233)
Share of loss from associate		**(1,893)**	—
Profit on disposal of associate		**—**	88
Loss before taxation		**(11,074)**	(1,615)
Income tax expense	6	**(662)**	(1,116)
Loss for the period from continuing operations		**(11,736)**	(2,731)
Discontinued operations			
Loss after tax for the period from discontinued operations		**(3,658)**	(3,497)
Loss for the period attributable to owners of the Company		**(15,394)**	(6,228)

	Note	**Pence**	Pence
Loss per share	7		
Basic		**(54.6)**	(22.2)
Diluted		**(54.6)**	(22.2)

* The comparative figures have been restated to reflect the classification of MRP business as a discontinued operation. The respective notes have also been restated on this basis. Further detail can be found in note 15.

Consolidated balance sheet (unaudited)

	Note	As at 31 August 2024 £'000	As at 31 August 2023 £'000	As at 29 February 2024
Assets				
Property, plant and equipment		**12,499**	22,151	14,581
Intangible assets and goodwill		**153,556**	176,987	154,040
Other financial assets		**6,728**	8,337	7,642
Investment in associates	8	**12,278**	—	—
Trade and other receivables		**1,939**	2,211	2,146
Deferred tax assets		**10,635**	21,601	11,029
Non-current assets		**197,635**	231,287	189,438
Trade and other receivables		**52,947**	73,364	63,170
Current tax receivable		**9,409**	7,113	10,249
Cash and cash equivalents		**18,667**	22,887	20,787
Assets classified as held for sale		**—**	—	22,879
Current assets		**81,023**	103,364	117,085
Total assets		**278,658**	334,651	306,523
Equity				
Share capital	9	**140**	140	140
Share premium		**105,171**	104,119	104,120
Share option reserve		**20,510**	20,418	19,811
Fair value reserve		**(1,649)**	530	(723)
Currency translation adjustment reserve		**(3,559)**	(119)	441
Retained earnings		**8,576**	63,381	23,195
Equity attributable to owners of the Company		**129,189**	188,469	146,984
Liabilities				
Loans and borrowings	10	**46,023**	45,135	44,086
Trade and other payables	11	**3,848**	4,522	4,498
Deferred tax liabilities		**10,987**	16,337	11,562
Non-current liabilities		**60,858**	65,994	60,146
Loans and borrowings	10	**2,447**	3,307	2,466
Trade and other payables	11	**37,180**	32,912	33,690
Deferred income		**42,667**	35,794	43,176
Current tax payable		**91**	1,044	1,075
Employee benefits		**6,226**	7,131	6,349
Liabilities classified as held for sale		**—**	—	12,637
Current liabilities		**88,611**	80,188	99,393
Total liabilities		**149,469**	146,182	159,539
Total equity and liabilities		**278,658**	334,651	306,523

Consolidated statement of changes in equity (unaudited)

Six months ended 31 August

	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 2024	140	104,120	19,811	(723)	441	23,195	146,984
Total comprehensive income for the period							
Loss for the period	—	—	—	—	—	(15,394)	(15,394)
Other comprehensive income							
Net exchange loss on net investment in foreign subsidiaries	—	—	—	—	(4,087)	—	(4,087)
Net exchange gain on hedge of net investment in foreign subsidiaries	—	—	—	—	862	—	862
Transfer	—	—	—	—	(775)	775	—
Net change in fair value of equity investments at FVOCI	—	—	—	(926)	—	—	(926)
Total comprehensive income for the period	—	—	—	(926)	(4,000)	(14,619)	(19,545)
Transactions with owners of the Company							
Tax relating to share options	—	—	(101)	—	—	—	(101)
Exercise of share options	—	793	—	—	—	—	793
Issue of shares	—	258	—	—	—	—	258
Share-based payment charge	—	—	800	—	—	—	800
Balance at 31 August 2024	**140**	**105,171**	**20,510**	**(1,649)**	**(3,559)**	**8,576**	**129,189**

	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 period							
Loss for the period	—	—	—	—	—	(6,228)	(6,228)
Other comprehensive income							
Net exchange loss on net investment in foreign subsidiaries	—	—	—	—	(6,371)	—	(6,371)
Net exchange gain on hedge of net investment in foreign subsidiaries	—	—	—	—	898	—	898
Net change in fair value of equity investments at FVOCI	—	—	—	(2,472)	—	—	(2,472)
Total comprehensive income for the period	—	—	—	(2,472)	(5,473)	(6,228)	(14,173)
Transactions with owners of the Company							
Tax relating to share options	—	—	(56)	—	—	—	(56)
Exercise of share options	—	63	—	—	—	—	63
Issue of shares	—	267	—	—	—	—	267
Share-based payment charge	—	—	1,500	—	—	—	1,500
Balance at 31 August 2023	140	104,119	20,418	530	(119)	63,381	188,469

Consolidated cash flow statement (unaudited)

Six months ended 31 August

	2024	2023
	£'000	£'000
Cash flows from operating activities		
Loss for the period	**(15,394)**	(6,228)
Adjustments for:		
Net finance cost	**2,512**	3,910
Depreciation of property, plant and equipment	**2,631**	3,229
Amortisation of intangible assets	**8,915**	7,070
Equity-settled share-based payment transactions	**800**	1,500
Loss on disposal of equity investments	**3,658**	—
Profit on disposal of associate	**—**	(88)
Share of loss from associate	**1,893**	—
Loss on disposal of fixed assets	**—**	—
Other income	**(209)**	—
Grant income	**(1)**	(8)
Tax expense	**654**	1,721
	5,459	11,106
Changes in:		
Trade and other receivables	**8,291**	15,482
Trade and other payables and deferred income	**(1,555)**	(17,192)
Cash generated from operating activities	**12,195**	9,396
Taxes paid	**(1,042)**	(2,386)
Net cash from operating activities	**11,153**	7,010
Cash flows from investing activities		
Interest received	**77**	40
(Acquisition)/disposal of associate	**(1,732)**	3,005
Investment in other investments	**—**	(249)
Acquisition of property, plant and equipment	**(334)**	(279)
Acquisition of intangible assets	**(11,427)**	(13,730)
Net cash used in investing activities	**(13,416)**	(11,213)
Cash flows from financing activities		
Proceeds from issue of share capital	**793**	64
Drawdown of borrowings	**8,000**	—
Repayment of borrowings	**(3,791)**	(4,907)
Payment of lease liabilities	**(1,527)**	(1,645)
Interest paid	**(2,254)**	(2,526)
Loan issued to associate	**(434)**	—
Net cash from/(used in) financing activities	**787**	(9,014)
Net decrease in cash and cash equivalents	**(1,476)**	(13,217)
Cash and cash equivalents at 1 March	**20,787**	36,905
Effects of exchange rate changes on cash held	**(644)**	(801)
Cash and cash equivalents at 31 August	**18,667**	22,887
Cash and cash equivalents at end of year (continuing operations)	**18,667**	19,359
Cash and cash equivalents at end of year (discontinued operations)	**—**	3,528

Notes to the Interim Results

1. General information

FD Technologies plc ("FD Technologies", the "Company" or the "Group") is a public limited company incorporated and domiciled in Northern Ireland. The Company's registered office is 3 Canal Quay, Newry BT35 6BP. This condensed consolidated interim financial information was approved for issue by the Board of Directors on 25 November 2024.

This condensed consolidated interim financial information does not comprise statutory financial statements within the meaning of section 434 of the Companies Act 2006. Statutory financial statements for the year ended 29 February 2024 were approved by the Board of Directors on 20 May 2024 and delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Accounting policies

Basis of Preparation

The annual financial statements for the Group will be prepared in accordance with United Kingdom adopted International Financial Reporting Standards. This condensed consolidated interim financial information for the 6 months ended 31 August 2024 has been prepared in accordance with United Kingdom adopted IAS 34, 'Interim financial reporting'. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 29 February 2024, which have been prepared in accordance with UK-adopted IFRSs.

This condensed consolidated interim financial information is unaudited and has not been reviewed by the Company's Auditors. Except as described below they have been prepared on accounting bases and policies that are consistent with those used in the preparation of the financial statements of the Company for the year ended 29 February 2024.

Going concern

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, we continue to adopt the going concern basis in preparing the condensed financial statements.

Changes in accounting policies

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

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2
- Amendments to IAS 7 Statement of Cash Flows
- Amendments to IFRS 7 Financial Instruments: Disclosures: Supplier finance arrangements
- Amendments to IFRS 16

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Critical accounting estimates and judgements

The critical accounting judgements and key sources of estimation uncertainty are consistent with the Group financial statements for the year to 29 February 2024 and no additional new uncertainties or estimation uncertainty have arisen.

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. No impairments have been identified. Other intangibles are being amortised and tested for impairment if an indicator of impairment is identified.
- 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.

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.

***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, 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 5 Adjusted EBITDA.

3. Segmental Reporting

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 analytical database 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)	
	H1 2025 £'000	H1 2024 £'000	**H1 2025 £'000**	H1 2024 £'000	**H1 2025 £'000**	H1 2024 £'000	**H1 2025 £'000**	H1 2024 £'000
Revenue by segment								
Revenue	**39,484**	37,675	**78,761**	89,082	**118,245**	126,758	**-**	15,714
Gross profit	**32,850**	29,202	**19,207**	23,094	**52,057**	52,297	**-**	7,062
Adjusted EBITDA	**3,318**	4,807	**7,213**	9,374	**10,531**	14,181	**-**	(169)
Restructure and non-operational costs					**(4,853)**	(2,141)	**-**	(757)
Share based payment and related costs					**(800)**	(1,500)	**-**	-
Depreciation and amortisation					**(11,465)**	(8,798)	**-**	(1,219)
Amortisation of acquired intangibles					**(81)**	(212)	**-**	(70)
Operating (loss)/profit					**(6,668)**	1,530	**-**	(2,215)
Net finance costs					**(2,513)**	(3,233)	**-**	(676)
Profit on disposal of associate					**-**	88	**-**	-
Loss on disposal of investment					**-**	-	**(3,658)**	-
Share of loss from associate					**(1,893)**	-	**-**	-
Loss before taxation					**(11,074)**	(1,615)	**(3,658)**	(2,891)

Geographical location analysis

	Revenues		Non-current assets	
	H1 2025	H1 2024	**H1 2025**	H1 2024
	£'000	£'000	**£'000**	£'000
UK	**35,040**	37,838	**1,217**	1,860
EMEA	**25,940**	22,837	**14,788**	15,990
The Americas	**46,507**	52,197	**63,402**	86,583
Asia Pacific	**10,758**	13,886	**107,593**	105,253
Total	**118,245**	126,758	**187,000**	209,686

4. **Revenue**

Disaggregation of revenue

	KX		FD		Total	
	H1 2025	H1 2024	**H1 2025**	H1 2024	**H1 2025**	H1 2024
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Type of good or service						
Sale of goods – perpetual	**332**	614	**-**	-	**332**	614
Sale of goods – recurring	**37,199**	32,881	**-**	-	**37,199**	32,881
Rendering of services	**1,953**	4,180	**78,761**	89,082	**80,714**	93,262
	39,484	37,675	**78,761**	89,082	**118,245**	126,758
Timing of revenue recognition						
At a point in time	**332**	614	**-**	-	**332**	614
Over time	**39,152**	37,061	**78,761**	89,082	**117,913**	126,143
	39,484	37,675	**78,761**	89,082	**118,245**	126,758

5. Adjusted EBITDA

	H1 2025	H1 2024 (restated)
	£'000	£'000
Operating (loss)/profit	**(6,668)**	1,530
Restructure and non-operational costs	**4,853**	2,141
Share based payment and related costs	**800**	1,500
Depreciation and amortisation	**11,546**	9,010
	10,531	14,181

6. Tax Expense

The total tax expense for the six months ended 31 August 2024, including discrete items is £662k (H1 FY24: £1,116k). This tax charge equates to an effective tax rate of (6.0%) (H1 FY24: (69.1%)) on continuing operations.

In the period ended 31 August 2024, the group did not recognise any deferred tax asset in respect of tax losses arising in the period, which reduced the tax expense for the period by £1,549k.

From 1 April 2024 the enacted rate of corporation tax is 25%. Deferred tax balances have been calculated at this rate.

7. a) Loss per ordinary share - from continuing and discontinued operations

Basic

The calculation of basic loss per share at 31 August 2024 was based on the loss attributable to ordinary shareholders of £15,394, (H1 FY24: £6,228k), and a weighted average number of ordinary shares in issue of 28,170k (H1 FY24: 28,071k).

	H1 2025 Pence per share	H1 2024 Pence per share
Basic loss per share	**(54.6)**	(22.2)

Loss per share from continuing operations at 31 August 2024 is 41.7p (H1 FY24: 9.7p), based on the loss attributable to ordinary shareholders from continuing operations £11,736k (H1 FY24: £2,731k).

Diluted

The calculation of diluted loss per share at 31 August 2024 was based on the loss attributable to ordinary shareholders of £15,394k (2024: £6,228k) and a weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares of 28,170k (H1 FY24: 28,071k).

	H1 2025 Pence per share	**H1** 2024 Pence per share
Diluted loss per share	**(54.6)**	(22.2)

Diluted loss per share from continuing operations at 31 August 2024 is 41.7p (H1 FY24: loss per share 9.7p), based on the loss attributable to ordinary shareholders from continuing operations £11,736k (H1 FY24: £2,731k).

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 H1 FY25 and H1 FY24.

7. b) Loss before tax per ordinary share - from continuing and discontinued operations

Loss before tax per share is based on loss before taxation of £14,732k (H1 FY24: £4,507k). The number of shares used in this calculation is consistent with note 7(a) above.

	H1 2025 Pence per share	H1 2024 Pence per share
Basic loss before tax per ordinary share	**(52.2)**	(16.1)
Diluted loss before tax per ordinary share	**(52.2)**	(16.1)

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

	H1 2025 Pence per share	H1 2024 Pence per share
Basic loss per share	**(54.6)**	(22.2)
Impact of taxation charge	**2.4**	6.1
Basic loss before tax per share	**(52.2)**	(16.1)
Diluted loss per share	**(54.6)**	(22.2)
Impact of taxation charge	**2.4**	6.1
Diluted loss before tax per share	**(52.2)**	(16.1)

Loss before tax per share is presented to facilitate pre-tax comparison returns on comparable investments.

7. c) Adjusted (loss)/earnings after tax per ordinary share

The reconciliation of adjusted earnings after tax per share is shown below:

	H1 2025 £'000	H1 2024 (restated) £'000
Loss after tax	**(15,394)**	(6,228)
Amortisation of acquired intangibles after tax effect	**81**	186
Share based payments after tax effect	**800**	1,133
Restructure and non-operational costs after tax effect	**4,350**	1,733
Profit on disposal of associate after tax effect	**-**	(88)
Share of loss of associate after tax effect	**1,893**	-
Loss on foreign currency translation after tax effect	**263**	781
Finance costs after tax effect	**-**	208
Discrete items for tax	**2,066**	-
Loss after tax from discontinued operations	**3,658**	3,497
Adjusted (loss)/profit after tax	**(2,284)**	1,222

The number of shares used in this calculation is consistent with note 7(a) above.

	H1 2025 Pence per share	**H1** 2024 (restated) Pence per share
Adjusted basic (loss)/earnings after tax per ordinary share	**(8.1)**	4.4
Adjusted diluted (loss)/earnings after tax per ordinary share	**(8.1)**	4.4

8. Investment in associate

At 1 March 2024, the Group held a 49% interest in pharosIQ following the disposal of the MRP Group as referenced in note 16. Consideration was in the form of shares and a loss on disposal of £3,658k was recognised in the current period.

At the reporting date the investment in associate was carried at £12,278k and included £434k loan advance repayable within 6 months.

9. Share capital

During the period the Group issued 131,485 shares as part of share-based compensation for employees and remuneration. These increased the number of shares in issue from 28,088,156 as at 29 February 2024 to 28,219,641.

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.

10. Loans and borrowings

	31 August 2024 £'000	29 February 2024 £'000
Current liabilities		
Secured bank loans	**-**	-
Lease liabilities	**2,447**	2,466
	2,447	2,466
Non-current liabilities		
Secured bank loans	**38,456**	35,200
Lease liabilities	**7,567**	8,886
	46,023	44,086

Our banking facility comprises a £130m revolving credit facility, with an interest rate payable of SONIA/SOFR plus a margin range of 1.85% to 2.85%.

11. Trade and other payables

	31 August 2024 £'000	29 February 2024 £'000
Current liabilities		
Trade payables	**4,416**	8,014
Other payables	**15,306**	13,044
Accruals	**15,841**	10,925
Government grants	**1,617**	1,707
	37,180	33,690

	31 August 2024 £'000	29 February 2024 £'000
Non-current liabilities		
Government grants	**3,848**	4,498
	3,848	4,498

12. 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.

	Carrying value						
31 August 2024	**FVPL £'000**	**FVOCI £'000**	**Financial assets at amortised cost £'000**	**Other financial liabilities £'000**	**Total £'000**	**Fair value £'000**	**Level**
Financial assets measured at fair value							
Equity securities	**-**	**980**	**-**	**-**	**980**	**980**	**1**
Equity securities	**-**	**5,748**	**-**	**-**	**5,748**	**5,748**	**3**
Associate	**-**	**12,278**	**-**	**-**	**12,278**	**12,278**	**3**
Convertible loans	**83**	**-**	**-**	**-**	**83**	**83**	**3**
	83	**19,006**	**-**	**-**	**19,089**	**19,089**	
Financial assets not measured at fair value							
Trade and other receivables[1]	**-**	**-**	**49,630**	**-**	**49,630**		
Cash and cash equivalents[1]	**-**	**-**	**18,667**	**-**	**18,667**		
	-	**-**	**68,297**	**-**	**68,297**		
Financial liabilities not measured at fair value							
Secured bank loans[1]	**-**	**-**	**-**	**(38,456)**	**(38,456)**		
Trade and other payables[1]	**-**	**-**	**-**	**(59,417)**	**(59,417)**		
	-	**-**	**-**	**(97,873)**	**(97,873)**		

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

29 February 2024	FVPL £'000	FVOCI £'000	Financial assets at amortised cost £'000	Other financial liabilities £'000	Total £'000	Fair value £'000	Level
	Carrying value						
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.

b) Measurement of fair values

Group

Outside of external market events that showed a material change to the fair value of investment valuations, as reflected in the table below, no other indicators have arisen from the valuation model to indicate a change to the measurement of fair values of investments.

Reconciliation of Level 3 fair value:

Group

	Convertible loans £'000	**Unquoted equities £'000**
Balance at 1 March 2024	83	6,680
Purchases	-	-
Disposals	-	-
Adjustments to fair value	-	(932)
Foreign exchange gain	-	-
Balance at 31 August 2024	**83**	**5,748**

	Convertible loans £'000	**Unquoted equities £'000**
Balance at 1 March 2023	283	8,470
Transfer to Level 1	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

13. Subsequent Events Note

On 7 October 2024 following conclusion of the structural review process and after extensive discussions with shareholders, the Board announced the proposed divestment of the First Derivative business to EPAM Systems Inc. (EPAM) for an enterprise value of £230m on a cash-free debt-free basis, with this divestment now expected to complete on 2 December 2024. On 7 October 2024 the First Derivate business met the criteria of an asset held for sale, and following completion of the deal the First Derivative business will be presented as discontinued operations at the year end. The First Derivative business is reported under IFRS 8 as a separate reportable segment and presented in note 3. 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.

14. Interim Report

Copies can be obtained from the Company's head and registered office: 3 Canal Quay, Newry, Co. Down, BT35 6BP and are available to download from the Company's web site www.fdtechnologies.com.

15. Responsibility Statement

The Directors confirm that to the best of their knowledge:

a) the condensed set of financial statements has been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting';

b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

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

The Directors of FD Technologies plc are listed in the Company's Report and Accounts for the year ended 29 February 2024. A list of current Directors is maintained on the FD Technologies plc website: www.fdtechnologies.com.

16. Discontinued operations

On 1 March 2024, the Group announced that it had agreed to an all-share merger of its MRP business with CONTENTgine. FD Technologies Group own 49% of the combined entity, which has been recorded as an associate investment during H1 2025. The MRP business was classified as a discontinued operation as at 31 August 2024, as such balances relating to MRP have been restated as discontinued operations for H1 2024 comparatives. Currency translation gains associated with the MRP business total £775k and have been transferred to retained earnings on disposal.

Results of discontinued operations

The results of MRP group as a discontinued operation are as below:

	H1 2025 £'000	H1 2024 £'000
Revenue	-	15,714
Expenses	-	(17,929)
Results from operating activities	-	(2,215)
Net finance costs	-	(676)
Loss before tax from discontinued operations	-	(2,891)
Attributable income tax	-	(606)
Loss on disposal of investment	**(3,658)**	-
Loss from discontinued operations, net of tax (attributable to the owners of the Group)	**(3,658)**	(3,497)

Cash flows used in discontinued operations

	H1 2025 £'000	H1 2024 £'000
Net cash outflow from operating activities	-	1,248
Net cash outflow from investing activities	-	(1,176)
Net cash outflow from financing activities	-	(566)
Net cash outflows for the year	-	(494)
Effects of exchange rate changes on cash held	-	(95)
Opening cash and cash equivalents	-	4,117
Closing cash and cash equivalents	-	3,528

17. Forward looking statements

The financial information contained in this announcement has not been audited. Certain statements made in this announcement are forward-looking statements. Undue reliance should not be placed on such statements, which are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements.

The Company accepts no obligation to publicly revise or update these forward-looking statements or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.