



Data to power AI

Cirata plc
Annual Report and Accounts 2023



2023 was a tale of two halves for Cirata.

As we navigated through the complexities of the past financial year, including the investigation into the potentially fraudulent irregularities, Cirata has emerged stronger. We now have a clarified vision, a renewed strategic direction and focus on creating value for shareholders.

In response to the crisis triggered by the announcement of potentially fraudulent irregularities on 9 March 2023, (the, "Irregularities") Cirata initiated a rescue and turnaround program, underpinning a determination to drive forward with resilience and innovation. To oversee the turnaround program, in interim roles, Ken Lever was appointed as Chair, Stephen Kelly as CEO and Ijoma Maluza as CFO. The successful completion of an equity fundraising of \$30.3m (gross) in July 2023, demonstrated support from the shareholders of the future potential of Cirata.

The commitment of the new management team to upholding the highest standards of integrity and enhancing business performance stands as a testament to the reliability and strength of Cirata core technology, its partners, people, and customers. Furthermore, the initiatives implemented following the independent investigation underscore our unwavering dedication to achieving excellence in governance, internal processes, and controls.

Through these times of rigorous scrutiny, Cirata has not only met challenges head-on but has also marked a new commitment to transparency and high-quality disclosure. Cirata emerged from 2023 with a resolute focus on growth to deliver value for shareholders.

About us

Cirata provides data freedom with a platform that makes data available and instantly usable wherever it's needed for any organisation, big or small. Cirata provides two core product families:

1. Data Integration ("DI"); and
2. DevOps/Application Lifecycle Management ("DevOps").

Leveraging our patented technologies, including the Distributed Coordination Engine ("DConE") trusted by global brands and industry leaders for more than 15 years, Cirata specialises in enabling the flow of data to leading cloud platforms enabling game-changing Artificial Intelligence ("AI") and analytics.

With Cirata, data leaders can leverage the power of AI and analytics across their entire enterprise data estate to freely choose analytics technologies, and avoid vendor lock-in, while making AI and analytics faster, cheaper and more flexible with better business results. Cirata's portfolio of products and technology solutions make strategic adoption of today's data analytics efficient, automated and lower risk.

Financial highlights

- Bookings for the year \$7.2m (2022: \$11.5m)
- Revenue for the year \$6.7m (2022: \$9.7m)
- Cash overheads¹ of \$30.3m (2022: \$39.7m)
- Adjusted EBITDA² loss of \$24.2m (2022: loss of \$30.7m)
- Statutory loss from operations of \$36.5m (2022: loss of \$29.6m)
- Cash at 31 December 2023 of \$18.2m (2022: \$19.1m)

- 1 Operating expenses adjusted for: depreciation, amortisation, equity-settled share-based payment and other one-off non-recurring items disclosed separately. See Note 9 for a reconciliation.
- 2 Operating loss adjusted for: impairment loss, depreciation, amortisation, equity-settled share-based payment, other (expense)/income and other one-off non-recurring items disclosed separately. See Note 9 for a reconciliation.



➤ Stay up to date with the latest news and investor information at: www.cirata.com

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We enable the flow of data to leading cloud platforms

Cirata provides data freedom with a platform that makes data available and instantly usable wherever it's needed for every organisation, big or small.

Cirata solutions

Data Integration

Cirata helps data leaders migrate and continuously move data to the cloud of their choice, fast and with no business disruption. Whether it's on-premises, hybrid, or multi-cloud, data teams can quickly activate valuable datasets using Machine learning ("ML") and AI to transform business.

Customers include AT&T, Bank of America, Sanlam and NatWest.

DevOps

Cirata's DevOps products enable developers to increase productivity by working together across locations, while using their trusted tools without requirements for additional training. DevOps products lower cost by reducing development time.

Customers include Continental, Allianz, Juniper and Manulife.

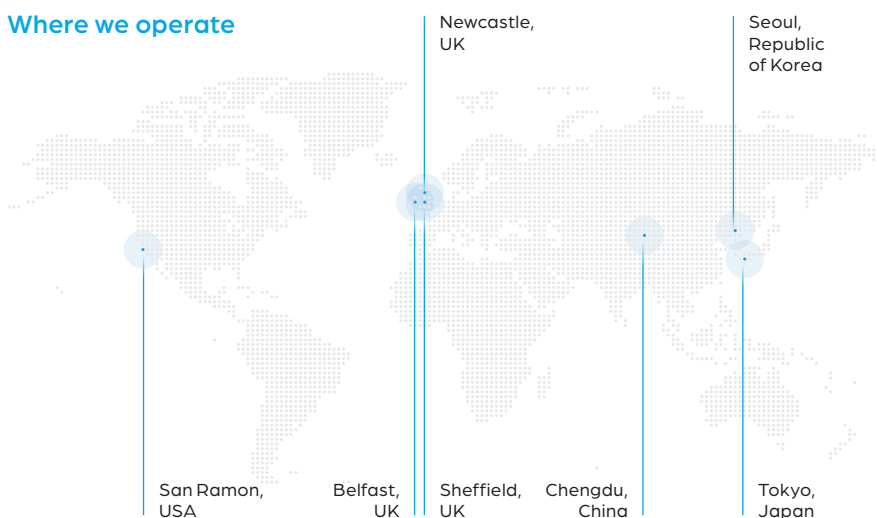
[Read more about our markets from page 10](#)

Partnerships

Cirata's partners including IBM, AWS, Microsoft, Databricks, Google and Oracle help accelerate our customers' digital transformation and Data Integration initiatives.

Cirata makes it easy for partners to access its industry-leading technology, training programs, marketing, support and technical expertise.

Where we operate



Customers rely on Cirata for mission critical data transfer use cases

Disaster Recovery

"It was critical to us that data in our Disaster Recovery cluster is kept in sync with our primary cluster as closely as possible to enable a near-zero recovery point objective and recovery time objective."

Jacques Joubert

Big Data Manager and Architect at Sanlam

Data Modernization

"In the use case of a Hadoop to Amazon S3 data migration and replication, we found Data Migrator to be the optimal approach to deliver the best time to value, rather than running a more time-consuming and costly manual migration project internally."

Wayne Peacock

Chief Data and Analytics Officer, GoDaddy

MultiSite

"We needed to be 24-by-7 globally with the same LANspeed performance and access at all three locations. Cirata's active/active WAN clustering for Subversion was the only solution we found."

Angela Thomas

Development Tools Manager, Juniper Networks

Enabling Hybrid and Multi-cloud strategies

"Data Migrator is designed to offer customers a platform that automates and safely accelerates large-scale on-premises Hadoop migrations to AWS without business disruption."

Abina Joseph

Director of Americas ISVs, Amazon Web Services

Trusted by many leading global brands



Getting back on track



Ken Lever,
Non-executive Chair

2023 was an eventful year. With the delay to the release of the 2022 Annual Report and Accounts until July 2023, many of the challenges of the Irregularities reported in March 2023 and the events leading up to the refinancing of the business in July 2023 are well articulated and documented in the FY22 Annual Report and Accounts. What we would like to achieve in this report is to outline how the business has been reframed in response to those events and demonstrate where our strategic energies are pointed in this important transition year toward growth.

Progress of the business

For the second half of 2023 the focus has been on: dealing with legacy issues; embedding strong corporate governance so that the events of the first half of 2023 could not be repeated; establishing a strong leadership team to support the executive management; stabilising the colleague base throughout the business; providing greater transparency to reporting externally and internally to the Board with consistent reporting of key performance indicators; initiating a review of the technology and the offering; strengthening the Go-To-Market ("GTM") processes; building the sales pipeline as a platform for growth; and initiating a review of the operating strategy of the business.

We have been able to deliver against each of these areas, as outlined below.

Legacy issues

Inevitably after the crisis suffered by the business during 2023 there have been a number of outstanding legacy issues to be addressed which has consumed time of the executive management and the Board. Thankfully, most are now resolved. Although the Independent Investigation led by FRP Advisory was largely concluded by the time of the fund raising, the investigation by the Financial Conduct Authority ("FCA") continues. Shareholders will be advised of any developments or conclusions as appropriate. I previously reported that jurisdictional issues have prevented us from meeting or speaking with the senior salesperson allegedly involved with the fraud. This remains the status and we continue to pursue all other avenues of enquiry as well as supporting the FCA enquiry.

Corporate governance

Executive management has reviewed and changed, as appropriate, all aspects of corporate governance in the business. This has included a comprehensive review of the financial systems and systems of internal control and the identification of material controls. It has also involved a review of

internal and external reporting, a re-write or first write of many internal policies including establishing an important Code of Business Conduct and Ethics. A co sourced internal audit function has been established as well as a risk register. More details on the changes are set out in the Corporate Governance section of this Annual Report and Accounts.

Leadership team

Changes have been made to the executive team supporting Stephen Kelly and Ijoma Maluza. A new VP of People, Hayley Fisher, has been appointed as well as an Interim VP of Marketing, Helen Carroll. Both have excellent experience and track records in their respective fields. Two new positions have been created. First, a new VP of Investor Relations, Dan Hayes, has been appointed to replace outsourced service providers. Second, Frank van Baar has taken on the role of VP of Operations and Strategy. Chris Cochran has also been brought onto the leadership team to head sales in North America (Data Integration solutions) and work alongside Rich Baker who has responsibility for international sales. Justin Holtzinger has been appointed to head up sales for DevOps solutions. With the positions established and appointments made, the executive leadership team now has the appropriate balance of skills and experience to lead the business forward in line with its strategic aims.

Stabilising the colleague base

Inevitably given the Irregularities, funding issues, restructuring and the headcount realignment in the early part of the year there has been considerable anxiety across the colleague group. With the appointment of the new leadership of the People function, various changes have been made that go some way to alleviate the anxiety and to provide an improved work environment and a greater sense of security going forward.

Reporting transparency

An appropriate cadence of external reporting containing fact-based disclosures alongside a consistent set of key performance metrics has now been established. Reporting of the business internally to the Board focuses principally on progress of the sales pipeline and sales bookings, cost management, cash position and cash forecasting. A Disclosure Committee now reviews all announcements.

Validation of the technology

At the time of the refinancing, it was stated that for Cirata to grow we needed to have an established and sound differentiated technology with clear use cases that brings value to customers in the chosen markets and a strong GTM function. Our DevOps offering has an established market and customer base, and this can be further developed. Our Data Integration technology continues to be applied in the traditional Hadoop market and the effectiveness of the offering for other uses and markets continues to be explored.

GTM process

Historically, the GTM process has been a weakness in the business as evidenced by the difficulty of establishing consistency or sales growth. The lead generation process is a critical focus for the new VP of Marketing and includes clear articulation of the value proposition, successful use cases, creating marketing collateral and succinct messaging relating to product differentiation. All these changes are being introduced. There have been changes to the sales leadership and new sales personnel brought into the business.

Building the sales pipeline

The outcome from a stronger GTM process should be the successful building of the pipeline of opportunities with existing and new customers. More disciplined pipeline management is now in place which should ensure better qualification of opportunities and focused sales effort. Little attention

could be given to pipeline building in the first half of FY23. The effect of the changes made during the second half of FY23 are starting to be seen.

Review of the strategy

Essentially, during FY23, Management spent most of its time putting out fires and establishing the foundations for FY24 growth. It would be sensible now to look at the operating strategy of the business with a fresh pair of eyes supporting a data-driven and market/customer lens. Therefore, Management has initiated a more formal review of the attractiveness of the markets (size, growth prospects, customers, segments, use cases, competition dynamics) and the competitive positioning (offering and organisational capability) to inform clear articulation of the strategic position of the business and a well-grounded go-forward strategy.

Interaction with shareholders

The improved cadence of the external reporting alongside regular meetings with shareholders by executive management has kept the shareholder base informed of progress. The shareholder base is concentrated and so this enables good coverage of our investors. There remains much to do and executive management will continue to keep shareholders informed of progress.

Board composition

In July 2023 we announced two new Non-executive appointments to the Board. Xenia Walters is the Chair of the Audit and Risk Committee. Xenia has been an active CFO and is currently Group Strategy and Transformation Officer at Capita plc – she brings strong finance, strategy and operational transformation experience.

Chris Baker is Chair of the Remuneration Committee, he has extensive experience of running and growing software businesses.

When I was asked to take on the role as Interim Chair of Cirata plc I did so with the condition that, if the business were to be refinanced and stabilised, the Board would then undertake a formal process to consider alternative candidates to be the permanent Chair. A process was undertaken by the Nomination Committee led by Peter Lees, Senior Independent Director, to consider alternative candidates. At the conclusion of the process, I was selected and asked to take

on the role, which I accepted. Accordingly with effect from 15 February 2024 I was appointed the permanent Chair. As Chair, I will continue to focus on building a world-class Board to support the Company's ambitions and potential.

Our colleagues

As I said in the 2022 Chair's statement our colleagues have had to put up with a lot. Only a few have moved on of their own choice and we are delighted that the core of colleagues have remained committed to Cirata and continue to believe in the technology and the future of the Company. I must thank everyone for their support and hard work during this difficult time.

The future

At an early stage it was decided that the name of the Company should change from WANdisco to Cirata. This was an important change to draw a line under the past and to provide a fresh beginning for the Company under the new management team. The refinancing in July 2023 provided a lifeline for Cirata to start to build the business. The Board and Management are committed to driving value creation strategies for shareholders and delivering success for all stakeholders. The two principal ingredients of success will be the validation of the offering and its continuing development and successful conversion of the sales opportunities. Clearly there is still much to do, but the foundation is in place. What is clear is that we now have in place the right executive leadership and management and they are doing the right things.

Ken Lever

Non-executive Chair

3 April 2024

Building on our competitive position in an attractive market



Stephen Kelly,
Chief Executive Officer

Adapting Dickens's famous prose from "A Tale of Two Cities" to encapsulate the Company crisis in FY23.

"It was the worst of times, it could be the best of times, it was the season of light after the season of darkness, it had been the winter of despair, it could be the spring of hope."

Following the release of the 9 March 2023 RNS, the Company transitioned almost instantly from being celebrated as a "Tech Darling" to, hitting rock bottom. The trust in the Company evaporated. The new management team operates now to a guiding commitment of re-establishing and rebuilding that trust with all stakeholders, through focused delivery, transparent communication, and tangible results.

Within a couple of weeks of that first announcement, Ken Lever joined the Board as Interim Chair and led both the internal investigation and the search for a new executive team. Ijoma Maluza, Chief Financial Officer joined shortly thereafter on an interim basis, and I joined the rescue team on 10 May 2023 also on an interim basis.

A challenging year

As I will turn to highlight later in this section, we are in a stronger and more stable position today than those days of March 2023.

FY23 delivered bookings for the year of \$7.2m (FY22: \$11.5m), revenue of \$6.7m (FY22: \$9.7m) and an adjusted EBITDA loss of \$24.2m (FY22: loss of \$30.7m). The first half of FY23 revealed a business at a standstill. A necessary cost realignment, a capital raise and a "root and branch" restructuring and refocusing of the Company sees the business exiting 2023 with its customers and partners re-engaging.

FY24 needs to evidence a transition to growth. The platform and team that we have in place now has been set the challenge of delivering on that transition. Arriving to this point has not been easy and there is a lot more work to do. If only to express gratitude to everyone on the Cirata team who has worked tirelessly to put us on this better trajectory, I want to give some sense of the work that FY23 required.

Internally, the post-9 March 2023 announcement (the "Irregularities") discovery period extending into late 2023 resembled the laborious task of Sisyphus. Reactive surprises, rear-guard activities and unexpected challenges occupied late nights

and weekends. The situation demanded continuous firefighting; we were experiencing a seemingly endless series of "whack-a-mole" challenges.

Soon after 9 March 2023, some customers and partners placed the Company on their "watchlist"; leading to a pause in activities and the then embryonic sales pipeline came to a standstill. For a period, the only substantial executive interaction with certain customers and partners involved reassuring their compliance teams. It wasn't until post-October 2023 that any semblance of normality returned, with Q4 2023 providing an opportunity for management to proactively plan for FY24.

Despite good technology, talented colleagues, and marquee customers, the Company struggled to grow sustainably. The reality is that, since its IPO in 2012, the Company has raised \$270m but without delivering consistent sales momentum.

Several fundamental elements of a scalable growth company seemed to be lacking:

- GTM: Operationally within sales and marketing, many fundamental components crucial for a growth scale-up tech company were absent. As examples, by mid Q2 FY23, there were no sales compensation

plans, territory plans, or account reviews, which are key for a professional sales organisation. In March 2023 upon Ken Lever's appointment as Interim Chair, initial projections provided by the Company at that time suggested a significant twelve-month pipeline. However, upon closer scrutiny the reality emerged. The reassessed pipeline was around 20% of the original figure and some of the "deal values" overstated. This reality within the GTM presented a scenario akin to starting from scratch.

- › Sadly, over the preceding twelve months, a significant portion of the engineering schedule and product roadmap was anchored in customer requirements that did not exist.
- › Company-wide, essential elements of governance, training and certification were missing. Good corporate governance would favour a separation of roles between the Board and executive, where in fact, there was a combined role of Chair and CEO.
- › The working culture mainly characterised by a 4-day week, unlimited vacation, and working-from-home, failed to align with the operational reality of a loss-making business.

Actions taken to move forwards

The rescue plan, initiated by Ken Lever, encompassed workstreams focused on the investigation; restructuring (reducing the cost base from \$41m to \$25m per annum); implementing new governance, policies, and controls; conducting a \$30.3m equity fundraise; completing the FY22 audit; renewing the Board, and ultimately readmitting the Company's suspended shares to trading on AIM.

The \$30.3m equity fundraising was accomplished after extensive investor engagement, marking a crucial step in securing the necessary financial support for the Company. The execution of the plan culminated in the Company's re-Admission to AIM at the end of July 2023.

In H2 FY23, when the first 90-day plan was largely completed, management was able to launch a more forward-focused "Turnaround Plan" – a comprehensive set of eight workstreams, covering Branding and Value

Proposition; transition to a more Sustainable Business with higher recurring revenues; Winning with Partners; Organisation Alignment; Customer Orientation; Revitalising DevOps; Retention of Colleagues; and Aligning for Success. The "Turnaround Plan" was completed in FY23 and is embedded in "Business as Usual".

The new management team faced additional challenges as they began their tenure, discovering that some customers and strategic partners had legacy contracts featuring uncapped licencing and partner agreements with unconsumed "pre-pays".

Further restructuring efforts were undertaken in August 2023, establishing the FY24 cost base at around \$23m. Simultaneously, management actively worked on re-engaging with customers and partners to stabilise relationships in the aftermath of the crisis.

During FY23, notable enhancements were made in governance, through the launch of a "Code of Business Conduct and Ethics", involving the introduction of nine new policies, and the initiation of training and certification for all colleagues. Management, aiming for a standard comparable to the Sarbanes-Oxley 404 environment, implemented rigorous measures to ensure transparency.

The persistence of legacy issues continued to be a distraction for management, taking the focus away from ongoing business priorities. As an example, and partly in response to shareholder concerns, the new management requested that former executives return the bonuses that were paid on the misplaced assumption of FY22 performance. The FY22 bonuses were approved and paid in January 2023 ahead of the annual FY22 audit completion. To date no monies have been returned.

Another example occurred in the third quarter of 2023, where advisers had submitted fees totalling c.\$8m for the crisis management and fundraising efforts. The decision to raise c.\$30m only to see it diminished to \$22m due to external fees compounded our problems. In response, management appealed to the advisory companies to share the responsibility and reduce their fees charged to the Company. Some of the advisory firms

demonstrated support for the Company by voluntarily reducing their fees. This gesture underscored the importance of collaborative efforts in overcoming challenges.

A focused reshaping of Cirata

Starting in September 2023, the management team convened and planned FY24.

This planning process encompassed vision, values and culture, strategies for growth, measurable metrics and anticipated challenges. The planning process was thorough, creating the content for FY24 plans and processes on a scalable foundation, including quarterly business reviews, territory plans/reviews, account reviews and planning, sales training & role plays of customer scenarios, sales methodology ("MEDPICC"), and win/loss reviews, with a renewed focus on DevOps. Some of the key achievements against this methodology are outlined below:

› GTM – streamlined and focused

The reality within the GTM presented a scenario akin to starting from scratch. To streamline operations, a new GTM organisation was devised to reduce management layers and intensify engagement with prospective customers and partners. The GTM organisation, established in January 2024, in addition to the core DI product, placed a renewed emphasis on DevOps and a dedicated team was formed to concentrate on growing this business. This marked the first concerted effort in some time towards new customer acquisition in DevOps. Justin Holtzinger took charge of this DevOps team. For DI solutions, Chris Cochran was appointed to lead North America and Rich Baker to lead International.

› Brand and team – revitalised

As of 1 October 2023, the new brand was adopted with Cirata selected as the Company name. It was only at this point, could marketing restart against the new branding. The management team was strengthened with Helen Carroll in Marketing (interim), Hayley Fisher leading People, Dan Hayes in Investor Relations and Frank van Baar responsible for Strategy and Operations.

A focused reshaping of Cirata *continued*

› Financial and operational discipline

The FY23 results, marked by declines in bookings and revenue, were anticipated by the Company. Despite this, the Company did meet its H2 guidance for bookings and cash. However, the bookings, were at the lower end of the guidance range. The cash outcome surpassed expectations. Preservation of cash is one of the top priorities of management as we progress through FY24.

› Winning trust, winning business

Amid the challenges, there were notable successes, including wins at General Motors and validation of the "land and expand" strategy through repeat business from NatWest. The Company experienced minimal customer losses, a testament to the resilience of its technology and products. We are proud to report that our blue-chip clients include Allianz, Apple, BMW, Continental, Huawei, Manulife and Tesco across our DI and DevOps products. We also continue to support strong working relationships with our partners including AWS, IBM, Oracle and Microsoft.

› Accountability and alignment on FY24 goals

Management has laid the groundwork for future growth with the implementation of FY24 plans, extensively communicated to all colleagues through sales and Company-wide "Kick-Off" sessions. These sessions included the clarification of team objectives, with expected outcomes clearly explained. Comprehensive sales training took place during sales "Kick-Offs," accompanied by the signing of all sales FY24 compensation plans in January 2024. Territory plans and compliance training, including certification, were also integral components of this rollout.

Despite these efforts, there's recognition that more work is needed to refine sales cycles, especially in understanding the expectations of close cycles. Notably, although it is fair to represent that DI customers remain in the pipeline, the predictability of customer deal closure has been challenging, with a tendency for slippage from quarter to quarter. DI solutions are sold into large, complex enterprises and the sales cycle can be longer and unpredictable. A key focus of the new management team is to enhance the pipeline, improve predictability, and elevate overall sales performance.

Stepping forward into our transition to growth

A significant portion of the commentary in the FY23 Annual Report and Accounts has been dedicated to explaining the many structural issues that needed to be addressed and the internal building blocks put in place to rectify them. Challenges and uncertainty remain. FY24 represents a transition year to growth and our path to cash-flow positive in FY25.

There has been a deliberate shift towards external focus, actively engaging with customers and partners. Efforts are underway to objectively examine the market opportunity and assess optimal growth prospects within a data-driven framework. Cirata technology holds an important position in the market, offering solutions for providing and manoeuvring large datasets to support ambitions in analytics and AI.

Further work is continuing on the market needs, product positioning and differentiation to validate the attractiveness and competitive positioning of the offering. As we accelerate our growth and win new customers, other growth pains including product scaling may need careful management. However, by proactively

addressing these growth pains, we can effectively manage and resolve them, ultimately enhancing our overall performance and success. As we have said, there is more work to do, and the forward projection is likely to be non-linear. The management team, is actively engaged in Cirata's day-to-day execution, adopting a hands-on approach to reboot the Company, setting the trajectory for recovery and growth in FY24. As we moved into FY24, we are focusing externally on prospective and existing customers, strategic partners and colleagues to execute on the strategy. Proactive customer dialogue is directly shaping Cirata's ongoing strategy, and an inaugural Customer Innovation Board is planned for early summer 2024.

Rebuilding trust and fulfilling the potential for shareholders remain our top priorities. The management team would like to express gratitude to shareholders and colleagues, especially for their unwavering support, patience, and commitment.

Stephen Kelly

Chief Executive Officer

3 April 2024



Multi-billion dollar growth market with a CAGR of 10%

Cirata's business addresses two separate markets; Data Integration ("DI") and DevOps/ Application Lifecycle Management ("DevOps").

Products

Data Integration

With Cirata's DI solution the Company enables the transfer of arbitrarily large volumes of semi- and unstructured data with full control and performance, without disruption, to and among cloud storage and cloud analytic platforms. Cirata's approach minimises the impact and overhead to the environments that generate, store, and use data, allowing it to scale and perform effectively, and reduces the costs and risks of very large-scale data movement needs. It is scalable, high performance, flexible and non-intrusive data transfer technology that can maintain data concurrency for actively used systems. The ease of use simplifies implementation and helps to eliminate the risks that organisations face in large and complex data transfer requirements.

Cirata further helps to optimise the data architectures with transformation into data formats for cloud analytics platforms such as Databricks and Snowflake. The result is that data sets become immediately usable without additional efforts.

The Company's primary Data Integration products include "Data Migrator", with support for a broader range of integrations with large-scale storage platforms and services. Made widely available on cloud service provider marketplaces, it is delivered in co-operation with strategic partners such as Microsoft, Google, AWS, IBM and Oracle, and supports specific integration to leading cloud-centric data analytic platforms like Databricks and Snowflake.

DevOps

DevOps solutions enable distributed software development organisations to collaborate more efficiently and effectively. By combining Cirata's patented technology and intelligent load balancing software, application development systems can deliver optimum performance, scalability and availability with a globally-distributed active-active configuration across wide area networks.



Support for hybrid and intercloud data management is now critical.

Ehtisham Zaidi,

Senior Director Analyst, Gartner

Cirata provides this mature and comprehensive suite of DevOps products to development organisations with sophisticated needs. The Company's DevOps products are sold directly by the Company, and include "Subversion Multisite Plus", "Git MultiSite", "Gerrit MultiSite" and "Access Control Plus".

Market demand

Data Integration

The Data Migrator technology falls in the "Data Management"¹ market category (excluding database management systems) as defined by Gartner which was forecast to have a Total Addressable Market ("TAM") of \$11.5bn in 2023. More specifically, the Data Migrator falls within the market for "Data Integration Software", which is one of five sub segments of this market and is a more applicable TAM for the Company's products. The TAM for Data Integration Software tools was \$5.0bn in 2023 with a forecast average annual growth rate of 10.8% through 2027. The TAM for Data Integration Software tools is forecast to be \$7.6bn in 2027.² This translates into a Serviceable Available Market ("SAM") of c.\$1.4bn, forecasted to grow at 10% pa until 2027.

"Data Integration Software" is defined as: "the discipline comprising the architectural patterns, methodologies and tools that allow organisations to achieve consistent access and delivery of data across a wide spectrum of data sources and data types to meet the data consumption requirements of business applications and end users. Data integration tools enable organisations to access, integrate, transform, process and move data spanning various endpoints and across any infrastructure to support their data integration use cases."

"Cloud Data Integration" is the most relevant and compelling use case in this Data Integration Software category and includes migrating and modernising data workloads in the public cloud with an architecture that spans on-premises and one or more cloud ecosystems (hybrid/ multi-cloud) to enable an optimal use of cloud resources.

DevOps

Source code management ("SCM") is part of the "Create/Code" sub segment of the DevOps toolchain, which covers around a third of the Application Development market with a total market size of \$7.3bn out of \$21.1bn, growing at 8.9% between 2022 and 2027.³ The SCM component in itself equates to c.\$1.1bn in revenues.

The total SCM market can roughly be divided between open-source and on-premises implementation vs. platform and SaaS based tools with the first group accounting for c.40% of the market.⁴ And although a transition towards cloud and platform solutions is occurring, this is happening more gradually than initially predicted. Many organisations are opting to retain at least a portion of their source code development on-premises.

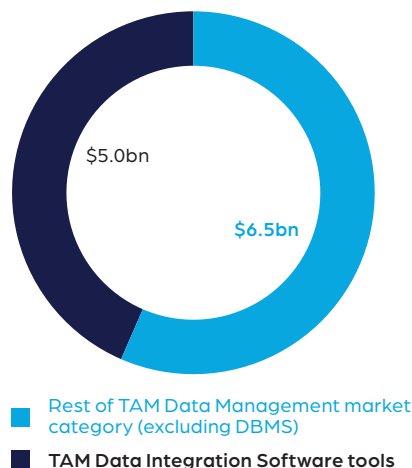
Several key factors drive on-premises SCM development:

- **Critical intellectual property protection:** Source code represents a company’s critical and proprietary intellectual property, often subject to stringent protective measures and regulatory oversight. This paramount importance compels businesses to maintain control over their source code within on-premises data centres.
- **Flexibility and access control:** On-premise SCM solutions provide a higher degree of flexibility, offering robust access control features.
- **Cost considerations:** The recurring and variable nature of cloud-related costs is expensive, particularly when developing software that does not benefit from cloud-native integration. This reality has driven companies to explore more cost-effective open-source SCM solutions as alternatives.
- **Limited catalyst to change:** Current development teams possess substantial source code assets, and the catalyst to transition to a cloud solution for non-cloud native development is limited.

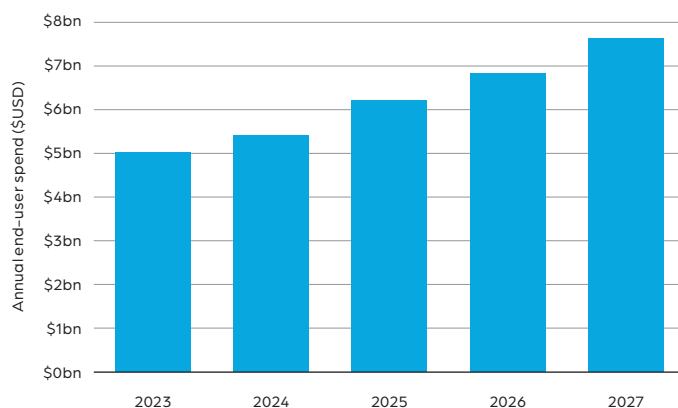
The Company’s DevOps products include multisite versions for on-premises deployment of the most popular open-source tools Git, Subversion and Gerrit. Our multisite solutions are powered by a patented distributed coordination engine referred to as DConE and they seamlessly replicate repositories to globally distributed development sites, boosting performance and minimising outage risk. The process is transparent to developers, ensuring a seamless introduction to any environment and an uninterrupted workflow.

- 1 Gartner: Market Share Analysis: Data Management Software (Excluding DBMS), Worldwide, 2022- 2027. 19 September 2023 – ID G00789062
- 2 Gartner: Forecast: Enterprise Infrastructure Software, Worldwide, 2021-2027, 4Q23 Update 22 December 2023 – ID G00787982
- 3 Gartner: Forecast: Application Development Software, Worldwide, 2021-2027 – 25 September 2023 – ID G00802397
- 4 Based on analysis of JetBrains Developer Ecosystem survey 2022

Cirata Total Available Market (“TAM”)



Year-on-year growth of Data Integration Software Market – 2023-2027



Foundations for growth

With the changes in the Board, executive team and the rebuilding of the Company, we have realigned our GTM model in 2023.

Inputs



Strategic GTM partnerships

A significant effort has been made to rebuild the partner and customer relationships following the 9 March 2023 announcement. Key partners include Microsoft, Google, AWS, IBM, Oracle, Databricks and Snowflake as well as System Integrators.



Product roadmap to accelerate growth

The product roadmap strategy has been realigned to our customer and market requirements. This realignment allows us to build solutions that deliver customer business value to accelerate their digital transformation strategies and deliver business outcomes.



Identifying new market opportunities for growth

Cirata has an enviable marquee of customers. This forms the basis of our three-pronged sales strategy:

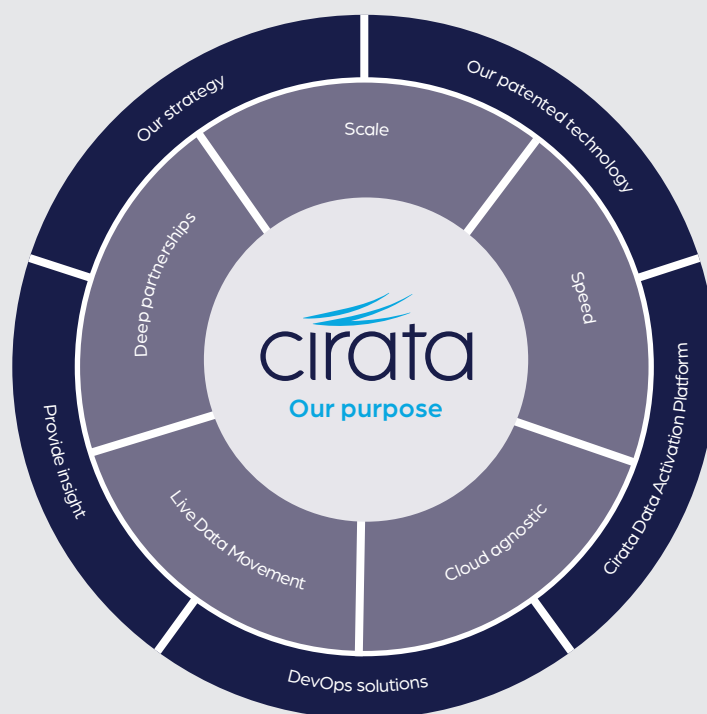
1. Expand our footprint in existing accounts.
2. Land and expand in new logos.
3. Cross-sell between our Data Integration and DevOps customer base.

A key opportunity being explored is the explosion of usage of and use cases for Generative AI ("GenAI"). This trend significantly influences the need for continuous and real time data movement.

> Read about our partnerships on page 15

> Read more about our markets from page 10

Our value creation process



Our purpose

To provide data freedom to make data available and instantly usable wherever it's needed for every organisation, big or small.

Our competitive advantage

Scale

The capability to seamlessly migrate large amounts of data.

Speed

The capability to migrate data quickly with zero downtime or business disruption.

Cloud agnostic

The capability to offer customers a choice of multiple cloud providers for hybrid and multi-cloud environments.

Live Data Movement

The capability to move actively changing production datasets of any size while preserving business continuity.

Deep partnerships

The capability to easily integrate with all major cloud service providers.

How we create value

Our patented technology

Our game-changing DConE technology uses consensus to keep unstructured data accessible, accurate and consistent in different locations.

Cirata Data Activation Platform

We enable organisations to activate their data, and ensure the data stays accurate and consistent across all business application environments, regardless of geographic location, data platform architecture or cloud storage provider.

DevOps solutions

On-premises products for critical Intellectual Property protection, with flexibility and robust access controls.

Provide insight

We create solutions and partnerships that facilitate the use of data, AI, and machine learning to allow customers to get deeper insight into their data.

Our strategy

We are accelerating the speed to market of our solutions co-developed with customers and partners and are exploring how our technology can accelerate time to customer business insights and new sources of revenue.



Engaging with our stakeholders

Cirata is driven by its vision and our success depends on our ability to engage effectively and work constructively with all our stakeholders, and to take their views into account. Their interests are important to us, and we are committed to maintaining strong, positive and trusted relationships and to listening to and understanding the needs of all our stakeholders, so we can continue to deliver value and build a sustainable business.

Customers

[Read more about sustainability from page 16](#)

Why we engage

- › Understanding the needs of our customers in order to build enduring and profitable relationships is central to our strategy.

How we engage

- › Customer feedback is regularly sought and collected by the business through a wide range of channels. This important feedback loop is utilised in future product development and across the business to the benefit of all parties.
- › We utilise our website and digital channels, including leverage from partner channels, to showcase our products to our customers, prospects and broader partner ecosystem.
- › The Customer Success managers and direct sales teams engage with customers supported by executive management.

Outcomes

- › Increased level of engagement with customers, prospects and partners at a strategic level.
- › A greater understanding of both customer and market trend requirements better informs the development and refinement of our own strategy.
- › Broader marketplace awareness and effective optimisation and alignment of campaigns and stakeholder messaging.

Shareholders

[Read more about our corporate governance from page 28](#)

Why we engage

- › They are our providers of equity capital without whom Cirata could not have been rebuilt. They invest with a view to sharing in our future success.

How we engage

- › The CEO, CFO and VP of Investor Relations have regular interactions with shareholders either as part of specific events such as the announcement of Preliminary or Interim results or on an ad hoc basis following trading updates. The Company would also look to engage with shareholders through capital markets day presentations.

- › The Chair is available to engage with shareholders as required as is the Senior Independent Director.
- › Each year an Annual General Meeting is held to which shareholders are invited and given the opportunity to ask questions of the Board.

Outcomes

- › Engagement with shareholders helped ensure support for the Group's plans for a capital raise following the identification of the Irregularities.

Partners

➤ Read more about our markets from page 10

Why we engage

- The Cirata partner ecosystem is at the heart of our strategy and partners are effectively an extension of our commercial team. We work with our strategic partners, who contribute to our ability to secure new customers and our ambition to enable customer success.
- Our community of strategic partners includes the top cloud service providers, Independent Software Vendors ("ISVs"), Systems Integrators ("SIs") and Value-Added Resellers, including several OEM relationships.

How we engage

- Direct engagements between our executive team with partners to rebuild the partnerships.
- Jointly-developed GTM plans with our most strategic partners.

Outcomes

- Continuous growth of the sales pipeline via our partner ecosystem.
- The FY24 planning assumption is that around 60% of the FY24 pipeline will either come from or be delivered with our key partners.

Our partner network



Employees

➤ Read more about sustainability from page 16

Why we engage

- Our employees are at the heart of our business and help to drive our continued success. They have been crucial during the relaunch of the Company.

How we engage

- The CEO communicates with employees through various channels weekly. His commitment to the employees is to provide an open and honest communication channel.
- Since May 2023, we've held focused monthly all-hands meetings to update employees on the business, including product, sales, marketing and partnership strategies.
- Directors consult and seek opinion from managers and employees on a variety of different matters.

- The executive team are actively visible in the business and offer an open-door policy to employees who would like to ask a question or offer a view.
- Employee wellness is an ongoing focus and we have put several new policies in place to support our employees. Employees are being encouraged to work flexibly with at least 3 days per week in the offices.

Outcomes

- Wider and deeper communication leads to greater transparency throughout the business and facilitates a more engaged, motivated and effective team.
- The Group aims to provide a rewarding long-term personal development opportunity environment.

Regulatory bodies

➤ Read more about our corporate governance from page 28

Why we engage

- We recognise that regulatory frameworks are in place to protect the interests of stakeholders, ensure compliance with laws and regulations, and maintain the stability and fairness of the business environment.
- By actively engaging with regulatory bodies, we demonstrate our dedication to upholding these principles and contributing to a sustainable and thriving marketplace.

How we engage

- We liaise with the regulatory bodies as appropriate and, in particular, the FCA whilst investigation of the Irregularities proceeds.

Outcomes

- Our engagement with regulatory bodies serves to strengthen our reputation as a trustworthy and responsible organisation. We understand that by actively participating in regulatory processes, we contribute to the broader goal of building a fair and sustainable business environment. Through our ongoing collaboration, we aim to foster mutual understanding, promote good governance, and maintain the trust and confidence of our shareholders, customers and partners.

We are proud of our wealth of talent

Cirata prides itself on its wealth of talent. This is important given the competition for the best software engineering talent. We have a strong track record of keeping people challenged, motivated and enthused by the complex scenarios our technology addresses.

Our priorities

The Group recognises that, as well as its responsibility to shareholders, it also has responsibilities towards its employees, customers, partners, suppliers and, ultimately, those consumers who benefit from its products, the broader public and the environment.



Our people

We want to provide an environment where we attract, retain, develop and enable all our people to demonstrate, grow and apply their capabilities, offering opportunities for everyone to reach their potential.

Priorities

- › Attract, retain and develop our people.

Outcomes

- › A number of successful new hires in the year in key strategic roles.
- › Internal promotions within the business.

Impact of Irregularities

- › Regrettably, during the year we had to reduce the headcount in the business to ensure that we have a sustainable business capable of growing into the future.



Environment

Cirata's overriding purpose is to enable organisations to activate all their data in a responsible and efficient manner. We aspire to apply sustainability management standards equal to our business ambitions, and every day we strive to make a difference in the communities in which we operate.

Priorities

- › Ensure low impact of our business on the environment. During FY23, the priority of the Board and Management was the Company's survival.
- › As the growth plans progress, Management will increase its focus on ESG.

Outcomes

- › Further investment in technology to collaborate and reduce physical travel to reduce the Group's environmental footprint.

Impact of Irregularities

- › No direct impact.



Social and community

As a Company we have a strong ethos of giving back to the community. This includes fostering the next generation of data scientists.

Priorities

- › Development of engineering skills in local schools, universities and colleges.

Outcomes

- › Platform for employees to promote and raise awareness of charities important to them.

Impact of Irregularities

- › During the year we have had to curtail a number of activities as these became unsustainable given the financial position of the business.
- › The FY23 priority was Company rescue and recovery.



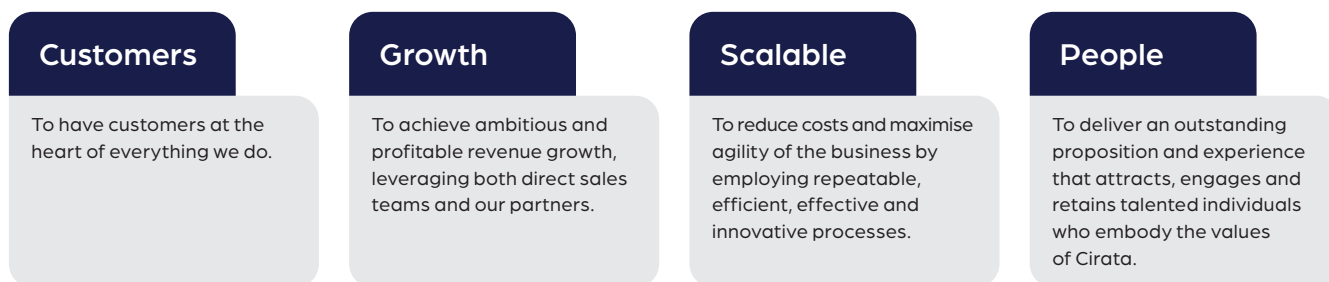
Short, mid and long-term planning

The explosion of data and the increasing adoption of Gen AI to drive competitive advantage, customer loyalty and Company revenues creates new opportunities for Cirata's solutions. It creates use cases the Company actively pursues in domains where the growth of semi and unstructured data is most prominent amongst which the key candidates are financial services, telecom and automotive sectors.

To leverage on these growing opportunities, Cirata's overall strategy is to continuously increase the value and benefits to customers by rapidly decreasing the time to value of data assets by moving what's most relevant into a format that can readily be consumed with metadata based insight to know what to do with it – doing more with the same but faster.

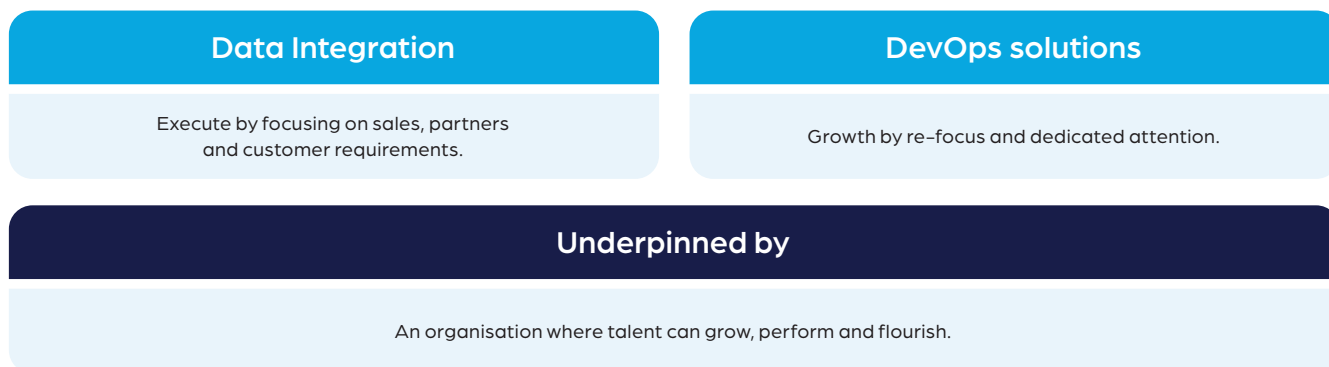
Long term strategic intent

The high level strategy is grounded and guided by four main pillars:



Short to mid-term priorities

Coming out of a challenging environment the short to mid-term strategy is first and foremost to re-establish Cirata as a leader in both the Data Integration market for semi and unstructured data as well as the distributed development team market within DevOps.



A single word best summarises this short to mid-term strategy, "Focus". Focus in the way Cirata operates, who and how we service the market and who we go to market with. This focus is translated into seven areas:

Re-establish and focus on partner network

- › As we continue to seek sources of revenue and opportunities in the rapidly changing market we first and foremost need to re-establish our partnerships with a limited set of key partners within the hyperscaler, system integration and data analytics segments.
- › In support of this, the short to mid-term product roadmap is geared towards making Data Integration solutions even more relevant and aligned to the relevant partner ecosystem requirements. This includes broadening support for emerging architectures like Apache Iceberg and expanding the transformation capabilities related to relevant metadata implementations for ingestion at scale.

Renewed focus on distributed DevOps solutions

- › Cirata has an extensive and loyal base of customers using multisite capabilities required to operate distributed development teams. In the recent past, this base has been underserved. In the short term, investments are being made to achieve version parity with supported platforms in the market while in the near future additional functionality will be explored to expand support for the distributed development.

Clear targeting of customer use case

- › The typical cases in which Cirata's solutions are used are universal and compelling: petabyte scale with a requirement for near term and continuous replication, often a multi-cloud environment.
- › This results in a wide range of possible applications and opportunities. The short to mid-term strategy aims to focus on the most prominent use cases, where we have already demonstrated clear short time to value and where other solutions are just not hitting the mark. For the next 18–24 months this means that there will be a renewed focus on the Hadoop ecosystem, use cases where hybrid cloud implementation requires near real time continuous replication and on use cases where data is critical for business continuity.
- › This alignment – and the associated key messages and differentiated value propositions for these use cases with focus on a selected set of key verticals – are expected to result in tapping into additional sources of demand.

Improved execution

- › To effectively service the growing market needs, sales efforts are primarily focused on our main territories: North America and International. Within those markets, efficient sales plays are put in place by leveraging the partnerships for key markets and priority industry coverage with joint account targeting including financial services, telecom and automotive sectors.
- › In support of that, a significant portion of the product roadmap delivery is targeted at requirements jointly developed with existing customers. Most of these requirements are associated with operating in the most demanding data environments as demanded by the Fortune 2000 companies.

Transition to mixed subscription and usage model

- › As customers demand more alignment of price to value and therefore are adopting usage-based consumption models at scale, Cirata's licencing model requires tuning and enhancement. This way, the model reflects better the way customers consume our solutions. Given the variety of use cases where our technologies are deployed, Cirata is moving towards a licence model where longer-term subscription-based platform fees are combined with usage based pricing, but with the option for customers to consume our products based on the short term primarily on a Pay as you Go basis.

Enhanced focus on time to value

- › The world has and continues to see a growing shortage of IT and technology talent. Partners and customers alike for complex migrations are struggling to find the necessary skills and capacity to complete these tasks. At the same time the pressure on time to value is increasing. As the Cirata team is the expert in the complex domain of large-scale data replication we are making additional capacity available to augment customer and partner teams with highly specialised data integration consultants.

Support business success with focus on team experience

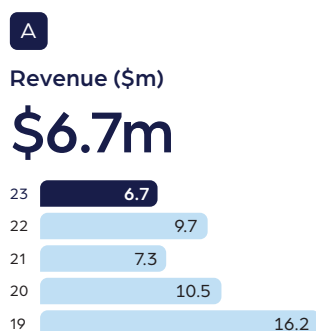
- › High calibre organisations like Cirata require high calibre teams. To that end, the overall strategy is underpinned by continued focus on retaining the talent and industry experience while shifting from top-down autocracy to a feedback-rich collaborative, collegiate, connected company.

Monitoring our financial performance

Commentary on the actual performance of the Group against each of these KPIs is set out in the Financial review.

Strategy link:

- 1 Customers
- 2 Growth
- 3 Scaleable
- 4 People



Link to strategy

- 1
- 2
- 3
- 4

Definition and calculation

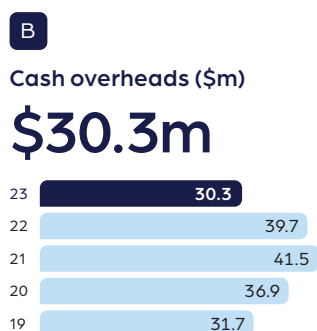
Total of all revenue streams generated by the Group.

Why each KPI is important for measuring progress

Measures the Group’s revenue, which is an indicator of the Group’s overall size and complexity and progress of strategic initiatives.

Performance in 2023

Revenue declined in 2023 mainly due to the reduced bookings, which is explained in more detail in the Chief Executive’s report and Financial review.



Link to strategy

- 1
- 2
- 3
- 4

Definition and calculation

Operating expenses adjusted for: depreciation, amortisation, capitalisation of development expenditure, one-off adviser costs relating to the Irregularities and equity-settled share-based payment.

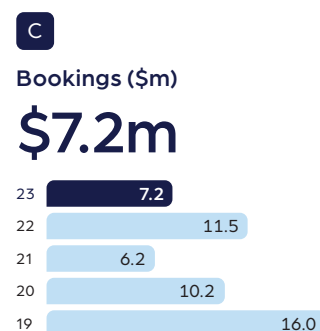
Why each KPI is important for measuring progress

Key measure of the Group’s cost base, excluding the effects of certain non-operational/non-cash items.

Performance in 2023

Cash overheads significantly reduced in the year following the announcement of the Irregularities in March 2023, which led to a reduction of our global headcount by approximately 30% which reduced the Group’s annualised cost base from \$41m to c.\$25m. This was further reduced to c.\$23m run-rate for FY24.

These actions were across all areas of the Company’s operational and geographic footprint.



Link to strategy

- 1
- 2
- 3
- 4

Definition and calculation

Total contract value of new contracts signed during the year.

Why each KPI is important for measuring progress

This is the measure of the value of deals agreed in the year.

Performance in 2023

Bookings reduced over the prior year, which is explained in more detail in the Chief Executive’s report and Financial review.



Assessing and actively managing our risks

The Group's operations expose it to a variety of risks.

In FY23, the Group instigated a review of the risk review process from the Board and executive leadership team with external support. Executive management is now reporting to Audit and Risk Committee and the Board on the Risk register and mitigation plans.

Effective risk management will aid decision making, start to underpin the delivery of the Group's strategy and objectives, and help to ensure that the risks the Group takes are adequately assessed and actively managed.

The Group now regularly monitors its key risks and reviews its management processes and systems to ensure that they are effective and consistent with good practice. The Board is ultimately responsible for the Group's risk management.

The enhanced risk management process, developed in FY23, involves the identification and prioritisation of key risks, together with appropriate controls and plans for mitigation, which are then reported to the Board. As with all businesses, the Group is affected by a number of risks and uncertainties, some of which are beyond our control.

The table opposite shows the principal risks and uncertainties which could have a material adverse impact on the Group.

This is not an exhaustive list and there may be risks and uncertainties of which the Board is not aware, or which are believed to be immaterial, which could have an adverse effect on the Group.

Risk management framework

Board

Leadership of risk management, sets strategic objectives and risk appetite and monitors performance.

Accountable for the effectiveness of the Group's internal control and risk management process.

➤ [Read about corporate governance from page 28](#)

Audit and Risk Committee

Delegated responsibility from the Board to oversee risk management and internal controls.

Oversees the effectiveness of the Group's internal control and risk management processes.

Monitors the independence and expertise of the external auditor.

➤ [Find the Audit and Risk Committee report from page 40](#)

Executive Directors

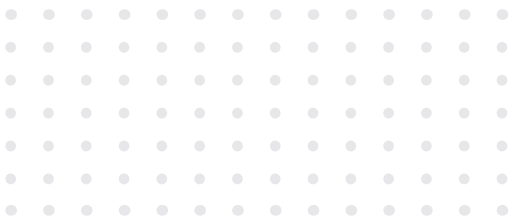
Communicate and disseminate risk policies.

Support and help management to assess risk.

Encourage open communication on risk matters.

Assess materiality of risks in the context of the whole Group and monitor mitigation and controls.

➤ [Find the Board of Directors from page 30](#)



Strategy link:

1 Customers

2 Growth

3 Scaleable

4 People

Liquidity and cash runway

1 2 3 4

Risk description

Our Data Integration products address a still-emerging market in which we have limited forward visibility, and whilst additional financing was secured in July 2023, the business continues to be loss-making, and a failure to convert sufficient sales or reduce costs could pose a threat to the cash position of the business.

The Company history has resulted in missed targets and slippage across quarters.

Potential impact

This could adversely impact our ability to fund investment in our business to achieve our strategic goals. Furthermore, cash position continues to be an area of focus for investors and a failure to meet targets communicated to break even from a cash flow perspective could impact relationships with the investor community. In turn, a failure to maintain strong relationships with providers of finance could impact the ability to raise further cash in the future should this be required.

Risk mitigation

In 2023 the Company raised \$30.3m, before transaction costs, to give the business the working capital required to get a cash break-even position. Furthermore, following the identification of the irregularities in March 2023, the Company reduced its cost base through a reduction of its global headcount by approximately 30% and a reduction in other operating costs across the business.

We have prepared a detailed budget and forecasts of the Group's expected performance over a period covering at least the next twelve months from the date of the approval of these financial statements. As well as modelling the realisation of the sales pipeline, these forecasts also cover several scenarios. The Company uses monthly management accounts reviews to monitor performance against the budget and forecasts so that it is able to take mitigating actions if performance is expected to materially underperform against the Company's plans.

We maintain close relationships with our principal and potential providers of finance and continue to review the need for additional or alternative funding. Further details are included in Note 2(b) of the financial statements.

Risk change

Increased



Technology scalability and customers

1 2 3 4

Risk description

Cirata depends on building strong relationships with customers, and a failure to adapt and meet their expectations could impact the business' ability to secure new sales or damage the reputation of the business:

- ▶ Several customers are concentrated within a small number of sectors (financial services, telecom and automotive), and with a small number of critical partner organisations, meaning any negative experience could result in increased reputational impact across the customer base.
- ▶ The reputation of Cirata could be negatively impacted by the actions of customers, for example if data is deleted at source before validating that migration has been completed, or if customers experience an unrelated data breach, then Cirata's products could be inadvertently associated.
- ▶ Customers depend on Cirata's products to support business critical operations, and ensuring the security and performance of Cirata's products within their environment is of significant importance to them.
- ▶ Ability to balance resources across competing priorities for customers and meet their expectations in relation to Cirata's products.
- ▶ Ability to provide 24/7 customer support expected with existing resources and headcount could be challenged as volume of sales increases.

Potential impact

This may adversely impact our ability to win new customers and retain existing customers, affecting our achievement of strategic objectives and performance milestones.

Risk mitigation

- ▶ Our product management team participates in partner advisory processes where they are offered by our OEM and other resale partners.
- ▶ Our product managers communicate proactively with customers and partners to determine priority on requirements, including through quarterly business reviews, the Cirata beta program and the Cirata Customer Advisory Board.
- ▶ Cirata's information security group establishes and maintains policies, training material and awareness courses that contribute to our ability to ensure appropriate security practices are followed across the organisation, including those that impact the design and processes for security-related aspects of our products (the "Secure Development Policy"). The group also responds to reports of security-related issues observed by customers.
- ▶ To minimise the lag between increased demand for customer support and investment in existing resources and headcount, management monitor late-stage pipeline to anticipate expected increase volume of sales.

Risk change

No change



Strategy link:

1 Customers

2 Growth

3 Scalable

4 People

People

1 2 3 4

Risk description

There was significant turnover in leadership during 2023, which was pivotal in initiating the turnaround of the business. There is a risk that should any key members of the new leadership team leave Cirata, this could impact the ability to execute on key areas of the turnaround or damage the confidence of key internal and external stakeholders.

Further, an overreliance on the knowledge and skills of key individuals, both in relation to products, customer and partner relationships could result in operational disruption if these individuals leave the business. This risk can be exacerbated if key processes and business critical information is not appropriately documented and updated and made available to relevant people as required. In addition, a lack of succession planning for senior roles could leave key areas exposed if there is unforeseen attrition.

Potential impact

This may impact our ability to attract and retain key talent, affecting our achievement of strategic objectives, performance milestones and ability to raise further funding for the Company.

Risk mitigation

Stock based compensation was enhanced during the year and continues to be an important component of retaining, motivating and attracting key talent and the leadership team.

Our people function oversees employee communications to ensure, given our rapidly developing markets, employees' understanding of our strategic direction enables them to make meaningful contributions to the achievement of our goals. There is also regular contact with employees through all-hands meetings and the employee survey.

Risk change
Increased ▲

Sales

1 2 3 4

Risk description

Whilst there is strong confidence in the quality and value of Cirata's products, there is a risk that this value may fail to be demonstrated to the market. Cirata may fail to achieve the level of sales required to grow the business, as a result of:

- Damages to relationships with sales partners (including true resellers, Global Systems Integrators ("GSIs") who are relied on to drive sales and promote a positive perception of Cirata's products).
- A failure to develop an effective GTM strategy, including digital marketing, to identify, qualify and pursue opportunities and align marketing and sales teams, resulting in a failure to achieve sales targets or operational inefficiencies due to duplication of effort.
- A failure to implement and maintain effective sales processes and challenges in forecasting and potential for fraudulent activity.
- A lack of access to reliable data relating to pipeline, leading to an inability to effectively plan sufficient resources to support delivery.
- The ability to align on standardised pricing and commercial models (particularly in relation to legacy customers who may not respond favourably to changes in pricing), leading to damage to customer relationships and challenges in converting sales.
- An inability to attract new customers or to expand existing customers to higher volumes of product requirements.
- Ability to achieve the right balance between Data Migrator and DevOps, and to be able to demonstrate sustainable growth in DevOps.
- Perceptions of the business and the brand may impact our ability to execute on sales.

Potential impact

This could adversely impact our achievement of our revenue goals and expansion of our customer base and use cases.

Risk mitigation

We have invested significant resources and time in developing and communicating new sales processes and enablement including the introduction of Quarterly Business Reviews ("QBRs"), territory plans/reviews, account reviews and planning, sales training and role plays of customer scenarios, sales methodology ("MEDPICC"), and win/loss reviews.

To streamline operations, a new GTM organisation was devised to reduce managerial layers and intensify engagement with prospective customers and partners. The GTM organisation, established in January 2024 saw the formation of a new dedicated team to concentrate on growing the DevOps business led by Justin Holtzinger, with Chris Cochran leading North America and Rich Baker leading the international efforts.

As of 1 October 2023 the new brand was adopted with Cirata selected as the Company name and brand to draw a line under the old name and its association with the Irregularities. We also strengthened the marketing team with new management.

We have also continued to invest into the relationships with our key partners by ensuring consistency in our GTM approaching and strengthening the executive management relationships.

Risk change
Reduced ▼

Product

1 2 3 4

Risk description

There is a risk that innovation and continuation of developing the best products on the market may fail to occur. Cirata's products are sold into complex scenarios where they may not always immediately meet customer requirements, resulting in a continuous need to evolve product offerings in a bespoke way. If the business is not able to increase the applicability of product offerings to a wider range of customer environments in a way that is repeatable, challenges may be faced in terms of being able to scale the business as desired and provide necessary levels of customer support.

Additionally, as the scope of products and technology broadens, and a wider variety of environments to operate in are sought, there is a risk that quality assurance processes may not be sufficiently evolved to meet customer expectations.

Potential impact

Issues relating to quality could impact the strength of relationships with customers and partners, and the reputation of Cirata's products. If R&D activities and product development are not sufficiently funded, the next big trend may be missed, leading to a potential reduction in sales, reputational damage and a loss of market share to competitors. Further, if open-source software used in Cirata's products were to become inaccessible, obsolete or licenced this could cause operational disruption.

Risk mitigation

- › We have invested in quality control processes and training within our engineering, product and information security teams.
- › Cirata contributes directly to relevant open-source projects, and monitors evolving projects to identify potentially commercially-valuable technologies from which we can benefit and to which we can accelerate their value.
- › Our product roadmap and planning for it is based on requirements expressed by customers and partners, including dedicated customer success managers that proactively monitor the successful application of our products in their environments, and that provide feedback and input to our product managers.
- › Our product managers participate in weekly discussions with account management and leadership to ensure prospective customer opportunities contribute to roadmap planning and execution.
- › Cirata product managers are mandated to propose and coordinate roadmap alternations if regulatory constraints affect planned or current features.

Risk change

No change



Cybersecurity

1 2 3 4

Risk description

The business could fall victim to a cyber-attack, impacting the ability to operate or leading to a loss/breach of confidential or personal data, which could occur as a result of a lack of training, a failure to maintain systems or malicious attacks.

Potential impact

A failure to proactively assess cybersecurity threats and respond to security incidents could lead to business disruption, reputational damage or result in regulatory action and fines. In addition, a failure to maintain ISO 27001 certification could impact external perception of security within the business.

Risk mitigation

We have implemented various measures to mitigate these risks, including:

- › Access controls: Implementing strong authentication and authorisation protocols to restrict access to sensitive data and systems, including the use of Two Factor Authentication.
- › Data security: Encrypting sensitive data at rest and in transit, and implementing perimeter security and data loss prevention solutions.
- › Security awareness training: Regularly educating employees on cyber threats and best practices for protecting information.
- › Incident response plan: Having a well-defined plan for identifying, containing and recovering from cyber incidents.
- › Continuous Improvement: We are committed to continuously improving our cybersecurity posture through:
 - › Regularly reviewing and updating our security policies and procedures.
 - › Investing in new security technologies and solutions.
 - › Maintaining our ISO27001 certification and investing in our best practices.

Risk change

Increased



Positioned for growth



Ijoma Maluza,
Chief Financial Officer

Revenue for the year ended 31 December 2023 was \$6.7m (FY22: \$9.7m).

Deferred revenue from sales booked during 2023 and in previous years, and not yet recognised as revenue, is \$2.7m at 31 December 2023. At 31 December FY22 this stood at \$2.3m. Our deferred revenue represents future revenue from new and renewed contracts, many of them spanning multiple years.

Adjusted EBITDA loss² was \$24.2m excluding adviser costs relating to the Irregularities of \$4.2m (FY22 EBITDA loss: \$30.7m).

Revenue

Revenue was \$6.7m (FY22: \$9.7m). Revenue from deals closed in the current year was \$4.4m (FY22: \$8.3m) and revenue from deals closed in the prior years (deferred income unwinding) was \$2.3m (FY22: \$1.4m). The revenue from deals closed in the year was primarily driven by contract renewals in our DevOps business. The DevOps business contributed \$3.7m (FY22: \$5.4m) to the full-year revenues with the DI business contributing \$3.0m (FY22: \$4.3m). Services revenues for both DevOps and DI business were \$0.2m (FY22: \$0.2m) and continue to contribute a modest amount of revenue. We believe that this is an area that should provide

opportunity for incremental contribution to revenues going forward.

From a geographical perspective, we saw an increased contribution to revenues from North America which accounted for \$4.6m (FY22: \$5.5m). The contribution from Europe and Rest of the world segments were \$1.4m and \$0.7m respectively, against \$2.1m and \$2.1m, respectively, in the prior year.

Overall, during 2023, contract wins continued to be lumpy with the sales execution challenges outlined in the Chief Executive's report a major challenge for the business and its ability to deliver consistent and predictable sales bookings.

Operating costs

Cash overheads¹ decreased by \$9.4m to \$30.3m (excluding adviser costs relating to the Irregularities of \$4.2m) from \$39.7m in FY22. The decline was driven by a reduction in employee costs primarily from a restructuring of headcount following the discovery of the Irregularities in March 2023. Our headcount was 112 as at 31 December 2023 from a high in February 2023 of 193 (31 December 2022: 177). Management continues to focus on ensuring that the cost base is appropriate for the current size and prospects of the business with an expected annual overhead costs of c.\$23m for the 2024 financial year.

Profit and loss

Adjusted EBITDA² loss for the year was \$24.2m (excluding adviser costs relating to the Irregularities of \$4.2m). (FY22: \$30.7m loss). The loss after tax for the year increased to \$36.5m (FY22: \$29.6m), due to exchange loss of \$4.2m (FY22: gain \$11.3m), adviser costs relating to the Irregularities of \$4.2m (FY22: \$0.9m), offset by a lower impairment charge of \$0.8m (FY22: \$2.2m).

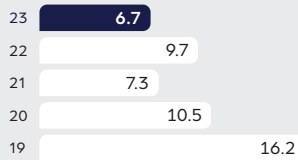
The foreign exchange loss of \$4.2m (FY22: \$11.3m gain), reported within finance (costs)/income, arose from the retranslation of intercompany balances at 31 December 2023, reflecting the appreciation of sterling against the US dollar.

A translation gain of \$4.5m (FY22: \$10.8m loss) arising on the net assets of overseas subsidiaries reported in reserves results in a minimal net impact on the Group net assets.

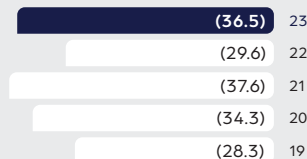
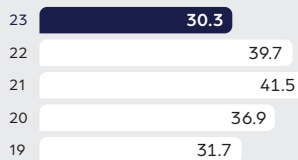
Consolidated statement of financial position

Property, plant and equipment at 31 December 2023 reduced to \$0.2m (31 December 2022: \$0.7m) due to an impairment charge on the right of use assets.

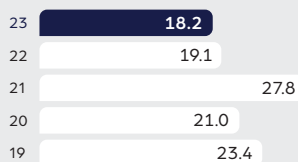
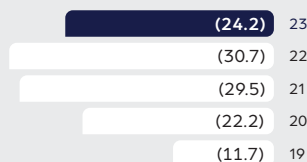
Revenue (\$m)

\$6.7m

Statutory loss for the year (\$m)

\$(36.5)mCash overheads (\$m)¹**\$30.3m**

Cash (\$m)

\$18.2mAdjusted EBITDA (\$m)²**\$(24.2)m**

1 Operating expenses adjusted for: depreciation, amortisation, equity-settled share-based payment and other one-off non-recurring items disclosed separately. See Note 9 for a reconciliation.

2 Operating loss adjusted for: impairment loss, depreciation, amortisation, equity-settled share-based payment, other (expense)/income and other one-off non-recurring items disclosed separately. See Note 9 for a reconciliation.

Trade and other receivables at 31 December 2023 were \$4.4m (31 December 2022: \$4.9m). This includes \$1.8m of trade receivables (31 December 2022: \$1.0m) and \$2.6m related to non-trade receivables (31 December 2022: \$3.9m). Trade receivables increased at 31 December 2023 due to the higher amount of bookings invoiced in the fourth quarter of FY23 compared to FY22. Other receivables reduced mainly due to a lower corporation tax receivable from R&D tax credit claims and reduced prepayments and other receivables.

Trade and other payables reduced to \$3.0m (31 December 2022: \$6.2m). The reduction mainly related to a reduction in bonus and audit fee accruals in FY23 compared to FY22.

Deferred income from sales booked during FY23 and in previous years, and not yet recognised as revenue, is \$2.7m at 31 December 2023. At 31 December 2022 this stood at \$2.3m. Deferred income increased due to a number of licence renewals on which the revenue is recognised in FY24.

Share capital and share premium increased to \$271.9m at 31 December 2023 (31 December 2022: \$242.4m) due to the proceeds from the fundraise in the year of \$28.4m and proceeds from share options exercised of \$1.1m.

Cash flow

Net consumption of cash was \$30.6m before financing (FY22: \$27.7m), of which \$6.8m related to exceptional costs associated with the Irregularities and the cost of equity raising. The net consumption was partly offset by the contribution of \$29.5m from the issue of share capital, net of exchange rate movements of \$0.7m and payment of lease liabilities of \$0.4m resulting in a closing cash balance of \$18.2m at 31 December 2023 (31 December 2022: \$19.1m).

For FY24, the key to a sustainable cash generation is our ability to create and convert pipeline opportunities into contracted bookings with a high level of predictability and regularity. Historically, the Company has not managed to achieve this enduring predictability which creates a degree of uncertainty in forecasting future cash generation. Further details are included in Note 2(b) of the financial statements.

Subsequent events

There are no subsequent events to report.

Ijoma Maluza

Chief Financial Officer

3 April 2024

Room for improvement



Ken Lever,
Non-executive Chair

The Corporate governance statement, together with the information provided below and in the Audit and Risk Committee ("ARC") report, the report of the Nomination Committee, and the Remuneration Committee report, set out how Cirata's governance framework is now structured. As a Board, we recognise that we are accountable to shareholders for good corporate governance.

During 2023 we have complied with the QCA Code except that the former CEO fulfilled the role of Chair and Chief Executive Officer until he stepped down from the Board on 2 April 2023. Following David Richards' departure, I was appointed as Interim Executive Chair.

In the 2022 Annual Report and Accounts we noted that the Irregularities identified in March 2023 revealed frailties in the way the governance structure was operating that undermined confidence in the governance framework. The Board, led by me, has sought to establish the highest standards of governance similar to Sarbanes-Oxley 404 compliance upon both revenue and expenses.

The actions taken to establish excellence in governance and the supporting control environment include:

1. A co source Internal Audit ("IA") function has been established with an outside service Big Four provider.
2. Controls over the issuance of permanent and temporary licences have been strengthened.
3. A rigorous process for the release of RNS announcements has been established.
4. A robust process to recognise and record orders received from customers has been set up.
5. The involvement of the Finance function assessing the business case and commercial terms of sales transactions.
6. A delegation of authority published for discounting product and services has been implemented.
7. Documentation of systems and processes.
8. Identification and testing of material operational and financial internal controls.
9. A risk register project has been established involving IA reporting to the ARC and CFO.
10. Training and certification for all colleagues on governance, anti-bribery, ethics and compliance.
11. Nine new Company policies were introduced (e.g. whistleblower) and the Code of Business Conduct and Ethics established and embedded.
12. After each reporting period, all those colleagues in sales functions certify their compliance with the policies and "Code of Business Ethics". This process is cascaded up to the CEO.

We have further developed the risk management process to identify key business and financial risks and established controls to mitigate the risks. The principal risks are set out from page 22.

Furthermore, we have established a transparent and regular quarterly reporting cadence for key business metrics and KPIs disclosed to investors.

The detailed reports of each of the Committees are set out later in this section.

The Nomination Committee is now chaired by Peter Lees, Senior Independent Director. During the period the Nomination Committee managed the process to appoint two new Non-executive Directors and the Chair. In making the appointments the Nomination Committee paid due regard to diversity in its broadest sense. Whilst the Company pursues diversity throughout the business, the Board is not committed to any specific targets. The Board will continue to pursue a policy of appointing talented people at every level to deliver high performance to the business.

The Audit and Risk Committee is now chaired by Xenia Walters. During the period the two principal activities were the appointment of Crowe U.K. LLP as auditors following a tender process and supervising the review and testing of financial systems and systems

of internal control and appointment of co sourced internal audit partner.

The Remuneration Committee is now chaired by Chris Baker. During the period, the remuneration of the executive team was reviewed and various changes made to the share incentive arrangements.

The terms of reference of each Committee were reviewed and updated in the period.

The Board takes the opportunity to meet with members of the executive team and to build on its knowledge of the business. There are regular interactive presentations from, and discussions with, the executive team and in 2023, these included strategy, people and employee engagement, investor relations and marketing.

The Annual General Meeting ("AGM") will be held at the offices of Brown Rudnick on 14 May 2024; my fellow Directors and I look forward to seeing you. It is an excellent opportunity to meet the Board and to raise questions on the matters in hand at the meeting.

Ken Lever

Non-executive Chair

3 April 2024

Board effectiveness

The Board does not have a formal Board effectiveness process and a process will be introduced in 2024.

The key strategic issues and risks have been discussed in an open and honest forum with decisions being made based on the factual data presented.

Each Board member has a particular area of expertise and has utilised this to provide insightful comment and contribution to the business demands of the Group.

The Group is mindful of succession planning and has discussions on this matter. The Board composition is under review.

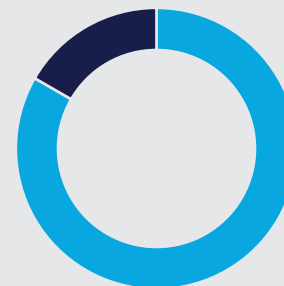
Strategic decisions taken within the year and stakeholder consideration

| Stakeholders | Considerations |
|--------------|---|
| Partners | <ul style="list-style-type: none"> ➤ GTM plans with our key strategic partners ➤ New partner relationships and key external announcements |
| Customers | <ul style="list-style-type: none"> ➤ Prioritisation of feedback into future product development from customers ➤ Resource planning to support new and potential customer priorities ➤ Positioning of Company product offering and use cases for our products |
| Employees | <ul style="list-style-type: none"> ➤ New policies to support employee wellness ➤ New share option grants |
| Shareholders | <ul style="list-style-type: none"> ➤ Additional engagement following the discovery of the Irregularities through RNS announcements and meetings |
| Regulators | <ul style="list-style-type: none"> ➤ Engagement with the regulatory bodies regarding the Irregularities |

Current Board composition



Tenure



➤ [Learn more about our governance from page 34](#)

Board team



Ken Lever

Non-executive Chair

Age 70

Length of tenure

Appointed 22 March 2023
(Executive Chair from 5 April 2023
to 10 May 2023, Interim Chair until
15 February 2024)

Skills and experience

Ken is an experienced business leader, having held a number of senior executive and non-executive positions within UK-listed firms.

He is currently Senior Independent Director and Chairman of the Audit Committee at both Vertu Motors plc and Rockwood Strategic plc, as well as Deputy Chairman of Rainier Developments Limited. Ken has recently stepped down as Non-executive Chairman of Biffa plc and RPS Group plc.

Ken was also a Non-executive Director at Blue Prism plc, an intelligent automation software business, where he was Chair of the Audit Committee.

In his executive career, Ken was latterly Chief Executive Officer of technology, business services and insurance software business Xchanging plc.

Ken is Chair of the Advisory Board of the Alliance Manchester Business School and was a member of the Accounting Council (formally the Accounting Standards Board) of the Financial Reporting Council.

External appointments

Ken is the Senior Independent Director and Chairman of the Audit Committee of Vertu Motors plc, the Senior Independent Director and Chairman of the Audit Committee of Rockwood Strategic plc and Deputy Chairman of Rainier Developments Limited.



Stephen Kelly

Chief Executive Officer

Age 62

Length of tenure

Appointed 10 May 2023

Skills and experience

Stephen Kelly is a successful, serial growth CEO with global experience in complex enterprise software and technology businesses channels. Stephen has an exceptional leadership record from start-ups to the largest organisations in both private and public sectors. Stephen led the turnarounds as CEO of Sage (FTSE50), Micro Focus (FTSE250), and grew Chordiant rapidly (Nasdaq) adding approximately \$10bn of market value increase over almost 50 quarters during his stewardship as a public company CEO. The companies led by Stephen all became global market leaders in their sectors.

In the 1980s, Stephen joined the early-stage European team at Oracle where annual triple-digit revenue growth was the standard in the enterprise data business. Stephen was appointed the UK government's first Chief Operating Officer during the Coalition government, where Efficiency & Reform programs delivered £50bn annual savings as well as major innovations including the delivery of Gov.UK and the digitisation of UK government which was awarded "UN best digital government" in 2016.

External appointments

Chair Science, Technology & Research Honours Committee (sits on main Honours Committee).

Member of No 10 Downing Street Digital Fellows Board.

Senior Adviser to Blackrock (LTPC).

NED Locum's Nest (Healthtech).



Ijoma Maluza

Chief Financial Officer

Age 44

Length of tenure

Appointed 11 April 2023

Skills and experience

Ijoma is a Chartered Accountant with over 20 years of experience in Finance including as CFO of listed and private equity-owned companies in the Technology and Software industries. Ijoma was CFO of Blue Prism plc, a software company listed on the London Stock Exchange, before its sale to SS&C Inc in 2022. Prior to Blue Prism, he was CFO of IP. Access, a private equity-owned, hardware and software developer of small cells radio solutions. After qualifying as a Chartered Accountant, Ijoma worked in Investment Banking in the TMT team at Rothschild & Co. before joining Xchanging, a FTSE250 company, where he became Corporate Development and Corporate Strategy Director leading all M&A activities.

External appointments

Adviser to Expedition Growth Capital.

Committee membership key

A Audit and Risk Committee **N** Nomination Committee **R** Remuneration Committee Committee Chair



Peter Lees
Senior Independent
Non-executive Director

Age 59

Length of tenure

Appointed 10 August 2022

Skills and experience

Peter has built a successful 35-year career in the UK financial markets, having served in senior leadership roles across multiple financial institutions, with a particular focus on Equity Capital Markets and the provision of investment and strategic advice to public and private companies.

Peter has built, grown and led a number of UK, European and Global Equity teams during his career, including most recently serving as a Managing Director at Stifel, where he was part of the leadership team in the Technology and Life Science sectors. Prior to that, Peter served as Head of UK and European teams at F&C, responsible for managing over £15bn of assets under management. Earlier in his career, Peter rose to become Head of the UK Equity Team at Morgan Grenfell (latterly, Deutsche Bank), helping to drive the organisation towards its ultimate position as one of the top three Asset Management companies in London.

External appointments

None.



Xenia Walters
Non-executive Director

Age 53

Length of tenure

Appointed 25 July 2023

Skills and experience

Xenia Walters is a senior finance leader with an excellent track record of delivering operational and profit improvements within fast paced environments – both on the public markets and within private equity backed global operations. Xenia began her career with PriceWaterhouseCoopers (1991 to 1997) and during her career worked in various finance roles at Allied Colloids plc, Ciba Speciality Chemicals and Huntsman Chemicals. Xenia was with Regus plc from 2003 to 2011, initially as Group Financial Controller then as UK CFO. She was Group Finance Director of INTO University Partnerships and then Interim CFO of Oxford International Education Group until 2015, ultimately leading to her assuming the role of Group Chief Financial Officer of SDL plc and then Group CFO of Snowfox Group. She is currently Chief Strategy and Transformation officer at Capita plc.

External appointments

Chief Strategy and Transformation officer at Capita plc.



Chris Baker
Non-executive Director

Age 68

Length of tenure

Appointed 25 July 2023

Skills and experience

Chris Baker is an experienced leader in the international technology industry and currently a partner of CBCS Associates, a software advisory business. From 1983 to 1997 Chris was with Digital Equipment Company, rising to serve as UK Sales Director for Outsourcing. During the period 1997 to 2014, Chris held several senior roles within Oracle, rising to Senior Vice President and Worldwide Head of ISV/OEM/Java Sales. Chris was then Executive Director of Xchanging plc from 2014 to 2016, leading the Xuber Insurance Software business, and from 2016 to 2021 Chris was CEO of Capita Software.

External appointments

Partner of CBCS Associates.

| Sector experience | Ken Lever | Stephen Kelly | Ijoma Maluza | Peter Lees | Xenia Walters | Chris Baker |
|----------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Technology | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Financial management | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Strategy development | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Corporate governance | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Corporate finance | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |

Experienced leadership team



1 – Dr Yeturu Aahlad Chief Scientist, Inventor and Co-Founder

Length of tenure: 18 years

Skills and experience:

Dr Aahlad is a recognised worldwide authority on distributed computing. He is named in 77 Cirata patents, including US and international patents, continuations and divisionals. It was Dr Aahlad's vision and years of persistence that led to the invention of technology that many thought was impossible – that of Active-Active replication (Cirata's patented DConE technology). Prior to Cirata, Dr Aahlad served as the distributed systems architect for iPlanet (Sun/Netscape Alliance) Application Server. At Netscape, Dr Aahlad joined the elite team in charge of creating a new server platform based on the CORBA distributed object framework.

Prior to Sun/Netscape Dr Aahlad worked on incorporating the CORBA security service into Fujitsu's Object Request Broker. Dr Aahlad designed and implemented the CORBA event services while working on Sun's first CORBA initiative. Earlier in his career, Dr Aahlad worked on a distributed programming language at IBM's Palo Alto Scientific Center.

Dr Aahlad has a PhD in Distributed Computing from the University of Texas, Austin, and a BSc in Electrical Engineering from IIT Madras.

2 – Paul Scott-Murphy Chief Technology Officer

Length of tenure: Nine years

Skills and experience:

Paul has overall responsibility for Cirata's product and technology, including customer engagement, technical innovation, new market and product initiation and creation. This includes direct interaction with the majority of Cirata's significant customers, partners and prospects. He was previously VP of product management for Cirata and Regional Chief Technology Officer for TIBCO Software in Asia Pacific and Japan. Paul has a Bachelor of Science with first class honours and a Bachelor of Engineering with first class honours from the University of Western Australia.

3 – Frank van Baar Vice President, Strategy and Operations

Length of tenure: Less than a year

Skills and experience:

Frank has for the last 20 years, guided strategic and operational change across many fast growing global companies. Supporting companies such as Sage Software, Sophos, Microfocus and Chordiant, he has been leading initiatives spanning GTM operations, product portfolio management, corporate development, AI and analytics and 15+ M&A transactions. A few years back, Frank went back to university taking a Data Science Degree to drive organisations to the next level of growth and sophistication.

4 – Rich Baker Chief Revenue Officer, International

Length of tenure: Less than a year

Skills and experience:

Rich has worked in IT for 20+ years. His experience spans business operations, pricing, partner alliances, business development, and sales (SMB, Enterprise, and global key accounts). He has held leadership positions across the UK and EMEA. Product sets include hardware, technology, big data, middleware, applications (CRM, ERP & CX), analytics, and mobile across on-premises, hybrid, public and private clouds. He has worked for both corporate and partner organisations globally.

5 – Justin Holtzinger Chief Revenue Officer, DevOps

Length of tenure: Six years

Skills and experience:

Justin is a customer-focused leader with more than 20 years of experience and a proven track record of successfully building high-performance technology teams capable of delivering unmatched customer experiences during his seven-year career at EMC, where he held leadership roles in professional services, led their Global Data Migration Practice, and later led the global services product launch for EMC's high-performance Big Data compute appliance. Justin obtained his Master of Business Administration from St. Mary's of California.

6 – Chris Cochran**Chief Revenue Officer, North America****Length of tenure:** One year**Skills and experience:**

Chris Cochran is a business and technology executive with 20+ years of experience. He specialises in developing people, processes and technology that maximise revenue growth through strategic partnerships. By strengthening Cirata's relationships with a global network of strategic alliances (IBM, AWS, Oracle, Microsoft Azure, Google Cloud, GSIs, and ISVs), Chris has developed key GTM programs that serve as a cornerstone of the Company's revenue growth plans. In his previous role at NetApp, Chris was instrumental in the development of Azure NetApp Files ("ANF") and oversaw the project from inception to NetApp's largest growth sector business. Prior to NetApp, Chris led the Central Sales Organisation for Oracle as Regional Vice President where he oversaw revenue growth into Oracle's largest multi-national accounts.

7 – Helen Carroll**Vice President, Marketing (Interim)****Length of tenure:** Less than a year**Skills and experience:**

Helen has 20+ years experience of marketing in the enterprise software space, working in organisations such as Heat Software (now Ivanti), Sun Microsystems (now Oracle) and BMC Software. Her experience spans all marketing disciplines, but her passion is in aligning sales/partners and marketing to drive quality pipeline with repeatable and highly targeted programs. In her previous senior marketing roles, she's been hired to build marketing strategy, create demand generation plans for growth acceleration and improve marketing operations systems and processes, while driving company revenues and market recognition.

8 – Lindsay ("Linz") Phillips**Vice President, Engineering****Length of tenure:** Less than a year**Skills and experience:**

Linz's roots are in Delivery and Transformation and has spent over 25 years building teams and organisations which deliver great outcomes. His early career was focused on SAP programs at P&G before moving on to HP running large-scale delivery across the application portfolio of both UK government and some of Europe's largest companies whilst building out a network of delivery centres and a customer facing Digital Transformation Centre focused on Agile practices in Newcastle. Most recently Linz ran Global Product Delivery at Sage with a focus on portfolio transformation.

Linz is a passionate advocate of bringing young people into Tech and has founded and supported a number of projects and initiatives in the Northeast of England to bring that to life.

9 – Hayley Fisher**Vice President, People****Length of tenure:** Less than a year**Skills and experience:**

Hayley Fisher brings a wealth of experience in People Leadership to her new role, having previously held leadership roles at Tech Nation – the growth platform for tech companies; Hailo – the UK founded e-hail tech platform; Thomsons Online Benefits – the global benefits management and employee engagement SAAS business, after an early career spent at Betfair, the world's largest betting exchange, during its explosive growth years.

10 – Dan Hayes**Vice President, Investor Relations****Length of tenure:** Less than a year**Skills and experience:**

Dan has enjoyed close to 25 years in both buy-side and sell-side equities, the majority of that time investing in global technology and growth companies. Most recently he led the ICT investment program for the Abu Dhabi Investment Authority Global Innovation Fund. He has an interest in early stages technology startups and is an active Angel investor in the UK. He formerly sat on the Investment Committee of Newable ventures and has held a number of investor director and observer roles on behalf of the fund. Dan is also the Co Founder and Executive Chair of Worldwide Radiology Ltd, a not for profit organisation using cloud based technology to help build capacity in medical imaging diagnostics in resource constrained settings around the world. Dan has a degree in engineering from Bath University and an MSc in Management Science from Imperial College London.

11 – Larry Webster**General Counsel and Company Secretary****Length of tenure:** Ten years**Skills and experience:**

Larry previously worked at Wilson Sonsini Goodrich & Rosati, a large California-based law firm, where he provided advice and services both to large corporations and emerging growth technology companies. He also had roles in Gunderson Dettmer, another Silicon Valley firm, and Hughes & Luce, a Dallas law firm. He started his legal career at telecommunications giant Northern Telecom in Texas. Larry holds a JD from Brigham Young University, a BSc in Business Management and a BA in Asian Studies, also from Brigham Young University.

Ensuring the long-term success of the Group

Board effectiveness

Board composition and responsibilities

The Board currently comprises an Independent Non-executive Chair, three independent Non-executive Directors and two Executive Directors.

The Board is responsible for the long-term success of the Group. It is responsible for establishing a strategy and business model which promote long-term value for shareholders as outlined in the Strategic report on pages 4 to 27. It sets the Group's values, standards and strategic aims and oversees implementation within a framework of prudent and effective controls, ensuring only acceptable risks are taken. It provides leadership and direction and is also responsible for corporate governance and the overall financial performance of the Group. In addition, it promotes a corporate culture that is based on ethical values and behaviours; these corporate values guide the objectives and strategy of the Company.

The Board ensures that ethical behaviours are expected, and followed, by approving a set of internal policies on matters such as business conduct and ethics, and whistleblowing. The Board also ensures that appropriate systems and controls are in place to ensure compliance with those policies as part of its efforts to promote a healthy corporate culture, which is for the benefit of all stakeholders.

The Board has agreed the schedule of matters reserved for its decision, which includes ensuring that the necessary financial and human resources are in place to meet its obligations to its shareholders and others. It also approves acquisitions and disposals of businesses, major capital expenditure and annual financial budgets, and sets dividend policy.

An executive team supports the Board in implementing strategy and reports relevant matters to the Board for its consideration and approval. This executive team comprises the two Executive Directors and eleven members of senior management.

All the Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring compliance with applicable rules, regulations and Board procedures.

Directors have the right to request that any concerns they have are recorded in the appropriate Committee or Board minutes.

Board and Committee meetings

The table opposite shows the number of Board meetings held during the year, and the attendance of each Director. See our Committee reports for Audit and Risk, Remuneration and Nomination Committee meetings.

Board Committees

To assist the Board in carrying out its functions and to ensure that there is independent oversight of internal controls and risk management, the Board delegates certain responsibilities to its three principal Committees as shown in the governance framework diagram opposite.

More detail on each of the Committees can be found on pages 39 to 45.

Board independence, appointment and re-election

There is a Non-executive Chair and three Non-executive Directors who are considered by the Board to be independent of the management and are free to exercise independence of judgement. Except as noted below, they have never been employees of the Group and they do not participate in the Group's bonus arrangements. The Chair served briefly as Executive Chair but is now considered to be independent. They receive no other remuneration from the Group other than their Directors' fees, except that for several years, Non-executive Directors participated in a share scheme and Peter Lees received restricted stock units.

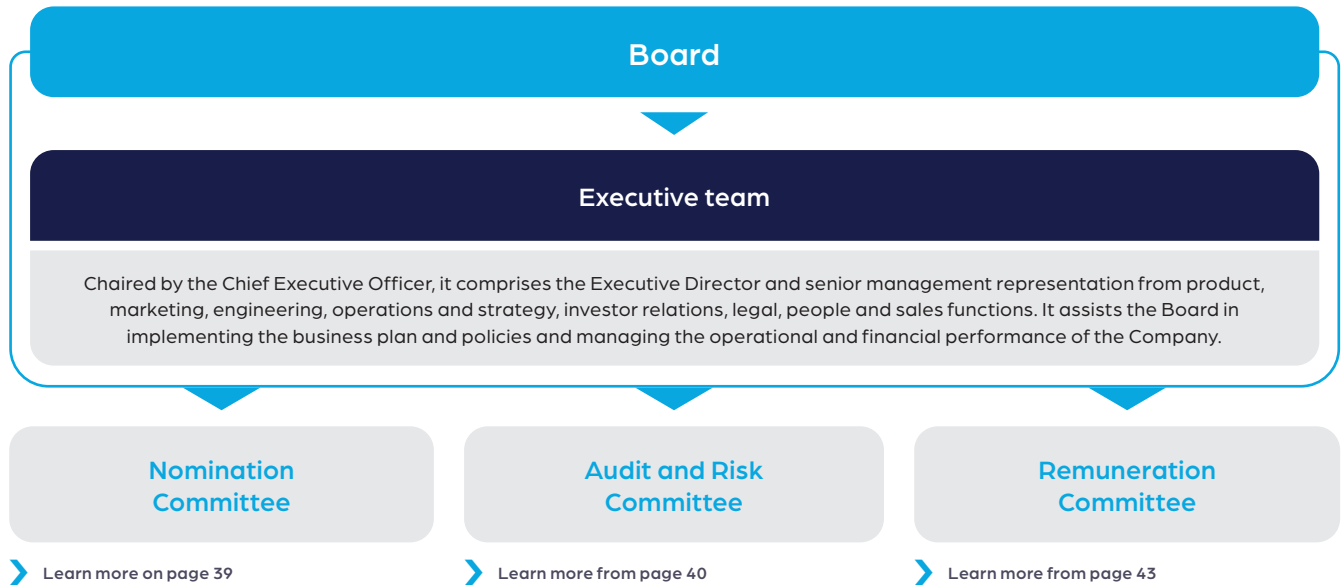
The Chair briefs Non-executive Directors on issues arising at Board meetings if required and Non-executive Directors have access to the Chair at any time. Ongoing training is provided as needed. Directors were updated on a frequent and regular basis on the Group's business.

Directors are subject to re-election at the Annual General Meeting ("AGM") following their appointment. In addition, at each AGM at least one-third (or the whole number nearest to one-third) of the Directors retire by rotation.

Terms of appointment and time commitment

All Non-executive Directors are appointed for an initial term of three years subject to satisfactory performance. After this time, they may serve additional three-year terms following review by the Board. All Non-executive Directors are expected to devote such time as is necessary for the proper performance of their duties. Directors are expected to attend all Board meetings and Committee meetings of which they are members and any additional meetings as required. Further details of their terms and conditions are summarised in the Remuneration report on pages 43 to 45 and the terms and conditions of appointment of the Non-executive Directors are available at the Company's registered office.

Governance framework



Attendance at meetings

The Directors' attendance record at the Annual General Meeting ("AGM") and scheduled Board and Committee meetings for the year ended 31 December 2023 is set out below. Attendance is shown as the number of scheduled meetings attended out of the number that each Director was eligible to attend. Only in exceptional circumstances would a Director not attend a Board or Committee meeting.

| | AGM | Board | Audit and Risk Committee | Remuneration Committee | Nomination Committee |
|--|----------|-----------|--------------------------|------------------------|----------------------|
| Number of meetings held during the year | 1 | 30 | 4 | 5 | 3 |
| Chair | | | | | |
| Ken Lever ¹ | Yes | 21/21 | – | – | – |
| Executive Directors | | | | | |
| Stephen Kelly ² | Yes | 3/3 | – | – | – |
| Ijoma Maluza ² | Yes | 3/3 | – | – | – |
| David Richards ³ | – | 12/12 | – | – | 1/1 |
| Erik Miller ³ | – | 12/12 | – | – | 1/1 |
| Dr Yeturu Aahlad ⁴ | – | 25/27 | – | – | – |
| Non-executive Directors | | | | | |
| Peter Lees ⁵ | Yes | 29/30 | 4/4 | 5/5 | 3/3 |
| Xenia Walters ⁶ | – | 3/3 | 2/2 | 3/3 | 1/1 |
| Chris Baker ⁶ | – | 3/3 | 2/2 | 3/3 | 1/1 |
| Grant Dollens ⁷ | – | 16/17 | 0/1 | 2/2 | 2/2 |
| Karl Monaghan ⁸ | – | 27/27 | 2/2 | 2/2 | 2/2 |

1 Joined 22 March 2023.

2 Joined 10 May 2023 and 11 April 2023.

3 Left 2 April 2023 and 3 April 2023.

4 Dr Yeturu Aahlad was unable to attend two Board meetings due to other commitments. He stepped down from the Board on 25 July 2023.

5 Peter Lees was unable to attend one Board meeting due to other commitments.

6 Joined 25 July 2023.

7 Grant Dollens was unable to attend one Board meeting and one Audit and Risk Committee meeting due to other commitments and left 19 May 2023.

8 Left 17 August 2023.

A summary of Board activity in 2023 is on page 36. In undertaking these activities, the Board considers its legal duties and the interests of principal impacted stakeholders.

Ensuring Board effectiveness

Board effectiveness *continued*

Development, information and support

All Board Directors have access to the Company Secretary who advises them on governance matters. The Chair and the Company Secretary work together to ensure that Board papers are clear, accurate, delivered in a timely manner to Directors and of sufficient quality to enable the Board to discharge its duties. Specific business-related presentations are given by members of the executive team when appropriate and external speakers also attend Board meetings to present on relevant topics.

As well as the support of the Company Secretary, there is a procedure in place for any Director to take independent professional advice at the Company's expense in the

furtherance of their duties, where considered necessary. As part of the Board evaluation process, training and development needs are considered and training courses are arranged, where appropriate.

In line with the Code, we ensure that any new Directors joining the Board receive appropriate support and are given a tailored induction programme organised through the Company Secretary, including the provision of background material on the Company and briefings with management as appropriate. Each Director's individual experience and background are considered in developing a programme tailored to his or her own requirements. Any new Director will also be expected to meet with major shareholders if required.

Succession planning

The Nomination Committee focuses on Board succession and composition and succession planning.

Board evaluation

The performance of the Board is evaluated on an ongoing basis with reference to all aspects of its operation including, but not limited to: the appropriateness of its skill level; the way its meetings are conducted and administered (including the content of those meetings); the effectiveness of the various Committees; whether corporate governance issues are handled in a satisfactory manner; and whether there is a clear strategy and objectives.

Board activities throughout the year

At each scheduled meeting

Discuss:

- › Strategic and operational matters
- › Trading results
- › Management accounts and financial commentary
- › Treasury matters
- › Legal, Company Secretarial and regulatory matters
- › Investor relations
- › Corporate affairs

Review:

- › Minutes of previous meetings
- › The implementation of actions agreed at previous meetings
- › The rolling annual agenda items

January

- › Audit planning
- › Board composition
- › Equity and bonus approvals

March, April and May

- › Addressing fraud report and irregularities
- › Commencing and managing internal investigation
- › Recovery planning
- › Executive and Board replacements

June, July and August

- › Short and medium-term strategy planning
- › Fundraising planning and execution
- › Lifting trading suspension

September and October

- › Company rebrand
- › Audit planning (internal and external)
- › Business strategy and planning
- › 2024 and beyond outlook and goals

December

- › Review and approve 2024 budget
- › Audit updates and planning (internal and external)
- › Review leadership compensation and equity grants

The Board evaluation is internally facilitated and aligned with the ten principles of the QCA Code. All members of the Board will fully engage with the Board evaluation, which is expected to produce a consistent set of results in terms of both the participants' assessment of the strengths and current state of the Board, and also the priorities or further development. The feedback from the evaluation will guide further actions and decisions. Each Director's performance will be appraised through this appraisal process. The Chair will be appraised by the Non-executive Directors and the Executive Directors, the Executive Board members will be appraised by the Chair and the Non-executive Directors, and the Non-executive Directors will be appraised by the Chair and the Executive Directors.

Internal controls and risk management

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness. Such a system is designed to mitigate against and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Executive management considered the potential financial and non-financial risks which may have an impact on the business as part of the quarterly management reporting procedures. The Board received the principal risk outputs of these quarterly management reports and monitored the position at Board meetings. The principal risks are set out on pages 22 to 25.

The Board confirms that there are ongoing processes for identifying, evaluating and mitigating the significant risks faced by the Group. The processes, which have been in place throughout the year and up to the date of approval of the Annual Report and Accounts, are consistent, so far as is appropriate for the nature and size of the Group's business, with the guidance issued by the Financial Reporting Council.

The Group's internal financial control and monitoring procedures include:

- › clear responsibility on the part of line and financial management for the maintenance of good financial controls and the production of accurate and timely financial management information;
- › the control of key financial risks through appropriate authorisation levels and segregation of accounting duties;
- › detailed management accounts including the trading results, balance sheets and cash flows, with regular review by management of variances from budget;
- › reporting on any non-compliance with internal financial controls and procedures; and
- › review of reports issued by the external auditor.

The Audit and Risk Committee, on behalf of the Board, reviewed reports from the external auditor together with management's response regarding proposed actions. In this manner, it has reviewed the effectiveness of the system of internal controls for the year under review.

The identification of the Irregularities brought into question the effectiveness of controls over the recognition, recording and reporting of revenue. As a result of the review performed by FRP Advisory, control improvements, as outlined on page 28 have been implemented to ensure that the circumstances giving rise to the Irregularities cannot recur.

The Group considers information security to be of utmost importance, demonstrated by our ISO 27001 certification, the globally recognised standard for information security. To achieve and maintain our certification we have developed a number of processes that allow us to more fully understand the information we process and the security threats we face, which has led to us adopting policies and systematically implementing controls to manage and mitigate these threats. Our Information Security Group,

made up of senior employees in multiple departments, oversees the creation, execution and continual improvement of our Information Security Management System. Our core security-related values are clearly understood and articulated in our information security policies, and staff awareness of risks, and their obligations to identify and manage them has continued to improve. Our adopted approach affords better protection of all our stakeholders' information and allows the Group to continually improve and adapt its information security controls as new threats emerge and our business undergoes change and expansion in our turbulent world.

Communicating to our shareholders

Relations with shareholders

Cirata is committed to communicating openly with its shareholders to ensure that its strategy and performance are clearly understood. During the year, numerous activities were undertaken to engage with shareholders.

Results announcements

We communicate with shareholders through our full-year and half-year announcements and trading updates. We invite institutional shareholders and analysts to view our full-year and half-year announcements. The presentation slides and a webcast of the presentations are made available at www.cirata.com/investors/reports-and-presentations on the day of announcement.

Shareholder meetings

The AGM is the principal forum for dialogue with private shareholders, and we encourage shareholders to attend and participate.

The last AGM was held on Wednesday 30 August 2023 at the offices of Brown Rudnick, with the results being published on our website, www.cirata.com/investors.

This year's AGM will be held at 2pm on 14 May 2024 at Brown Rudnick's London office. Full details are included in the Notice of Meeting, which is sent to shareholders at least 21 days before the meeting.

Website and shareholder communications

Our website, www.cirata.com/investors, provides a range of corporate information on our business, results and financial performance, including copies of our Annual Report and Accounts, announcements and presentations.











Meetings, roadshows and conferences

The Directors actively seek to build a mutual understanding of objectives with institutional shareholders. Shareholder relations are managed primarily by the Chief Executive Officer and the Chief Financial Officer.

A calendar of events is set out below.

The Chief Executive Officer and the Chief Financial Officer regularly meet with institutional shareholders to foster a mutual understanding of objectives. In particular, an extensive programme of meetings with analysts and institutional shareholders is held following the interim and preliminary results announcements. Feedback from these meetings and market updates prepared by the Company's Nomad are presented to the Board to ensure it understands shareholders' views. The Chair and other Non-executive Directors are available to shareholders to discuss strategy and governance issues when necessary.

2023 key shareholder engagements

| Month | Communication | Type |
|----------------|---|---|
| February 2023 | Investor group meeting |  |
| May 2023 | Publication of circular and Notice of General Meeting |  |
| | Investor roadshow |  |
| July 2023 | Launch of fundraising |  |
| | Publication of Annual Report and Accounts |  |
| August 2023 | Investor meetings |  |
| | AGM |  |
| September 2023 | Interim results |  |
| October 2023 | Q3 results |  |
| November 2023 | Investor roadshow |  |

 Meeting  RNS  Report  Conference

Nomination Committee report

Monitoring succession planning



Peter Lees

Chair of the Nomination Committee

Committee meeting attendance

| | | | |
|--------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Peter Lees (Chair) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| David Richards | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Erik Miller | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Karl Monaghan | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Grant Dollens | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Chris Baker | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Xenia Walters | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

- Attended
- Did not attend
- Not required to attend

Estimated allocation of time



| | |
|-----|------------------------|
| 5% | Performance evaluation |
| 15% | Structure review |
| 75% | Board membership |
| 5% | Succession planning |

I am pleased to present the Nomination Committee report on behalf of the Board for the year ended 31 December 2023, which explains the Committees' activities during the year.

The Nomination Committee in a "normal financial year" would meet at least twice and more frequently as required.

Role and responsibilities

The Nomination Committees' principal responsibility is proposing candidates for appointment to the Board, having regard to the balance and structure of the Board and taking into consideration the benefits of diversity in all its forms.

The terms of reference for the Nomination Committee include, among other matters, the following responsibilities:

- › to review the structure, size and composition required of the Board and make recommendations to the Board of any changes;
- › to identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- › to give full consideration to succession planning for Directors and other senior executives; and
- › to keep under review the leadership needs of the Company, both executive and non-executive with a view to ensuring the continued ability of the Company to compete effectively in the market place.

Appointing a Board fit for the challenge

The Nomination Committee has considered diversity in broader terms, than just gender and ethnicity, and believes it is also important to reach the correct balance of skills, knowledge, experience and independence on the Board.

As you are well aware it has been an extraordinary year in every sense of that word. During the period under review your Board has been totally transformed and significantly upgraded. It is now "right for purpose" and if any team can execute in a timely and transparent manner the strategy and the targets as laid out in the respective executive's reports, then this assembled team can.

In short, we have welcomed two new Executive Directors and two new Non-executive Directors. In addition, following an exhaustive and comprehensive process, we have re-confirmed the appointment of your Chair.

The Board is relatively small but each member brings a complimentary skill set that enhances the whole.

We have taken all aspects of Governance very seriously in the composition of the new Board. We now have in place a more diverse Board, a group of professionals who are fully equipped for the challenges ahead and eager to get on with it.

Full biographies of all the members have been detailed on pages 30 and 31 of this Annual Report and Accounts.

Both Stephen and Ijoma have significant experience and proven track records on growing technology, and especially software businesses.

What is also so important is that they have a total understanding of building a potentially large international business.

Chris Baker has enjoyed an impressive career in the software industry. As such he brings significant knowledge and understanding of all aspects of this rapidly changing industry. It is very important that we have an independent Director with these skills to both support and challenge the executive.

Xenia Walters has been a successful Finance Director and senior finance specialist in a number of complimentary companies and thus can offer total support to our finance team.

As already laid out earlier in this report, I am delighted that Ken Lever was approved and has agreed to stay on in his role as Non-executive Chair.

He has all the experience and skills that your Company needs in the next challenging period as we set out on our new growth strategy.

The Nomination Committee is looking forward to supporting the Company in what should be an exciting 2024.

Peter Lees

Chair of the Nomination Committee

3 April 2024

Ensuring compliance and effectiveness



Xenia Walters
Chair of the Audit and Risk Committee

Committee meeting attendance

| | | | | |
|-----------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Xenia Walters (Chair) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Karl Monaghan | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Grant Dollens | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Peter Lees | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Chris Baker | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

- Attended
- Did not attend
- Not required to attend

Estimated allocation of time



- 5% Performance evaluation
- 20% Accounting matters
- 25% Risk management
- 25% Internal controls
- 15% Financial reporting
- 10% New external audit and co source audit appointments

The Audit and Risk Committee continues to support the business in achieving its business and strategic objectives, see pages 4 to 27 of this Annual Report and Accounts. During 2023, the Committee has supported the Board on a number of significant governance matters relating to financial reporting, internal control and risk management, the tender and appointment of a new external auditor and the establishment of a co source internal audit partnership.

Committee composition

I am the Chair of the Committee and was appointed to this position after Karl Monaghan stepped down from the Board on 17 August 2023. The other members of the Committee are Peter Lees and Chris Baker from the dates of their appointments. Grant Dollens was a member until he stepped down from the Board on 19 May 2023. The Board considers that I have relevant and recent financial experience, given my biography set out on page 31.

Membership and attendance

Committee members are independent Non-Executive Directors of the Company, with diverse skills and experiences. The Committee as a whole has competence relevant to the sector and Peter Lees and I have recent and relevant financial experience, as required by the provisions of the QCA Code. All Committee members have significant current and past executive experience in various industries. This range and depth of financial and commercial experience enables us to deal effectively with the matters we are required to address and to challenge management when necessary. The Company Secretary is secretary to the Committee. The Board evaluates the membership of the Committee on an annual basis. Since the end of the year, the Committee has met two times and all members attended. Only the members of the Committee have the right to attend Committee meetings, however the CFO, Chair, CEO, senior representatives of the external auditor, other external advisers and other senior management attend meetings by invitation. If the presence of any attendee is inappropriate or might compromise discussion, then the Committee would either not invite the

attendee concerned or request that they not attend that part of the meeting. Separate sessions with external auditors are held in the absence of management.

Governance and compliance

I, together with the other members of the Audit and Risk Committee regularly meet with the key people involved in the Company's governance, including the Chair, the CEO, the CFO, the external auditor's partner and other senior management.

Terms of reference

The Committee undertakes its duties in accordance with its terms of reference which are regularly reviewed to ensure that they remain fit for purpose and in line with best practice guidelines. The terms of reference are available on the Company's website www.cirata.com. A formal internal review of the Committee will be undertaken in 2024.

Committee responsibilities

The Audit and Risk Committee (the "Committee") is established by and is responsible to the Board. Its main responsibilities are:

- to monitor and be satisfied that the Group's financial statements are fair, balanced and understandable before submission to the Board for approval, ensuring their compliance with the appropriate accounting standards, the law and the AIM Rules;
- to monitor and review the effectiveness of the Group's system of internal control;
- to make recommendations to the Board in relation to the appointment of the external auditor and its remuneration, following appointment by the shareholders in general meeting, and to review and be satisfied with the auditor's independence, objectivity and effectiveness on an ongoing basis; and
- to implement the policy relating to any non-audit services performed by the external auditor.

The Committee is authorised by the Board to seek and obtain any information it requires from any officer or employee of the Group and to obtain external legal or other independent professional advice as is deemed necessary by it.

Committee meetings

There were four meetings of the Committee during the year scheduled to coincide with the review of the scope of the external audit and observations arising from its work in relation to internal control, and to review the financial statements. The external auditor attended both of these meetings. Since the end of the financial year, the Committee has met two times (in February and March 2024) to consider, amongst other matters, this Annual Report and Accounts, with the external auditor being present at these meetings. The Committee also met with the external auditor, without the Executive Directors being present, once during the year.

Significant work undertaken by the Committee during the year

Review of the 2023 financial statements

The Audit Committee reviewed and endorsed, prior to submission to the Board, the full-year financial statements and the preliminary, interim results and trading update announcements. The Committee considered risk management updates, agreed external audit plans, approved accounting policies and ensured appropriate whistleblowing arrangements and associated policies were in place.

In addition to the above, particular areas on which the Committee focused included:

- › the external audit tender process and the subsequent auditor transition plan;
- › appointment of a co source internal audit partner;
- › further enhancement of our risk framework;
- › principal risks and uncertainties and the effectiveness of the risk management process; and
- › accounting judgements and estimates and developments in financial reporting.

In reviewing the financial statements with management and the auditor, the Committee has discussed and debated the critical accounting judgements and key sources of estimation uncertainty as set out in Note 4 to the financial statements. As a result of our review, the Committee has identified the following issues that require a high level of judgement or have a significant impact on the interpretation of this Annual Report and Accounts.

Strengthening internal controls

The identification of the Irregularities brought into question the effectiveness of controls over the recognition, recording and reporting of revenue. As a result of the review performed by FRP Advisory, control improvements, as outlined on page 28 have been implemented to ensure that the circumstances giving rise to the Irregularities cannot recur.

Going concern

By their very nature forecasts and projections are inherently uncertain. The biggest driver of the uncertainty continues to be around the ability of the business to successfully close sales in a predictable and sustainable way. Consequently, the loss-making position of the Company and the low cash balance sheet position heightens the uncertainty such that circumstances could arise under which downside scenarios may occur that would render the preparation of accounts based on the assumption of a going concern inappropriate.

In the past the Company has managed to address such downside scenarios through a combination of cost cutting measures and raising funds from shareholders. If the downside scenario were to occur and (a) the Company were unable to anticipate and cut costs sufficiently to preserve the cash runway to a cash break-even position and (b) the Company were unable to raise funds from shareholders or other sources, this would indicate the existence of a material uncertainty which would cast significant doubt over the Group's ability to continue as a going concern. Based on what is known at this time and based upon the forecast information available, the Directors believe

it appropriate to prepare accounts under the going concern basis and expect that the Company should deliver sales in line with its business plan, albeit phased towards the latter part of the year, and that the downside scenarios should not occur. Accordingly, at this time, it would be inappropriate for the financial statements to include adjustments that would result if the Group and Company were unable to continue as going concerns.

Further details are included in Note 2(b) of the financial statements.

Revenue recognition

Under IFRS 15 the Group is required to de-bundle subscription arrangements into the separate licence and maintenance and support performance obligations.

The method of allocation requires judgement and is based on an adjusted market and residual approach.

The Committee is satisfied that the judgements made by management are reasonable and that appropriate disclosures have been made in the Annual Report and Accounts.

Share-based payments

The Group charges share-based payment charges for grants of share options to employees. These are recognised as an expense with a corresponding increase in equity. The fair value of the grants is measured using a Black-Scholes option pricing model. A number of inputs are used in the measurement of the fair value at grant date.

The Committee is satisfied that the judgements made by management in the fair value calculations are reasonable and that appropriate disclosures have been made in the Annual Report and Accounts.

The Committee has also considered detailed reporting from and discussions with the external auditor.

External auditor

Following the Irregularities identified in 2023 and recognising that BDO LLP had been the Group's auditors for four years, the Board undertook a competitive tendering process in the second half of 2023 for the external audit for the year ended 31 December 2023. The Selection Committee was led by the Chair of the Audit and Risk Committee, and comprised the other members of the Audit and Risk Committee, the CFO and the CEO. The Selection Committee reviewed the FRC "Audit Tenders Note on Best Practice" issued in February 2017 and approached a number of audit firms from within and outside of the "Big 4" to take part in the audit tender process. The Selection Committee reviewed and approved Request For Proposal documentation and a data pack to be issued to participants, which provided detailed information to support the submission of quality and accurate bids by participants. Participants then had the opportunity to spend time with various management stakeholders to obtain a more detailed understanding of the Group and existing management processes and challenges to better inform their tender submission. These meetings included time with the CFO, Group Finance, Tax, IT and members of the Audit and Risk Committee. The bids submitted were subject to review by the Selection Committee and subsequent presentation of their proposals with a question and answer session led by the members of the Audit and Risk Committee present.

The Selection Committee reviewed the tender submissions and scored them independently based upon the quality and relevant sector experience of the proposed team, depth of the team and the wider

organisation relevant to the Group, cultural fit, proposed approach to the transition plan and wider audit and potential for audit efficiency and effectiveness. The Selection Committee recommended Crowe U.K. LLP as the preferred external auditor for the Group. The Board ratified the decision of the Selection Committee and Crowe U.K. LLP was appointed on 1 November 2023.

As required, the external auditor provided the Committee with information for review about policies and processes for maintaining its independence and compliance regarding the rotation of audit partners and staff.

The Committee considered all relationships between the external auditor and the Group and was satisfied that they did not compromise the auditor's judgement or independence, particularly with the provision of non-audit services.

Pre-approval is required for any non-audit work from the Audit and Risk Committee Chair. For 2023, the external auditor has provided no non-audit work for other assurance related services. Fees paid to BDO LLP and Crowe U.K. LLP are set out in Note 8(b) to the financial statements.

The Committee is satisfied that the external auditors remain fully independent, objective and effective and has recommended to the Board that a resolution for the appointment of Crowe U.K. LLP should be put to the shareholders at the 2024 AGM.

As a result of change in Group auditor an internal review of the effectiveness of the external audit process was not carried out during the year but will be performed in 2024 for the year just ended.

Co source internal audit partnership

The Committee is responsible for monitoring and reviewing the operation and effectiveness of the Group's co source internal audit partnership. During the year we appointed the Group's internal audit partner with the aim to provide independent assurance as to the adequacy and effectiveness of the Group's internal controls and risk management systems.

The Committee has received regular reports from the internal auditors, on the audits that they completed. The Committee is satisfied that the Internal Audit function has the necessary integrity, objectivity and competency to fulfil its mandate. It has also satisfied itself that the Internal Audit function has adequate standing and is free from management or other restrictions.

Xenia Walters

Chair of the Audit and Risk Committee
3 April 2024

Remuneration Committee and remuneration report

Determining remuneration policies



Chris Baker

Chair of the Remuneration Committee

Committee meeting attendance

| | | | | | |
|---------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Chris Baker (Chair) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Karl Monaghan | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Grant Dollens | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Peter Lees | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Xenia Walters | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

Attended

Did not attend

Not required to attend

Estimated allocation of time



5% Performance evaluation

35% Remuneration policy

60% Share option grant review

The Board, as required by the QCA Code, supports the principle of transparency and has prepared this report in order to provide information to shareholders on executive remuneration arrangements.

The Remuneration Committee Committee composition

Chris Baker is the Chair of the Committee and was appointed to this position after Karl Monaghan stepped down from the Board on 17 August 2023. The other members of the Committee are Peter Lees and Xenia Walters from the date of her appointment. Karl Monaghan and Grant Dollens were members until they stepped down from the Board on 17 August 2023 and 19 May 2023 respectively.

Committee responsibilities

The Remuneration Committee's primary purposes are to assist the Board in determining the Company's remuneration policies, review the performance of the Executive Directors and make recommendations to the Board on matters relating to their remuneration and terms of service, the granting of share options, and other equity incentives. In addition it works with the VP of People and advises on remuneration strategy across the Company.

Committee meetings

The Remuneration Committee met five times during the year – three times since July 2023, with other Board members in attendance as appropriate.

Remuneration Committee report

The content of this report is unaudited unless stated.

Remuneration policy

The objective of the remuneration policy is to ensure that the overall remuneration of Executive Directors and the executive team is aligned with the performance of the Group and preserves an appropriate balance of income and shareholder value.

Non-executive Directors

Remuneration of the Non-executive Directors is determined by the whole Board. Non-executive Directors are not entitled to pensions, annual bonuses or employee benefits. They are not entitled to participate in share option arrangements relating to the Company's shares. Each of the Non-executive Directors has a letter of appointment stating their annual fee and that their appointment is initially for a term of three years, subject to re-appointment at the AGM, renewable for further periods of three years. Their appointment may be terminated with three months' written notice at any time.

Directors' remuneration

The normal remuneration arrangements for Executive Directors consist of basic salary and annual performance-related bonuses, split between cash and equity. In addition, they receive private healthcare.

H2 2023 bonus

Following the relisting of the Company a H2 2023 bonus plan was put in place for executive management, this is measured on bookings and cash balance.

Having regard to the performance of the business, the Remuneration Committee resolved to pay bonuses as set out on page 45.

"Under water" stock option exchange program

Many of the staff had been issued stock options at inflated values prior to March 2023, following the re-listing this clearly did not act as an incentive for retention of key staff, consequently a share exchange program was initiated with a significant decrease in numbers of shares held but reflected current share market value.

Directors' interests

Details of the Directors' shareholdings are included in the Directors' report on page 47.

Remuneration Committee report *continued*

Directors' share options

Aggregate emoluments disclosed below do not include any amounts for the value of options to acquire ordinary shares in the Company granted to or held by the Directors. Details of options for Directors who served during the year are as follows:

| | Exercise price | Number of options at 1 January 2023 | Number of options granted | Number of options exercised ¹ | Number of options lapsed | Number of options at 31 December 2023 |
|--------------------------------|----------------|-------------------------------------|---------------------------|--|--------------------------|---------------------------------------|
| Executive Directors | | | | | | |
| David Richards ² | £1.90 | 92,771 | — | — | (92,771) | — |
| | £5.08 | 700,000 | — | — | (700,000) | — |
| | £0.10 | — | 50,000 | — | (50,000) | — |
| Dr Yeturu Aahlad ³ | £5.08 | 200,000 | — | — | — | 200,000 |
| Erik Miller ⁴ | £1.90 | 410,789 | — | — | (410,789) | — |
| | £8.39 | 423,707 | — | — | (423,707) | — |
| | £5.08 | 400,000 | — | — | (400,000) | — |
| | £0.10 | — | 20,000 | — | (20,000) | — |
| Stephen Kelly ⁵ | £0.86 | — | 700,000 | — | — | 700,000 |
| Ijoma Maluza ⁶ | £0.86 | — | 400,000 | — | — | 400,000 |
| Non-executive Directors | | | | | | |
| Grant Dollens ⁷ | £0.10 | 41,969 | — | — | (15,269) | 26,700 |
| | £0.10 | — | 4,103 | — | (4,103) | — |
| Karl Monaghan ⁸ | £0.10 | 45,239 | — | (45,239) | — | — |
| | £0.10 | — | 5,744 | — | (5,744) | — |
| Peter Lees | £0.10 | 24,560 | — | (15,300) | — | 9,260 |

1 Options exercised were sold at prices of £0.62 and £0.53. The total gain on sale was \$36,000 (2022: \$522,000).

2 Left 2 April 2023.

3 Stepped down from the Board on 25 July 2023.

4 Left 3 April 2023.

5 Joined 10 May 2023.

6 Joined 11 April 2023.

7 Left 19 May 2023.

8 Left 17 August 2023.

Share match

As disclosed in the RNS on 3 July 2023 "Launch of fundraise" under the terms of Stephen Kelly's service agreement, the Company agreed (up to a capped limit) that during the twelve-month period from the commencement of service, for every ordinary share purchased by Stephen Kelly in the open market the Company would issue and allot on a 1-1 basis a match to this purchase. This was limited to a maximum value of 1 times £425,000 (based on the price per ordinary share paid) (the "Allotment Award Shares"). The number of shares purchased by Stephen Kelly that are eligible for a match exceeded the capped limit of £425,000 in 2023. As a result, under the terms of the Allotment Award, Stephen Kelly will be issued a further 850,000 ordinary shares following the year end 2023.

Directors' remuneration (audited)

| | Payment currency | Salary/fees '000 | Compensation for loss of office ¹³ '000 | Bonus '000 | Benefits ¹ '000 | 31 December 2023 Total '000 | 31 December 2022 Total '000 |
|--------------------------------|---------------------|---------------------|--|---------------|-------------------------------|--------------------------------------|--------------------------------------|
| Executive Directors | | | | | | | |
| David Richards ² | £ | 121 | 313 | — | 6 | 440 | 1,138 |
| Erik Miller ³ | \$ | 101 | 354 | — | 43 | 498 | 551 |
| Dr Yeturu Aahlad ⁴ | \$ | 137 | — | — | 15 | 152 | 193 |
| Stephen Kelly ⁵ | £ | 264 | — | — | 2 | 266 | — |
| Ijoma Maluza ⁶ | £ | 195 | — | 4 | 10 | 209 | — |
| Non-executive Directors | | | | | | | |
| Grant Dollens ⁷ | £ | 16 | — | — | — | 16 | 40 |
| Karl Monaghan ⁸ | £ | 25 | 10 | — | — | 35 | 40 |
| Peter Lees | £ | 50 | — | — | — | 50 | 20 |
| Bob Corey ⁹ | £ | — | — | — | — | — | 43 |
| Ken Lever ¹⁰ | £ | 136 | — | — | — | 136 | — |
| Xenia Walters ¹¹ | £ | 22 | — | — | — | 22 | — |
| Chris Baker ¹² | £ | 22 | — | — | — | 22 | — |

1 Benefits include the provision of private health insurance for Executive Directors and their immediate families and pension contributions.

2 Left 2 April 2023.

3 Left 3 April 2023.

4 Stepped down from the Board on 25 July 2023.

5 Joined 10 May 2023. Stephen Kelly waived the bonus he was entitled to under the H2 2023 bonus plan.

6 Joined 11 April 2023.

7 Left 19 May 2023.

8 Left 17 August 2023.

9 Left 10 August 2022.

10 Joined 22 March 2023.

11 Joined 25 July 2023.

12 Joined 25 July 2023.

13 Amount determined by reference to their respective Service Agreements.

The bonuses accrued in the 2022 figures in the table above of \$832,000 were paid out during 2023. These bonuses were approved by the Remuneration Committee on 11 January 2023 and paid in January 2023 prior to the completion of the audit on 11 July 2023 and discovery of the Irregularities on 9 March 2023.

The total Directors' remuneration for the period ended 31 December 2023, in US dollars, was \$2,178,000 (2022: \$2,832,000) including gains on share options exercised in the current year.

Approval

This report was approved by the Directors and signed by order of the Board.

Chris Baker

Chair of the Remuneration Committee

3 April 2024

Directors' report

The Directors present their report and the audited financial statements for the year ended 31 December 2023 in accordance with the Companies (Jersey) Law 1991.

Particulars of important events affecting the Group, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report on pages 4 to 27, which is incorporated into this report by reference together with the Corporate governance report on pages 34 to 38. In addition, this report should be read in conjunction with information concerning employee share schemes, which can be found in the Remuneration Committee report on pages 43 to 45 and in Note 13 to the financial statements, and which is incorporated by way of cross-reference into the Directors' report.

Principal activity

The principal activity of the Group is the development and provision of global collaboration software.

Business review and future developments

A review of the Group's operations and future developments is covered in the Strategic report section of the Annual Report and Accounts on pages 4 to 27. This report includes sections on strategy and markets and considers key risks and key performance indicators.

Financial results

Details of the Group's financial results are set out in the Consolidated statement of profit or loss and other comprehensive income and other components on pages 53 to 84.

Dividends

The Directors do not recommend the payment of a dividend (2022: \$nil).

Going concern

By their very nature forecasts and projections are inherently uncertain. The biggest driver of the uncertainty continues to be around the ability of the business to successfully close sales in a predictable and sustainable way. Consequently, the loss-making position of the Company and the low cash balance sheet position heightens the uncertainty

such that circumstances could arise under which downside scenarios may occur that would render the preparation of accounts based on the assumption of a going concern inappropriate.

In the past the Company has managed to address such downside scenarios through a combination of cost cutting measures and raising funds from shareholders. If the downside scenario were to occur and (a) the Company were unable to anticipate and cut costs sufficiently to preserve the cash runway to a cash break-even position and (b) the Company were unable to raise funds from shareholders or other sources, this would indicate the existence of a material uncertainty which would cast significant doubt over the Group's ability to continue as a going concern.

Based on what is known at this time and based upon the forecast information available, the Directors believe it appropriate to prepare accounts under the going concern basis and expect that the Company should deliver sales in line with its business plan, albeit phased towards the latter part of the year, and that the downside scenarios should not occur. Accordingly, at this time, it would be inappropriate for the financial statements to include adjustments that would result if the Group and Company were unable to continue as going concerns.

Further details are included in Note 2(b) of the financial statements.

Annual General Meeting ("AGM")

The Company's twelfth AGM is to be held at 2pm on 14 May 2024 at Brown Rudnick's London office.

Significant shareholders

The Company is informed that, at 15 March 2024 (the latest practicable date prior to publication), individual registered shareholdings of more than 3% of the Company's issued share capital were as follows:

| | Number of shares | % of issued ordinary share capital |
|-----------------------------|------------------|------------------------------------|
| Richard Griffiths | 23,155,626 | 20.14% |
| Global Frontier Investments | 14,261,093 | 12.40% |
| Davis Capital Partners, LLC | 12,181,745 | 10.59% |
| The Clark Estates, Inc. | 4,575,823 | 3.98% |
| Far View Partners | 4,243,522 | 3.69% |
| Conifer Capital Management | 3,756,072 | 3.27% |
| Ross Creek Partners | 3,565,255 | 3.10% |

Directors' shareholdings

The beneficial interests of the Directors in the share capital of the Company at 31 December 2023 and 15 March 2024 (the latest practicable date prior to publication) were as follows:

| | At 31 December 2023 | | At 15 March 2024 | |
|----------------------|---------------------|------------------------------------|------------------|------------------------------------|
| | Number of shares | % of issued ordinary share capital | Number of shares | % of issued ordinary share capital |
| Executive | | | | |
| Stephen Kelly* | 1,802,660 | 1.57% | 1,802,660 | 1.57% |
| Ijoma Maluza | 3,000 | 0.00% | 3,000 | 0.00% |
| Non-executive | | | | |
| Peter Lees | 60,000 | 0.05% | 69,260 | 0.05% |
| Ken Lever | 200,000 | 0.17% | 200,000 | 0.17% |

* The Allotment Award Shares of 850,000 for Stephen Kelly have not yet been issued and are not included in the figures above.

Directors

The Directors who served on the Board and on Board Committees during the year are set out on pages 30 and 31. One-third of the Directors are required to retire at the AGM and can offer themselves for re-election.

Information on Directors' remuneration and share option rights is given in the Remuneration Committee report on pages 43 to 45.

Directors' indemnity arrangements

The Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report. Other than this, and with the exception of employment contracts between each Executive Director and the Group, at no time during the year did any Director hold a material interest in any contract of significance with the Group or any of its subsidiary undertakings. The Group has purchased and maintained throughout the year Directors' and officers' liability insurance in respect of all Group companies.

None of the Directors had any interest in the share capital of any subsidiary company.

Further details of options held by the Directors are set out in the Remuneration Committee report on pages 43 to 45.

The middle market price of the Company's ordinary shares on 31 December 2023 was 70.7 pence and the range during the year was 48.80 pence to 1,380.0 pence, with an average price of 739.73 pence.

Articles of Association

Any amendments to the Articles of Association of the Company may be made by special resolution of the shareholders.

Research and development

The Group expended \$7,962,000 during the year (2022: \$10,200,000) on research and development, of which \$nil (2022: \$nil) was capitalised within intangible assets and \$7,962,000 (2022: \$10,200,000) was charged to the income statement. In addition, an amortisation charge of \$nil (2022: \$3,903,000) has been recognised against previously capitalised costs.

Derivatives and financial instruments

The Group's policy and exposure to derivatives and financial instruments is set out in Note 23.

Employees

It is the Group's policy to involve employees in its progress, development and performance. Applications for employment by disabled persons are fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. The Group is a committed equal opportunities employer and has engaged employees with broad backgrounds and skills.

It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not have a disability. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues.

We support all applicable labour laws and the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons.

Health and safety

The Group is committed to providing a safe and healthy working environment for all staff and contractors. The Group's health and safety standard sets out the range of policies, procedures and systems required to manage risks and promote wellbeing.

Political and charitable donations

During the year ended 31 December 2023 the Group made political donations of \$nil (2022: \$nil) and charitable donations of \$3,000 (2022: \$76,409).

Supplier payment policy and practice

The Group does not operate a standard code in respect of payments to suppliers. The Group agrees terms of payment with suppliers at the start of business and then makes payments in accordance with contractual and other legal obligations.

The number of creditor days outstanding at 31 December 2023 was 13 days (2022: 16 days).

Auditor

As recommended by the Audit and Risk Committee, a resolution for the appointment of Crowe U.K. LLP as auditor of the Company is to be proposed at the forthcoming AGM.

Audit information

Each of the Directors at the date of the Directors' report confirms that, so far as he or she is aware, there is no relevant audit information of which the Company's auditor is unaware and they have taken all the reasonable steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of the information.

Subsequent events

There are no subsequent events to report.

The Directors' report has been approved by the Board of Directors on 3 April 2024.

Signed on behalf of the Board.

Larry Webster

Company Secretary

3 April 2024

Statement of Directors' responsibilities

In respect of the Strategic report, the Directors' report and the financial statements

Directors' responsibilities

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

Companies (Jersey) Law requires the Directors to prepare Group financial statements for each financial year.

As required by the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the UK ("UK adopted international accounting standards") and applicable law.

Under Companies (Jersey) Law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of its profit or loss for that period.

In preparing the Group financial statements, the Directors are required to:

- › select suitable accounting policies and then apply them consistently;
- › make judgements and accounting estimates that are reasonable and prudent;
- › state whether they have been prepared in accordance with UK adopted international accounting standards; and
- › prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

In accordance with Article 103 of the Companies (Jersey) Law, 1991 the Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the financial reporting framework and the Companies (Jersey) Law, 1991.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Electronic communications

The maintenance and integrity of the Group's website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to these financial statements since initially being presented on the website.

Larry Webster

Company Secretary

3 April 2024

Independent auditor's report to the members of Cirata plc

Opinion

We have audited the financial statements of Cirata plc (the "parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2023, which comprise:

- › the Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023;
- › the Consolidated statements of financial position as at 31 December 2023;
- › the Consolidated statement of changes in equity for the year then ended;
- › the Consolidated statement of cash flows for the year then ended; and
- › the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- › give a true and fair view of the state of the Group's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- › have been properly prepared in accordance with UK-adopted international accounting standards; and
- › have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(b) in the financial statements, which indicates that in the absence of the Group being able to undertake mitigating actions under the severe but plausible downside scenario forecast the Group may not be able to meet its financial obligations as and when they fall due. As stated in Note 2(b), these events or conditions, along with the other matters as set forth in Note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We have determined going concern as a key audit matter due to the estimates and judgements the Directors are required to make in their going concern assessment, and their effect on our audit strategy. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- › We assessed the design and implementation of controls over management's going concern assessment process;
- › Reviewing management's projections for the Group for the going concern assessment period;
- › Checking the numerical accuracy of management's projections, and agreeing opening positions used;
- › Assessing management's ability to forecast accurately;
- › Challenging management on the assumptions underlying the base case scenario and considering whether these are consistent with our understanding of the business obtained during the audit;
- › Reviewing the severe, but plausible downside scenario modelled by management and challenging them on the assumptions applied;
- › Assessing the matters noted by the Directors that result in the material uncertainty;
- › Assessing the impact of the mitigating factors available to management to restrict the forecast cash outflows in the base case model and downside scenario; and
- › Assessing the completeness and accuracy of the disclosures made on going concern in the Directors' report and financial statements.

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be \$450,000, representing 1.4% of the Group's draft three-year average loss before tax.

Independent auditor's report *continued*

to the members of Cirata plc

Overview of our audit approach *continued*

Materiality *continued*

We use a different level of materiality ("performance materiality") to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at \$225,000 for the Group.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and Directors' remuneration.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of \$22,500. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates through the parent Company based in the UK whose main function is the incurring of administrative costs and providing funding to the operating entities. In addition to the parent Company, we identified a further two significant components subject to a full scope audit and two entities for which we performed audit procedures over specific balances or transactions. The remaining components of the Group were considered non-significant and these components were subject to analytical procedures. All work was performed by the Group audit team.

Key audit matters

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

In addition to the matter described in the material uncertainty in relation to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

| Key audit matter | How the scope of our audit addressed the key audit matter | |
|--|--|---|
| Risk of fraud, error and judgement in revenue recognition (Notes 7 and 28(c)) | <p>International Standards on Auditing (UK) presumes there is always a risk of material misstatement due to inaccurate revenue recognition unless rebutted. In addition, the Group needs to consider the performance obligations which arise under its contracts with customers, assess whether revenue should be recognised at a point in time or over time, and, as explained in Note 28(c), is required to estimate the relative fair values when allocating revenue between different performance obligations.</p> <p>As a result of the above management is required to make a number of estimates and judgements when accounting for revenue. In view of the above we consider the risk of fraud, error and judgement in revenue recognition to be a key audit matter.</p> | <p>We performed the following procedures as part of our audit of revenue:</p> <ul style="list-style-type: none">▶ Understood the systems and the processes in place for the recognition of revenue through reviews of contract terms and discussions with those inside and outside the finance function.▶ We assessed the design and implementation of controls over the Group's revenue processes.▶ We obtained an understanding of the significant revenue arrangements entered into by the Group during the period and determining whether the arrangement was appropriately identified as a contract with a customer in accordance with IFRS 15.▶ We assessed the nature of performance obligations entered into with customers and assessed whether revenue should be recognised at a point in time or over time.▶ We tested, on a sample basis, revenue recognised and the allocation of consideration to performance obligations.▶ We reviewed accounting estimates and judgements as they related to revenue.▶ On a sample basis we reviewed journals posted to revenue and receipt of payment.▶ We assessed possible transactions with related parties.▶ We reviewed revenue disclosures made in the financial statements. |

Overview of our audit approach *continued*

Key audit matters *continued*

| Key audit matter | How the scope of our audit addressed the key audit matter |
|--|---|
| <p>Share Options (see Note 13) During the year the Group entered into a number of share-based payment arrangements.</p> <p>Accounting for these types of arrangements requires management to make a number of estimates and assumptions. These include the expected volatility within the Black-Scholes option pricing model and an estimated leaver provision. Due to the nature of the estimates and judgements required to be made by management we considered the accounting for share-based payment arrangements to be a key audit matter.</p> | <p>We performed the following procedures as part of our audit of share-based payment arrangements:</p> <ul style="list-style-type: none"> ➤ We gained an understanding of the share option arrangements entered into during the year and the Group's accounting for share options. ➤ We assessed the design and implementation of controls over the Group's accounting for share-based payment arrangements. ➤ We assessed the model used by management to calculate share option charges and testing the key assumptions used by management. ➤ We tested a sample of awards made during the year. ➤ We conducted sensitivity analysis. ➤ We reviewed disclosures made in the financial statements to ensure these were appropriate and complete. |

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The Directors are responsible for the other information contained within the Annual Report and Accounts. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent Company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 48, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report *continued* to the members of Cirata plc

Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the procedures in place for ensuring compliance. These included the Companies (Jersey) Law 1991, AIM rules and tax legislation.
- ▶ As part of our audit planning process, we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made with management and those charged with governance concerning both whether they had any knowledge of any actual or suspected fraud and their assessment of the susceptibility to fraud. We considered the risk to be greater in areas involving significant management estimation or judgement, including the use of alternative performance measures, and estimates or judgements impacting revenue recognition or which could impact on management bonuses and remuneration. Based on this assessment we designed audit procedures to focus on these specific areas.
- ▶ We held discussions with the Group's Legal Counsel and other members of staff outside of the finance function to gain an understanding of areas of fraud risk and any instances of non-compliance with laws and regulations.
- ▶ We assessed the design and implementation of controls over significant audit risks and obtained an understanding of the Group's financial reporting processes.
- ▶ We tested the appropriateness of journal entries throughout the year by vouching a risk-based sample of journals to supporting documentation and explanations.
- ▶ A detailed review of the Group's year-end adjusting entries was performed. Any items that appeared unusual in nature or amount were vouched to supporting documentation.
- ▶ We performed a detailed review of financial statements disclosures to ensure these were complete, having regard to the explanations and information received in the course of the audit.
- ▶ We obtained a list of related parties from management and performed audit procedures to identify undisclosed related party transactions.
- ▶ We incorporated unpredictability procedures into our audit strategy.
- ▶ We considered the narrative and presentation of matters in the front section of the Annual Report and Accounts, including the Group's use of Alternative Performance Measures and the reconciliation of these items to GAAP measures.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nick Jones (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
3 April 2024

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

| | Note | 31 December 2023 \$'000 | 31 December 2022 \$'000 |
|---|------|-------------------------------|-------------------------------|
| Revenue | 6,7 | 6,695 | 9,685 |
| Cost of sales | 8 | (633) | (695) |
| Gross profit | | 6,062 | 8,990 |
| Operating expenses | 8,9 | (37,625) | (47,926) |
| Other (expense)/income | 8 | (46) | 166 |
| Impairment loss | 8 | (815) | (2,151) |
| Operating loss | 9 | (32,424) | (40,921) |
| Finance income | 10 | 164 | 11,423 |
| Finance costs | 10 | (4,227) | (110) |
| Net finance (costs)/income | 10 | (4,063) | 11,313 |
| Loss before tax | | (36,487) | (29,608) |
| Income tax credit | 11 | 8 | 3 |
| Loss for the year | | (36,479) | (29,605) |
| Other comprehensive income/(loss) | | | |
| Items that are or may be reclassified subsequently to profit or loss: | | | |
| Foreign operations – foreign currency translation differences | | 4,489 | (10,821) |
| Other comprehensive income/(loss) for the year, net of tax | | 4,489 | (10,821) |
| Total comprehensive loss for the year attributable to owners of the parent | | (31,990) | (40,426) |
| Loss per share | | | |
| Basic and diluted loss per share (cent) | 12 | (41) | (47) |

The notes on pages 57 to 84 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

At 31 December 2023

| | Note | 31 December 2023 \$'000 | 31 December 2022 \$'000 |
|-------------------------------------|-------|-------------------------------|-------------------------------|
| Assets | | | |
| Property, plant and equipment | 14 | 151 | 727 |
| Other non-current assets | 16 | 278 | 864 |
| Non-current assets | | 429 | 1,591 |
| Trade and other receivables | 17 | 4,439 | 4,900 |
| Cash and cash equivalents | 18 | 18,246 | 19,108 |
| Current assets | | 22,685 | 24,008 |
| Total assets | | 23,114 | 25,599 |
| Equity | | | |
| Share capital | 19(a) | 15,634 | 9,524 |
| Share premium | 19(c) | 256,278 | 232,861 |
| Translation reserve | 19(c) | (9,084) | (13,573) |
| Merger reserve | 19(c) | 1,247 | 1,247 |
| Retained earnings | | (247,461) | (213,496) |
| Total equity | | 16,614 | 16,563 |
| Liabilities | | | |
| Loans and borrowings | 20 | 359 | 119 |
| Deferred income | 21 | 129 | 220 |
| Deferred tax liabilities | 11(d) | 3 | 3 |
| Non-current liabilities | | 491 | 342 |
| Current tax liabilities | | — | 11 |
| Loans and borrowings | 20 | 436 | 420 |
| Trade and other payables | 22 | 2,986 | 6,225 |
| Deferred income | 21 | 2,587 | 2,038 |
| Current liabilities | | 6,009 | 8,694 |
| Total liabilities | | 6,500 | 9,036 |
| Total equity and liabilities | | 23,114 | 25,599 |

The notes on pages 57 to 84 are an integral part of these consolidated financial statements.

The financial statements on pages 53 to 84 were approved by the Board of Directors on 3 April 2024 and signed on its behalf by:

Stephen Kelly
Chief Executive Officer

Ijoma Maluza
Chief Financial Officer

Company registered number: 110497

Consolidated statement of changes in equity

For the year ended 31 December 2023

| | Note | Attributable to owners of the Company | | | | | Total equity \$'000 |
|---|-------|---------------------------------------|-------------------------|-------------------------------|--------------------------|-----------------------------|------------------------|
| | | Share capital \$'000 | Share premium \$'000 | Translation reserve \$'000 | Merger reserve \$'000 | Retained earnings \$'000 | |
| Balance at 31 December 2021 | | 8,608 | 213,762 | (2,752) | 1,247 | (186,442) | 34,423 |
| Total comprehensive loss for the year | | | | | | | |
| Loss for the year | | — | — | — | — | (29,605) | (29,605) |
| Other comprehensive loss for the year | | — | — | (10,821) | — | — | (10,821) |
| Total comprehensive loss for the year | | — | — | (10,821) | — | (29,605) | (40,426) |
| Transactions with owners of the Company | | | | | | | |
| Contributions and distributions | | | | | | | |
| Equity-settled share-based payment | 13(d) | — | — | — | — | 2,551 | 2,551 |
| Proceeds from share placing | | 728 | 18,627 | — | — | — | 19,355 |
| Share options exercised | | 188 | 472 | — | — | — | 660 |
| Total transactions with owners of the Company | | 916 | 19,099 | — | — | 2,551 | 22,566 |
| Balance at 31 December 2022 | | 9,524 | 232,861 | (13,573) | 1,247 | (213,496) | 16,563 |
| Total comprehensive income/(loss) for the year | | | | | | | |
| Loss for the year | | — | — | — | — | (36,479) | (36,479) |
| Other comprehensive income for the year | | — | — | 4,489 | — | — | 4,489 |
| Total comprehensive income/(loss) for the year | | — | — | 4,489 | — | (36,479) | (31,990) |
| Transactions with owners of the Company | | | | | | | |
| Contributions and distributions | | | | | | | |
| Equity-settled share-based payment | 13(d) | — | — | — | — | 2,514 | 2,514 |
| Proceeds from share placing | | 6,059 | 22,400 | — | — | — | 28,459 |
| Share options exercised | | 51 | 1,017 | — | — | — | 1,068 |
| Total transactions with owners of the Company | | 6,110 | 23,417 | — | — | 2,514 | 32,041 |
| Balance at 31 December 2023 | | 15,634 | 256,278 | (9,084) | 1,247 | (247,461) | 16,614 |

The notes on pages 57 to 84 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2023

| | Note | 2023 \$'000 | 2022 \$'000 |
|---|-------|----------------|----------------|
| Cash flows from operating activities | | | |
| Loss for the year | | (36,479) | (29,605) |
| Adjustments for: | | | |
| – Depreciation of property, plant and equipment | 14 | 629 | 870 |
| – Amortisation of intangible assets | 15 | – | 3,903 |
| – Loss on disposal of property, plant and equipment | | 125 | – |
| – Release of lease liability | 20(c) | (216) | – |
| – Impairment of right of use asset | 14 | 815 | 69 |
| – Impairment of intangible assets | 15 | – | 1,349 |
| – Net finance income (excluding foreign exchange) | | (137) | (20) |
| – Income tax charge/(credit) and other expense/(income) | 11 | 38 | (169) |
| – Unrealised foreign exchange loss/(gain) | | 3,952 | (10,383) |
| – Equity-settled share-based payment | 13(d) | 2,514 | 2,551 |
| | | (28,759) | (31,435) |
| Changes in: | | | |
| – Trade and other receivables | | 540 | 43 |
| – Trade and other payables | | (3,451) | 2,288 |
| – Deferred income | | 447 | 503 |
| Net working capital change | | (2,464) | 2,834 |
| Cash used in operating activities | | (31,223) | (28,601) |
| Interest paid | | (27) | (110) |
| Income tax received | | 652 | 1,216 |
| Net cash used in operating activities | | (30,598) | (27,495) |
| Cash flows from investing activities | | | |
| Interest received | 10 | 33 | 48 |
| Acquisition of property, plant and equipment | 14 | (76) | (206) |
| Net cash used in investing activities | | (43) | (158) |
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital | | 31,362 | 20,307 |
| Share issue costs | | (1,835) | (292) |
| Payment of lease liabilities | 20(c) | (430) | (532) |
| Net cash generated from financing activities | | 29,097 | 19,483 |
| Net decrease in cash and cash equivalents | | (1,544) | (8,170) |
| Cash and cash equivalents at 1 January | | 19,108 | 27,759 |
| Effect of movements in exchange rates on cash held | | 682 | (481) |
| Cash and cash equivalents at 31 December | 18 | 18,246 | 19,108 |

The notes on pages 57 to 84 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2023

1. Reporting entity

Cirata plc (the "Company") is a public limited company incorporated and domiciled in Jersey. The Company's ordinary shares are traded on AIM. The Company's registered office is First Floor Osprey House, Old Street, St. Helier, Jersey, JE2 3RG. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the development and provision of global collaboration software.

2. Basis of accounting

These consolidated financial statements have been prepared in accordance with UK adopted international accounting standards. They were authorised for issue by the Company's Board of Directors on 3 April 2024.

Under Article 105(11) of the Companies (Jersey) Law 1991, a parent company preparing consolidated financial statements need not present solus (parent company only) financial information, unless required to do so by an ordinary resolution of the Company's members.

(a) Accounting policies

Details of the Group's material accounting policies are included in Note 28. The policies have been consistently applied to all the years presented, unless otherwise stated.

The following new standards and amendments to standards that are effective for the first time for the financial year beginning 1 January 2023 have been adopted:

- › Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- › Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12); and
- › Definition of Accounting Estimates (Amendments to IAS 8).

These amendments to standards have not had a material impact on these financial statements.

(b) Going concern basis of accounting

To assess whether it is appropriate to prepare the financial statements on a going concern basis the Directors have prepared forecasts and budgets. These forecasts and budgets take into consideration the results of a robust assessment of the principal risks facing the Group, including those risks that would threaten the Group's business model, future performance and liquidity. The principal risks facing the Group and how the Group addresses such risks are described in the Risk section of the Strategic Report on pages 4 to 27. As has been well documented the Group continues to execute its turnaround plan with the expectation of reaching a cash flow break-even position by the end of the calendar year before achieving positive cash generation in FY25. In the year ended 31 December 2023, the Group incurred a loss before tax of \$36.5m (2022: \$29.6m) and experienced a net cash outflow before financing of \$30.6m (2022: \$27.7m). During 2023, the performance of the Group declined, with revenue decreasing by 31% to \$6.7m (2022: \$9.7m) and operating losses of \$32.4m (2022: \$40.9m) were incurred. As at 31 December 2023 the Group had net assets of \$16.6m (2022: \$16.6m), including cash of \$18.2m (2022: \$19.1m). As at 31 December 2023 the Group had no debt facilities (2022: none).

In performing its going concern assessment, the Directors are required to consider a minimum period of twelve months from the date of approving the financial statements. Scenario modelling has been undertaken over the period to 31 August 2025. The assessment involved the preparation of a 'Base' case and a severe but plausible 'Downside' case.

The Base case scenario included assumptions for quarterly sales targets, anticipated changes to Group's current contracting model, timeframes for new sales personnel to convert sales pipelines, and cost assumptions reflecting an overhead annualised cost base of c.\$23m. Under the Base case the Group is forecasting the ability to meet all financial obligations as and when they fall due during the period forecast.

The Downside case sensitised the Base case and modelled materially lower sales bookings during the period without any cost reduction, which would be taken in such a scenario. Under the Downside case the Group is forecasting a reduction in cash resources to effectively nil by end of June 2025. The Downside scenario does not consider any readily available mitigating actions that management could take. By their very nature forecasts and projections are inherently uncertain. The biggest driver of the uncertainty continues to be around the ability of the business to successfully close sales in a predictable and sustainable way. Consequently, the loss-making position of the Group and the low forecast cash balance sheet position heightens the uncertainty such that circumstances could arise under which the downside scenario may occur that would render the preparation of accounts based on the assumption of a going concern inappropriate.

In the past the Group has managed to address such downside scenarios through a combination of raising funds from shareholders and cost cutting measures. The Directors believe both fund raising and cost cutting options remain available to them for the current going concern period being assessed. Whilst trading for the current year has started slower than expected, the Directors believe the current sales pipeline is healthy, are confident that new revenue contracts will be secured in line with those forecast, that appropriate mitigating actions to the Group's cost base could be undertaken should the need arise, and that these actions would be sufficient for the Group to meet its financial obligations as and when they fall due over the forecast period.

If however the downside scenario were to occur and (a) the Company were unable to anticipate and cut costs sufficiently to preserve the cash runway to a cash break-even position and (b) the Company were unable to raise funds from shareholders or other sources, this would indicate the existence of a material uncertainty which would cast significant doubt over the Group's ability to continue as a going concern.

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2023

2. Basis of accounting *continued*

(b) Going concern basis of accounting *continued*

Accepting the material uncertainty, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the Annual Report and Accounts. No adjustments have been made to the financial statements that would result if the Group were unable to continue as a going concern.

3. Functional and presentational currency

See accounting policy in Note 28(b).

The consolidated financial statements are presented in US dollars, as the revenue for the Group is predominantly derived in this currency. Billings to the Group's customers during the year by Cirata, Inc. were all in US dollars with certain costs being incurred by Cirata Ltd in sterling and Cirata, Pty Ltd in Australian dollars. All financial information has been rounded to the nearest thousand US dollars unless otherwise stated.

4. Use of judgements and estimates

See accounting policy in Note 28(c).

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies, which are included in Note 28(c), that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- › Note 7 – revenue recognition (Note 28(c)(ii)): recognition and deferral of revenue in the situation when different performance obligations are bundled together in one sales contract).

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- › Note 13 – share-based payment (Note 28(c)(i)): assessment of fair value of an option grant).
- › Note 17 – trade receivables (Note 28(c)(i): estimate of expected credit losses).
- › Note 28(d) – revenue recognition: (Note 28(c)(i)): allocation of value to maintenance and support element of subscription arrangements).

(c) Measurement of fair values

Further information about the assumptions made in measuring fair values is included in the following note:

- › Note 13 – share-based payment.

5. Alternative performance measures

The Group uses a number of alternative performance measures ("APMs") which are non-IFRS measures to monitor the performance of its operations. The Group believes these APMs provide useful information to help investors and other stakeholders evaluate the performance of the business and are measures commonly used by certain investors for evaluating the performance of the Group. In particular, the Group uses APMs which reflect the underlying performance on the basis that this provides a more relevant focus on the core business performance of the Group and aligns with our KPIs. Adjusted results exclude certain items because if included, these items could distort the understanding of our performance for the year and the comparability between periods. The Group has been using the following APMs on a consistent basis and they are defined and reconciled as follows:

- › Cash overheads: Operating expenses adjusted for: depreciation, amortisation, equity-settled share-based payment and other one-off non-recurring items disclosed separately. See Note 9 for a reconciliation.
- › Adjusted EBITDA: Operating loss adjusted for: impairment loss, depreciation, amortisation, equity-settled share-based payment, other (expense)/income and other one-off non-recurring items disclosed separately. See Note 9 for a reconciliation.

6. Operating segments

See accounting policy in Note 28(e). The Directors consider there to be one operating segment, being that of development and sale of licences for software, related maintenance and support and professional services.

(a) Geographical segments

The Group recognises revenue in three geographical regions based on the location of customers, as set out in the following table:

| Revenue | 2023 \$'000 | 2022 \$'000 |
|---------------------------|----------------|----------------|
| North America | 4,603 | 5,504 |
| Europe – Germany | 896 | 733 |
| Europe – Other | 479 | 1,355 |
| Rest of the world – China | 478 | 1,894 |
| Rest of the world – Other | 239 | 199 |
| | 6,695 | 9,685 |

Management makes no allocation of costs, assets or liabilities between these segments since all trading activities are operated as a single business unit.

(b) Major products

The Group's core patented technology, Distributed Coordinated Engine "DConE", enables the replication of data. This core technology is contained in the vast majority of the Group's products.

(c) Major customers

| | 2023 \$'000 revenue | 2023 % of revenue | 2022 \$'000 revenue | 2022 % of revenue |
|------------|---------------------------|-------------------------|---------------------------|-------------------------|
| Customer 1 | 984 | 15% | 828 | 9% |
| Customer 2 | 832 | 12% | 3 | 0% |
| Customer 3 | 716 | 11% | 505 | 5% |
| Customer 4 | 174 | 3% | 926 | 10% |

No other single customers contributed 10% or more to the Group's revenue (2022: nil).

7. Revenue

See accounting policy in Note 28(d).

The Group generates revenue primarily from the sale of global collaboration software to its customers; see Note 6.

(a) Split of revenue by timing of revenue recognition

| Revenue | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Licences and services transferred at a point in time | 4,222 | 7,466 |
| Maintenance and support services transferred over time | 2,473 | 2,219 |
| | 6,695 | 9,685 |

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2023

7. Revenue *continued*

(b) Contract balances

The following table provides information about contract assets and liabilities from contracts with customers.

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Contract assets, which are included in "Other non-current assets – accrued income" | 265 | 843 |
| Contract assets, which are included in "Trade and other receivables – accrued income" | 800 | 843 |
| Total contract assets | 1,065 | 1,686 |
| Contract liabilities, which are included in "Deferred income – non-current" | (129) | (220) |
| Contract liabilities, which are included in "Deferred income – current" | (2,587) | (2,038) |
| Total contract liabilities | (2,716) | (2,258) |

| Total contract assets | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| At 1 January | 1,686 | 2,220 |
| Excess of revenue recognised over rights to cash being recognised in the year | 744 | 1,946 |
| Impairment of contract assets | (313) | (732) |
| Reclassification to contract liabilities | (47) | (426) |
| Interest on contract assets | 131 | 82 |
| Transfers in the year from contract assets to trade receivables | (1,136) | (1,404) |
| At 31 December | 1,065 | 1,686 |

| Total contract liabilities | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| At 1 January | 2,258 | 1,759 |
| Amount invoiced in advance of performance and not recognised as revenue during the year | 2,772 | 2,350 |
| Reclassification from contract assets | (47) | (426) |
| Amount previously included in contract liabilities that was recognised as revenue during the year | (2,267) | (1,425) |
| At 31 December | 2,716 | 2,258 |

The reclassification between contract assets and liabilities in the tables above is an offset of accrued income against deferred income for contracts where there exists both a contract asset and a contract liability.

(c) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Revenue is recognised either when the performance obligation in the contract has been performed (so "point in time" recognition) or "over time" as control of the performance obligation is transferred to the customer.

8. Operating expenses

(a) Expenses by nature

| | Note | 2023 \$'000 | 2022 \$'000 |
|---|------|----------------|----------------|
| Commissions to sales team | | 636 | 678 |
| Other cost of sales | | (3) | 17 |
| Cost of sales | | 633 | 695 |
| Staff costs | 8(c) | 22,216 | 26,136 |
| Staff related expenses | | 2,471 | 7,702 |
| Amortisation of development costs | 15 | – | 3,903 |
| Depreciation of property, plant and equipment | 14 | 629 | 870 |
| Auditor's remuneration | 8(b) | 237 | 261 |
| Marketing expenditure | | 1,477 | 2,086 |
| Premises and IT expenditure | | 2,497 | 2,725 |
| Other legal and professional costs | | 3,098 | 2,880 |
| Adviser costs relating to the Irregularities | | 4,175 | 924 |
| Other expenses | | 825 | 439 |
| Operating expenses | | 37,625 | 47,926 |
| Other expense/(income) | | 46 | (166) |
| Total cost of sales and operating expenses | | 38,304 | 48,455 |
| Impairment loss | | 815 | 2,151 |
| Total items included in arriving at operating loss | | 39,119 | 50,606 |

Other expense/(income) relates to RDEC R&D tax credits claimed by the UK subsidiary.

Impairment loss includes an impairment charge on intangible assets of \$nil (2022: \$1,349,000), right of use assets of \$815,000 (2022: \$69,000), trade receivables of \$nil (2022: \$nil) and contract assets of \$nil (2022: \$733,000).

(b) Auditor's remuneration

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Audit of these financial statements | 160 | 183 |
| Amounts receivable by auditor in respect of: | | |
| Audit of financial statements of subsidiaries pursuant to legislation | 77 | 78 |
| | 237 | 261 |

In addition to the above, fees charged by the previous auditors, BDO LLP, of \$127,000 (2022: \$924,000) have been reported within the adviser costs relating to the Irregularities above.

(c) Staff costs

| | 2023 \$'000 | 2022 \$'000 |
|------------------------------------|----------------|----------------|
| Wages and salaries | 16,974 | 20,132 |
| Redundancy costs | 591 | 741 |
| Social security costs | 1,663 | 2,241 |
| Other pension costs | 474 | 471 |
| Equity-settled share-based payment | 2,514 | 2,551 |
| Total staff costs | 22,216 | 26,136 |

(d) Average number of persons employed

| The average number of persons employed by the Group was as follows: | 2023 Number | 2022 Number |
|---|----------------|----------------|
| Software development | 66 | 78 |
| Selling and distribution | 54 | 70 |
| Administration | 18 | 22 |
| | 138 | 170 |

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2023

9. Adjusted EBITDA loss and Cash overheads

Management has presented the performance measures "Adjusted EBITDA" and "Cash overheads" because it monitors these performance measures at a consolidated level and it believes that these measures are relevant to an understanding of the Group's financial performance. Adjusted EBITDA and Cash overheads are not defined performance measures in IFRS. The Group's definition of adjusted EBITDA and cash overheads may not be comparable with similarly titled performance measures and disclosures by other entities.

(a) Reconciliation of operating loss to "Adjusted EBITDA loss"

| | Note | 2023 \$'000 | 2022 \$'000 |
|--|-------|----------------|----------------|
| Operating loss | | (32,424) | (40,921) |
| Adjusted for: | | | |
| Other expense/(income) | | 46 | (166) |
| Impairment loss | | 815 | 2,151 |
| Adviser costs relating to the Irregularities | | 4,175 | 924 |
| Amortisation and depreciation | | 629 | 4,773 |
| Equity-settled share-based payment | 13(d) | 2,514 | 2,551 |
| Adjusted EBITDA loss | | (24,245) | (30,688) |

(b) Reconciliation of operating expenses to "Cash overheads"

| | Note | 2023 \$'000 | 2022 \$'000 |
|--|-------|----------------|----------------|
| Operating expenses | 8(a) | (37,625) | (47,926) |
| Adjusted for: | | | |
| Adviser costs relating to the Irregularities | | 4,175 | 924 |
| Amortisation and depreciation | | 629 | 4,773 |
| Equity-settled share-based payment | 13(d) | 2,514 | 2,551 |
| Cash overheads | | (30,307) | (39,678) |

10. Net finance (costs)/income

See accounting policy in Note 28(j).

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Interest income on cash and cash equivalents | 33 | 48 |
| Interest income on non-current assets | 131 | 82 |
| Net foreign exchange gain | — | 11,293 |
| Finance income | 164 | 11,423 |
| Net foreign exchange loss | (4,200) | — |
| Interest payable on bank borrowings | — | (5) |
| Leases (interest portion) | (27) | (105) |
| Finance costs | (4,227) | (110) |
| Net finance (costs)/income | (4,063) | 11,313 |

The net foreign exchange loss (2022: gain) arose predominately on sterling-denominated intercompany balances in a US dollar denominated subsidiary. These balances were retranslated at the closing exchange rate at 31 December 2023, which was 1.27, a 5% appreciation of sterling compared to the rate of 1.21 at 31 December 2022. The loss on intercompany balances in the Consolidated statement of profit or loss is offset by an equivalent exchange gain (2022: loss) on the retranslation of the intercompany balances, which is included in the retranslation of net assets of foreign operations, included in the other comprehensive income.

11. Income tax credit

See accounting policy in Note 28(k).

(a) Amounts recognised in profit or loss

| | 2023 \$'000 | 2022 Restated \$'000 |
|--|----------------|----------------------------|
| Current tax (charge)/credit | | |
| Current year | (6) | (24) |
| Changes in estimates related to prior year | 14 | 27 |
| Income tax credit | 8 | 3 |

(b) Reconciliation of effective tax rate

| | 2023 % | 2023 \$'000 | 2022 % | 2022 Restated \$'000 |
|---|-----------|----------------|-----------|----------------------------|
| Loss before tax from continuing operations | | 36,487 | | 29,608 |
| Tax using the Company's domestic tax rate | 21% | 7,662 | 21% | 6,218 |
| Effect of tax rates in foreign jurisdictions | 1% | 364 | (0%) | (44) |
| Tax effect of: | | | | |
| Non-deductible income/expenses | (2%) | (805) | 2% | 506 |
| Tax exempt expenses | 0% | 11 | (0%) | (13) |
| R&D tax credits | (0%) | (10) | 0% | 35 |
| Losses not recognised for current or deferred tax | (20%) | (7,228) | (23%) | (6,726) |
| Changes in estimates related to prior year | 0% | 14 | 0% | 27 |
| | 0% | 8 | 0% | 3 |

The tax rate applied to the Company is the US tax rate as it is a US tax registrant. The 2022 figures have been restated to reflect the reclassification of RDEC tax credits from the current tax (charge)/credit to other (expense)/income.

(c) Factors affecting the current and future tax charges

During 2021 the Chancellor of the Exchequer in the UK announced that the corporate tax rate would increase from 19% to 25% from 1 April 2023, as the change was substantively enacted by 31 December 2021, deferred taxation balances have been measured at 25% (2022: 25%).

In December 2017, numerous changes to the tax laws were enacted in the US, including a decrease in the corporate tax rate from 35% to 21%. The deferred tax balance for US tax resident members of the Group at 31 December 2023 has been calculated based on the rate of 21% (2022: 21%).

The parent Company Cirata plc files tax returns in the US due to the presence of US trade.

(d) Deferred tax assets and liabilities

Deferred tax liabilities are attributable to the following temporary differences in respect of property, plant and equipment:

| | 2023 \$'000 | 2022 \$'000 |
|--------------------------|----------------|----------------|
| Deferred tax liabilities | (3) | (3) |

The Group has unrecognised deferred tax assets of \$39,291k (2022: \$34,594k) in respect of tax losses arising in the Group. Losses arising in the US subsidiary prior to 1 January 2018 are limited to a 20-year carry forward, the remainder have no expiry date. The Group also has an unrecognised deferred tax asset of \$143k (2022: \$3,415k) in respect of share-based payments arising in the Group, based on the share price at the end of the year.

The Directors consider that there is not enough certainty over the availability of future taxable profits against which these losses may be offset and no asset has therefore been recognised.

12. Loss per share

(a) Basic loss per share

The calculation of basic loss per share has been based on the following loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding:

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Loss for the year attributable to ordinary shareholders | 36,479 | 29,605 |

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2023

12. Loss per share *continued*

(a) Basic loss per share *continued*

Weighted average number of ordinary shares

| | 2023 Number of shares '000 | 2022 Number of shares '000 |
|---|-------------------------------------|-------------------------------------|
| Issued ordinary shares at 1 January | 67,015 | 59,612 |
| Effect of shares issued in the year | 20,934 | 3,850 |
| Weighted average number of ordinary shares at 31 December | 87,949 | 63,462 |
| | 2023 | 2022 |
| Basic loss per share (cent) | 41 | 47 |

(b) Adjusted loss per share

Adjusted loss per share is calculated based on the loss attributable to ordinary shareholders before one-off adviser costs relating to the Irregularities, net foreign exchange (loss)/gain, impairment loss and the cost of equity-settled share-based payment, and the weighted average number of ordinary shares outstanding:

| | Note | 2023 \$'000 | 2022 \$'000 |
|---|-------|----------------|----------------|
| Loss for the year attributable to ordinary shareholders | | 36,479 | 29,605 |
| Adjusted for: | | | |
| Adviser costs relating to the Irregularities | | (4,175) | (924) |
| Impairment loss | | (815) | (2,151) |
| Net foreign exchange (loss)/gain | 10 | (4,200) | 11,293 |
| Equity-settled share-based payment | 13(d) | (2,514) | (2,551) |
| Adjusted loss for the year | | 24,775 | 35,272 |
| | | 2023 | 2022 |
| Adjusted loss per share (cent) | | 28 | 56 |

(c) Diluted loss per share

Due to the Group having losses in all years presented, the fully diluted loss per share for disclosure purposes, as shown in the Consolidated statement of profit or loss and other comprehensive income, is the same as for the basic loss per share.

13. Share-based payment

See accounting policy in Note 28(g)(ii).

(a) Description of share-based payment arrangements

The Group operates share option plans for employees of the Group. Options in the plans are settled in equity in the Company and are normally subject to a vesting schedule but not conditional on any performance criteria being achieved.

The terms and conditions of the share option grants between 14 September 2011 (the date Cirata plc acquired Cirata, Inc.) and 31 December 2023 are as follows:

| Year of grant | Range of exercise prices | Vesting schedule | 2023 | | 2022 | |
|----------------|--------------------------|------------------|--------------------|---|--------------------|---|
| | | | Number outstanding | Weighted average remaining contractual life | Number outstanding | Weighted average remaining contractual life |
| 2020 and prior | £0.10 | 5,7 | 18,333 | 1.7 | 152,126 | 4.8 |
| 2020 and prior | £0.75–£6.67 | 4,5 | 189,025 | 3.2 | 2,066,744 | 4.5 |
| 2022 | £0.10 | 4,5,6,9 | 57,628 | 8.7 | 223,501 | 9.7 |
| 2022 | £2.82–£6.46 | 4,9 | 625,280 | 8.8 | 3,006,724 | 9.7 |
| 2023 | £0.10 | 5,6 | 494,890 | 9.8 | — | — |
| 2023 | £0.52–£10.44 | 4, 5,6, 8 | 3,599,209 | 9.5 | — | — |
| | | | 4,984,365 | 9.1 | 5,449,095 | 7.6 |

13. Share-based payment *continued*

(a) Description of share-based payment arrangements *continued*

The following vesting schedule applies:

- 25% of option vests on exercisable commencement date; 1/48th of granted option shares vest monthly thereafter.
- Option vests on third anniversary of the date of grant.
- Option vests 25% on first anniversary of vesting commencement date, with the balance vesting monthly thereafter until final vesting date.
- Option vests 33% on first anniversary of vesting commencement date, with the balance vesting monthly thereafter until final vesting date.
- Option vests in three instalments. 1/3 on first anniversary of vesting commencement date, 1/3 on second anniversary and 1/3 on third anniversary.
- Option vests 100% on first anniversary of vesting commencement date.
- Option vests 30% after second anniversary and 70% after third anniversary.
- Option vests 1/3rd on first anniversary and then quarterly thereafter (8.33% per quarter).
- Option vests 1/6th of the shares granted every six months.
- Option vests 1/6th after six months, 1/3rd after 18 and 30 months and 1/6th after 36 months.

(b) Measurement of fair values

The fair value of the employee share purchase plan has been measured using a Black-Scholes option pricing model.

The inputs used in the measurement of fair values at grant date of the equity-settled share-based payment plans granted during the year were as follows:

| | 2023 | 2022 |
|--|----------------|-------------|
| Share price at grant date | \$0.65–\$13.02 | \$3.4–\$7.8 |
| Exercise price | \$0.12–\$13.02 | \$0.1–\$7.8 |
| Dividend yield | 0% | 0% |
| Risk-free interest rate | 3.3%–4.9% | 1.8%–4.2% |
| Expected volatility | 59% | 30% |
| Expected life (years) | 1–5.5 | 1–5.4 |
| Weighted average fair value of options granted during the year | \$0.16–\$7.2 | \$1.0–\$5.6 |

- › The dividend yield is based on the Company's forecast dividend.
- › The risk-free interest rate is based on the treasury bond rates for the expected life of the option.
- › The current year's expected volatility is based on the Company's historical share price volatility.
- › Expected life in years is determined from the average expected period to exercise.

(c) Reconciliation of outstanding share options

The number and weighted average exercise prices of share options (including previous options in Cirata, Inc.) under the share option plans were as follows:

| | Number of options 2023 | Weighted average exercise price 2023 \$ | Number of options 2022 | Weighted average exercise price 2022 \$ |
|-------------------------------|------------------------|---|------------------------|---|
| Outstanding at 1 January | 5,449,095 | 5.44 | 3,834,400 | 3.71 |
| Forfeited during the year | (4,062,030) | 4.70 | (344,852) | 3.27 |
| Exercised during the year | (419,116) | 2.55 | (1,544,523) | 0.43 |
| Cancelled during the year | (435,286) | 6.16 | — | — |
| Granted during the year | 4,451,702 | 2.40 | 3,504,070 | 5.35 |
| Outstanding at 31 December | 4,984,365 | 1.37 | 5,449,095 | 5.44 |
| Exercisable at 31 December | 421,944 | 3.87 | 2,269,063 | 5.20 |
| Vested at the end of the year | 421,944 | 3.87 | 2,269,063 | 5.20 |

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2023

13. Share-based payment *continued*

(c) Reconciliation of outstanding share options *continued*

| | 2023 \$ | 2022 \$ |
|---|---------------|---------------|
| Exercise price in the range: | | |
| From | 0.12 | 0.12 |
| To | 13.02 | 10.14 |
| | | |
| | 2023 Years | 2022 Years |
| Weighted average contractual life remaining | 9.1 | 7.6 |

(d) Expense recognised in profit or loss

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Total equity-settled share-based payment charge | 2,514 | 2,551 |

14. Property, plant and equipment

See accounting policy in Notes 28(l) and (a).

(a) Reconciliation of carrying amount

| | Right of use assets \$'000 | Leasehold improvements \$'000 | Fixtures and fittings \$'000 | Computers \$'000 | Total \$'000 |
|---------------------------------------|----------------------------------|-------------------------------------|------------------------------------|---------------------|-----------------|
| Cost | | | | | |
| Balance at 1 January 2022 | 3,226 | 642 | 240 | 2,500 | 6,608 |
| Additions | – | – | 5 | 201 | 206 |
| Disposals | – | – | – | (3) | (3) |
| Effect of movements in exchange rates | (155) | (52) | (7) | (122) | (336) |
| Balance at 31 December 2022 | 3,071 | 590 | 238 | 2,576 | 6,475 |
| Balance at 1 January 2023 | 3,071 | 590 | 238 | 2,576 | 6,475 |
| Additions | 916 | – | 4 | 72 | 992 |
| Disposals | (1,386) | (381) | (20) | (561) | (2,348) |
| Effect of movements in exchange rates | 70 | 23 | 3 | 63 | 159 |
| Balance at 31 December 2023 | 2,671 | 232 | 225 | 2,150 | 5,278 |
| Accumulated depreciation | | | | | |
| Balance at 1 January 2022 | (1,735) | (401) | (227) | (2,001) | (4,364) |
| Depreciation | (495) | (83) | (8) | (284) | (870) |
| Disposals | – | – | – | 3 | 3 |
| Impairment | (69) | – | – | – | (69) |
| Effect of reassessment of lease term | (631) | – | – | – | (631) |
| Effect of movements in exchange rates | 63 | 27 | 5 | 88 | 183 |
| Balance at 31 December 2022 | (2,867) | (457) | (230) | (2,194) | (5,748) |
| Balance at 1 January 2023 | (2,867) | (457) | (230) | (2,194) | (5,748) |
| Depreciation | (290) | (72) | (5) | (262) | (629) |
| Disposals | 1,386 | 314 | 17 | 506 | 2,223 |
| Impairment | (815) | – | – | – | (815) |
| Effect of movements in exchange rates | (85) | (17) | (3) | (53) | (158) |
| Balance at 31 December 2023 | (2,671) | (232) | (221) | (2,003) | (5,127) |
| Carrying amounts | | | | | |
| At 31 December 2022 | 204 | 133 | 8 | 382 | 727 |
| At 31 December 2023 | – | – | 4 | 147 | 151 |

14. Property, plant and equipment *continued*

(b) Right of use assets

| | Property \$'000 | Computers \$'000 | Total \$'000 |
|---------------------------------------|--------------------|---------------------|-----------------|
| Balance at 1 January 2022 | 1,488 | 3 | 1,491 |
| Additions | — | — | — |
| Depreciation | (492) | (3) | (495) |
| Impairment | (69) | — | (69) |
| Effect of modification to lease term | (631) | — | (631) |
| Effect of movements in exchange rates | (92) | — | (92) |
| Balance at 1 January 2023 | 204 | — | 204 |
| Additions | 907 | 9 | 916 |
| Depreciation | (289) | (1) | (290) |
| Impairment | (807) | (8) | (815) |
| Effect of movements in exchange rates | (15) | — | (15) |
| Balance at 31 December 2023 | — | — | — |

Property leases

The Group leases land and buildings for its office space. These leases run for two years.

Other leases

The Group leases computer equipment, with lease terms of three to five years. For the low-value items, the Group has elected not to recognise right of use assets and lease liabilities for these leases.

Impairment

The right of use assets has been impaired as the net carrying value exceeded the expected future cash flows from the assets.

15. Intangible assets

See accounting policy in Notes 28(m) and (p).

(a) Reconciliation of carrying amount

| | Goodwill on business combinations \$'000 | Development costs \$'000 | Total \$'000 |
|--|---|--------------------------------|-----------------|
| Cost | | | |
| Balance at 1 January and 31 December 2022 | 3,154 | 63,851 | 67,005 |
| Balance at 1 January 2023 | 3,154 | 63,851 | 67,005 |
| Removal of fully amortised assets | (3,154) | (63,851) | (67,005) |
| Balance at 31 December 2023 | — | — | — |
| Accumulated amortisation | | | |
| Balance at 1 January 2022 | (3,154) | (58,599) | (61,753) |
| Impairment losses | — | (1,349) | (1,349) |
| Amortisation | — | (3,903) | (3,903) |
| Balance at 31 December 2022 | (3,154) | (63,851) | (67,005) |
| Balance at 1 January 2023 | (3,154) | (63,851) | (67,005) |
| Removal of fully amortised assets | 3,154 | 63,851 | 67,005 |
| Balance at 31 December 2023 | — | — | — |
| Carrying amounts | | | |
| At 31 December 2022 | — | — | — |
| At 31 December 2023 | — | — | — |

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2023

15. Intangible assets *continued*

(b) Amortisation

The amortisation charge on intangible assets is included in operating expenses in the Consolidated statement of profit or loss and other comprehensive income.

(c) Impairment

In the prior year the development costs were assessed for impairment in light of the continued losses and underperformance against expectations. An impairment charge was recorded of \$nil (2022: \$1,349,000). The valuation was performed on a value in use basis and the recoverable amount was \$nil.

(d) Development costs

Development costs historically were predominantly capitalised staff costs associated with new products and services.

16. Other non-current assets

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------------|----------------|----------------|
| Due in more than a year | | |
| Other receivables | 13 | 21 |
| Accrued income | 265 | 843 |
| Total other non-current assets | 278 | 864 |

17. Trade and other receivables

See accounting policy in Note 28(n).

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Due within a year | | |
| Trade receivables | 1,775 | 1,038 |
| Other receivables | 515 | 689 |
| Accrued income | 800 | 843 |
| Corporation tax | 691 | 1,371 |
| Prepayments | 658 | 959 |
| Total trade and other receivables | 4,439 | 4,900 |

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 23(ii) and (iv).

18. Cash and cash equivalents

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------|----------------|----------------|
| Cash and cash equivalents | 18,246 | 19,108 |

19. Equity

See accounting policy in Note 28(o).

(a) Share capital

| | 2023 Number | 2023 \$'000 | 2022 Number | 2022 \$'000 |
|--|----------------|----------------|----------------|----------------|
| Share capital | | | | |
| Allotted and fully paid – par value 10 pence | 114,962,298 | 15,634 | 67,014,665 | 9,524 |
| Authorised – par value 10 pence | 300,000,000 | | 100,000,000 | |

The ordinary share capital of Cirata plc is designated in sterling.

(b) Ordinary shares

During the year, 419,116 ordinary shares were issued at 10 pence nominal value relating to employees exercising share options, leading to \$1.1m additional share capital. The average exercise price of the share options was \$2.55 per share (with a range of \$0.12–\$10.23) resulting in additional share premium of \$1,017k.

On 3 July 2023 the Group announced a new subscription of shares to new and existing shareholders for 47,528,517 new ordinary shares of 10 pence each in the Company at a price of 50 pence raising gross proceeds of \$30.3m.

Total transaction costs were \$1.8m.

(c) Nature and purpose of reserves

Share premium

Amount subscribed for share capital in excess of nominal value, net of any share issue costs.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Merger reserve

The acquisition by Cirata plc of the entire share capital of Cirata, Inc. in 2012 was accounted for as a reverse acquisition. Consequently, the previously recognised book values and assets and liabilities were retained and the consolidated financial information for the period to 16 May 2012 has been presented as a continuation of the Cirata business, which was previously wholly owned by the Cirata, Inc. Group.

The share capital for the period covered by these consolidated financial statements and the comparative periods is stated at the nominal value of the shares issued pursuant to the above share arrangement. The difference between the nominal value of these shares and the nominal value of Cirata, Inc. shares at the time of the acquisition has been transferred to the merger reserve.

20. Loans and borrowings

See accounting policy in Notes 28(n) and (q).

| | 2023 \$'000 | 2022 \$'000 |
|--------------------------------------|----------------|----------------|
| Non-current liabilities | | |
| Lease liabilities | 359 | 119 |
| | 359 | 119 |
| Current liabilities | | |
| Current portion of lease liabilities | 436 | 420 |
| | 436 | 420 |
| Total loans and borrowings | 795 | 539 |

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 23.

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2023

20. Loans and borrowings *continued*

(a) Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

| Borrowing | Currency | Nominal interest rate | Year of maturity | 31 December 2023 | | 31 December 2022 | |
|-------------------------------|-------------------------|-----------------------|------------------|----------------------|------------------------------|----------------------|------------------------------|
| | | | | Face value \$'000 | Carrying amount \$'000 | Face value \$'000 | Carrying amount \$'000 |
| Lease liabilities | US dollars and sterling | 11% | 1–2 years | 875 | 795 | 571 | 539 |
| Total interest bearing | | | | 875 | 795 | 571 | 539 |

(b) Lease liabilities

Maturity analysis – contractual undiscounted cash flows

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------|----------------|----------------|
| Less than one year | 500 | 483 |
| Between one and two years | 375 | 88 |
| | 875 | 571 |

Expenses relating to short-term leases recognised in profit or loss were \$9,000 (2022: \$9,000).

(c) Reconciliation of movements in liabilities to cash flows arising from financing activities

| | Lease liabilities \$'000 |
|--|--------------------------------|
| Balance at 1 January 2023 | 539 |
| Non-cash movements | |
| New lease | 879 |
| Release of prior year lease | (216) |
| Effect of movements in exchange rates | 23 |
| Cash movements | |
| Payment of lease liabilities | (430) |
| Total changes from financing cash flows | (430) |
| Balance at 31 December 2023 | 795 |

21. Deferred income

See accounting policy in Note 28(d).

| | 2023 \$'000 | 2022 \$'000 |
|----------------------------------|----------------|----------------|
| Deferred income which falls due: | | |
| Within a year | 2,587 | 2,038 |
| In more than a year | 129 | 220 |
| Total deferred income | 2,716 | 2,258 |

Deferred income represents contracted sales for which services to customers will be provided in future years.

22. Trade and other payables

| | 2023 \$'000 | 2022 \$'000 |
|------------------|----------------|----------------|
| Trade payables | 677 | 893 |
| Accrued expenses | 2,309 | 5,332 |
| | 2,986 | 6,225 |

23. Financial instruments – fair values and risk management

See accounting policy in Notes 28(n) and (s).

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- › credit risk (see (ii));
- › liquidity risk (see(iii));
- › market risk (see (iv));
- › currency risk (see (v)); and
- › interest rate risk (see (vi)).

(i) Risk management framework

The Group's risk management policies are established to identify and analyse risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Trade receivables

The carrying amounts of financial assets represent the maximum credit exposure and approximate to their fair value.

Ageing of trade receivables

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Neither past due nor impaired | 1,359 | 904 |
| Past due but not impaired | | |
| Past due 1–30 days | 18 | 5 |
| Past due 31–90 days | 139 | 15 |
| Past due +90 days | 259 | 114 |
| Total not impaired trade receivables | 1,775 | 1,038 |

Credit losses of \$nil were applied to trade receivables in the year ended 31 December 2023 (2022: \$nil). The Group assesses expected credit loss for each individual customer considering their financial position, experience and other factors.

All trade receivables are denominated in US dollars.

Contract assets

Credit losses of \$nil were applied to contract assets in the year ended 31 December 2023 (2022: write off in 2022 \$733,000). Other than this, there were no other credit losses applied to contract assets in 2023 or 2022 as they were assessed as low risk. This assessment is made for each individual customer considering their financial position, experience and other factors.

Cash and cash equivalents

The Group held cash and cash equivalents of \$18.2m at 31 December 2023 (2022: \$19.1m). The cash and cash equivalents are held with banks which are rated P-1 for short-term obligations, based on Moody's ratings.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have enough liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Board monitors rolling cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections, indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances for at least twelve months from the date of signing these financial statements.

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2023

23. Financial instruments – fair values and risk management *continued*

Financial risk management *continued*

(iii) Liquidity risk *continued*

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

| Non-derivative financial liabilities | Carrying amount \$'000 | Contractual cash flows | | | | |
|--------------------------------------|---------------------------|------------------------|----------------------------------|---------------------|---------------------|--------------------|
| | | Total \$'000 | Less than 12 months \$'000 | 1–2 years \$'000 | 2–5 years \$'000 | >5 years \$'000 |
| At 31 December 2023 | | | | | | |
| Lease liabilities | 795 | 875 | 500 | 375 | — | — |
| Trade and other payables | 2,986 | 2,986 | 2,986 | — | — | — |
| | 3,781 | 3,861 | 3,486 | 375 | — | — |

| Non-derivative financial liabilities | Carrying amount \$'000 | Contractual cash flows | | | | |
|--------------------------------------|---------------------------|------------------------|----------------------------------|---------------------|---------------------|--------------------|
| | | Total \$'000 | Less than 12 months \$'000 | 1–2 years \$'000 | 2–5 years \$'000 | >5 years \$'000 |
| At 31 December 2022 | | | | | | |
| Lease liabilities | 539 | 571 | 483 | 88 | — | — |
| Trade and other payables | 6,225 | 6,225 | 6,225 | — | — | — |
| | 6,764 | 6,796 | 6,708 | 88 | — | — |

(iv) Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return.

The Group may be affected by general market trends, which are unrelated to the performance of the Group itself. The Group's success will depend on market acceptance of the Group's products and there can be no guarantee that this acceptance will be forthcoming. Market opportunities targeted by the Group may change and this could lead to an adverse effect upon its revenue and earnings.

(v) Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily US dollars, sterling and Australian dollars. The following table shows the denomination of the year-end cash and cash equivalents balance:

| | Sterling \$'000 | Australian dollar \$'000 | Euro \$'000 | US dollar \$'000 | Total \$'000 |
|--------------------------------|--------------------|--------------------------------|----------------|---------------------|-----------------|
| 2023 cash and cash equivalents | 5,250 | 2 | 1 | 12,993 | 18,246 |
| 2022 cash and cash equivalents | 12,529 | 164 | 229 | 6,186 | 19,108 |

Had the foreign exchange rate between the US dollar and sterling changed by 5%, this would have affected the loss for the year and the net assets of the Group by \$853,000 (2022: \$768,000).

(vi) Interest rate risk

The Group is no longer exposed to interest rate risk following the debt balance repayment in 2021. Leases on right of use assets have fixed rates so certainty over the lease term.

(vii) Capital management

The Group defines the capital that it manages as its total equity, as disclosed in the Consolidated statement of financial position on page 56. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and support the growth of the business. During the year, the Group raised \$30.3m gross proceeds from an equity raise.

24. List of subsidiaries

See accounting policy in Note 28(a).

Set out below is a list of the subsidiaries of the Group:

| Company name | Country of incorporation | Holding | Proportion of shares held | Nature of business |
|--------------------------------|--------------------------|-----------------|---------------------------|--|
| Cirata Ltd | UK | Ordinary shares | 100% | Development and provision of global collaboration software |
| Cirata Group* | UK | Ordinary shares | 100% | Dormant |
| Cirata International Limited* | UK | Ordinary shares | 100% | Dormant |
| Cirata, Inc. | US | Ordinary shares | 100% | Development and provision of global collaboration software |
| OhmData, Inc. | US | Ordinary shares | 100% | Dormant |
| AltoStor, Inc. | US | Ordinary shares | 100% | Dormant |
| The Consensus Company | US | Ordinary shares | 100% | Dormant |
| Cirata, Pty Ltd* | Australia | Ordinary shares | 100% | Development and provision of global collaboration software |
| Cirata Software (Chengdu) Ltd* | China | Ordinary shares | 100% | Development and provision of global collaboration software |

* Group companies owned indirectly by Cirata Ltd.

All of the above entities are included in the consolidated financial statements.

25. Commitments and contingencies

The Group has a contingent liability at 31 December 2023 relating to a sponsorship agreement whereby an additional \$127,303 is due to be paid under certain conditions that were subject to post-year-end outcomes. This is a related party transaction, see Note 26(b).

At 31 December 2023 the Group had no capital commitments (31 December 2022: \$nil) and the Group had no other contingent liabilities at 31 December 2023 (31 December 2022: none).

26. Related parties

(a) Transactions with key management personnel

Key management personnel compensation comprised the following:

| | 2023 \$'000 | 2022 \$'000 |
|------------------------------------|----------------|----------------|
| Short-term employee benefits | 4,847 | 5,744 |
| Equity-settled share-based payment | 1,943 | 1,742 |
| | 6,790 | 7,486 |

Key management comprises the Group's executive team, Executive and Non-executive Directors.

Further details on the remuneration, share options and pension entitlements of the Directors are included in the Directors' share options and the Directors' remuneration tables included in the Remuneration Committee report on pages 43 to 45, which form part of these audited financial statements.

Transactions and outstanding balances between the parent and its subsidiaries within the Group and between those subsidiaries have been eliminated on consolidation and are not disclosed in this Note.

(b) Other related party transactions

The DJRFF and EyUp Skills Limited are entities controlled by David Richards (the former CEO of the Group).

The David and Jane Richards Family Foundation ("DJRFF")

In January 2022 the Group paid invoices totalling \$49,005 for the Laptop for Kids initiative. The DJRFF repaid the Group \$49,005 in May 2022. At 31 December 2022 there was no outstanding balance.

EyUp Skills Limited

During 2022 invoices were paid to EyUp Skills Limited totalling \$19,760. At 31 December 2022 there was no outstanding balance.

Sheffield Wednesday F.C.

During 2022 the Group agreed to pay \$362,691 to sponsor Sheffield Wednesday F.C. for sponsorship of the 23/24 football season, which was on behalf of EyUp Skills Limited. EyUp Skills Limited is a company owned by David Richards jointly with Jane Richards. There is also an additional \$127,303 sponsorship payable which is contingent on certain post-year-end outcomes.

Notes to the consolidated financial statements *continued*

For the year ended 31 December 2023

27. Subsequent events

There are no subsequent events to report.

28. Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. Any contingent consideration is measured at fair value at the date of acquisition.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group "controls" an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency retranslation differences are generally recognised in profit or loss and presented within net finance (costs)/income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into US dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into US dollars at an average rate for the year, where this approximates to the foreign exchange rates ruling at the dates the fair value was determined. The functional currency of the parent Company, Cirata plc, is sterling.

Foreign currency differences are recognised in other comprehensive income ("OCI") and accumulated in the translation reserve.

(c) Use of estimates and judgements

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

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

28. Material accounting policies *continued*

(c) Use of estimates and judgements *continued*

(i) Accounting estimates

The preparation of financial statements in conformity with adopted IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Directors consider the following to be the estimates applicable to the financial statements, which have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year or in the long term:

Areas where estimates and assumptions are used:

Revenue – estimates to establish relative fair values when allocating revenue between different performance obligations. See Note 7.

Share-based payments – assessment of fair value of an option grant. See Note 13.

Trade receivables – assessment of credit losses on trade receivables. See Note 23(ii).

(ii) Judgements

The Group applies judgement in how it applies its accounting policies, which does not involve estimation, but could materially affect the numbers disclosed in these financial statements. The key accounting judgements, without estimation, that have been applied in these financial statements are as follows:

Revenue

An additional area of judgement is the recognition and deferral of revenue in the situation when different performance obligations are bundled together in one sales contract. For example, the carve-out of the term licence in a subscription arrangement from the maintenance and support element. When products are bundled together for the purpose of sale, the associated revenue, net of all applicable discounts, is allocated between the constituent parts of the bundle on a relative fair value basis.

Development costs

Capitalisation of development expenditure is completed only if development costs meet certain criteria. Full detail of the criteria is in Note 28(m)(i).

- Alternative accounting judgement that could have been applied – capitalising development costs.
- Effect of that alternative accounting judgement – increase for intangible assets' carrying value by the amount capitalised.

28. Material accounting policies *continued*

(d) Revenue from contracts with customers

The Group has a systematic basis for allocating relative fair values in these situations based on all information (including market conditions, entity-specific factors, and information about the customer or class of customer) that is reasonably available, which is normally a rate of 20% of the licence value for term licence and perpetual licences.

- Alternative accounting judgement that could have been applied – alternative methodology to allocate the fair values.
- Effect of that alternative accounting judgement – change in revenue figure and deferred income by the same amount.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies.

The details of the accounting policies in relation to the Group's various products and services are set out below:

| Type of product/service | IFRS 15 treatment |
|---|--|
| Software licences – perpetual licences | Under IFRS 15, revenue on perpetual licences is recognised in full once the licence has been granted and the customer has been provided with access to the software as it is considered that control has been passed at that point in time. |
| Software subscriptions (which include both a term software licence and a maintenance and support contract) | <p>Under IFRS 15, subscription arrangements have been split into two performance obligations which are both considered as distinct:</p> <ul style="list-style-type: none"> ➤ term software licence; and ➤ maintenance and support. <p>The allocation of transaction price between the two performance obligations is based on an adjusted market assessment approach.</p> <p>Term software licences are treated like perpetual licences with revenue being recognised in full once the licence has been granted and the customer has been provided with access to the software as it is considered that control has been passed at that point in time.</p> <p>The maintenance and support component is spread over the life of the contract as the performance obligation is satisfied over time matching the period of the contract as the requirements of IFRS 15.35(a) are met, and the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.</p> |
| Maintenance and support contracts | Maintenance and support revenue is spread over the life of the contract as the performance obligation is satisfied over time, matching the period of the contract as the requirements of IFRS 15.35(a) are met, and the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. |
| Training, implementation and professional services | Sales of training, implementation and professional services are recognised on delivery of the services at a point in time. |
| Sales commissions | <p>Under IFRS 15, the costs of obtaining a contract should be recognised as an asset and subsequently amortised if they are incremental and are expected to be recovered.</p> <p>Amortisation is charged on a basis consistent with the transfer to the customer of the licence or services to which the capitalised costs relate.</p> |

The Group recognises revenue on a gross basis (as the principal), in line with IFRS 15 requirements, when selling through online marketplaces as it has the primary responsibility for fulfilling the promise to provide the specified goods or service and has the discretion to establish prices.

The Group determines the transaction price it is entitled to in return for providing the promised obligations to the customer based on the committed contractual amounts. Customers either pay upfront or in payment instalments over the term of the related service agreement.

Contract assets relate to accrued income – licence revenue which has been recognised but has not yet been billed to the customer (as it is being billed in instalments over the term of the related service agreement) at the reporting date. The contract asset is transferred to receivables when the Group issues an invoice to the customer. The balance is discounted to fair value for the time value of money.

Contract liabilities relate to deferred income and include maintenance and support contracts which are either billed separately or allocated from a subscription contract, along with licence or services which have not been delivered to the customer, which is recognised as revenue when the performance obligations are satisfied.

28. Material accounting policies *continued*

(e) Segmental reporting

The Directors consider there to be one operating segment, being that of development and sale of licences for software and related maintenance and support.

The Group has adopted IFRS 8 "Operating Segments" from the date of transition to IFRS. IFRS 8 requires the Group to determine and present its operating segments based on information which is provided internally to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing the performance of the operating segment, has been identified as the Chief Executive Officer.

(f) Cost of sales

Cost of sales includes commissions earned by our salesforce on sales and direct costs relating to software supply.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount because of past services provided by the employee and the obligation can be estimated reliably.

(ii) Share-based payment arrangements

The grant date fair value of equity-settled share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market-based performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(iii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within twelve months of the reporting date, then they are discounted.

(h) Government grants

The Group recognises an unconditional government grant related to development costs as deferred income at fair value if there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

(i) Exceptional items

Exceptional items comprise items of income and expense that are material in amount and that merit separate disclosure in order to provide an understanding of the Group's underlying financial performance.

(j) Finance income and finance costs

The Group's finance income and finance costs include:

- › interest income;
- › interest expense; and
- › the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- › the gross carrying amount of the financial asset; or
- › the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

28. Material accounting policies *continued*

(k) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year (including R&D tax credits) and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- › temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- › temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- › taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(l) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- › Computer equipment Three years
- › Fixtures and fittings Three years
- › Leasehold improvements Three to five years
- › Right of use assets Life of lease

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

28. Material accounting policies *continued*

(m) Intangible assets and goodwill

(i) Recognition and measurement

| | |
|--------------------------------|---|
| Goodwill | Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. |
| Other intangible assets | Other intangible assets, including those acquired on acquisition of subsidiaries, have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses. |
| Development costs | <p>Expenditure on research activities is recognised in profit or loss as incurred.</p> <p>Development activities relate to software development and involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if:</p> <ul style="list-style-type: none"> › development costs can be measured reliably; › the product or process is technically and commercially feasible; › future economic benefits are probable; and › the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. <p>The expenditure capitalised includes direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.</p> <p>Otherwise, development costs are recognised in profit or loss as incurred.</p> <p>Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.</p> |

(ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

- › Other intangible assets Two years
- › Development costs Two years
- › Computer software Over the life of the software licence

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

(n) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

28. Material accounting policies *continued*

(n) Financial instruments *continued*

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified after their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- › it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- › its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – business model assessment

The Group assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- › contingent events that would change the amount or timing of cash flows;
- › terms that may adjust the contractual coupon rate, including variable rate features;
- › prepayment and extension features; and
- › terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – subsequent measurement and gains and losses

| | |
|---|---|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest, are recognised in profit or loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. |

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, is a derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recorded in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are measured in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

28. Material accounting policies *continued*

(n) Financial instruments *continued*

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis to realise the asset and settle the liability simultaneously.

(o) Share capital

Share capital is denominated in sterling and is translated into US dollars on issue with no subsequent retranslation. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

(p) Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- › financial assets measured at amortised cost; and
- › contract assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

For other financial assets, when determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- › significant financial difficulty of the customer;
- › a breach of contract, such as a default; or
- › it is probable that the customer will enter bankruptcy or other financial reorganisation.

28. Material accounting policies *continued*

(p) Impairment *continued*

(i) Non-derivative financial assets *continued*

Presentation of allowance for ECLs in the statement of financial position

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

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

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

(q) Leases

(i) Policy

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are mostly relevant to changing how and for what purpose the asset is used. The Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

28. Material accounting policies *continued*

(q) Leases *continued*

(ii) As a lessee

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- › fixed payments, including in-substance fixed payments;
- › variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- › amounts expected to be payable under a residual value guarantee; and
- › the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group presents right of use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "loans and borrowings" in the statement of financial position.

(iii) Short-term leases and leases of low-value assets

The Group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(r) Operating loss

Operating loss is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating loss excludes net finance costs and income taxes.

28. Material accounting policies *continued*

(s) Fair value measurement

“Fair value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (see Note 23).

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as “active” if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would consider in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

29. Standards issued but not yet effective

Several new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group’s consolidated financial statements:

- IAS 1 – Presentation of Financial Statements (effective date 1 January 2024); and
- IFRS 16 – Leases (effective date 1 January 2024).

Five-year record

| 31 December | 2019 \$'000 | 2020 \$'000 | 2021 \$'000 | 2022 \$'000 | 2023 \$'000 |
|---|----------------|----------------|----------------|----------------|-----------------|
| Revenue | 16,155 | 10,532 | 7,306 | 9,685 | 6,695 |
| Revenue growth | (5%) | (35%) | (31%) | 33% | (31%) |
| Deferred revenue | 3,810 | 3,753 | 1,759 | 2,258 | 2,716 |
| Deferred revenue growth | (12%) | (1%) | (53%) | 28% | 20% |
| Cash | 23,354 | 21,039 | 27,759 | 19,108 | 18,246 |
| Operating loss | (27,179) | (33,907) | (39,834) | (40,921) | (32,424) |
| Other (income)/expenses | – | – | – | (166) | 46 |
| Adviser costs relating to the Irregularities | – | – | – | 924 | 4,175 |
| Impairment loss | – | – | 2,131 | 2,151 | 815 |
| Amortisation of intangible assets | 5,701 | 5,070 | 5,115 | 3,903 | – |
| Depreciation of property, plant and equipment | 1,101 | 1,203 | 1,077 | 870 | 629 |
| EBITDA loss before equity-settled share-based payment | (20,377) | (27,634) | (31,511) | (33,239) | (26,759) |
| Add back equity-settled share-based payment | 8,707 | 5,403 | 2,004 | 2,551 | 2,514 |
| Adjusted EBITDA loss after equity-settled share-based payment | (11,670) | (22,231) | (29,507) | (30,688) | (24,245) |
| Development expenditure capitalised | (5,062) | (5,220) | (5,340) | – | – |
| Adjusted EBITDA loss including development expenditure | (16,732) | (27,451) | (34,847) | (30,688) | (24,245) |

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Share capital

The ordinary share capital of Cirata plc is listed on AIM, a market operated by London Stock Exchange Group plc. The shares are listed under the trading ticker CRTA. The ISIN number is JE00B6Y3DV84.



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